

Romania, Chamber of Deputies has approved the bill that caps the energy prices for households and several social institutions

Romanian Chamber of Deputies has approved the bill that caps the energy prices for households and several social institutions for a period of five months.

The Government has obliged to pay subsidies for residential consumers, with consumption within a limit of 1,500 kWh electricity (+10 %) and 10,600 kWh (+10 %) natural gas over the five-month period (November 2021 to March 2022).

The electricity price is thus capped at the price of 0.2 euros/kWh and a subsidy of up to 0.06 euros/ kWh will be paid to consumers which have not exceeded the abovementioned threshold, so the final price of electricity (all taxes included) will not exceed 0.14 euros/kWh.

For the natural gas, the Government capped the price at 74.8 euros/MWh (of which 50.5 euros/ MWh is the price of the gas without taxes), and will pay up to 33 % subsidy based on a benchmark price of 25.3 euros/MWh (not including taxes, such as storage fee, VAT, excise tax). As in the case of electricity, the subsidy will be reduced in case the final natural gas price after the 33 % discount drops below 25.3 euros/MWh.

For hospitals, schools, kindergartens, NGOs, social service providers and places of worship, there will be no subsidies, but the prices will be capped at the same levels.

Small enterprises and freelancers will be waived some taxes. For district heating providers, the price of natural gas purchased by the power plants that produce thermal energy will not be capped. Instead, the Government will finance the municipalities from the state budget so that they can grant subsidies to control the final price of heating, in the conditions of the rising price of gas purchased by the power plants.