

Romania: State electricity producers cant have direct export contracts

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Nuclearelectrica, Hidroelectrica or Oltenia Energy state controlled electricity producers are obliged to offer their surplus to OPCOM instead of direct exports to more prospective EU markets.

For several years now Romania is a net exporter of electricity, the balance between export and import is definitely in our favor. It is often said that cheap energy export and import expensive energy, without taking into account the fact that energy always flows at a lower price to a bigger one. Market in Romania, with all its shortcomings, has managed to achieve an indicator which in technical terms is called "reference price". If, based on this price, selling energy abroad under advantageous to us, or import into bad conditions means we made a step forward. But in Romania some like and others dislike competition. Legislation maintain this unusual situation for two reasons: either do not know or do not want to know.

Electricity producers in Romania complained that they are not allowed to realize direct export of electricity and that they need to offer all surplus to OPCOM, which is mandatory and prescribed by energy regulator. From this situation to the reintroduction of bilateral energy contracts is not only a step.

In support of this trade directly, the judicial administrator of Hidroelectrica, Remus Borza, says that " manufacturers of state-owned power companies lose tens of millions of euros every year due to another type of" smart guys "who export electricity." "in 2012 I switched off" smart guys "from exports and purchase of cheap Hidroelectrica electricity, denouncing contracts with energy traders, because the Romanian state, through an abusive interpretation of some officials of the ANRE, place them on the position of monopoly, namely energy export monopoly. In 2014 Romania had an export of 8.7 TWh, and in 2015 exported over 10 TWh. If we put a 2-3 euro difference in this exported electricity, it follows that each year energy producers like Nuclearelectrica, Hidroelectrica or Oltenia Energy Complex were deprived of tens of millions of euros each year, money which instead in the pockets of Romanian state companies have entered into the same pockets of the same "smart guys" , "Borza said.

These statements look good to those who are still under the sway slogan "sell our country for nothing." There were however no connection with the free energy market and all its components. In Mr. Borza interpretation, energy traders are some evill and they must be eliminated, because manufacturers can close the chain from end to end? What free market would this be? Have you seen any producer of cereals, for example, to sell products directly without having to resort to a trader? Who assumes the risk and price competitive market, which once could be up once may be down? Of course, the trader. In the case of cereals and warehouses where traders can hold merchandise store, so to sell when the market offers a

competitive price. In the case of electricity, the goods can not be stored. Producers could cover this risk? We just wondering.

Romania has an energy market which is much more developed than other markets in terms of value. Meanwhile, in this market we have absolutely all possible players, from manufacturers to suppliers and traders, an article in energy law demands that any transaction will be made through platforms offered by the market operator (OPCOM)

The legislation clearly defines the energy supplier and trader of energy. To our knowledge majority of them should be licensed as traders, and only three companies as suppliers.

From this point of view, the Energy Regulatory Authority (ANRE) plays a crucial role. But, the Authority does not want to be bound to issue regulations which are clear and simple. ANRE regulation is confusing for all participants, currently producers have to offer their surplus thru OPCOM. The position expressed above by Remus Borza, ANRE president, Nicolae Havrilet commented: " Hidroelectrica and Nuclearelectrica are the cheapest energy producers in Romania, so they should sell the electricity in the country, not export it. ANRE has not issued any regulatory path for export. But the law is confusing, including the rules of Competition Council. I agree that there should be no barrier for export.

As per Borza, Hidroelectrica and Nuclearelectrica which are producers controlled by state should sell domestic energy cheap, then why producers of energy from wind or solar, which are private, should not do the same throughout the country, considering that energy production is cheaper than hydro or nuclear? Absurd, of course, given that we want a free market.

* Energy Center Bucharest think tank, earlier published several articles accusing traders, smart guys, for damaging Hidroelectrica, transmits Serbia-energy.eu