

Overall  
Score

13



2022  
Score

6

## Summary

Romania's revised NECP draft outlines modest growth targets for solar power capacity but this below the country's solar potential and lacks specificity and concrete measures for achievement. Proposed revisions aim to set clearer sub-targets, yet uncertainties remain regarding implementation and grid capacity issues. Incentives for prosumers include exemptions from taxes and green certificate purchases, alongside subsidy programs like Casa Verde Fotovoltaice. However, bureaucratic delays and fiscal consolidation measures pose challenges to the sector's growth. New initiatives such as REPowerEU offer additional financial support, but impending tax increases and bureaucratic hurdles threaten progress.

Permitting procedures for prosumers suffer from slow and bureaucratic processes, contributing to delays in project implementation. Discussions regarding capacity limitations per person and uncertain legislative modifications further compound permitting challenges. Romania lacks explicit legal regulations for energy sharing despite efforts to redefine prosumers and promote direct energy sales. While initiatives exist for energy communities, a clear legal framework is absent, hindering their development and access to European funds. Additional measures include plans for significant solar capacity expansion and efforts to modernise the energy infrastructure, albeit with a low smart meter penetration rate. Financial support from entities like the European Investment Bank aims to facilitate renewable energy integration and grid modernization efforts.

## Scoring System

This country profile highlights the good and the bad policies and practices of solar rooftop PV development within Romania. It examines and scores six key areas: governance, incentives & support schemes, permitting procedures, energy sharing schemes, energy communities and additional measures to support solar PV development. For this update, we will have the 2022 score to the right as a benchmark:

The scoring system is set out below:



Green = 4-5 points



Orange = 2-3 points



Red = 0-1 points





## Country Profile

### Romania



## The Good



**Growth in prosumers:** Romania revised NECP draft foresees the overall installed capacity of prosumers is expected to surpass 1.1 GW by the end of 2023, with the long-term aim to reach a substantial milestone by 2030, reaching 2.5 GW. At the end of 2023, Romania crossed the 100,000 prosumers milestone.



**Incentive Programs:** Initiatives like the Casa Verde Fotovoltaice program and REPowerEU offer financial support to encourage individuals and businesses to adopt solar energy.



**Infrastructure Modernisation:** Efforts to modernise energy infrastructure with support from entities like the European Investment Bank can facilitate renewable energy integration.



**A stepping stone for energy communities:** Transposition of energy communities and declarations from Romania's national regulator to promote their growth is encouraging.



**Regulatory Efforts:** Efforts to revise legislation and define prosumers may lay the groundwork for future energy sharing and community initiatives.



## Country Profile Romania



## The Bad



**Lack of Ambition:** Targets set in Romania's NECP draft lack ambition and do not reflect the potential for solar development in the country.



**Bureaucratic Delays:** Fiscal consolidation measures will significantly reduce aid in 2024 and excessive bureaucracy has delayed several times the implementation of the programs blocking the whole PV sector for many months.



**Grid capacity issues:** There are ongoing discussions regarding limiting potential prosumers from connecting to the grid due to a lack of capacity and concerns the grid may become unbalanced.



**Lack of legal framework:** Local initiatives lack a clear legal framework to set guidelines for the creation, operation and governance of an energy community, failing to ensure transparency, accountability and legal protection for participants.

2024 : Governance 3

2022 Score : 3



The current National Energy Climate Plan (NECP) in force projects growth in terms of installed capacity of solar power from 1.3GW (Gigawatts) in 2020 to 5GW in 2030. However this target lacks ambition and does not reflect the potential for solar development in Romania<sup>1</sup>. It also lacks specific subtargets and clear measures to achieve them. The draft revised NECP submitted in Autumn 2023 describes clearer sub-targets than the NECPs in force. For instance, new installations will progress with 100 MW (Megawatt) each year from 2023 to 2029 and further accelerate to 800 MW each year from 2030 to 2050. On the other hand, there is no clear pathway to reach these goals and the subtargets, which are not backed by concrete measures and incentives after 2025 yet. Some of the subtargets may also be in contradiction with declarations from high ranked energy officials stating that there will be limitations set for prosumers due to grid capacity issues.

1. <https://www.solarpowereurope.org/advocacy/national-energy-and-climate-plans>

**2024 : Incentives 3**

**2022 Score : 2**

A new legislation is being discussed, which initially will allow prosumers with installed capacities of up to 400kW to store and sell their energy directly to another person, who is connected to the production installation through a net billing scheme, with the condition to be connected to the same DSO and supplier. Prosumers (physical persons) with a maximum of 400kW installed power are exempted from payment of taxes for the self consumed energy or for the energy which is sold to suppliers; and both companies and physical persons do not need to buy green certificates anymore. However, after its initial approval by the Parliament in November 2023, the President of Romania sent the Parliament a request to re-examine the recently voted law.<sup>2</sup> With regards to incentives, Romania introduced the Casa Verde Fotovoltaice project in 2019 to cover up to 90% of capital expenses of solar systems for residential segments with a minimum capacity of 3 kW. As of 2023, the financing scheme covered up to 4000 euros of an investment in a PV system of minimum 3kW, but in 2024, the amount will probably decrease by half compared to the current one due to fiscal consolidation measures.<sup>4</sup>

On the other hand, It has been announced a new incentive program as part of the REPowerEU, starting in 2024, run by the Ministry of Investments and European Projects, which includes batteries in the scheme: vouchers for up to 10,000 EUR for PVs and batteries - 5,000 EUR for minimum of 3 kW PV installation, and 5,000 EUR for a 5 kWh battery. In January 2023, the government enacted a law to bring down value added tax (VAT) on solar panels and their installation from 5% to 19%,<sup>5</sup> but there have been announcements that it will increase to 9% from the 1st of January 2024.<sup>6</sup> In conclusion, financial support through incentives' programs is in place and it has motivated people to become prosumers while changing their perception of PV technology in a positive way. However, as a negative note, fiscal consolidation measures will significantly reduce aid in 2024 and excessive bureaucracy has delayed several times the implementation of the programs blocking the whole PV sector for many months on each of the three editions of the incentives program.

2. <https://e-nergia.ro/iohannis-retrimite-parlamentului-legea-votata-care-aducea-schimbari-importante-pentru-prosumatori/>

3. ADMINISTRATIA FONDULUI PENTRU MEDIU - CASA VERDE FOTOVOLTAICE (afm.ro)

4. <https://e-nergia.ro/subventia-pentru-instalarea-de-panuri-fotovoltaice-acasa-scade-la-10-000-de-lei-anul-viitor/>

5. <https://taiyangnews.info/romania-lowers-value-added-tax-on-solar-pv-panels/>

6. <https://www.startupcafe.ro/taxe/ministrul-finantelor-taxe-tva-horeca-panouri-solare.htm>



2024 : Permitting 2

2022 Score : 2

Although the overall environment (e.g. legislation, regulations) for prosumers has improved over the last 2-3 years, Romania still suffers from the problem of slow and bureaucratic procedures that pose delays on citizens. As an example, the above mentioned bureaucratic delays and bottlenecks in the implementation of financing schemes. There is uncertainty as well about the final product of the new legislative modifications due to the President's request to re-examine the recently voted law, but also how its outcome is going to be implemented in the ground, including operations and communication channels between DSOs and electricity suppliers. Furthermore, there is an ongoing discussion about limiting the capacities installed per person in order not to unbalance the grid, which probably would have an impact delaying permitting procedures, according to declarations from the Ministry of Energy and officials from the energy regulator (ANRE).



**2024 : Energy Sharing 1**

**2022 Score : 0**

Despite the declarations from the national energy regulator according to which they are working and designing potential models for energy sharing,<sup>7</sup> Romania still lacks explicit legal regulations in this respect. The revised but not confirmed yet definition of prosumer (November 2023) presents potential opportunities to pave the way for energy sharing, including the newfound ability to directly sell energy to another consumer connected to the production facility and the option to offset surplus energy production against consumption at another site, provided it is under the same supplier and distribution operator. But in general, the lack of supportive legal structures hampers prosumers' capacity to fully capitalise on the advantages of self-consumption and energy sharing. While the revised definition of prosumer in November 2023 offers some promising changes, these amendments may not be sufficient to address the broader issues within the existing legal framework.

7. <https://www.energynomics.ro/en/dumbraveanu-we-are-working-on-a-legislative-framework-related-to-citizens-energy-communities/>



## 2024 : Energy Communities 2

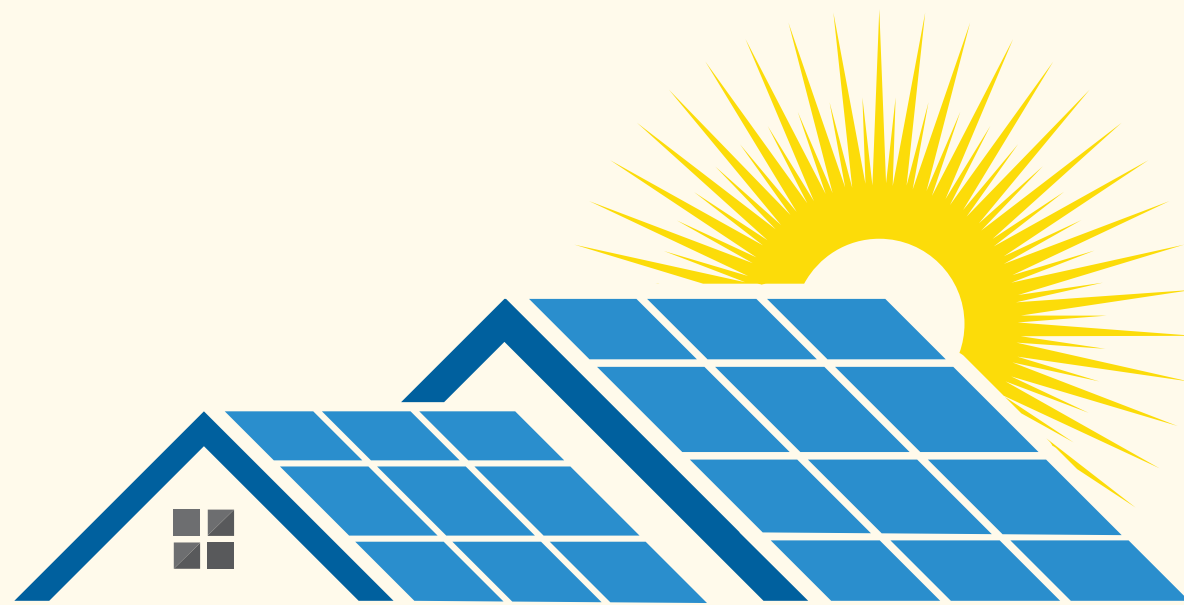
2022 Score : 3

Currently, Romania has transposed the European directives defining Citizen Energy Communities and Renewable Energy Communities (REC), the latter at the end of 2022. For the most part, this legislation has been a copy-paste of the provisions from the Electricity and REC Directives, with some duties provided to the National Regulator, ANRE, to further articulate regulations<sup>8</sup>. In September 2023, declarations from ANRE mentioned their will to develop a set of regulations and a guide that will allow active customers to act on the market and establish themselves in energy communities of citizens, but it has not been approved yet and requires further development<sup>9</sup>. Up until now, Romanian authorities have not yet implemented the provisions assumed by the RED II transposition regarding the creation of an enabling framework for energy communities, or the assessment of barriers and their removal.

Local initiatives lack a clear legal framework to set guidelines for the creation, operation and governance of an energy community, ensuring transparency, accountability and legal protection for participants. There are neither regulations for grid integration and market access of energy communities. Several grassroots initiatives, including municipalities, citizen groups, and organisations, are urging central authorities to accelerate the completion of relevant legislation. The current absence of such regulations poses challenges in securing European funds for these initiatives.

8. <https://www.rescoop.eu/policy/romania>

9. <https://www.energynomics.ro/en/dumbraveanu-we-are-working-on-a-legislative-framework-related-to-citizens-energy-communities/>



2024 : Additional measures 2

2022 Score : 2

Romania had a total solar installed capacity of 1.8 GW by the end of 2022, which expects the country's to add another 6.1 GW by 2026 in its business-as-usual scenario<sup>10</sup>. At the end of 2023, Romania reached the 100,000 prosumers milestone. This rapid advance has been mainly boosted by the incentives of the Casa Verde Fotovoltaice Program, run by the Environmental Fund Administration, but also as a citizens' response to the uncertainties of the energy prices.

The smart meter penetration rate is of 16%.<sup>11</sup> Already in 2021, the European Investment Bank (EIB) had signed a EUR 120 million loan with the power distribution subsidiary of Romanian electricity supplier Electrica Group to finance network modernization, advanced metering, and renewable energy integration.<sup>12</sup>

10. <https://taiyangnews.info/romania-to-boost-residential-solar-installations/#:~:text=Romania%20had%20a%20total%20installed,business%2Das%2Dusual%20scenario.>

11. <https://balkangreenenergynews.com/central-eastern-europe-severely-lagging-in-smart-meters-rollout/>

12. <https://balkangreenenergynews.com/romanas-electrica-secures-eur-120-million-loan-for-network-upgrades-smart-meters-renewables/>

## Engaging citizens and local communities in the solar revolution

The Rooftop Solar PV Comparison Report update produced by CAN Europe and its member organisations aims to detect barriers at national level that impede a higher uptake of residential rooftop solar PV, highlight best and bad practices, and to put forward concrete policy recommendations for setting up the right regulatory framework to ensure an accelerated uptake of rooftop solar PV.

11 countries were chosen to be assessed and scored on their performance regarding the development of rooftop solar PV within their country.

For the full report, follow the link below:

<http://caneurope.org/rooftop-solar-pv-comparison-report>

