

## LEGAL ALERT



### ELECTRICITY SUPPLY AGREEMENT FROM OFFER TO EXECUTION

Any Romanian consumer will soon receive electricity as he/she chose to contract with an electricity supplier among those licensed in Romania. Whether we refer to a captive consumer or an already experienced consumer in dealing on the free electricity market, the changes under the new applicable regulations come with new rights and obligations for end customers.

Considering the provisions of REGULATION (EU) 2019/943 of the European Parliament and Council of 5 June 2019 on the internal market for electricity, as well as of DIRECTIVE (EU) 2019/944 of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU, the period of regulated tariffs and prices will come to an end on 31 December 2020, as the electricity market will become a 100% competitive market.

The first step in order to conclude an electricity supply agreement on the competitive market is the consumer choosing/selecting an offer for the electricity supply terms.

The consumer may either (i) choose one of the standard offers published by the supplier or (ii) request a negotiable customized offer regarding the commercial terms and the supply price.

The supplier requested to provide a supply offer has the obligation to deliver in writing to the consumer, within maximum 15 working days from the receipt of the request, an offer regarding the electricity supply terms on the competitive market, which should include at least the supply price, the payment terms and conditions, the validity period for the supply offer and the deadline to conclude the supply agreement based on the offer delivered.

Requesting an offer is not equivalent to accepting it or automatically concluding an agreement. In order to choose the provider and an appropriate offer for the consumption requirements, the consumer may compare the standard offers of several suppliers by using the tariff comparator provided on ANRE website.

All suppliers are bound to have their own website on which to publish updated information relating to the commercial terms for electricity supply, the prices/tariffs charged, the general conditions for the offered services. The standard offers for electricity supply should be displayed on both its website, in a visible place, with a direct link and a suggesting name to such standard offers, and in the unique contact point of the supplier.

If the consumer accepts the supply offer and the conditions proposed by the supplier, he/she should communicate this to the supplier no later than 5 days before the deadline for conclusion of the supply agreement, provided for in the offer. The supplier will be then obliged, in case of the conclusion of an agreement, to include all information in the offer accepted by the consumer, without limitation thereto.

In order to conclude the electricity supply agreement, the consumer should send an application to conclude the agreement to the supplier, by indicating the selected offer in case he/she chooses a standard offer, the copy of the ID, the copy of the ownership document or another document attesting the right to use the premises representing the consumption place. All these documents may be delivered electronically.

The suppliers are bound to publish on their websites the application forms, the documents and the phases required to conclude the electricity supply agreement. Within maximum 5 days as of the delivery by the consumer of the above-mentioned documents, the parties will conclude the electricity supply agreement. It is worth mentioning that any consumer has the right to be provided, free of charge, in printed form or, if requested, electronically, before the conclusion of the electricity supply agreement, with a summary of the main contractual conditions, drafted in a concise and plain language.

The electricity supply agreement may be concluded in the commercial premises of the supplier, remotely or outside the commercial premises of the provider.

The agreement is concluded in writing, in a legible font, on paper or another easily legible, lasting and visible support.

Only if the consumer agrees, it may be concluded electronically or through remote means of communication. The supply agreement may be concluded for a consumption place or for several consumption places of the same consumer, where the supplier is the same.

There are mandatory elements which should be included in the supply agreement concluded on the competitive market, valid for a definite or indefinite period of time, agreed upon by the parties, which are presented below:

- The identity of the contracting parties and the contact data of each of the parties;
- The scope and term of the agreement;
- The conditions for renewal and termination of the agreement;
- The invoicing period;
- The period of time for the issuance of the invoices;
- The manners and conditions for invoice payment;
- The period of time for the network operator to read the meter index;
- The electricity supply price and, if the case, the tariffs for the services offered and their quality level;
- The means for obtaining updated information on all the applicable prices/tariffs;
- The compensations granted and their repayment manner, in case of failure to ensure the quality levels of the services provided in the agreement, including in case of invoices which are inaccurate or issued with delay due to the supplier's fault;
- The manners to commence the litigation settlement procedures;
- The manners to solve the litigation on contractually established rights and obligations out of court;

- The rights and obligations of the contracting parties, including those resulting from the network agreement, in case the network agreement is concluded by the supplier, so that the end customer is provided with the rights and obligations deriving from the network agreement;
- The right to unilaterally terminate the supply agreement by the end customer under the terms provided in the normative acts in force;
- The conditions in which the end customer has the right to receive indemnification for the material damages caused by the network operator/supplier.

After the conclusion of the agreement, the consumers have the right to request the supplier to amend or supplement the supply agreement and its annexes or to prepare addenda, when there are new elements or when they deem it necessary to detail or supplement certain contractual clauses.

Correlatively, the supplier has the obligation to notify the end customer on any intention to amend and/or supplement the contractual terms/clauses, by mandatorily mentioning the customer's right to unilaterally terminate the agreement free of charge in case such customer does not accept the new conditions.

The National Energy Regulatory Authority prepares secondary normative acts making it possible and permitted to change the supplier in an easy and rapid manner, so that any consumer may opt for the energy offer which is necessary at a given time.

Secondary regulations are to be adopted in order to also cover other relevant matters relating to the conclusion of electricity contracts. We will monitor them and present the major ones so that each consumer is aware of them at least as well as its supplier.

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