



Ministry of Infrastructure
and Regional Development
of Republic of Moldova

17th GAS FORUM



Mitigating crisis effects in Moldova

State Secretary Constantin BOROSAN,
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Measures taken by Moldovan Government to mitigate crisis effects



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.

This Decision set up Government Committee for the Coordination of Measures to Prevent and Mitigate the Impact of the Energy Crisis in the Event of Gas Supply Curtailment and Preparations for the 2022-2023 Heating Season, and approve its composition.

Plan of measures includes:

1. Necessary measures to reduce gas consumption with or without gas supply curtailments;
2. Measures to be taken in one of 3 scenario with 35%, 50% and 100% natural gas supply limitation probabilities.

Measures taken by Moldovan Government to mitigate crisis effects



If all measures to reduce and mitigate the impact of natural gas curtailment are implemented, it is possible to save and/or substitute **about 477 million m³** of natural gas during the 2022-2023 heating season **from around 1,2 billion m³**, without considering the measures to disconnect all interruptible consumers (except JSC "Termoelectrica") and purchase natural gas from alternative sources.

Measures taken by Moldovan Government to mitigate crisis effects



Among the main measures included in the Plan, the following can be listed:

1. Measures aimed at informing citizens about ways to reduce consumption;
2. Increase demand for firewood by about 50% due to rising natural gas prices;
3. Reduce temperature of heating agent delivered into centralized heat supply systems by 10%;
4. Switching JSC "Termoelectrica" (CET source 1) to alternative fuel (fuel oil) and heating power plants of sugar factories „Moldova-Zahar” LTD and JSC “Südzucker Moldova” to alternative fuel.

The implementation of this measure could provide the substitution of up to 264 million cubic meters of natural gas for the period of the 2022-2023 heating season.

Currently, "Termoelectrica", the company that owns the largest CHP in the country, is in the process of purchasing and delivering the necessary quantities of alternative fuel.

5. Ensure maximum amount of operational balancing account limit at interconnection points.

The fund of reducing the energy vulnerability



The creation of the fund of reducing the energy vulnerability **will allow providing in invoice of the monthly compensations** for the consumption of natural gas, electric energy and thermal energy, as well as of **a subsidy for the replacement of the technically and morally obsolete** household appliances by other ones which are efficient from the energy viewpoint.

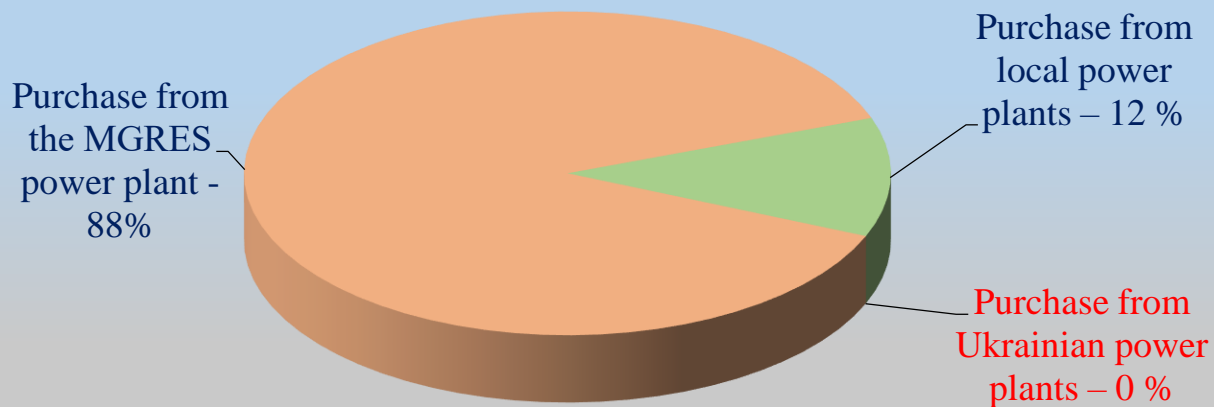
To get the monthly compensations, the household energy consumers will be recorded in the **register of energy vulnerability** – an electronic system managed by the Labour and Social Protection Ministry, which will allow accumulating the data necessary for the fitting of the consumers in one of the categories of energy vulnerability.

Source diversification policy

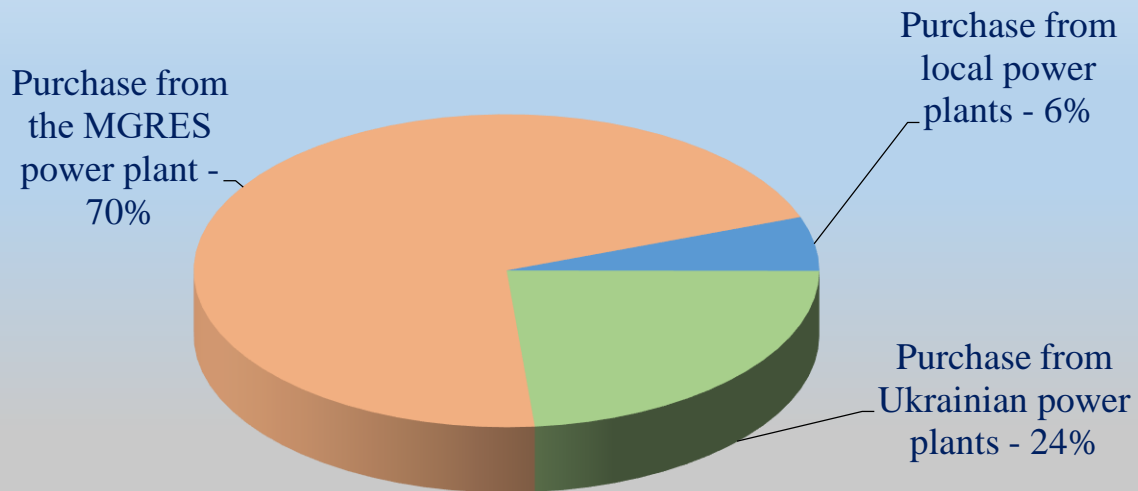


- 1) In 2022, amendments were made to Law no. 107/2016 on electricity in order to introduce a mechanism to ensure the purchase of electricity from at least two sources, as a measure to increase security in the electricity supply.
- 2) The amendments adopted to Law on Gas in July 2022 also include provisions for the creation and maintenance of security stocks. According to these provisions, until October 2024, quantities of natural gas corresponding to at least 10 days of winter consumption (approximately 55-60 million m³) should be stored. On the one hand, the Republic of Moldova is entirely dependent on natural gas imports, which are mainly used for the production of electricity and heat. On the other hand, given the high energy poverty and the low affordability of energy costs for final consumers (especially - household consumers), any increase in natural gas tariffs and prices is a very sensitive issue with a high social impact.
- 3) Increasing the capacity of JSC „ENERGOCOM” and obtaining all authorizations to become a natural gas trader to purchase and store from other sources and routes.

Electricity mix [MWh,%] on a day in March 2022



Electricity mix [MWh,%] on a day in September 2022



Source diversification policy



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**, the possibility of accumulating some strategic natural gas reserves and/or the process of diversifying natural gas suppliers and supply routes will be facilitated.

Without using any amounts from the granted credit, till now JSC "Energocom" purchased natural gas in the volume **of 54.5 million m³**, respectively, thus ensuring security stocks of natural gas for emergency situations.

At the same time JSC „Energocom” **obtained the licenses for the activity of electricity and natural gas trader**, granted by the Romanian National Energy Regulatory Authority, thus becoming a participant in the wholesale electricity and natural gas market in Romania. The respective licenses provide Energocom the right and the possibility of accessing electricity and natural gas transport services, as well as natural gas storage services on the territory of Romania.



THANK YOU