

Romania, Government has published an emergency ordinance which regulates electricity and natural gas prices for residential consumers

The Romanian Government has published an emergency ordinance which regulates electricity and natural gas prices for residential consumers for a period of twelve months and it is expected to be adopted despite the criticism of the ruling coalition partner the Social Democratic Party (PSD).

Compared to the support scheme which is in force since November 2021, the new one introduces capped natural gas price guaranteed for residential consumers irrespective of their monthly consumption.

For the non-residential customers, the natural gas price is capped at a slightly higher level (74.7 euros/MWh compared to 62.6 euros/MWh in the case of residential consumers) and will apply to companies with an annual consumption of up to 50,000 MWh in 2021. This limit is quite high, given that the largest industrial gas consumers have consumption between 28,000 and 280,000 MWh.

Energy price caps will cost the budget some 8 billion euros in 2022 alone. However, the Government is looking to offset these costs with an 80 % tax on the profits generated by the electricity producers selling their output at a price larger than 60.6 euros/MWh.