CONSULTATION RESPONSE

Energy Traders Europe's response to ANRE's consultation on gas trading licensing

Energy Traders Europe welcomes the opportunity to contribute to ANRE's consultation on the **draft regulation for granting establishment authorisations and licenses in Romania's natural gas sector**, which is intended to replace the current regulation under ANRE Order 199/2020.

We note that this is another attempt to revise the licensing rules in Romania, and we believe that the proposal may unintentionally **limit market access, reduce competition, and discourage investment**. Below we provide some more detailed comments.

Key messages

1. Employee and experience requirements for foreign companies as well as the requirement to establish a "physical point of contact" is discriminatory and **will restrict market participation and have a negative impact on competition**.
2. High collateral requirements **will constitute an additional market entry barrier, particularly for smaller traders**.
3. Short compliance timelines for existing traders **will disrupt market stability, force existing traders out of the Romanian market and raise prices for consumers**

Detailed feedback

Article 13 (8c) - Increased Collateral Requirement

The draft regulation proposes that applicants for a natural gas trading license must evidence access to financing amounting to an equivalent of at least 200 000 EUR. This increases the previous requirement of 100 000 EUR by 100%.

While the intention may be to safeguard market stability, this increase disproportionately affects smaller and emerging traders, who are essential for promoting competition and liquidity in the market. Increased requirements will:

- Limit market entry opportunities for new participants, thereby reducing competition.
- **Concentrate market power among larger incumbents**, thus leading to higher prices for end consumers.
- Additionally, requiring existing license holders to comply with the updated regulation within six months is an extremely onerous burden that will have an adverse effect on the market. The short timeframe may **force traders to exit the market,**

creating disruptions and limiting choice for consumers, which in turn will drive prices up.

A phased approach or longer compliance period would better balance regulatory oversight with market adaptation.

We would also like to understand whether there are any negative experiences that have led to the proposal to increase the minimum financial requirements.

Article 8 (6) - Requirement to Establish a Romanian Legal Entity and Article 13 (1) & (8d) - Employee and Experience Requirements for Foreign Traders

In Art 8 (6), ANRE requires "[…] foreign economic operator wishing to carry out the activity of […] trading in Romania must […], establish in Romania […] a physical point of contact]." The "physical point of contact" will require companies to set up a Romanian legal entity with employees on the ground. However, for companies active on the wholesale market, meaning companies that do not sell gas to end consumers, this will be burdensome since it will require capital investments as well as costs for local services and employees. Currently, companies can provide wholesale services in Romania with a company setup in another EU country; however, forcing them to set up a legal entity in Romania will distort competition and disadvantage Romanian end consumers.

Regarding biomethane, the requirements to establish a Romanian entity and local offices are even stricter. Article 13(1)(b) obliges applicants to provide a "[…] list of offices in Romania, where the activity related to the supply of natural gas or biogas/biomethane or LNG is to be carried out…". Furthermore, Article 13(1)(d) requires foreign economic operators to submit documents concerning Romanian individuals assigned to natural gas supply activities. While similar provisions exist for natural gas, EU rules do not impose such obligations, since trading biomethane certificates is widely accepted across the EU without requiring a local presence.

Furthermore, the draft introduces a requirement for foreign companies seeking a license to employ at least three Romanian staff with a minimum of three years of experience in the gas sector. **This provision effectively creates a barrier to entry for EU-based companies and limits the integration of the Romanian market with the broader European gas market.**

These measures are concerning because:

- They discourage foreign investment and cross-border trading activities.
- They discriminate against non-Romanian market participants.
- They reduce competition, which could negatively impact market efficiency and prices.

- By limiting cross-border participation, this provision could weaken security of supply, leaving the market less able to respond to sudden disruptions and heightening the risk of price spikes.

Earlier this year ANRE considered a similar provision for the licensing of power market traders (ANRE Order 6/2025 from 26/03/2025) **which was eventually removed due to its market-distorting impact**, highlighting the risk of implementing comparable measures in the gas sector. In order to ensure a level playing field between traders, Energy Traders Europe recommends removing both provisions from the Order in their entirety.

Energy Traders Europe is committed to supporting ANRE in updating the regulation for granting establishment authorizations and licenses in the natural gas sector and would like to encourage ANRE to adopt measures that enhance competition, promote market liquidity, and facilitate EU market integration. Moreover, we remain available to discuss any of the points raised in this response in more detail.

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