

# Latest energy news related to customer protection

Roundtable Discussion



**ERRA Customer Protection Working Group Meeting**  
October 10, 2022 | Istanbul, Türkiye (Hybrid)

Hosted by:







## 2. Provision of service quality indicators

- The provision of the defined quality indicators of the services provided by the regulated companies is distinguished by its importance among the problems raised by the consumers. The provision of the defined service quality indicators is always under the Commission's attention and is carried out through the analysis of the information submitted by the regulated companies the study of consumer complaints and the on-site monitoring by the Commission.
- Based on the information received from the electricity and natural gas supplying companies about the actual service quality indicators, as well as based on the study of consumers' complaints, the Commission carries out *monitoring* of:
  - the indicators of the number and duration of service interruptions by electricity and natural gas supply companies,
  - deadlines for responding to consumer complaints and questions by companies supplying electricity, natural gas,
  - the calculated indicators of the number and duration of cases of electricity voltage deviation from the permissible limits,
  - recalculations and calculated penalties made by electricity, natural gas supply companies in case of violation of commercial metering devices,
  - violations of the deadlines set in the process of becoming a new subscriber, and their reasons.
- In case of violation of consumer service quality requirements, the supplier pays the penalties established by Law and is obliged to fully restore the rights violated by him.



### 3. Increasing consumer (public) awareness

The Commission always focuses on the improvement of mechanisms aimed at prompt response to consumer complaints. And for this purpose, takes continuous steps towards increasing the level of public awareness. Those steps are;

- In order to ensure contact with consumers, the Commission by the hotline phone number provides prompt information on issues of the consumers, as well as advice on the consumer's rights and responsibilities in supplier-consumer relations.
- On the official website of the Commission, there is an opportunity to submit an electronic complaint through the unified platform [www.e-request.am](http://www.e-request.am), which is aimed at making the process of consideration of complaints more transparent and controllable by consumers, and also allows to follow the process of consideration of the complaint in online mode and to receive an online response.
- Each member of the Commission, including the chairman of the Commission, has appointed days of meetings with consumers, giving consumers the opportunity to raise their concerns and receive clarifications.
- The consumer also has the opportunity to obtain necessary information from the "Information to the consumer" and "Question and answer" sections of the Commission's official website. The information are updated every year.
- Companies supplying electric energy, natural gas and drinking water submit to the commission quarterly information on consumer complaints, which, as a component of consumer service quality indicators, is published on the Commission's official website after discussion.
- The annual comparative indicators of written and oral complaints submitted to the Commission regarding the supply of electricity, natural gas, drinking water and telecommunications are presented in the annual report of the PSRC, which is published on the official website.



### 3. Increasing public awareness (continuation)

- The official website of the commission is regularly updated, providing an opportunity for the mass media, non-governmental organizations protecting the interests of consumers and any interested person to be informed about the current processes of regulation of the public services sector, service quality, supplier-consumer relations, etc.
- On September 16, 2019, the RA Public Services Regulatory Commission organized a seminar for journalists covering the economic sphere and the field of public services regulation. As a result of the seminar, the participants of the event had the opportunity to get acquainted with the structure of the electricity system and the mechanisms of tariff formation, the tariff policy implemented in the water sector, the features of the regulation of the telecommunications sector, the liberalization of the electricity system market and other reforms expected in the system.

Considering that the mass media play a major role in raising the level of consumer awareness, the organization of such events by the Commission will have a continuous nature.

- Emphasizing the raising of the level of public awareness and the role of non-governmental organizations protecting the interests of consumers in it, the commission continues close cooperation with sectoral non-governmental organizations on public important issues (tariff formation, change, protection of consumer rights).



## 4. Legal reforms

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- Taking into account the features of the country's power system, the importance of consumer protection of the domestic market and the introduction of liability measures in the electricity production and consumption markets, the Commission will continue to improve the legal regulations aimed at the transition of the electricity market to a new model (including trading rules of the wholesale and retail electricity markets, wholesale and retail electricity new model forms of market contracts, electricity market transmission and distribution network rules).
- In order to provide more comprehensive and effective solutions to the issues of protection of fundamental principles of balancing the interests of consumers and regulated persons, the Commission has developed drafts of Law on Amendments to the Law on Public Services Regulatory Body of RA, Law on Amendments to the Law on Energy of RA, Law on Amendments to the Law on Public Services Regulatory Mandatory Payments of RA, which were adopted by the National Assembly and entered into force on 1 December, 2021. The mentioned laws are, in essence, aimed at increasing the efficiency of the commission procedures (including the enactment of regulations aimed at the effective implementation of the commission's proceedings), promoting and facilitating the activities in the energy sector, improving the financing mechanisms of the public services regulator.

## HEAT ENERGY



- In accordance with the Presidential Order “On measures related to accelerating reforms and increasing efficiency in the field of heat supply” draft Law “On Heat Supply” should be prepared.
- New “Rules on use of heat energy” should be prepared.
- Provisions on heat supply were included into the laws and other legal acts; the suspension cases of heat supply have been determined as follows:
  - ✓ based on a consumer’s written request (indicating the reason and duration of such suspension);
  - ✓ in case of inappropriate device installation (technical safety issues);
  - ✓ in emergency cases and during repair or preventive works;
  - ✓ in accordance with the court decision;
  - ✓ in cases of anti-extremism measures, based on the instructions of subsequent body, etc.

## ENERGY EFFICIENCY



- In accordance with the Law “On rational use of energy resources and energy efficiency”:
  - ✓ Energy suppliers equip electricity, natural gas, central heating and cooling supplies, and hot water consumers with smart meters. Energy suppliers also provide consumers with smart meters when existing meters are damaged or need to be replaced.
  - ✓ Exemplary form and terms of the energy efficiency contract, as well as the “Regulation on the implementation of energy efficiency services”, energy management system requirements, criteria for determining entities and non-residential buildings subject to a mandatory energy audit were approved.



# Energy news related to customer protection



- There were no any new measures taken by Government of Federation of BiH besides those reported on last ERRA Customer Protection Working Group meeting on April 14, 2022.

So, we would like to remind on the following measures that are still on force:

- The amendment on Law on Electricity of the Federation of BiH was adopted in Parliament of Federation of BiH and entered into force on January 6, 2022.
- Amended Law implies that if there is a disruption on the electricity market that will cause increasing the price of electricity supply for a qualified customers up to more than 20% compared to the previous year, the Government is obliged to limit increasing electricity supply prices up to 20% maximum. Same rule applies for contracts with an annual duration or longer.
- As a part of legislative amendments the Government also adopted Decision on limiting the increase in electricity supply prices. This decision stipulates that the Government of the FBiH during 2022 limits increasing electricity supply prices for a qualified customer up to 20% maximum compared to the previous year. The same rule applies to contracts with an annual duration or longer. Also, Federal government asked the competent ministry to make an analysis of the effects related to application of this decision for the period of three months after entry into force and to propose some corrections based on it if necessary.

by **Sanel Duranspahić, Lejla Deronja-Suljić**

Regulatory Commission for Energy in the **Federation of Bosnia and Herzegovina (FERK)**

# Key developments in consumer protection

- Registry of energy intermediaries by NRA
- Supply of last resort – legislation amendments in favor of customers, e. g. automatic transfer after the end of SoLR period instead of disconnection, stronger information exchange duties, clarification of payment terms
- „Economical tariff” – special financial aid for household consumers for 2022
- Price caps for commodity price
- Universal service for customers, when price caps are in effect, provided by SoLR
- Termination of „spot-price” consumer contracts
- License-free regime for solar panels up to 50 kWp (compared to 10 kWp)

# Electricity Sector Development

- Draft mini grid regulations and guidelines to enhance electricity access and use of RE sources. EPRA in partnership with various mini-grid sector stakeholders developed the draft Mini-Grid Regulations 2021 built on the provisions of the Energy Act, 2019 and the mini-grid licensing guidelines. The draft regulations are currently at the AG's office under finalization. The licensing process has been streamlined.
- In 10.22 , Kenya's distributor(KPLC) targets 2.1 million customers in system upgrade targeting post-paid customers as it seeks to tighten billing and seal revenue leakages.
- In 10.22 , Kenya's distributor(KPLC), plans to place an additional 55,000 post-paid meters under its self-read service within the current financial year as it deals with public outcry about inaccurate consumer bills.
- In 10.22 , Kenya's distributor(KPLC), is targeting to increase its post-paid customers on its self-reading meter app to 200,000 from the current 145,000.
- In 9.22 , Kenya's distributor(KPLC), announces plans to phase out petrol and diesel-powered vehicles and motorbikes from its fleet in favour of electric ones as the country's shift to clean transport gathers momentum.
- The Energy and Petroleum Regulatory Authority (EPRA) nearly doubled the foreign exchange fluctuation adjustment to Sh 1.36, up from 73 cents, to cater for the weakening of the Kenyan shilling against the US dollar. The energy regulator also raised the fuel cost charge (FCC) to Sh6.79 per kilowatt-hour (kWh) of electricity, up from Sh4.63.
- EPRA partners with the captive energy producers in Kenya to ensure enabling regulatory and license regime.
- A Sh118 million solar system will be installed in Mkwiro and Wasini islands in Kwale county. The multi-million project is funded by the World Bank in partnership with the county government.
- In East Africa, the EAPP Standardized Bilateral Trading Agreement was undertaken EPRA being part of the drafting team.

# Key developments in the Petroleum Sector

- With the swearing in of a new President in Kenya in 9.22, Kenya scrapped a subsidy on petrol a day on the basis that the subsidies were unsustainable. Some of the key challenges the new president faces include bringing down the high cost of fuel and food in East Africa's most dominant economy, while grappling with subsidy measures that policymakers warn could empty the country's coffers.
- Inflation hit a 63-month high of 9.2 percent in 9.22, after fuel prices jumped to a record high driving up the cost of essential goods and services. It is the highest year-on-year inflation rate, matching the 9.2 percent inflation rate recorded in June 2017. Petrol prices hit a historic high of Sh179.3 per litre after the government opted not to apply a subsidy on the product according to last month's fuel review by the Energy and Petroleum Regulatory Authority (Epra).

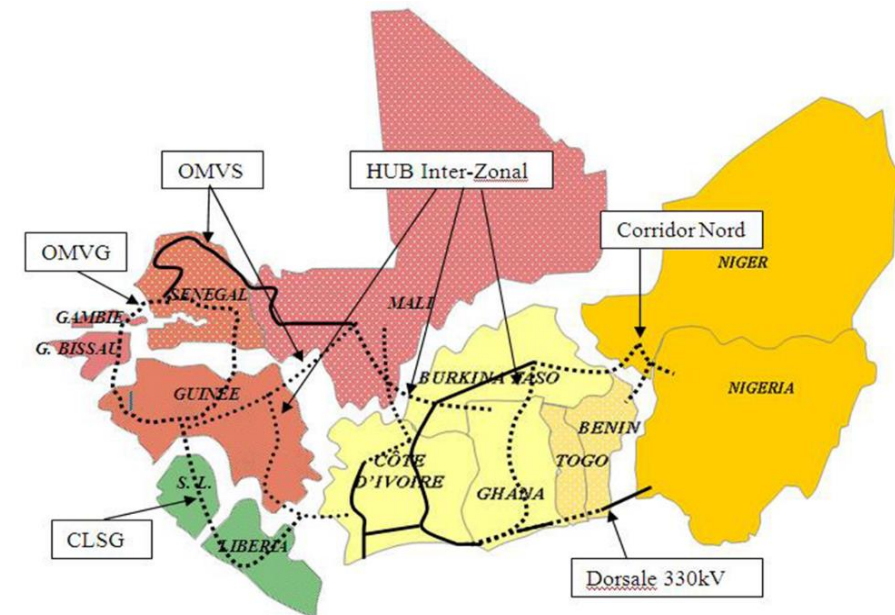
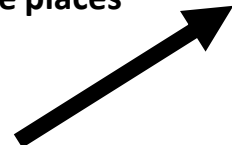
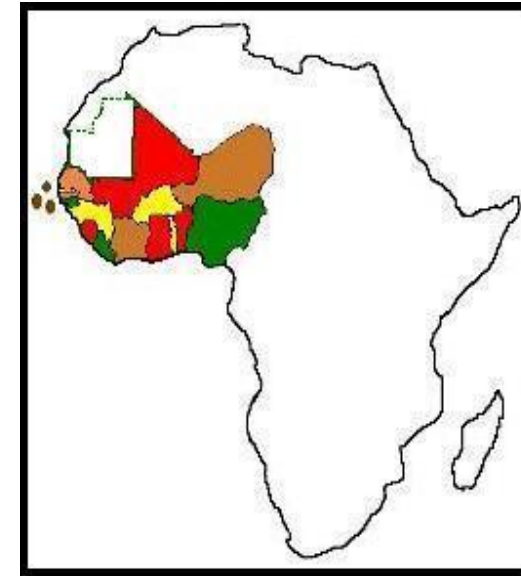


# Key developments in the Petroleum Sector cont.

- In 9.22, the Energy and Petroleum Regulatory Authority (EPRA) has flagged four petrol stations in Kenya for selling adulterated fuel and non-compliance with regulation and censured five dealers for filling stations who offered for sale adulterated fuels to customers and also offered for sale products meant for exports.
- The Court of Appeal in 12.22, upheld a ruling by the High Court to freeze an increase in the excise tax on petroleum products on grounds that it would put pressure on the cost of living. The cost of a litre of super petrol would have risen by Sh1.38, diesel by Sh0.70.
- 9.22 EPRA sanctions licensees that are in breach of licensing requirements in the sector.
- 9.22 development in the commercializing of Kenya's oil project in Turkana are back amid signals of an imminent strategic investor in 2022.



- 15 Member States
- Area: 5,112,903 km<sup>2</sup> (i.e. 7th in the world)
- Population (2022): 401,861,254 (U.N. estimate)
- 30% of proven crude oil reserves & 31% of proven natural gas reserves in Africa
- 546 million tons of coal - 225,459 UT of Uranium
- 23,900MW of hydroelectric potential, only 16% exploited
- Sunshine > 5 kWh / m<sup>2</sup> / day; Wind speed 5-6 m / s in some places
- Huge biomass potential
- Access rate to electricity: 50%
- Unsatisfied demand estimated at around 50%



## Obligations de service universel et rôle des consommateurs et du régulateur

- Issue:**
- Access to energy for disadvantaged citizens
  - Sustainability of our consumption models.

### **Background :**

- The context: oil economics - foreseeable increase in the price of oil products
- Dependence on fossil fuels.
- Renewable energy (RE) investment cost; technology availability
- Expansion of demand with the emergence of a middle class of consumers with easier access to household appliances
- Environmental threat: climate change;
- Inefficiency of the majority of electricity companies (inappropriate institutional architecture, high operating costs, additional cost niches transferred to consumers)..

by **Oumar Bangoura**, Principal Legal Regulatory Officer  
ECOWAS Regional Electricity Regulatory Authority (**ERERA**)



# ERERA 7th Regional Forum on Regulation

## SESSION No. 4: ENERGY SECURITY AND CONSUMERS PROTECTION

☒ MODERATOR: Minister of Energy, Guinea Bissau

Panelists : PURA, Mrs Bello, Engr Waako, XXX ( 4 panelists)

11:00 – 12:40	Electricity Consumers Protection and Global Economic Challenges	Experience of Gambia	Mr Yusupha JOBE, Director General <b>PURA-The Gambia</b>
		Experience of Nigerian Regulator	Aisha Mahmood Bello, Commissioner, Consumer Affairs, <b>NERC-Nigeria</b>
		Experience of Ugandan Regulator	Engr Ziria Tibalwa Waako, Chief Executive Officer, Electricity Regulatory Authority, Uganda
		Experience of Morocco Regulator	
		Perspective of Consumers advocate	Consumer Protection Agency of Ghana





by **Margus Kasepalu**, CP WG Chair; Head of the Department of Energy and Infrastructure  
**Estonian** Competition Authority (ECA)

# ECA

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- From 6th June till 30th September – all employees were forced to work remotely
- Reconstruction works

# ECA

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- There was in this building:
  - Data Protection Inspectorate
  - Estonian Competition Authority
- From 01 October 2022 in this building:
  - Data Protection Inspectorate
  - Estonian Competition Authority
  - Estonian Patent Office

# New Department

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- Cooperation and Support Services Department
- They started work in the spring of this year
- This department serves all three authorities/offices

# Changes in electricity market act

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- Due to high energy prices the necessary changes in the law were made super fast.
- Universal service - means the sale of electricity to a consumer of universal service within the territory of Estonia.

# Changes in electricity market act

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- A producer whose generating installation has a capacity that equals or exceeds 150 MW is obligated to sell electricity, for the purpose of provision of universal service, on equal terms, to a seller of electricity or to a network operator who sells electricity under the rules of universal service, or to a seller designated by that operator, at a price that has been approved by the Competition Authority

# Changes in electricity market act

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## •Timeline

- On 17.08 the changes were submitted to the Government of the republic.
- On 25.08 the Government presented the proposals to the Parliament.
- 25.08 till 15.09 hearings/proceedings in Parliament.
- On 19.09 the President announced the changes in the law.
- On 23.09 the amendments entered into force.

# Changes in electricity market act

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- On 26.09 an official application for price approval was submitted.
- On 29.09 ECA decided not to approve the price.
- On 30.09 ECA made a decision on setting the price.

Last 3-4 weeks we worked almost 24/7

to be continued



# Ongoing legislative changes due to the high energy prices crisis

New measures introduced since the ones listed in the ERRA Benchmarking Report on High Energy Prices.

## Reduction of natural gas consumption

- By **Governmental Decree 353/2022** in effect from 1 October 2022 central budget institutions and companies whose majority is held by the state the air temperature cannot be heated more than 18 Celsius. In case of public education institutions the temperature must reach at least 18 degrees Celsius. In case of public education institutions where children under the age of 14 are the temperature must reach at least 20 degrees Celsius. In case of public bath higher temperature can be provided.

## Reduction of natural gas consumption

- By **Governmental Decree 354/2022** in effect from 1 October 2022 central budget institutions and companies whose majority is held by the state must decrease their natural gas consumption by 25%.

# Ongoing legislative changes due to the high energy prices crisis

New measures introduced since the ones listed in the ERRA Benchmarking Report on High Energy Prices.

## Support for consumers that rely on electricity due to healthcare reasons

- **Governmental Decree 295/2022** in effect from 24 August 2022
- Household consumers eligible for US who – or a person living in their household – use a medical device (e. g.: electric wheelchair, respirator) on a daily basis.
- The support is additional 1697 kWh/year electricity on regulated prices.

## Compensation for electricity and natural gas USPs

- **Governmental Decree 289/2022** in effect from 8 August 2022
- The amount of the compensation is the difference in the price of the amount of electricity and natural gas required to provide US and the income obtained via providing US.
- MEKH proposes the amount of compensation to the Ministry, based on the request of the USPs.

# Strengthened cooperation between MEKH and the General Consumer Protection Authority

There is a shared jurisdiction in regard of consumer protection between MEKH and the General Consumer Protection Authority.

Among many others, **MEKH** has jurisdiction over complaints regarding entering into a contract/refusing to enter into a contract, infringement of a contract, unauthorized network access and off-take of electricity, receiving electricity without a contract, switching, status of vulnerable consumers in case of **ALL CONSUMERS**.



**MEKH** has jurisdiction over complaints regarding billing, metering and disconnection in case of **NON-HOUSEHOLD CONSUMERS**.



The **General Consumer Protection Authority** has jurisdiction over complaints regarding billing, metering and disconnection in case of **HOUSEHOLD CONSUMERS**.



# Strengthened cooperation between MEKH and the General Consumer Protection Authority

There is a shared jurisdiction in regard of consumer protection between MEKH and the General Consumer Protection Authority.



## More formal and informal cooperation during the crisis

- Increased communication, exchange of information and experiences between the 2 authorities.



## Publishing common information leaflets

- The work has begun to create and publish informative leaflets on the areas affected by the shared jurisdiction.
- The goal is a plain and understandable language for all consumers.

# **LAW ON MEASURES TO REDUCE THE EXTRAORDINARY INCREASE IN THE PRICES OF ENERGY RESOURCES - ELECTRICITY**

## **Reduction of the charge for consumed electricity:**

- for *household customers*, for the first 100 kWh consumed in each month determined as the difference between the average charge for electricity consumed per kWh and EUR 0,160 per kWh
- for *other customers*, 50 % of the difference between the charge for electricity consumed per kWh and EUR 0,160 per kWh

## **Full reduction of the charge for electricity system service for legal entities**

## **Full reduction of the charge for mandatory procurement and capacity components**

## **LAW ON MEASURES TO REDUCE THE EXTRAORDINARY INCREASE IN THE PRICES OF ENERGY RESOURCES – NATURAL GAS**

### **Reduction of the charge for consumed natural gas:**

▶ *Household customers* are subject to the reduction of the charge for the natural gas of EUR 0,030 per kWh provided that the consumption of natural gas in the gasified facility per month is from 221 kWh (21 cubic metres)

▶ In addition, household customers who do not receive natural gas at the regulated price are subject to a reduction of the charge determined as the difference between the charge for natural gas consumed per kWh and EUR 0,10875 per kWh.

## OTHER IMPORTANT ISSUES

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Security of energy supply



Consumer awareness

# Most Challenging Issues

## ➤ High electricity and gas prices

- ✓ From 2022-07-01 most popular electricity tariff of public supplier increased 97,6% and gas tariffs increased 27,5 % and 40 %.
- ✓ Until 2022-12-31, **compensations** from state budget fund (520 mln. Eur) for electricity and gas prices is applied to all household consumers.

*Electricity: 0,09 Eur/kWh, but the price after compensation can not be less, than 0,24 Eur/kWh. Gas: the amount of additional compensation to the price of the natural gas distribution service for household users – 1,9 Eur/m<sup>3</sup>; the amount of compensation for the part of the natural gas supply price related to natural gas acquisition costs – 0,99 Eur/m<sup>3</sup>.*



# Most Challenging Issues

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## ➤ Electricity market liberalisation

- ✓ First phase (until 2021-01-01), second phase (until 2022-01-01, was postponed until 2022-07-01) – **over**.
- ✓ Third phase – was foreseen to be over until 2022-12-31, **likely to be postponed for 3 years** (until 2026-01-01).
- ✓ chose an independent supplier: **1166 579** consumers; left: **505 242** consumers
- ✓ 2021-09 NCC launched Electricity price comparison tool:  
<https://skaiciuokle.vert.lt/>
- ✓ Due to the situation in the electricity market one independent supplier terminated electricity supply activity for 38 thousand consumers recently. The difference between the price of guaranteed and public supply will be partially **compensated** by the government's decision for those consumers.

# Other news

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- 2022-06-28 **The „Breakthrough Package“** was adopted. Aims to:
  - ✓ remove excessive restrictions on solar and wind power plants;
  - ✓ create favorable conditions for the growth of the number of generating consumer;
  - ✓ encourage the most socially vulnerable residents to join energy communities.

# Other news

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- The Ministry of Energy will allocate 389 million Eur **to increase household energy self-sufficiency** until 2030 (118.4 million within the next 1,5 years). Co-financing funds will be used for:
  - ✓ support residents' investments in solar and wind power plants and energy accumulators (batteries);
  - ✓ replacement of outdated heating boilers with more efficient ones;
  - ✓ installation of heat pumps
  - ✓ installation of charging stations for electric cars;
  - ✓ renovation of multi-apartment heat points.



# Law regarding the Energy Vulnerability Reduction Fund

On 28.07.2022, the Parliament of the Republic of Moldova adopted the Law regarding the Energy Vulnerability Reduction Fund (in force from 05.08.2022).

In this Law, is provided a new definition of *vulnerable consumer of energy* - „household consumer, family or single person, who, due to insufficient income, family composition or according to other criteria, requires social protection measures to ensure their domestic energy needs.”

According to the Law, there are 5 categories of consumers:

- a) consumers with very high energy vulnerability;
- b) consumers with high energy vulnerability;
- c) consumers with average energy vulnerability;
- d) consumers with low energy vulnerability;
- e) consumers without energy vulnerability.

The criteria for classifying household energy consumers in the categories, are:

- a) the income level of the family or of the single person;
- b) the ratio between the expenses for energy resources and the income of the family or of the single person;
- c) type of heating system;
- d) family composition;
- e) other criteria established by the Government.

by **Violina Șpac**, Director

National Agency For Energy Regulation (ANRE), **Moldova**



# **Project of Regulation regarding the assignment of categories of energy vulnerability and the method of establishing and paying compensations for the payment of energy bills**

At the moment, the Government is elaborating the Regulation for the purpose of execution the Law regarding the Energy Vulnerability Reduction Fund. The project of Regulation regulates the mechanism of framing in the categories of energy vulnerability and the mechanism of establishment and payment of compensations for paying energy bills.

The main idea of the compensation mechanism, is focused on an electronic platform, in which every person can register and introduce their personal data. The platform will examine all the information that was introduced and other data available in governmental information systems, and will catalog the consumer in one of those five categories.

Based on the information from the platform, the Ministry of Labour and Social Protection will transfer an amount of money on the supplier's account for consumer compensation, and the suppliers will exclude the sum from consumers bills.

The Energy Regulator Authority basically has been mediating consumer complaints on electricity and liquid fuels. Education and information, are our competencies in according to the law and we will include them in our work plan for 2023.

The Board members intend to approve regulation on complaints management, and are addressed the following subjects:

- The deadlines for handling complaints;
- Maintenance of a complaints control and filing system;
- The elaboration of statistical information on complaints, which must be reported monthly to the board members.

by **Dacia Zavala**, Legal Officer  
Energy Regulatory Authority (ARENE), **Mozambique**

# Key developments



- *ERC adopted new decisions on regulated electricity prices at the end of June 2022, by which the average electricity price for households increased by 7,4%;*
- *Along with the new regulated electricity prices, ERC introduced reform of the Tariff System for Households supplied by the Universal Supplier, with aim to promote energy savings.*
  - ❖ *The new concept is composed of 4 block tariffs based on consumption thresholds during peak hours (High Tariff from 7 am to 22 pm, Monday to Saturday) on monthly basis.*
  - ❖ *For the Low Tariff ( from 22 pm to 7 am, Monday to Saturday and Sunday whole day) there is single tariff.*
  - ❖ *The first block tariff (from 1 kWh to 210 kWh monthly) is cheapest, and the price gradually rises for consumption in each next block (211 kWh -630 kWh, 631 kWh -1050 kWh and above 1051 kWh).*
- *ERC adopted new decisions on regulated district heating prices at the end of July 2022, by which the average district heating price for households increased by 14,18%;*
- *The Government amended legislation aimed to reduce bureaucratic obstacles/procedures for installing small PV plants by prosumers (6kW per household and 40kW per company);*

# Key developments

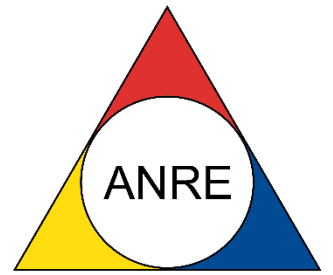
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- *High energy prices have further accelerated since July 2022;*
- *Government declared State of Energy Crisis on September 1, 2022, for a period of 30 days. The Parliament extended its duration until April 30, 2023;*
- *In order to keep the electricity price increases for households and small consumers on a bearable level, the Government provided further financial support to state-owned ESM JSC Skopje for purchases of the needed electricity from the free market, as well for purchases of coal and fuel oil for continuous operation of the domestic thermal power plants. Additionally, the Government provided financial support to the state-owned ESM JSC Skopje for the operation of the district heating system in Skopje;*
- *Every crisis creates opportunities. The current energy crisis encouraged companies to invest in their own production of electricity from renewable sources.*
- *From the beginning of 2022 until now, ERC issued 107 licenses for electricity generation with total of 37.85 MW newly installed capacity, mainly in PV plants, which are already commissioned. Additionally, until now there are 16 new licenses with total of 34.09 MW which are currently in the final test mode.*

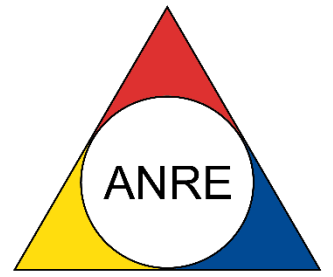


# Legislative framework on vulnerable consumer in Romania



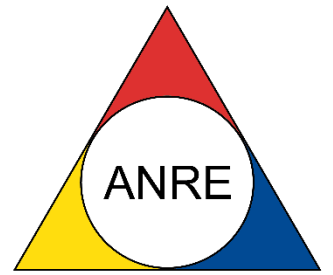
- ✓ In 2021 it has been adopted the **Law no. 226/2021 on establishing social protection measures for vulnerable energy consumers**, which sets the framework (including definition & criteria) for identifying those energy consumers which can be included in the category of **vulnerable consumer**).
- ✓ According to the **Law no. 226/2021** a **vulnerable consumer** is represented by *a single person/family who, for reasons of health, age, insufficient income or isolation from energy sources, require social protection measures and additional services to ensure at least their minimum energy needs.*
- ✓ The **Law no. 226/2021** stipulates the fact that *vulnerable consumers represents the following categories:*
  - a) *vulnerable consumers for income reasons;*
  - b) *vulnerable consumers for age reasons;*
  - c) *vulnerable consumers for health reasons;*
  - d) *isolated vulnerable consumers.*

# Legislative framework in the context of increase registered at energy prices level



- ✓ As of June 2021, electricity and natural gas prices have started to increase, amid the increased demand for energy after the COVID crisis and tensions between the Russian Federation, Ukraine and the European Union, **reaching unprecedented levels.**
- ✓ On average, **electricity prices have risen 2 to 3 times above historical levels.** The increase in the price of electricity both at the European level and at the national level caused considerable social and economic disturbances. Thus, household consumers, with low and middle income and a large number of small and medium enterprises **faced with major difficulties regarding the payment of electricity and natural gas bills.**
- ✓ As a result, **energy poverty has increased significantly**, and many economic agents had to restrict or even temporarily close their operations activity.
- ✓ In this context, the Government of Romania has adopted by Government Emergency Ordinance no. 118/2021 **a support scheme for household consumers, businesses small and medium** and other categories of final consumers of electricity and natural gas, in order to support them.
- ✓ The scheme implemented by **GEO no. 118/2021** was applied for a period of 5 months, between **November 1, 2021** and **March 31, 2022**, the financial support being granted through the state budget.

# Legislative framework in the context of increase registered at energy prices level



- ✓ Following the issuance of the OUG no. 118/2022, at the time of its expiration and in order to improve some provisions, **the Government has adopted a new Emergency Ordinance**, namely **GEO no. 27/2022**, which addressed several categories of beneficiaries, household and non-households consumers, who benefited from capped prices for electricity and/or natural gas consumed, the difference between the capped price and the actual price of the two utilities being compensated from the state budget.
- ✓ The scheme implemented by the Emergency Ordinance of the Government no. 27/2022 was issued in order to apply its provisions for a **period of 12 months**, between **April 1, 2022** and **March 31, 2023**, the financial support being granted through the state budget.
- ✓ After the publication of the **Government Emergency Ordinance no. 27/2022**, **requests for clarification from the economic operators regarding the application of the normative act**, as well as regarding **the clarification of some terms in order to clarify which economic operators benefit from the GEO**, appeared in the market.
- ✓ In this context, in order to reconsider some elements of the support scheme so that to be ensured its application at a unitary level by all operators in the energy market, with the direct consequence of a better functionality of the energy market and an adequate level of consumer protection, the Government has adopted in September this year **a new Emergency Ordinance, namely GEO no. 119/2022**.
- ✓ According to **GEO no. 119/2022** for the consumption achieved between **September 1st 2022 and August 31st 2023**, the final billed price by the electricity suppliers is capped on different values depending on the consumption recorded by the final electricity consumers (0-100 kWh, 101 - 300 kWh, for a maximum monthly consumption of 255 kWh and also for different categories of non-household consumers).