CORREGGIO
Consulting

Correggio Digest

July/August 2022

Table of Content

A welcome message from the editor

Dear Reader,

With the energy crisis fast unfolding across the EU, these are without doubt testing times for the energy traded markets and the overall industry. The EU policymakers and national leaders are overwhelmingly resorting to emergency intervention measures such as subsidies, 'windfall profit' taxes and, most recently, price caps in the attempt to lower prices for consumers.

The leading energy utilities in strongest European economies are seeking national bailouts, and a wave of bankruptcies and widening business failures appear now imminent.

Hold you breath as we are heading towards what is going to be a challenging winter period, against the backdrop of unprecedented spot prices on European exchanges, energy savings campaigns and industry's struggle to find alternative energy suppliers.

I'm pleased to present our monthly intelligence on latest market developments and more.

Kind regards,

Dr Jan Haizmann

EUROPEAN UNION

Institution	Issue	Date	Impact
European Council	**Regulation on Coordinated Demand Reduction Measures for Gas**	**05/08/2022**	**Medium**

In an effort to prepare better for the upcoming winter, Member States have agreed to reduce their gas demand by 15% (compared to their average demand over the last five years) between August 2022 and end of March 2023. The reduction level has been adopted through Council Regulation (EU) 2022/1369, and, considering its urgency, entered into force the day after it was published in the Official Journal.

The Regulation does not specify any measures through which the Member States should introduce the gas reduction. For now the 15% demand reduction target remains voluntary, and is subject to a number of derogations, but it may become mandatory once the Council announces a Union alert.

Even then, however, Member States may decide to exempt gas as feedstock from their reference demand pool and can limit the required demand reduction when facing an electricity crisis.

The decision to safeguard gas volumes for winter is a welcome one, despite being long overdue. It is clear, however, that the reluctance to recognise the need of demand curtailment remains strong. Even now, when Europe is facing an unprecedented energy crisis, a rather unambitious regulation such as this one entails a number of exemptions.

More information here

EUROPEAN UNION

Institution	Issue	Date	Impact
European Commission	**Emergency wholesale price caps for natural gas**	**02/09/2022**	**High**

Given the high gas and power prices in Europe, the European Commission is considering intervention on the EU energy market, with ministers due to meet for an emergency suumit on 9 September 2022. EC President Ursula von der Leyen said on 2 September that the EU should also consider a price cap on Russian gas deliveries, a proposal first raised by Italy in April, which is now getting support in Brussels.

The potential initiative would set out upper limits on gas prices with a view to ensuring the affordability of energy supply, particularly in the context of mandatory reductions in gas demand established pursuant to Council Regulation (EU) 2022/1369, while guaranteeing that gas flows to the Member States where it is most needed in a spirit of solidarity.

A first instrument would involve a price cap on imported gas from Russia, and the second instrument would entail an administrative pricing during emergency in the particular European region affected most by the disruption of Russian supplies ("red zone") to prevent a spiraling of gas wholesale prices (and the contagion effect on wholesale electricity prices). These instruments could be applied separately or cumulatively, as they are not dependent on each other and aim at different results.

The Commission is expected to consult Member States, as well as international partners where considered appropriate, before presenting any specific proposal.

More information here

EUROPEAN UNION

Institution	Issue	Date	Impact
EU Energy Council	**Reform of Electricity Market Design**	**26/07/2022**	**High**

At the extraordinary EU energy Council meeting of 26 July, Greece tabled its proposal for a reform of the electricity market design while most of the eyes were on the Council regulation on coordinated demand-reduction measures for gas. It proposed a two-stage day-ahead market:

- Step 1: volume-based offers remunerated via CfDs for RES-E, "mandatory" hydro, nuclear, co-generation and storage connected to RES-E – integration in the spot market via volume-based offers; TSO controls and accepts the offers or not; volumes from these supplies are aggregated and considered must-run before the second step below;
- Step 2: Standard spot market "reflecting scarcity and marginal costs" for others: coal and gas, demand response, independent from RES-E, and hydro operating at peak load –combining (weighted average) the prices of step 1 and 2.

The proposal was met with mixed views in the Council. The Commission will publish a more high level document on the optimisation of the electricity markets by late 2022. A European legislative proposal can be expected in 2023.

More information here

EUROPEAN UNION

Institution	Issue	Date	Impact
ACER/CEER	**Possible Reform of Forward Markets**	**29/07/2022**	**High**

ACER and CEER published a consultation on their draft policy paper on how to address key challenges in the EU electricity forward market.

However, ACER and CEER seem focused on the way in which long-term transmission rights (LTTRs) are allocated – or not – and how this would be the main blocker to efficient forward markets. This shows a misconception of the weight that cross-zonal transmission risk hedging bears in the overall risk hedging strategy of market participants, which focuses primarily on the forward electricity market.

Proposals to create complex hub systems or to establish implicit auctions of forward capacity lack proper evidence of their expected added-value.

By adding complexity to the system these long-term reform options risk hurting forward electricity market liquidity.

The consultation closed on 29 July. Publication of the final policy paper is expected by November after the analysis of stakeholders feedback. The Commission could ask for the Forward Capacity Allocation (FCA Regulation) revision, and ACER could start scoping in Q3 2022. Recommendations on amendment to the FCA might follow in 2023.

More information here

EUROPEAN UNION

Institution	Issue	Date	Impact
ACER	**New Rules on Demand Response**	**02/08/2022**	**High**

ACER published a consultation on the framework guidelines (FG) setting out the principles for the development of a network code (NC) on demand response.

Art. 59.1 of Electricity Regulation empowers the Commission to establish a NC on demand response, aggregation, energy storage and demand curtailment. The REPower EU on market design also contains an acceleration to develop this FG and tasked ACER to draft it.

The focus of the FG is the wholesale electricity market, not the retail market that will be left for national discussions. The NC will focus on terminology, aggregators and storage.

ACER will have to submit the FG to the Commission by December 2022 after analysing stakeholders feedback.

The Commission will then task the EUDSO, ENTSO-E and ACER to draft the technical rules in 2023.

More information [here]

EUROPEAN UNION

Institution	Issue	Date	Impact
ACER	**Bidding Zone Review**	**09/08/2022**	**High**

ACER has reached a decision on alternative electricity bidding zone configurations. Transmission System Operators (TSOs) have now 12 months to conduct the bidding zone review and to recommend whether to keep or amend the existing bidding zones.

The configurations themselves can be found in Annex 1.

Different bidding zone splits will be studied for Germany, France, Italy, the Netherlands and Sweden.

The study looks at year 2025. After the TSOs recommendations, Member States should reach an unanimous decision to maintain or amend the BZ in 6 months otherwise it escalates to EC and ACER, with other 6 months.

More information here

EUROPEAN UNION

Institution	Issue	Date	Impact
European Council	**EU Emissions Trading System (Amendment)**	**02/09/2022**	**High**

In the face of rising energy prices throughout Europe, Members of the European Parliament have supported amendments to limit participation in the EU ETS to compliance entities and financial intermediaries purchasing allowances on their behalf, amid unsubstantiated claims that the rising EUA/energy prices are directly linked to speculative behaviour by financial intermediaries.

Evidence from European Securities and Markets Authority (ESMA) in their Final Report on the European Union Carbon Market and by the European Central Bank's (ECB) analysis on the role of speculation during the recent increase in EU emissions allowance prices demonstrates that the recent spike in the carbon price is not driven by the activities of financial institutions but by changing market fundamentals.

The impact of the proposed amendments will reduce liquidity, increase costs, decrease the ability to hedge, and disrupt trading, all of which could have a detrimental impact on the functioning of the EU ETS market.

The European Parliament's environment committee (ENVI) will also provide more clarity from 8 September on how it sees proposals to raise revenues through extraordinary sales out of the Market Stability Reserve (MSR), as part of the proposal to review the EU Emissions Trading System (EU ETS).

The European Parliament's Committee and the Council are expected to continue informal negotiations in the coming weeks with the aim of reaching a first reading agreement on the proposal. At least another four rounds of negotiations are expected to be held in the upcoming months to reach an inter-institutional agreement, with the first one to take place in the first two weeks of October 2022. A final agreement on the proposal is likely to be expected by the end of 2022.

More information here

EUROPEAN UNION

Institution	Issue	Date	Impact
ENTSO-E	**Increased Trade with Ukraine**	**29/07/2022**	**High**

On 28 July, the Transmission System Operators (TSOs) of Continental Europe agreed to increase the trade capacity with Ukraine/Moldova to 250 MW which is more than double the capacity that was set in the initial phase (100 MW). The possibility of further increasing trade capacity will be assessed in September based on power system stability and security considerations.

Commercial electricity exchanges with the Ukraine/Moldova power system started on 30 June on the interconnection between Ukraine and Romania, followed by the Ukraine-Slovakia interconnection on 7 July. Electricity trading on the other interconnections (Ukraine-Hungary and Moldova-Romania) is expected to follow later.

The opening of trade capacity with Ukraine/Moldova was made possible after the TSOs of Continental Europe confirmed on 28 June 2022 that the technical pre-conditions had been fulfilled to allow commercial exchanges of electricity between Ukraine and the neighbouring countries.

The start of commercial exchanges of electricity followed the successful synchronization of the Continental Europe power system and the Ukraine/Moldova power system on 16 March 2022 and the welcoming of Ukrenergo as observer member of ENTSO-E on 26 April 2022.

More information here

AUSTRIA

Institution	Issue	Date	Impact
E-Control	**Changes to Gas Market Model Ordinance**	**18/08/2022**	**Medium**

Traders no longer need their Balance Responsible Party Status to be a physical member of the CEGH-Exchange and VTP. Imbalances will be settled directly with the Single Clearing Entity (“Bilanzierungsstelle”) although balancing actions in the market will be carried out on its behalf by the MADAM (Market Area and Distribution Area Manager/ Markt- und Verteilergebietsmanager).

Austrian VTP continues only to be for eastern Austrian region, whereas the western region of Vorarlberg and Tyrol-regions continue to be balanced at the THE.

Daily Imbalance Charges for daily balancing gas bought and sold on behalf of the SCE:

Shorts ("Market Buy Price") = Higher of (i) highest purchase price paid by MADAM for balancing energy during Day and (ii) weighted average Exchange price plus 3%. Longs ("Market Sell Price") - Lower of (i) lowest sale price received by MADAM for balancing energy during Day and (ii) weighted average Exchange price minus 3%.

Within Day Obligation Fees are new and replace Balancing Incentive Mark-up. Only payable for hours in a Day when MADAM has taken balancing action in both directions. Balancing Groups have a tolerance of 4% of daily physical exit deliveries. Hourly imbalances outside tolerance are cumulated and paid for at the WDO Fee which is the difference between the weighted average price for positive balancing energy and negative balancing energy during the day.

FM Balancing Group Curtailment is new. MADAM will have an additional right to curtail Balance Groups by changing the nominations (both entry/exit and at the VTP) of Balance Groups that are jeopardising the network balance and it can choose which ones to curtail, likely those with largest imbalance quantities, so not done pro rata. As the market model changes from 1 October 2022, it is necessary to register with AGGS.

More information here

GERMANY

Institution	Issue	Date	Impact
BMWK	**The Ordinance relating to Section 26 Energy Security Act**	**09/08/2022**	**High**

The Gas Price Adjustment Ordinance was promulgated on 8 August 2022, and came into force on 9 August 2022. The Gas Adjustment Ordinance stipulates that importers either located in the EU, UK, or Switzerland are enabled to recover losses that they incur as they are forced to replace missing deliveries from gas supplier.

Section 26 EnSiG (Energy Secuirty Act) as amended now enables the Federal Government to regulate by Ordinance that the statutory right to adjust prices pursuant to section 24 is replaced by the gas levy ("Gasumlage") to be paid to affected gas importers, with such compensation in turn being financed by a balanced price adjustment, i.e., by a charge on gas consumption. The Federal Government has the authority to issue an ordinance as early as a significant reduction in imported gas volumes is imminent.

Gas importers in the meaning of EnSiG who thought to be entitled to compensation claims under the Ordinance had to comply with tight deadlines (5 business days) for the notification of potential claims and their expected amount.

By 13th August 12 companies had registered as potential beneficiaries under the levy scheme. In order to become eligible for the pay-out scheme, they will have to present audited compensation claims and are subject to a full disclosure of their supply contracts.

The BNetzA informed that the consultation for the "EnSiG Plan" Q&A has been initiated. At the same time, the leaflet on the Gas Price Adjustment Ordinance will also be made available for consultation.

More information here

GERMANY

Institution	Issue	Date	Impact
BNetzA	**Gas Procurement Neutrality Charge**	**18/08/2022**	**High**

As part of a package of measures to enhance energy security after Russia's invasion of Ukraine, the Federal Cabinet approved a temporary levy on August 4 that will encourage gas savings by raising prices paid by households (and businesses) from October 2022.

On 15 August, Trading Hub Europe GmbH (THE) published the gas procurement neutrality charge in the amount of 2.419 ct/kWh (24.19 EUR/MWh). It will be charged from October 1, 2022 for a limited period until 1 April 2024, on all gas quantities withdrawn daily from a balancing group for withdrawal points with registered power metering (RLM) and for withdrawal points with standard load profiles (SLP). The levy may be revied every 3 months based on the price developments.

On 18th August, the Federal Government announced that the VAT rate on the gas sales will be reduced from 19% to 7%. This measure is meant to ensure that the gas invoice for end customers should not be too burdensome for end-customers, in particular private consumers struggling already with the high inflation. The neutrality charge should not impact trades without customer element in Germany.

Companies seeking to get compensation need to deliver audited statements confirming their losses and these documents will need to be enclosed in their applications.

The solution now stipulated prevents and imposed re-pricing of OTC wholesale transactions which was originally foreseen as sole mechanism to cover the replacement cost in Section 24 EnSiG. The biggest gas importer, Uniper, published a USD 12,2 billion net loss for the first quarter of 2022. The company is receiving state support with credit facilities of up to 10 billion via the state owned KfW Bank.

More information here

GERMANY

Institution	Issue	Date	Impact
BNetzA	**BNetzA Approves Electricity Scenario Framework**	**08/07/2022**	**Low**

The Federal Network Agency (Bundesnetzagentur or BNetzA) has approved the electricity scenario framework for the upcoming electricity network development plan (NDP) 2023-2037/2045. The approval provides the basis for determining the expansion of the electricity transmission system in the period up to 2037 and 2045.

Three scenarios each were approved for 2037 and 2045, with three possible pathways to reach climate neutrality described. Development pathway A makes increased use of hydrogen. As well as hydrogen imports, hydrogen produced from domestic electrolysis also plays an important role. The other two pathways, B and C, make greater use of direct electrification.

They differ in the size of assumptions they make on efficiency gains and the amount of electricity consumption. The central scenario B is based on the greatest efficiency.

More information here

GERMANY

Institution	Issue	Date	Impact
BNetzA	**BNetzA's Consultation on the Definition of Imputed Useful Lives**	**13/07/2022**	**Medium**

The Federal Network Agency (BNetzA) opened a consultation on the draft for a specification of imputed useful lives of natural gas pipeline infrastructures ("KANU"). This determination is intended to create the conditions for timely refinancing of newly constructed connection lines for LNG plants. Assets can be depreciated within 2045 minus t years from 2023, the beginning of the next regulatory period, where t is the year of initial capitalisation.

The planned stipulation provides that network operators will be able to write off connection lines for LNG systems much faster than before and earn them again through the network fees. This eliminates investment uncertainties and creates incentives to increase security of supply.

LNG plants can also be written off within a reasonable time frame, provided they are not exempt from regulation anyway.

In the current legal framework, no imputed useful lives are determined for LNG systems and are introduced for the first time by the present determination.

The Federal Network Agency allows particularly rapid depreciation for the connection of floating LNG terminals (FSRU). The Federal Government has so far rented four FSRUs. The other two ships are to take off about a year later in Stade in Lower Saxony and Lubmin in Mecklenburg-Vorpommern. In addition to these four FSRU terminals, private operating companies are working on two other projects of this kind in Lubmin and Wilhelmshaven, according to the head of the Federal Network Agency Klaus Müller.

More information here

GREECE

Institution	Issue	Date	Impact
Government, RAE	**IGB Interconnector**	**08/07/2022**	**Low**

The Greek Regulatory Authority for Energy (RAE) granted the Interconnector Greece – Bulgaria (IGB) a license as an independent natural gas system for the territory of Greece for a period of 50 years. A similar license for a 35-year period was already received by the Bulgarian energy regulator.

With the technical completion of the Interconnector Greece-Bulgaria on 8th July and its commercial operation expected before 1st October 2022, the Bulgarian system will be directly connected to TAP via this 3bcm/year interconnecting line.

The 180-kilometer-long pipeline is built by a joint venture of Bulgaria's state energy company BEH, Greece's gas utility DEPA and Italy's Edison. IGB is expected to ship not only Caspian gas but also regasified volumes imported via the Alexandroupolis FSRU (up to 10.7mcm/day) and could be expanded to 5bcm/year depending on regional market demand.

So far, this entry point has not been established in the national gas transmission system. Information on the capacity of this entry point will be announced by DESFA when the relevant arrangements, foreseen by the regulatory framework, are completed.

The volumes could then be transported further north along the Trans-Balkan infrastructure linking Bulgaria to Ukraine via Romania and Moldova.

According to Bulgarian Energy Minister Rossen Hristov, the interconnector only has enough gas for trial runs, but not the commercial quantities for the time being. The launch of IGB could help consolidate the region's security of supply even though, so far, the Turkish terminals have remained inaccessible to neighbouring countries.

More information [here]

GREECE

Institution	Issue	Date	Impact
DESFA, RAE	**Market Test for Capacity Booking at "Evzonoi-Gevgelija" IP**	**26/07/2022**	**Low**

DESFA announced the launch of the Market Test for the capacity booking in the Greek part of the IP "Evzonoi-Gevgelija", in a single phase, for the Natural Gas Interconnection between Greece and North Macedonia.

Interested parties are asked to submit binding requests for capacity booking at the Greek Section of the project. To participate in the Market Test procedure, interested parties must submit all the required documentation to DESFA until September 12th, 2022.

The Section of the project in Greece consists of an approximately 55 km long, 30" pipeline, stretching from Nea Messimvria, in the Thessaloniki area, to Evzoni, at the border between the two countries, and of a Border Metering Station.

RAE approved with its decision 775/2020 the inclusion of the Section of the project in Greece in DESFA's Ten Year Development Plan 2020-2029. The Notice and the Market Test Guidelines were approved by RAE's Decision 532/2022.

More information here

GREECE

Institution	Issue	Date	Impact
RAE	**Gas Preventive Action Plan Pre-approval**	**16/08/2022**	**Medium**

Following the end of public consultation process on August 1st, 2022, the Greek NRA RAE moved forward towards the pre-approval of the Gas Preventive Action Plan. In accordance with Regulation (EU) 2017/1938, the plan includes:

- Brief description of the national and regional natural gas systems of the risk groups in which Greece participates;
- Brief presentation of the Risk Assessment Infrastructure Rule Compliance (Rule N-1 calculation);
- Compliance with the supply rule (definition of protected consumers);
- The precautionary measures put in place for security of supply;
- Future infrastructure projects expected to enhance security of supply.

The Plan imposes, notably, the storage obligations on licensed suppliers who are users of the NNGTS, and have imported gas to the NNGTS over the last five years (commercial storage).

The Preventive Action Plan was submitted to the Gas Coordination Group (GCG). The final plan will be approved by RAE upon completion of the consultation process with the Competent Authorities of the Member States of the respective Risk Groups, in which Greece participates as well as the GCG.

More information here

HUNGARY

Institution	Issue	Date	Impact
Ministry of Innovation and Technology	**Natural gas stockpile**	**26/08/2022**	**Medium**

Hungary's minister of innovation and technology has revealed the level of contribution certain natural gas traders and other market players will have to pay in order to finance the newly established special natural gas stockpile of the country.

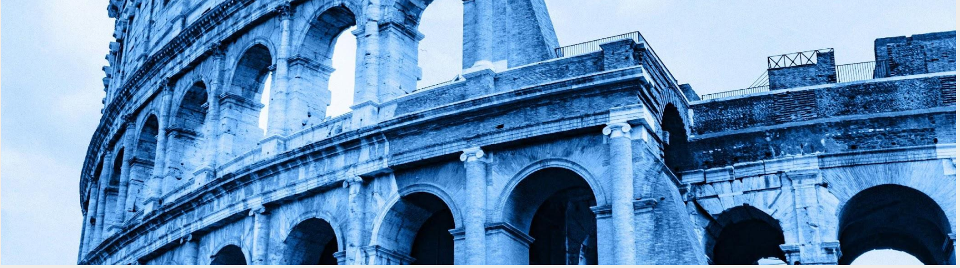
The contribution is payable by those who are members to the Hungarian Hydrocarbon Stockpiling Association (MSZKSZ in Hungarian). MSZKSZ membership is compulsory only for the following entities:

- universal service providers of natural gas;
- natural gas traders selling natural gas to customers or using natural gas for their own account;
- producers of natural gas who sell natural gas to customers;
- end-users purchasing natural gas through cross-border supply or on the gas exchange.

The extraordinary membership fee is payable in the amount of HUF 726.42/MWh (ca. EUR 1.87/MWh) between 1 October 2022 and 31 December 2022 and HUF 537.74/MWh (ca. EUR 1.31/MWh) between 1 January 2023 and 31 March 2023.

Failure to pay the fee may result in sanctions, including termination of membership, as defined in the MSZKSZ codes.

More information here



ITALY

Institution	Issue	Date	Impact
Government	**Last Resort Gas Storage Service**	**20/07/2022**	**Medium**

The Italian Government has adopted a Ministerial Decree to further specify Snam and GSE role to have storage facilities filled to at least 80% of capacity by 1 November.

It mandates Snam to provide the service of injection of last resort to achieve the storage objective of 5,400 MSmc and to return the gas injected to the market participants during the winter of 2022-2023.

Public finance can provide up to 2 billion euros to Snam for the execution of the service of injection of last resort.

Then, GSE should provide the service of injection of last resort through the purchase and sale by 31 December 2022 within the limit of 4 billion euros via direct or indirect agreements with companies owned by the State (e.g. ENI) and in coordination with Snam.

Traders argue that allowing Snam and GSE, parties which do not sell gas forward, to make purchases has had a negative impact on liquidity in the market and led to an artificial tightening of forward markets.

Italy storages were more than 82% full at the end of August.

More information here

MOLDOVA

Institution	Issue	Date	Impact
ANRE	**Changes to Gas Law introduce the Gas Trading License**	**10/08/2022**	**High**

On 10 August, Natural Gas Law 108/2016 was modified by the Moldovan legislator and a new type of "gas trading license" was introduced in primary legislation. Previously, the only type of license available on the Moldovan gas market was the "end-supply license".

As per the definition in the legislation, the natural gas trading license covers wholesale sale and purchase of natural gas, as well as import / export operations on the territory of Moldova.

An application for the gas trading license will require setting up a branch or permanent establishment in Moldova. There is unfortunately no exemption from this 'establishment rule'. As per the DCFTA between Moldova and the EU, EU companies are allowed to open branches in Moldova.

Gas Trading Licenses will be issued by ANRE Moldova for a period of 10 years. Holders of the gas trading license in Moldova will have an obligation to submit semi-annual reports to ANRE Moldova regarding the activity carried out on the wholesale natural gas market.

A gas exchange has also been licensed in Moldova –BRM East Energy – a daughter company of the Romanian Commodities Exchange BRM. The gas exchange is operational from an IT perspective, and holders of the gas trading license will be able to trade gas on this exchange (with delivery in Moldova) as soon as the gas trading license is obtained. For trades with delivery at the Romanian-Moldovan border, no license is required.

More information here

POLAND

Institution	Issue	Date	Impact
Government	**Act on Reinforcing Gas Supply Security**	**15/07/2022**	**High**

On 15th July the Polish government has tabled a new draft act to be fast-tracked through the legislative process, aiming at reinforcing gas supply security for the upcoming winter. No consultation was held on the content and after receiving nearly unanimous support, the draft is awaiting President's signature as of 8th August. The draft:

- Introduces a process for declaring emergency as required by EU SofS Regulation. At the same time it introduces a new definition of gas security of supply that now quotes "affordability" as one of the parameters (possibly to justify price intervention);
- Withdraws the derogation from an obligation to require a license for entities with an annual gas transaction turnover under 100 000 EUR;
- Enables suspending the obligation to trade via the exchange (that applies to the former incumbent) during a crisis or reducing its scope if the Ministry concludes that its level is too costly to maintain by the obliged entity;
- Retains tariffs for households until the end of 2027;
- Prolongs the validity of declarations of submission to enforcement as eligible form of collateral for cleared transactions until the end of 2026.

More information here

ROMANIA

Institution	Issue	Date	Impact
Government	**New ‘windfall tax’ for gas and power traders, suppliers & producers**	**01/09/2022**	**High**

On 1 September 2022, the Romanian Government adopted Emergency Ordinance 119/2022 modifying previous Emergency Ordinance 27 from March 2022, by extending the windfall taxation on the entire production – trading – and supply chain. All monies will go to a so-called “Energy Transition Fund” and will be used to support the compensation and price-capping measures that benefit end-consumers.

For gas and electricity trading companies, this tax is 98% on net revenues. Intended to apply for a period of one year, this new tax entered in force on 1 September 2022 and will apply to supplies delivered under existing contracts as well as new contracts concluded after 1 September. Power exports are no longer allowed to be profit-making (taxed 100%), even for quantities already contracted in the past and which need to be exported. This provision affects both traders and power producers in Romania. Under this new formula, losses under existing contracts are possible if the export price in the trader’s contract is lower than the spot market price in the day before the transaction.

The Romanian Government also increased the existing windfall tax imposed on electricity producers, from 80% to 100% on the difference between the reference price set at RON 450.00/MWh (€93.00/MWh) and the actual price at which the producers sold the power. Expenses incurred for power purchases (e.g. for RES producers for balancing or contractual purposes), CO2 certificates, trading fees and grid access fees are deducted from the total windfall tax owed by the producer to the Energy Transition Fund. Moreover, a 5% penalty will be imposed (by ANRE) on non-resident trading companies which have engaged in “speculative trading meant to increase prices on the Romanian market”, which simply mean transactions where natural gas and electricity change hands several times. Non-resident trading companies are also expected to present a letter of bank guarantee or cash collateral amounting to €1m (in RON equivalent).

More information here

Our flagship product

One-stop-shop for European regulation and market rules compliance

The regulatory environment for European energy trades is becoming increasingly complex. New compliance obligations for energy trades being put in place on both a European and national level. At the same time, compliance with national requirements is becoming increasingly difficult as the implementation of EU rules can differ across EU Member States.

Conducting your business activities in the context of this growing and changing regulatory framework can feel like navigating through a "compliance jungle". Setting up the necessary interface and processes to comply with trade reporting requirement and obtaining or extending the right shipper or supply license can feel like trying to cross that jungle without a map.

Regulatory compliance obligations triggered by being a physical gas shipper, electricity grid user, or trader, requires increasing financial resources to meet ever increasing obligators, whereas the current market environment calls for cutting costs.

CorreggioNET

Facilitates access to new energy markets through the provision of up-to-date information on market access rules and procedures at the wholesale level

---

Offers a comprehensive, structured overview of national regulations triggering compliance obligations for energy market participants in English, and allows for tracking the original sources;

Enables savings on compliance and reduction in overhead costs through offering continuous regulatory monitoring in energy markets of your choice.

CorreggioNET offers following services:

Digest service
Offers regulatory updates on energy market developments through the monthly Correggio Regulatory Report, available upon request as part of the CorreggioNET service.

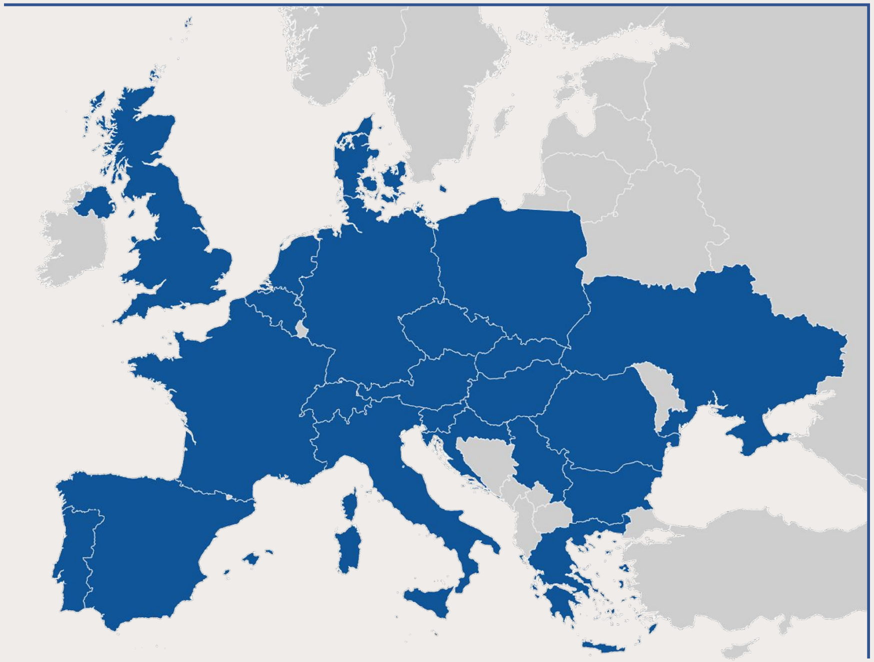
Regulatory hotline service
Offers additional information on applicable compliance obligations with a qualified regulatory specialist.

Monitoring service
Enables subscribers to monitor obligations applicable to the markets in which they are active.

Alert service
Alerts subscribers to new or revised obligations applicable to the markets in which they are active.

CorreggioNET's geographical scope: power and gas market coverage

Over time, we plan to extend the services of CorreggioNET to cover all EU markets and beyond, in line with the business needs of our subscribers.



Want to learn more?

Watch CorreggioNet explainer video!

[Watch on YouTube](#)

Contact us

CorreggioNET
c/o Correggio Consulting Limited
Rue le Corrège 93 B-1000
Brussels, Belgium

Regulatory Hotline for CorreggioNET subscribers:

info@correggionet.eu

T +32 (0) 472 365725

Get a free trial at www.correggionet.eu

Correggio Consulting

- Business Strategy & Compliance
- Legal Support & Contract Negotiation
- Market intelligence & Executive Training

Rue le Corrège 93 B-1000
Brussels, Belgium

info@correggio-consulting.eu
www.correggio-consulting.eu