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# Romania's clean energy: obstacles and ways the industry could overcome them

*The EU's clean energy policies and targets are challenging for Romania. The country's technology resources could be a way forward*

Romania can tap into its strong technology resources to digitalize the country's energy system and boost low-carbon supplies as well as economic growth. However, new EU climate and energy policies still need to take into account the challenges facing some countries.

That was the message from energy industry leaders at the seventh annual Romanian Energy Day conference in Brussels on June 5 and 6, titled "Regional Energy Security in the Context of the European Internal Energy Market." The conference focused on the "three Ds" in the EU's Clean Energy Package of policies for 2021-2030 – digitalization, decarbonization and decentralization – as well as the regulatory and financial implications of shifting to a low-carbon economy.

Romanian industry speakers voiced support for the clean energy goals and legislation, while pointing to the obstacles the country faces and how it could overcome them.

First off, according to Enel Romania CEO Georgios Stassis: Enel is becoming a leader in digital energy services by using Romania's information and communication technology sector, which accounts for 6 percent of its GDP and is growing.

"Digitalization is a process that will enable several desirable evolutions for the energy sector: The emergence of prosumers, the better use of renewable energy, energy efficiency, better quality and lowering costs for the distribution service, integrating electric mobility and vehicles to grid, improving flexibility of the grid, and others," said Stassis.

Smart meters can be especially effective in encouraging efficiency

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**CORNELIU BODEA, PRESIDENT OF THE ROMANIAN ENERGY CENTER**



and allowing energy consumers to customize how much they use and when they use, he added. Overall, energy digitalization in Romania can generate economic growth and high-value jobs in the manufacturing and services value chain, including equipment, software, electric vehicles and devices. This will make the manufacturing sector and economy more competitive, Stassis said.

Corneliu Bodea, president of the Romanian Energy Center, agreed on the country's need to embrace the shift to digital and low-carbon energy technology.

"Energy infrastructure becomes not the foundation, but the ground that everything is built and relies on," Bodea said. "Climate change, the need for more renewables [to be] integrated into the grids, demand-response, electric vehicles, and distributed generation are all concepts that transform our energy systems. We need to lead this change, to control it to our own benefit and to the benefit of our civilization."

That said, following the EU's clean energy policies won't be easy for Romania, speakers noted.

The coal-fired power sector accounts for around a quarter of Romania's energy supply and employs more than 20,000 people, noted Sorin Boza, general manager of the Oltenia Energy Complex, a coal energy producer. Reliance on the sector stretches to a much broader range of stakeholders, he added. Boza argued that EU policymakers should make major considerations about a country's existing electricity mix and the "realities" of specific sectors when they look at setting national emissions limits for capacity mechanisms, in which governments pay power producers

to remain on standby in case of supply emergencies.

One of the most contentious pieces of the Clean Energy Package between the European Parliament, member states and the Commission is a proposed emissions limit for power plants that take part in capacity mechanisms, at 550 grams of CO2 per kilowatt hour if the plants are built after the policy takes effect in 2021. The standard would be extended to pre-existing power plants five years later.

But, opponents argue, capacity mechanisms were created because of a lack of investments in new generation capacity to meet peak electricity demand, and they're intended to ensure affordable security of supply. Member states already need to comply with EU guidelines on state aid for energy and environmental protection.

The key overall is that while EU countries must follow new targets, their applicability should be driven by national contexts, with medium- to long-term strategies, objectives and measures, Boza said.

Acknowledging the concerns, EU Climate Action and Energy Commissioner Miguel Arias Cañete said Brussels is open to giving Romania financial support so it can meet its new clean energy and climate targets.

"Romania is an active participant in this regard and the Commission has set out to establish with the national authorities how the efforts can be supported more effectively by the European Union," Arias Cañete said in a keynote speech at the Romanian Energy Day conference. "The idea is to support the Romanian regions with the problem of access

to funds more easily and use it in a strategic manner."

Arias Cañete also said he was "delighted" that Romania has "progressed significantly" on construction of the Bulgaria-Romania-Hungary-Austria gas pipeline, so that it can be completed on time. The Commission signed off on a €179 million grant for the Romanian section in 2016, under the EU's Connecting Europe Facility.

The Romanian Energy Center, which represents companies and organizations working in the country, is committed to supporting regional energy infrastructure, said Corneliu Bodea, the association's president. Specifically, it wants to use open dialogue with EU officials and regional partners, cooperate on research and innovation, promote energy development projects that benefit the region, and represent the interests of its members in front of authorities in Romania, the EU and other regions, Bodea added.

"Romania is playing an important role within the energy landscape of the European Union, not only because of its diverse and consistent energy resources, or know-how and experience, but also because of its position at the hot border of the European Union and the energy union," he said. Economic leadership "needs to be strong and determined, as people are looking for clear directions and need right models to follow."

The Romanian Energy Day conference drew more than 150 people from public authorities, private institutions, professional associations, universities, think tanks and the energy industry, from 10 countries.