

REPORT

on the implementation of Commission Decision of 20 December 2011¹ on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings in Romania entrusted with the operation of services of general economic interest (SGEI) and of the 2012 SGEI Framework

Commission Decision 2012/21/EU concerning SIEG sets out the conditions in which State aid, in the form of public service compensation granted to certain undertakings entrusted with the operation of a service of general economic interest, is compatible with the common market and exempt from the notification requirement set out in Article 108(3) of the Treaty.

For the period 2020 to 2021, the public service categories of general economic interest for which compensation came within the scope of Commission Decision 2012/21/EU were as follows:

I. Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)

i. Service of general economic interest related to the basic activities of the regional airports

The following activities were financed as part of the SGEIs entrusted to the regional airports: the construction, modernisation and administration of airport infrastructure, the provision of free operating facilities and specific equipment (lighting installations and equipment) for flights for military, emergency and humanitarian purposes, or for other regulated situations, the provision of auxiliary airport services (the protection and guarding of airport infrastructure, search and rescue within the airport perimeter, fire-fighting emergency and safety services, and medical services in own offices open on the airport premises).

In 1997, the majority of autonomous airports with specific characteristics of national interest, have passed from being under the authority of the Ministry of Transport and Infrastructure to that of the County Councils, as autonomous authorities with specific characteristics of local interest, in accordance with *Government Decision No 398/1997 on transferring certain autonomous airport authorities from the Ministry of Transport to the County Councils*². The transfer of competences concerning airports of regional interest from the Ministry of Transport and Infrastructure to the local public administrative authorities at county level, namely the County Councils, has made it possible to link the territorial development needs with the degree of modernisation and development of airport transport activities. Furthermore, amounts from the budgetary reserve fund of the Government of Romania were made available to the County Councils to finance autonomous airports.

¹ Decision 2012/21/EU.

² Published in Official Gazette No 186/1997.

Subsequently, the adoption of *Government Emergency Order No 61/2011*³ *regulating certain measures concerning the financing of special airports of local importance (Government Emergency Order No 61/2011)* created the legal framework necessary for the designation by the County Councils of undertakings which provide services of general economic interest, with respect to the conditions imposed by EU legislation in force at the time.

Through the implementation of Government Emergency Order No 61/2011, the national authorities have created the general national framework for financing regional airports, giving the County Councils under whose authority the airports operate the possibility of issuing decisions to entrust services of general economic interest for each individual airport, in accordance with current EU legislation. At the same time, there are now more possibilities for financing certain expenditure by the regional airports and expenditure on investment in the aircraft movement areas and related equipment, allowing these airports to access the external non-reimbursable funding available to that sector. Clauses were also introduced to ensure that the local authorities running the regional airport administration comply with the European regulations in the field of State aid, when allocating funds from the local budget to finance the functioning of the respective airports.

In 2013⁴, Government Emergency Order No 61/2011 was amended in order to ensure the possibility of financing airports of local interest also from the State budget, through the budget of the Ministry of Transport and Infrastructure, bearing in mind the need to ensure the legal framework for supplementing sources of financing for investment objectives relating to the public field under the administration of the autonomous airports of local interest, given their importance for the development of the regions served. The amendments made specified the compulsory nature of compliance with Commission Decision 2012/21/EU of 20 December 2011 on State aid in the form of compensation granted to special autonomous airports of local interest.

At the same time, it is specified that business activities not directly related to the core activities of the airport, including constructing, financing, using and leasing land or buildings or parts thereof, not only as office and storage spaces, but also for hotels and businesses located on the airport's premises and for shops, restaurants and car parks, shall not be deemed part of the service of general economic interest.

Over the period in which a special autonomous airport administration of local interest benefits from compensation for performing public service obligations, the airport charges applied by that airport shall be approved by the County Council under whose authority the facility operates and shall be applied in a transparent and non-discriminatory manner by all users of the airport infrastructure.

The administrations of special autonomous airports of local interest to which performance of a service of general economic interest has been entrusted and which benefit from compensation for performing public service obligations shall keep separate accounts for the activities in the field of the service of general economic interest, where these administrations also carry out economic activities which are not linked to the entrusted service.

³ Published in Official Gazette No 460/2011.

⁴ Emergency Order No 107/2013 establishing budgetary measures.

To fulfil the obligation of service of general economic interest, compensation is granted for the provision of services of general economic interest for airports and ports with average annual traffic not exceeding 200 000 passengers in the case of airports, for the two financial years preceding those in which the service of general economic interest was entrusted.

In the period 2020-2021, this compensation was granted in Romania to four regional airports which provide services specific to passenger air transport infrastructure. RA Maramureş International Airport, RA Oradea Airport, RA Tulcea Danube Delta Airport and RA Transilvania Târgu Mureş.

II). SGEI compensation not exceeding an annual amount EUR 15 million (Art. 2(1)(a))

Compensation not exceeding an annual amount of EUR 15 million for the supply of services of general economic interest covers (i) the centralised system of thermal energy supply to the population (SACET), and the compensation granted to undertakings for the production, transport, distribution and supply of thermal energy to the population, (ii) the service of general economic interest for the establishment, organisation, management and coordination of integrated waste-management systems, as well as specific activities carried out through them in the county of Galaţi, and also (iii) the service consisting of running initial training programmes for technical air crew at the Advanced School of Civil Aviation.

II. i) Centralised system of thermal energy supply, and the production, transport, distribution and supply of thermal energy to the population

The specific activity of public thermal energy supply services used to heat and prepare hot water for consumption, and to produce, transport, distribute and supply thermal energy in the centralised system, is regulated at national level through the implementation of *Law No 325/2006⁵ on the public service for the supply of thermal energy*, as amended and, respectively, of *Government Ordinance No 36/2006 establishing local reference prices for the heat energy supplied to the population through centralised systems⁶*.

The public service for the supply of thermal energy in a centralised system is provided through specific technical-municipal infrastructures belonging in the public or private domain of the local public authorities or community development association, and forms the centralised heating supply system of the municipality or inter-community development association.

The compensation granted to undertakings operating in the framework of these public services was regulated by the State aid scheme granted in the period 2014 to 2019 to economic operators providing a service of general economic interest for the production, transport, distribution and supply of thermal energy in a centralised system to the population⁷, a scheme developed in accordance with Commission Decision 2012/21/EU of 11 January 2012 and on the basis of Government Order No 36/2006, as amended and Government Emergency Order No 110/2009 granting State aid to economic operators providing the public service of producing, transporting and distributing heat in a centralised system to the population⁸.

⁵ published in Official Gazette No 651/27 of July 2006.

⁶ published in Official Gazette No 692 of 14 August 2006 (approved by Law No 483/2006) and subsequently amended by Government Emergency Orders Nos 69/2011 and 56/2012.

⁷ Initiated by Order No 1121/1075/2014 of the Minister for Regional Development and Public Administration and the Minister Delegate for Budget.

⁸ Published in Official Gazette No 685 of 12 October 2009.

Subsequently, the scheme was extended until 30 June 2020 by MDRAP Order No 3411/2019, and in 2020, by *Order No 3325/2072 of 24/29 June 2020*⁹, until 30 June 2021, and the budget of the scheme was also supplemented. The scheme was then further extended until 30 June 2023 by Order No 845/755/2021 amending Order No 1121/1075/2014 of the Deputy Prime Minister, the Minister for Regional Development and Public Administration and the Delegate Minister for Budget.

This scheme allocates amounts from the local budgets of the administrative-territorial units to:

1. fully cover the difference between the price of producing, transporting, distributing and supplying the heat delivered to the population and the local prices for thermal energy charged to the population, in accordance with Article 3(4) of Government Order No 36/2006, approved as amended by Law No 483/2006, as subsequently amended;
2. coverage of the losses caused by the provision of the public services of producing, transporting, distributing and supplying thermal energy to the population in a centralised system and not covered by the price/tariff, in accordance with 5(2) of Government Order No 36/2006, approved as amended by Law No 483/2006, as subsequently amended.

The State aid provided for in point 1 is granted to all economic operators which supply thermal energy to the population and amounts to the difference in value between the price of production, transport, distribution and supply of thermal energy delivered to the population, set by the regulatory authorities, and the local prices of thermal energy invoiced to the population, approved by decision of the local council, and linked to the quantity of thermal energy invoiced to the population.

The State aid provided for in point 2 is granted only to economic operators under the authority of the local public administration which offers the service of heat supply to the population in a centralised system and takes account of all the costs generated by providing the service of general economic interest.

In 2022, as a result of the amendments introduced by Order No 511/1090/2022¹⁰, two new forms of State aid were introduced, i.e. amounts from the local budgets of the administrative-territorial units were allocated as a subsidy, within the limit of the amounts received for that purpose from the State budget in order to:

- a) compensate for the costs of purchasing natural gas, amounting to 50% of the resulting difference between the procurement price for natural gas and the capped price for natural gas of RON 0.250/kWh, provided for in Article 6¹(1)(b) of Government Emergency Order No 118/2021 setting out a compensation scheme for the consumption of electrical energy and

⁹ Order No 3325/2072 of 24/29 June 2020¹⁰ amending Order No 1121/1075/2014 of the Deputy Prime Minister, the Minister for Regional Development and Public Administration and the Minister Delegate for Budget concerning approval of the Scheme of State aid granted over the period 2014-30 June 2020 to economic operators providing the SGEI of production, transport, distribution and supply of heat in a centralised system to the population.

¹⁰ Order No 511/2022 amending and supplementing the Annex to Order No 1121/1075/2014 of the Deputy Prime Minister, the Minister for Regional Development and Public Administration and the Minister Delegate for Budget concerning approval of the Scheme of State aid granted over the period 2014 to 30 June 2023 to economic operators providing the service of general economic interest of production, transport, distribution and supply of thermal energy in a centralised system to the population.

natural gas for the 2021-2022 cold season, and supplementing Government Order No 27/1996 granting facilities to persons residing or working in certain municipalities in the Apuseni Mountains and in the 'Danube Delta' Biosphere Reserve, approved as amended by Law No 259/2021, as amended;

b) compensate for the costs of purchasing fuel oil, amounting to 50% of the difference between the purchase prices for fuel oil inclusive of VAT under the supply contract and/or the invoices for fuel oil consumed in the reference month of the current heating season and the prices for purchasing fuel oil inclusive of VAT under the supply contract and/or invoices for fuel oil consumed in the reference month of the preceding heating season.'

Furthermore, the new State aid introduced in 2022 is granted to economic operators producing thermal energy in the framework of the centralised supply systems, covering 50% of the resulting difference between the price of purchasing natural gas and the capped price of natural gas of RON 0.250/kWh, set out in Article 6¹(1)(b) of Government Emergency Order No 118/2021, and to economic operators producing thermal energy in the framework of the centralised supply systems, covering 50% of the difference between the prices for purchasing fuel oil inclusive of VAT under the supply contract and/or invoices for fuel oil consumed in the reference month of the current heating season and the prices for purchasing fuel oil inclusive of VAT under the supply contract and/or invoices for fuel oil in the preceding heating season.

In the period 2020-2021, 43 economic operators benefited from this scheme.

The total amount of compensation granted for the provision of the public service of producing, transporting and distributing thermal energy in the centralised system to the population was EUR 108.83 thousand[sic] in 2020 and EUR 181.52 million in 2021.

II.ii) The service of general economic interest concerning the establishment, organisation, management and coordination of integrated waste-management systems, and the specific activities carried out through them in Galați county

The service of general economic interest consists of establishing, organising, managing and coordinating the integrated waste-management systems and of the specific activities carried out through them by the Intercommunity Development Association ECOSERV.

In the first stage, there will be a series of investments and purchases of equipment which will be financed by the Large Infrastructure Operational Programme and infrastructure construction works will be carried out on the basis of supply contracts and works contracts. For this phase, the Ministry of Investments and European Projects, through the Managing Authority of the Large Infrastructure Operational Programme (MA LIOP) grants a maximum amount of EUR 415 million in financing, equivalent to 98% of the total eligible value approved. The investments consist of the construction of a compliant landfill for non-hazardous waste, a sorting plant, a mechanical-biological treatment plant, three transfer plants (in Galați, Tecuci and Târgu Bujor), a composting plant in Tecuci and the operationalisation of the existing one in Târgu Bujor, the construction of a storage centre for bulky and dangerous municipal waste, the closure of a non-compliant landfill and the purchase of activity-specific equipment.

In the second stage, the operation of built infrastructure will be delegated by tender (to three operators), i.e. by direct entrustment in the case of the already existing own operator of the municipality of Galați. This stage involves using the installations and equipment as part of the

provision of the sanitation service, on the basis of management delegation contracts. At the same time, public service contracts for technical assistance will also be awarded.

The duration of the award of the service of general economic interest is ten years, starting on the date of signature of the financing contract.

The average annual compensation granted for the provision of the service of general economic interest is approximately EUR 9.09 million, calculated on the basis of the following parameters: the total investment cost, the operating cost and the revenue resulting from operation over a period of ten years (four-year investment period and six-year period of operation).

The method for avoiding overcompensation is set out in the contract delegating the waste-collection service. The beneficiary will be notified by the MA LIOP with regard to the obligation to repay amounts constituting ineligible expenditure within five days of receiving notification. The amounts will be recovered in accordance with Government Emergency Order No 66/2011¹¹ and with the provisions laid down in State aid legislation.

The project is currently in the first stage, namely construction of infrastructure. The operation service has not yet been entrusted.

II.iii) Services of general economic interest entrusted in other sectors

The entrustment of the service of general economic interest consisting of the implementation of initial training programmes for non-flying technical air crew in the Advanced School of Civil Aviation.

This public service was entrusted for the period 2020 to 2022 by the Ministry of Transport and Infrastructure, as the provider, by Ministerial Order No 668 of 18 February 2020, to the Advanced School of Civil Aviation and involves the implementation of initial training programmes for non-flying technical air crew, comprising the following activities:

- a) training course with a view to obtaining licence Part.66 cat. B3, for 12 trainees, starting in 2020;
- b) training course with a view to obtaining licence Part.66 cat. B1.2 for 12 trainees, starting in 2021;
- c) training course with a view to obtaining licence Part.66 cat. B1.3 for 12 trainees, starting in 2022.

The courses will be aimed exclusively at upper secondary pupils and students/Master students in higher technical education.

The maximum total value of compensation received by the Advanced School of Civil Aviation for the entire period of entrustment of the service is RON 4 600 000. In order to fulfil the public service obligation, the Advanced School of Civil Aviation will receive compensation, determined annually, depending on the number of trainees to be educated in the framework of the SIEG, the level of expenditure with initial training of non-flying technical air crew and the

¹¹ Government Emergency Order 66/2011 on the prevention, identification and sanctioning of the irregularities arising in the procurement and use of European funds and/or of related national public funds

level of investment in the equipment needed to run the training programmes. Compensation will be granted on the amount of the fees for courses run on behalf of the Advanced School of Civil Aviation.

Furthermore, the Advanced School of Civil Aviation will determine the financing needs on a monthly basis, draw up and submit to the Ministry of Transport and Infrastructure the relevant documentation, in accordance with the legal provisions, in line with the structure and approved prices for the courses run, and also the approved investment list. The Advanced School of Civil Aviation will record in the internal accounts the costs and revenues associated with the service of general economic interest, separately from those relating to other services/activities, as well as the parameters for allocating expenditure and revenue, in accordance with Article 5(9) of Commission Decision 2012/21/EU.

Within 30 days of the end of each quarter, the Advanced School of Civil Aviation will present to the Air Transport Directorate of the Ministry a report justifying how the compensation received has been used. For each ongoing course, the report will contain the names of the trainees, the number of hours of theoretical and practical training received by each trainee over the reporting period, the amount of capital expenditure and its justification with invoices and, where appropriate, reception reports.

If it is found that the amounts allocated from the State budget exceed the financing requirements, the amounts granted will be adjusted.

ANNEX

Total amount of aid granted in Romania, in accordance with Decision 2012/21/EU, broken down by economic sector and by beneficiary, pursuant to Article 9(n) of the Decision and point 62 of the SGEI Framework of 2012

1. EXPENDITURE OVERVIEW

Total SGEI government expenditure by legal basis (millions EUR)		
	2020	2021
<i>Total compensation for Services of General Economic Interest (1+2)</i>	316.47	396.84
(1) Total compensation granted on the basis of the SGEI Decision	116.81	188.97
(2) Total compensation granted on the basis of the SGEI Framework	199.66	207.87

2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

Section 4) Airports and ports with average annual traffic not exceeding the limit set in Art. 2(1)(e)

For the period 2020-2021, four airports carried out the service of general economic interest, in accordance with Decision SGEI of 2011: RA Maramureş International Airport, RA Oradea Airport, RA Tulcea Danube Delta Airport, and R.A. Transilvania Târgu Mureş Airport

Clear and comprehensive description of how the respective services are organized in your Member State¹²

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services assigned as SGEI** as clearly as possible.

The following activities may be carried out as part of an SGEI:

- a. the construction of airport infrastructure and equipment, runways, terminals, aprons and control towers;
- b. purchasing and upgrading equipment and systems that directly support the airport infrastructure: installation of fire-fighting equipment, and security or safety equipment;
- c. administering, maintaining and repairing the aircraft movement areas (runway, taxiways, aprons), terminals, control towers and related equipment, and administering and maintaining the land on the airport's premises, under the administration of the operator;
- d. organising, equipping and operating passenger flows in the airport terminals;
- e. allowing the use, in accordance with the law, of the necessary areas and facilities by public authorities performing specific control activities at the airport (Border Police, Customs Office, Romanian Intelligence Service - Passenger and Baggage Security Screening, Air Transport Police);
- f. allowing the use of the airport free of charge by government flights, military flights organised by the Ministry of Defence, the Ministry of Internal Affairs and the Romanian Intelligence Service, flights made in emergencies and for humanitarian purposes, and in other legally regulated circumstances;
- g. allowing the use of specific equipment (lighting equipment and systems) required for ground servicing provided to government aircraft, military aircraft of the Ministry of Defence, the Ministry of Home Affairs and the Romanian Intelligence Service, aircraft flying in emergencies and for humanitarian purposes, and in other legally regulated circumstances;
- h. guarding and protecting the airport infrastructure and other property on the airport's premises;

¹² If in a certain sector only a small number of individual SGEIs exist in your Member State, please give a detailed description of those services. **If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate**, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

<ul style="list-style-type: none"> i. providing ancillary airport services for air transport, except ground handling services; j. providing fire-fighting, emergency and safety services; providing medical services at the airport's own medical centre; k. search and rescue operations on the airport's premises.
<p>Explanation of the (typical) forms of assignment. If standardized templates for assignments are used for a certain sector, please attach them.</p>
<p>The entrustment of the service of general economic interest consisting of activities related to air transport was carried out by direct award and implemented by decisions of the County Councils.</p>
<p>Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?</p>
<ul style="list-style-type: none"> - for RA Maramureş International Airport, the service was entrusted for a period of eight years, from 2014 to 2022; - for RA Oradea Airport, the service was entrusted until 1 January of the year following that in which the threshold of 200 000 passengers in annual average traffic was exceeded, over two financial years; for RA Tulcea Danube Delta Airport, the service was entrusted until 1 January of the year following that in which the threshold of 200 000 passengers was exceeded, but not later than 31 December 2024. - for RA Transilvania Târgu Mureş Airport, the service was entrusted over the period 30 October 2014 to 4 April 2024 - for ten years.
<p>Explanation whether (typically) exclusive or special rights are granted to the undertakings.</p>
<p>With the exception of the Autonomous Administration of Oradea Airport and RA Transilvania Târgu Mureş T.A. where, by decision of the County Council, the exclusive right to provide SGEIs including the activities described in the contract was granted, in other cases exclusive or special rights were not granted but, through the entrustment of provision of the service to a single operator, the latter benefits de facto from an exclusive right from the administrative-territorial unit.</p>
<p>Which aid instruments have been used (direct subsidies, guarantees etc.)?</p>
<p>In all cases where the expenditure for fulfilling the SGEI obligation was compensated, the direct grant was the instrument used.</p>
<p>Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>
<p>The methodology used shall be that based on cost allocation.</p> <p>The costs taken into account to determine the amount of compensation include all fixed and variable costs, including current and capital expenditure, incurred in order to carry out the activities related to the service of general economic interest, and the share corresponding to such costs in the airport's common costs. Investment costs are taken into consideration if they are strictly related to carrying out the activities of the service of general economic interest.</p>

Internal accounting must present the costs and receipts relating to the service of general economic interest separately from those relating to other activities.

The revenue to be taken into account for calculating compensation for performance of the SGEI obligation includes the revenue derived from activities relating to the service of general economic interest, and also any profit from other activities carried out, other than those relating to the service of general economic interest.

The value of compensation may not exceed what is necessary to cover the costs incurred in performing the public service obligation, taking into account the revenue generated and a reasonable profit from performing the obligation, as defined in *European Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest*.

The value of the compensation includes all amounts from the public funds benefiting the operator. The amount of public service compensation is determined annually and is adjusted at the end of each financial year to avoid overcompensation. The compensation is granted based on an explanatory memorandum setting out the expenses required to discharge the public service obligation properly. Records of the amounts paid out as compensation must be kept for at least ten years following the date of the last payment.

Over the duration of the public service compensation, the costs and revenues related to activities covered by the SGEI and those related to other activities and services are shown separately in the SGEI beneficiary's accounting records, together with the parameters for allocating them.

Typical arrangements for avoiding and repaying any overcompensation.

On the basis of the annual financial situations, checks are carried out by the County Councils of the way in which the operator fulfils its public service obligation, and of the amount of compensation received compared to the determined value.

Where it is found that the compensation granted exceeds the amount resulting from the calculation parameters, the supplier makes the decision to reimburse, and the parameters for calculating the compensation are updated for future use. Where the amount of overcompensation does not exceed 10% of the amount of the average annual compensation, such overcompensation may be carried forward to the next period and deducted from the amount of compensation payable in respect of that period; in such cases, the supplier can update the compensation calculation parameters.

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) are being met for aid above EUR 15 million to undertakings which also have activities outside the scope of the SGEI. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

We have no such cases (aid exceeding EUR 15 million granted to undertakings which perform activities outside the scope of the SGEI).

Please note that, for reasons of transparency, the majority of local public authorities, in their capacity as suppliers of State aid, have published the County Council decisions to entrust public services on the websites of their own institutions. For example:

<http://www.cjbihor.ro/Informa%C8%9Bii%20de%20interes%20public/hot%C4%83r%C3%A2ri-2011>

<https://www.cjsm.ro/2017/03/ph-403-04-2017/>; www.cjsuceava.ro;

<https://www.cjmaramures.ro/toate-hotararile/hotararea-nr-11-din-29-01-2014>.

The decisions approving the annual income and expenditure budgets of the entity and those approving the correction of these budgets are published on the website of the supplier, and the quarterly and annual financial statements of the company are published following approval on the website of the airport operator; the activity reports are also published here, describing how the grants received are used.

At central level, the notices of the measures assigning services of general economic interest to economic operators are published on the website of the competition authorities (<http://www.renascce.eu/>), and the actual allocations are published on the transparency page of Reg As.

Amount of aid granted

Total value of aid granted (in EUR million)¹³. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)

2020	2021
7.98	7.46
A: Total amount of aid granted (in EUR million), paid by national central authorities ¹⁴	
2020	2021
0	0
B: Total amount of aid granted (in EUR million), paid by regional authorities ¹⁵	
2020	2021
5.05	7.46
C: Total amount of aid granted (in EUR million), paid by local authorities ¹⁶	
2020	2021
2.93	0

¹³ As stipulated in Article 9(b) of the 2012 SGEI Decision.

¹⁴ If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

¹⁵ See footnote 32.

¹⁶ See footnote 32.

Share of expenditure per aid instrument (direct subsidy, guarantees etc.)	
2020	2021
Direct grant - 100%	Direct grant - 100%
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ¹⁷	
2020	2021
n.a.	n.a.

Section 5) SGEI compensation not exceeding an annual amount of EUR 15 million (Article 2(1)(a))
b) Energy
Clear and comprehensive description of how the respective services are organized in your Member State¹⁸
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services assigned as SGEI as clearly as possible.
<p>The service of general economic interest of producing, transporting, distributing and supplying thermal energy in a centralised system to the population is provided through thermal and district heating plants which supply thermal energy to a city, an area in a city or a district. This service is provided through specific technical-municipal infrastructures belonging in the public or private domain of the local public authorities or community development association, and which forms the centralised heating supply system of the municipality or community development association.</p>
Explanation of the (typical) forms of assignment . If standardized templates for assignments are used for a certain sector, please attach them.
<p>The SGEI of producing, transporting, distributing and supplying heat in a centralised system to the population is assigned through direct management or delegated management.</p> <p>The SGEI is entrusted by the local public authorities, as required by law. The provision of the SGEI is based on the licence issued by the National Energy Regulatory Authority (A.N.R.E.).</p> <p>Out of the 43 operators under the scheme, in eight cases the service was entrusted by tender, the rest by direct award. In five cases, operators are own services within the framework of the municipality.</p>

¹⁷ The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

¹⁸ If in a certain sector only a small number of individual SGEIs exist in your Member State, please give a detailed description of those services. **If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate**, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

The publication procedures provided for in current legislation are observed for both the public tender and direct award.
Average duration of the entrustment (in years) and the proportion of entrustments that are longer than ten years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
According to the data submitted by the operators in the scheme, the average duration of the award of services is 14.02 years. In 23 cases, the contracts are for a period of ten years or less, while the rest are for a period of more than ten years.
Explanation of whether (typically) exclusive or special rights are granted to the undertakings.
Delegation contracts do not explicitly provide for the granting of exclusive rights. However, by entrusting provision of the service to a single operator, the latter benefits de facto from an exclusive right from the administrative-territorial unit.
Which aid instruments have been used (direct subsidies, guarantees etc.)?
<p>Direct subsidy for:</p> <ul style="list-style-type: none"> • full coverage of the difference between the price of producing, transporting, distributing and supplying the thermal energy delivered to the population and the local prices for thermal energy charged to the population in accordance with Article 3(4) of Government Order No 36/2006, and MDRAP/MFP Order No 1121/2014, as amended, or for • coverage of the losses caused by the provision of the public services of producing, transporting, distributing and supplying heat to the population in a centralised system and not covered by the price/tariff, in accordance with 5(2) of Government Order No 36/2006, and MDRAP/MFP Order No 1121/2014, as amended.
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The majority of undertakings benefiting from State aid use a methodology based on the allocation of costs, because the setting of prices and tariffs charged by the operator are regulated by the national regulatory authorities in ANRE Order No 15/2015 approving the <i>Methodology for setting and adjusting the prices of electricity and thermal energy produced and delivered from cogeneration plants benefiting from the support scheme, and the bonus for high-efficiency cogeneration</i> and in ANRSC Order No 66/2007 approving the <i>Methodology for setting, adjusting or amending local prices and tariffs for public services supplying centrally produced thermal energy, excluding thermal energy produced in cogeneration</i>.</p> <p>As a rule, the compensation is granted on the basis of monthly accounts, depending on the quantity of thermal energy supplied to the population, calculated as the difference between the price of producing, transporting, distributing and supplying thermal energy delivered to the population and the local price invoiced to the population. The compensation is calculated on the basis of the half-yearly or annual financial situations presented by the undertakings to the supplying public authorities.</p> <p>The local public administrative authorities which approve a lower local price for thermal energy invoiced to the population (depending on the degree of affordability for the population) than the price of producing, transporting, distributing and supplying thermal energy delivered to the</p>

population ensure, from the local budgets, the amounts necessary to cover in full the difference between the price of producing, transporting, distributing and supplying thermal energy delivered to the population and the local price of thermal energy invoiced to the population. The planned amounts are included in the local budget and are approved by decision of the local council.

The amounts are granted to beneficiaries after prior verification of all the supporting documents, so as to avoid any overcompensation.

Typical arrangements for avoiding and repaying any overcompensation.

In order to avoid overcompensation for the service, each administrative-territorial unit providing State aid carries out annual checks in order to establish whether or not the public services for which allocations have been granted under the scheme receive compensation in excess of the amount initially fixed in the contract. In situations where overcompensation for the public service is found, the administrative-territorial units supplying the State aid ask the beneficiary to reimburse the relevant amount.

Where the amount of overcompensation does not exceed 10% of the annual amount of compensation calculated in accordance with the legal provisions, it can be carried over and deducted from the amount of compensation relating to the years following that in which the overcompensation occurred.

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) are being met for aid above EUR 15 million to undertakings which also have activities outside the scope of the SGEI. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

If the threshold is exceeded, one-off cases will be pre-notified to the European Commission. The local public authorities, in their capacity as suppliers of State aid, have published on the websites of their own institutions the local council decisions to entrust public services with the supply of heat.

(e.g.: <http://www.primariaarad.ro/files/hotariri/h7105.pdf>,
<http://www.primariabacau.ro/subpagina/hot-r-rea-nr-228-din20-10-2014&page=5>,
<http://www.primariatulcea.ro/hotararile-consiliului-local-2016> etc.)

Furthermore, at national level, the Competition Council manages a website publishing all the State aid/de minimis schemes granted in Romania, at the following address: <http://www.ajutordestat.ro/?pag=1>, but the allocations are published on the Reg As transparency page.

Amount of aid granted

Total value of aid granted (in EUR million)¹⁹. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)

2020	2021
108.83	181.52

¹⁹ As stipulated in Article 9(b) of the 2012 SGEI Decision.

A: Total amount of aid granted (in EUR million), paid by national central authorities²⁰	
2020	2021
9.61	26.76
B: Total amount of aid granted (in EUR million), paid by regional authorities²¹	
2020	2021
2.29	2.29
C: Total amount of aid granted (in EUR million), paid by local authorities²²	
2020	2021
96.93	152.47
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% - direct subsidy	100% - direct subsidy

²⁰ If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

²¹ See footnote 32.

²² See footnote 32.

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ²³	
2020	2021
Number of beneficiaries of the scheme = 43 undertakings providing the service for 406 524 households/866 981 inhabitants	Number of beneficiaries of the scheme = 43 undertakings providing the service for 408 180 households/938 214 inhabitants

c): Waste collection in Galați County
Integrated Waste-Management in Galați county, issued on the basis of the Framework Agreement concluded at the level of the ATUs which are members of the ECOSERV Intercommunity Development Association (Galați county and 64 ATUs), for the purpose of the public sanitation service in Galați county
Clear and comprehensive description of how the respective services are organized in your Member State²⁴
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services assigned as SGEI as clearly as possible.
<p>The draft financing contract concluded between the Ministry of Investment and European Projects and Galați county concerning the integrated waste-management system in Galați county grants State aid exempt from notification to the EC in the form of compensation for the provision of a service of general economic interest.</p> <p>The service of general economic interest consists of establishing, organising, managing and coordinating the integrated waste-management systems and of the specific activities carried out through them by the ECOSERV Intercommunity Development Association.</p> <p>In order to be operational, the integrated waste-management system will, as a first step, require a series of investments which will be financed by the Large Infrastructure Operational Programme and will have Galați county as a beneficiary. This stage includes the procurement of equipment and the performance (design and execution) of infrastructure construction works financed by the Project, on the basis of supply and works contracts.</p> <p>Subsequently, in the second stage, the operation of infrastructure built will be delegated by tender (to three operators), i.e. by direct entrusted, in the case of Galați municipality's own</p>

²³ The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

²⁴ If in a certain sector only a small number of individual SGEIs exist in your Member State, please give a detailed description of those services. **If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate**, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

operator, which already existed. This stage involves using the installations and equipment as part of the provision of the sanitation service, on the basis of management delegation contracts.
In addition to this, public service contracts for technical assistance will also be awarded.
Explanation of the (typical) forms of assignment. If standardized templates for assignments are used for a certain sector, please attach them.
The operation of built infrastructure will be delegated by tender to three operators for the county's territorial area and will be entrusted directly in the case of Galați municipality's own operator, which already existed.
Average duration of the entrustment (in years) and the proportion of entrustments that are longer than ten years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
The duration of the award of the service of general economic interest by Galați county is ten years, starting on the date of signature of the financing contract.
Explanation of whether (typically) exclusive or special rights are granted to the undertakings.
Not applicable.
Which aid instruments have been used (direct subsidies, guarantees etc.)?
<p>The average annual compensation granted for the service of general economic interest, representing the financing granted to Galați county for making the investments in the integrated waste-management system in Galați county, amounts to approximately EUR 9.09 million.</p> <p>Compensation for the public service obligation is calculated on the basis of the parameters presented in the cost-benefit analysis, set out in Annex 2 to the draft Financing Contract: the total cost of investment, the operating cost and the revenue resulting from operating over a ten-year period (a four-year investment period and a six-year period of operating the infrastructure created).</p>
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
The Ministry of Investment and European Projects grants non-reimbursable financing of up to EUR 85.7999 million, equivalent to 98% of the total approved eligible value. In cases where the total value of the project increases compared with the agreed value under the Financing Contract, the resulting difference will be covered entirely by Galați county, and if the total authorised amount is lower than the value initially provided for, non-reimbursable financing will be reduced accordingly.
Typical arrangements for avoiding and repaying any overcompensation.
If, on 1 January 2021, it is found that there are deviations greater than 20% from the estimated procurement schedule and the schedule for the reimbursement of expenditure, which may affect the proper and timely execution of the project, MA LIOP reserves the right to reduce the value

of the financing contract by the counter-value of the contracts under the project which may lead to non-compliance with the deadlines.

The amount of non-reimbursable financing is reduced by net revenue not taken into account at the time of conclusion of the contract and generated directly only during implementation of the contract.

The Financing Contract is monitored by the Managing Authority of the Large Infrastructure Operational Programme (MA LIOP) within the Ministry of European Funds.

The method of avoiding overcompensation is set out in Article 12(3) of the Contract according to which, for the recovery of amounts paid on the basis of payment claims but not justified by reimbursement claims or which represent ineligible expenditure, the beneficiary will be notified by MA LIOP of the obligation to repay them within five days of the receipt of notification. In the event of failure to repay these amounts within the above-mentioned deadline, the amounts will be recovered in accordance with Government Emergency Order No 66/2011 and with the provisions in legislation on State aid.

The MA LIOP reserves the right to recover undue amounts where, within a period of five years from finalisation of the project, the operating conditions (tariffs, revenues) vary significantly from the initial provisions on the determination of the level of non-reimbursable financing and/or where other changes occur which a) affect the type of operations or implementation conditions, or give a private or public body with an unlawful advantage; b) result either from a change in the nature of ownership of any part of the financed infrastructure, or from a cessation of material change in the mode of operation.

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) are being met for aid above EUR 15 million to undertakings which also have activities outside the scope of the SGEI. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

The project is published on the website of Galați County Council:
<https://www.cjgalati.ro/index.php/ro/>

Amount of aid granted

Total value of aid granted (in EUR million)²⁵. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)

2020	2021
0	0
A: Total amount of aid granted (in EUR million), paid by national central authorities ²⁶	

²⁵ As stipulated in Article 9(b) of the 2012 SGEI Decision.

²⁶ If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

2020	2021
0	0
B: Total amount of aid granted (in EUR million), paid by regional authorities²⁷	
2020	2021
0	0
C: Total amount of aid granted (in EUR million), paid by local authorities²⁸	
2020	2021
0	0
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
0	0

²⁷ See footnote 32.

²⁸ See footnote 32.

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ²⁹	
2020	2021

g): other sectors - the service of general economic interest of running initial training programmes for non-flying technical air crew in the Advanced School of Civil Aviation, and training courses with a view to obtaining licence Part. 66 cat. B3, cat. B1.2, cat. B1.3

The following initial training courses for non-flying technical air crew constitute a public service obligation for the Advanced School of Civil Aviation:

- d) training course with a view to obtaining licence Part.66 cat. B3, for 12 trainees, starting in 2020;
- e) training course with a view to obtaining licence Part.66 cat. B1.2 for 12 trainees, starting in 2021;
- f) training course with a view to obtaining licence Part.66 cat. B1.3 for 12 trainees, starting in 2022.

The courses will be aimed exclusively at upper secondary pupils and students/Master students in higher technical education.

Clear and comprehensive description of how the respective services are organized in your Member State³⁰

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services assigned as SGEI as clearly as possible.

Service of general economic interest entrusted to the Advanced School of Civil Aviation, a public institution under the authority of the Ministry of Transport and Infrastructure, consisting of the implementation of initial training programmes for non-flying technical air crew, entrusted to the Advanced School of Civil Aviation

Explanation of the (typical) forms of assignment. If standardized templates for assignments are used for a certain sector, please attach them.

²⁹ The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

³⁰ If in a certain sector only a small number of individual SGEIs exist in your Member State, please give a detailed description of those services. **If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate**, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

Form of award: direct entrustment by Order No 668 of 18 February 2020 of the Minister for Transport and Infrastructure
Average duration of the entrustment (in years) and the proportion of entrustments that are longer than ten years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
(b)3 years: 2020, 2021, 2022
Explanation of whether (typically) exclusive or special rights are granted to the undertakings.
<p>Exclusivity will be granted to the Advanced School of Civil Aviation for the running of initial training programmes for non-flying technical air crew for the activities:</p> <ul style="list-style-type: none"> - training course with a view to obtaining the cat. B3 licence, - training course with a view to obtaining the cat. B1.2 licence, - training course with a view to obtaining the cat. B1.3 licence
Which aid instruments have been used (direct subsidies, guarantees etc.)?
<p>In order to fulfil the public service obligation, the Advanced School of Civil Aviation shall receive compensation, determined annually, depending on the number of trainees to be educated in the framework of the SIEG, the level of expenditure with initial training of non-flying technical air crew and the level of investment in the equipment needed to run the training programmes.</p> <p>The instrument used - direct subsidy by way of compensation to the value of the fees for courses run on behalf of the Advanced School of Civil Aviation.</p>
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The compensation amounts to the full value of the courses run.</p> <p>The estimated sum of compensation to be granted to the Advanced School of Civil Aviation in the period 2020 to 2022 amounts to a maximum of RON 4 600 000; this will be paid from the sums allocated annually from the State budget, through the budget of the Ministry of Transport and Infrastructure.</p>
Typical arrangements for avoiding and repaying any overcompensation.
<p>The Advanced School of Civil Aviation will record in the internal accounts the costs and revenues associated with the service of general economic interest, separately from those relating to other services/activities, as well as the parameters for allocating expenditure and revenue.</p> <p>The Ministry of Transport and Infrastructure will regularly check the method used by the Advanced School of Civil Aviation to perform the public service obligation. If it is found that the amounts allocated from the State budget exceed the financing requirements, the amounts granted will be adjusted.</p>

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) are being met for aid above EUR 15 million to undertakings which also have activities outside the scope of the SGEI. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

<http://www.aviationacademy.ro/>

Amount of aid granted

Total value of aid granted (in EUR million)³¹. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)

2020	2021
0	0
A: Total amount of aid granted (in millions EUR) paid by the national central authorities ³²	
2020	2021
0	0
B: Total amount of aid granted (in EUR million), paid by regional authorities ³³	
2020	2021
0	0
C: Total amount of aid granted (in EUR million), paid by local authorities ³⁴	
2020	2021
0	0
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021

³¹ As stipulated in Article 9(b) of the 2012 SGEI Decision.

³² If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

³³ See footnote 32.

³⁴ See footnote 32.

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)³⁵

2020	2021
	Public Institution

3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

Compensation for SGEIs exceeding EUR 15 million and which do not fall within the scope of the SGEI Decision

Section ii): Energy

The European Union Framework for State aid in the form of compensation for the public service obligation (2012 SEIG Framework) was applied during the period 2020-2021 for the State aid granted by the Mayor' Office of Bucharest through entrustment of the service of general economic interest associated with the supply of thermal energy in a centralised system.

The State aid was pre-notified to the European Commission on 17 February 2020 by the national authorities.

Clear and comprehensive description of how the respective services are organized in your Member State³⁶

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services assigned as SGEI** as clearly as possible.

The service of general economic interest was awarded to the Compania Municipală Termoelectrică București SA for the following activities:

- The production, transport, distribution and supply of thermal energy within the territory of ADITBI, and the right granted to the operator to use the technological and building infrastructure there;
- Thermal energy production: transformation of primary sources or of forms of energy into thermal energy;
- Distribution of thermal energy: the transport of thermal energy from the producer or transport network to the user, including the transformation of the heat agent parameters, carried out using distribution networks;
- Supply of thermal energy: sale of thermal energy on a contractual basis in accordance with the framework contract.

³⁵ The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

³⁶ If in a certain sector only a small number of individual SGEIs exist in your Member State, please give a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised, including the common features of the individual entrustments, remains crucial. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each concrete measure.

Explanation of the (typical) forms of assignment . If standardized templates for assignments are used for a certain sector, please attach them.
The public service of supplying thermal energy - the activities of production, transport, distribution and supply in the area served by ADITBI is awarded by delegated management. The delegation contract was awarded directly.
Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
The SGEI entrustment period is ten years (28 June 2018 to 28 June 2028).
Explanation of whether (typically) exclusive or special rights are granted to the undertakings.
According to the delegation contract, the regional operator was granted the exclusive right to provide the public service of supplying thermal energy in a centralised system in the area served by the Bucharest-Ilfov Association for the Intercommunity Development of Thermal Energy (ADITBI) and to use the technical and building infrastructure relating to the public service.
Which aid instruments have been used (direct subsidies, guarantees etc.)?
<p>To fulfil the obligation of service of general economic interest, provision is made to grant State aid in the form of a direct subsidy to:</p> <ul style="list-style-type: none"> - fully cover the difference between the price of production, transport, distribution and supply of thermal energy delivered to the population and the local price of thermal energy invoiced to the population; - cover the losses caused by the provision of public services to produce, transport, distribute and supply thermal energy to the population in a centralised system and not covered by the price/tariff.
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>According to the delegation contract, the methodology used is based on cost allocation; The setting, adjustment or modification of local prices and tariffs practised is regulated by the competent national regulatory authority.</p> <p>The compensation is granted on the basis of monthly accounts, depending on the quantity of thermal energy supplied to the population, calculated as the difference between the price of producing, transporting, distributing and supplying thermal energy delivered to the population and the local price invoiced to the population.</p> <p>The local public administrative authorities (the territorial administrative unit benefiting from the service) which approve a lower local price for thermal energy invoiced to the population (depending on the degree of affordability of the population) than the price of producing, transporting, distributing and supplying thermal energy delivered to the population ensure, from the local budgets, the amounts necessary to cover in full the difference between the price of producing, transporting, distributing and supplying thermal energy delivered to the population</p>

and the local price of thermal energy invoiced to the population. The planned amounts are included in the local budget and are approved by decision of the local council.

Typical arrangements for avoiding and repaying any overcompensation.

In order to avoid overcompensation for the service, annual checks are carried out in order to establish whether or not the public services for which compensation allocations have been granted receive compensation in excess of the amount initially fixed in the contract. If overcompensation of the public service is found, the beneficiary administrative territorial unit asks the operator to reimburse the relevant amount. Where the amount of overcompensation does not exceed 10% of the annual value of compensation calculated in accordance with the legal provisions, it may be carried over and deducted from the amount of compensation for the years following that in which the overcompensation occurred.

A short explanation of how the **transparency requirements** (see Paragraph 60 of the 2012 SGEI Framework) are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

Useful links where the decisions adopted by the General Council of the Municipality of Bucharest and the local councils to award the service through delegated management are published:

- <https://aditbi.ro/>
- <https://aditbi.ro/constituire/>
- <https://www.pmb.ro/structuri-asociative/main/menu-page/adi-termice>
- <https://www.cmteb.ro/legislatie/625-2019.pdf>
- <https://xn--primria-popeti-leordeni-7tc270e.ro/consiliul-local/proiecte-de-hotarare/2019/ph57167>
- <https://xn--primaria-popesti-leordeni-7tc270e.ro/consiliul-local/hotararile-consiliului-local/2017/062>
- https://xn--primaria-popesti-leordeni-7tc270e.ro/files/consiliul-local/hotararile-consiliului/2019/2019--hcl_052.pdf
- <https://www.primariachiajna.ro/wp-content/files/HCL2021/HCL.3.pdf>
<https://www.primariachiajna.ro/wp-content/files/HCL2019/HCL.23.pdf>

We have not encountered any difficulties in applying the 2012 SGEI Framework because:

- the public consultation was carried out to take account of the public service needs, both by publishing on the ADITBI official website the feasibility study underpinning the direct award of the service, and the regulation governing the public service of supplying thermal energy - a regulatory act and all decisions by the General Assembly of the Association, and by publishing on the websites of the member administrative territorial units the draft decisions concerning the

award of the service of supplying thermal energy in a centralised system, in order to carry out the public consultation procedure;	
<ul style="list-style-type: none"> - the conditions have been met and there is a legal basis for delegation of the service through direct management, since there is no need to implement the public procurement procedure, which is specific to the award of contracts by delegated management. 	
Amount of aid granted	
Total amount of aid granted (in millions EUR)³⁷. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
176.54	195.81
A: Total amount of aid granted (in EUR million), paid by national central authorities³⁸	
2020	2021
62.65	12.84
B: Total amount of aid granted (in EUR million), paid by regional authorities³⁹	
2020	2021
0	0
C: Total amount of aid granted (in EUR million), paid by local authorities⁴⁰	
2020	2021
113.89	182.97
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% - direct subsidy	100% - direct subsidy
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)⁴¹	
2020	2021
Only one operator, a large undertaking, has been entrusted with the SGEI.	Only one operator, a large undertaking, has been entrusted with the SGEI.

³⁷ As stipulated in Paragraph 62 b) of the 2012 SGEI Framework.

³⁸ If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

³⁹ See footnote 45.

⁴⁰ See footnote 45.

⁴¹ The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Framework, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

Section vi): Airports and ports with average annual traffic above the limit set in Art. 2(1)(e)

The European Union Framework for State aid in the form of compensation for the public service obligation (2012 SEIG Framework) was applied during the period 2018-2021 for the State aid granted by Bacău County Council - Autonomous Administration of 'George Enescu' International Airport through entrustment of the SGEI associated with basic airport activities.

The State aid was notified by the national authorities and authorised by the European Commission in Decision SA.49203 (2017/N) - Romania. In accordance with the Decision, the estimated value of the compensation for fulfilling the SGEI obligation over the period of ten years is EUR 56 760 807.

The compensation is calculated on the basis of the costs and revenues associated with providing the SGEI, and profits made from other activities outside the scope of the SGEI will be used to reduce the value of compensation for the SGEI. Therefore, the value of compensation will not exceed the net costs associated with the operation of the SGEI, to which is added any incentives for efficiency gains or from which is deducted any legal penalties linked to productive efficiency.

Within the framework of the SGEI, Bacău International Airport must make investments to rehabilitate the airport so that it operates under normal conditions, particularly in terms of safety and security. These investments are divided into two stages:

- Stage 1 - investments in the passenger terminal, the intermodal terminal linking the airport to road transport, the electrical power plant, thermal power plant, car garage for airport intervention vehicles, the fire-protection water reserves and the pumping station, control tower and administrative annex;
- Stage 2 - extension and modernisation of the airport road structures, sewage works and drainage, RESA3 fittings (safety zones at both ends - take-off - landing - of the runway) and a new lighting system.

Bacău County Council Decision No 137/2018⁴² ruled that the compensation value would include both national public funds and financing from the non-reimbursable financing programmes. Using the local budget, the County Council will contribute with the sum of EUR 3 830 315 throughout the period of service entrustment.

Clear and comprehensive description of how the respective services are organized in your Member State⁴³

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services assigned as SGEI** as clearly as possible.

⁴² <https://municipiulbacau.ro/consiliul-local/hotarari-ale-consiliului-local/>

⁴³ If in a certain sector only a small number of individual SGEIs exist in your Member State, please give a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a

The service of general economic interest was allocated by RA George Enescu Bacău International Airport, pursuant to European Commission Decision No 3171 of 28 May 2018 (SA 49203(2017/N)) for the provision of the following service categories:

- the construction, modernisation, operation, routine maintenance and repair of airport infrastructures, including landing strips, taxiways, platforms, terminals and control tower;
- the purchase and modernisation of equipment and installations which directly support the airport infrastructure, as well as fire-extinguishing, security and safety and lighting installations and equipment;
- organising and operating passenger flows in the airport terminals;
- ensuring the space needed by the public authorities performing specific control activities at the airport (Border Police, Customs Office, Romanian Intelligence Service - Passenger and Baggage Security Screening, Air Transport Police);
- allowing the use of the airport free of charge and of specific equipment (lighting installations and equipment) for State aircraft, military aircraft, and aircraft running flights in emergency and humanitarian situations and in other legally regulated situations;
- providing ancillary airport services for air transport;
- providing fire-fighting, emergency and safety services;

Explanation of the (typical) **forms of assignment**. If standardized templates for assignments are used for a certain sector, please attach them.

On the basis of European Commission Decision No 3171 of 28 May 2018 (SA.49203 (2017/N) – Romania), Bacău County Council transferred by direct entrustment the provision of the service of general economic interest by George Enescu Bacău International Airport.

Form of award: **Direct award** of a service of general economic interest.

Average duration of the entrustment (in years) and the proportion of entrustments that are longer than **10 years** (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?

The SGEI entrustment period is ten years (28 June 2018 to 28 June 2028).

Explanation of whether (typically) **exclusive or special rights** are granted to the undertakings.

The entrustment act does not state that exclusive rights are granted. However, by entrusting provision of the service to a single operator, the latter benefits de facto from an exclusive right from the administrative-territorial unit.

Which aid instruments have been used (direct subsidies, guarantees etc.)?

The Autonomous Administration is entitled to receive compensation for fulfilling the obligation of service of general economic interest.

clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each concrete measure.

State aid instrument used - direct grant.
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The typical compensation mechanism used is based on the methodology of allocating the net costs needed to fulfil the obligations and takes account of the following:</p> <ul style="list-style-type: none"> • The value of compensation cannot exceed that which is necessary to cover net costs for performance of the SGEI obligations, to which is added or from which is deducted any incentives/penalties for productive efficiency; • The costs which are taken into account to establish the level of compensation include all costs incurred for the provision of the SGEI. The costs of the necessary investments for performance of the SGEI, in particular those concerning infrastructure and costs with investments relating to public service missions will be taken into consideration when calculating compensation; • To establish compensation, account is taken of all the revenues obtained from the activities under the SGEI, and also any profit from the other activities performed by the airport operator, outside the SGEI; • For the duration of entrustment of the SGEI, the airport operator, through its internal accounting, must present the costs and revenues from the SGEI separately from its other activities; <p>Each year, when drawing up the draft county budget, the airport operator will substantiate ex ante the amount of compensation estimated to be necessary for provision of the SGEI; on that basis, the local public authority will approve allocation of the requested compensation in its own budget.</p>
Typical arrangements for avoiding and repaying any overcompensation.
<p>Twice yearly, Bacău County Council (in its capacity as supplier) will perform inspections to ensure that the operator (Bacău International Airport) has fulfilled its SGEI obligation, in accordance with the supporting documents submitted when the payments are made.</p> <p>Within 30 days of the end of the economic and financial situations (annually, half-yearly), RA George Enescu Bacău International Airport will present a report to the County Council setting out:</p> <ol style="list-style-type: none"> a) the amount of compensation received to achieve the investment objectives; b) total revenue generated within the scope of the service of general economic interest, broken down by type of revenue; c) total expenditure incurred within the scope of the service of general economic interest, broken down by type of expenditure; d) number of passengers; e) expenditure on investments made, from own resources, within the scope of the service of general economic interest; f) profit from other activities; g) expenditure incurred in connection with the public service mission. <p>On the basis of the reports drawn up by the airport operator, the Audit Department of Bacău County Council carries out checks to ensure that the airport has not received compensation exceeding the determined amount and has used the amounts granted in line with the approved purpose. The County Council carries out controls to ensure that the</p>

<p>airport has not received compensation exceeding that which is necessary to cover the net costs actually incurred in fulfilling the SGEI obligations, adding any incentives to increase efficiency or deducting any legal penalties linked to productive efficiency, as well as the amounts granted which were not used in line with the approved purpose.</p>	
<p>A short explanation of how the transparency requirements (see Paragraph 60 of the 2012 SGEI Framework) are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	
<p>Amount of aid granted</p>	
<p>Total amount of aid granted (in millions EUR)⁴⁴. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</p>	
2020	2021
23.12	12.06
<p>A: Total amount of aid granted (in millions EUR) paid by the national central authorities⁴⁵</p>	
2020	2021
22.71	11.44
<p>B: Total amount of aid granted (in EUR million), paid by regional authorities⁴⁶</p>	
2020	2021
0.41	0.62
<p>C: Total amount of aid granted (in EUR million), paid by local authorities⁴⁷</p>	
2020	2021
0	0
<p>Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)</p>	
2020	2021
100% - direct subsidy	100% - direct subsidy
<p>Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)⁴⁸</p>	

⁴⁴ As stipulated in Paragraph 62 b) of the 2012 SGEI Framework.

⁴⁵ If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

⁴⁶ See footnote 45.

⁴⁷ See footnote 45.

⁴⁸ The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Framework, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a

2020	2021
Only one operator, a large undertaking, has been entrusted with the SGEI.	Only one operator, a large undertaking, has been entrusted with the SGEI.

4. COMPLAINTS BY THIRD PARTIES

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

In the period 2020-2021, no complaints made by third parties were recorded.

5. OTHER ISSUES

a. We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you in particular to consider the following issues:

- drawing up an entrustment act that complies with Article 4 of the SGEI Decision;
- specifying the amount of compensation in line with Article 5 of the SGEI Decision;
- determining the reasonable profit level in line with Article 5(5) to (8) of the SGEI Decision;
- regularly checking overcompensation as required by Article 6 of the SGEI Decision;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

We have not encountered any difficulties in applying the SGEI Decision.

As regards the threshold of EUR 15 million/year, it is not clear to the Romanian authorities whether or not the threshold of EUR 15 million applicable in the SGEI Decision includes VAT.

more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

b. We kindly invite you to indicate whether your authorities have experienced difficulties in applying the **2012 SGEI Framework** and ask you to in particular consider the following issues:

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
- complying with public procurement rules in line with para 19 of the SGEI Framework;
- determining the net avoided cost as required by paras 25-27 of the SGEI Framework;
- determining the reasonable profit level in line with paras 33-38 of the SGEI Framework;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

There have been no such cases.

c. If you have any other comments on the application of the SGEI Decision and the SGEI Framework on issues other than the ones covered in the previous questions please feel free to provide them below.

Not applicable

SGEI Decision in your Member State		Total amount for whole Member State	
		2020	2021
Article 2(1)(b)	Hospitals providing medical care, including, where applicable emergency services		
Article 2(1)(c)	Health and long term care		
	Childcare		
	Access to and reintegration into the labour market		
	Access to and reintegration into the labour market		
	Social housing		
	Care and social inclusion of vulnerable groups		
	Other social services		
Article 2(1)(d)	Air or maritime links		
Article 2(1)(e)	Airports and ports	7,978	7,459
Article 2(1)(a), less then EUR 15 million per year	Postal services		
	Energy	108,834	181,516
	Collection of waste	0,000	0,000
	Water supply		
	Culture		
	Financial Services		
	Other	0,000	0,000

SGEI Framework in your Member State	Total amount for whole Member State	
	2020	2021
Postal services	0,000	0,000
Energy	176,535	195,806
Collection of waste	0,000	0,000
Water supply	0,000	0,000
Air or maritime links	0,000	0,000
Airports and ports	23,120	12,060
Culture	0,000	0,000
Financial Services	0,000	0,000
Other	0,000	0,000