

## Legal framework as an accelerator for deployment of renewables - the good, the bad and everything in between



### 1. A historical momentum

The EU support for renewables, fostered from the outset by climate change and environmental/health as well as energy independence concerns, has prompted across the years a booming renewable business. Then the war in Ukraine broke out and the ensuing energy crisis raised a structural question mark on how EU could best react to these challenges and what role would the renewables play in the process.

Are renewables the solution to the problem or are they part of the problem (the energy price hikes being partially attributed by some analysts to the Green Deal transition)? What will happen with renewables as result of the war: would there be a slow-down or an acceleration in their deployment? These were questions raised in early 2022.

In response to these concerns, the EU Commission and EU Council have swiftly turned the challenges posed by the war into a historical opportunity to accelerate at an even faster pace the green transition across EU. The EU authorities have embraced renewables more than ever before, insisting with every opportunity on the deployment of renewables as a means to fight the weaponization of the gas supply by Russia in the new geopolitical context shaped by the Ukraine war.

### 2. What EU has done to accelerate deployment of renewables?

Over the past 2 years, the EU authorities (most specifically the Commission and the Council) have adopted policies and enacted rules meant to help the renewables sector based on a top-down approach.

a) Since the adoption of the Green Deal new policy, the EU has steadily sought to raise the bar and increase the 2030 EU and national targets for renewables. The current Renewable Energy Directive - recast (“**RED II**”) provides for a 32% target share of renewables out of the EU gross final consumption of energy in 2030, but the EU Commission’s proposal for a revision of RED II (to become “**RED III**”) aims to significantly increase the target.

Thus, in July 2021, under the Fit for 55 package, the Commission proposed a 40% target (which was accepted by the Member States)<sup>1</sup> and later a 45% target under the REPowerEU Plan communicated in May 2022<sup>2</sup>. This ambitious target should bring the total renewable energy generation capacities to 1,236 GW by 2030, in comparison to 1,067 GW envisaged under Fit for 55 package.

In addition, the targets for the use of renewables have been increased in various sectors of the economy (especially

in heating & cooling and constructions sector), with the aim to and effect of, fostering a new demand for renewables.

b) As part of the REPowerEU Plan, the Commission has proposed a series of targeted amendments to existing legislation in the energy field, namely RED II, the Energy Performance of Buildings Directive (“**EPBD**”), and the Energy Efficiency Directive (“**EED**”)<sup>3</sup>. All three directives are already in the process of being revised as part of the Fit for 55 package.

Most of the targeted amendments concern RED II. In addition to the more ambitious share of renewable energy sources as shown above (i.e., 45%), the Commission’s proposal for RED III includes enhanced measures to accelerate permitting procedures for new renewable power plants, or for adaptation of existing renewable installations. Member States would be required to designate “*renewables go-to areas*”, which are particularly suitable areas for renewable installations and would benefit from accelerated permitting procedures. The proposal would limit the grounds for legal objections to new renewable installations by considering that renewable production, its connection to the grid, the grid itself and related storage assets would be presumed to be of *overriding public* interest for specific purposes.

The EPBD would be amended to create an obligation for Member States to ensure that new buildings are solar ready and to install solar energy installations on buildings. This would apply from 2027 to all new public and commercial buildings with a useful floor area larger than 250 square meters, and from 2028 to all existing public and commercial buildings of this size. As from 2030, this requirement would extend to cover all new residential buildings.

The EED would be amended to ensure that Member States collectively reduce their energy consumption by at least 13% until 2030.

c) The Commission has already imposed in RED II a mandatory reduction of the administrative barriers for the permitting of renewables, mainly requiring the Member States to take the appropriate steps to ensure, among other things, that:

- administrative procedures are streamlined and expedited at the appropriate administrative level and predictable timeframes are established;
- permitting rules are objective, transparent and proportionate, do not discriminate between applicants and fully consider the particularities of individual renewable energy technologies; or
- simplified and less burdensome authorisation procedures, including a simple-notification procedure, are established for decentralised devices, and for producing and storing energy from renewable sources.

d) In addition, the EU has recently adopted Council Regulation (EU) 2022/2577, laying down a framework to accelerate the deployment of renewable energy (“**Regulation 2577**”), which introduces very short terms for the permitting of renewable projects and other facilities.

For example:

- the permit-granting process for the repowering of projects, including the permits related to the upgrade of the assets necessary for their connection to the grid where repowering results in an increased capacity, shall not exceed 6 months including environmental impact assessments where required by relevant legislation;
- the permit-granting process for the installation of solar energy equipment and co-located energy storage assets,

including building-integrated solar installations and rooftop solar energy equipment in existing or future artificial structures, with the exclusion of artificial water surfaces, shall not exceed 3 months, provided that the primary aim of such structures is not solar energy production.

In addition, Regulation 2577 provides that the planning, construction and operation of plants and installations for the production of energy from renewable sources, and their connection to the grid, the related grid itself and storage assets shall be presumed to be in the *overriding public* interest and serving public health and safety when balancing legal interests in the individual case. Also, Member States shall ensure, at least for projects which are recognised as being of an overriding public interest, that in the planning and permit-granting process, the construction and operation of plants and installations for the production of energy from renewable sources and the related grid infrastructure development are given priority when balancing legal interests in the individual case.

Regulation 2577 shall apply for a 18 month-period and represents a good example of how the legislator can help an industry sector. Highly relevant is also the fact that the form chosen was that of a regulation immediately and directly applicable to all Member States instead of a directive that must be transposed in each national legislation, which may entail great delays (as in the case of the RED transposition by Romania, as discussed below) or “translation errors”.

e) It is true that the EU has also adopted Council Regulation (EU) 2022/1854, which imposed the EUR 180/MW cap revenue for renewable producers, but at a closer look, this cap appears to be still financially rewarding at a reasonable level. Also, the same Regulation allowed Member States to impose smaller caps and required them to collect and redirect the excess revenues towards supporting final consumers, thus enabling domestic windfall taxes (in the end, a windfall tax could be acceptable in principle, if the taxable base is correctly defined and the tax value is reasonably calibrated). The EU support for renewables is assumingly consistent but not blind, as EU officials stated.

### **3. What Romania has done to accelerate deployment of renewables?**

Romania had a poor track record during the first wave of renewables when, in 2013, the Romanian Government severely cut down the support scheme for renewables, also affecting operational projects built on the economic assumptions of the initially generous support scheme. Between 2013 and about 2017 – 2018, nothing really was done in the legislative area to support renewables. Then, as from 2018, some improvements have slowly started to build a more favourable framework for green certificates and then, going forward, to restore investors’ trust in other measures taken over the last 3 years and prepare the set for the current second wave of renewable investments.

#### **a) Increased renewable targets**

Romania has accepted to increase its renewable targets through the Integrated National Energy and Climate Plan approved under Government Decision no. 1076/2021 (30.7% until 2030, compared to 27.9% as initially envisaged at national level), but still not at the current RED level (32% - collectively at EU level) and far from the bold level recently proposed by the European Commission.

Giving the intention to raise the EU target to 45% under the REPowerEU Plan, we would expect EU pressure to result in a further increase of the Romanian target as well.

#### **b) Bilateral PPAs allowed**

The bilateral PPAs have been again expressly allowed starting with 2020 further to the amendments brought to the Energy law No. 123/2012 (the “**Energy Law**”) under GEO No. 74/2020 and GEO No. 143/2021, after a 10-year

ban where electricity trading was mandatory to be carried out only on the Opcom centralised markets.

This encouraged banks to tap into the financing potential of new projects, but unfortunately it was not sufficient to allow the PPAs market to grow. The market saw very few PPAs signed if at all (on medium and long term, as required for project financing purposes) due to the volatility of the energy price over the past few years against the backdrop of successive Covid 19, Ukraine war and energy crises, all of which have discouraged long term approaches.

The PPAs market saw a relative setback in 2022 across Europe as well, down 21% by volume compared to 2021 after a string of many years of progressive growth, although the total number of PPAs increased with 4.5%<sup>4</sup>.

### **c) Balancing market reshapes**

In recent years, certain measures have been adopted that have reconfigured the balancing market in Romania, including, for example:

- participation in the balancing market has become voluntary;
- moving from one hour's settlement time to 15 minutes' settlement, which allows trading to be much closer to the delivery time;
- price on the balancing market is freely determined by the supply-and-demand mechanism, and can reach negative values;
- the rules for calculating the price on the balancing market have been adjusted by replacing the two-price model (i.e., different prices for the deficit and excess electricity) with a single balancing price, which should reduce the balancing costs going forward.

### **d) Connection to the public electricity grid eased up**

The rules on grid connection have been finetuned under ANRE Order no. 81/2022 amending ANRE Order No. 59/2023 approving the grid connection regulation (the “**Grid Connection Regulation**”) by allowing more flexibility to grid connection in case of grid capacity restrictions (i.e., the possibility to connect at N-1 functioning elements criterion) and improving the transparency of the connection process and information on grid capacity.

Also, ANRE Order No. 4/2023 has recently been issued, which extended the deadline for the deposit of the financial guarantee for the technical connection permit (“**ATR**”) from 3 to 12 months (i.e., until the conclusion of the connection agreement which must not exceed a 12-month term after the issuance of the ATR).

The Romanian regulator's approach regarding grid connection has been usually favourable to investors, which are basically allowed to provisionally secure grid connection rights through the ATR without significant costs (except for the mandatory guarantee in the event that deep grid connection works are needed as per the ATR).

### **e) Renewables partially exempted from the restrictive legislation protecting consumers against electricity price hikes**

The legislation enacted in 2022 to protect consumers against electricity price hikes (including but not limited to GEO No. 27/2022) has offered a safe harbour to renewables, exempting the new projects commissioned after 1 April 2022 from the restrictions applicable to other producers such as:

- the 80% windfall tax initially imposed on producers' revenues in excess of RON 450/MW, currently replaced with the contribution to the Energy Transition Fund under GEO No. 119/2022 and GEO No. 27/2022 applicable to producers, traders, suppliers involved in trading activities and hedging partners of the producers, and which level was increased (for producers) from 80% to 100% of revenues in excess of RON 450/MW<sup>5</sup>, or
- the obligation of producers with at least 10 MW installed capacity to sell the produced available electricity to Opcom, in its capacity as a single purchaser on the electricity market, through the centralised purchase mechanism set forth under GEO No. 153/2022 amending GEO No. 27/2022 at a regulated price of RON 450/ MW (ca. EUR 90/MW).

However, the contribution to the Energy Transition Fund is applicable to the operating renewable producers commissioned before 1 April 2022 and has been extended by effect of Law No. 357/2022 to the producers' hedging partners, severely affecting the hedging business (the contribution is withheld at source and paid by producers). In this way, the producers' options to have an efficient back-up for their shortcomings in production are reduced, not to mention the fact that this contribution for hedging applied retroactively (i.e., starting with 1 September 2022 while Law No. 357/2022 entered into force on 16 December 2022).

Also, the centralised purchase mechanism, applicable during the period 1 January 2023 – 31 March 2025, might have overarching effects in the market, setting a price reference (i.e., RON 450 - ca. EUR 90/MW) that may function as an anchor. While favourable to consumers, this regulated price is only half the cap on market revenues set by EU Council Regulation (EU) 2022/1854 and might have a certain effect of dragging down the prices in bilateral PPAs as well.

#### **f) Increased facilities to prosumers**

Legislation on prosumers has constantly been improved over the last 3 years, mainly by (i) eliminating the requirement for a building permit for solar panels (both rooftop and ground mounted), (ii) easing up the connection process by a simplified dedicated procedure and (iii) implementing an off-take obligation and an off-set mechanism for the electricity delivered to the grid versus electricity consumed from the grid.

More recently, GEO No. 163/2022 included the regulation of a dual structure whereby (i) the renewable energy prosumers' installation may be owned by a third party or managed by a third party in terms of installation, operation, including metering and maintenance, provided that the third party is subject to the renewable energy prosumer's installation, operation and metering instructions (the third party is not itself considered a prosumer) and (ii) from a legal point of view, the generation, use for own consumption, storage and sale/purchase of electricity at the point of delimitation between the prosumer's electrical installation and the electricity grid owned by the grid operator to which the prosumer's installation is connected shall be carried out only by the prosumer.

However, the Government introduced, under the same GEO No. 163/2022, the possibility to tax the prosumers for their self-produced renewable electricity consumed by them locally (the so-called "*tax on the sun*") in the following scenarios:

- whether self-generated renewable electricity is effectively supported through support schemes, only to the extent that the economic viability of the project and the incentive effect of such support are not undermined;
- starting with 1 December 2026, if the installed capacity in prosumers' power plants exceeds 8% of the total installed capacity in electricity generation capacity at national level, if certain conditions are met (e.g., ANRE demonstrates that there is a significant disproportionate burden on the long-term financial sustainability of the electricity system or that there is an incentive that exceeds what is objectively necessary to achieve cost-effective use of energy from renewable sources); or

- if the self-generated electricity from renewable sources is produced in installations with a total installed capacity of electricity exceeding 30 kW.

The prosumer-oriented legislation has been reflected in the increased number of prosumers – over 40,000 with a total installed power of 423 MW as of 1st of January 2023<sup>6</sup>.

#### **g) Administrative procedures (to be) simplified**

The current RED has finally been transposed, although with more than a one-year delay, under GEO 163/2022. It remains to be seen how the newly introduced permitting process deadlines (for the construction, refurbishment and operation of renewable energy plants and the assets necessary to connect them to the grid) will be enforced in practice, such as:

- 2 years for new power plants, including all relevant competent authority procedures. The two-year term may be extended by up to 1 year if duly justified for reasons relating to predefined exceptional circumstances;
- 1 year for new installations with an electrical output of less than 150 kW, with the possibility of extension for a further 1 year in predefined exceptional circumstances;
- 1 year for the refurbishment of existing renewable energy power plants, with the possibility of extension for a further 1 year, if duly justified for reasons relating to predefined exceptional circumstances.

An open question that remains is whether the points of contacts which must obligatorily be established under the RED will be efficient. Such points of contact must be designated under a Government Decision to be issued within 9 months from the entry into force of GEO 163/2022 (i.e., 6 December 2022).

In addition, Romania has adopted a legislation aimed at implementing the principle of one stop shop in the industrial sector. Specifically, GEO No. 140/2022 on the single industrial license (“**SIL Ordinance**”) was adopted at the end of 2022 and shall enter into force gradually. The single industrial license shall be granted for the purpose of carrying out an industrial activity related to the applicant’s object of activity, which falls under the scope of the activities listed in an annex to the SIL Ordinance that include, amongst others, electricity generation, transmission, distribution and trading. The authorization procedure shall be carried out via one single point of contact at administrative level. However, the actual implementation of the SIL Ordinance is still a work in progress and it is not yet clear how this will apply in the energy sector.

#### **h) Restrictions on land use diminished**

The restrictions to use agricultural and extra *muros* land for construction of renewable projects have been progressively relaxed.

In August 2020, a rather strange provision was introduced in Law No. 17/2014 on the sale of extra *muros* agricultural lands (under Law No. 175/2020) pursuant to which such lands ought to be used only according to their destination as “*at the time of their purchase*”, a provision that could be construed as an effective prohibition to use such land for other economic uses such as building renewables.

But in July 2022, Law No. 254/2022 amending Land Law No. 18/1991 (the “**Land Law**”) provided that renewable projects could be built on extra *muros* lands within the limit of 50 hectares. Besides representing an exception to the potential prohibition mentioned above, this provision eliminated the need to introduce the land in the intra *muros* (i.e., buildable) category, which is carried on by way of an urban zoning plan (PUZ) but did not expressly

eliminate the need of a PUZ for the urbanistic coordinates of the area<sup>7</sup>.

Finally, in January 2023, Law No. 21/2023 amending Construction Law No. 50/1991 (the “**Constructions Law**”) made it clear that the renewable projects allowed to be built on agricultural *extra muros* land under the Land Law do not need a PUZ at all, thus significantly simplifying the permitting process, which may be shortened in practice by up to 9 months. In fact, this change removes an unnecessary redundancy between the PUZ process and the building permit process, as, usually, the same prior endorsements that needed to be obtained for the PUZ had to be re-obtained for the building permit as well. On the other hand, a PUZ is useful to publicise the project and create awareness towards neighbouring competitors and a potential priority in the permitting process as regards the project location.

Nevertheless, these new changes to the Land Law and Construction Law were not clear in some respects and have been construed and implemented in a very restrictive way by the Ministry of Agriculture and Rural Development (“**MARD**”), as if testing the endurance level of investors:

- On the one hand, MARD has construed the 50 hectares exception introduced by the Land Law as a restriction in the sense that renewable projects covering more than 50 hectares of land (which is equivalent to maximum 42 MW installed power for PV projects) were no longer allowed either on *extra muros* or *intra muros* land and, consequently, MARD systematically refused to endorse the change of category from extra muros to intra muros for projects above this threshold.
- On the other hand, MADR adopted a very restrictive definition in the case of dual system use projects (projects that mix the generation of electricity with agricultural activities). In particular, the Land Law provided that for the projects developed in the dual use system, allowed under the same law on all non-arable agricultural lands, only the actual built area needs to be removed from the agricultural circuit as opposed to the entire plot area, while MADR has restrained by Order No. 83/2018 the dual use system triggering this advantage only to two specific types of non-arable lands – vineyards and orchards.

Last but not least, a practical problem was raised by the lack of transitory provisions in the new legislation, so that there is not very clear which legislation applies to ongoing permitting processes.

Recently, some new legislative initiatives have been launched to solve this 50 hectares PUZ exemption issue:

- a draft law has been recently introduced on the Parliament agenda with the aim to make the PUZ exemption applicable to all renewable projects irrespective of the surface of land (including land over 50 hectares) and of whether the project land is *extra muros* or *intra muros*<sup>8</sup>.
- a fresh draft Emergency Government Ordinance (designed to mainly regulate the absorption of the RePower EU funds allocated to Romania) was launched in public consultation, which makes the PUZ exemption generally applicable, removing the 50 hectares limit, only for the benefit of a number of projects declared of public national interest (i.e., renewable projects developed by public entities), a solution which appear to be discriminatory towards the private projects<sup>9</sup>.

#### **i) Contracts for difference (“CfDs”) under way**

The Ministry of Energy is preparing a new renewables support scheme (after the previous one ended in 2016) in the form of CfDs, expected to be launched by the end of the year. Announced already in 2020, the CfDs scheme preparation is still ongoing (which may signify that the Ministry wants to avoid a hasty approach as in the case of the previous green certificates scheme). In terms of the CfD scheme’s indicative timeline, the National Resilience

and Recovery Plan (“**NRRP**”) provides for the following:

- Q2 2023 - entry into force of a new Energy Law (and of any required secondary legislation) which shall, *inter alia*, implement the CfDs;
- Q4 2023 - execution of contracts following the first round of tender procedures for the allocation of CfDs to promote the production of renewable electricity (at least 1,500 MW of installed capacity);
- Q2 2025 - execution of contracts following the second round of tender procedures for the allocation of CfDs to promote the production of renewable electricity (at least 2,000 MW of additional installed capacity).

It is worth mentioning that participating in the CfDs scheme comes with a sizeable upfront cost for the applicants/beneficiaries under the form of a bid bond (estimated between EUR 10 – 20 per KW) and a performance bond (estimated between EUR 50 – 100 per KW), as per the public information available on the Ministry of Energy website.

#### **j) European funds awaiting to be allocated**

The Romanian authorities have negotiated sizeable funds from EU sources for the financing of renewables (mainly wind, solar and hydrogen), the most significant being the NRRP and the Modernisation Fund.

On 4 May 2022, the Government approved *Emergency Ordinance No. 60/2022 on the establishment of the institutional and financial framework for the implementation and management of the funds allocated to Romania through the Modernisation Fund*. However, so far, no funds have been awarded to renewable projects through a competitive process, but the Government published on 12 October 2022 the draft support scheme – “*Implementation of new electricity generation capacities from renewable sources of wind, solar energy, hydro, geothermal, biomass or biogas*” with a budget of EUR 550,000,000 representing non-reimbursable financing from the Modernisation Fund<sup>10</sup>.

Under NRRP, the support scheme “*Implementation of new electricity generation capacities from renewable wind and solar energy sources, with or without integrated storage facilities*” was launched in 2022 with a total estimated budget of EUR 595,010,000. By the end of 2022, 744 projects had been applied for the scheme, which shows the strong appetite for such funds and the increased competition between projects on the Romanian market<sup>11</sup>. Though the scheme was successful, there were multiple challenges in the documentation phase, such as, for example, coping with unclear or uncorrelated eligibility requirements with far-reaching consequences (e.g., affidavit regarding self-consumption based on a restrictive definition).

Although the NRPP scheme was launched in spring 2022, the final selection of the projects has not been done to date, which may raise some concerns due to contractual commitments and deadlines assumed in the application file that might have expired in the meantime. However, a big step forward was done in mid-February 2023, when a provisional scoring of the projects was published on the Ministry of Energy website according to which the scheme would accommodate 150 projects above 1 MW capacity.

Overall, it is expected that by 2030 Romania would install 10,000 MW in new energy generation projects from renewable sources that will be financed through the NRRP and the Modernization Fund<sup>12</sup>.

#### **k) Reduced VAT on solar panels**

Starting from 16 January 2023, through an amendment brought to the Fiscal Code under Law no. 39/2023, the



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VAT on solar panels has been reduced from 19% to 5%, thus, contributing to the attractiveness of solar panels investments for the industry and households alike.

#### **l) Electricity storage legislation progress**

The electricity storage segment is in its infancy in Romania (according to publicly available information, ANRE has so far issued only one license for storage activity), but it is largely acknowledged as a long-term solution for tackling the problem of intermittency of renewable sources such a wind and solar and the Romanian authorities are trying to promote it.

The first legislative steps in creating a secondary regulation on electricity storage have recently been taken by the adoption of ANRE Order no. 3/2023 which regulates (i) the minimum technical requirements for the connection of electricity storage facilities to the public interest electricity grids and (ii) the procedure and stages of the notification process for the connection of storage facilities, as well as the content of the tests to verify the compliance of storage facilities with the technical requirements for connection to the public interest electricity grids.

Under NRRP, a support scheme “*Supporting investment in the development of electricity storage capacities (batteries)*” was launched in 2022 with a total estimated budget of EUR 103.480.000<sup>13</sup>.

#### **m) Offshore wind energy framework – still a lot to be done**

As far as offshore wind energy is concerned, there are no concrete recent developments, despite the two draft laws introduced on the Parliament’s agenda, but which remained rather in dormancy<sup>14</sup>.

The process of adoption of the Maritime Spatial Plan which had to be approved by 31 March 2021 according to Directive (EU) 2014/89, which should be a pre-condition to the deployment of offshore wind has not progressed much either. On 9 November 2022, the Ministry of Environment, Water and Forests published the screening decision on the Maritime Spatial Plan<sup>15</sup>, concluding that the plan is likely to have significant environment effects, requiring the continuation of the environmental assessment procedure and the preparation of the environmental report and the appropriate assessment study.

Thus, although some investors have announced their intention to develop offshore wind farms in Romania, in the absence of a detailed regulatory framework, advancing with such project would be difficult if not impossible. On the other hand, some preliminary activities related to pre-development and permitting can be performed (studies, environmental procedures, etc). Also, the second offshore energy law contains transitory provisions related to the recognition of prior regulatory steps performed by investors.

However, according to public statements of the Ministry of Energy representatives, the Government works to finalise the offshore wind law by the end of 2023, as provided also by the NRRP.

#### **n) Green hydrogen – a long term focus**

As far as green hydrogen is concerned, there is no coordinated action plan or a comprehensive regulatory framework in place, but in October 2022, the Ministry of Energy announced the beginning of the process to develop the “National Hydrogen Strategy and Action Plan”, part of the NRRP<sup>16</sup>. In addition, recently, a legislative proposal on the integration of hydrogen from renewable and low-carbon sources in the industry and transport sectors has been registered at the Senate for debate<sup>17</sup>.

Under NRRP, a support scheme titled “*Supporting investments in the construction of green hydrogen production capacity in electrolysis plants*” was launched in 2022 with a total estimated budget of EUR 148,752,500 and 32 projects had applied for the scheme by the end of 2022.<sup>18</sup>

Romania’s long-term potential for green hydrogen is considered to be significant also in light of the synergies with the developed local industrial sectors (such as petrochemistry or steel manufacturing) that may use it as an energy source in the manufacturing process and the complementarity with the renewable capacities that need a storage solution, which explains the importance given to green hydrogen in the NRRP.

#### 4. Conclusions

Overall, over the last 3 years, Romania has (re)shaped a rather friendly legal environment for renewables, or perhaps it is more accurate to say it has made significant efforts to do so, as some good intentions may have been lost on the way.

Notwithstanding any missteps, there have clearly been legislative actions taken to encourage investors and make their lives easier. On the other hand, some measures were not pushed through the end and remained half – measures, as is the case of the 50-hectare PUZ exemption where the ambiguity of the regulation had led to awkward interpretations.

Also, an endemic problem of Romania was and remains the legislative instability and poorly drafted and/or uncorrelated legislation (including by tortuous, multi-level cross-referenced legal provisions). For example, as regards the legislative instability, the Grid Connection Regulation has been amended 9 times over the last 20 months, GEO No. 27/2022 (the main piece of legislation tackling the energy crisis) has been amended 7 times over the last 9 months and the Energy Law (the primary piece of legislation in the energy sector) has been amended 7 times over the last 14 months. On the positive side with respect to these examples above, it could be said that many amendments were aimed at a correction for the better, but this is far from being a general valid rule.

Renewables have taken solid roots in Romania, and renewable projects flourish all over. The question is how many of them will get to bear fruits? It should ultimately depend upon the agility and resilience of the investors that will allow them to safely navigate through the rushing waters of the legal framework and very competitive Romanian market.

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<sup>1</sup> More information on Fit for 55 package is available [here](#).

<sup>2</sup> Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions - REPowerEU Plan (COM/2022/230), available [here](#).

<sup>3</sup> Proposal for a Directive of the European Parliament and of the Council amending Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources, Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency (COM/2022/222 final), available [here](#).

<sup>4</sup> Information available [here](#).

<sup>5</sup> Exception applicable to all new production capacities, not only renewables.

<sup>6</sup> Information available [here](#).

<sup>7</sup> For information purposes, a PUZ is needed (i) to introduce the extra muros land in the intra muros category and implicitly set the urbanistic features of the respective land, as need may be, or (ii) to set the urbanistic features of the already intra muros land to allow a project that does not fit the general urban plan (PUG).

<sup>8</sup> Draft law available [here](#).

<sup>9</sup> Draft Emergency Government Ordinance available [here](#).

<sup>10</sup> Information available [here](#).

<sup>11</sup> Information available [here](#).

<sup>12</sup> Information available [here](#).

<sup>13</sup> Information available [here](#).

<sup>14</sup> The draft laws are available [here](#) and [here](#).

<sup>15</sup> Information available [here](#).

<sup>16</sup> Information available [here](#).

<sup>17</sup> The draft law is available [here](#).

<sup>18</sup> Information available [here](#).