

Energy Transition And Sustainability

An Interview with
George S. Niculescu, President, Romania Energy Regulatory Authority

EDITORS' NOTE *George Niculescu is the President of the Romanian Energy Regulatory Authority (ANRE), a position he has held since April 2023. As President of ANRE (anre.ro), Niculescu coordinates the development, approval and monitoring of the application of the mandatory regulations at the national level necessary for optimal functioning of the electricity, heat and natural gas market in conditions of efficiency, competition, transparency and consumer protection. Prior to his current position, Niculescu was Secretary of State in the Ministry of Energy, where he dealt especially with problems and topics related to electricity, natural gas and oil, as well as with energy security matters in the energy transition context. Prior to his appointment in the Ministry of Energy, Niculescu held the position of Governor for Constanta County from December 2019 to October 2020, managing the activity of the Government at the local level, the decentralized public services of the ministries and other bodies of the central public administration in the administrative-territorial unit. Niculescu holds a BA degree in Law and an MBA in Energy Entrepreneurship.*



George S. Niculescu

How is ANRE contributing to Romania's transition to renewable energy sources, and what strategies are in place to promote sustainability in the energy sector?

ANRE is pivotal in Romania's energy transformation, ensuring that our shift to renewable energy is not just a regulatory goal, but a national movement towards sustainability. We've implemented mechanisms like green certificates and competitive auctions to boost renewable energy projects and ensure they are smoothly integrated into our national grid. Our commitment extends beyond regulation; we are building a future where energy efficiency, smart grids, and innovative technologies like storage and carbon capture define Romania's energy landscape. Our strategy also includes promoting energy efficiency across all sectors. As the President of ANRE, my commitment is to lead this transition with a focus on investments, innovation and sustainability, ensuring that Romania not only meets its energy needs, but does so in a way that is environmentally responsible and economically beneficial for all.

Will you outline ANRE's approach to balancing the country's energy needs with environmental concerns, particularly in light of international climate agreements?

Our mission at ANRE is to strike a careful balance – securing Romania's energy needs while fiercely protecting our environment in alignment with global climate commitments. We promote investments in renewable energy, enhance energy efficiency, and guide the sustainable phase-out of high-emission sources. By integrating renewables into

the grid and supporting clean technology innovation, we are not just meeting the demands of today, but paving the way for a cleaner tomorrow. Our ambition is to have more megawatts installed into the grids, generating cheap affordable energy, so through the new approved regulations we propose to design a new and improved mechanism that ensures a competitive framework for the investors that wish to secure the connection of their renewable projects. I believe in a strategy that safeguards our environment without compromising the country's energy security, ensuring a sustainable future for Romania.

How does ANRE plan to address challenges such as aging infrastructure and grid modernization to ensure reliability and efficiency in energy delivery?

ANRE is addressing the challenges of aging infrastructure and the need for grid modernization through targeted investments and regulatory incentives. We are encouraging the upgrade and replacement of outdated components within the energy grid to enhance reliability and reduce maintenance costs. A key focus is on advancing smart grid technologies, which improve real-time monitoring and management of energy flows, helping to balance supply and demand more effectively. When establishing the WACC for the fifth regulatory period, we took into account the need to achieve an optimal balance between maintaining the interest of making the necessary investments to ensure the quality of electricity and natural gas transmission and distribution services and ensuring a reasonable level of profits for transmission and distribution operators. We also considered the need to support the development, in the most cost-effective way, of safe, reliable, efficient and non-discriminatory consumer-oriented systems, in accordance with the general objectives in the field of electricity and natural gas. Our goal is to create a grid that is not only modern



George Niculescu hosts Romanian Minister of Energy Sebastian Burduja on the occasion of ANRE's 25 Anniversary

but resilient, capable of handling the demands of a rapidly evolving energy landscape.

How does ANRE collaborate with international partners to enhance energy security and diversification of energy sources for Romania?

ANRE is actively engaged with other EU regulators within the framework of ACER and CEER and participates in implementing EU legislation in energy and in addressing common challenges; achieving security of supply through investments in renewable and flexible generation, as well as fostering an integrated and well-functioning Internal Energy Market, placing all consumers at its center.

Besides our cooperation with the European regulators, we are also focusing on our transatlantic ties. Based on the strategic partnership with the U.S., we are working on developing our energy cooperation that includes the regulatory aspects as well. Together with USAID and NARUC, as well as bilaterally, we are engaged in a dynamic exchange of information with the regulatory authority of the Republic of Moldova on topics related to the functioning of energy markets, implementing EU legislation and sharing best European regulatory practices.

These collaborations are essential for ensuring that Romania's energy sector is secure, sustainable, and well-integrated into the broader European energy market.

What opportunities do you see for the Romanian energy sector, and how is ANRE positioning itself to capitalize on these opportunities?

Looking to the future, the energy sector in Romania has multiple opportunities due to the diversification of energy sources, the transition to green energy, and integration with regional and European markets. Some major opportunities include the development of renewable energy including offshore energy, energy transition and decarbonization, modernization of energy infrastructure, expansion of the regional and European energy market as well as the development of natural gas resources in the Black Sea. I want to underline the fact that ANRE supports through its own regulations the development of an energy market with a view to the optimal use of primary energy resources and the achievement of the objectives of energy security, competitiveness and sustainable development in conditions of accessibility, availability and affordability of prices and in compliance with safety, quality and environmental protection. By staying ahead of these trends, ANRE aims to make Romania a leader in the regional energy market. ●