



National
Association of
Regulatory
Utility
Commissioners



Energy Sector regulation

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Missouri
September 20-24, 2010



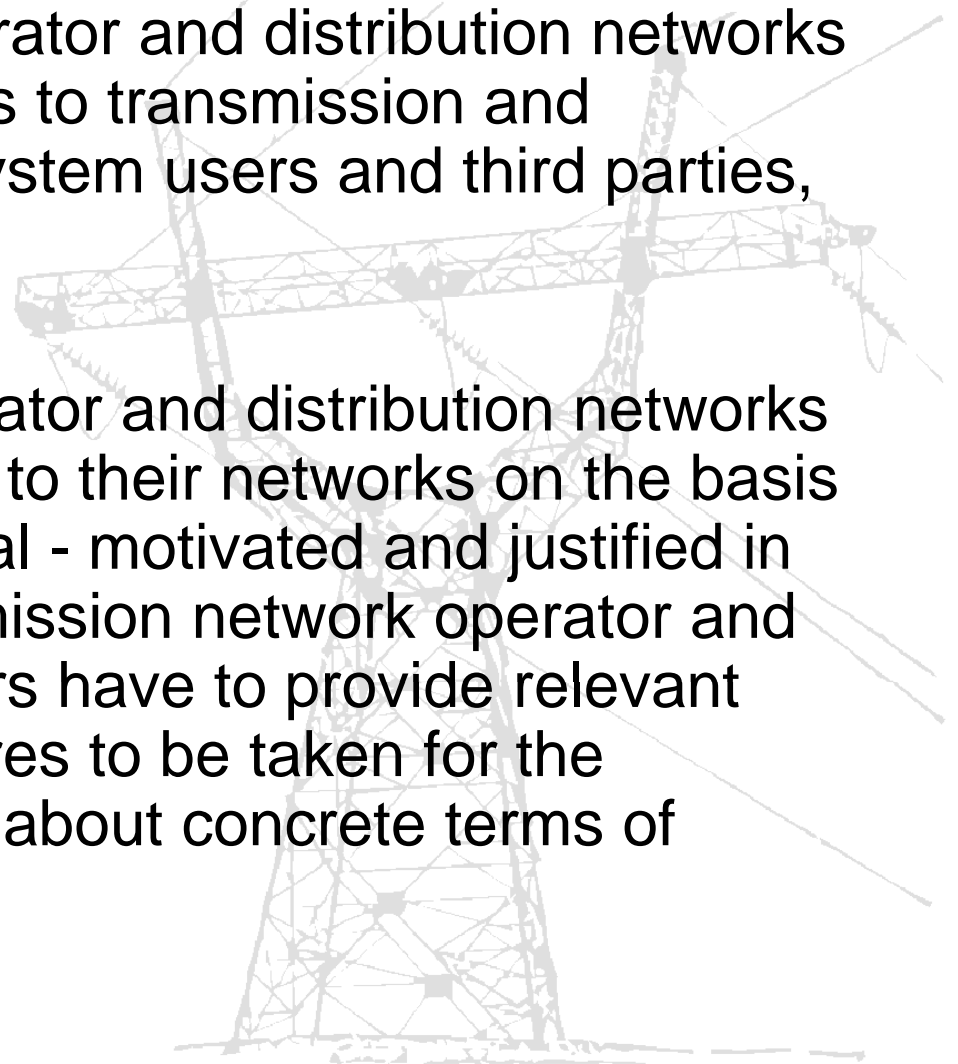
Binding provisions related to the obligation of the network operator to extend the network 1/4

- ☐ In line with EU Directives, Natural gas and Electricity Acts provide that every person is recognized the right to have access to the grid;
- ☐ *Access to network* – right of natural persons and legal entities to be provided the service of transmission and/or distribution of electricity/natural gas, as well as to connect their installations to the network.

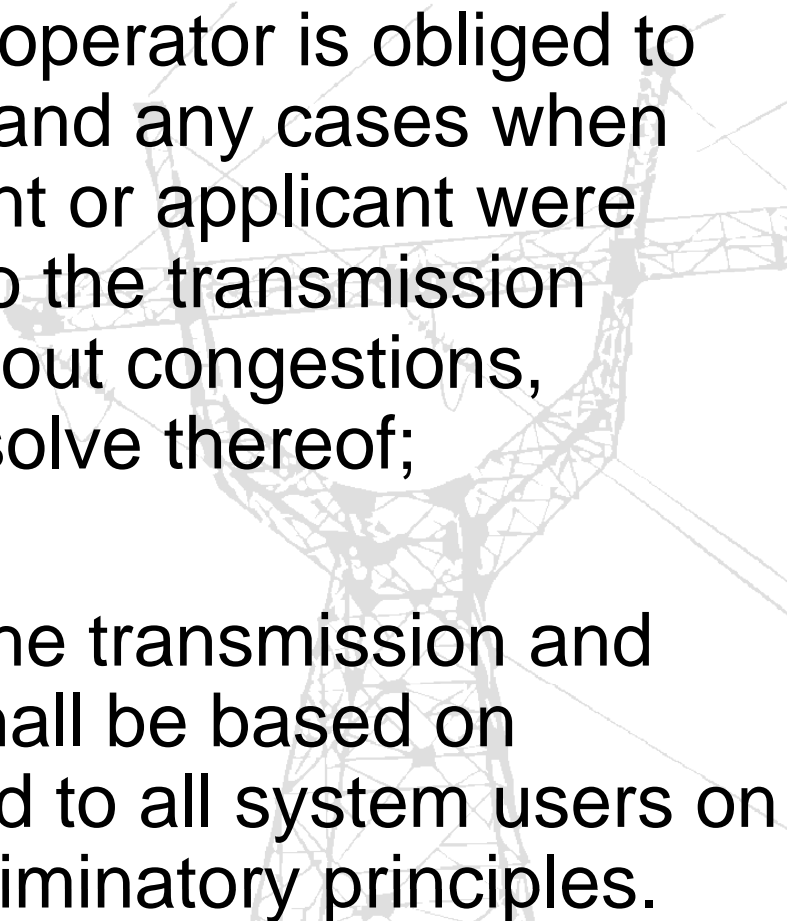
Binding provisions related to the obligation of the network operator to extend the network 2/4

❑ Transmission network operator and distribution networks operators shall ensure access to transmission and distribution networks for all system users and third parties, without discrimination;

❑ Transmission network operator and distribution networks operators may refuse access to their networks on the basis of lack of capacity. The refusal - motivated and justified in an adequate manner. Transmission network operator and distribution networks operators have to provide relevant information regarding measures to be taken for the extension of the network and about concrete terms of extension;



Binding provisions related to the obligation of the network operator to extend the network 3/4

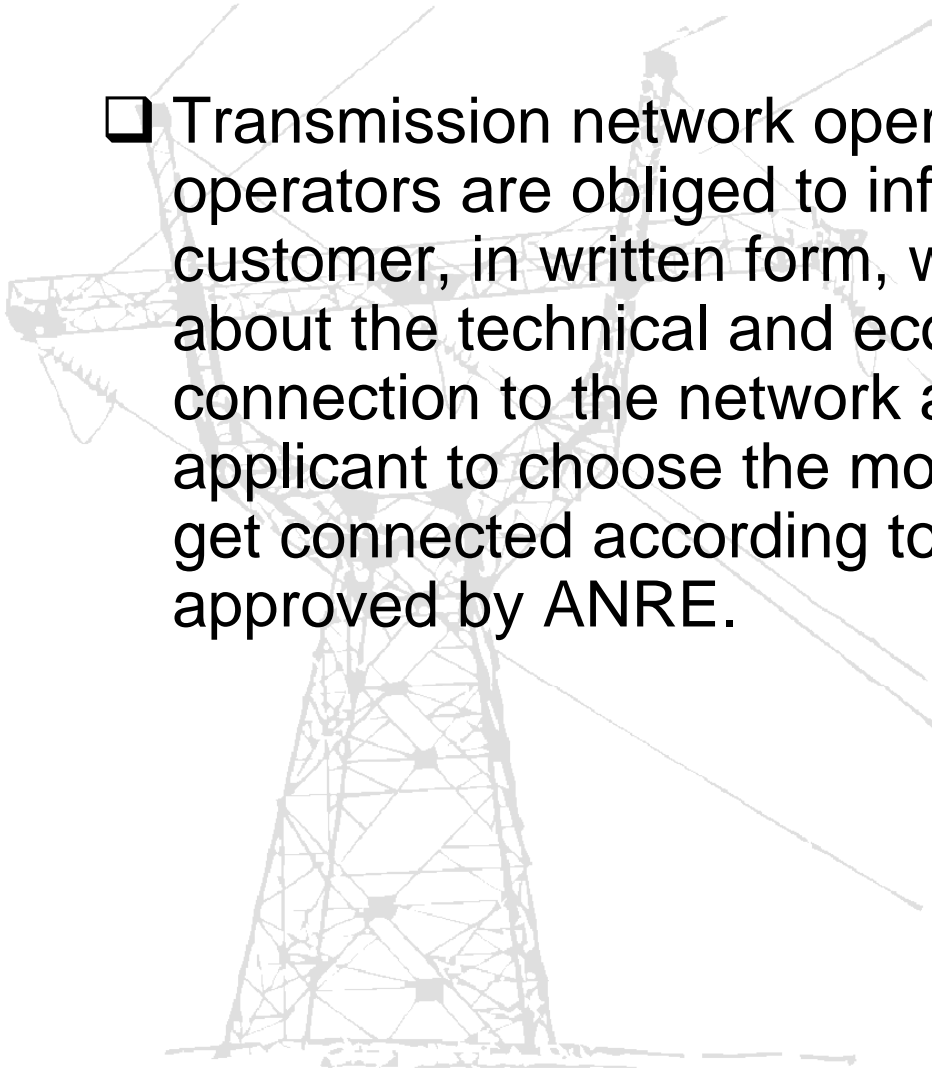
- ☐ Transmission network operator is obliged to inform ANRE about all and any cases when power market participant or applicant were refused to get access to the transmission networks, as well as about congestions, proposing methods to solve thereof;
 - ☐ Third party access to the transmission and distribution networks shall be based on published tariffs, applied to all system users on objective and non-discriminatory principles.
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Binding provisions related to the obligation of the network operator to extend the network 4/4

- ☐ To ensure the right of access to network of any applicant law settles that transmission network operator and distribution networks operators shall be responsible for extension of their networks in connexion with the increase of electricity/natural gas demand so that to ensure reliability and continuity of electricity/natural gas supply to customers;
- ☐ Expenses for extension of transmission/distribution networks shall be borne by the transmission network operator/distribution networks operators. These expenses shall be taken into account when establishing tariffs for transmission/distribution of electricity or natural gas if these expenses were made in compliance with license conditions, tariff methodology and regulations developed and approved by ANRE.


Rules regarding the connection to the grid (customer and network operator obligations) 1/9

- ☐ Transmission network operator/ distribution networks operators are obliged to inform the applicant or customer, in written form, within 15 days of request, about the technical and economical conditions for connection to the network and to cooperate with the applicant to choose the most advantageous solution to get connected according to a regulation drafted and approved by ANRE.



Rules regarding the connection to the grid (customer and network operator obligations) 2/9

2 situations – connection to the grid:

 The network is built and it has sufficient capacity to meet the demand of the applicant in electricity or natural gas:

- Transmission network operator/ distribution networks operators, upon applicant's request, shall issue, within 15 days, technical and economical *conditions for connection to the network*;

Rules regarding the connection to the grid (customer and network operator obligations) 3/9

■ The request for connection to the electric network shall contain:

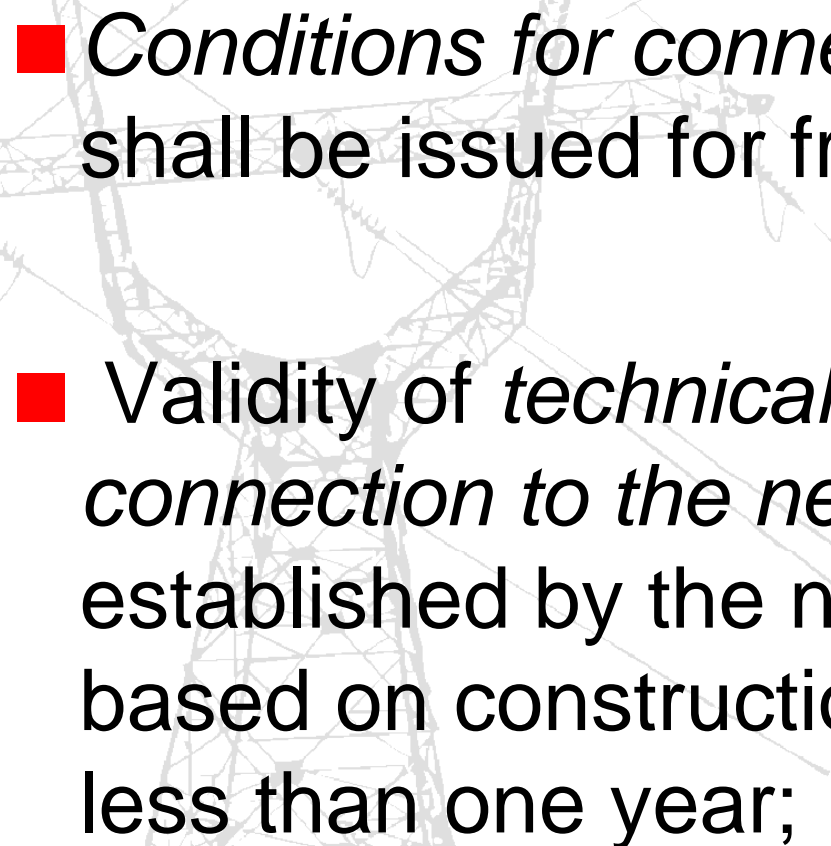
- Name, Surname/Trade name and the address of place of consumption;
- The requested load;
- Grade of reliability of supply;
- Rated voltage at the connection point;
- Document proving that the applicant is owner or possessor of the building.

Rules regarding the connection to the grid (customer and network operator obligations) 4/9

■ The request for connection to the natural network shall contain:

- Name, Surname/Trade name and the address of place of consumption;
- Purpose for natural gas usage;
- Requested total debit of utilization installation, excepting household customers;
- Document proving that the applicant is owner or possessor of the building.


Rules regarding the connection to the grid (customer and network operator obligations) 5/9

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- *Conditions for connection to the network* shall be issued for free;
 - Validity of *technical conditions for connection to the network* shall be established by the network operator, based on construction lead time, but not less than one year;

Rules regarding the connection to the grid (customer and network operator obligations) 6/9

- It is prohibited to the network operator to establish as one of connection conditions the obligation of the consumer to transmit for free in network operator's property its installation of connection;
- The applicant fulfills *conditions for connection to the network*;
- The applicant pays connection fee and signs contract on supply.

Rules regarding the connection to the grid (customer and network operator obligations) 7/9

 There is no electric/natural gas network or the existing networks do not have enough capacity to meet the demand of the applicant in electricity or natural gas:

- Network operator shall extend the network at applicant's request.

Rules regarding the connection to the grid (customer and network operator obligations) 8/9

- Applicant shall submit additionally:
 1. A copy of urban design, approved by local public authority;
 2. A design of the new network to be built;
- The network shall be built within the period established in the urban design;

Rules regarding the connection to the grid (customer and network operator obligations) 9/9

- Applicant/local public authority may request network operator to extend its network within a shorter period of time;
- In this case, network operator may refuse or build the network using the money of the applicant/local public authority with possibility of reimbursement;

Existing problems related to connection and extension to the network

📁 There are numerous complaints related to connection and extension of the network.

✓ Main reasons:

- local public authorities haven't drafted and approved urban designs;
- Network operator does not inform properly applicants on legislation provisions.

Existing problems related to connection and extension to the network

- ❏ ANRE detected abuses from network operator toward applicants: in some cases applicants were obliged to build a section of the network from their own money without being reimbursed;
- ❏ Amendments to the primary and secondary legislation have been drafted.

Current amendments to the primary and secondary legislation

- ☛ New concepts have been introduced in the law:
 - Connection installation (law in force provides only the concept of utilization installation);
 - Costs for connection.
- ☛ It is settled that if network operator does not have a network or if its network has no sufficient capacity, it is obliged to refuse issuance of conditions for connection and to inform the applicant about the documents he should provide for extension.

Current amendments to the primary and secondary legislation

- According to the draft, upon applicant's request network operator is obliged to build connection installation and utilization installation;
- Costs for construction shall be established in proper documents and shall be borne by the applicant;

Current amendments to the primary and secondary legislation

- Applicant may choose another undertaking to build its installations.
- Amendments to the Natural Gas Act provide that ANRE may authorize a new license holder to carry out licensed activity instead of licensee for transmission or distribution of natural gas if last does not extend its networks within an 1 year period from the date of receipt of requests for connection.



Thank You

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