

National Agency for Energy Regulation

Key Regulatory Problems in a National and Regional Context Faced by ANRE

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The examination of regulatory problems in a national and regional context proceeds from the following:

- 1. Electricity production on the right bank of Nistru river covers 25-30 % of necessities.**
- 2. No electric power plants have been built over the last 20 years.**
- 3. Poorly developed regional electricity market.**
- 4. Moldova's electricity system has important links with Ukraine's power system, operating in parallel and less developed interconnections with Romania's power system, working under island mode. Currently the Cuciurgan power plant exports electricity to Romania.**
- 5. The Law on Electricity provides that after 2014 the electricity market shall be fully liberalized.**
- 6. Concomitantly ensuring the security of electricity supply to all consumers, including quality of supply services.**
- 7. Implementation of the Law on Electricity provisions, which transpose EU Directive 54/2003.**

- 8. Natural gas is imported from one country, *by* one supplier and *from* one supplier.**
- 9. The natural gas market, *de-iure* completely liberalized since 1998, however suppliers and end consumers are unable to effectively use this legal right for lack of alternative natural gas suppliers.**
- 10. Implementation of the provisions of the Law on Electricity which transposes EU Directive 55/2003.**
- 11. Moldova's accession to the Energy Community Treaty requires creation of conditions for fair competition and involvement of every interested person in the electricity and natural gas business.**
- 12. Creating conditions for attracting investments into the power and gas system is a goal of the regulations, which are sought to be clear, simple and with no different interpretations.**
- 13. Using electric transmission line capacity for electricity transit and that of gas pipes for gas transit through the territory of the republic.**

Objectives for Accomplishments to Solve Problems

1. According to the Law on Electricity, the Agency:

- develops, approves and monitors, in consultation with the regulatory authorities of neighboring states, the norms of management and allocation of capacity to interconnectors between power systems;**
- approves mechanisms to solve the problems of congestion in the power system and monitors their application.**

2. Development and implementation of these regulations will be beneficial for boosting cross-border electricity trade.

3. In this context, cross-border trade with western countries will be widely possible as a result of the accession of Moldova's power system to UCTE. The accession is expected to take place in tandem with the Ukrainian power system, for which the due requirements are being developed.

4. The construction, according to the Energy strategy of R.M, before 2020, of LEA (aerial electric line) 330 kV (second line) Novo-Dnestrovsc - Balți, transmission capacity 955 MVA, length 121,5 km; LEA 400 kV Balti-Suceava, transmission capacity 1715 MVA, length 115 km and LEA 400 kV Strașeni-Iasi, capacity 1715 MVA, length 100 km (projects financed by EBRD and other international financial organizations) will serve as impetus for cross-border electricity trade and is a measure necessary for UCTE accession.

1. According to the Law on Natural gas, the Agency:

- develops, approves and monitors, in consultation with the regulatory authorities of neighboring states, the norms of management and allocation of capacity to interconnectors between natural gas systems;**
- approves mechanisms to solve the problems of congestion in the natural gas system and monitors their application;**

2. Obviously finding alternative sources of gas supply is one of the problems faced by neighboring countries and any possible natural gas supply from other sources must be exploited in order to exclude cases of gas supply interruption, as the one that occurred in early 2009.

1. Ukraine's accession to Energy Community Treaty, accession of Moldova's and Ukraine's power systems to UCTE and their systems operation in parallel will create conditions of regional integration of electricity markets, will increase competition on the electricity market, will boost cross-border electricity trade and as a result, end consumers will gain by getting high quality services.
2. Development of secondary regulatory acts and their implementation will increase the attractiveness of the energy sector and will attract investments necessary for construction, expansion, modernization and rehabilitation of the power system infrastructure, and the result will be beneficial for end consumers.

Thank you!

