



The role of ANRE in the closed distribution systems

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Legal notion

According to the art. 2 of Energy Law no. 107/2016 and Natural Gas Law no. 108/2016, closed distribution system - an authorized system in accordance with the conditions established by this law, through which electricity or natural gas is distributed within a geographically limited industrial, commercial, or common service area.



Conditions

There are 2 condition that need to be met:

- a) For specific technical or security reasons, the operation or production process of users of the closed distribution system is integrated.
- b) The respective distribution system supplies electricity or natural gas to the person who owns it as property, the person operating this system, or their related enterprises.

Authorisation



If the conditions indicated in the previous slide are met, the closed distribution system operator must request ANRE an authorization to practice this activity. Along with the request, the following documents must be attached:

- A copy of the decision for the registration of the enterprise.
- The electrical diagram of the electrical installations within the closed distribution system, or a diagram of the natural gas installation within the closed distribution system.
- The compliance document issued by the state energy supervisory authority confirming the compliance of the closed distribution system with the security requirements (only for electricity).
- Information regarding the users of the closed distribution system.

Tariff

The CDSO is entitled to charge only the tariff established in accordance with the methodology approved by ANRE. The tariff should cover:



- a) cost of electricity or natural gas payed to a supplier;
- b) the fee for the provided service, that include the necesary costs for the operation and maintenance of the system, and costs required to cover technical consumption and losses of electrical energy in the closed distribution system, as well as a reasonable profit margin not exceeding 5% of the net value of the assets used by the closed distribution system operator.

CSDO is not entitled to request any other charges related to this activity

Contract

The supply of electricity through the closed distribution system is carried out based on the electricity supply contract concluded between the CSDO and the user.



The user has the right to **change the supplier** at any time. In this case, the closed distribution system operator is obligated to recalculate the tariff applied to the respective user and include in the tariff only the costs related to the service provided by the closed distribution system operator.

Sanctions



- •In case it is noticed that an activity is being practiced without authorization, the Agency has the right to initiate a contravention case. If the person is found guilty, the Agency may apply a fine between 120 to 300 conventional units, equivalent to 300 to 750 Euros.
- If a company's profit exceeds 10,000 euros, the case is transferred to the prosecutor for the initiation of a criminal case. If the person is found guilty, the sanction ranges from 2,000 to 6,000 conventional units, equivalent to 5,000 to 15,000 Euros.





Thank you for your attention

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