

## Energy Market, Romania, 2005 - 2020

Bucharest, 2012, September

InterBiz | research & consulting updated and improved the analysis “Energy Market, Romania, 2005 – 2020”.

This very important report, now into its fourth edition, reflects the impact of recent economic events and how the recession has affected the Energy Market in Romania.

The report provides a comprehensive picture of the market situation, current issues, dynamics, prices, influence factors, future prospects, competitive environment.

With just-in-time updated market data and continuous follow-up of markets news, this report brings clear image, to help tackle national energy challenges and opportunities.

The analysis is focused on:

- ➔ Heat & Power
- ➔ RES / “green energy”
- ➔ Oil & Gas

# Summary

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### Importance in the Romania's economy

The energy and petroleum products market value (retail, all taxes included) accounted 16% of GDP in 2011, down 5 percentage points comparing to 2005. By 2020 the market should double to €39 bln. The electricity will record higher growth rate.

### Electricity

The evolution of electricity generation during 2005 - 2011 shows the increase of the share of electricity from nuclear power plants from 9% to 19%, while the share of electricity produced in hydro power plants has declined from 34% to 24%. On medium and long term, the electricity generation sector requires large amounts of investments, most capacities having 30-40 years old.

In 2011 the electricity generation increased by 1% and in 2012 preliminary data indicates a decline of 1.5%.

During 2005 -2011 the price of electricity for households rose on average by 4-6% / year and for industrial consumers rose by 5-8% / year, depending on the consumption band.

### RES / green energy

Wind energy has the largest installed production capacity from renewable sources in Romania, still offering great opportunities for development.

Romania has a remarkable potential for wind energy. Currently installed turbines have a capacity of 1,400 MW, but the real potential is 14,000 MW even if are announced projects for another 21,000 MW. However, at the end of 2012 will be installed nearly 2,000 MW in wind, and in 2020 could reach 7,000 MW.

The second resource developed is micro-hydro power (<10 MW). Installed power in this segment amounted to 430 MW, among the largest producers being Hidroelectrica Elsid, Espe, Uzinsider and CEZ.

Significant investments segment photovoltaic / solar still not been achieved, although the potential is great. Until June 2012 there were signed projects to connect photovoltaic energy production facilities that have total capacity of 1,330 MW, but there are other projects for 1,500 MW.

Producers of electricity generated from renewable sources receive green certificates. Green certificates are traded on a parallel market, different from the power, where bids qualified manufacturers and suppliers of electricity. Green certificates are usually traded on the maximum price of €55 / certificate, but penalties for non-purchased certificates amounted to €110 / certificate.

### Gas

In Romania are active 6 producers and 62 distributors and suppliers of natural gas. Romgaz and OMV Petrom are the market leaders, covering 75-80% of total domestic consumption. Russia is the sole suppliers of gas import and account one quarter of the domestic market. It should keep in mind that on medium and long term Romania will be dependent on gas imports, and the price of imported gas is twice higher than domestic gas.

### Heat

About 80% of thermo energy power plants in Romania have been installed in the 70s – 80s. Over the last 10 years were upgraded / modernized some heat & power generation plants, representing 10% of installed power. Central heating services are under the control of local administration. Number of households connected to the district heating network reported to total number of households in municipalities decreased from 42% in 2004 to 32% in 2011.

### Challenges

For the next decade, the main challenges of the energy market are linked to the new structure of electricity generation by concentration or privatization of power plants, application of new aid scheme for RES producers, turn to value the potential of RES, gas supply on free market, investments and improvement of central heating networks, oil price, population's behavior and development trends of group of consumers.

## Methodology used

- ➔ data collection / desk research: public institutions (national statistics, agencies, ministries, authorities), companies involved in the sector, mass media
- ➔ data processing / biz intelligence: the inputs are placed in a matrix and correlations are made. The unlikely variants are excluded and the likely variants are kept and bring into final form. The forecast scenarios are based on the estimated demand of each sector: energy sector, industry, transport, households, construction, agriculture, other sectors.



## Your goal is to know

- ➔ market size: structure, evolution and dynamics
- ➔ players and understand the competitive environment
- ➔ market trends and performances
- ➔ forecasts for 2012 - 2020
- ➔ what are the opportunities
- ➔ key factors for success
- ➔ useful instrument in decision making

## Mentions about the analysis

- ➔ *Price:* € 2 900 + VAT
- ➔ *Language:* English / Romanian
- ➔ *Information structure:* text, table, charts
- ➔ *Pages:* 180
- ➔ *Format:* Adobe Acrobat
- ➔ *Delivery term:* 1 working day, after the payment / in the same day, if required

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For any question and details, do not hesitate to contact us!

**Respectfully yours,**

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