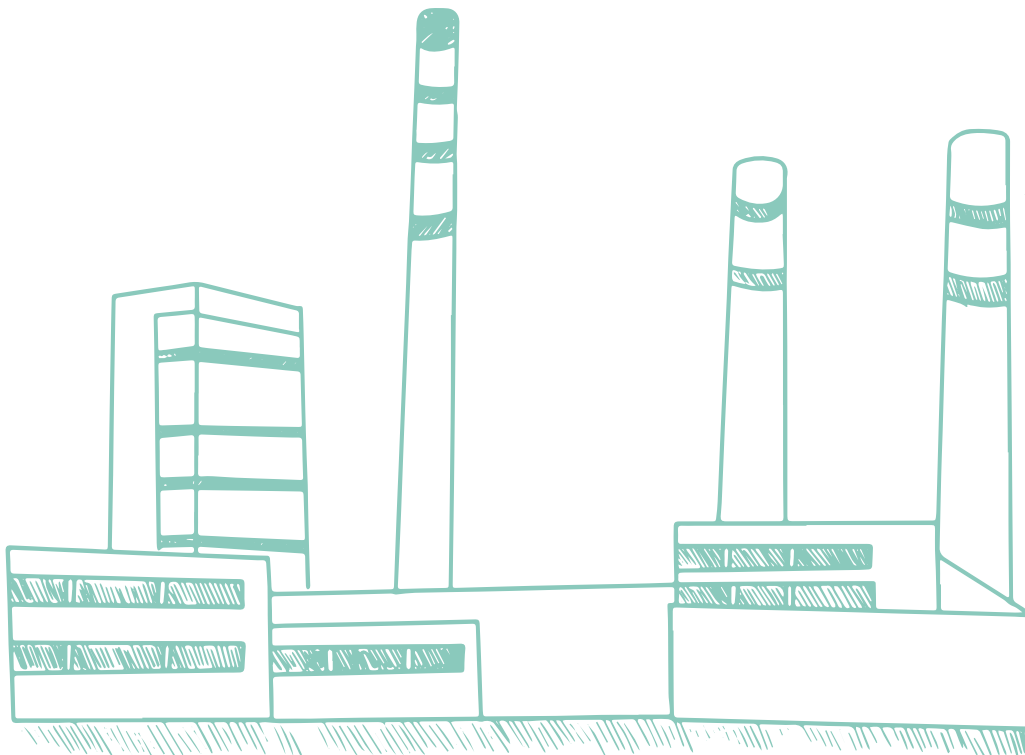












Moldova

Annual Implementation Report

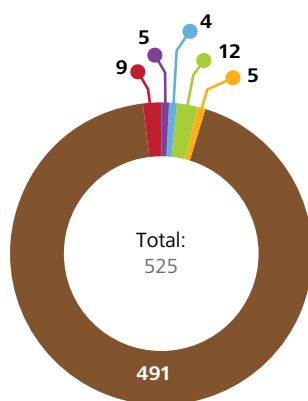
1 November 2024



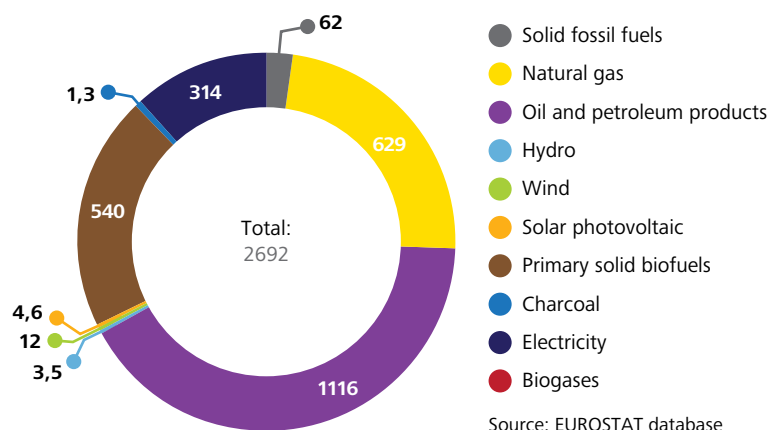
IMPLEMENTATION OVERVIEW

CLUSTER	IMPLEMENTATION STATUS	RECOMMENDATIONS
 Markets and integration	 62%	The law transposing the EIP should be adopted. The opening of short-term electricity markets and a designation of a nominated electricity market operator should be expedited as preconditions for market coupling. Moldelectrica should prioritize achieving full membership in ENTSO-E and joining the ITC mechanism. Moldova should implement the certification conditions for Vestmodltransgaz, kick off with the implementation of the balancing network code, and accelerate the market opening without delay. It should reform the PSO and supply of last resort arrangements.
 Decarbonising the energy sector	 68%	Moldova should finalise the transposition and implementation of the Monitoring and Reporting Regulation and the Accreditation and Verification Regulation. The country should adopt its NECP without delay, draft and adopt a long-term strategy with a 2050 climate neutrality objective, and adopt secondary legislation to fully transpose sustainability and greenhouse gas emissions saving criteria for biofuels, bioliquids, and biomass fuels as outlined in REDII. Further progress on energy efficiency is needed, including the comprehensive implementation of updated energy efficiency laws and the adoption of a long-term building renovation strategy.
 Ensuring energy security	 68%	Transposition and implementation of Regulation 2019/941 and Commission Regulation 2017/2196 should be completed. Moldova should continue to apply the measures from its adopted preventive plans.
 Improving the environment	 52%	Moldova shall strengthen the capacities of the National Agency for the Environment to effectively implement environmental assessment legislation. Strategic Environmental Assessment shall include a transboundary consultation process, and environmental measures should be integrated into the draft NECP. Compliance with the emission limit values for combustion plants has not been restored and is to be addressed urgently. The draft law addressing non-compliance with the Environmental Liability Directive shall be adopted.
 Performance of authorities	 81%	Further capacity building of Moldova's authorities is recommended, in parallel with more active enforcement of State aid policies and improvement of statistics reporting processes.

2022 Fuel mix in primary production of energy (in ktoe)



2022 Gross available energy per product (in ktoe)



Source: EUROSTAT database

Overall number of cases: **6**

ECS-7/18 - environment

ECS-24/21 - environment

ECS-12/23 - environment

ECS-9/24 - electricity

ECS-17/24 - oil

ECS-27/24 - renewable energy

Procedures under Article **91** EnCT



Moldova

Markets and integration

ELECTRICITY

40%



WHOLESALE MARKET

25%

The Moldovan wholesale market operates under the Law on Electricity and Electricity Market Rules, which are not yet aligned with the Electricity Integration Package (EIP), despite the deadline expiring on 31 December 2023. An infringement case was initiated by the Secretariat for non-transposition of the EIP.

At the end of 2023, Moldova's Commission for Exceptional Situations passed a decision according to which all universal service and last resort suppliers and system operators were obliged to sign bilateral contracts for 2024 with JSC Energoecom, an offtaker of electricity produced by MGRES (covers approximately 75% of the Right Bank consumption). The country's supply is diversified by local generation and electricity imports from Romania's wholesale market, with Energoecom covering 7-8% of consumption through spot market purchases, mainly during peak hours. For the year 2025, suppliers have to return to competitive procurement in line with the Electricity Market Rules. Nevertheless, the Government assigned to JSC Energoecom the "fiscal monopoly" status in 2025, granting it exclusive rights to buy MGRES electricity and resell it through auctions organised by the regulated market participants. In the event of there being a surplus, JSC Energoecom may conduct independent auctions to offer the excess electricity to other electricity market participants.

In February 2024, the Government appointed OPEM, a company set up in Moldova by OPCOM (Romania), as the electricity market operator responsible for the operation of the day-ahead electricity market, the intra-day electricity market, and the organised contract market under a monopolistic framework. In October 2024 National Agency for Energy Regulation (ANRE) licensed OPEM and approved amendments to the Electricity Market Rules enabling OPEM to approve the operational procedures for day-ahead and intraday markets. The Secretariat was notified of a legal monopoly for day-ahead and intraday trading services in-line with Commission Regulation (EU) 2015/1222, but after the expiry of the deadline of 15 February 2023.

Moldova still lacks a functional balancing market and Commission Regulation (EU) 2017/2195 is yet to be transposed. SE Moldelectrica launched an hourly balancing mechanism and imbalance payments in June 2022 and registered over 313 balancing responsible parties by October 2024, but there is not any balancing service provider yet. SE Moldelectrica has begun testing domestic electricity producers' capability to provide balancing services in order to certify them. Moldova's unintended system deviations are settled financially through the

FSkar mechanism, managed by Ukrenergo under an inter-TSO agreement.

In order to implement REMIT, ANRE approved the legal framework for establishing a registry of wholesale market participants. However, ANRE shall complement its REMIT related toolkit by establishing criteria for compliance with inside information obligations, defining methods for publishing such information, and adopting the regulation on complaint handling and market monitoring.

RETAIL MARKET

38%

The legal framework for retail market functioning is still to be aligned with Directive (EU) 2019/944.

In practice, the retail market has seen a little progress as a result of the lack of competition in the wholesale market and a limited import opportunities due to the war in neighbouring Ukraine. Two universal service suppliers, through their contracts with JSC Energoecom, continued serving nearly the entire market. The public service obligation for universal service suppliers is valid until 2026.

Besides universal service suppliers, only two alternative suppliers of electricity, mainly from local non-FiT renewable producers, operated under negotiated prices, with a combined market share of 0,4%.

Energy vulnerability is defined in both the Energy Efficiency Law and the Law on the Energy Vulnerability Reduction Fund. The Government provides assistance through i) on-bill compensation for energy carriers based on vulnerability categories, ii) monetary payments for solid fuel heating, and iii) vouchers for replacing inefficient appliances. Local public administration, if financially capable, may also provide monetary compensation for energy bills. However, compared to the previous year, the responsible ministry has not yet disclosed details on budgetary and external financial aid used for compensations during the 2023–2024 heating season.

A basic legal framework for aggregators is provided, but still to be developed in-line with the EIP requirements.

UNBUNDLING

80%

SE Moldelectrica was certified as an ISO in July 2023. By April 2024 - the deadline set by ANRE, SE Moldelectrica and its founder had fulfilled all the conditions outlined in the Secretariat's

Opinion. The two distribution system operators (DSOs) in Moldova underwent unbundling in 2015. One operates within a vertically integrated company, maintaining functional, operational, and legal separation from the supplier within the same group. In line with the Law on Electricity, both DSOs have published their 2023 implementation reports and the 2024 compliance programmes, prepared by their compliance officers.

SE Moldelectrica drafted the network code transposing Commission Regulation (EU) 2017/1485. ANRE held a public consultation in May 2024, but approval is still pending. SE Moldelectrica is not a signatory to the SAFA for Regional Group Continental Europe, but it became an observer member of the ENTSO-E in 2023. Moldovan power system operates in the load-frequency control block with Ukraine. SE Moldelectrica is in the process of drafting its second TYNDP.

The two DSOs are unbundled, ensuring non-discriminatory access to distribution networks and supporting market competition. Amid high demand for renewable energy connections, they regularly publish updates on issued approvals and provide reasons for rejected applications. In collaboration with the Ministry of Energy, both DSOs are piloting the installation of 35,000 smart meters (covering 3% of users) to test time-of-use tariff models. The two have approved publicly available three-year development plans.

ACCESS TO THE SYSTEM

71%

Third-party access to distribution and transmission networks is guaranteed by law, with ANRE responsible for approving tariffs for system operators, based on voltage level. At the end of 2023, ANRE introduced a new methodology for calculating tariffs for electricity transmission service, and in 2024, approved a new tariff. Current distribution tariffs are based on a 2018 methodology, extended until a new regulation comes into force.

Connection codes were transposed through the 2019 network code, updated in 2021. In March 2024, ANRE approved the requirements of general applicability for generating units (non-exhaustive clauses), which establish the technical requirements to be met by potential electricity producers, including producers from renewable sources.

Progress on Regulation (EU) 543/2013 remains limited, with SE Moldelectrica providing minimal data to the ENTSO-E Transparency Platform, given the underdeveloped electricity market.

REGIONAL INTEGRATION

17%

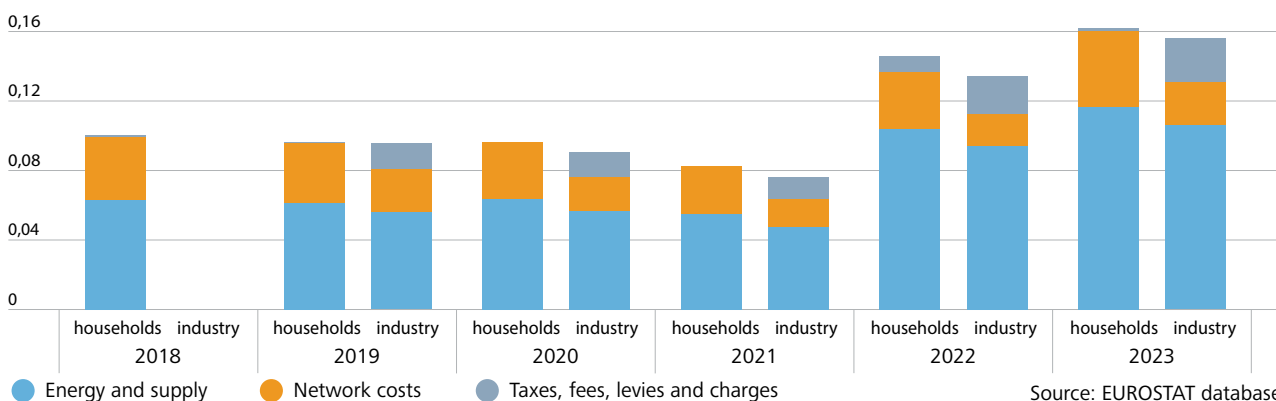
Development of regional integration is hinging the transposition of the EIP. Implementation has commenced with the establishment of governance structure within Eastern Europe (EE) capacity calculation region (CCR), including Moldova, Ukraine and neighbouring EU TSOs, as defined by Commission Regulation (EU) 2015/1222. A signature of the EE CCR cooperation agreement has been initiated and is expected to be completed in November 2024. EE local implementation project has been established for the market coupling and the memorandum of understanding is also in the signature procedure.

Regional cooperation proved to be crucial for Moldova in the last years. SE Moldelectrica is relying on neighbouring TSOs to organise cross-border capacity auctions. On the Romanian border, Transelectrica conducts daily, intraday and monthly auctions, starting with September 2024. On the Ukrainian border, Ukrenergo handles monthly and daily auctions. SE Moldelectrica also has two emergency supply contracts signed in 2022 with neighbouring TSOs, allowing activation when needed. Given the war and disruptions to the Ukrainian electricity market, the contract with Transelectrica has typically been used, with the latest request submitted in December 2023.

Amendments to the Energy Law, partially transposing Regulation (EU) 2022/869, were adopted in December 2023. Of the two nominated electricity infrastructure projects, 330 kV OHL Bălți – Dnestrovsk HPP-2 was included in the preliminary 2024 PECEI list.

Moldovan Energy Projects Implementation Unit continues to work on the 400 kV OHL Vulcănești – Chișinău project, expected to be completed by late 2025. The Government is also advancing two major power interconnection projects with Romania, backed by significant technical and financial support from development partners. Procurement documentation is being prepared for the 400 kV OHL Bălți (MD) – Suceava (RO), while the feasibility study for the 400 kV OHL Strășeni (MD) – Gutinaș (RO) is in advanced development.

Average annual prices of electricity for end users per component [EUR/kWh]





WHOLESALE MARKET

82%

Moldova's natural gas supplies were diversified from Russia and imported from the EU and Ukraine. The REMIT Regulation (EU) 1227/2011 was transposed.

The wholesale market has seen some development in 2024. Despite the nationwide state of emergency expiring at the end of 2023, the Commission for Exceptional Situations obliged JSC Moldovagaz to purchase natural gas from JSC Energocom by the end of April 2024. The volumes of natural gas delivered by Gazprom, amounting to 5,7 mcm/day, have been supplied to the Left Bank, JSC Moldovagaz has been organising monthly auctions on the BRM East Energy platform (a branch of the Romanian Commodities Exchange, BRM) to procure the natural gas for the upcoming calendar month for its customers on the Right Bank.

JSC Energocom thus became the dominant importer to the Moldovan market. In order to implement REMIT in the gas sector, ANRE has established the registry of wholesale energy market participants, listing 25 participants who have met their obligation to register before executing their first market transaction. Furthermore, regulations governing handling complaints and market monitoring are yet to be established. The provisional measures on the balancing market are in force until the end of 2025, ANRE has approved the methodologies for the calculation of daily imbalance charges and neutrality charges to prepare for the complete implementation of the balancing code.

RETAIL MARKET

68%

The market share of Moldovagaz decreased by about 7%, from 97,69% in 2022 to 90,5% in Q1 2024. Although, the retail natural gas market in Moldova remains heavily regulated and dominated by JSC Moldovagaz, which covered more than 90% of the market. JSC Moldovagaz's public service obligation (PSO) for natural gas supply to final consumers is valid until the end of 2026. At the same time, the last-resort supply obligation has been extended until 12 October 2025, during which ANRE is expected to impose a PSO based on clear and adequate eligibility criteria according to the regulation on imposing PSO for gas suppliers, adopted in 2024.

Other large enterprises can switch suppliers, purchasing gas at negotiated prices or using the BRM platform to identify natural gas suppliers on the free market. Amendments to the Gas Law as of December 2023 provide a clear calendar for gas market opening: starting with 1 January 2025 the large gas consumers cannot sign any longer regulated gas purchase contracts and from 1 January 2027 this provision applies also to medium-sized enterprises.

The gas market opening reached 9,2%. The switching fee has been abolished.

UNBUNDLING

87%

LLC Vestmoldtransgaz, a company owned by the Romanian TSO Transgaz and the European Bank for Reconstruction and Development (EBRD), started operating the entire Moldovan gas transmission system on 19 September 2023. In 2021, it was certified under the ownership unbundling model for the operation of the Iasi-Ungheni-Chisinau pipeline. This year, LLC Vestmoldtransgaz was certified under the ISO model for the operation of the entire natural gas transmission network in Moldova, most of it owned by LLC Moldovatransgaz (MTG) and JSC Moldovagaz.

The final ANRE decision, of 23 August 2024, established Vestmoldtransgaz as the sole TSO on the Right Bank. When certifying it, ANRE took into account the Secretariat's Opinion 2/24. It conditions the certification on the fulfilment of several conditions, most notably regarding the issue of the validity of the lease agreement with MTG, the procurement of maintenance services (currently performed by MTG), and the deadline for the transfer of the ownership of the transmission assets to a company which does not conduct activities in transmission, distribution, supply, storage, and which is unbundled from the vertically integrated utility. For the latter, ANRE established 30 September 2026 as a deadline. Should JSC Moldovagaz fail to comply with this deadline, ANRE should withdraw JSC Moldovagaz' supply license within a month. The Secretariat will follow up on the implementation of the certification conditions.

ACCESS TO THE SYSTEM

94%

Third-party access to natural gas distribution and transmission networks is guaranteed under Law 108/2016 on Natural Gas, with ANRE approving the tariffs for transmission and distribution services based on its methodologies from 2019, 2020 and 2023, respectively. In 2024, ANRE approved a new set of entry/exit tariffs for transmission services, increasing them by an average of 50%. One of the main reasons for the adjustments is the reduction in gas transit through Moldova. Access to the natural gas distribution networks is provided by 19 distribution system operators, 12 of which are part of JSC Moldovagaz. The Energy Community gas network codes are transposed. The capacity allocation takes place at the RBP platform. However, the capacity is not bundled with the adjacent operators.

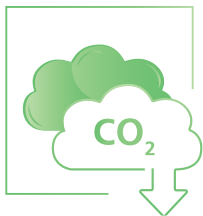
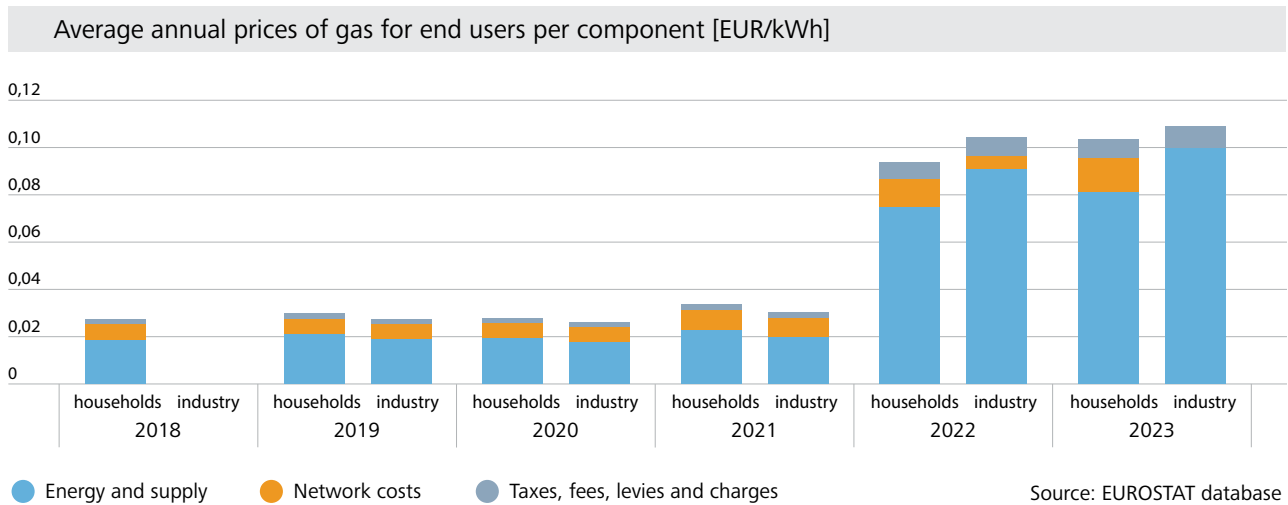
REGIONAL INTEGRATION

91%

Amendments to the Law on Energy, which partially transposes the revised Regulation (EU) 2022/869 were adopted in December 2023. No further progress has been observed in 2024. Moldova has increased its security of natural gas supply with the operationalisation of the Ungheni - Chisinau pipeline, commissioned in October 2021. An interconnection agreement between Moldovatransgaz and Ukraine's gas transmission system operator was concluded in line with the acquis. LLC Moldovatransgaz was replaced by LLC Vestmoldtransgaz in

the interconnection agreement on 18 September 2023. This enables backhaul on the corridor. Along with the virtual trading point this contributes to the development of the market in

Moldova. Moldova and Ukraine are in a dialogue on how to promote regional security of gas supply.



Moldova Decarbonising the energy sector



GOVERNANCE/CLIMATE IMPLEMENTATION

64%

NATIONAL ENERGY AND CLIMATE PLANS

83%

Moldova submitted its draft National Energy and Climate Plan (NECP) to the Secretariat on 13 December 2023. The Secretariat provided its Recommendations on 3 April 2024. The NECP has not yet been adopted.

for policies and measures (PaMs) and projections, which is also implemented. Moldova has nominated a lead reporter, but has not yet submitted a report on the national system on policies and measures and projections in Reportnet.¹

GREENHOUSE GAS 2030 TARGET

10%

Moldova has not defined the 2030 climate target in its national legislation; however, the target is outlined in the draft NECP. Nonetheless, due to various inconsistencies, including geographic, it is not clear to what the targets refer.

NATIONAL GREENHOUSE GAS EMISSIONS POLICIES AND MEASURES

72%

Reporting obligations have been transposed in national legislation. Moldova has nominated lead reporters for the Governance Regulation reporting activities. Reporting activity was initiated on policies and measures (PaMs) and a report submitted on carbon pricing revenues in the context of Reportnet system. No reporting was initiated on adaptation strategies.

NATIONAL SYSTEMS FOR CLIMATE REPORTING

94%

Moldova has recently adopted a climate law, along with by-laws, which transpose the climate related elements of the adapted Governance Regulation. Thus, there is a legal basis for a national greenhouse gas inventory system and a national system

LONG-TERM STRATEGY AND CLIMATE NEUTRALITY

63%

The legal basis for a long-term strategy has been adopted in the new climate legislation. The climate law sets out the 2050 climate neutrality target. However, Moldova has not yet adopted a long-term strategy with 2050 climate neutrality objective.

¹ The legal basis for a long-term strategy has been adopted in the new climate legislation. The climate law sets out the 2050 climate neutrality target. However, Moldova has not yet adopted a long-term strategy with 2050 climate neutrality objective.

RENEWABLE ENERGY IMPLEMENTATION

62%



2030 RENEWABLE ENERGY TARGETS **73%**

The overall target of achieving a 27% share of renewable energy in the gross final energy consumption, as outlined in the draft NECP, is in line with the 2030 target set by the Energy Community. The overall 2030 renewable energy target is subdivided into sectorial targets for electricity (34,1%), transport (7,6% without multipliers or 8,6% with multipliers), and heating and cooling (42,8%). Following Article 26 of the Renewable Energy Directive (REDII), Moldova has adjusted its minimum target for renewable energy in transport, indicating that the share of energy from biofuels produced from food and feed crops will be limited to less than 1 percent. The 2030 target for renewable energy in the heating and cooling sector of 42,8% does not align with Article 23 of REDII.

QUALITY OF SUPPORT SCHEME **70%**

In November 2023, Moldova adopted amendments to Renewable Energy Law, laying the foundation for a market-based support scheme in alignment with REDII requirements.

In August 2024, Moldova launched its first solar PV and wind auction. Alongside the finalisation of the auction, it is crucial to adopt detailed auction rules and a three-year auction plan.

SELF-CONSUMPTION AND ENERGY COMMUNITIES **75%**

The amendments to the Renewable Energy Law introduced a net billing scheme for self-consumption starting 1 January 2024. Consumers currently using the net metering scheme will continue to benefit from it until 31 December 2027, after which they will be converted to net billing. The amendments to the Renewable Energy Law enabled establishment of renewable energy communities.

The next step is to adopt the necessary secondary legislation and establish the first renewable energy communities.

GUARANTEES OF ORIGIN **50%**

Moldova joined the Energy Community initiative to establish a regional system for guarantees of origin (GO). The national electronic registry for GO in Moldova was created and can be utilised as soon as energy regulator, the designated issuing body, signs an agreement with the service provider. The amendments to Renewable Energy Law incorporated the necessary legal provisions for issuing GOs for all types of energy carriers, including renewable gas, and heating and cooling.

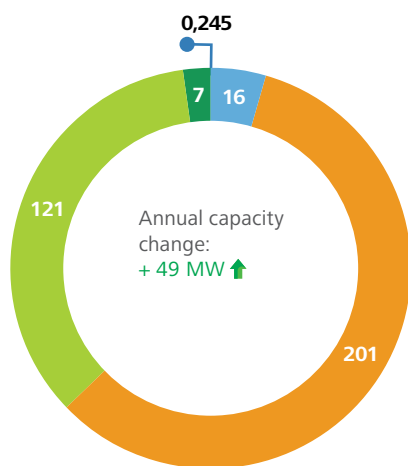
SUSTAINABILITY CRITERIA FOR BIOFUELS, BIOLIQUIDS AND BIOMASS FUELS **40%**

The amendments to the Renewable Energy Law provide the legal basis for adopting the sustainability and greenhouse gas emissions saving criteria for biofuels, bioliquids, and biomass fuels. The Law defines the terms, provides some elements related to the obligations and manner of verification and requires the Government and relevant governmental bodies to establish specific criteria and detailed verification methods in the secondary legislation. Therefore, secondary legislation needs to be adopted to ensure implementation and compliance with REDII.

RENEWABLE ENERGY IN HEATING AND COOLING **58%**

Moldova marked a key turning point in advancing the integration of renewable energy within the heating and cooling sector. The adoption of the amendments to Renewable Energy Law ensured the seamless transposition of Articles 23 and 24 of REDII, laying down a comprehensive legal framework to support the increase of renewable energy share in heating and cooling, including in district heating. While the legal foundation is already in place, it should be complemented by concrete measures to ensure effective implementation.

Total Capacities of Renewable Energy 2023 (MW)



- Large hydropower
- Small hydropower <10 MW
- Solar
- Wind
- Biogas

Total capacities of renewable energy (MW): **345**

Source: Ministry of Energy

ENERGY EFFICIENCY IMPLEMENTATION

84%



2030 ENERGY EFFICIENCY TARGETS AND POLICY MEASURES

65%

The 2030 energy efficiency targets already exist in the National Development Strategy. However, they need to be aligned with the 2030 targets set by the Energy Community. The draft NECP lists the energy efficiency targets in line with the Ministerial Council decision. NECP also recognises the energy-efficiency-first principle, putting for instance energy efficiency as an integral part of energy security dimension.

Amendments to the Law on Energy Efficiency in May 2023 marked a significant step forward, providing a legal basis for integrated planning through the NECP, updating specific annual targets, energy metering, billing, and end-user access to information.

Establishment of the National Centre for Sustainable Energy marked progress in institutional development, enabling extensive work on broader scope of activities, including successful management of energy efficiency projects. The ministry drafted the update of the targets and a programme for the renovation of central government buildings, in line with the amended Energy Efficiency Directive (EED).

ENERGY EFFICIENCY IN BUILDINGS

90%

The transposition of the Energy Performance of Buildings Directive (EPBD) has been completed. In October 2023, Parliament adopted a new law intended to transpose Directive 2018/844/EC, which entered into force in April 2024. In September 2024, Moldova adopted new regulations on energy performance certification of building and building units, as well as qualifications and registering of experts for certification and inspection of heating systems, ventilation and air conditioning.

The programme for the implementation of the obligation to renovate central government buildings 2024–2026 was adopted in March 2024, followed by the adoption of Financing Programme for Energy Efficiency in Residential Sector in April 2024. However, a long-term building renovation strategy and a plan for nearly-zero energy buildings were not yet adopted.

ENERGY EFFICIENCY SCHEME AND FINANCING

92%

Moldova established an energy efficiency obligation scheme and the specific energy savings target required by Article 7 of EED has been under implementation since 2018. The 2023 amendments to the Law on Energy Efficiency updated this framework in line with the amended EED. In December 2023, the Government approved the programme for the implementation of the Energy Efficiency Obligation Scheme for 2024–2026, aimed at funding energy efficiency projects in residential buildings.

The National Centre for Sustainable Energy is managing a Moldovan Residential Energy Efficiency Fund, including regular calls for projects and utilisation of resources mobilised through the energy efficiency obligation scheme and alternative measures.

ENERGY EFFICIENT PRODUCTS – LABELLING

94%

Moldova adopted a law to transpose the Framework Labelling Regulation (EU) 2017/1369 in October 2023. In March 2024, Moldova adopted a regulation to introduce updated requirements and rescaled energy labels for five product groups.

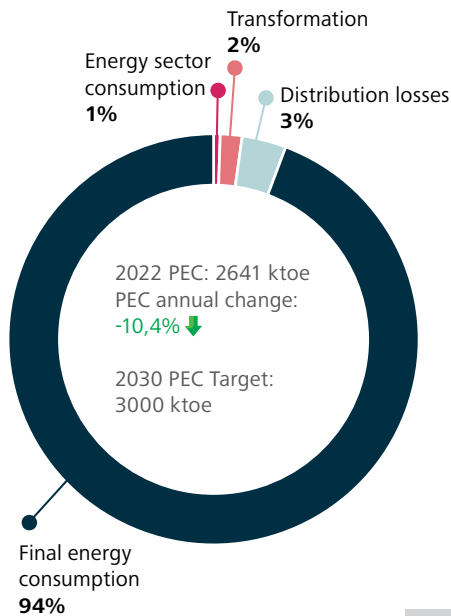
EFFICIENCY IN HEATING AND COOLING

78%

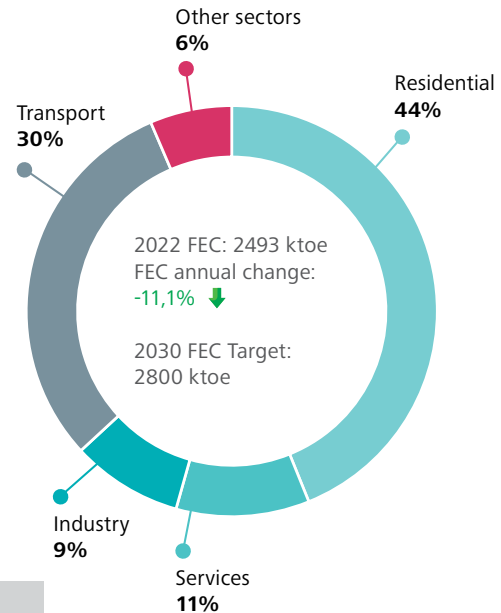
Moldova's national legislation is largely aligned with the provisions of the EED regarding the heating and cooling sector, though implementation is still ongoing. A comprehensive assessment of the potential for efficient heating and cooling, as required by Article 14 of the EED, is still under development. In Bălți and Chișinău, outdated vertical distribution systems are being replaced with modern horizontal systems, enabling individual apartment metering. This transition facilitates the implementation of consumption-based billing and relevant amendments in the secondary legislation are also being prepared to ensure a seamless transition.

2022 Energy Efficiency Indicators and Trends

Primary Energy Consumption (PEC)



Final Energy Consumption (FEC)



Energy intensity,
2022 value and trends:
0,36 ktoe/mil EUR, -5,8% ↓

Source: EUROSTAT 2024 data, draft NECP and 2022 Ministerial Council Decision

EMISSION TRADING SCHEME (MONITORING, REPORTING, VERIFICATION AND ACCREDITATION) 51%



FOUNDATIONS, INSTITUTIONS, PERMITS 77%

Moldova, through the adoption of the Law on Climate Action in 2024, transposed some of the definitions and concepts from the EU ETS Directive including the obligation for stationary installations to have a dedicated greenhouse gas (GHG) emissions permit, and the list of activities covered by the emissions monitoring and reporting requirements. The Environmental Agency has been appointed as the competent authority to issue permits and to coordinate emission monitoring plans. Stationary installations and aircraft operators covered by the scheme have already been identified and the Environmental Agency has introduced internal procedures and processes for the permitting purposes.

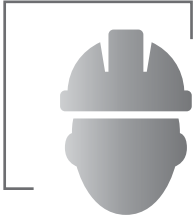
MONITORING AND REPORTING 30%

Moldova transposed monitoring and reporting principles from the EU ETS Directive and introduced a general deadline for sub-

mitting applications for permit approval. General corrective actions were introduced in national legislation in the event of no submission of annual emission report by stationary installation or aircraft operator. The draft of national legislation containing transposition of Monitoring and Reporting Regulation is in final stage of adoption.

VERIFICATION AND ACCREDITATION 45%

Moldova transposed verification criteria from the EU ETS Directive and introduced obligation to submit annual emission report verified by accredited verifier and general administrative measures in Law on Climate Change. National Accreditation Centre has been appointed as national accreditation body responsible for accreditation of GHG verifiers. Draft of national legislation containing transposition of Accreditation and Verification Regulation is in final stage of adoption.



Moldova

Ensuring energy security

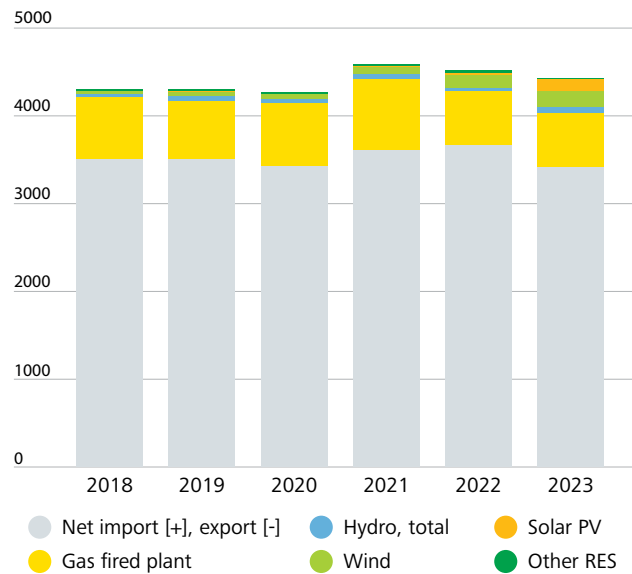
ELECTRICITY SECURITY OF SUPPLY 59%

Regulation on Emergency Situations in the Electricity Sector, which transposes Regulation (EU) 2019/941, alongside the Action Plan for emergency situations in the electricity sector have been drafted and publicly consulted, requiring formal adoption by the Government. This Action Plan serves as Moldova's risk-preparedness plan. The Electricity Security of Supply Statement for 2022–2023 was submitted to the Secretariat in October 2024. SE Moldelectrica drafted a network code aimed at transposing Commission Regulation (EU) 2017/2196. Following the public consultation organised in May 2024, a decision of ANRE is still pending.

Moldova is vulnerable in terms of security of supply mainly due to its reliance on a contract with the Transnistria-based gas-fired power plant MGRES. Possible exchanges with Romania are limited by the available cross-border capacity for Ukraine/Moldova which remains insufficient to cover a potential electricity deficit despite the latest increase to 2100 MW (315 MW guaranteed for Moldova) in October 2024.

Moldova has a cybersecurity law and a agency in place since 2023, but the energy sector is not explicitly covered by the legislation or the agency's operating regulations. However, the Ministry of Energy is the central public authority that promotes cybersecurity policy in the energy sector. Efforts in 2024 focused on launching a deep cybersecurity audit of all energy companies.

Fuel mix and primary supply of electricity (in GWh)



Source: Ministry of Energy, compiled by the Energy Community Secretariat

GAS SECURITY OF SUPPLY 100%

Moldova transposed the Security of Supply and Storage Regulation.

It continues to hold natural gas security stocks, amounting to approximately 47 million mcm in 2024, which were established in 2022. In addition to these stocks, JSC Energocom, as mandated by the Government, will store another 50 million mcm. With the volumes purchased and stored by JSC Moldovagaz as part of its legal obligation to ensure fuel supply for Moldovan consumers, the mandatory level is expected to be exceeded.

The Government has approved a winter plan for the 2024–2025 heating season, which outlines how the electricity and natural gas supply would be affected if Gazprom, in the worst-case scenario, stopped gas deliveries to the Left Bank (i.e., Transnistrian Region) starting from 1 January 2025. Although the supply of gas to the Right Bank is not an issue, the readiness of

customers from the Left Bank to procure gas at market prices and in market conditions is under question.

During the reporting period, Moldova transposed Regulation (EU) 2017/1938 into its national Regulation on Natural Gas Sector Emergencies. The Action Plan for Emergencies in the Natural Gas Sector was approved by the Government at the end of October 2024. Consequently, risk assessment and preventive and emergency plans have been submitted to the Secretariat, which issued its Opinion. The Government updated the plans to be in line with the said opinion. The Gas Security of Supply Statement was delivered to the Secretariat at the end of October 2024.

With the Secretariat's support, Moldova and Ukraine are engaged in a dialogue on promoting regional gas supply security, particularly by leveraging the transit potential and contributing to the implementation of the Vertical Corridor concept through the Trans-Balkan pipeline.



OIL SECURITY OF SUPPLY

23%

Moldova does not maintain emergency oil stocks at the level that the Oil Stocks Directive requires. Data is partially reported. In Q2 2024, the Ministry of Energy drafted a law on creating and maintaining a minimum level of oil product stocks. It is currently in the public hearing, the aim is to adopt it by Q3 2025 and immediately start on the secondary legislation. Apart from this, no progress has been achieved during this reporting period, and Moldova's legal framework remains non-compliant with the oil acquis.

Tables 1 to 5 of the MOS Oil are reported but not tables 5b and 5c. The monthly COIR questionnaire is submitted.

In July 2024, the Secretariat sent a Reasoned Request for non-transposition of the Oil Stocks Directive to the Ministerial Council.



Moldova Improving the environment

ENVIRONMENTAL ASSESSMENTS



60%

Moldova has adopted the necessary primary and secondary legislation to fully transpose the Environmental Impact Assessment (EIA) Directive, thereby rectifying the breach related to the non-transposition of Directive 2014/52/EU established by Ministerial Council Decision 2021/10/MC-EnC. Furthermore, it adopted several key regulations and guidelines, including the Regulation on the Organisation and Operation of the Technical Commission for the Analysis of the EIA Report and the Guideline for Assessing the Quality of the EIA Reports, and the Guideline on Biodiversity Evaluation to be streamlined with the EIA report.

However, the adoption of the legislation was not accompanied by an increase in the capacities of the Environment Agency, the competent authority, which remains insufficient to ensure effective implementation of the new responsibilities introduced by the legislation. Since November 2023, the number of screening processes in Moldova have increased, with a total of 52 energy-related projects. This highlights the need for increased institutional capacity regarding the screening of renewable energy projects. This has involved wind and solar plants with a total capacity over 450 MW, yet only one project was subjected to an EIA.

Legislation was adopted to fully transpose the Strategic Environmental Assessment (SEA) Directive. The regulation for the commission of experts responsible for analysing the quality of reports on strategic environmental assessments has been approved, along with an updated SEA guideline. Moldova has subjected the draft National Energy and Climate Plan (NECP) to a SEA and conducted public consultations on the draft documents, but final adoption is still pending.

LARGE COMBUSTION PLANTS

45%

Moldova submitted the emissions data of its large combustion plants for the 2023 reporting year in May 2024. The use of liquid fuel use in the CET-1 plant continued in 2023, causing a breach of the relevant emission limit values of the Large Combustion Plants Directive for the second year in a row. The CET-2 plant, operating on gaseous fuel only, remained in compliance also in 2023. Despite the entry into force of the Law on Industrial Emissions in October 2024, several other pieces of transposing legislation still need to be aligned to that law to ensure that its implementation can be carried out. This process is still ongoing.

SULPHUR IN FUELS

67%

The Government Decision on the Reduction of the Sulphur Content of Certain Liquid Fuels transposes the requirements of the Sulphur in Fuels Directive into national law and the limits for heavy fuel oil and gas oil are compliant with the required ones. The Environmental Protection Inspectorate is mandated to verify compliance of the fuels covered by the decision's scope in cooperation with the Government and the border police. No information was however provided on the sampling and analysis of those fuels. The provisions on marine fuels are not applicable for the Contracting Party.

NATURE PROTECTION



67%

Moldova has enacted a new Law on Hunting and the Protection of the Hunting Fund, introducing prohibitions to ensure sustainable management. These include preventing damage to wild

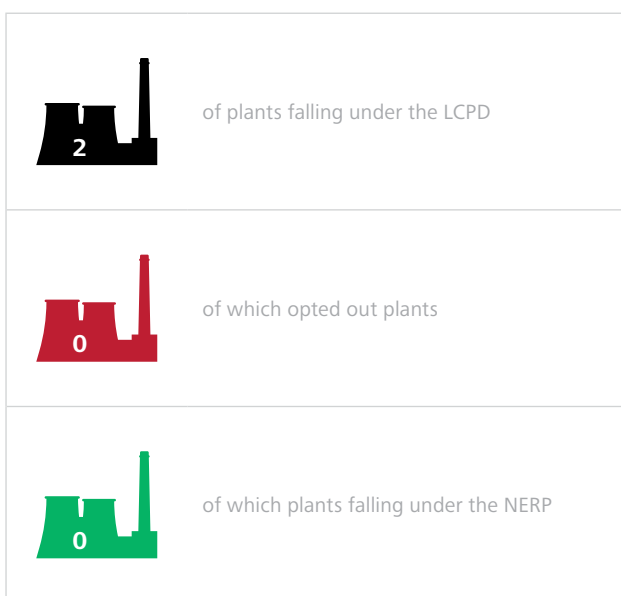
birds' nests, collecting their eggs, hunting with unregistered dogs and birds of prey, and hunting migratory waterfowl in protected areas. Moldova has made significant steps by designating 61 protection sites with a total of 277.900 hectares — 8,21 % of its territory — into the Emerald Network, along with identifying 32 habitats and 167 Emerald species that could raise the protection level to 10,8%. The Government, in collaboration with international organisations, is implementing a joint project to manage biodiversity conservation both within and outside protected areas by leveraging spatial data and earth observation, while also aiming to expand the Emerald Network and strengthen the protected area system.

ENVIRONMENTAL LIABILITY

0%

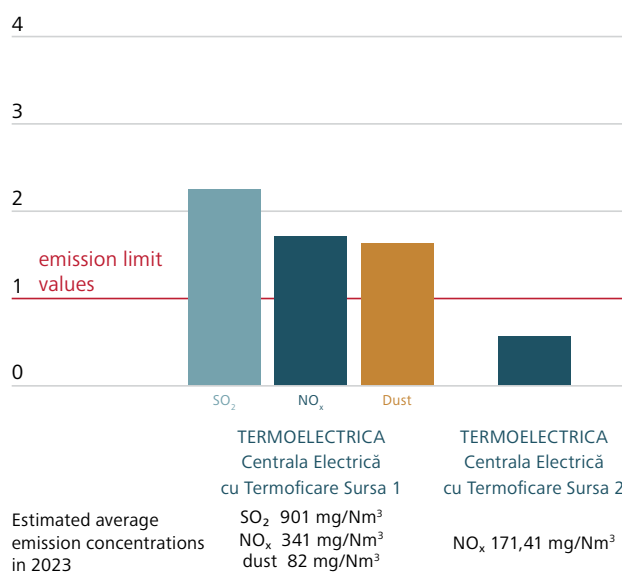
Moldova has not yet transposed the Environmental Liability Directive. The Ministerial Council established this breach by a decision adopted at its 2023 meeting. To address this situation, a draft law was prepared and consulted with the Secretariat in June 2024. On 21 October 2024, the draft law was submitted to the Government for approval. According to the draft law, financial instruments will be approved by a Government decision upon the proposal of the Ministry of the Environment and the Ministry of Finance, within 24 months after its entry into force. Adoption is expected by the end of 2024.

Installations under the Large Combustion Plants Directive



Source: compiled by the Energy Community Secretariat

2023 emissions of NO_x versus applicable emission limit values (ELV)





Moldova

Performance of authorities



REGULATORY AUTHORITY

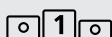
81%

ANRE functions under the legally-defined independence framework mostly in-line with Energy Community legislation. ANRE's decisions are legally binding, however any licence withdrawal requires court validation. At the same time, ANRE is not equipped with necessary competences to implement the EIP due to the lack of transposition on national level.

In 2024, ANRE certified the natural gas TSO LLC Vestmoldtransgaz and engaged in discussions with Ukrainian stakeholders on how to increase physical capacity and economic attractiveness of the Trans-Balkan route in reverse flow. Following the change in the TSO due to certification, ANRE adopted substantially higher transmission tariffs and currently considers the possibilities to lower these tariffs in 2025. In the natural gas sector, ANRE also

approved the incremental capacity process for interconnection point (IP) Căușeni and IP Grebeniki, based on a joint project proposal of GTSOU and LLC Vestmoldtransgaz, however no incremental capacity was booked as a result of the auctions.

Furthermore, ANRE adopted amendments to Electricity Market Rules, new electricity transmission tariff methodology, regulation on imposing the public service obligations in gas and issued a licence for the electricity market operator. Finally, following the amendments in the primary legislation, ANRE acquired competences for implementing REMIT also in the electricity sector and consequently updated the regulation regarding the registration of wholesale energy market participants. ANRE still regulates end-user electricity and gas prices.



COMPETITION AUTHORITY

80%

In the reporting period, the Competition Council finalised an investigation into anti-competitive agreements or concerted practices

concerning the pricing on the petroleum market and imposed fines on six petroleum companies amounting to EUR 24,7 million.



STATE AID AUTHORITY

50%

In the reporting period, the Competition Council approved the fix tariff and fix price promotion mechanisms for renewable

energy sources as compatible State aid. The relevant decision was issued on 30 September 2024 and is valid until 2040.



STATISTICAL AUTHORITY

95%

In accordance with the Law on Official Statistics, the National Bureau of Statistics (NBS) successfully submitted the 2022 annual questionnaires to EUROSTAT on time, including the SHARES data and the annual biomass questionnaire. Additionally, the disaggregated data on energy consumption in households and industry for 2022 were compiled and transmitted within the established deadlines. There was a slight delay in the submission of disaggregated data on final energy consumption in the services and transport sectors for 2022. This was due to minor methodological challenges stemming from a shortage of dedicated staff and necessary expertise. However, the preliminary mini questionnaires for 2023 were submitted punctually. Furthermore, the quality report on electricity price statistics was submitted in July 2022 and subsequently published in line with the acquis.

NBS consistently publishes monthly datasets covering coal, oil, petroleum products, oil stocks, natural gas, and electricity, which are transmitted to EUROSTAT promptly following the

acquis. Since January 2022, NBS also submits the COIR questionnaire on crude oil imports and production. NBS has implemented a methodology and reporting system for collecting electricity and natural gas prices, disaggregated by consumption bands and price components. This price data has been fully transmitted to EUROSTAT on time. Lastly, NBS submitted the quality report on electricity and natural gas price statistics in compliance with the Energy Statistics Regulation.

The NBS effectively complies with EU energy statistics reporting standards by timely submitting energy-related data to EUROSTAT. Although there was a slight delay in the submission of data on energy consumption in the services and transport sectors for 2022, along with minor methodological issues, these deviations were minimal. Addressing these challenges through strengthening human resources will ensure further improvements in reporting accuracy in future cycles. Overall, the NBS provides a strong example of maintaining compliance and transparency in energy statistics reporting.



Methodology

Background

For its assessment underpinning the findings of this report, the Secretariat used specific indicators for the assessment of implementation, and a methodology to calculate the summary indicators and the overall implementation score.

The implementation indicator tables are based on a methodology quantifying the Contracting Parties' success in transposing and implementing the acquis and having in place effective institutions. It is based on standardised assumptions and evaluations, cases under the Energy Community's dispute settlement mechanism, country missions, review of legislation, market analysis, expert interviews and desk research. The quantification of all figures used to measure implementation was performed by experts of the Energy Community Secretariat.

The final dataset entailed more than 2.000 individual values that were used to produce 41 key implementation indicators across the areas of work assessed by this Implementation report. To underscore the Energy Community's dedication to advancing towards a cleaner and more integrated energy market, the Report for the first time groups the 41 indicators in five clusters:

1. Markets and integration,
2. Ensuring energy security,
3. Decarbonising the energy sector,
4. Improving the environment, and
5. Performance of authorities.

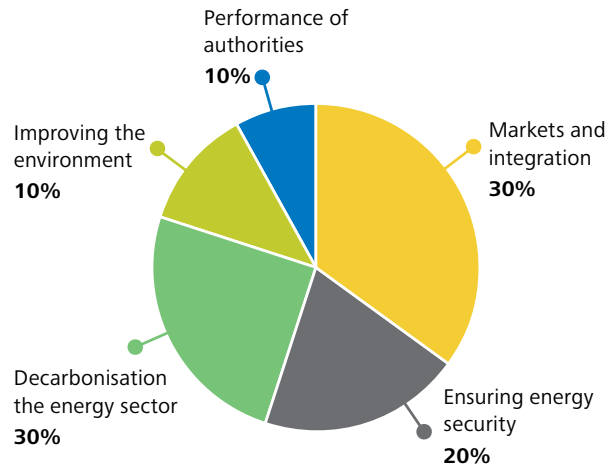
Implementation assessment

The implementation assessment is based on a system of performance indicators aggregated at several levels.

1. A total of 41 implementation indicators aggregated per each Contracting Party across the areas of work: electricity, gas, oil, governance and climate, renewable energy, energy efficiency, emission trading scheme, environment, climate, including national regulatory, competition, State aid and statistics authorities. Aggregation is based on the weighting explained in the table below, and results presented for each Contracting Party (chapters 5-13);

2. Five cluster implementation indicators aggregating the values at cluster level: Markets and integration (10 indicators), Decarbonising the energy sector (19 indicators), Ensuring energy security (3 indicators), Improving the environment (5 indicators), Performance of authorities (4 indicators).

Weighting per cluster



3. Summary indicators – the overall implementation score for each Contracting Party and overall (average) implementation score for the Energy Community calculated based on the weighting explained in the table below, and presented on page 9.

All of the values are normalised to percentages between 0% and 100%, where 100% implies full implementation.

For the Contracting Parties where certain indicators are not applicable (for example due to the lack of a gas market in Kosovo* and Montenegro), these indicators were not taken into account in the overall score, but the remaining indicators were increased in weight, where justifiable.

In 2024, the weighting per cluster was slightly adjusted to reflect the expanded scope of decarbonisation activities. This adjustment includes the addition of a new indicator, the 'emission trading scheme.' The weighting for the cluster related to the performance of the authorities was also slightly increased compared to 2023 assessment.

Implementation indicator structure and weighting

Indicator name	Indicator weight
Overall Implementation Indicator	1,00
1 Markets and integration	0,30
1.1 Electricity	0,50
Wholesale market	0,20
Retail market	0,20
Unbundling	0,10
Access to the system	0,20
Regional integration	0,30
1.2 Gas	0,50
Wholesale market	0,20
Retail market	0,20
Unbundling	0,25
Access to the system	0,25
Regional integration	0,10
2 Ensuring energy security	0,20
Electricity	0,04
Gas	0,04
Oil	0,02
3 Decarbonising the energy sector	0,30
3.1 Governance and climate	0,30
National Energy and Climate Plans (NECPs)	0,20
Greenhouse gas 2030 target	0,20
National systems for climate reporting	0,20
National greenhouse gas emissions policies and measures and adaptation planning and strategies	0,20
Long-term strategy and climate neutrality	0,20
3.2 Renewable Energy	0,30
2030 renewable energy targets	0,20
Quality of support schemes	0,20
Self-consumption and energy communities	0,15
Guarantees of origin	0,15
Sustainability criteria for biofuels, bioliquids and biomass fuels	0,15
Renewable energy in the heating and cooling sector	0,15
3.3 Energy Efficiency	0,30
2030 energy efficiency targets and policy measures	0,20
Energy efficiency in buildings	0,20
Energy efficiency scheme and financing	0,20
Energy efficient products - labelling	0,20
Efficiency in heating and cooling	0,20
3.4 Emission Trading Scheme (Monitoring, Reporting, Verification and Accreditation)	0,10
Foundations, institutions, permits	0,33
Monitoring and reporting	0,33
Verification and accreditation	0,33
4 Improving the environment	0,10
Environmental impact assessment (EIA) and strategic environmental assessment (SEA)	0,30
Sulphur in fuels	0,15
Large combustions plants and industrial emissions*	0,30
Nature protection	0,15
Environmental liability	0,10
5 Performance of authorities	0,10
Regulatory authority	0,60
Competition authority	0,10
State aid authority	0,10
Statistical authority	0,20

* in the case of Albania, the "Large combustions plants and industrial emissions" indicator is omitted from the final result as the Contracting Party does not have any plants in operation