

Status of electric industry in Moldova

Major developments

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Restructuring of the energy sector

- State Company “Moldenergo” was divided into three different categories:
 - Generation (CHP-1, CHP-2, CHP-North)
 - Distribution (Electricity Distribution Companies)
 - Transmission and dispatch (“Moldtranselectro”)

Privatization of Distribution Companies and restructuring of “Moldtranselectro”

- In 2000 the spanish company „Union Fenosa in Moldova” acquired 100% shares of three distribution companies (JSC „RE Chisinau”, JSC „RED Centru” and JSC „RED Sud”), creating JSC “RED Union Fenosa”
- In 2000 SC „Moldtranselectro” was restructured into three companies:
 - SC „Moldtranselectro”;
 - SC „Moldelectrica” (transmission and dispatch);
 - SC „HPP Costesti”.

Restructuring of “Moldovagaz”

- In 1998, “Moldovagaz” was created as an open Joint Stock Company, 50% shares owned by “Gazprom” (Russia), 36.6% - Government of the Republic of Moldova and 13.4% by “Tiraspoltransgaz” (transnistrian natural gas transmission/distribution company).
- The corporate structure of JSC “Moldovagaz” includes the following companies (Limited Liability Companies):
 - Two transmission companies: “Moldovatransgaz” Ltd. (right bank of the Nistru river) and „Tiraspoltransgaz” Ltd.
 - 12 distribution companies on the right bank of the Nistru river, with subsidiaries in each district center and 6 distribution companies in the transnistrian region.

Establishment of the ANRE

- The National Agency for Energy Regulation (ANRE) was established in 1997 by the GoM Resolution #767 as a permanent and independent regulatory authority in the energy sector;
- In June 1999, the Government approved the internal Regulation of the National Agency for Energy Regulation.
- Strengthening the role of ANRE (new functions assigned, some existing attributions were extended).

Accession to the Energy Community Treaty

- The Ministerial Council of the Energy Community accepted Moldova as Observer to the Treaty in November 2006;
- Starting with November 2008, three negotiation rounds took place. The technical negotiations were concluded with the signature of a Memorandum in April 2009;
- In December 2009, the Ministerial Council agreed on the accession under the terms and conditions set out in the protocol;
- Republic of Moldova became a full member of the Energy Community starting with May 1, 2010

Accession to the Energy Community Treaty

- Accession to the ECT significantly improved the process of harmonization of national legislation with the European acquis in the energy sector.
- As a result, two European directives were transposed in two laws, adopted by the Parliament in December, 2009:
 - Law on electricity
 - Law on natural gas

Cooperation within ERRA

- The Energy Regulators Regional Association (ERRA) was legally registered in Hungary in April 2001 and its Secretariat operates in Budapest;
- ANRE is a founding member of ERRA;
- NARUC and USAID provide continuous support for the operation of the Association.

Status of the electricity and gas sector

- Gas transmission network consists of 4 main pipelines, compression stations in Drochia and Tiraspol;
- 6 overhead power lines (330 kV) assures the parallel operation of Moldova's power grid with Ukraine's power system;
- Three 110 kV overhead lines provide the interconnection with Romanian power system in island mode;
- Moldovan network is interconnected with Romanian and Bulgarian power grids through a 400 kV line (CERSM – Isaccea).

Prospects for the development of generation capacities

- Construction of a private power plant on natural gas near Burlaceni village, Cahul district, with a total capacity of 450 MW;
- GoM Resolution Nr. 1451 approving the agreement between the Government of the Rep. of Moldova and “J&T Group” Company (Czech Republic) concerning the support of the construction of a power plant in Ungheni (350 MW, coal).

Development of interconnections and the expansion of the natural gas network

■ Interconnection power lines:

- The 110 kV power line Falciu (Romania) - Gotesti (Moldova) is under construction; total length – 25.07 km (Moldovan territory). So far, 9.2 km have been built.
- A memorandum was signed between SC “Moldelectrica” and JSC “Transelectrica” regarding the construction of the 400 kV power line Bălți (Moldova) - Suceava (România). In 2009 a feasibility study was conducted (financed by EBRD);

■ Natural gas network:

- Project proposal regarding the construction of the Ungheni – Iasi pipeline was developed;
- In 2008 the construction of Balti-Ungheni gas pipeline was finished. Total length of the pipeline – 108 km;
- In August 2007 the Tocuz-Căinari-Mereni pipeline was commissioned (64 km, transport capacity - 1,8 billion m³ per year).