



National Agency for Energy Regulation (ANRE)

December 6-7 2016 Moscow Skolkovo

Introduction



1.



Who we are

2.



Our activity

3.



Priorities and challenges



REPUBLIC OF MOLDOVA

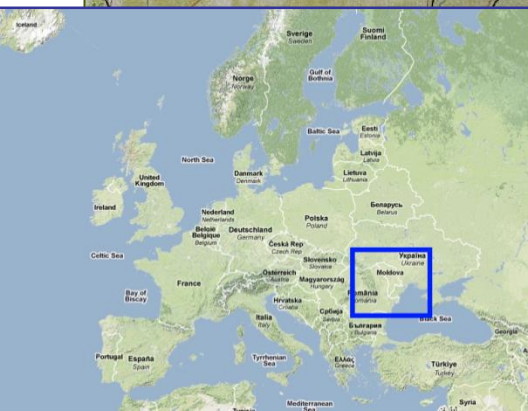
State in numbers

- Parliamentary Republic
- Population: 3.56 million
- GDP \$79,3 bln
- Area 33,8 thousand km

Economy

GDP composition by sector:

- Agriculture (13,1%)
- Industry (19,8%)
- Services (67,1%)



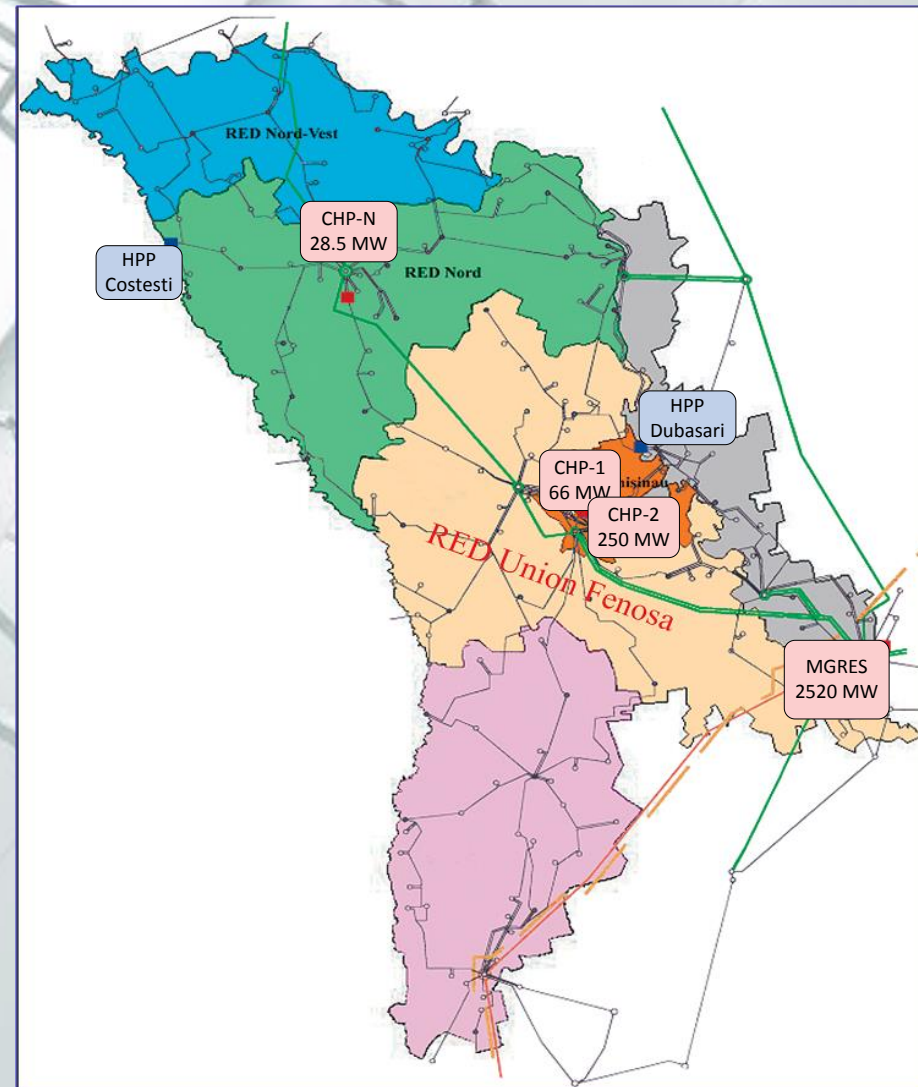
National Agency for Energy Regulation (ANRE) - central public regulatory authority, with a status of a legal entity, not subordinated to any private or public authority.

Established	August 11, 1997 (Government Resolution № 767) In 2010 ANRE's status has been changed: ANRE is reporting directly to the Parliament
Commissioners	5 Directors appointed for 6-year terms
Number of staff	60 Staff members
Regulated Sectors	<ul style="list-style-type: none">• Electricity• Natural Gas• Oil products• District heating• Renewable energy• Water and Sewerage

The electricity sector of the Republic of Moldova

Electricity generation

- **2 CHPs**
 - SA „Termoelectrica”(306MW)
 - CHP-North (28.5 MW)
- **2 Hydropower plants**
 - NHE Costesti (16 MW)
 - CHE Dubasari (48 MW; located in Transnistria)
- **MGRES (2520 MW, located in Transnistria)**
- **10 power plants at sugar factories (98 MW)**
- **25 small RES-E generators (6,7 MW)**



Existing cross-border transmission lines

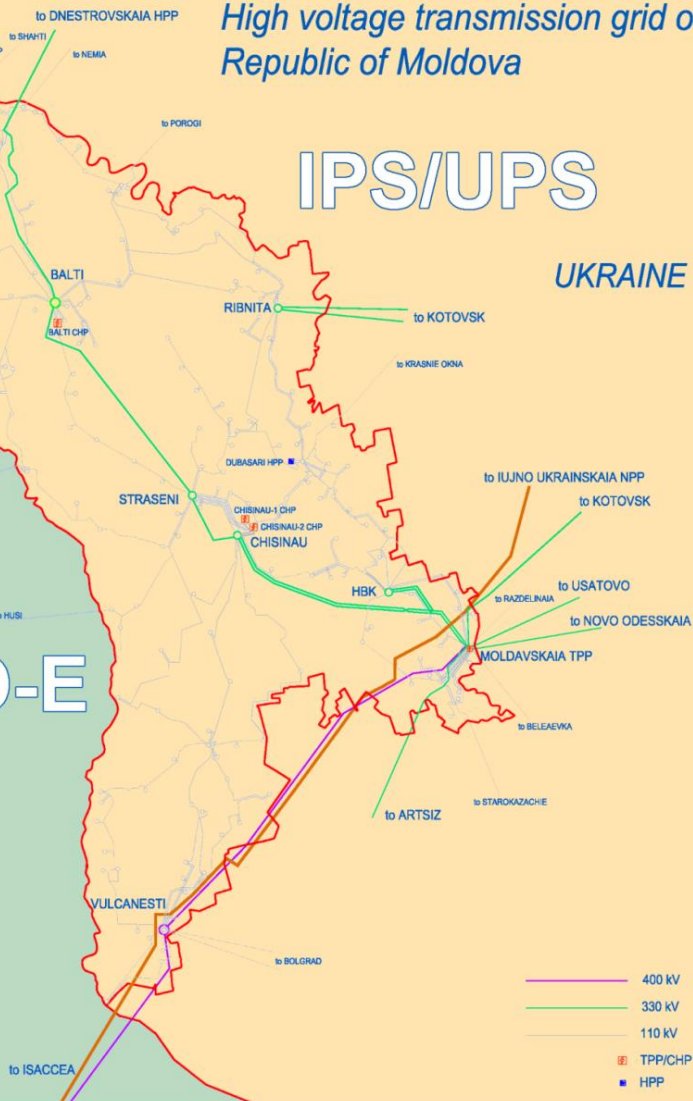
High voltage transmission grid of Republic of Moldova

IPS/UPS

UKRAINE

ENTSO-E

ROMANIA



Moldova-Ukraine

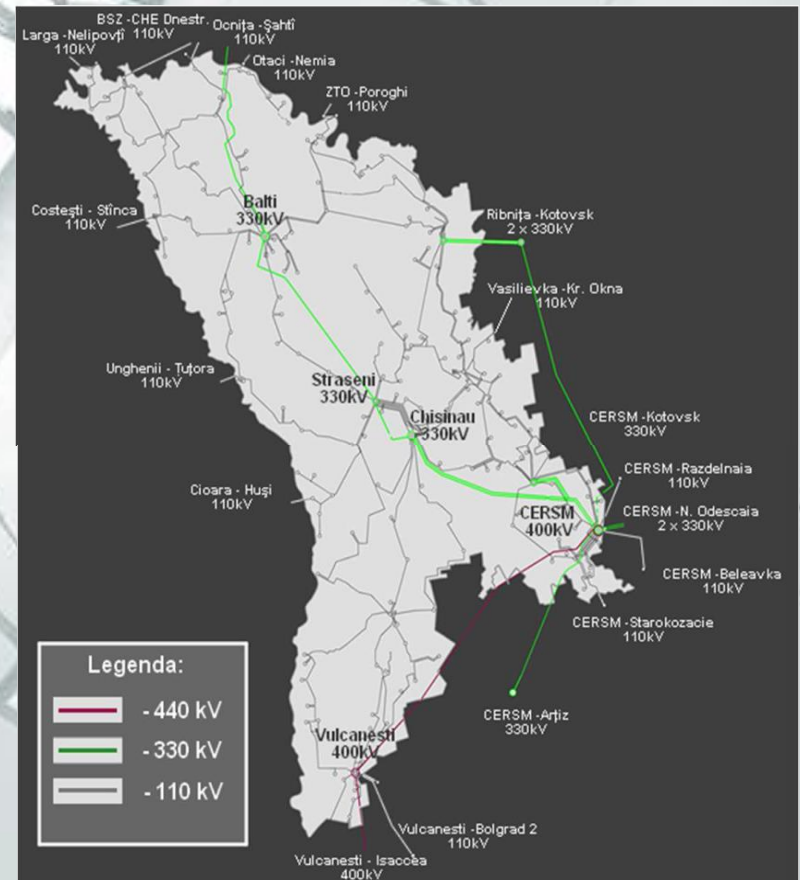
- 7 lines 330 kV
- 11 lines 110 kV

Moldova-Romania

- 3 lines 110 kV
- 1 line 400 kV (Vulcanesti-Isaccea)

Planned regional interconnections

- ❖ Interconnection with **Romania**: construction of at least 2 new 400 kV lines; by 2020 Balti – Suceava and Strasenii – Ungheni Iasi;
- ❖ Interconnection with **Ukraine** : construction of a new 330 kV line Balti - CHE – Dnestrovsk.
- ❖ An option under consideration implementation of **back to back** stations for asynchronous interconnection with RO



Priorities and Challenges



Implementation of the new Law on electricity, № 107 from 27.05.2016, in particular:

The development of the new regulatory documents, prescribed by the Law on electricity;

Amendment of the existing secondary legislation, in order to implement the provisions of the new Law on electricity;

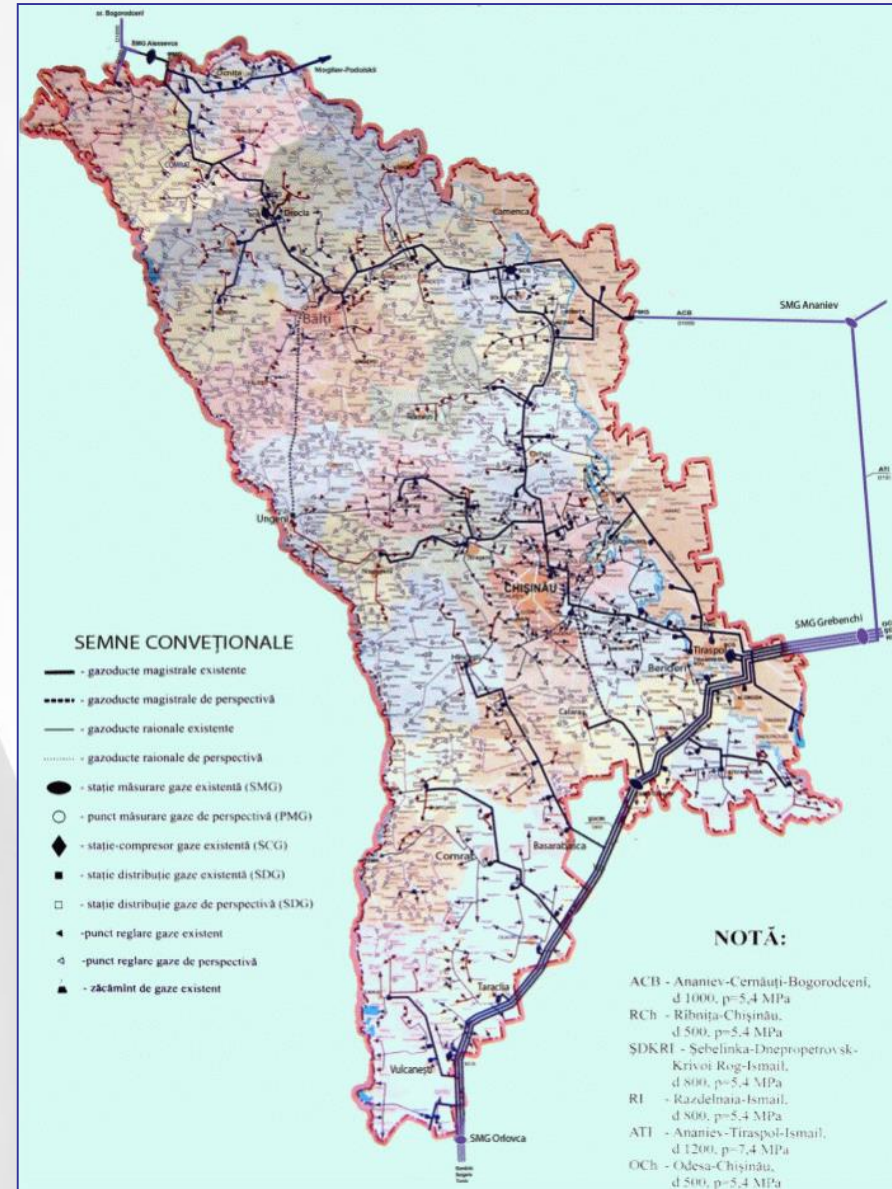
Taking the necessary actions needed in order to monitor and ensure the independence of the transmission system operator and of the distribution system operators from other activities in the electricity sector;

Monitoring and promotion of competition in the electricity market oriented towards the development of competitive energy markets;

Monitoring of application of regulated tariffs approved by the Agency, in the context of the new supply services, provided by the Law (universal service and supply of last resort);

The Natural gas sector of the Republic of Moldova

- ❑ JSC “Moldovagaz”:
 - 50% shares owned by “Gazprom” (Russia),
 - 36.6% - Government of the Republic of Moldova and
 - 13.4% by “Administrative-territorial unit from the left side of river Dniester ”
- ❑ 4 gas transmission pipelines;
- ❑ 5 compressor stations: Drochia, Tiraspol (2), Vulcanesti, Soldanesti
- ❑ 24458 km gas pipelines, including aprox. 1569 km transit pipelines
- ❑ Access to gas pipelines for customers in urban areas 98,7% and 57,1% rural areas
- ❑ Total consumers 695 000, including 682000 households and 13000 non- households.



Priorities and Challenges



Implementation of the new Law on natural gas, № 108 from 27.05.2016, in particular:

The development of the new regulatory documents, prescribed by the Law on natural gas;

Amendment of the existing secondary legislation, in order to implement the provisions of the new Law on natural gas;

Taking the necessary actions needed in order to monitor and ensure the independence of the transmission system operator and of the distribution system operators from other activities in the natural gas sector;

Monitoring the application of regulated tariffs approved by the Agency, in the context of the public service obligations imposed according to the Law on natural gas.

Oil products market

The market is aimed to create favorable conditions for the market players and customers, in order to supply the consumers with high quality oil products and to develop of a fair competition and the protection of the rights and legitimate interests of the consumer.

27 license holders authorized for the import and wholesale of oil products.

12 license holders also authorized for import and wholesale liquefied gas.

Oil products import:	2012	2013	2014	2015
(thousands tones)	578	641	636	722

Priorities and Challenges

- A draft of Methodology on formation and calculation of the prices for oil products is currently in the process of elaboration.
- Monitoring of licensed activities.

District heating supply

The public services of the centralized heat supply during 2016 were provided by 14 operators performing the nominated service in municipalities and cities

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
District heating Production (thousands Gcal)	2009.3	1821.3	1821,7	1875,4
Losses Gcal (thousands Gcal)	418.6	400.9	397,4	362,1
Total heat supplied (thousands Gcal)	1590.7	1420.4	1424,3	1513,3

Priorities and Challenges

- ✓ **After merging of three heating supply companies in Chisinau, a new company was created. This new company is fully regulated by ANRE, including production costs and tariffs for final customers. ANRE is in charge with monitoring the efficiency of the newly created entity.**
- ✓ **Approving the tariffs for district heating.**
- ✓ **Monitoring of the investments and level of losses for licensed company in the sector**

Renewable energy

Moldova has relatively little potential for renewable energy sources. The available renewable energy sources could alleviate the high energy dependency of the country. The large majority of renewable energy consumed in the country is biomass used for heating.

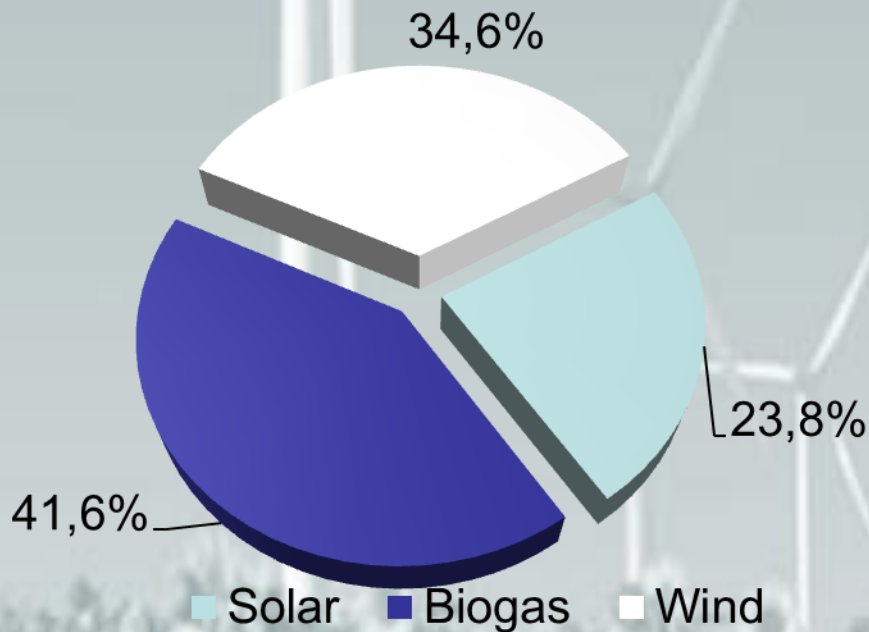
- **25 RES-E generators for which tariffs were approved by ANRE by end of June 2016**
- **Installed capacity of new RES-E power plants, for which tariffs were approved by the end of June 2016 – 6,7 MW**
- **Total amount of RES-E delivered into the grid in 2015 – 17,2 GWh**
- **New RES target of 17% from gross final energy consumption by 2020**
 - **In 2014 the share of RES in gross final energy consumption was aprox.14,9 %**

Renewable energy



Currently, RES-E generators with a total installed capacity of 6,7 MW (end of June 2016) benefit from the support scheme, established by law

Share of each RES type in total RES-E installed capacities (new)



RES type	Installed capacity, kW	Share
Solar	1602	23.8%
Biogas	2805	41.6%
Wind	2330	34.6%
Total	6737	100%

Priorities and Challenges



- **Development of the relevant secondary legislation related to the renewable energy sector**
 - **Develop and approve the Methodology for the calculation of ceiling prices, which will be proposed to be used in auctions, as well as for the calculation of fixed tariffs for small eligible producers;**
 - **Develop and approve the Regulation regarding guarantees of origin, in accordance with the principles established in the law;**
 - **Develop the mandatory terms of the contract for buying electricity and heat produced from renewable sources, as well as for buying biofuels.**
- **Establishing capacity caps and capacity thresholds**
- **Proper implementation of new mechanisms established in the Law on the promotion of use of energy from renewable sources**

Water and sewerage

Starting with 2014 (Law №303 from 13.12.2013) ANRE was given the tasks to regulate, control and monitor water and sewerage services.

Number of operators	40 owned by local authority			
Total water supplied	2012	2013	2014	2015
(thousands cubic meters)	57864,5	58392,7	64624,0	66209,7
Total wastewater discharge	2012	2013	2014	2015
(thousands cubic meters)	65366.3	63976.8	65151,0	5336,2

Priorities and Challenges

- ✓ **Development of the relevant secondary legislation related to the water and sewerage sector**
- ✓ **Application of the new Methodology for tariff calculation and implementation of other water and sewerage regulations and related legal documents**
- ✓ **Approving the tariffs for water supply and sewerage.**
- ✓ **Monitoring of investments and level of losses for licensed company in the sector**



ANRE
Agenția Națională pentru Reglementare
în Energetică

Thank you!

