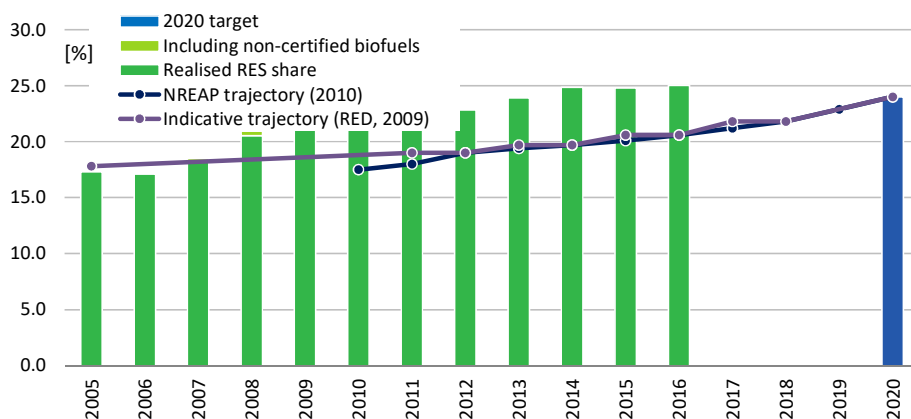


Summary

The promotion of renewable electricity in Romania relies primarily on a renewable quota scheme. Since 2017 the scheme has been closed for new projects. Renewable heating & cooling is promoted through investment subsidies. Renewable energy sources in the transport sector are promoted by a biofuels quota scheme and indirectly through a subsidy scheme for the purchase of electric vehicles.



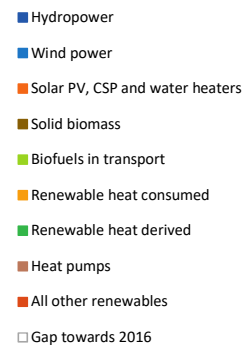
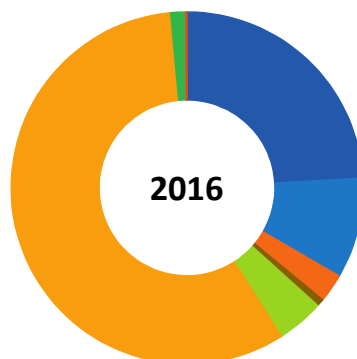
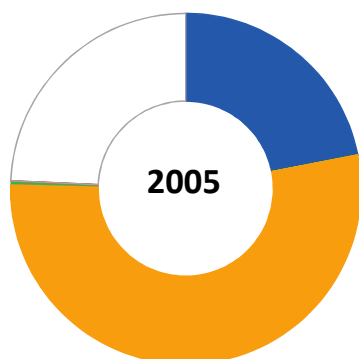
Source: EEA, Eurostat

Abbreviations used:

RES: renewable energy sources
RES-E: renewable electricity
RES-H/C: renewable heating/cooling
RES-T: renewable transport fuels

Data for 2016

Overall RES share:	25.0%	Avoided fossil fuels:	11.2 [Mtoe]
Overall RES 2020 target:	24.0%	Avoided fuel expenses:	1.8 [billion euro]
Share RES-E in electricity:	42.7%	RES Turnover:	1610 [MEUR]
Share RES-T in transport:	6.2%	RES Employment:	44900 [jobs]
Share RES-H/C in heating:	26.9%		



Source: Eurostat, 2018.

	2005	2016		
	Energy	Energy	Employment	Turnover
Hydropower	1305.2 ktoe	1435.0 ktoe	4400 Jobs	240 MEUR
Wind power	0.0 ktoe	550.9 ktoe	2500 Jobs	150 MEUR
Solar PV, CSP and water heaters	0.0 ktoe	156.5 ktoe	2000 Jobs	< 100 MEUR
Solid biomass	0.5 ktoe	40.1 ktoe	11400 Jobs	330 MEUR
Biofuels in transport	0.0 ktoe	257.2 ktoe	23800 Jobs	750 MEUR
Renewable heat consumed	3183.5 ktoe	3426.4 ktoe		
Renewable heat derived	18.1 ktoe	82.2 ktoe		
Heat pumps	0.0 ktoe	0.0 ktoe	300 Jobs	10 MEUR
All other renewables	0.7 ktoe	5.7 ktoe		
Gap towards 2016	1446.1 ktoe			

Source: Eurostat, EurObserv'ER, 2018.

Hydropower jobs & turnover only covers 'small hydropower'. PV=Photovoltaics, CSP=Concentrated Solar Power. Biofuels in transport only covers compliant fuels (employment and turnover additionally cover the non-compliant biofuels). Derived heat includes heat produced in main activity producer plants and heat sold produced in autoproducer plants. Its counterpart is the final heat consumption in the final consumption sectors (such as households).



Renewables policy in a nutshell

The promotion of renewable electricity in Romania relies primarily on a renewable quota scheme. Since 2017 the scheme has been closed for new projects. In March 2017, the government has approved a new Emergency Ordinance No.24/2017 with amendments to the country's main renewable energy law no. 220/2008. The new emergency ordinance cleared up some legal uncertainties and brought some stability and transparency to the Green Certificate support scheme. Additionally, in April 2017 a new state aid scheme has been approved by Government Decision no. 216/2017 to promote energy production from less exploited energy sources, namely biomass, biogas and geothermal energy. According to the 2017 version of the Romanian National Energy Strategy, there are no plans for a further support scheme for new installations. Renewable heating and cooling is promoted through investment subsidies. Renewable energy sources in the transport sector are promoted by a biofuels quota scheme and indirectly through a subsidy scheme for the purchase of electric vehicles.

CURRENT RENEWABLE ENERGY POLICY

Electricity from renewable sources is promoted, mainly, by a renewable quota scheme. The scheme has been closed for new installations producing electricity from renewable sources on 31 December 2016. There has been much discontent regarding the main support scheme on the part of renewable generators after 2014 on account of heavy financial losses they had to endure.

Support for use of renewables in the heating and cooling sector include investment subsidies (notably for district heating) and a training programme for installers.

Renewable energy use in the transport sector is promoted by a biofuels quota scheme.

OVERVIEW OF MAIN SUPPORTING POLICIES

The main financial support scheme for the production of *electricity from renewable energy sources* is a certificates-backed renewable quota scheme. The scheme has been open for new installations until 31 December 2016. Since 2017 there is no comprehensive RES-E support scheme in place. The existing certificates-backed renewable quota scheme is still valid for installations commissioned before 2017 and will remain in place until 2031. The renewable quota scheme having been closed for operators of new installations, the latter can still obtain an investment subsidy through the National Rural Development Programme. The National Rural Development Programme offers subsidy programmes in the agricultural sector: Measure 4 “Investment in physical assets”. These promote amongst others the use of renewable energy sources for the applicants own consumption. Additionally, in April 2017 a new state aid scheme has been approved by Government Decision no. 216/2017 to promote energy production from less exploited energy sources, namely biomass, biogas and geothermal energy. The new support scheme is supported by the Ministry of Regional Development, Public Administration and European Funds, and aims to increase the electricity and thermal energy production from these sources by 60MW until 2023.

Support for installations producing *renewable heating and/or cooling* is provided by investment subsidy programmes of the Romanian Environmental Fund and of the National Rural Development Programme. A national subsidy programme co-finances investment in renewables-based heating infrastructure undertaken at local level. There are vocational training programmes for RES-installers. In April 2017 through Government Decision no. 216/2017 a new state aid support scheme was put in place to stimulate energy production from biomass, biogas and geothermal energy. This scheme is aimed to increase electricity and thermal energy production capacity by 60 MW until 2023. Furthermore, there is a recommendation in place considering the use of renewable energy sources in new buildings with a surface of more than 1000m². An investment subsidy programme encourages investment in the district heat infrastructure using bioenergy on local level and provides co-financing at concessional terms.

Renewable energy sources in the transport sector are promoted by a biofuels quota scheme. Fuel retailers are obliged to ensure that biofuels make up the prescribed minimum share of their annual sales. The biofuels quota scheme encompasses a target for adding biofuels to petrol and diesel (Art.

3 par. 1 Decision No. 935/2011). Only certified biofuels satisfying specific sustainability criteria can be taken into account for fulfilling the prescribed quota (art. 5 par. 3-9 Decision No. 935/2011). Furthermore, fuel retailers are required to reduce the greenhouse gas emissions of the market fuels (Art. 8 par. 10 Decision No. 928/2012 as referred to in Art. I par. 5 Decision No. 1121/2013). The uptake of battery electric and hybrid electric cars are promoted with respectively a € 4450 (RON 20000) and a € 1100 (RON 5000) purchase subsidy. Both battery electric and hybrid electric vehicles are exempt from registration tax. They also get a CO₂ based reduction on car ownership tax. Furthermore electricity loading stations in cities with more than 50,000 inhabitants are eligible to certain capacity-contingent investment subsidies.

Table 1: Overview of support schemes to promote renewable energy

	REGULATORY POLICIES						FISCAL INCENTIVE AND PUBLIC FINANCES			
	Feed-in tariffs	Feed-in premiums	Tenders	Quota obligation with Tradable Green certificates 1)	Quota obligation without Tradable Green certificates 3)	Net-metering/ net-billing	Investment subsidies 2)	Tax credit mechanism I	Tax credit mechanism II	Soft loans
RES-E										
- Offshore wind				x			x			
- Onshore wind				x			x			
- Solar				x			x			
- Hydro				x			x			
- Geothermal				x			x			
- Solid biomass				x			x			
- Biogas				x			x			
RES-H/C										
- Solar thermal							x			
- Geothermal							x			
- Biomass							x			
- Biogas							x			
- Small scale installations, e.g. solar thermal collects, heat pumps, biomass boilers and pellet stoves							x			
- Others, i.e. aerothermal, hydrothermal							x			
RES-T										
- Bio gasoline					x					
- Biodiesel					x					
- Electric vehicles							x			

1) Since 2017 the renewable quota scheme is closed for new projects.

2) Developers of electricity generation and heating & cooling projects from renewable energy sources can apply for an investment subsidy from the National Rural Development Programme. Developers of district heating projects, including projects based on bioenergy, are entitled to a specific investment subsidy.

3) Suppliers of transport fuels are mandated to participate in a biofuels quota scheme, not encompassing other renewable transport fuels.

Sources: EurObserv'ER, GSR/REN21, RES-Legal Europe (2017)

Table 2: Overview of main instruments used at present

<i>Instrument</i>	<i>Description</i>
Renewable quota scheme	Suppliers are mandated to source annually a set annual minimum share of their total electricity deliveries from generators of power from renewable energy sources, to be proven by surrendering certificates. Since 2017 the renewable quota scheme is closed for new projects.
Investment subsidy	Developers of electricity generation and heating & cooling projects from renewable energy sources can apply for an investment subsidy from the National Rural Development Programme.
Vocational training programmes for installers	Applicable, among others, to technicians installing heating & cooling appliances.
Government recommendation to use renewable energy in new buildings	Applicable to new buildings with a floor surface of more than 1000m ² .
Investment subsidy for district heating	Also applicable to installations using bioenergy.
Biofuels quota scheme for transport fuels	Suppliers of transport fuels have to meet a certain minimum share of their annual turnover by biofuels that are certified to comply with regulated minimum sustainability criteria. Moreover, their transport fuel deliveries have to comply with certain minimum GHG emissions standards. The biofuels quota scheme does not encompass other renewable transport fuels.

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EEA, 2017. [1] EEA, 2017 <http://www.eea.europa.eu/data-and-maps/daviz/actual-res-progress-indicative-trajectory-2>

Eurostat, 2017. Energy from renewable sources. http://ec.europa.eu/eurostat/statistics-explained/index.php/Energy_from_renewable_sources

REN21, Global Status Report 2017 http://www.ren21.net/wp-content/uploads/2017/06/170607_GSR_2017_Full_Report.pdf

IEA/IRENA Joint Policies and Measures database

<https://www.iea.org/policiesandmeasures/renewableenergy/?country=Romania>

Member State Progress Report, available at the Renewable Energy pages of the European Commission, <http://ec.europa.eu/energy/en/topics/renewable-energy>

RES Legal database, <http://www.res-legal.eu/search-by-country/romania/>

<https://www.iea.org/policiesandmeasures/pams/romania/>

<https://www.iea.org/policiesandmeasures/renewableenergy/?country=Romania>:

<https://www.iea.org/policiesandmeasures/pams/romania/name-33751-en.php>

<http://luiza.manolea.ro/blog/legislatie/energie-din-surse-regenerabile/legea-2202008-promovarea-producerii-energiei-din-surse-regenerabile-de-energie/> (legislation regarding promotion of renewable electricity through the renewable quota scheme)

<http://www.mai.gov.ro/> (legislation regarding renewable heating and cooling)

<http://www.electrans.co.uk/romania-introduces-new-fangled-ev-policy/> (regards announcement of an electric vehicles subsidy programme.)

http://www.economica.net/promisiunea-psd--vouchere-de-10-000-de-euro-si-20-000-de-statii-de-incarcare-a-masinelor-electrice_131123.html#n (regards announcement of an electric vehicles subsidy programme)

[http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/540376/IPOL_IDA\(2015\)540376_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/540376/IPOL_IDA(2015)540376_EN.pdf) (regards planning of –mainly electrical – railways network)

<http://globalcompetitionreview.com/insight/the-european-middle-eastern-and-african-antitrust-review-2017/1067815/eu-energy> (Amendments to renewable quota scheme meet EEAG: DG COMP decision SA.37177 on 4 May 2015)

https://ec.europa.eu/commission/sites/beta-political/files/energy-union-factsheet-romania_en.pdf (European Commission/ DG ENER, Energy Union Factsheet Romania, November 2017)

European Alternative Fuels Observatory, <http://www.eafo.eu/content/romania> ;
<http://www.eafo.eu/eu>

Romanian Energy Centre, 2018. Romania's clean energy: Obstacles and ways the industry could overcome them. Sponsored article published on the website of Politico. 12 June 2018:

<https://www.politico.eu/sponsored-content/romania-clean-energy-obstacles-and-ways-the-industry-could-overcome-them/>



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