Generating Electricity from Renewable Sources in CEE & SEE

Energy Industry Group

Romania

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Country General Information

Capital: Bucharest

Location: situated in the south-eastern part of Central Europe and sharing a border with Hungary to the northwest, Serbia to the southwest, Bulgaria to the south, the Black Sea to the southeast, Ukraine to the east and to the north and the Republic of Moldova to the east. Romania lies between latitudes 43° and 49° N and longitudes 20° and 30° E.

Surface: with a surface area of 238,397 km², Romania is the largest country in South-eastern Europe and the twelfth (12th) largest in Europe.

Population: 18,841,093 inhabitants.[1]

Climate: temperate and continental, with four (4) distinct seasons.

Resources: Romania is blessed with an abundance of various natural resources, including rich farmland, water, wind, sun, biomass, geothermal potential, Black Sea access, Danube Delta, forests, fossil fuels and deposits of a wide range of metallic ores, including iron, manganese, chrome, nickel, molybdenum, aluminium, zinc, copper, tin, titanium, vanadium, lead, gold and silver, large deposits of pure salt, minerals, domestic raw materials to produce caustic soda, soda ash, chlorine, sulfuric and hydrochloric acid and phosphate fertilisers, etc.

Electricity Grid: The total length of the national electricity grid is 9243,065 km[2]. The national electricity grid is interconnected with the electricity infrastructure of all neighbouring countries. The grid is comprised of overhead power lines with a nominal voltage of 750 kV, 400 kV, 220 kV, 110 kV and electrical stations having a higher voltage of 750 kV (1 station), 400 kV (38 stations) and 220 kV (42 stations).

Electricity Transmission, Distribution and Supply: Electricity transmission is a regulated natural monopoly and is provided by National Electricity Transmission Company "Transelectrica" S.A ("Transelectrica). The electricity distribution market is divided into eight regions controlled by four distribution companies. The electricity supply is provided by

1 As per the https://www.worldometers.info/world-population/romania-population as of February 2026.

2 As per CNTEE Transelectrica Plan for RET development for 2026–2035.

68 private providers.[3] Electricity is traded on the Romanian electricity and gas exchange market platforms authorised by ANRE and outside these market platforms through direct negotiation between the parties.

Official EU Language: Romanian.

EU Member: since 1 January 2007.

NATO Member: since 2004.

United Nations Member: since 1955.

Currency: Romanian Leu (RON). Romania has committed to the EUR currency once it fulfils the necessary conditions.

Schengen Member: since 1 January 2025.

Political System, Administrative Organisation and Economy: Romania is a semi-presidential republic with a head of government – the prime minister – and a head of state – the president of the republic. The country is divided into 41 counties and the municipality of Bucharest. Romania has an economy predominantly based on services and is a producer and net exporter of machines and electricity.

3 As per ANRE Report on Market Monitorisation for October 2025 available at Monit-oct25-1.pdf.

1. Defined Terms for the Main Permits Required for RES-Electricity Generation Facilities

Accreditation	Administrative deed (decision) issued by ANRE, stating the right to benefit from the renewable energy sources ("**RES**") support scheme based on complying with all the legal requirements under Law 220/2008;
ACER	Means Agency for the Cooperation of Energy Regulators;
ATR	Means the technical connection approval issued by a grid operator for connection to the grid;
BESS	Means Battery Energy Storage System;
Building Permit	Administrative deed issued by the mayor of the local administrative unit where the RES-Electricity facility will be built or by the president of the county council if the premises are located outside the city limits;
CfDs	Means Contracts for Difference;
Connection Certificate	Administrative deed issued by the grid operator certifying that all technical parameters have been met and connection to the public electricity grid has been performed;
Energy Transition Fund	A fund established in the treasury accounts of the Ministry of Finance for the purpose of collecting contributions from various sectors of the energy industry;
Environmental Approval	Administrative deed issued by the local Environmental Authority evidencing the compliance of the RES-Electricity facility with the environmental requirements as provided by law;
GEO	Means Governmental Emergency Ordinance;
Grid Connection	Actions performed and administrative deeds issued by the grid operator to connect a new generating facility or to modify or replace the connection of a generating facility to the grid;

Guaranteed Access to the Electric Grid Given to the RES-Electricity	Set of rules and technical and commercial conditions based on which RES-Electricity contracted on the electricity market shall be taken into the grid;
Land Book	The national Authority for Land Book and immovable assets registration ("ANCPI");
Liability and Responsibility for Grid Connection and/or Capacity Upgrades, Improvements or Grid Expansion	The RES-Electricity Producers benefit from a regulated, non-discriminatory right of access to the electricity grid of public interest. Access to the electricity grid of public interest is a regulated, obligatory service to be managed by the transport and system operator, grid operator and licence holders, as well as any person who owns an electrical distribution network located in the public domain. These entities must provide their services to all users of the electricity grid, in a non-discriminatory manner, ensuring access to the electricity grid in accordance with the law and with the grid capacity to take over the output. From 1 January 2026, for projects of 5 MW or more, connection is conditional on prior capacity allocation under the applicable regulation. The expenses for modifying any grid installations are borne, according to legal requirements, based upon objective criteria. Certain categories of reinforcement works to the grid may be required (depending on the size of the RES-Electricity generating facilities) from the RES-Electricity Producers. The grid operator will refund the RES-Electricity Producers the value of the expenses incurred for the reinforcement works upstream of the connection point, the method of compensation being agreed between the parties;
Licence of RES-Electricity Facilities	Administrative deed issued by ANRE, for the commercial exploitation of such RES-Electricity facilities, which gives a RES-Electricity Producer the right to operate the RES-Electricity facility and to sell the generated RES-Electricity on the market;
Priority Access to the Electricity Grid Given to RES-Electricity	Set of rules and technical and commercial conditions, to have the possibility of taking over and selling the entire RES-Electricity output produced at a certain moment in time, depending on the capacity of the grid connection and the availability of the eligible units / resources (and as long as the national grid is not affected);

RES-Electricity	Electricity obtained from RES sources such as wind, solar, aerothermal, geothermal, hydrothermal and oceanic waves, hydraulic, biomass and biogas;
RES Support Scheme	State-aid measure notified and approved by the European Commission based on the green certificates ("**GCs**") support system applicable for all RES-Electricity capacities accredited until 31 December 2016. Under this support scheme, eligible producers of RES-Electricity ("**RES-Electricity Producers**") received a specific number of GCs, depending on the technology used, for each MW produced and delivered to the grid, along with an obligation imposed on the electricity suppliers and certain producers ("Entities4") to purchase a mandatory quota of GCs. GCs can be traded on the GCs and RES-Electricity markets organised and administrated by OPCOM S.A. ("**OPCOM**"), the market's administrator and operator;
Setting-Up Permit	Establishment authorisation issued by the Romanian Energy Regulatory Body ("**ANRE**") required for creating a new RES-Electricity generation facility.

2. Envisaged Need of Investments in Romania

In line with the new European requirements applicable to EU Member States, Romania must ensure that all planning instruments under the European Green Deal, the Fit for 55 Package and the REPowerEU Plan are deployed in a coherent and coordinated manner. Consequently, Romania is expected to adopt a comprehensive legal framework enabling those investments necessary to accelerate its transition to clean energy sources. These investment areas include:

- investments promoting the use of RES-Electricity for industrial purposes (e.g. rooftop PV, on-site wind turbines, solar carports, small hydropower units, implementation of smart-grid or energy-management systems, cabling, substations, transformers and other electrical upgrades needed to use more RES-Electricity);

4 Electricity suppliers and producers of (i) electricity purchased and used by suppliers for their final consumption as well as the electricity invoiced to end consumers; (ii) electricity used by a producer for their final end consumption, other than the electricity used for their technological consumption; and (iii) electricity used by a producer to power consumers connected through direct lines to the production facility.

- investments in the development and deployment of alternative green fuels;
- high value-added investments and investments in low-energy-consumption technologies, energy storage solutions or carbon capture, utilisation and storage (CCUS);
- investments in the rehabilitation and modernisation of the energy transmission and distribution systems;
- investments promoting the use of geothermal heat pumps for heating and cooling of buildings;
- investments in the technical adaptation of the gas transmission infrastructure to enable the transport of biogas, biomethane and green hydrogen;
- investments in the greening of transport fleets and the installation of electric-vehicle charging infrastructure;
- investments aimed at upgrading and improving municipal heating systems;
- investments in energy storage facilities, including battery storage and other innovative technologies; and
- investments in competitive electrolysis installations for the production of green hydrogen.

Based on the 2025 updated National Plan in the Field of Energy and Climate Change for 2021- 2030 ("**NECP**")[5] Romania will facilitate funding of the following capacities to ensure a diversified and balanced energy mix, with the aim of securing its energy supply by 2030 and extending this by 2035:

Type of Source	New production capacities as per updated NECP.
Nuclear Energy	1.4 GW (Units 1–2 shall be re – technologised with CANDU technology). Planned unit 3(700MW) in 2031 and unit 4(700MW) in 2032; SMR technology (462MW) in 2030.
Natural Gas – Combined Cycle Gas Turbine ("CCGT")	~ 4.8 GW total installed CCGT capacity by 2030, with hydrogen ready operation required from 2036 onward.

5 As per the information provided on the Ministry of Energy webpage https://energie.gov.ro/pniesc/

Natural Gas High Efficiency Combined Heat and Power ("CHP")	~0.9 GW (≈ 901 MW) of new highefficiency CHP (used district heating & industry) by 2030. CHP capacity was 0.135 GW in 2024, demonstrating that in 2024 the amount of electricity produced in high-efficiency cogeneration that benefited from the support scheme was 2,317 GWh.
Hydro (>10 MW)	~ 0.3 GW (~300 MW) of new hydro capacity by 2030; *Note: as per NECP the current total installed hydropower capacity is over 6,500 MW.*
RES – Wind	~5.8 GW total installed capacity by 2030.
RES – Solar PV	~ 8.2 GW total installed capacity by 2030.

Investments in the flexibility of the energy system are also necessary, in the form of operational and investment state aid. As part of these investments, the implementation of storage capacities for all RES-Electricity investments will require an additional state aid support scheme.

The digitisation of the Romanian energy system, including the transport and distribution networks ("**smart grids**") also plays an important role in reducing own technological consumption (OTC) and increasing the production of RES-Electricity production, as well as in transforming the Romanian energy market into a "fit-for-RES" market and improving RES integration.

Romania cannot integrate the 2030–2035 RES quotas, assumed in the Energy Strategy 2025–2035[6] without rapid modernisation of its electricity grids. Romania's distribution grids require approximately EUR 15 billion of investment by 2030 to accommodate electrification, RES integration and prosumer uptake. Smart metering installations ("SMI"), dynamic tariffs, AI-driven grid management, SCADA upgrades and the shift to the Government Cloud are critical enablers for the development of a modern electricity system.

In Romania, it is estimated that, in the coming years, energy storage capacities will be developed to enable greater volumes of RES-Electricity to be delivered to the grid by large installed RES capacities and prosumers.

6 Energy Strategy 2025–2035 approved by the Governmental Decision No. 1491/21.11.2024.

Romania has experienced one of the fastest prosumer booms in Europe. As noted by the ANRE vice-president, Mr. Gabriel Andronache, the number of energy prosumers reached 267,000 in September 2025, an increase of 10,000 compared to August 2025, with installed capacity totalling 3,128 MW.[7] This trend is expected to accelerate, with PV prosumer becoming a "default option" for households and SMEs.

It will also be necessary to replace electricity generating facilities that will be out of operation by 2030 with new, efficient, low emission and innovative investments in new capacities for electricity generation. To this end, the capacities anticipated from the repowering activity considered in the above-mentioned NECP are:

a. Wind energy – 3 GW installed capacity;

b. Photovoltaic energy – 1.35 GW installed capacity.

This should be done in the context of achieving the objectives of energy security, competitiveness and decarbonisation of the energy sector.

According to the Energy Strategy, repowering forms part of the national competitiveness strategy, including the modernisation of hydro assets, the retrofitting of thermal units and the upgrading of district-heating CHP. New nuclear capacity (post-2030) and hydrogen-ready gas plants are also needed to ensure long-term stability.[8]

The level of interconnectivity with other Member States of the national electricity system is expected to increase rapidly due to both the electricity day-ahead market and intraday market functioning in coupling modus with other European countries. This involves both domestic capacity-building investments and specific investments for transport interconnections. As a logical consequence, these will become national projects with regional impact, which will later transform into projects of common interest. They are supported by the EU and will become clusters with operational impact on energy security and commercial impact related to the single energy market. Romania's 2030 goal under the NECP is to prioritise major corridors, including:

- Black Sea Corridor cluster with direct impact on the energy system in Bulgaria and Romania; and
- The Mid Continental East Corridor cluster with direct impact on the energy system in Montenegro, Romania, Serbia and Italy.

7 Article in the online publication Economedia.ro: https://economedia.ro/anre-numarul-prosumatorilor-in-luna-septembrie.html.

8 Page 121–123 Energy Strategy.

Transelectrica's Plan for RET Development for 2025–2035 focuses on:

- grid reinforcements, the upgrading of aging transmission lines, the digitalisation of substations, the integration of SCADA and AI systems and improvements in grid flexibility to accommodate large volumes of wind and solar generation;
- increasing available cross-border capacity from approximately 3,000–3,500 MW today to 6,500–7,000 MW by 2030, almost doubling Romania's interzonal and cross-border exchange capacity;
- upgrading interconnections with Hungary, Bulgaria, Serbia, Ukraine and the Republic of Moldova;
- facilitating the integration of 2,000–4,000 MW of energy storage (20,000–40,000 MWh) by 2030, through grid-enabled storage markets, updated grid codes and new capacity mechanisms supporting the development of hydrogen-ready infrastructure and enabling the grid connection of approximately19.5 GW of new renewable capacity foreseen by 2035.

3. Executive Summary – RES Market Status and Development of RES-Electricity Facilities

3.1 Market Overview – Factsheets

- The Romanian RES-Electricity market has been under development since 2008 with the adoption of the first Renewable Energy Act ("**Law 220**") introducing the RES support scheme providing for GCs, long-term power purchase agreements ("**PPAs**"), available connection to the grid and merit order off-take.
- In 2011, the RES support scheme was approved by the European Commission and this led to a dynamic development of solar and wind projects resulting in 1,375.91 MW of solar and 3,015.93 MW of wind projects installed by 2019;
- The RES support scheme is applicable for those RES-Electricity Producers commissioned prior to 31 December 2016.
- RES-Electricity is traded on the markets organised and administrated by OPCOM and sold to energy suppliers and/or to large intensive consumers and therefore consumed in the energy mix by both economic operators and residential consumers.

- In 2013, the government introduced measures such as support of RES annual quotas, the obligation for energy agreements and GC agreements to be concluded on OPCOM, mandatory annual GC quotas to be purchased by the energy suppliers on the market and deferral from trading on the market of a number of GCs related to each RES technology. After 2014, few new projects were therefore developed on the local Romanian market.

- The development of electricity storage has evolved since 2014, through the construction and operation of hydroelectric power stations with an installed pumped-storage capability of more than 15 MW.

- Since 19 November 2014, the day-ahead market in Romania has been operating in a coupled way with the markets in the Czech Republic, Hungary and Slovakia through a price coupling mechanism, known as 4M MC.

- Since 2014, based on a state aid measure approved by the European Commission, energy intensive users are exempted from fully supporting RES-Electricity and are paying at least fifteen percent (15%) of the number of GCs related to the mandatory GCs quota.

- In 2015, the RES support scheme was amended and reapproved by the European Commission.

- In 2016, Romania reported to the European Commission that it had reached twenty five percent (25%) of total energy consumption from RES, exceeding the twenty four percent (24%) RES quota established as a country target for 2020 and provided no additional support scheme for new projects, except the sale of RES-Electricity on the specialised market.

- Since 2018, the Romanian government has regulated the use of RES-Electricity by prosumers, who own RES-Electricity facilities of at least 27 kW/consumption location and has given a strong signal that Romania encourages RES-Electricity consumption and energy efficiency.

- In November 2018, the Energy Minister drafted Romania's Energy Strategy 2019–2030 with an outlook set for 2050.

- In 2018 and 2019, the first electricity storage capacities were installed, which helps wind park and photovoltaic capacities to minimise energy losses during the charging process and adds new functionalities, including levelling of energy forecasts, recovery from power failures, as well as capturing energy at law voltages or on cloudy days.

- Since November 2019, Romania, Bulgaria, Croatia, Czech Republic, Hungary, Poland and Slovenia *inter alia* have successfully linked intraday markets with a total of fourteen (14) countries active in operational work since June 2018.

- Under the draft of the National Plan for Energy and Climate Change for 2021–2030 with a perspective towards 2050, in early 2020 Romania committed to having 30.7% of RES-Electricity as part of final energy consumption by 2030.

- In 2020, ANRE approved the conditions for obtaining a licence for the commercial operation of energy storage facilities, along with the rules for licence holders regarding the commercial exploitation of new hydrogen production facilities. That same year, the validity conditions for the Setting-Up Permit and licensing of new biogas/biomethane plants were also approved.

- On 1 February 2021, the following changes were introduced to the operation of the balancing market and the settlement of imbalances: (i) a 15-minute settlement time interval; (ii) a single imbalance price for settling imbalances of responsible parties; and (iii) a calculation method for dual imbalance prices (a single imbalance price for settlements between balancing parties (deficit and surplus price)).

- In June 2021 the interim coupling project was launched by extending the 4M MC markets –(i.e. the integration of the day-ahead electricity markets from the Czech Republic, Slovakia, Hungary and Romania with those in Austria, Germany and Poland), as part of the pan-European SDAC project.

- In 2021, the Romanian government adopted amendments to the Energy and Gas Law 123/2012 to provide that wholesale electricity market transactions may also be concluded in the form of directly negotiated bilateral transactions (i.e. directly negotiated PPAs, through bids on organised markets, including for balancing services or import/export transactions.

- In October 2021, operations were completed for the coupling of the Romanian-Bulgarian border in the SDAC, which allowed for the integration of the Greek and Bulgarian day-ahead markets into the SDAC.

- Romania's National Recovery and Resilience Plan ("**NRRP**"), approved by the EU Council on 28 October 2021 and amended by the Council Implementing Decision of 11 December 2023, focuses on the green transition and digitalisation, dedicating a substantial portion to increasing independence from fossil fuels and promoting green energy.

- The National Energy and Climate Plan ("**NECP**"), approved by Government Decision no. 1076/2021, was updated in October 2024 and represents Romania's commitment to contributing to the achievement of the European objectives set for 2030 in the field of energy and climate, by establishing: (i) national targets to reduce domestic greenhouse gas emissions, increase the share of energy from renewable sources in final energy consumption, improve energy efficiency across all economic sectors and increase the level of interconnection between the domestic electricity market and the European energy market, as well as (ii) policies and measures required to achieve those targets.

- Starting in November 2021, price caps for end consumers were introduced by Government Emergency Ordinance no. 118/2021 as approved by Law 259/2021. Furthermore, Law 259/2021 introduced a windfall tax for RES producers of 80% applied on revenues exceeding RON 450/MWh.

- In December 2021, the Romanian government presented its intentions to introduce a contracts for difference("**CfD**") support scheme (which was expected to be largely modelled on the existing CfD regime in the UK) as a means of promoting nuclear and renewable energy investments in Romania.

- On 21 December 2021, the European Commission approved an extension to the validity of the Romanian state aid scheme for a high-efficiency cogeneration bonus and related conditions.

- In March 2022, the Energy Ministry published an emergency ordinance draft for public debate, which was prepared in relation to an institutional and financial framework meant to implement and manage the funds allocated to Romania through the Modernisation Fund aimed at financing renewable energy projects.

- In July 2022, new legislation was approved by the Parliament, which simplifies the development of renewable energy generation facilities on *extra-muros* land with a surface of up to 50 hectares.

- In September 2022, the Government adopted Government Emergency Ordinance 119/2022 which amended the price caps and applicability period thereof. In addition, the windfall tax (contribution to the Energy Transition Fund) for surplus revenues was extended to all electricity producers and set to 100% of the revenues exceeding RON 450/MWh. The windfall tax is not applicable to capacities commissioned after the entry into force of Government Emergency Ordinance 119/2022. Furthermore, a windfall tax was introduced also for other market participants engaged in electricity trading activities. The compounding mechanism of the windfall tax for trading is different than that used for the windfall tax for producers of electricity and aims to ensure that the margin of market participants engaged in trading activities does not exceed 2% of the median price of the electricity acquired by the market participant.

- In April 2023, the law for the approval of the support agreement between the Romanian State and Nuclearelectrica S.A. for the development of Units 3 and 4 of the Cernavoda Nuclear Power Plant was enacted. Pursuant to the law, the Romanian state undertakes to implement the CfD for the support of Units 3 and 4 of the Cernavoda Nuclear Power Plant until 31 July 2025. Romania is in the process of sending a formal state aid request to the European Commission in February 2026, following an internal process involving stakeholders such as the Competition Counci.[9]

- In June 2023, Law 166/2023, amending Law 350/2001 and Law 50/1991, was enacted and allowed the issuance of building permits for renewable energy projects even in the absence of a General Urbanism Plan (PUG) or of a Zoning Urbanism Plan (PUZ), regulating the urbanism requirements applicable to the project lands.

- At the end of 2023, Romania's long-term strategy for reducing greenhouse gas emissions – Romania Neutral in 2050 (STL), was developed in accordance with the provisions of Annex IV of EU Regulation no. 2018/1999 and approved by Government Decision no. 1.215/2023. The STL highlights the key elements required to achieve the economic transformation necessary to meet the objectives and targets set at national level, in line with the European objective of achieving climate neutrality by 2050, through the implementation of the Fit for 55 legislative package.

- In April 2024 the Romanian Government passed a Government Decision 318/2024 (the "**CfD Government Decision**"); which established Romania's national framework for contracts for difference (CfDs) to support low-carbon electricity, explicitly covering onshore and offshore wind, solar PV, hydro, hydrogen, storage and nuclear energy.

- On 25 April 2024, the Government published Orders No. 353/2024 and No. 354/2024 establishing a state aid investment scheme financed through the Modernisation Fund to support the development of new renewable electricity generation capacities, specifically solar, wind and small hydro—via a competitive bidding procedure. The scheme entered into force on 25 April 2024 and applies until 31 December 2026, this being the final deadline for the price pre-commissioning (putting into operation) of funded projects ("**CfD Scheme**").

- In June 2024, the Romanian Parliament enacted Law 121/2024 on offshore wind energy (the "**Offshore Law**") which establishes the legal framework for the development of offshore wind in the Black Sea, including rules on the identification, concession and regulation of offshore areas.

9 https://www.energynomics.ro/en/romania-filed-ec-state-aid-request-for-cernavoda-unit-1-modernisation-fund-grant-cfd-units-3-4-next/.

- In July 2024 ANRE Order No. 51/2024 approving the methodology for determining and collecting the CfD contribution and Order No. 52/20 24 approving the framework contract between the CfD counterparty and the CfD contribution payer, as well as the framework contract between the CfD scheme operator and the CfD counterparty.

- In August 2024, ANRE adopted a regulatory package comprising Order No. 53/2024, the Methodology for allocating grid capacity (the "**Grid Allocation Methodology**") and the specific rules for connecting production units to grids of 110 kV or above (the "**Connection Rules**"). Applicable to projects of at least 5 MW, these measures modernise the allocation of grid capacity, the financing of grid reinforcements, the management of connection obligations and the allocation of costs and risks between developers and grid operators.

- Also in August 2024, ANRE amended a broad set of regulatory acts by introducing a new framework for elastic balancing energy requests and aligning national balancing rules with ACER decisions. The amendments revised the entire commissioning and testing regime for generation and storage facilities, including maximum testing durations and market rules during test phases, updated transparency and settlement obligations and modified the technical connection framework so that installations remain energised only during approved testing periods. The duration of NFP status was also aligned with the new testing rules.

- By Order No. 1120/2024, the Ministry of Energy approved Romania's state aid scheme for CfD designed to support electricity production from onshore wind and solar photovoltaic technologies and covering exclusively new generation capacities of at least 5 MW implemented in Romania ("**2024 CfD Scheme**").

- In September 2024, the CfD methodology was amended, with updates tod the formulas and components used to calculate the CfD contribution. The allocation of cost between the scheme operator and the CfD counterparty was revised and invoicing and payment deadlines for CfD contributors were tightened.

- In November 2024, the Energy and Gas Law was amended to establish comprehensive legal framework for electricity storage, which is pivotal for the integration of RES-Electricity. The amendments introduced new definitions, including storage service provider or operator; storage service and energy storage , required grid operators to reflect storage characteristics in connection studies and exempted electricity stored and subsequently reinjected (including pumped hydro) from the payment of: (i) the transmission extraction component, (ii) distribution tariffs, (iii) system service charges, as well as (iv) green certificate obligations and (v) high-efficiency cogeneration contributions.

- In the same month, Law 220 was amended to clarify that electricity absorbed for storage and subsequently re-delivered is excluded from gross final electricity consumption for accounting purposes, thereby avoiding double counting and aligning national rules with EU market design requirements.

- In December 2024, the Romanian government further tightened the RES framework by restricting authorisation for companies whose key decision-makers were previously involved in operators with outstanding financial obligations or regulatory sanctions. It also increased state oversight of electricity generation assets by requiring regulatory approval for any transfer or sale of licenced generation capacity and further aligned national rules with the updated EU REMIT framework, expanding the definitions of market manipulation, misuse of inside information and transparency reporting breaches in the electricity market.

- In late December 2024, ANRE adopted the regulation on the connection of offshore wind power plants to the electricity transmission network (the "**Offshore Regulation**")[10] which sets out all mandatory stages, from application and solution study to the issuance of the technical connection approval, conclusion of the connection contract, execution of works, testing, issuance of the connection certificate and final energisation. The Offshore Regulation also introduces a mandatory 5% financial guarantee, strict statutory deadlines, expressly excludes the application of several general onshore connection rules and strengthens the obligations of both Transelectrica and offshore users.

- In March 2025, a new ANRE order amended the CfD methodology, including updated data collection and correction timelines and approved the CfD contribution value applied from 1 April 2025.

- On 12 May 2025, the second competitive tender was launched for a total offered capacity of 3,472MW, split into 2,000 MW of onshore wind and 1,472 MW solar PV.

- In July 2025, ANRE adopted the methodological norms governing the exemption from the payment of regulated tariffs applied by grid operators for electricity stored and subsequently withdrawn from the grid.

- In October 2025, the Ministry of Energy introduced targeted adjustments to the 2024 CfD Scheme. These included updates to the Ministry's responsibilities regarding financing flows from the Modernisation Fund and PNRR, the introduction of a rule allowing the organisation of additional CfD auctions for any unallocated capacity following a competitive round, revisions to the definition of a CfD auction to emphasise separate procedures by technology, amendments to ATR requirements so that only the first auction retains the six-month deadline

10 Approved through ANRE Order No. 92/2024.

while subsequent auctions follow the initiation date of each auction, clarification of the scheme's EUR3 billion budget and strengthening of deficit-coverage procedures, including mandatory notification of the European Commission.

- In early November 2025, the Romanian Government amended multiple energy laws by emergency ordinance to transpose the RED II and RED III Directives into national legislation and to accelerate the permitting of renewable energy sources, introducing one of the most comprehensive reform packages for Romania's RES sector to date.

- In November 2025, the Romanian Government further amended the CfD Scheme by clarifying implementation timelines and institutional responsibilities, including ANRE's deadlines for adopting CfD collection methodologies and implementing the CfD contribution mechanism and by aligning the scheme with State aid decisions.

- On 18 December 2025, ANRE adopted an order standardising the maximum duration of testing periods ranging from 6 to 24 months depending on plant category, clarifying obligations such as zero injection during weekends and public holidays, requiring producers, including RES and storage units, to register as provisional balancing responsible parties ("**BRPs**") during testing and establishing specific settlement rules for electricity injected during test phases, which is remunerated at the lower of the DAM closing price and RON 400 MWh or subject to pay-back in the case of negative prices.

- On 19 December 2025, ANR adopted a new order introducing significant amendments to the grid allocation methodology, primarily by clarifying its scope, modifying applicability dates and tightening procedural deadlines. The revised methodology applies from 1 January 2026 to all capacity allocation and connection requests for installations at least 5 MW, including certain pending applications where solution studies or technical connection approvals had not been finalised within the prescribed timeframe.

- In December 2025, ANRE expanded the scope of the CfD methodology by introducing new obligations for operators of electricity storage installations, who are required to pay CfD contributions both for electricity consumed during charging and for electricity supplied to directly connected consumers. It also broadened the list of entities required to pay the CfD contribution, explicitly including producers consuming electricity at their own sites, suppliers undertaking self-supply and storage operators, thereby clarifying financial responsibility across different consumption and supply configurations.

3.2 RES Market Status, Permitting, Grid Connection, Licensing of RES-Electricity Facilities in Romania

General Market Data	
RES Target by 2030	Thirty-eight-point three percent (38.3%).
Net Production and Gross Consumption	Net electricity production (*Romanian Producţia netă de energie electrică*) as per the updated NCEP: ○ 2024 (estimated): 65.1 TWh; ○ 2025 (estimated): 68.7 TWh; ○ Consumption final gross (2024): 63.0 TWh; ○ Net imports (2024): 0.2 TWh; ○ Export net (2024): 2.1 TW.
Installed Capacity by RES Technology[11]	Wind power – 3,138.16 MW; Solar – 3,338.93 MW; Biogas/Biomass/Other – 139 MW.
RES Support Scheme	
Beneficiaries of RES Support Scheme with GCs	GCs are received only by those RES-Electricity facilities accredited prior to 31 December 2016.
Priority and Guaranteed Offtake into the Grid	RES-Electricity Producers receive priority access to the grid and the sale of the entire amount of energy with the observance of the market rules.
Other Incentives Endorsed by the EU Commission as Support Schemes	○ CfD Scheme for onshore wind & solar PV (total 5 GW across 2024 and 2025 auctions); ○ CfD Scheme provides for 15-year operating aid; ○ BESS Support Scheme for co-Located batteries: system enacted in 2024 and carried on in 2025 for behind the meter BESS.
Other Conditions	○ Licence for commercial exploitation above 1 MW; ○ Since 1 January 2026, new projects must bid for grid capacity allocation.

11 Source: https://www.transelectrica.ro/web/tel/productie updated as 1 April 2026.

Grid Connection Specifics	
Approvals	○ connection to the grid is based on a solution study or solution sheet, depending on the installed capacity; ○ the grid operator is responsible for drafting the solution study / sheet and for issuing the connection approval; ○ from 2026, connection to the grid is carried out in accordance with the Grid Allocation Methodology, as detailed in Section 5.5 below.
Permitting **Timing:** Depending on the Installed Capacity, Technology and Connection to the Grid, an Investor May Obtain the Necessary Approvals in Approximately Six (6) Months to Two (2) Years	○ building permit for civil works and connection works to the grid; ○ technical connection approval and connection agreement with the grid operator; ○ RES-Electricity capacity and related connection works' commissioning; ○ Environmental approval and environmental authorisation; ○ Connection Certificate.
Licensing	
Procedure	○ Setting-Up Permit; ○ Licence for commercial exploitation of the RES-Electricity facility.
Duration of Administrative Procedure to Obtain Setting-Up/License	Within sixty (60) days from the submission of the full documentation.
Licence's Validity	Twenty-five (25) years.

3.3 Designated or Preferred Legal Form of the Investment Vehicle and Acquisition of a RES-Electricity Project with a Co-Located Battery or a Standalone BESS

Romanian legislation does not require or recommend a particular type of investment vehicle in the RES-Electricity or energy storage sector. Usually, the limited liability structure ("SRL") is the most popular form of investment vehicle in this field.

A Romanian RES-Electricity project with a co-located battery or a standalone BESS under development usually contains, within the structure of the SRL, several types of assets, including (i) rights to the land associated with the RES-Electricity project and co-located battery or the standalone BESS (ownership or superficies rights, as well as easements and rights of way); (ii) building permit for the construction of the hybrid RES-Electricity project and of the standalone BESS; (iii) technical documentation (solution sheet or solution study, as the case may be; (iv) technical connection approval for the connection to the grid and sometimes, if the developer secured the financing for the hybrid RES-Electricity project or the standalone BESS capacity, the connection agreement entered into with the local grid operator; (iv) contracts (loans, various services related to the development of the project, etc.); and (v) potentially tangible assets and employees.

The acquisition of a RES-Electricity project with a co-located battery project or of a standalone BESS project can be performed through the purchase of either the shares in the SRL (share deal) or on an individual asset basis (asset deal).

Below is a comparison of the advantages and disadvantages of each type of acquisition.

Share Deal

No.	Benefits	Disadvantages
1.	The most common way to purchase a RES-Electricity / BESS project in Romania.	Complying with Trade Registry formalities for share deal publicity towards third parties.

2.	Taking over all civil and energy related permits and authorisations without any other formalities, except the notification to the relevant environmental authority in case of change of control over the SRL's shares or change of the project's characteristics.	The purchaser assumes all the historic corporate liabilities (and associated risks) of the SRL.
3.	The transaction can be performed faster, at lower costs and ensures an easier transfer of the RES-Electricity project with the necessary elements for construction and operation.	
4.	Flexible transaction structure based on the findings of a proper due diligence of the company, plus the real-estate assets, permits and authorisations, movable assets and employees, as the case may be.	
5.	Transaction in two stages: signing and closing(most of the cases). The transaction usually contemplates conditions precedent to closing: ○ performing a comprehensive due diligence to the purchaser's satisfaction, not only legal, but also technical, commercial, tax and accounting on the RES-Electricity and storage project and the SRL; ○ the seller obtaining any outstanding permits and authorisation and securing any relevant rights to land or access to the grid; ○ the seller terminating any unnecessary or undesired contracts and/or obtaining any relevant consents up to the decided development stage.	
6.	The transaction might contemplate a holdback on the purchase price or payment in instalments, to ensure that certain agreed milestones are met.	

7.	For the purchaser's protection, the share-purchase agreement may include a comprehensive set of representations and warranties regarding the SRL and the project, as well as indemnities, for any issues which the purchaser identified in the due diligence process. It is also recommendable to include, as a condition for the transaction, obtaining a real estate title insurance and warranty & indemnity insurance policy covering the liability under the sale and purchase agreement.	

Asset Deal

No.	Benefits	Disadvantages
1.	The purchaser will not take over the historical corporate liabilities (and associated risks) of the SRL.	If the project includes rights to land, the asset purchase agreement must be notarised by a Romanian notary public, subject to a fee.
2.	The purchaser can change the characteristics of the project before applying for various permits and authorisations.	Additional fee to be paid for registering the transfer of the rights to land with the Land Register. In principle, an asset deal carries VAT (unless performed as a going concern).
3.		The transfer of the energy-related permits associated with the project requires, in principle, the consent of the issuer and if there are technical changes to the project the issuance of other permits and authorisations.
4.		The transfer of relevant contracts requires the consent of the contracting parties and sometimes the conclusion of new agreements renewing the contracting parties and ensuring the undertaking of the assumed obligations.

4. Key Recent Changes to the RES Legislative Framework

The RES support scheme under Law 220 underwent several amendments in recent years:

4.1 Prosumer Excepted from the GCs Scheme

Prosumers, natural persons, legal entities and local public administration authorities that own power plants producing electricity from renewable energy sources, as well as natural or legal persons that operate units generating electricity from renewable sources, are exempt from the obligation to purchase green certificates on an annual and quarterly basis for the electricity produced and consumed on site for their own final consumption.

4.2 Deferral of GCs Generated by Photovoltaic Facilities

Two (2) GCs of photovoltaic facilities accredited prior to 31 December 2013 have been deferred from being traded between 1 April 2017 and 31 December 2020.

The above-mentioned GCs and the GCs deferred until 31 March 2017 shall be recovered starting from 1 January 2021, in equal monthly instalments until 31 December 2030.

4.3 Trade of the Deferred GCs After the Expiration Date of the Accreditation and Licence of RES-Electricity Facilities

RES-Electricity Producers have the possibility to receive those GCs deferred from trading and to trade them after the Accreditation and Licence of RES-Electricity Facility is set to expire.

In all cases, when the Accreditation or the Licence of a RES-Electricity Facility has expired, the RES-Electricity Producers are entitled:

- to obtain the GCs deferred from trading; and
- to trade until 31 March 2032 those GCs issued for their own production within the period of the Accreditation's validity.

More recent regulatory activity (2024–2026), including annual GC quotas, exemptions for large industrial consumers, state aid schemes and grid-connection or market-integration rules do not amend or reinstate any deferral of green certificates for RES-Electricity facilities.

4.4 GCs and Electricity Transactions Between Small RES-Electricity Producers and Electricity Suppliers

There is the possibility of concluding bilateral GC agreements and/or electricity agreements between small producers with an installed capacity of 3 MW and the electricity suppliers of the final consumers outside OPCOM markets.

4.5 All the GCs Issued Between 1 April 2017 and 31 March 2031, Including All the Deferred GCs, Are Validly Issued and Tradable

GC trading is permitted until at least 31 March 2032, subject to expiry rules. All GCs issued between 1 April 2017 and 31 March 2031, including deferred GCs, are issued in accordance with Law no. 220/2008 and may be traded on the regulated GCs market, subject to applicable quotas and market conditions.

4.6 GCs May be Traded Only Once Between the RES-Electricity Producer and the Electricity Supplier

There is only one exception; when the RES-Electricity Producer faces a shortfall of promised GCs for GC sale and in this case may buy the GC difference on the centralised markets.

4.7 Payment of EUR 70 by the Electricity Suppliers for a Non-Fulfilment of Annual Mandatory GCs Quota

Since 2018, RES-Electricity Producers and suppliers who do not fulfil the annual mandatory GC quota shall be required to pay the equivalent value of the non-purchased GCs to the Environmental Fund Administration at EUR 70 for each non-purchased GC, calculated in RON at the average exchange rate set by the National Bank of Romania for the previous year.

4.8 GCs Will Receive Value in the Account of the RES Producers at the Time of Trading

The GCs shall be registered in the RES-Electricity Producer GC accounts and as revenues for tax purposes only at the time of their trading on the markets and not at the issuing time. The change in registration will have a direct impact on the profit tax related to GCs.

The measure is applicable only for GCs issued after 31 March 2017.

4.9 Limited Financial Impact of RES Support Scheme on the End-Customer´s Electricity Invoice

Romanian legislation limits the financial impact of the RES support scheme on end-customers by imposing caps on the maximum cost of GCs included in electricity invoices. Electricity suppliers calculate and invoice GCs costs separately, based on the mandatory annual acquisition quota and the quantity of electricity supplied.

The maximum impact of GCs on final electricity consumption is capped at approximately EUR 14.5/MWh, as established annually by ANRE, while GC prices are determined under market conditions, subject to applicable regulatory limits. In the event of non-fulfilment of the mandatory quota, suppliers are required to pay the equivalent value of the missing certificates to the Environmental Fund Administration.

4.10 Electricity Suppliers Required to Purchase Fifty Percent (50%) of the Number of the GCs Necessary for Fulfilment of the GC Quota

Companies with an obligation to purchase GCs on the market should purchase at least fifty percent (50%) of the GCs necessary for fulfilment of the GC quota from the GC centralised spot market.

5. Significant and/or Expected Changes in 2025 and 2026

5.1 Amendments to the Energy Law and Gas Law No. 123/2012

In January 2026, a governmental emergency ordinance (**GEO**) draft was published by the Energy Ministry for public consultation.

The proposed amendments primarily transpose EU Directive 2024/1711 on improving the organisation of the Union electricity market and introduce new concepts into Romanian energy legislation.

New Definitions and Concepts:

- **Flexible Connection Agreement** – allows connection to the grid with energy limitation and control conditions in areas where network capacity is limited.
- **Single Buyer** – legal entity that purchases electricity on behalf of distribution and/or transmission operators to cover their own technological consumption.
- **Energy Sharing** – self-consumption of energy from renewable sources by active customers, generated or transferred from other customers.
- **Prosumers Acting Collectively** – new concept for achieving milestone 116 of the NRRP.
- **Fixed-Term Fixed-Price Contract** – contract guaranteeing that the price remains unchanged for the duration of the contract.

The new amendments are also related to:

a. Facilitating connection of new capacities:
   - Producers are allowed to evacuate and sell energy to the grid up to 60 days from the issuance of the connection certificate, prior to obtaining the licence.

b. Obligations for suppliers:
   - Suppliers with more than 200,000 customers must offer both fixed-price and dynamic-price contracts.
   - Prohibition on unilaterally modifying fixed-price contracts or terminating them before the end of the term.
   - Obligation to provide a summary of contractual clauses before concluding the contract.

c. Regulations on the single buyer:
   - Organised as a joint-stock company, without a commercial purpose.
   - May purchase up to 70% of the annual aggregated energy requirement for technological consumption of networks.
   - Participation of distribution and transmission operators is voluntary.
   - ANRE will develop the secondary regulations necessary for its operation.

d. Flexible grid connection agreements (New regulatory framework):
   - ANRE will develop a regulatory framework for flexible grid connection agreements in areas with limited capacity.
   - This framework ensures that flexible connections do not delay network reinforcements and allows for transition to firm connection agreements following network development.
   - Users with flexible connections are required to install a certified power control system.

e. Extended rights for customers:

- Active customers may consume or store shared energy from other areas, participate in energy sharing and simultaneously have multiple supply contracts.
- The right to fixed-price contracts with a minimum duration of one year or to dynamic-price contracts (for those with smart metering).
- Vulnerable customers have access to energy sharing systems, with a minimum of 10% of shared energy reserved for them.

f. Clarifications on energy market trading:

- Producers who are also suppliers fulfil the requirement to trade 50% of their production through supply contracts concluded with household customers using their own production.

g. Support schemes for renewable energy:

- For solar, wind, geothermal, run-of-river hydroelectric and nuclear production capacities, bidirectional CfD or equivalent schemes apply.

5.2 Implementation of Projects Under the Support System for RES-Electricity: CfD and Extension of Such Support Schemes to New Technologies

Romania has adopted the 2024 CfD scheme through a CfD governmental decision, as a support mechanism for low-carbon technologies, including onshore wind, solar photovoltaic, hydro, nuclear, hydrogen and energy storage. The CfD scheme operates on the basis of competitive auctions and, in specific cases, *ad-hoc* state aid.

At the same time, the complete legislative framework has also been approved, including orders issued by the Ministry of Energy concerning the state aid scheme and the auction rules, as well as an ANRE order regarding the contribution for contracts for difference.

CfDs are a support mechanism through which electricity producers receive a guarantee of a stable price (the strike price) for the energy they generate, thereby stimulating investment in new RES capacities and contributing to the long-term stability of the energy market.

The scheme aimed to conclude CfD contracts for 5,000 MW of renewable capacity (solar and wind), divided into two (2) auctions:

- 1,500 MW in 2024;
- 3 and 500 MW in 2025.

In practice, the auctions held to date have already exceeded expectations.

First Auction (December 2024):

a. Winners: 10 wind projects covering an installed capacity of 1,096MW and 11 solar projects, covering an installed capacity of 432MW;

b. Guaranteed strike prices resulting from the auction:
   - Solar: maximum €54.18/MWh, minimum €45.04/MWh;
   - Wind: maximum €77.32/MWh, minimum €54.48/MWh.

c. Available financing: €3 billion from the Modernisation Fund.

Second Auction (August 2025):

a. Winners: 23 wind projects, covering an installed capacity of 1,263.38 MW and 26 solar projects, covering and installed capacity of 1,144.75MW;

b. Guaranteed strike prices resulting from the auction:
   - On-shore wind: maximum €79.5/MWh, minimum € 65.17;
   - Solar: maximum €45.2/MWh, minimum €37.77/MWh.

c. Available financing: €3 billion from the Modernisation Fund.

In 2026, the monitoring of the implementation of CfD projects awarded in the first and second auctions (2024–2025) is expected to take place. The winning projects have clearly defined implementation deadlines and many are scheduled to enter into commercial operation in 2026–2027.

Taking into account the provisions of the CfD governmental decision, the preparation of the framework for potential extended CfD schemes is also anticipated, covering energy storage, hydrogen, hydro and nuclear technologies.

5.3 CfD Support Scheme Overview

5.3.1 Nature and Scope of the Support Scheme

The CfD scheme is an operating state aid mechanism, regulated by the CfD governmental decision and detailed by several Ministry of Energy orders, as subsequently amended.

In essence, the CfD contract is a private law contract concluded between OPCOM S.A (**"the CfD Counterparty"**) and the CfD beneficiary (i.e. the electricity producer), under which bidirectional payments are made based on the difference between a reference price and a predetermined strike price.

5.3.2 Price Determination for the Producer – the Difference Payments Mechanism

The CfD scheme's pricing mechanism operates on the basis of two essential elements:

- **The Strike Price** is the price per MWh established through the CfD auction, which the producer proposes in its financial offer. This price may not exceed the maximum strike price administratively set by the Ministry of Energy for each auction. The strike price is expressed in EUR/MWh and payments are calculated in euro and paid in Romanian lei (RON).
- **The Reference Price** is the price per MWh determined on the basis of the wholesale electricity markets, calculated by ANRE in accordance with a specific methodology.

CfD difference payments operate bidirectionally, as follows:

- If the reference price is lower than the strike price, the CfD Counterparty pays the producer the difference between the strike price and the reference price, multiplied by the quantity of energy delivered.
- If the reference price is higher than the strike price, the producer pays the CfD Counterparty the difference between the reference price and the strike price, multiplied by the quantity of energy delivered.

It is important to note that the producer does not receive CfD payments for the quantities of energy delivered during periods when the market price is negative.

Additionally, the strike price is indexed to the Harmonised Index of Consumer Prices – HICP – for the Eurozone, published by Eurostat ("**CPI**").

5.3.3 Duration of the Support Scheme

CfD difference payments are made for a maximum period of 15 years, calculated as follows:

- If the payment start date coincides with or precedes the target commissioning date, the producer benefits from CfD payments for 15 years from that date.
- If the payment start date is after the target commissioning date but before the deadline for commercial operation, the 15-year period is reduced by the number of days of delay.

If the commissioned capacity is between 90% and 100% of the proposed capacity, the payment period is reduced proportionally to the percentage of uninstalled capacity.

5.3.4 Financing of the Scheme – the Cfd Contribution

The financing of the CfD mechanism is ensured from two main sources:

a. Non-reimbursable European funds.

   The total estimated budget of the scheme is the RON equivalent of EUR 3 billion, financed with priority from the Modernisation Fund and, where applicable, from the **NRRP**.

b. The CfD contribution.

   This is an amount expressed in RON/MWh, paid by all final consumers of electricity in Romania.

The CfD contribution collection mechanism operates as follows:

- Electricity suppliers active on the Romanian retail market are required to collect the CfD contribution from final consumers and transfer it to the CfD liquidity fund.
- ANRE develops the methodology for determining the CfD contribution and approves its value by order of its president, by 20 December for the following year and by 20 June for the following semester.
- The CfD Counterparty notifies the Ministry of Energy and ANRE, by 1 November of each year, of the amounts required to be collected through the CfD contribution in the following year.
- The CfD contribution is reviewed semi-annually. If a deviation of more than 2% from the initial value is identified, ANRE issues an order setting a new value.
- Electricity suppliers are required to post financial guarantees in favour of the CfD Counterparty, to secure payment of the CfD contribution. In the event of non-compliance with the payment obligation, the CfD Counterparty may enforce the financial guarantee.
- The value of the CfD contribution also includes the annual revenues of the CfD Counterparty and Transelectrica (the CfD scheme operator) for the performance of their administrative duties.
- The CfD liquidity fund is therefore funded from: (i) non-reimbursable European funds, (ii) the CfD contribution collected from final consumers through suppliers and (iii) difference payments made by CfD beneficiaries to the CfD Counterparty when the reference price exceeds the strike price.

5.4 New RES-Electricity Share in Final Consumption Promoted by Romania

Romania's National Integrated Energy and Climate Change Plan ("PNIESC") was revised and communicated to the European Commission in October 2024, as requested by all Member States. In its latest form, as published by the Ministry of Energy, the target share of renewable energy sources in total energy consumption increases to 38.3% by 2030. The European Commission has recommended a target of 41%. However, the Romanian government didn't accept the European Commission's recommendation to raise the target share of renewables in energy consumption to 41%.

To reach the 38.3% target, Romania plans to install solar and wind facilities in the electricity sector, promote electrification in transport and deploy heat pumps in the heating and cooling sector.

The share of RES in electricity generation is projected to reach 57.8% by 2030 compared with 29.4% in transport and 41.4% in heating and cooling.

The new RES-Electricity share is aligned with Romania's plan to significantly expand renewable generation capacity and phase down coal and lignite capacity by 2030.

5.5 National Energy Strategy 2025–2035

At the end of November 2024, the Romanian Government adopted a new National Energy Strategy for 2025–2035 with an outlook to 2050, effectively updating and replacing the previous 2020–2030 approach as the main strategic framework.

This strategy is built on seven main pillars (energy security, low-carbon energy, energy efficiency, physical access to energy for all consumers, affordability and competitiveness, efficient energy markets, digitalisation and cybersecurity) and is aligned with climate-neutrality by 2050.

5.6 Amendments to the Grid Connection Regulation

For 2026, the grid operator is rolling out a new auction-based capacity allocation regime, together with transitional rules approved in December 2025, which affects how projects connect to the grid. The new methodology introduces an auction system for capacity allocation, replacing the previous "first come, first served" approach.

a. Auction-based capacity allocation from 1 January 2026

   A new methodology for the allocation of electricity grid capacity for the connection of electricity generation sites has been approved. This methodology applies from 1 January 2026 to capacity allocation requests for generation and consumption sites with an installed capacity greater than or equal to 5 MW and also provides for a transitional period during the first year of application.

   The methodology does not apply to electricity consumption requests from the grid related solely to consumption sites or to storage installations.

b. Capacity allocation contract - new requirement

For generation and consumption sites with an installed capacity of at least 5 MW, a capacity allocation contract has been introduced as a mandatory document required for grid connection. The issuance of the technical connection approval for such sites is conditional upon fulfilment of all obligations relating to payment for the allocated capacity in accordance with the provisions of the capacity allocation contract.

For connection requests submitted before 1 January 2026, for which solution studies had not been submitted by 31 December 2025, grid operators must fully reimburse the amounts collected for the preparation of such studies by 1 March 2026.

Applicants wishing to continue the connection process must submit new capacity allocation requests in accordance with the new methodology.

c. Amendments regarding the financial guarantee

Obligation to Establish a Financial Guarantee

For new generation or consumption sites or for capacity increases resulting in a total approved capacity greater than 1 MW, the user is required to establish a financial guarantee in favour of the grid operator. The value of the guarantee amounts to 5% of the connection tariff.

Forms of Guarantee

The financial guarantee may be established in one of the following forms: a bank guarantee letter, a fixed-term bank deposit or a direct payment to the grid operator.

Execution of Guarantee

The grid operator may execute the guarantee if the user fails to comply with obligations relating to:

- the conditions and deadlines for payment of the connection tariff;
- construction of the user installation and submission of the required documentation;
- compliance with the development stages of the generation or consumption site;
- submission of the building permit within the prescribed deadlines;
- execution of the connection contract within the applicable deadline; or
- requests for termination of the validity of the technical connection approval.

d. Deadlines for building permits

The user is required to obtain and submit the building permit by the date of conclusion of the connection installation execution contract, but no later than 12 months from the date of conclusion of the connection contract and 18 months from the date of issuance of the technical connection approval. These deadlines may be extended once for a maximum of 12 months, with the grid operator's consent and subject to the establishment of an additional financial guarantee of 5%.

e. Energisation procedure

Detailed provisions regarding energisation of user installations for the testing period have been introduced, including:

- recalculation of operating regimes within 20 working days;
- the possibility of energisation prior to completion of reinforcement works, provided that technical calculations demonstrate this is feasible; and
- penalties payable by the grid operator of 0.01% per day of delay in the event of exceeding deadlines for completion of reinforcement works.

f. Certification of active customer status

A new provision allows users to request certification of active customer status following the conclusion of the supply contract, specifying the activities they intend to carry out (participation in flexibility programmes, energy efficiency or electricity generation). Issuance of the connection certificate is performed free of charge within a maximum of five working days.

g. Transitory period for 2026

The methodology for the allocation of electricity grid capacity provides for an annual calendar with fixed deadlines for the various stages of the capacity allocation process.

ANRE Order No. 79/2025 establishes a special, deferred calendar applicable only for the first year of implementation (2026), in order to allow all parties to complete the full allocation process:

- 30 June 2026 is the deadline by which ATRs must be issued for legacy requests (registered before 1 January 2026 and for which solution studies were submitted by 31 December 2025); if not issued by this date, the new allocation methodology applies;

- 14 July 2026 is the deadline by which users may submit capacity allocation requests to grid operators;
- 20 July 2026 is the deadline by which distribution system operators ("**DSOs**") must transmit capacity allocation requests received from users to the transmission system operator ("**TSO**");
- 24 July 2026 is an additional deadline for the transmission of requests from DSO to TSO;
- 23 October 2026 is the deadline by which the TSO must complete the global solution study, determining the additional grid development works required to ensure the requested capacity; and
- 30 October 2026 is the start date of daily auction sessions organised by TSO for the allocation of available electricity grid capacity.

5.7 Amendments to the Permitting Framework for RES Generation Facilities

5.7.1 Real-Estate Permitting Process

Several important changes affecting RES permitting are expected or already scheduled to continue into 2026, but these largely reflect ongoing reforms rather than the introduction of new legislation.

The simplified land-use rules introduced by Law No. 254/2022, which allow RES projects (PV, wind, biomass, biogas, storage and transformer stations) to be developed on extravilan land without the approval of a zonal urban plan ("**PUZ**") documentation, remain applicable only until 31 December 2026.

There are expectations that this regime may be extended or reshaped.

5.7.2 Transposition of RED III Directive

Romania has completed the basic transposition of the Renewable Energy Directive ("**RED III Directive**") through the amendments to GEO 163/2022 and has taken further consequential steps (e.g., GEO 59/2025). However, not all operational elements have been finalised, including acceleration zones, RFNBO and guarantees of origin registries, a unified digital one-stop shop procedure with maximum permitting deadlines for energy capacities and full sector-specific secondary legislation.

Although pressure from the European Commission is increasing due to the risk of infringement and the Ministry of Energy has repeatedly stated its intention to accelerate the process, the likelihood that Romania will complete the transposition of all major operational elements by the end of 2026 remain moderate. In practice, the preparation of databases – ensuring interoperability between ministries – and digitalising procedures typically require between one and two years.

Full completion by the end of 2026 would therefore only be possible if the Romanian Government were to significantly accelerate technical implementation during the remainder of 2026.

5.8 Reshaping of the Legal and Institutional Framework for Guarantees of Origin in Romania

Throughout 2025 and 2026, the authorities continued to consolidate the regulatory framework through amendments to GEO 163/2022 and GEO 59/2025, establishing rules for the issuance, transfer, tracking and cancelling of guarantees of origin ("**GOs**") in line with EU requirements. In parallel, Romania has advanced its integration into the Association of Issuing Bodies ("**AIB**"), the European platform required for cross-border recognition of GOs. ANRE initiated the AIB integration process in 2025 and is expected to obtain full membership rights in 2027, following an observer status in 2026.

During 2026, the primary focus remains on finalszing secondary regulations for electricity, renewable gases and thermal energy, all of which are scheduled for adoption between Q2 and Q4 2026. These regulatory instruments are essential for operationalising the issuance and transfer of GOs at national level and for ensuring compliance with the revised RED III.

In parallel, Romania is conducting a nationwide mapping exercise to identify suitable onshore and offshore locations for renewable energy development, taking into account grid availability, storage capabilities and the 2030 RES commitments. This exercise is directly linked to coherent GOs issuance and RES-Electricity traceability.

Overall, while the legal and institutional framework for the GO system is largely in place, full operationalisation depends on the final adoption of sector-specific regulations and technical integration with AIB, both of which are expected to be completed by late 2026.

The GO trading market is not expected to open until 1 January 2027, when cross-border, EU-recognised GO transactions are anticipated to commence.

Until then, GO issuance and transfer will continue to operate under transitional rules, with limited applicability for PPAs concluded after December 2025 and subject to specific constraints.

5.9 New Support Scheme for Stand-Alone BESS

Investors are waiting for a new ministerial order approving a support scheme for stand-alone BESS systems. This order is expected to be separate from the 2024 order, which approved a scheme for storage connected to existing RES installations (behind the meter, rather than stand-alone) and to include a clear definition of “autonomous capacities” and their connection to transmission and distribution networks.

Following the January–March 2025 public consultation, the Ministry of Energy indicated its intention to publish a dedicated call for stand-alone BESS. Accordingly, in 2026 the final guide, submission window, evaluation process, contracting framework and implementation timeline (maximum of approximately 24 months) are expected to be issued.

In January 2025, a budget of EUR 150 million was announced for the stand-alone call, to be financed from the Modernisation Fund.

As initially presented, the selection criteria and aid caps are expected to maintain a competitive tender procedure with “EUR/MWh of storage” as the main scoring criterion, together with an aid cap of EUR 10 million per undertaking and a ceiling expressed in EUR/MWh (indicatively between EUR 100,000–110,000 per MWh), to be definitively established by the final act adopted by the Ministry of Energy.

Eligible projects are expected to be stand-alone BESS capacities with no attached generation and no behind-the-meter installations. Further clarification is anticipated regarding excluded technologies (e.g., lead-acid, NiCd or NiMH batteries, if maintained) and the rule permitting only individual applicants, rather than partnerships.

However, the Ministry of Energy has indicated that the origin of stored energy must be demonstrated. Accordingly, investors in such capacities will be required to provide GOs certifying that 100% of the stored energy is derived from renewable sources, together with clear obligations and sanctions, including full repayment of the aid, in the event of non-compliance.

5.10 New Rules to Ensure that the Share of Renewable Energy in Building Energy Consumption Reaches 49% by 2030

As provided in legislation adopted in November 2025, Romania must ensure that, by 2030, the share of energy from renewable sources in the building sector contributes to the European Union's objective of at least 49% of final energy consumption in buildings.

To this end, further legislation is expected in the following areas:

a. National legislation in the construction sector: through specific national legislation and technical regulations developed by the competent regulatory authority, as well as through support schemes, minimum levels of use of energy from renewable sources will be established for:
   - New buildings.
   - Existing buildings undergoing major renovations.
   - Buildings with interventions to technical systems.

b. Technical regulations: The competent regulatory authority will develop technical regulations for the implementation of construction legislation.

c. Support schemes: Specific support schemes will be developed to facilitate the achievement of the 49% objective.

d. Ministerial collaboration: The Ministry of Energy collaborates with the Ministry of Development, Public Works and Administration to develop an efficient renewable energy-based district heating and cooling infrastructure through the National Strategy on the public district heating service.

e. Measures for public buildings: Buildings owned by– or under the administration of – public authorities must comply with the provisions of Law No. 121/2014 on energy efficiency and Law No. 372/2005 regarding the share of energy consumption from renewable sources.

6. Electricity Storage and Integration into the National Power System

6.1 Legal Framework Overview

The legal regime applicable to energy storage is primarily based on Electricity and Gas Law No. 123/2012, which sets out the operational rules governing the Romanian electricity sector, including the technical and commercial architecture of the national power system. Recent amendments to the law clarified the role of storage facilities and their integration into the grid.

Government Emergency Ordinance No. 134/2024 ("**GEO 134**") was adopted to regulate the development of BESS capacities in Romania, eliminate the double taxation of stored energy and facilitate the construction of pumped storage hydroelectric plants (PSHP). These measures support the achievement of the storage capacity targets assumed under the NRRP, namely at least 240 MW by 30 June 2024 and 480 MW by 30 June 2026.

A key objective of GEO 134/2024 was to prevent situations of double taxation of stored energy, both at the time of storage and upon reintroduction into the system, as such taxation constitutes a material barrier to investment in BESS capacities.

Accordingly, operators of BESS capacity are exempt from paying:

a. transmission service tariffs (extraction component), distribution charges and system services;

b. the GCs contribution; and

c. the cogeneration contribution.

To ensure legislative coherence, GEO 134 also amends Law No. 220/2008 on the promotion system for energy from renewable sources by updating certain definitions as follows:

- "**Gross final consumption of electricity**" now expressly excludes energy absorbed from the grid and stored for a limited period of time, followed by its delivery into the grid from a storage facility; and
- "**Final consumer of electricity**" is defined as a person who uses electricity for their own consumption, excluding electricity consumed in the technological processes of production, storage, transmission and distribution.

In 2025, ANRE adopted methodological rules which:

- detail the technical and commercial procedures applicable to storage activities;
- introduce reporting obligations for stored energy; and
- establish a unified procedure applicable to all grid operators.

Therefore, Romania offers one of the most advantageous fiscal frameworks for BESS capacities in the EU.

6.2 Development of BESS Capacities in Romania and Financing Sources

Typical investment structures for BESS in Romania cover both hybrid and stand-alone configurations.

BESS projects follow a permitting route similar to that applicable to RES generation capacities and generally require, *inter alia*:

a. an ATR;

b. a building permit;

c. an environmental permit (where applicable); and

d. an ANRE operating licence.

Investments in BESS capacities in Romania therefore typically cover both hybrid and stand-alone project structures.

6.2.1 Hybrid RES Projects

Hybrid RES plus-BESS projects combine a renewable generation asset (solar PV or wind) with a battery system installed either on-site or at the grid connection point. These structures are increasingly attractive as they enable investors to optimise generation profiles and diversify revenue streams. Key benefits include:

a. **enhanced grid compliance** as the BESS allows the RES plant to follow grid technical requirements more effectively;

b. **energy shifting and price arbitrage**, whereby excess RES-Electricity generated during low-price periods can be stored and injected into the grid during high-price periods, improving project economics;

c. **capacity firming**, with the BESS reducing balancing and imbalance costs and increasing bankability for long-term PPAs;

d. **curtailment reduction**, by storing renewable energy that would otherwise be lost due to grid constraints; and

e. **optimised use of existing grid connection**, allowing increased production and flexibility without the need for additional grid capacity.

Hybrid projects tend to offer more stable and lower-risk returns, as the battery supports the renewable generation asset and contributes to more predictable cash flows. As a result, such projects are often preferred by investors seeking steady, long-term yields.

6.2.2 Stand-Alone BESS (Utility-Scale) for Balancing Markets and Ancillary Services

Stand-alone BESS projects operate independently of renewable generation assets and are connected directly to the transmission or distribution grid. These investments typically target system-level services, with revenues driven by operational flexibility.

Key characteristics include:

a. participation in balancing markets, whereby

   stand-alone BESS can:

   - inject energy when the system requires up-regulation;
   - absorb energy in periods of excess supply (down-regulation);
   - respond rapidly to frequency changes; and
   - act as "synthetic inertia" to stabilise the grid.

b. Ancillary services provision

   - A stand-alone BESS capacity is highly responsive and controllable and can generate revenues by providing grid support services, such as:
   - maintaining system frequency;
   - restoring frequency following a disturbance;
   - providing black-start capabilities (i.e. restarting parts of the grid after a blackout);
   - supporting voltage levels; and
   - helping to reduce congestion in overloaded parts of the network.

c. **Market Arbitrage:** a BESS investment can generate revenues by taking advantage of price differentials between hours, charging during low-price periods and discharging during high-price periods;

d. **Network Support:** BESS assets strengthens the grid and reduce the need for costly investments in new power lines or network infrastructure;

e. **High Operational Flexibility:** as these assets are not linked to a renewable generation facility, a stand-alone BESS can operate precisely when market or system conditions require. This provides maximum flexibility in terms of usage, allowing the asset to follow price signals, respond to grid needs and switch at any time between arbitrage, balancing and ancillary services.

Stand-alone BESS projects are therefore well suited to investors interested in sophisticated, multi-service revenue stacks and markets with active balancing and ancillary service platforms.

7. Support Schemes for Cogeneration

7.1 High Efficiency Cogeneration with Cogeneration Bonus Scheme

Romania implemented a support scheme for the promotion of high-efficiency cogeneration, which was approved by the European Commission through Decision No. 437/2009.

The high-efficiency cogeneration of heat and power ("**CHP**") systems injecting electricity into the national grid receive operating support provided that the electricity is produced from high-efficiency cogeneration, as defined in the Community guidelines on state aid for environmental protection.

The initial support scheme was applicable for the period between 2010–2023, but the European Commission extended its application in its Decision no. 9774, dated 20 December 2021, prolonging the aid until 31 December 2033.

The amendments to the scheme concern: (i) the duration of the CHP support scheme for selected beneficiaries; (ii) an increase in the support scheme budget; and (iii) an amendment to the rules applicable to companies experiencing financial difficulty. The remaining elements of the existing aid scheme, as approved in the Commission decisions of 2009 and 2016, remain unaltered.

The level of the bonus received by the producers for each MWh produced in high efficiency cogeneration capacities and delivered in the grid, is set annually by ANRE.

The bonus covers the difference between the production costs of electricity from high efficiency CHP and the market price of electricity, including a reasonable return on investment. The premium is calculated ex-ante separately for three types of CHP: (i) solid fuel-based CHP; (ii) CHP fuelled by gas supplied directly through the transmission network; and (iii) CHP fuelled by gas supplied through the distribution network.

In terms of the bonus value, electricity and thermal energy prices are adjusted annually based on average annual fuel prices, the annual average CO_2 certificate price, the average annual electricity trading price on the day-ahead market and inflation coefficient of variation.

The bonus is calculated based on the following formula:

Bonus = (Total Costs – Revenues el. – Revenues h) / Electricity

where:

Total costs = variable costs + fixed costs + return on capital

Revenues el = income from the sale of the electricity delivered by a typical CHP plant at the electricity market price.

Revenues h = income from the sale of the heat produced in a typical CHP plant at the heat price.

Electricity = electricity delivered annually by the CHP plant.

In 2025, ANRE's methodology was amended through ANRE Order No. 19/2025. As a result, the calculation of the cogeneration bonus was indirectly adjusted through changes to certain provisions relevant to the determination of recognised costs and for the overcompensation analysis.

For operators, this means that certain costs may be treated differently and profit margins may be assessed more strictly as part of the overcompensation review.

7.2 State Aid for Investments in New HE-CHP Capacities

This support was initially approved by the EU Commission in 2022 based on Decision No. 101723(2022/N) and was valid until 30 June 2024.

In 2024, the Romanian Government applied for an extension of the state aid scheme and the European Commission approved the amendment by Decision No. 108102. The amended scheme allows the continuation of investment aid for new high-efficiency gas-fired CHP units in urban district-heating systems. It applies from 30 June 2024 until 31 December 2028 and excludes upgrades and extensions, supporting only new HE-CHP plants.

Beneficiaries have up to three years to implement their projects, with a final cut-off date of 31 December 2030 for completion.

An additional budget of EUR 361,950,000 has been allocated to the scheme and is expected to be financed from the EU Modernisation Fund, subject to confirmation by the European Investment Bank. The indicative allocation amounts to EUR 8.95 million for (2024) and EUR 88.25 million per year for 2025–2028, with unused amounts capable of being rolled over or brought forward. The aid is awarded in the form of direct grants, administered by the Ministry of Energy.

Eligible projects and key eligibility conditions include:

- **only new** highefficiency CHP units serving district heating systems are eligible;; upgrades or extensions are excluded;
- plants must qualify as **"high-efficiency"** CHP under the Energy Efficiency Directive and be flexible and hydrogenready, capable of operating on renewable or lowcarbon gases, including renewable hydrogen, over their economic lifetime;
- lifecycle emissions must not exceed 250 gCO_2 eq/kWh and overall gross efficiency must be at east 80%, as assessed by reference to a benchmark project; and
- funding is limited to the financing gap per MW, determined on a casebycase basis by an independent specialised entity to avoid overcompensation, with the possibility of indexation for inflation using construction cost indices.

Targeted CHP Capacity

The amended scheme targets the installation of at least an additional 200 MW of CHP capacity in district-heating systems, in addition to the capacity supported under the initial measure. The original scheme supported four projects by the end of 2023 and the amendment aims to add a further 200 MW.

The largest grants, with a total value of EUR 500 million, have been awarded to ELCEN Bucuresti, the main supplier in the district heating sector and the provider of heating for almost all residences connected to the district heating network in Bucharest. Significant investments are also being made in the centralised district heating system in Bucharest, as well as in other major Romanian cities, as many components of the district heating infrastructure are outdated, with some sections having been commissioned more than 50 years ago.

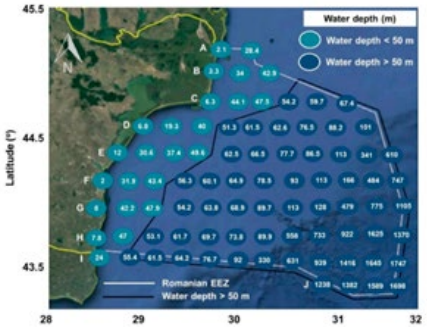
8. Offshore Wind

The Offshore Wind Energy Law No. 121/2024 (the "**Offshore Wind Law**") was approved by Parliament and entered into force on 7 June 2024. Under this law, offshore wind blocks will be awarded through a competitive concession procedure organised by the Ministry of Energy.

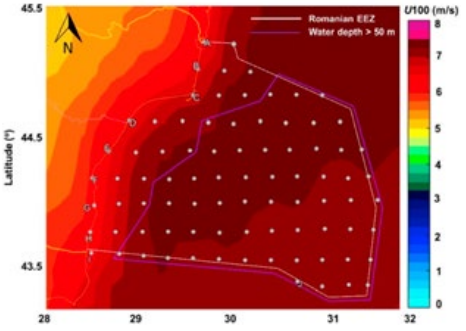
The Offshore Wind Law required the Ministry of Energy to adopt secondary legislation and to prepare a comprehensive study on the concession process as well as on the exploration, construction and operation of offshore wind plants within three months from the law's entry into force.

Although the Ministry published the terms of reference for procuring specialised services to prepare this study in December 2025, the tender procedure for selecting the consultant has not yet been launched.

Water depth in the commercial areas of the Black Sea



Wind speed at a height of 100 m



9. Green Hydrogen

In Romania, the Dobrogea region (near the Black Sea) meets the prerequisites to host a hydrogen technology cluster, as it has both an exceptional capacity to produce clean hydrogen through wind energy and a potentially significant hydrogen demand from existing refineries, the steel industry, district heating, urban public transport and decarbonising port activities, as well as naval transport in the port of Constanta.

Law 155/2020 aligned Romania with EU legislation by defining hydrogen producers and regulating its commercial exploitation.

In 2021, ANRE also introduced rules for Setting-Up Authorisations and commercial exploitation licences for hydrogen.

The licence gives investors the right to collect tariffs for services provided in connection with the operation of hydrogen installations, including hydrogen storage facilities.

Of particular importance for the authorities is the establishment and maintenance of protection and safety areas associated with the normal operation of hydrogen production facilities.

Recently, a “Green Valley” producing green hydrogen was announced for planned construction in Galati County. The project is valued at EUR 32 million and will be funded directly from European Commission funds. Furthermore, the Ministry of Energy approved projects for seven (7) companies, in order to build green hydrogen production facilities in Romania.

On 31 May 2023 the Ministry of Energy submitted a draft of the National Hydrogen Strategy and Action 2023–2030 on its website for public consultation.

As result of the public consultation, on 8 November 2023, the Ministry of Energy submitted an updated draft National Hydrogen Strategy for public consultation.

9.1 Support Schemes for Green Hydrogen

9.1.1 State Aid for Green Hydrogen Approved in 2022

The first support scheme for green hydrogen in Romania was approved by the European Commission on 8 August 2022 and the scheme was in force until 31 December 2023.

The objective of this support scheme was to provide investment aid for the construction of new installations for the production of renewable hydrogen through electrolysis, in line with the EU Hydrogen Strategy and REPowerEU.

The projects eligible under this scheme were expected to enable the installation of at least 100MW of green hydrogen production capacity in electrolysis plants and to produce at least 10,000 tons of hydrogen annually from renewable sources (wind, hydro or solar power) by 31 December 2025.

Moreover, as part of the green hydrogen technology process, storage capacity must be proportional to production capacity. However, during the project's implementation, storage capacity expenses of up to 20% of the cost of the production facility will be reimbursed.

With respect to the amount of aid granted, the total estimated budget was increased to the Romanian-leu equivalent of EUR 149 million. The budget is comprised of EUR 115 million in non-reimbursable European funds provided by the Recovery and Resilience Mechanism under the NRRP and EUR 34.5 million in national funds by applying an over-contracting percentage of 30%.

The maximum aid that could be granted to a company was EUR 50 million. The difference between the financing and the total value of the project must be met by the beneficiary. In addition, state aid for investment granted under this scheme cannot be cumulated with any other state aid for the same investment, including *de minimis* aid, for the same beneficiary and the same eligible expenditure.

9.1.2 State Aid for Green Hydrogen Approved in 2024

Following the expiry of the state aid scheme on 31 December 2023, Romania reintroduced the scheme in 2024 –with targeted adjustments – and notified the EU Commission, which approved it by decision C(2024) 4654 final on 1 July 2024.

The Romanian Ministry of Energy has opened public consultation on the state aid scheme aimed at boosting investments in the construction of green hydrogen production capacity in electrolysis plants.

This state aid scheme for investments in the construction of green hydrogen production capacity in electrolysis plants applied from the date of its entry into force until 31 December 2024 with a budget of €77.99m, maintaining a cap of EUR 50 million per project and introducing technology-specific bid caps and safeguards for co-products. The implementation deadline for the supported projects remains 31 December 2025.

The maximum aid that could be granted to a company was EUR 50 million.

9.2 Enactment of New Legislation for the Integration of Green Hydrogen in the Industry and Transportation Sector

At the end of July 2023, a new law for the integration of green hydrogen was enacted. The new law establishes the obligation of suppliers of fuels to secure non-biological renewable fuels from hydrogen suppliers. Thus, from 2030 onwards, fuel suppliers are obligated to ensure that the energy value of the quantity of non-biological renewable fuels supplied on the Romanian market and used in the transport sector during a year, is at least equal to 5% of the energy content of all fuels supplied by them for consumption or use on the Romanian market in the transportation sector. The quota of non-biological renewable fuels that shall be supplied by fuel suppliers is set at 0.5% in 2025, 1% in 2026, 2% in 2027, 3% in 2028 and 4.5% in 2029 of the energy content of all fuels placed on the market in Romania in that year.

The fuels supplied for consumption on the Romanian market by the supplier used for determining the quota shall include petrol, diesel, natural gas, biofuels, biogas, non-biological renewable fuels used in transport and recycled carbon-based fuels supplied or any other liquid or gaseous fuel supplied in transport.

In addition, the law establishes the obligation of industrial hydrogen consumers to acquire non-biological renewable fuels and green hydrogen from hydrogen suppliers. Therefore, each industrial consumer of hydrogen used in industry for energy and non-energy purposes shall ensure that:

a. from the year 2030 onwards, at least 50% will be fuel from non-biological renewable sources or green hydrogen;

b. from 2035 onwards, a minimum of 75% will be fuel from non-biological renewable sources or green hydrogen.

In October 2025, Romania approved the National Strategy for Hydrogen 2025–2030 by Government Decision No. 855/2025. The National Strategy for Hydrogen sets out the following main objectives

- Decarbonisation of the economy through the use of renewable hydrogen in sectors that are difficult to decarbonise by other means, such as those where direct electrification is not feasible.
- Economic growth through the sustainable development of technologies for hard-to-abate industries and the creation of new jobs.
- Technological development to ensure the long-term mobilisation of the hydrogen economy, support investment and contribute to higher living standards.
- Energy security through the use of hydrogen and power-to-X solutions to optimise the integration of renewable energy sources and achieve sectoral integration.

Given that the primary objective is the decarbonisation of the economy, specifically the avoidance of at least 2,000 tonnes of CO2 emissions by 2030 through the use of renewable hydrogen in the industrial and transport sectors, the Government has committed to introducing support schemes tom promote hydrogen use in industrial sectors in 2027.

With regard to the use of hydrogen blended with natural gas for residential heating, the National Strategy for Hydrogen provides that at current hydrogen production costs, the use of hydrogen for residential heating is not economically feasible.

10. Trends and Challenges on the Romanian PPA Market

10.1 Short Overview

Long-term PPAs were banned in Romania in 2012, however, the ban was lifted in 2020.

PPAs and Virtual PPAs are of paramount importance to developers of RES projects and are frequently requested as collateral by lenders.

Corporate appetite is emerging on the Romanian market but mostly concentrated on international companies with previous PPA experience. This reduced appetite could be explained by the fact that these PPAs have an inherent number of risks that corporates are not used to working with. Utility PPA demand is recovering following the energy crisis and the period of extreme market volatility.

Options among Romanian energy traders are: a) PPAs with physical delivery and tailor made solutions; b) virtual PPAs with sleeving solutions with different price structures; or c) corporate PPAs with corporate and industrial clients.

In most cases, PPAs with physical delivery take the form of EFET contracts with standard clauses, while a virtual PPA is a financial contract through which a company purchases renewable electricity "virtually," without taking physical delivery. Instead, the generator sells electricity into the wholesale market, while the buyer and the generator settle the difference between the agreed contract price and the market price. The buyer receives the environmental attributes (guarantees of origin), allowing it to make credible sustainability claims.

In 2024 and 2025, the PPA market gained significant momentum, with many large industrial consumers concluding PPAs with physical delivery and virtual PPAs in order to ensure their electricity supply. Romania ranks among the top 10 EU countries in terms of electricity capacity contracted under PPAs and virtual PPAs.

Virtual PPAs have been increasingly used in the Romanian market in recent years and key players in the electricity sector have become familiar with the specific features of this type of agreement, which has developed into an important hedging tool for both large industrial consumers and renewable energy producers. Through such agreements, large industrial consumers secure electricity at a fixed price over long periods, while producers benefit from predictable revenues, which are more commonly required by lenders for project financing.

Among the largest PPAs and virtual PPAs concluded in 2024 and 2025 are:

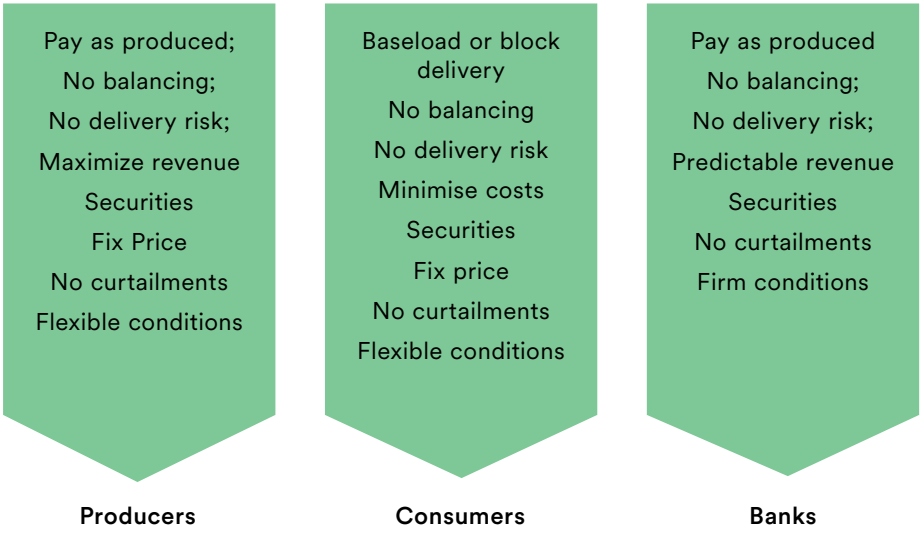
- PPA concluded in 2024 between OMV Petrom and SaintGobain for an installed capacity of 80MW, a total contractual volume of more than 800GWh and a tenor of five years;
- PPA concluded in 2024 between OMV Petrom and DTEK Group for an installed capacity of 133 MW and a tenor of nine years;
- Virtual PPA concluded in 2025 between Nokian Tyres and the Enery Group for an installed capacity of 50MW and a tenor of 11 years,
- Virtual PPA concluded in 2025 between Eurowind Energy and Autoliv for an installed capacity of 48 MW and a tenor of 12 years;
- Cross border PPA concluded in 2024 between Rezolv Energy and T-Mobile for an installed capacity of 39 MW and a tenor of 12 years.

10.2 Challenges and Opportunities for PPAs in Romania

RES suppliers and corporate buyers are exposed to volatile electricity prices. A corporate PPA can be a solution for both parties if the buyer can achieve prices lower than current market prices at an acceptable risk and the renewable power plant owner secures an acceptable return on their project over a suitable period.

A PPA could be signed several months before electricity production and delivery starts. For a corporate buyer and utility company it is important to manage the risk from signing up to the commercial operation date. In a situation where the project does not reach the commercial operation date, it faces a lack of capacity without reinforcement works or the project timeline is delayed, this could cause substantial financial loss to the buyer, since the market conditions could change significantly. It is therefore important that the buyer secures guarantees to cover these potential losses. The size of this guarantee will depend on the market conditions, the counterparty and the stakeholders.

Below is a summary of what contracting parties negotiating the terms and conditions of a PPA would typically like to achieve in a PPA:



The PPA is therefore a tool to set a baseline for prices that can be considered as revenues by the renewable producer and banks. However, in the case of financial PPAs, there is still an element of price risk exposure to the agreed settlement market for wholesale electricity.

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