

Romanian Ministry of Energy has launched a public debate on a draft proposal for the suspension of gas price liberalization schedule between 1 July 2016 and 31 March 2017. The draft proposal also establishes a price of 13.2 euros/MWh for domestically produced gas used by households or thermal power plants.

According to previously agreed price liberalization schedule, gas price should increase by 10 % as of 1 July, rising from current 13.24 euros/MWh to 14.57 euros/MWh.

Earlier in June, the President of the Romanian National Energy Regulatory Authority (ANRE) Nicolae Havrilet said that imported natural gas will be 20 % cheaper this winter than natural gas produced in Romania. He explained that the possible losses for natural gas producers are a result of expected prices of natural gas on the international market, which should be around 15.47 euros/MWh. On the other hand, the price of natural gas produced in Romania and stored before 1 July is 17.68 euros/ MWh, and 19.01 euros/MWh for the amounts stored after this date.

This could lead to a situation where importing natural gas would be more profitable than its production. In the past few years, Romanian gas imports diminished significantly due to lower gas demand, which is completely covered by domestic production.

According to the liberalization schedule adopted in July last year, the price will be increased on annual basis. The schedule will be used to determine domestic natural gas prices through 30 June 2021. This timetable is a result of negotiation of Romanian Government with the European Union, International Monetary Fund and World Bank, through which the period for liberalization was extended from three to six years (2015-2021) and the proposition for steep price hike at the beginning was replaced with the one which provides price increase evenly distributed through the abovementioned period, transmits Serbia-energy.eu