



## NEW RULES FOR CONNECTION TO POWER GRIDS

After two stages of public consultations in which the grid connection operators became intensively involved, the Romanian Energy Regulatory Authority (“ANRE”) adopted new rules for connection to the power grid by means of Order no. 160/2020 amending and supplementing the Regulation for the connection of users to the public interest power grids, approved by ANRE Order no. 59/2013 (the “**Connection Regulation**”).

With minor exceptions, the new rules will enter into force only on January 1, 2021, ANRE having accepted the requests of the grid operators to delay such date.

The new rules are meant to speed up the connection process but also bring other important changes summarized herein below.

### 1. **New ownership regime over the connection installation**

One of the main changes, heavily opposed to by both the transmission and the distribution operators, relates to the ownership regime of the connection installations.

According to the existing rules, the connection installations developed for connecting new consumers/producers (the “**New Grid Users**”) to the power grid become property of the grid operator, despite being financed by the former. The new rules change this ownership regime so that the New Grid Users become owners of the connection installations. Nevertheless, in order to enable the grid operators to carry out the power distribution service and all the obligations deriving therefrom, the New Grid Users must grant the grid operators exploitation rights over such installations by concluding therewith a convention under the standard form approved by ANRE.

The exploitation costs incurred by the grid operators in relation to these installations are recognized by ANRE in the distribution tariffs.

The private ownership of the connection installations does not hinder in any way the right of the future grid users to be connected to the grid through these installations (if such have available capacity reserve), the owner thereof being obliged to allow such connection. The obligation of the future users to pay to the installation owner a compensation for the development costs incurred (if the connection is done within 5 years from the commissioning of the connection installation) remains unaltered.

The new rules also address the situation where the installation owner intends to terminate the exploitation convention concluded with the grid operator, thus making impossible for the latter to continue operating such installation. In such a case, if other users are connected thereto, the grid operator takes over the ownership over the installation in exchange of paying a fair compensation to the owner thereof, in accordance with ANRE rules.

## **2. Right of the New Grid Users to directly contract the works for the connection installation**

The works for designing and developing the connection installations are currently contracted by the grid operator in two manners, namely either (i) with a specific contractor appointed by the New Grid User or (ii) with a contractor selected by the grid operator following the application of the public procurement procedure, the choice between them belonging to the New Grid User. Without altering these two alternatives, a third option is added consisting in the right of the New Grid User to contract directly such construction works.

If such third option is chosen by the New Grid User, the user takes over all obligations related to the designing/developing of the connection installations (which, currently, fall within the responsibility of the grid operator based on the grid connection agreement). Thus, the obligations of the grid operator become limited to the following:

- (i) providing technical assistance and verifying the construction works for the connection installation;
- (ii) performing the reception and commissioning of the connection installation, within 18 calendar days from the completion of the construction works, as notified by the New Grid User;
- (iii) performing the grid strengthening works upstream the connection installation; and
- (iv) applying voltage on the consumption/generation installation belonging to the New Grid User.

Consequently, the grid connection tariff payable to the grid operator is decreased accordingly. Nevertheless, the grid connection agreement will specify all connection

costs, those payable to the grid operator as grid connection tariff, as well as those payable directly to the relevant contractor.

From a contractual perspective, the New Grid User and the selected contractor are free to negotiate the contractual terms of the works agreement, under the limits imposed by the grid connection permit and green connection agreement. Thus, the parties are no longer bound by the mandatory terms set out by ANRE Order no. 95/2018 regarding the mandatory clauses of the services contracts for performing connection works to the public interest grid.

### **3. Speed up of the connection process**

In an effort to speed up the connection process, many deadlines corresponding to specific stages of the connection process in charge of the grid operators were reduced, some of which are mentioned below:

- decrease from 20 calendar days to 10 business days of the term in which the grid operator must inform the applicant on the impossibility to issue the grid connection permit and the underlying grounds;
- decrease from 10 calendar days to 5 business days of the term for executing the grid connection agreement by the grid operator;
- decrease from 10 calendar days to 3 business days of the term for issuing the grid connection certificate;
- decrease from 10 calendar days to 5 business days of the term for applying voltage on the consumption/generation installation.

### **4. Certification of the prosumers**

The new ANRE order covers a legislative gap related to the certification as prosumers of the prosumers operating power generation installations with installed capacities exceeding 27 kilowatts per consumption place. According to the new rules, such certification must be done by the grid operators via the grid connection certificate, as already regulated in case of prosumers operating installations with installed capacities of maximum 27 kilowatts.

### **5. Connection of storage installations and high-voltage direct current systems**

So as to align the Connection Regulation to the European legislation, the new rules expressly provide that Connection Regulation applies also to the connection of the power storage installations and of the high-voltage direct current systems.

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This article contains general information and should not be considered as legal advice.



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