

## CMS | New OFFSHORE WIND law in Romania



**On December 21, the Romanian Government approved the draft Law on offshore wind operations in the Black Sea („the Offshore law”). Once approved, the Offshore law will go through the Parliamentary debate next February, according to the Ministry of Energy public delarations. The Offshore law is part of the Romanian Government commitments under the National Recovery and Resilience Plan.**

Three months after the entry into force of the Offshore law, the Ministry of Energy will initiate a study to identify the offshore blocks that may be put out to tender for exploration and exploitation and for the construction of offshore wind power plants, as well as the tender procedure. The Ministry of Energy will be the authority that will coordinate and organize the competitive tender process.

It is expected that by June 30, 2025, the Government will approve the offshore block list as well as the secondary legislation required for the implementation of the Offshore law. In line with the european practice, the Ministry of Energy has been designated as the single point of contact. The Ministry of Energy shall provide, to interested persons, upon request, with the support of the other competent institutions and authorities, information on the procedures to be followed for participation in the competitive procedure for the award of the concession contract, the commencement of exploration of the offshore wind perimeter, and the construction and operation of the offshore wind power plant.

According to the draft law, the Ministry of Energy may grant State aid in the form of a support scheme for the construction or operation of offshore wind power plants, provided that they are commissioned within a maximum period of 8 years from signing the concession contract. Such scheme is likely to be in the form of Contracts for Difference scheme, which is about to be enacted for several low carbon technologies.

The procedure for granting exploration, construction and exploitation rights is established in a single phase. The concession of offshore blocks is based on a concession contract concluded with the Ministry of Energy following a competitive award procedure. The concession contracts will be granted for a period of 30 years, with the possibility of extension for another 10 years.

Economic agents interested in obtaining a concession to carry out the exploration, construction and operation of offshore wind power plants, whether or not this includes granting of a state aid scheme, may form a consortium with other legal entities. The association document must include the following elements: the technical and financial capacity of the party entering into the association, the scope of the association, the way in which the rights and obligations of the associates are defined.

The new draft law derogates from the general legal framework with respect to public concession, and it provides that the concessionaire has the right to assign all or part of the rights and obligations acquired under the concession contract, with the prior approval of the grantor (i.e. the Ministry of Energy), to another legal person. This is meant to enable assignment of the concession intra-group within international energy investors but also to allow for the formation of joint ventures/consortia, which is a common practice in the industry, given the high value of necessary investments.

Furthermore, the exploration of the concessioned blocks is carried out on the basis of an exploration permit, issued by the Ministry of Energy at the conclusion of the concession contract. The exploration permit will be issued for a maximum period of 2 years, with the right to an extension of up to 6 months.

This new draft law follows the general legal framework applicable to offshore oil and gas operations by nominating to the Competent Authority for the Regulation of Offshore Oil and Gas Operations in the Black Sea („ACROPO”) as the issuing authority of the building permit with regard to offshore works.

In the past few years, other legislative proposals on the exploitation of offshore wind have been put forward and this has ignited the interest of several foreign and local industry players. The current draft law received the support of the Government and once approved by the Parliament, Romania is likely to become the first country bordering the Black Sea to enact special legislation in the offshore wind sector.

This long awaited Offshore Law comes in the context of a very efervescent renewables market, which enjoyed in the last three years a strong come back with over 30 GW of projects under development in onshore solar and wind, alongside new technologies such as hydrogen, CCS, BESS.

For more information on this law, please contact our CMS experts **Varinia Radu** or **Ramona Dulamea**.