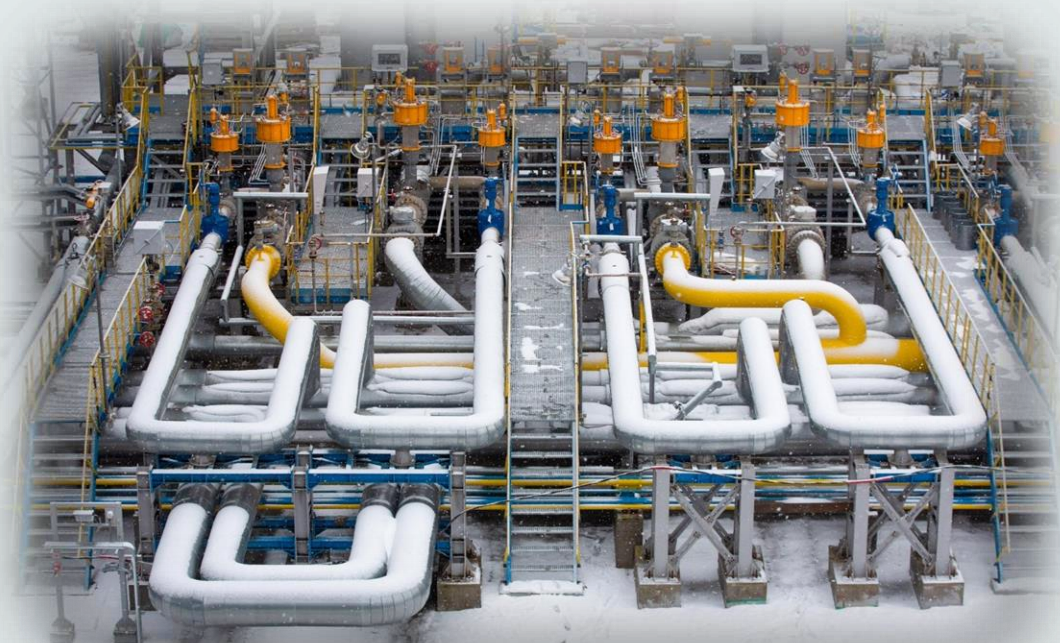




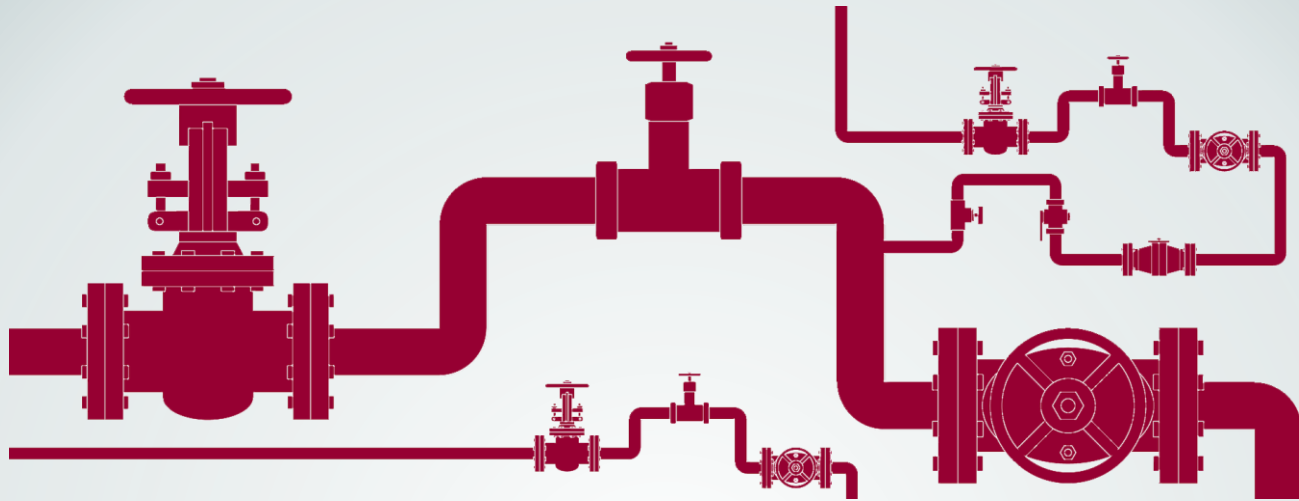
**Ministry of Infrastructure  
and Regional Development  
of Republic of Moldova**

# **17<sup>th</sup> GAS FORUM**



## **Winter preparedness**

**State Secretary Constantin BOROSAN,  
4-5 October 2022**



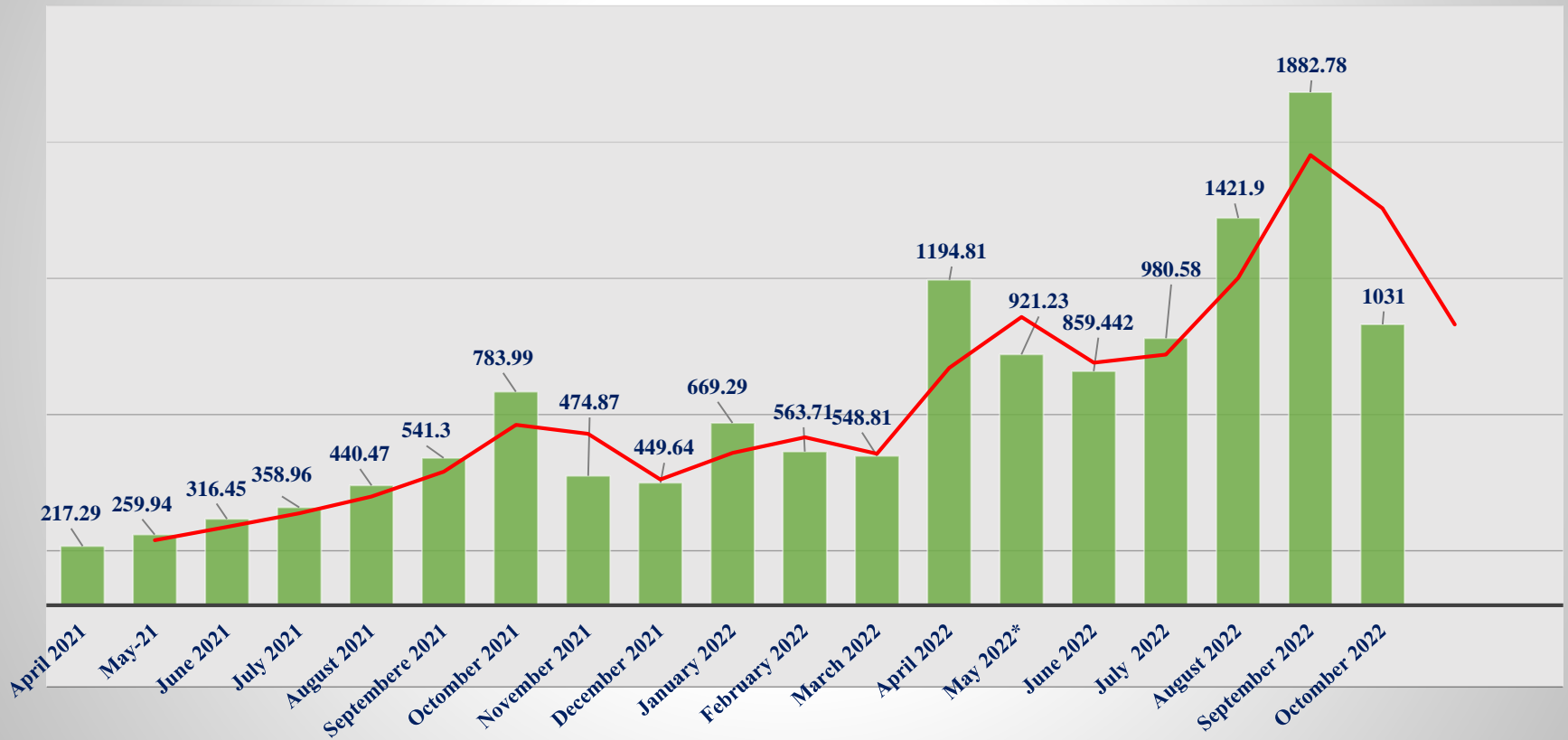
- ✓ Moldova is facing with significant challenges on the gas market and the State of Emergency declared in Moldova in October, 2021 was prolonged several times till now.
- ✓ Starting with October 1<sup>st</sup> 2022, natural gas deliveries from PJSC "Gazprom" to Moldova are reduced by around 30% for this month, which makes it more difficult to manage the current energy crisis by Moldavian Government.



# Natural gas sector

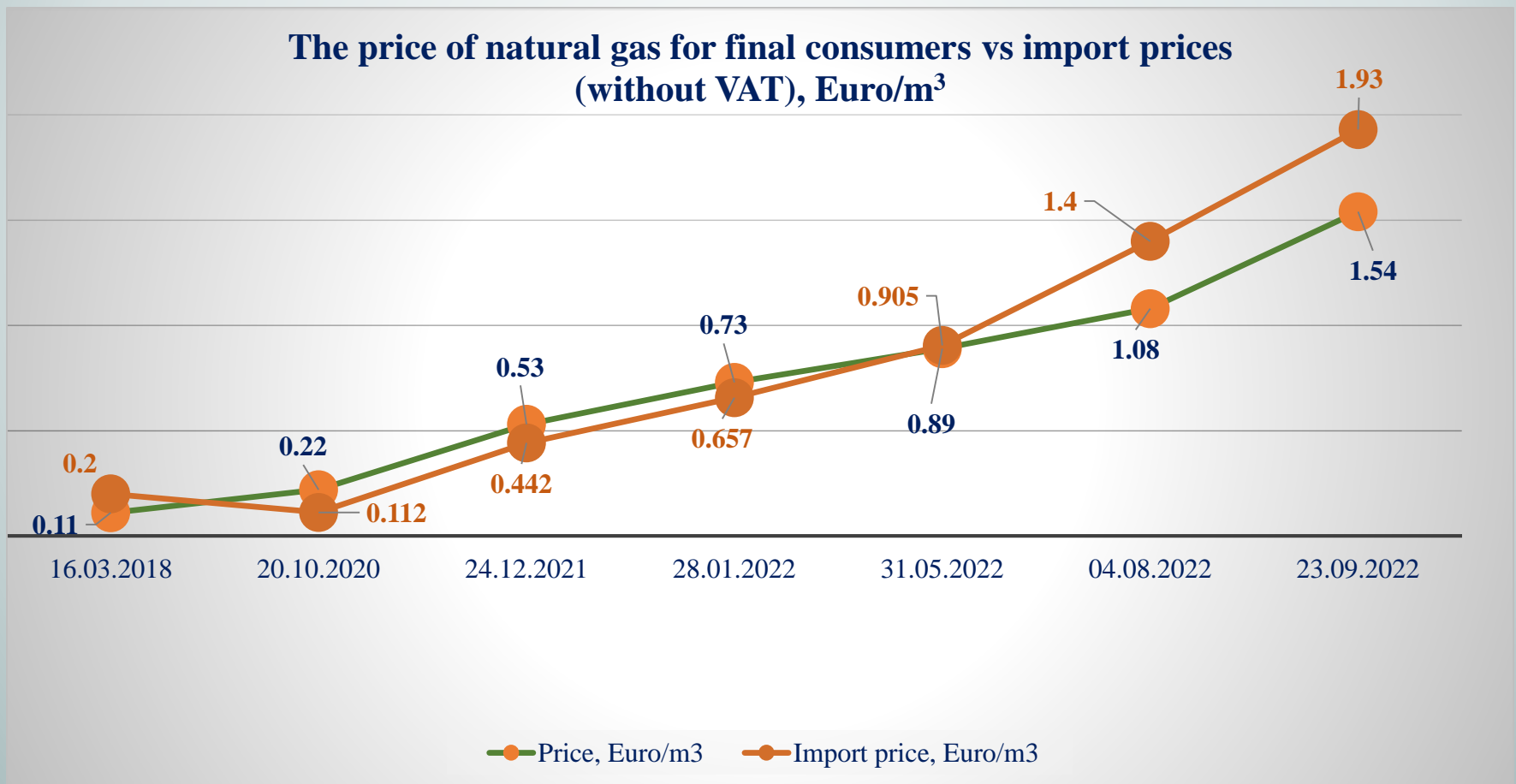
- ✓ Starting with October 2021, Moldova is facing a significant increase of the gas prices as a consequence both of very tight global energy markets and contractual clauses signed with Gazprom (summer-winter formula).

**Evolution of the natural gas import prices by JSC "Moldovagaz"  
from PJSC "Gazprom" USD/1000 m<sup>3</sup>**



# Natural gas sector

The situation is becoming more complex as the Gazprom applies a tough approach in terms of contractual deadlines for payments of advances, which has not been the case ever before. In this regard Moldovan Government had to intervene a few times during this year in order to identify solutions for ensuring the cash flow of the gas supplier Moldovagaz (the daughter company of PJSC Gazprom) of for making payments to Gazprom.



## Specific risks/uncertainties in the energy field in regard to the preparedness to the winter season



- 1) The risk of unilateral termination of the Contract still persists due to non-performance by Moldavian authorities of an audit of the historical debts belonging to the right bank.
- 2) The risk of the lack of safe and affordable (alternative) sources of natural gas import, in the sense of purchasing them at reasonable prices and transporting them to the Republic of Moldova.
- 3) The risk of an increase in electricity prices in the region which would have a direct impact on prices/tariffs for final consumers and Ukraine's decision to ban electricity exports. Currently, prices on European electricity markets are about 4-5 times higher than the price of energy sold by JSC "Молдавская ГРЭС".
- 4) The major risk for maintaining affordable prices for end consumers because of increasing payments for unintended imbalances on the electricity market considering the entry into force of the Market Rules.

## Measures taken by Moldovan Government to strengthen resilience ahead of challenging winter season



- 1) In 2022, amendments were made to Law no. 107/2016 on electricity in order to introduce a mechanism to ensure the purchase of electricity from at least two sources.
- 2) Government have approved a Decision establishing a set of measures to prevent and mitigate the impact of the energy crisis in the region on the prices and security of supply of energy resources of the Republic of Moldova.
- 3) The amendments made in August 2022 to the Government Decision no. 207/2019 regarding the Regulation and Action Plan for emergency circumstances in the gas market, provides the definition of protected consumers in accordance with the provisions of EU Regulation 2017/1938.
- 4) The amendments to the Law on gas provide specific responsibilities to the National Regulator in case of emergency situations in the natural gas sector, which will allowed them to react in a due time during emergency situations.
- 5) The amendments adopted to Law on Gas in July 2022 also include provisions for the creation and maintenance of security stocks.

## Measures taken by Moldovan Government to strengthen resilience ahead of challenging winter season



- 5) Till now JSC "Energocon" purchased natural gas in the volume of 54.5 million m<sup>3</sup>, thus ensuring security stocks of natural gas for emergency situations.
- 6) The Fund for the reduction of energy vulnerability and measures aimed at preventing and combating the energy vulnerability of the population was created.
- 7) Following the ratification (July 2022) by the Parliament of the Republic of Moldova of the Loan Agreement between the Republic of Moldova and the EBRD of EUR 300 million which offer the possibility of accumulating some strategic natural gas reserves and/or the process of diversifying natural gas suppliers.
- 8) We reiterate the need of implementing a solidarity mechanism through which the purchased gas is distributed among the buyers at different prices.



**We express our gratitude to the Secretariat of the Energy Community and the European Commission for the support provided so far, at the same time, taking into account the major energy vulnerability, we urge a more proactive involvement in supporting Moldova in the difficult/challenging winter season.**





**THANK YOU**