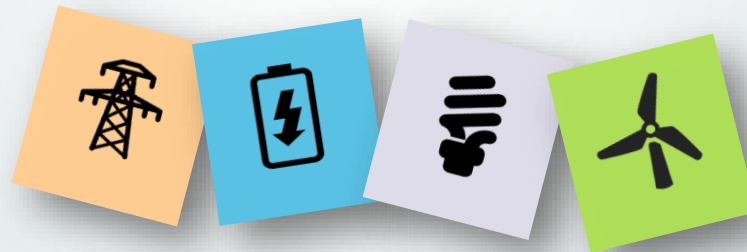




Ministerul Economiei
și Infrastructurii
al Republicii Moldova

PROMOTION OF THE USE OF RENEWABLE ENERGY IN THE REPUBLIC OF MOLDOVA



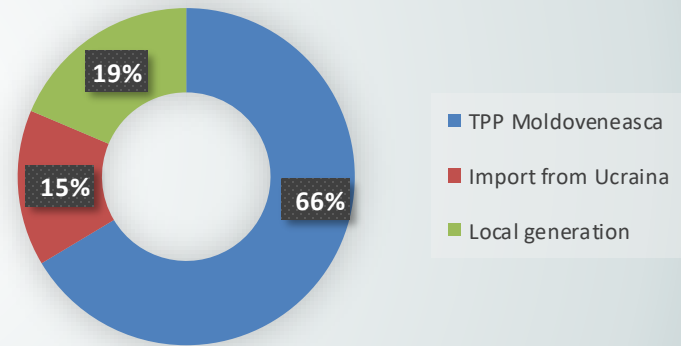
Ministry of Economy and Infrastructure

ENERGY SECTOR CHALLENGES AND THREATS

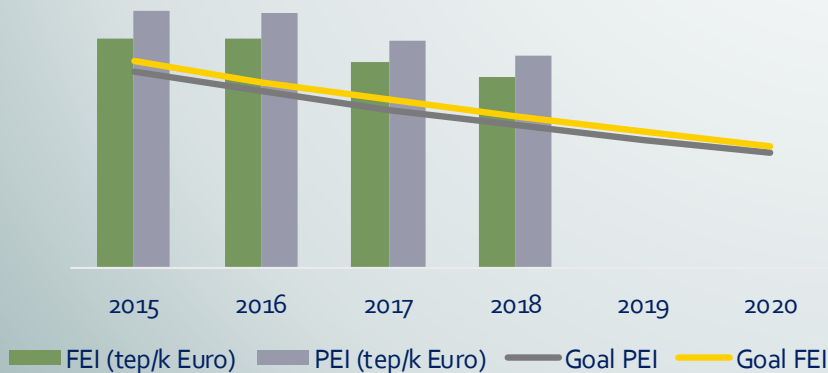


The Republic of Moldova is very poor interconnected with European power and gas transportation infrastructure, most of the energy resources being imported from a limited number of suppliers from Eastern Europe

- 81% of country's electricity consumption is ensured from import
- 17% of domestic electricity consumption is being generated mainly by local Combined Heat and Power plants and only 2% from Renewable energy sources



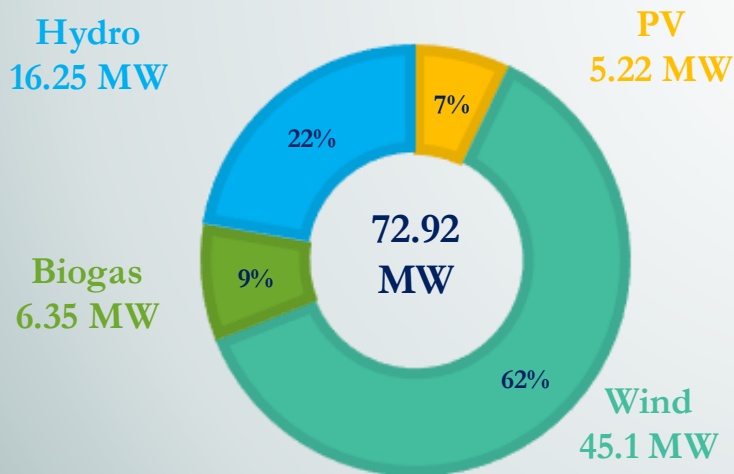
The economy of the Republic of Moldova is very energy intensive with an energy intensity more than 3 times exceeding the EU average



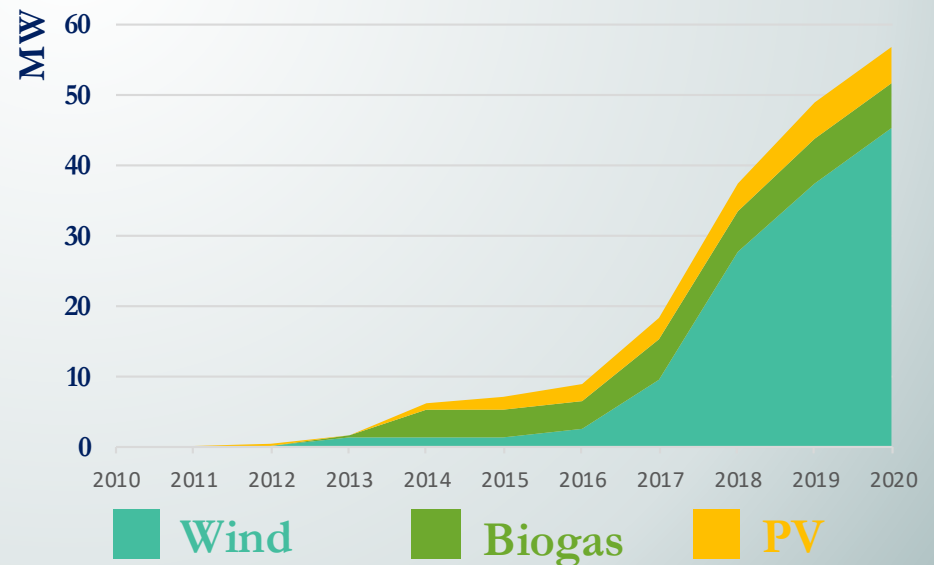
RENEWABLE ENERGY DEPLOYMENT

- 23.84% - share of RE in gross final energy consumption in 2019
- 17% - RE target by 2020
- Decade-long support for biomass in the heating sector
- New support mechanisms for RE in the power sector: auctions, feed-in tariffs, net metering

Installed renewable energy capacity,
by source (as of 31 December 2020)



Dynamics of RE capacities growth



SECONDARY NORMATIVE FRAMEWORK ON PROMOTION OF USE OF RE (1)

- Law on the promotion of use of renewable energy sources*

Law No.10 of 26.02.2016

/ transposes the Directive 2009/28/EC and the EC Guidelines on State aid for environmental protection and energy 2014-2020/

MoEI Competence

- Regulation on carrying out tenders for **providing the status of eligible producer** (available in [RO](#) and [RU](#))
- GD on approving the limits of capacity, maximum rates and categories capacity in the field of electrical energy until 2020 ([RO](#) and [RU](#))
- Regulation on **qualification of RES equipment installers**
- GD on **assignment of central power supplier**
- Regulation on the organization and operation of the Energy Efficiency Agency

DECISION
APPROVED

DECISION
APPROVED

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APPROVED

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APPROVED

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* MoEI is currently analyzing the *Clean Energy for all Europeans* package with the aim to transpose it into national legislation

SECONDARY NORMATIVE FRAMEWORK ON PROMOTION OF USE OF RE (2)

MoEI Competence	– Regulation on solid biofuels	DECISION APPROVED
	– Regulation concerning sustainability criteria for biofuels, and the procedure for the verification of compliance with the sustainability criteria to biofuels production	PUBLIC CONSULTATIONS
	– Regulation for the calculation of final consumption of energy from renewable sources in transport	DECISION APPROVED
	– <i>Revision</i> of National Action Plan in the field of renewable energy 2013-2020**	SUSPENDED
MoARDE* Competence	– Methodology for calculating the impact of biofuels on the emission of greenhouse gases	DECISION APPROVED

*Ministry of Agriculture, Regional Development and Environment

** MoEI and MARDE are currently developing the National Energy and Climate Plan /NECP/

SECONDARY NORMATIVE FRAMEWORK ON PROMOTION OF USE OF RE (3)

NERA Competence

- Methodology for determining the **fixed tariffs and prices** for electricity produced by eligible producers of renewable energy (RO and RL)
- Regulation on **guarantees of origin** for electricity produced from renewable energy sources
- Mandatory clauses of the **contract for the purchase of electricity** and thermal energy produced from renewable sources as well as biofuel (RO and RL)
- Regulation concerning the **confirmation of the status of eligible producer** (RO and RL)
- Decision on **fixed prices** (caps for tenders) and **fixes tariffs** (classic FiTs) (RO and RL)

DECISION APPROVED

DECISION APPROVED

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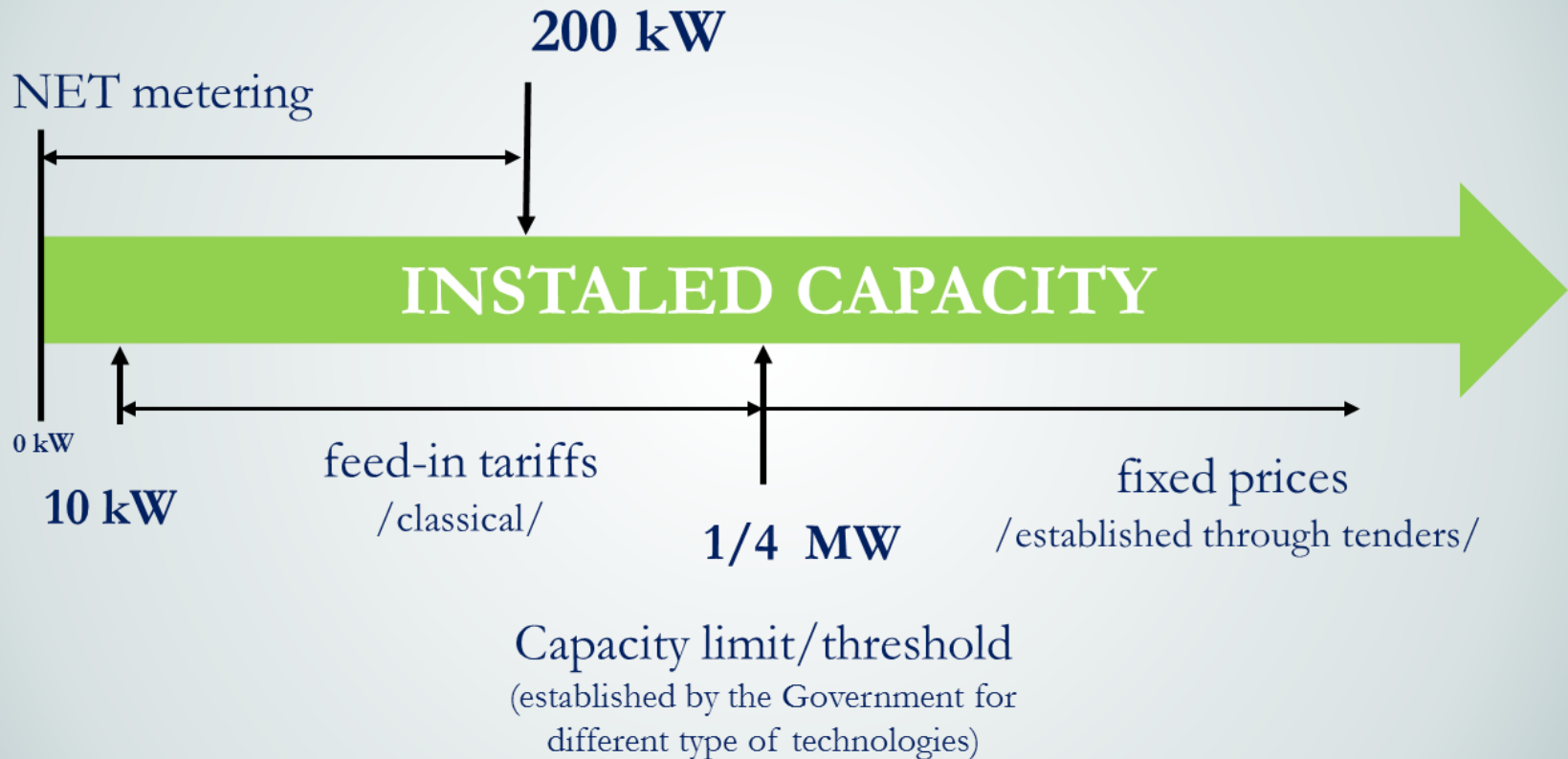
NEW SUPPORTING SCHEMES FOR RE INVESTMENTS

ACCORDING TO THE NEW LAW ON PROMOTION OF THE USE OF RENEWABLE ENERGY

In order to increase the production and use of electricity from RES the following supporting scheme will be applied:

- fixed price (auctions) – for producers who holds or will hold power plants with a power greater than the cumulative capacity limit set by government
- fixed tariffs - for producers who holds or will hold power plants with cumulative power capacity not exceeding the limit set by the government, but not less than 10 kW
- NET metering for small RES investors who aim at covering their own electricity consumption
- The concept of Single Buyer will be applied
- Electric system operator/TSO/ and DSOs will give priority to RES-E producers

SUPPORT SCHEMES IN FIELD OF RE PRODUCTION AND USE OF RE-E



Note: MoEI is currently publicly consulting a draft Government Decision (available [here](#)) which might amend the existing GD 689/2018

RES-E GENERATION CAPACITIES

ISSUED CAPACITIES

limits of capacity, maximum rates and categories capacity, established by G.D. no. 689/2018 (no longer in force)

Type of technology	Applicable support scheme, MW		Capacity limits/quotas (for differentiation of small-scale investors and large, MW)
	Classic feed-in tariff (fixed rate)	Auctions (flat rate)	
Wind plant	20	80	4
Solar PV	15	25	1
Cogeneration plants, biogas	12	8	1
Biomass cogeneration plants	5	-	1
Small hydroelectric power plants	3	-	1
TOTAL	55	113	-

 - Allocated Capacities

RES-E GENERATION CAPACITIES

KEY CHARACTERISTICS, DRAFT GOVERNMENT DECISION

Capacity limits, quotas and RE categories are established in the project G.D. /currently under public consultations; to be approved by the end of Q3, 2021/

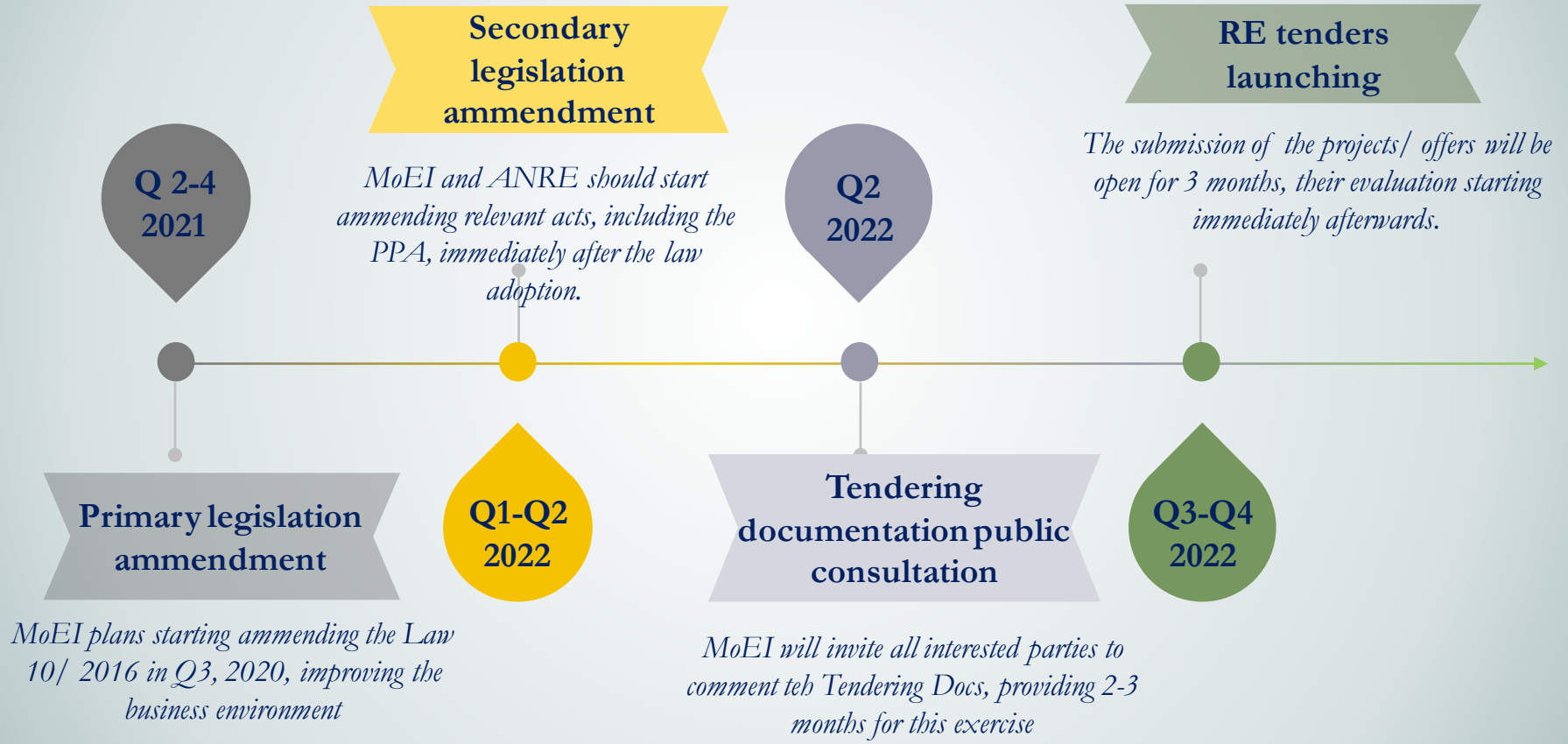
Intermittent sources				
Type of technology	Capacity categories	Applicable support scheme, MW		Capacity limits (for differentiation of small- and big- and projects, MW)
	[MW]	Classic feed-in tariff (fixed rate)	Auctions	
Wind plant	< 4	25	80	4
Solar PV, total: Out of which:	---	75	70	---
<ul style="list-style-type: none"> PV installations mounted on the roofs of industrial and agricultural objectives, including the tertiary sector (services) 	< 0,05	20	---	1
	0,051 – 0,2			
	0,201-1,0			
<ul style="list-style-type: none"> PV mounted on the roofs of residential buildings and public buildings 	< 0,05	10		
	0,051 – 0,2			
	0,201-1,0			
<ul style="list-style-type: none"> Other PV 		45		
TOTAL		100	150	-

RES-E GENERATION CAPACITIES

KEY CHARACTERISTICS, DRAFT GOVERNMENT DECISION

Non-intermittent sources				
Type of technology	Capacity categories	Applicable support scheme, MW		Capacity limits
	[MW]	Classic feed-in tariff	Auctions	
Cogeneration on biogas, total: Out of which:	---	150	---	---
<ul style="list-style-type: none"> Cogeneration on biogas produced by harnessing the energy potential of animal manure, livestock waste, agricultural waste, agricultural crops, energy plants, food industry waste, etc., including the mixture of those 	---	50	---	---
<ul style="list-style-type: none"> Cogeneration on biogas produced by harnessing the municipal solid waste 	---	50		---
<ul style="list-style-type: none"> Cogeneration on biogas produced by harnessing the municipal liquid waste/wastewater/ 	---	50		---
Cogeneration on singas(on slid biofuel, agricultural waste, including energy crops/ plants)	---	15	---	---
Cogeneration on direct combustion (solid biofuel, agricultural waste, including energy crops/ plants, municipal solid waste)	---	30	---	--
Hydro	---	5	---	1
TOTAL	---	200	150	-

PRELIMINAR CALENDAR FOR THE RE TENDERING PREPARATION AND CARRYING OUT



KEY ELEMENTS TO ENSURE A LEVEL PLYING FIELD IN THE RE-E SECTOR

1. Amendments to be brought to the primary legislation, (MoEI view) shall include:

- A mechanism to reduce the RES-E producers risks by providing additional financial „guarantees” to investors
Two options are analysed today, where i) the Government/ agency signs a tripartite agreement or ii) a financial offtaker with clear attributions is appointed/ selected
- the balancing standard responsibility is better and clearer described
- the curtailment and related financial implications are better and clearer described
- aspects as „material adverse effect”, „change in law” and „termination payment” are provided
- the PPA mandatory clauses are detailed
- transfer to *Contracts for difference* is better described

2. The PPA shall be drafted according to international best practice

3. Tendering documentation will be publicly and in a transparent manner consulted with all interested parties

4. The Government shall thoroughly analyse additional modalities of increasing the number of bidders, as well as to clarify the issue of grid connection permits and agricultural land usage



FURTHER STEPS

TOWARDS A BIGGER USE OF RENEWABLE ENERGY IN THE POST 2020 PERIOD

1. Further improvement of the sectorial legal framework

- stringent and urgent improvements (to enable the framework needed for first RE tenders)
- 2030 horizon RE sector targets setting
- alignment of the Moldovan RE framework to Clean Energy for All Europeans Package

2. Organisation of the **first RE tenders** (wind and solar PV)

3. Strengthening of the biomass sector

- development of a mid to long-term biomass sector development strategy/ program
- development of an action plan for the development of the energy crops industry
- implementation of the above-mentioned strategic acts (with DevPart and IFIs support)



FURTHER STEPS

TOWARDS BIGGER USE OF RENEWABLE ENERGY IN THE POST 2020 PERIOD

4. Creation and strengthening of the **biofuels sector**
5. **RE development** supporting activities
 - continuous research in the field of national grid's penetration by intermittent sources
 - investments in power transmission lines
 - promotion of the distributed energy concept
 - „aggressive” promotion of the eco public and private EV transportation
6. Increasing the **public awareness** about RE and its benefits



THANK YOU