

ANRE
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7 October 2021

Subject: EFET¹ follow-up letter concerning transaction reporting obligations

We thank you for your explanatory letter dated 6 September 2021 in response to our concerns about the functioning of the Romanian gas market. With this letter we would like to follow up on the issue of reporting obligations imposed on natural gas suppliers/traders licensed on the Romanian market.

It is our understanding that the monthly reporting routines are carried out based on the Natural Gas Market Monitoring Methodology (“Metodologia de monitorizare a pieței de gaze naturale”), according to ANRE Order nr. 5/13.02.2013. To our knowledge, despite the major changes that the Romanian natural gas market has undergone over these eight years, this regulation has not seen any amendments since that date, although we are aware of the two recent market-wide consultations which aimed to update it accordingly: [one in September 2020](#) and [one in December 2020](#). We acknowledge that ANRE is still compiling changes based on feedback from these consultations, and will hopefully come forward with a new Methodology by the end of this year, which is why we wish to take the opportunity to highlight certain aspects concerning monthly reporting that are capable of being interpreted differently. In order to ensure that the information submitted is meaningful, requirements could be improved and/or clarified as follows:

- According to Articles 32 and 33 of the Methodology, each market participant licensed on the Romanian market has the obligation to send a copy of each deal signed with any partner, whether domestic (licensed by ANRE, in Romania), or foreign (licensed in another country, by an external regulator) – the latter can lead to ambiguities on what a market participant should or should not report: an ANRE-licensed trader could sign deals in other countries for gas that is never actually being delivered in Romania. In such cases we recommend such deals should be excluded under the Methodology;
- In correlation with the previous point, specific reporting criteria (if any) would be required to report natural gas which is transited through Romania by a single party, that is, imported at a certain border point and exported at another border point, a situation which does not imply any transaction or title transfer in Romania. In such case, volumes could be reported, but not price, and they should not count towards liquidity in the Romanian market ;
- Both points above refer to situations which were unlikely in 2013, but are common nowadays, and therefore prompt immediate alterations to the Methodology, to remove reporting obligations incompatible with the current situation;

¹ The European Federation of Energy Traders (EFET) promotes competition, transparency and open access in the European energy sector. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. We currently represent more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org.

- A recurring implication in the Methodology (starting with the definitions at Art. 8) is that any import comes from a contract to buy gas from abroad, and any export is implied for a contract to sell gas abroad, but this is not always the case – imported gas could originate from withdrawals from storage facilities abroad, of gas already stored there by the importer and no purchase transaction took place. Similarly, exported gas could be sent for injection into storage facilities abroad, without a sale of gas. In both cases, no actual deals are closed, since stored gas remains in the property of the same ANRE-licensed market participant;
- For coherence relative to other trades, the price reported for imported/exported gas would best be expressed according to the INCOTERMS 2010 – DAP standard, that is, excluding the cost for the capacity booked on the cross-border interconnection point;
- Clear definitions are needed for notions like “comportamente de piață inadecvate, anormale” (“inadequate, abnormal market behavior”, Art. 16), “valorile neobișnuite ale prețurilor” (“unusual price values”, Art. 57), “ofertele la prețuri excesive” (“offers at excessive prices”, Art. 58), “greșelile frecvente” (“frequent errors”, Art. 58) etc.;
- We strongly suggest enabling market participants to upload their monthly reports directly via Excel files, in ANRE-defined formats, a timesaving (and error-avoiding) feature already available for the equivalent reporting routines on the power market;

EFET remains committed to helping the Romanian authorities to understand how experienced international traders will respond to proposed legislation, such that unintended effects that are harmful to Romanian producers and consumers can be avoided. We hope that you will find our recommendations helpful and we remain at your disposal should you wish to discuss the matter further.

Kind Regards,



Davide Rubini,
Chairman of EFET TF CSEE-G



Doug Wood
Chair of EFET Gas Committee
Member of EFET Board