

ELECTRICITY MARKET DESIGN; VULNERABILITIES AND PRIORITIES.

Dr. Ion LUNGU

The Romanian market for electric power has had a positive evolution lately, marked by the development of some platforms for trading and for new products which can be traded.

In spite of all accomplishments, there are still a lot of discussions regarding the compatibility between the organizational structure of the generation sector in Romania, organized in companies based on generation sources and the real competition among them; also there are big question marks regarding how a coherent program of investments can be sustained, so as to allow the modernization/replacement of the existing production capacities based on classical sources, necessary to maintain the safety of energy supplies for the consumers in Romania.

In January-February 2017, because of unfavourable weather conditions (low temperatures and strong blizzard) which generated an increase of energy demand in the Central-Eastern part of Europe, combined with very low water debit especially in the case of the Danube River and some unavailability in the generation sector both in Romania and in the rest of Europe, a completely unusual increase of values was registered. Even if the market reaction was a normal one given the external conditions, the phenomenon and the behaviour of some of the participants from the market must be analysed and solutions must be found so as to avoid such situations in the future.

One of the reasons which led to such situations on the market is represented by the differences between the regulations for the wholesale market of energy which is very rigid and the retail one, which is very flexible; the retail market is one of the most competitive areas in the Romanian economy. In the same time, on the wholesale market of energy all traded products are standardized, which encouraged the suppliers to migrate to the spot market (PZU) and to the balancing market (PE), two platforms which have recorded very high volumes of energy traded during this period.

A solution to these problems would represent important challenges for the specialists in this sector; beside challenges, the work analyses also a list of proposals for solving the situation.