

## STEPS TOWARDS A NEW RENEWABLE ENERGY PUBLIC POLICY IN ROMANIA

### **Abstract**

This study investigates the steps towards a new renewable energy public policy in Romania, with an eye to reveal the main actions and measures needed. Therefore, this study reveals firstly the key arguments for changing the public policy in the field of renewable energy, and secondly, the core directions and measures for a modern policy in the field of renewable energy. The results of this study may be helpful for further research regarding the adjustment of the renewable energy public policy.

**Keywords:** public policy, state, renewable energy, services.

**JEL CODES:** Q42, M10, O33, O44, R11

## PAȘI SPRE O NOUĂ POLITICĂ A ENERGIEI REGENERABILE ÎN ROMÂNIA

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### **Rezumat**

Studiul investighează pașii spre o nouă politică a energiei regenerabile în România, cu scopul de a evidenția principalele acțiuni și măsuri necesare. Tocmai de aceea, în cadrul studiului sunt reliefate argumentele majore pentru schimbarea politicii publice în domeniul energiei regenerabile, precum și direcțiile de acțiune și măsurile esențiale ale unei politici moderne în domeniul energiei regenerabile. Rezultatele acestui studiu ar putea fi utile pentru cercetări viitoare privind ajustarea politicii publice a energiei regenerabile.

**Cuvinte cheie:** politică publică, stat, energie regenerabilă, servicii



## 1. INTRODUCTION

This study investigates the steps towards a new renewable energy public policy in Romania, with an eye to reveal the main actions and measures needed. Therefore, this study reveals firstly the key arguments for changing the public policy in the field of renewable energy, and secondly, the core directions and measures for a modern policy in the field of renewable energy.

The research was conducted using evidence provided by articles such as research papers, conceptual papers, and literature reviews. The research question was answered by analyzing and evaluating published sources, and by interpreting and reorganizing concepts. Answering the research question was difficult, due to the variety of approaches, concepts and definitions found in the literature.

## 2. ARGUMENTS FOR CHANGING THE PUBLIC POLICY IN THE FIELD OF RENEWABLE ENERGY

Currently, there are serious concerns regarding the threats against the natural environment, but in reality, despite the rhetoric, most of these threats are continued and amplified.

Despite the various crises experienced by the world economy in the last forty years, there has been no real debate on the choice of resources, but there was a waste of resources, as a consequence of the economic, social and cultural needs of our times. Humankind must increase its concerns about his destiny taking into account the requirements of sustainable development, of people prosperity and of the proper functioning of national and world economies.

Nowadays there is more and more acknowledged the fact that renewable energy can make a major contribution to the economic development, and consequently, the public authorities are involved in the implementation of various renewable energy projects. For instance, in Romania, as well as in Member States of the European Union renewable energy sources have a large potential (Păceșilă, 2013). The European Union and its Member States have established different objectives and targets for renewable energy, expressing this way their ambitions and technological priorities (Lean and Smyth, 2013; Gawel *et al.*, 2014).

World history has shown that there is a huge amount of connections, of high complexity, between the way people behave, the choices they make and the natural world in which life takes place. Throughout recent history, the effects of people's choices on the planet have expanded from local to regional and to global scale. In this context, the debate regarding the public policy in the field of renewable energy has

involved many actors (companies, public authorities, civil society, etc.) that are playing an essential role in managing the change of the public policy.

The governments are involved in the issues of the energy sector through partial ownership or control imposed by the legislation (Zamfir, 2013). The way to apply public policies, the regulation and rules play an important role in the use and cost-effective exploitation of renewable energy (Hernandez Moreno, 2009: 138).

Energy policy and existing regulations play an important role in fostering regional projects for the production and use of energy from renewable sources. Moreover, there are various public mechanisms to support renewable energy developed in order to reduce the risks and the payback periods for the investors (Zamfir, 2013). An investment in renewable energy can recover today faster than before (Pîrlogea, 2012, p. 22). In order to become competitive, an organization should be able to create competences that generate positive effects through innovation (Corboş and Popescu, 2013). In this context, the policy makers have to analyze and to select the technology to be used, the renewable resource to be exploited, the way to decrease greenhouse gas emissions, and the mix of resources in order to exploit more renewable ones (Pîrlogea and Cicea, 2011, p. 81).

Nevertheless, the competition on the energy market may be hindered by the vertically integrated companies which operate on this market and have access to the distribution network. A company that controls the distribution network, and is also a player on the electricity market could be interested and could have the ability to impose terms and conditions relating to the access to that network in order to reduce the competition on the competitive energy market (Corboş, 2011: 72).

In addition, another way in which the state's role is crucial is the need for strong and effective state intervention in order to maintain ecological equilibrium, to ensure a reserve of resources as long as possible and to respect regeneration cycles of energy resources (Zamfir, 2013).

In the beginning of 2014 Romania has reached the target regarding the share of renewable energy in the final energy consumption established for 2020. Hence, there is a need of changing the support system for developing renewable energy in Romania, which can be explained by two arguments. Firstly, the development of renewable energy has a negative impact on users' budgets, because it leads to a large increase of the bills they need to pay. The reason for this is that the cost of the green certificates given to the producers which are selling them to the suppliers is finally transferred to the end user. Therefore, the larger the number of green certificates, the heavier the burden of costs to clients. Secondly, the development of renewable energy beyond a certain limit has a negative influence on the security of its integration into the grid.

### 3. DIRECTIONS AND MEASURES FOR A MODERN POLICY IN THE FIELD OF RENEWABLE ENERGY

There is a new vision in addressing the energy issue in general and renewable energy issue in particular. The sector should no longer be seen as an objective in itself, but rather as a factor contributing to the overall economic efficiency and development, as well as to the increased social welfare.

In this context, the policies and strategies should be assumed by the state, and seen as priorities, especially in establishing, supporting and implementing investment projects on key areas of the economy (Vlăsceanu, 2014: 30). However, the role of the state in managing the energy sector is nowadays more diverse and profound. Although its actions do not automatically lead to the removal of all imbalances, there is a need for the policy makers to analyze the situations of the energy market in terms of cost-benefit correlations, social equity principles and environmental protection.

Currently, in our society there is a crisis of values (i.e. quantity vs quality, materiality vs spirituality, egocentricity vs altruism, etc.) that might have a solution in rediscovering the forgotten values and applying them in everyday life in order to solve some demographic, economic or even environmental issues (Potcovaru, 2013: 20). Business ethics must rely on applicable principles, not on abstract ones, offering moral solutions to the problems encountered (Georgescu, 2013: 29).

Today, more than ever, we need an "attitude towards nature which must be based on harmony, not on conquest" (Mesarović and Pestel, 1975: 154-155), because only this way we could put into practice what is already admitted in theory, namely that people is an integral part of nature. In this sense, the civilization should be defined not as a stage or phase of the societies, or as a culmination of the societies, but as a kind of relationship, with the natural environment, rearranged by civilizing impulse, to meet people requirements (World Energy Council, 2003: 18). The question is whether these human needs are exaggerated or if they will be exaggerated in their evolution, exceeding the safety limit of our natural environment.

The steps towards a new, modern renewable energy public policy in Romania may include the intervention in order to: (1) ensure universal access to modern public energy services for the population and companies; (2) maintain ecological equilibrium; (3) protect the environment; (4) ensure energy security; (5) ensure a reserve of resources and (6) respect regeneration cycles of energy resources.

A modern policy in the field of renewable energy should take into account new ways of providing services and a new culture of energy services, as well as new methods and techniques of designing

and managing modern energy services in order to respond to the actual needs of the clients and of the society. Furthermore, there is a need to invest in research and development services in the field of renewable energy, taking into account the technological maturity of renewable energy. Last but not least, there is a need for further reductions in cost and improvements in performance, reliability, and safety of renewable energy technologies in order to replace more emissions-intensive alternatives.

#### 4. CONCLUSIONS

This study has revealed the key arguments for changing the public policy in the field of renewable energy, as well as some directions and measures for a modern policy in the field of renewable energy. These changes are based on a new vision in addressing the energy issue in general and renewable energy issue in particular. The values and the attitude towards people, society, and environment should change if we want to move towards a prosperous future. Business ethics, social equity principles, economic development, social welfare, and environment protection, are only some of the landmarks of such an idealistic future.

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