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# Market liberalization aspects in the Republic of Moldova

*National Agency for Energy Regulation  
of the Republic of Moldova*

*Chișinău, 2015*



**ANRE**  
Agenția Națională pentru Reglementare  
în Energetică

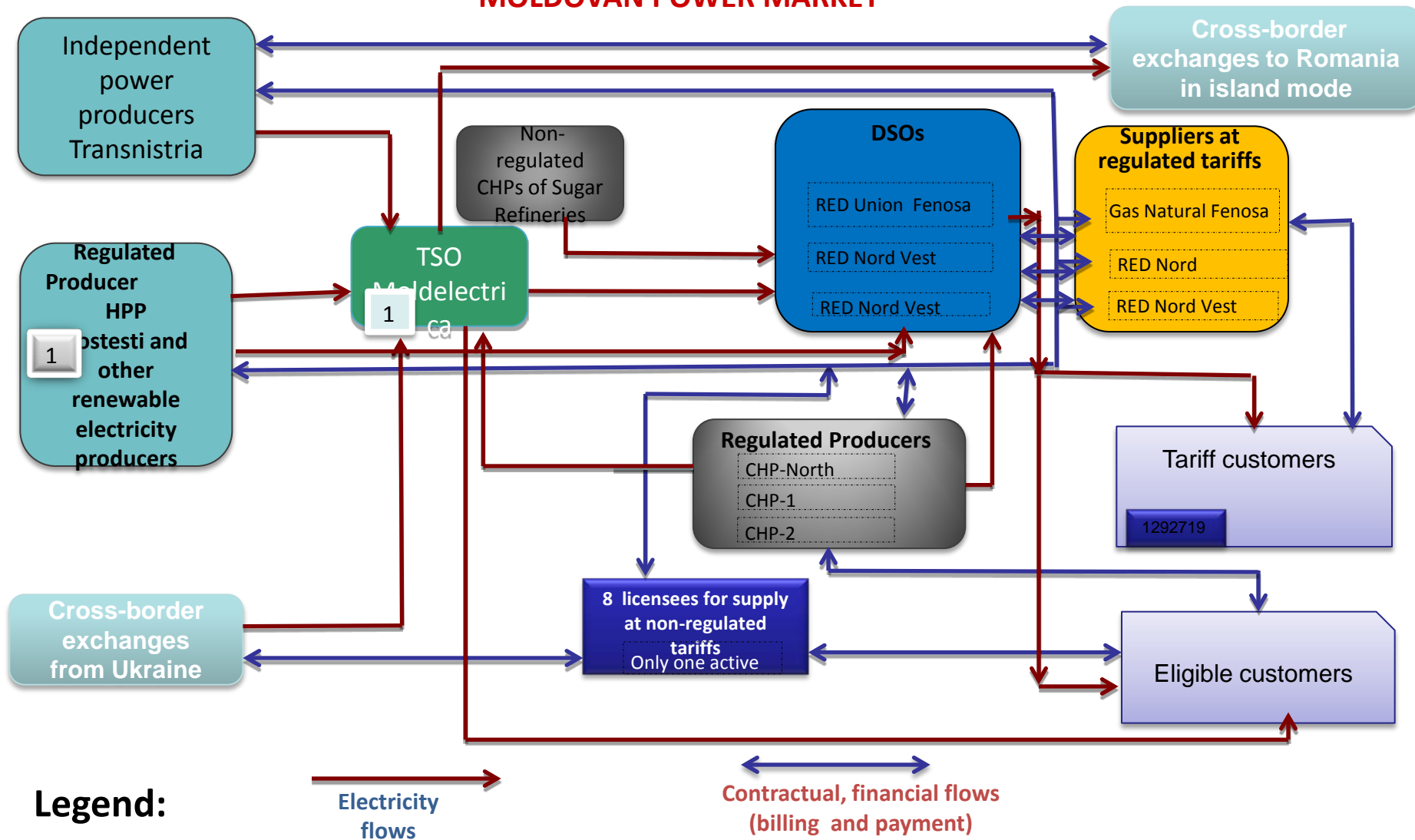


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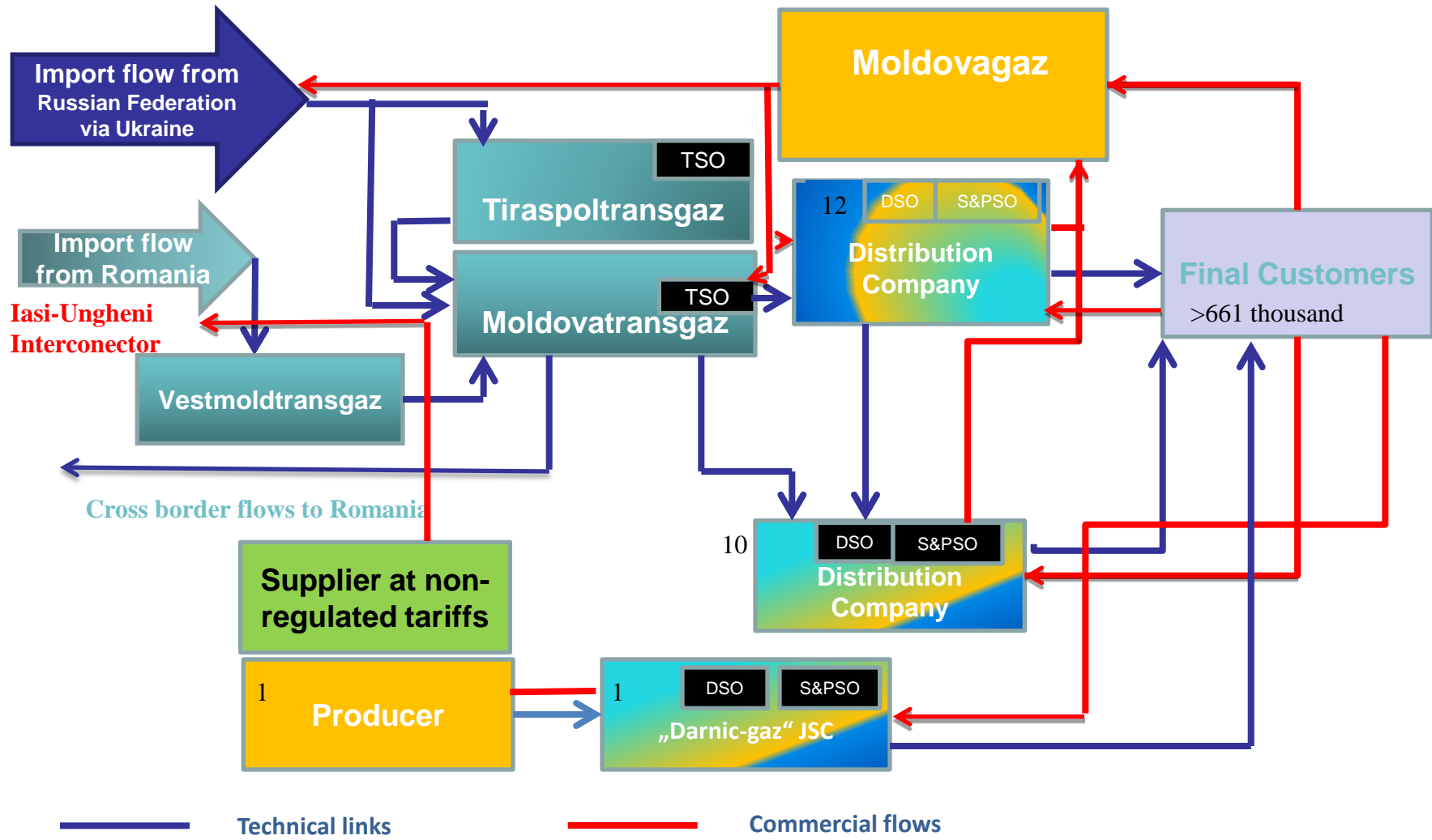


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## MOLDOVAN POWER MARKET



# Natural Gas Market



# Specifics of Moldovan power sector and natural gas sector

## Power Market

- Only one active eligible customer
- Lack of generation capacity
  - ❑ 70% of electricity imported from Ukraine and Transnistrian Thermal Power Plant;
  - ❑ 30% covered by producers from the right side of Nistru river.

## Natural Gas Market

- ❑ Moldova is dependent on natural gas imports from Russia;
- ❑ In this context, the commissioning of the interconnector with Romania **Iasi–Ungheni** is of particular importance.

## **Specifics of Moldova power sector and natural gas sector II**

- ☐ **Power market opening:**
  - ❖ **From 1 January 2013, all non-household customers were declared eligible (Electricity Act);**
  - ❖ **The power market for households opened from 1 January 2015 (Electricity Act);**
- ☐ **The Electricity Law requires legal unbundling of the electricity distribution and supply activities starting from 1 January 2015. One licensee legally unbundled the activity for electricity supply at regulated tariffs from the activity of electricity distribution. The other two are in the process to legally unbundle the mentioned activities.**
- ☐ **Natural gas market was fully opened for all final customers in 1998 (according to the law).**

## **PROGRESS MADE:**

- ☐ Regulation on *switching* of the *electricity* supplier by eligible customers
- ☐ Regulation on *switching of the natural gas supplier by final customer approved.*
- ☐ *Amendments to the Regulation on supply and use of natural gas approved.*
- ☐ Amendments to the Regulation *on supply and use of electricity approved.*
- ☐ *New Methodology on determination, approval and applying of the natural gas tariffs.*

## **DEVELOPPED DRAFT DOCUMENTS:**

- ❖ **The draft Regulation on principles of planning, approval in tariff purposes and execution of investments;**
- ❖ **Draft of new version of the Power Market Rules;**
- ❖ **Amendments to Technical norms of electricity transmission networks;**
- ❖ **Amendments to the Regulation on the quality of electricity transmission and distribution services.**

## The POWER MARKET RULES I

***According to the Electricity Law 124/2009,  
Starting from January 1, 2015 all final electricity consumers  
are entitled to purchase electricity from any chosen  
supplier, including foreign one, and organize its transport  
and distribution by concluding contracts for transmission  
and distribution of electricity.***



## **The POWER MARKET RULES main provisions II :**

- **The transmission system operator is responsible for buying electricity to cover the losses;**
- **TSO operator is responsible to ensure the balancing of power system;**
- **All balancing responsible parties should have contract for purchasing the balancing electricity;**
- **Supply companies are required to contract electricity with a view to satisfying the demand of their customers and to pay for the imbalances.**

## **The POWER MARKET RULES main provisions III :**

- **Rules for procurement of electricity produced by cogeneration power and electricity produced by power plants using renewable sources of energy;**
- **The procedures for allocation of actual volume of electricity produced from Sources regulated by the Agency among Suppliers, Transmission Network and System Operator, DNOs and Eligible Customers;**
- **The rights and obligations of the TSO, DNO, Supplier, and eligible customers;**
- **The terms and conditions for the provision of the balancing electricity.**

## NEXT STEPS :

- **According to the Ministerial Council Decision from 6 October 2011, by 1-st January 2015, the Energy Community Contracting parties should transpose the so-called “third energy package”:**
  - Directive No. 2009/72/EC, concerning common rules for the internal market in electricity;
  - Directive No. 2009/73/EC, concerning common rules for the internal market in natural gas;
  - Regulation No. 714/2009 on conditions for access to the network for cross-border exchanges in electricity;
  - Regulation No. 715/2009 on conditions for access to the natural gas transmission networks.
- **The “third energy package” – further steps for:**
  - Unbundling; Customer protection; Third party access; Transparency; Independence of the Regulatory authority.

## CHALLENGES

- ✓ Finalize implementation of *2<sup>nd</sup> energy package*
- ✓ Start the transposition and implementation of *3<sup>rd</sup> energy package*;
- ✓ To ensure effective unbundling in order to insure decisional independence of the DNO's and TSO;
- ✓ To establish a balancing market, an ancillary services market.
- ✓ To encourage the entrance of new suppliers on the energy markets thus creating the conditions for real possibility to be able to choose the supplier.

**THANK YOU FOR YOUR ATTENTION !**