

Electricity and gas price capping: the court rules that relevant legal provisions must be interpreted in favour of consumers



Țuca Zbârcea & Asociații's lawyers have obtained a landmark decision from the Alba Iulia Court of Appeal on electricity and gas price capping. The court ruled that legal provisions must be interpreted in favour of consumers, not against them.

Țuca Zbârcea & Asociații successfully assisted a leading semi-finished wood manufacturer in a dispute worth over EUR 2 million, seeking reimbursement of amounts wrongly charged by an electricity supplier based on a misinterpretation of Government Emergency Ordinance (GEO) No. 27/2022 on electricity and gas price capping.

In the context of a sharp rise in electricity and gas prices, the Romanian Government adopted GEO No. 27/2022, which established a formula for calculating the price charged by suppliers in their contractual relations with natural and legal persons consuming electricity or natural gas. Further clarifications were introduced by Law No. 206/2022, which explicitly stated that the formula established by GEO No. 27/2022 set a maximum price limit and did not affect ongoing contracts with prices below this limit.

Against this background, an electricity supplier took the position that, prior to the entry into force of Law No. 206/2022, the prices stipulated in ongoing supply contracts had to be replaced by the amount resulting from the formula established by GEO No. 27/2022, even if this amount exceeded the contractual price. After several such invoices from the supplier, the corporate consumer sought legal assistance and representation from Țuca Zbârcea & Asociații to recover the undue payments made in excess of the originally agreed contractual price.

Țuca Zbârcea & Asociații's litigation team developed a complex defence strategy based on a rational interpretation of the relevant legal provisions and an analysis of the Government's objectives in adopting the emergency ordinance.

The arguments put forward by the firm's lawyers were fully upheld by the Alba Iulia Court of Appeal, which definitively ruled that GEO No. 27/2022 must be interpreted in favour of consumers (including non-household consumers) and not against them. Therefore, the legal provisions cannot override favourable contractual clauses benefiting consumers in ongoing agreements.

As a result, the court ordered the reimbursement of approximately RON 11 million (over EUR 2 million) to the company represented by Țuca Zbârcea & Asociații, issuing a decision that clarifies several key issues regarding the electricity and gas price cap regulations.

Țuca Zbârcea & Asociații's team that secured this landmark decision consisted of **Ioana Hrisafi** (Partner) and

Tudor Bonifate (Associate).

Țuca Zbârcea & Asociații has a leading practice in Dispute Resolution, the firm's pre-eminence in this area being already acknowledged by renowned international publications, such as Chambers & Partners, Legal 500 and the Global Arbitration Review.