



National
Association of
Regulatory
Utility
Commissioners



Renewable energy regulation in Moldova

Seventh Partnership Activity

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Chisinau, May 16, 2013

Primary Legislation

- Renewable Energy Law (160-XVI/12.07.2007)
- Energy Efficiency Law (142/02.08.2010)
- Law on Electricity (124/23.12.2009)
- Law on Energy (1525/19.02.1998)

Secondary Legislation: ANRE Regulations

- Regulation on guarantees of origin for electricity produced from renewable energy sources
- Methodology for the calculation of tariffs for electricity and biofuels produced from renewable energy sources

Development and amendment of the legal framework for Renewable Energy

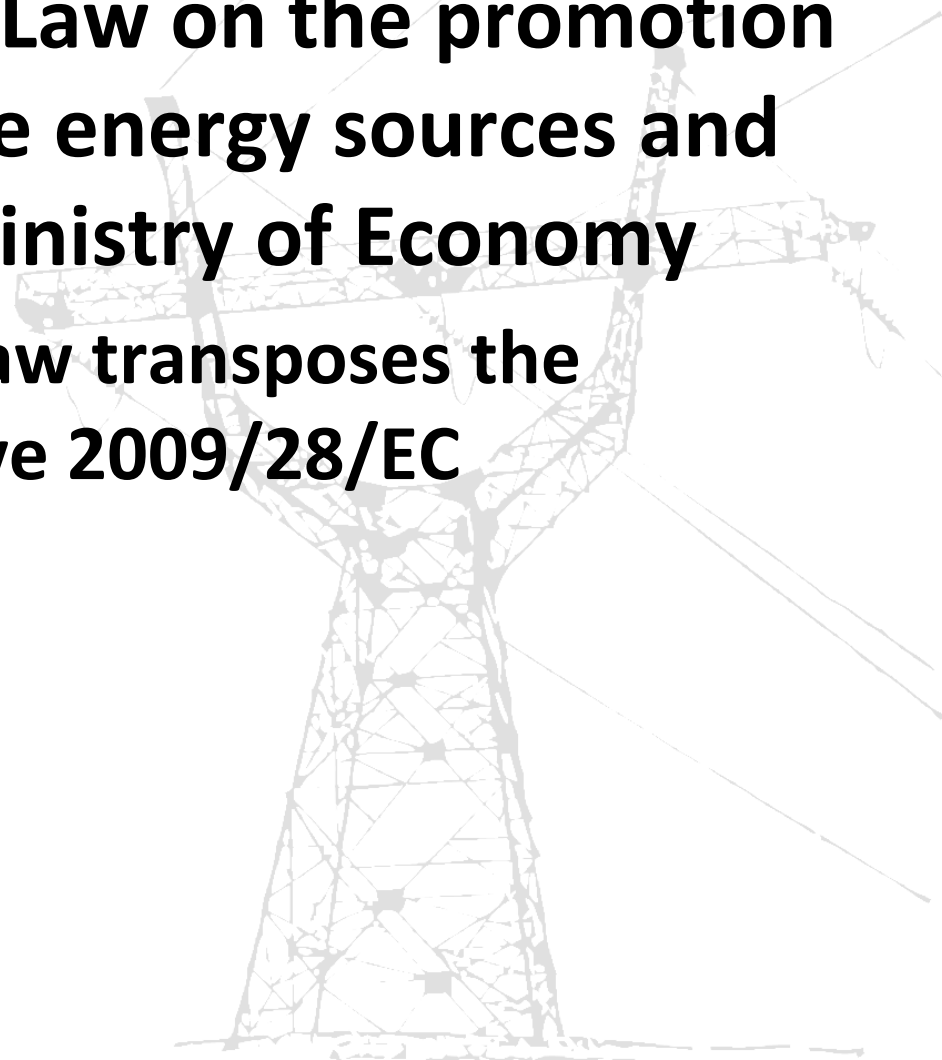
- The existing Law defines on principles and does not shape a market model for Renewable Energy
- The existing support scheme for RE is to be redesigned, to ensure a more efficient support for the development of the RE sector

***EnC requirement: Transposition of Directive 2009/28/EC on the promotion of the use of energy from renewable sources by 1 January 2014
(Decision of the Ministerial Council of the Energy Community from October 2012)***

Development and amendment of the legal framework for Renewable Energy



- **ANRE drafted a new Law on the promotion and use of renewable energy sources and proposed it to the Ministry of Economy**
 - **The proposed new Law transposes the provisions of Directive 2009/28/EC**



Support for energy produced from RES



- **National targets for renewable energy**
 - An overall target of 17% share of energy from RES in the gross final energy consumption in 2020
 - target calculated by a consultant, hired by ECS, using a common methodology for all Energy Community CPs
 - 10% share of energy from RES in the final energy consumption in transport sector
- **Provisions regarding the calculation of the share of energy from RES**
- **National Renewable Energy Action Plan**
 - Sectoral targets and trajectories to be established in the National Renewable Energy Action Plan

Licensing

- **Licenses for electricity generation and production of biofuels**
 - Specific conditions regarding the license for biofuel production were defined
 - Electricity generation: license conditions and requirements established in the Law on electricity
- **License for production of heat: requirements to be established in the Law on heat**
- **Production of biogas, delivered into the natural gas pipelines: licensed according to the Law on natural gas**
- **Validity of issued licenses: 25 years**
- **Possibility to obtain the license before the construction of the power plant/production facility**

- **Nondiscriminatory network access for RES-E and RES-T generators, biofuel producers and biogas producers, willing to deliver the gas into the natural gas network, based on transparent, cost-reflective tariffs.**
- **Provisions regarding sharing of costs associated with the connection of producers to the grid**
 - **Grid connection costs shall be borne by producers**
 - **Grid reinforcement shall be carried out by Network Operators, according to investment plans, approved by ANRE**
- **Priority dispatch for RES-E generators, in so far as the secure operation of the national electricity system is not affected**

The Single Buyer

- A “single buyer” model was proposed to be used
 - One single supplier will have the obligation to buy all the RES-E produced by eligible generators and from CHPs (RE Supplier)
 - The RE Supplier will carry out this activity on the basis of a license for electricity supply at regulated tariffs
 - The RE Supplier shall be assigned by the Agency following a tendering procedure, organized under Power Market Rules
 - All electricity suppliers and big customers that buy electricity generated from traditional sources, will have the obligation to buy RES-E from the RE Supplier proportional to their market/consumption share

The Support Mechanism

- **A support scheme that guarantees the purchase of RES-E at a fixed price for a specific period of time (Feed-in tariff)**
 - **Only “eligible producers” will receive the FiT**
 - **FiTs differentiated by technology and size of the plant**
 - **FiTs are offered for a period of 15 years**
 - **Eligible generators will have only one contract with the RE Supplier**

A specific procedure for granting the eligibility status was established

- Capacity caps for different RE technologies (yearly caps)
- FiT caps, differentiated by technology (MDL/kWh), are initially established in the law;
- Available capacities will be auctioned;
- Auctions organized by the Government (Ministry of Economy);
- Potential generators will bid in their discounts to the FiT cap, established in the Law and up to the generation capacity cap.
- Winners are awarded with the eligibility status: **the right to sell all the generated RES-E at the offered FiT for 15 years, on the basis of the contract signed with the RE supplier.**
- Specific conditions for eligible generators to maintain the eligibility status until the plant becomes operational

Capacity Caps

Period	2013-2014	2015-2016	2017-2018	2019-2020	Fit Cap, MDL/kWh
Total installed capacity, MW, including:	87	155	234	312	(1USD=12.11 MDL avg-2012)
Wind	70	130	200	270	1,29
Biogas	4	6	8	10	≤300kW: 1,75
					>300kW: 1,36
PV	2	4	6	8	≤50kW: 2,81
					>50kW: 2,31
Biomass	4	6	8	10	1,63
Landfill gas	6	8	10	12	0,87
New Hydro	1	1	2	2	1,00

Capacity Caps were calculated taking into consideration the need to fulfill the 2020 RE target

Updating capacity limits and FiT caps

- Capacity caps shall be revised periodically (every 2 years), taking into consideration the national RE targets and affordability
- The FiT caps, established initially in the Law, are adjusted by ANRE every 2 years
- The FiT granted to an eligible generator is adjusted each year according to the fluctuations of the exchange rate (EUR vs MDL)

Balancing

- The RE Supplier entitled to collect and aggregate forecast data and submit it to the TSO
- The RE Supplier will buy balancing energy to cover imbalances created by intermittent RE generators
- Eligible RE generators are not BRPs
- Costs for balancing energy will be invoiced to suppliers

Guarantees of Origin

- **GoOs issuance, transfer and use, according to principles from the EU Directive**
- **GoOs for disclosure purposes only**
- **Recognition of GoOs issued by EU MS or EnC CPs**



Net Metering

- Included as an option for consumers who install RES-E generation facilities for own consumption
- Available for generation installations up to 100kW but limited to the contracted consumption capacity
- Offered on a “first come, first served” basis, up to 1% of supplier’s total load
- Excess credited by supplier at the same tariff (rate)
- At the end of the year, the net excess RES-E delivered into the grid compensated at the average market price

Other provisions

- Specific conditions for capacity increases
- Certification of installers of small-scale biomass boilers and stoves, solar photovoltaic and solar thermal systems, shallow geothermal systems and heat pumps.
- Sustainability criteria for biofuel production
- Possibility to implement flexibility measures, in form of statistical transfer, common support schemes
- Calculation of the share of energy from RES
- National Renewable Energy Action Plan