

Hidroelectrica is responsible for the production of 15-20 % of electricity in Romania, the majority of which is sold on the domestic market.

Following investigations performed by the Competition Council, Hidroelectrica pledges to offer for sale on the day-ahead market a quantity of electricity at a maximum price determined on the basis of the price provided in the forward contracts. Also, Hidroelectrica pledges not to exceed a certain level of the price of electricity offered to increase power on the balancing market. At the same time, Hidroelectrica pledges to separate, within the company, the activity of bidding on the balancing market from that of bidding on the day-ahead market.

The statement from the Competition Council said that the implementation of this set of measures will lead to direct and immediate benefits for all participants in the electricity markets, being likely to lead to an increase in the quantities traded by the company on the spot markets and a decrease in energy quantities representing the imbalances generated in national electricity network that can it negatively affects consumers, by increasing the price of electricity. However, electricity traders believe that market influences of these measures are debatable. Romanian day-ahead market is already coupled with other countries, and if there are high prices in neighboring countries, it should also influence local prices. It may have an influence in the sense that the price on the balancing market will fall, as, practically, the main issue for this investigation was at the balancing market, where prices in Romania are much higher than in other countries. Otherwise, the price of electricity is the same as in the surrounding countries, but on the balancing market, the price in Romania is 2-3 times higher than in Hungary. However, after 1 January, the rules on the balancing market will change and this price will decrease.

But, there will be no influences on the day-ahead market. Romania needs imports, especially in the winter when consumption is higher and hydro production is lower. In addition, the settlement price is not set by Hidroelectrica, but by other players on the market.

In September 2018, the Competition Council has opened an investigation on a possible abuse of dominant position by state-owned electricity producer Hidroelectrica. The regulator suspected that the company limited the quantity of electricity sold on some segments of the energy market, particularly on the day-ahead delivery market segment, to get higher prices on the balancing market segment, which covers the electricity deficit in the network. The investigation started after recent high price fluctuations on the electricity market.