

Romania, Government expects to pay 800 million euros for covering the differential between the price paid by energy suppliers and the capped price

The Romanian Government has allocated some 800 million euros for covering the differential between the price paid by energy suppliers and the capped price paid by the residential consumers for the electricity and natural gas during this winter season. The funds are included in the 2022 budget planning. Part of that money should be recovered from the so-called windfall revenues tax imposed to energy producers. However, the suppliers have expressed concerns regarding the timely and sufficient compensation for the losses incurred by selling electricity and natural gas to households below the wholesale market levels. The timeliness concerns may be addressed by the Government moving fast to approve the budget, but the size of the compensations remain an issue. According to regulations, the suppliers are compensated based on some average market prices and not the actual price paid to producers or on the wholesale market for the electricity supplied to households.