

Romania's Opcom to remain power exchange of choice – traders

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The Romanian state-owned energy exchange Opcom is expected to remain the leading spot trading platform for electricity, according to local traders.

Their comments came in response to the recently announced partnership between the pan-European power exchange Nord Pool and Romania's Bursa Romana de Marfuri S.A. (BRM). Under the agreement, Nord Pool will assist BRM in its goal of becoming the leading power exchange in the country.

However, traders expect the bulk of spot power trading to continue on Opcom.

"I doubt this project will have any success as the market is semi-regulated until March 2025 and Opcom will keep its monopoly at least until then," one trader said.

Although Opcom's official monopoly on the electricity market ended a year ago, last November the Romanian government introduced a centralised energy acquisition mechanism which obliged power producers to sell their available output via a newly created Opcom platform called Macee.

This mechanism is expected to remain in place until March 2025.

At least 50% of power trading in Romania is now conducted on the new Macee platform, a second trader estimated.

As long as this is the case, the remaining 50% of traded volumes are likely to pass through Opcom's OTC (over the counter) platform.

"BRM has barely any volumes on its power OTC platform, but they have the most gas volumes," the second trader added.

Liquidity concerns

BRM launched its electricity trading platform in February 2022, shortly after Opcom lost its monopoly. However, the timing of that move has proved to be somewhat challenging.

In September 2022, the Romanian government introduced a 98% tax on the net revenues of gas and electricity trading companies in an attempt to secure supplies for domestic consumers. This has, in turn, dried up liquidity and raised many concerns. "I believe that with the low liquidity caused by the high profit tax on the market, having a new exchange would not be that interesting," a third trader said.

"But if the market gets back to normal, then Opcom would need a competitor and it could work if it delivers advantages and a new vision," he added.

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