

Condition of 2020 supply of electricity by suppliers of last resort

Status: Acts in force

Version from: October 1, 2020

It shall enter into force:

1 October 2020 Year

Condition of 2020 supply of electricity by suppliers of last resort

Date of act: 23-sep-2020

Issuer: National Energy Regulatory Authority

Chapter I: General provisions

Art. 1

The conditions for the supply of electricity by suppliers of last resort shall establish:

- a) the obligations of suppliers of last resort to inform household customers in their portfolio of electricity supply following the abolition on 1 January 2021 of regulated tariffs for this category of final customers;
- b) the principles for determining the price of active electricity applied by suppliers of last resort to household and non-household customers in their universal service portfolio;
- c) the principles for determining the price of active electricity applied by suppliers of last resort to non-household customers taken over because they did not provide electricity from any other source.

Art. 2

The conditions for the supply of electricity by suppliers of last resort shall apply in relation between suppliers of last resort and:

- a) customers in their own portfolio who have not exercised their eligibility right and have not opted for the supply of electricity on a competitive basis;
- b) customers picked up because they did not provide electricity from any other source.

Art. 3

Suppliers of last resort appointed in accordance with the regulations of the National Energy Regulatory Authority shall ensure:

- a) universal service to household customers and non-household customers entitled to universal service;
- b) supply of electricity to non-household customers in their own portfolio who have not used eligibility and do not fulfil the conditions or have not requested universal service;
- c) supply of electricity as a last resort to non-household customers taken over because they did not provide electricity from any other source.

Chapter II: Information of household customers

Art. 4

(1) Last resort smokers are required to inform household customers in their portfolio about the liberalisation of the internal electricity market and the elimination of regulated tariffs for this category of final customers as of 1 January 2021.

(2) For the purposes of carrying out the information activity referred to in paragraph 1, suppliers of last resort shall be required to transmit to household customers in their portfolio:

a) during the period from 1 October 2020 to 1 December 2020, an information in accordance with the model set out in Annex 1;

b) In December 2020, after the approval by the National Energy Regulatory Authority of the regulated tariffs for the distribution service, an information according to the model set out in Annex no. 2, which will be attached to an offer for universal service, which shall contain at least the elements provided for in Art. 39 paragraph (4) of the Regulation on the supply of electricity to final customers, approved by the Order of the President of the National Energy Regulatory Authority no. 235/2019.

(3) In order to be able to make a comparison by the household customer between the price in the offer for the universal service communicated and the regulated tariff approved by the National Energy Regulatory Authority for the period 1 July to 31 December 2020, the price of the offer must be expressed in < lei/kWh > and must comprise all the components as included in the regulated tariff approved by the National Energy Regulatory Authority; where suppliers of last resort reserve the right to adjust the price of the universal service offer communicated to the household customer, they shall be required to indicate in a complete and transparent manner the reasons which may lead to the variation in the supply price and to explicitly describe the method by which that price varies.

(4) Providers of last resort shall display, throughout the period from 1 October 2020 to 31 December 2020, the single contact point, regional/local information centres and in the main window of the website, in visible place, the information referred to in paragraph 2 and the framework contract applicable to household customers.

(5) Providers of last resort are required to display, from 1 January 2021, at the single contact point, regional/local information centres and the main window of the website, in visible place, the electricity supply prices for household customers and the amount of regulated tariffs for the services included.

Art. 5

(1) For the purpose of carrying out the information activity referred to in Article 4(1), suppliers of last resort shall be required to transmit to household customers in their portfolio each semester of 2021 an information containing at least the following:

a) Information on the cessation of the applicability of regulated tariffs for household customers with effect from 1 January 2021, indicating the related legal basis, respectively, Article 22(11) of the Law on Electricity and Gas No 123/2012, as amended and supplemented;

b) information on the rights conferred by the eligible customer, expressly specifying the right to enter into a contract for the supply of electricity on a competitive basis with the current supplier or any other electricity supplier chosen by the household customer, and that the switching of the electricity supplier is a simple, free process that does not involve technical changes, regardless of the electricity supplier chosen by the household customer, and does not change the relationship with the network operator;

c) information on the modalities for concluding a contract for the supply of electricity on a competitive basis, i.e. through direct negotiation with the supplier of the price and trading conditions or by accepting an offer proposed by the supplier, or the possibility for the final customer to have recourse to the selection of the supplier through specific tender/procurement procedures;

d) information on how the customer can perform a comparative analysis of the standard supply of

electricity available on the market, i.e. through the application “Type-providers of electricity supply” application, which can be accessed on the website of the National Energy Regulatory Authority or by downloading the application of the National Energy Regulatory Authority on mobile devices;

e) information on universal service, i.e. the customer’s right to receive universal service for an unlimited period, the type of contract applicable and the value of the applicable price.

(2) The information referred to in paragraph 1 shall be transmitted by the supplier annexed to the invoice or by means of communication agreed by the parties by contract or subsequently communicated by the domestic customer in the event of its modification.

Art. 6

(1) Suppliers of last resort must be able to demonstrate that they have submitted all due diligence to inform household customers in the portfolio of the elimination of regulated tariffs as from 1 January 2021.

(2) For the period from 1 October to 31 December 2020, suppliers of last resort shall submit monthly to the National Energy Regulatory Authority, within a maximum of 10 calendar days from the end of the month for which the reporting is made, supporting documents resulting in the fulfilment of the information obligations provided for in Article 4, such as for example, but not limited to them, deadlines for sending documents transmitted in material format, centralising documents transmitted in electronic format, etc.

Chapter II: Pricing principles applied by state-of-the-art suppliers court of final customers

Art. 7

(1) The price charged to customers receiving universal service shall be determined by each supplier of last resort on a competitive basis, taking into account that it is reasonable, competitive, easily comparable, transparent and non-discriminatory.

(2) The price charged to customers receiving universal service includes regulated tariffs for the transmission service – the extracting component of electricity from the grid, the system service and the distribution service.

(3) Household customers receiving universal service may conclude a contract with the supplier of last resort under the terms of the universal service offer provided for in Article 4 (2) (b) throughout its application.

(4) For the periods following the application of the universal service offer referred to in paragraph.

(3) Prices in universal service offers published/communicated by suppliers of last resort shall apply in accordance with the regulations in force.

Art. 8

1. The price of last resort (P_{ui}), applied to non-household customers not receiving universal service because they did not have the supply of electricity from any other source, by suppliers of last resort required for the electricity consumption recorded until 31 December 2020, respectively by suppliers of last resort for the electricity consumption recorded as from 1 January 2021, shall be determined by suppliers of last resort (P_{ui}) with the following formula:

$$P_{ui} = P_a + p_{fNC} [lei/MWh]$$

$P_a \leq 1,3 \times p_{pzu} [lei/MWh]$, where:

PA – the average purchase price fixed by fui [lei/MWh];

Ppzu— weighted average market purchase price for the following day for the calendar month, calculated for Monday to Friday, taking into account the day-ahead market closure price and the volume traded on that market, published by the Romanian electricity and gas market operator OPCOM – S.A. on its own website [lei/MWh]; PfNC— supply^{component} established by the supplier of last resort (includes cost of supply activity, cost of participation in centralised markets managed by the Romanian electricity and gas market operator OPCOM – S.A. and profit) [lei/MWh].

(2) For a place of consumption taken over belonging to the category of customers referred to in paragraph 1, the supplier of last resort shall apply the PUI from the date of takeover until the last day of the month in which it was informed of the takeover of the place of consumption. As from the 1st of the following month, the supplier of last resort shall apply the price applied to non-household customers in their own portfolio who have not used eligibility and do not meet the conditions or have not requested to benefit from the universal service.

(3) The pfNC value^{of a} period and its period of application shall be published by suppliers of last resort on their own website.

(4) On the first working day of a month, suppliers of last resort shall publish on their website the values of Pui, ppzu and Pa for the previous month.

Art. 9

In invoices issued to customers taken over, suppliers of last resort shall apply the final price of last resort consisting of Chicken^{PLUS} regulated tariffs for the transmission service – the extracting component of electricity from the grid, the system service and the distribution service, in force during the period of application.

Art. 10

In the case of domestic customers and non-household customers with universal service right requesting to benefit from this right, taken over by a supplier of last resort because they did not have the supply of electricity from any other source, the price in the universal service offer valid at the time of takeover applies.

Art. 11

Annexes 1 and 2 form an integral part of these conditions for the supply of electricity by suppliers of last resort.

Annex 1: INFORMARE on the abolition of tariffs regulated by the National Energy Regulatory Authority for the supply of electricity to customers housewives

Dear customer,

It is important to announce that the electricity market will be liberalised as of January 1, 2021 and therefore the prices for the supply of electricity to household customers, a category in which you find yourself, will no longer be regulated by the National Energy Regulatory Authority (ANRE).

Thus, according to the provisions of Art. 22 par. (1)¹ of the Law on Electricity and Natural Gas No.123/2012, as amended and supplemented, the regulated tariffs will be abolished as of January 1, 2021. Under these circumstances it is important to know that you can:

- a) benefit from universal service, remaining in our company's portfolio at the price of the universal service offer;
- B) benefit from the universal service by concluding a supply contract with another supplier of last resort, at the price of its universal service offer;
- C) exercise the right to choose a supplier with whom to conclude a contract for the supply of electricity on a competitive basis. You can conclude the new supply contract with our company or any other electricity supplier of your choice from those licensed by ANRE.

Universal service offer proposed by the Company, which will contain the supply price of electricity valid from January 1, 2021, will be communicated in December 2020, after the approval by the National Energy Regulatory Authority of regulated tariffs for the distribution service.

The applicable framework contract can be consulted at the address

If you want to perform a comparative analysis of the type of electricity supply offers available on the market, you can access the application "Comparator-type offers for electricity supply" on the ANRE website at: <https://www.anre.ro/ro/info-consumatori/comparator-de-tarife>, or by downloading the ANRE application on your mobile devices.

We remind you that switching the electricity supplier is a simple, free process and does not involve technical changes, regardless of the electricity provider you choose, and also does not change the relationship with the network operator.

For more information you can contact us

Sincerely,

Date

**Annex 2: INFORMARE concerning the universal service offer valid from the 1st
January 2021**

Dear customer,

It is important to announce that the electricity market will be liberalised as of January 1, 2021 and therefore, the prices for the supply of electricity to household customers, in which

you will find yourself, will no longer be regulated by the National Energy Regulatory Authority (ANRE).

Thus, according to the provisions of Art. 22 par. (11) of the Law on Electricity and Natural Gas No.123/2012, as amended and supplemented, the regulated tariffs will be abolished as of January 1, 2021. Under these circumstances it is important to know that you can:

- a) benefit from universal service, remaining in our company's portfolio at the price of the universal service offer;
- B) benefit from the universal service by concluding a supply contract with another supplier of last resort, at the price of its universal service offer;
- C) exercise the right to choose a supplier with whom to conclude a contract for the supply of electricity on a competitive basis. You can conclude the new supply contract with our company or any other electricity supplier of your choice from those licensed by ANRE.

Attached we send you the universal service offer proposed by the Society, with the new price of

Supply of electricity valid from 1 January 2021 until....., which you can also find available on our website at the address.....

If you choose to remain our customer by accepting the proposed universal service offer, the electricity supply contract concluded between our company and you remains in force.

The applicable framework contract can be consulted at the address

If you do not wish to accept the universal service offer proposed by our company, we inform you that, in order to conclude a contract for the supply of electricity on a competitive basis, you can accept any other standard offer published by our company or by any other electricity supplier, or you can ask a supplier for an offer on the commercial conditions and the supply price for negotiation, as appropriate, or you can resort to selecting the supplier through specific tender/procurement procedures, if applicable.

If you want to perform a comparative analysis of the type of electricity supply offers available on the market, you can access the application "Comparator-type offers for electricity supply" on the ANRE website at: <https://www.anre.ro/ro/info-consumatori/comparator-de-tarife>, or by downloading the ANRE application on your mobile devices.

We remind you that switching the electricity supplier is a simple, free process and does not involve technical changes, regardless of the electricity provider you choose, and also does not change the relationship with the network operator.

It is important to know that if you do not conclude a contract for the supply of electricity with our company or any other electricity supplier of your choice, the supply of electricity at your place of consumption will be automatically carried out by our company, based on the current electricity supply contract, in accordance with the provisions of Article

.4 of the Order of the President of the National Energy Regulatory Authority no. 172/2020 for the approval of the conditions for the supply of electricity by suppliers of last resort, at the price of the offer for the universal service transmitted.

For more information you can contact us

Sincerely,

Date

Published in the Official Gazette No. 876 from 25 September 2020