



# **RENEWABLE ENERGY SOURCES**

## **Legal and Institutional Framework**

### **Republic of Moldova,**

### **Chisinau**



# Review



- The Republic of Moldova is dependent on energy imports.
- 94% of energy needs (fossils and electricity) is covered by import.

**In the absence of own resources,  
energy efficiency and use of renewable  
sources is a priority**



# The sector's challenges



- ❑ lack of own energy resources (natural gas, oil, coal);
- ❑ high energy intensity and poor energy efficiency;
- ❑ low level of renewable energy sources utilization;
- ❑ deviation of the fuel mix away from the optimal one (imported natural gas prevails);
- ❑ uneven location of power generation capacity in the territory of the Republic of Moldova, which creates a significant imbalance between supply and demand (poor generation capacity on the right bank of Dniester River, where electricity generation covers only 30% of consumption);
- ❑ advanced level of wear (about 60-70%) of the equipment installed at power plants, high voltage transmission lines, distribution networks;
- ❑ insufficient investments in the energy sector.

# The general legal framework



- **EU-RM Action Plan**, a key document that includes the matrix of harmonization of national legislation with EU directives.
- **Energy Strategy 2020, GD no. 958 of 21.08.2007** provides a 6%-target until 2010 and 20%-target by 2020 (their achievement would help reduce annual CO2 emissions equal to 167-210 thousand tons)  
(The Strategy is proposed to be amended)

# Legal framework/RES



In 2007, the Parliament adopted Law on Renewable Energy No.160-XVI which:

- sets the principles and objectives of the state policy in the field of renewable energy;
- shows how to integrate renewable energy sources in the national electric power system;
- provides for correlation of activities of generation, registration, transportation, distribution and consumption of energy and fuel from renewable sources;
- identifies the economical and financial mechanism to support the process of exploitation of renewable energy sources - The Energy Efficiency Fund;
- provides for individual rates approval by ANRE for each investor;
- sets the obligation for the distribution companies to accept green energy in the national grid

# Institutions involved

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- Ministry of Economy
- Energy Efficiency Agency (responsible for EE and RES)
- Energy Efficiency Fund
- National Agency for Energy Regulation



## RES potential

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- Wind - 1.0 GW, 11 TW/hour/year
- Small Hydro - 200 kW
- Biomass - 820 ktep (plus 1.8 ktep biogas)
- Solar (hot water) - 1250 kWh/m<sup>2</sup>/year

# RES supporting instruments

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## □ Energy Efficiency Fund:

- ✓ Promotion of investment projects in the field of energy efficiency and renewable energy sources;
- ✓ Provision of technical assistance for the development of projects in the field of energy efficiency and RES;
- ✓ Provision of financial assistance to EE and RES;
- ✓ Direct financial contribution;
- ✓ Ensuring full or partial guarantees for bank loans;
- ✓ Assistance in identifying the best financing opportunities.

## □ Relief from customs duty and VAT for wind energy generation equipment (more than 1 MW, by 2016)





## Next steps

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1. Review of the Energy Strategy 2030;
2. Review of Law on Renewable Energy No.160-XVI ;
3. Development of the National RES Program;
4. Development of the National Renewable Energy Action Plan.



**Thank you for attention**

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