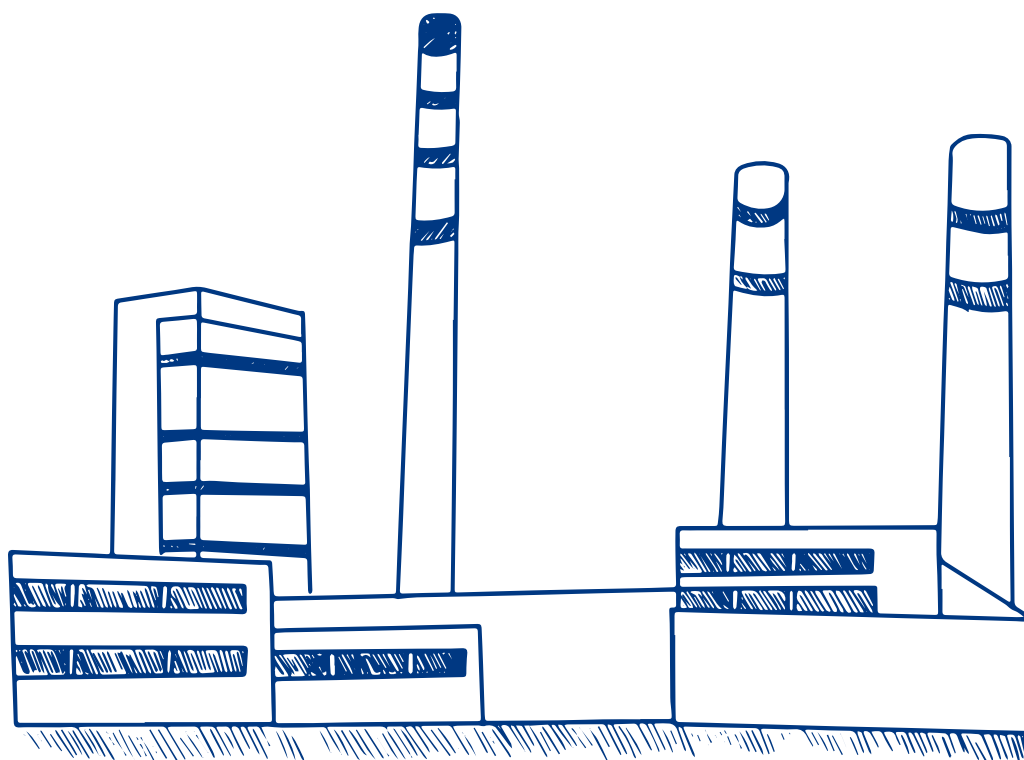


Moldova

Annual Implementation Report






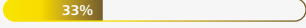


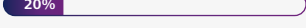











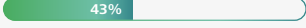


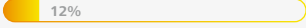






1 November 2020





Moldova

Summary Implementation

Summary Indicators	Transposition Assessment	Implementation Status	Descriptions
 Electricity			Implementation in the electricity sector of Moldova is still at an early stage.
 Gas			Implementation in the gas sector of Moldova is still at an early stage.
 Oil			Implementation in the oil sector of Moldova is yet to begin.
 Renewable Energy			Implementation in the renewable energy sector of Moldova is moderately advanced.
 Energy Efficiency			Implementation in the energy efficiency sector of Moldova is well advanced.
 Environment			Implementation in the environment sector of Moldova is well advanced.
 Climate			Implementation in the climate sector of Moldova is moderately advanced.
 Infrastructure			Implementation in the infrastructure sector of Moldova is yet to begin.
 Statistics			Implementation in the statistics sector of Moldova is almost completed.
 Cybersecurity			Implementation in the cybersecurity sector of Moldova is still at an early stage.

Overall number of cases: **3**

Procedure by Article **91**

ECS-14/16 Energy efficiency

ECS-9/17 Electricity

ECS-7/18 Environment



Moldova

State of Energy Sector Reforms

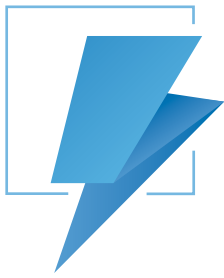
While Moldova has transposed the Third Energy Package in both the electricity and gas sectors, the state of implementation is lagging behind in some crucial aspect. Due to the lack of interconnections and procurement procedures fulfilling only rudimentary transparency requirements, an electricity wholesale market based on fair competition is still nascent. The state-owned trader Energocom continues to play a central role in the current regime by winning all electricity procurements organized by regulated suppliers and system operators. The wholesale electricity market rules, developed with the support of the Secretariat, will enter into force only in the second half of 2021. A first attempt to unbundle and certify the electricity transmission system operator, Moldelectrica, failed due to ownership and control issues. The transposition of an independent system operator model in the Law on Electricity is ongoing. The functional unbundling of the distribution system operators is still to be finalised. Moldova has yet to transpose the REMIT Regulation.

In the gas sector, unbundling of the gas transmission system operator remains to be achieved. Though Moldovagaz started to implement the unbundling plan approved by the regulatory authority, which is based on the independent transmission

operator model, this process has slowed down significantly in recent months. ANRE has established entry-exit points, still with the temporary transmission tariffs in the Moldovan gas transmission sector. A dispute between Moldovagaz and ANRE on the issue of technical losses and tariff deviations incurred by the gas distribution companies in the past was successfully resolved with the support of the Energy Community Secretariat's Dispute Resolution and Negotiation Centre. A draft law on creating and maintaining a minimum level of oil product stocks has still not been adopted.

In the area of climate and environment, Moldova has not yet started with auctions for renewable energy support, pending changes in primary and secondary legislation. The central buyer for electricity from renewable sources is the state-owned company Energocom, which is also the supplier of electricity for all the regulated electricity companies in Moldova. Moldova has still to implement the Energy Efficiency in Buildings Directive. Climate legislation is in the process of being prepared by the Moldovan authorities. Work on the National Energy and Climate Plan is still at a relatively early stage.

Moldova's electricity sector is characterized by dependence on one source, a gas-fired power plant in the Transistria region, while not being interconnected with its Western neighbour Romania. Development of the interconnection project is slow. Dependence in the gas sector, where Gazprom controls the national gas incumbent, is equally high. The Romanian system operator Transgaz is building a pipeline connecting Moldova's key consumption centres to the Romanian system, thus providing alternative infrastructure to the one from Ukraine and/or in reverse flow from Bulgaria. The country has a high potential for renewable energy projects.



Moldova Electricity

Electricity Implementation

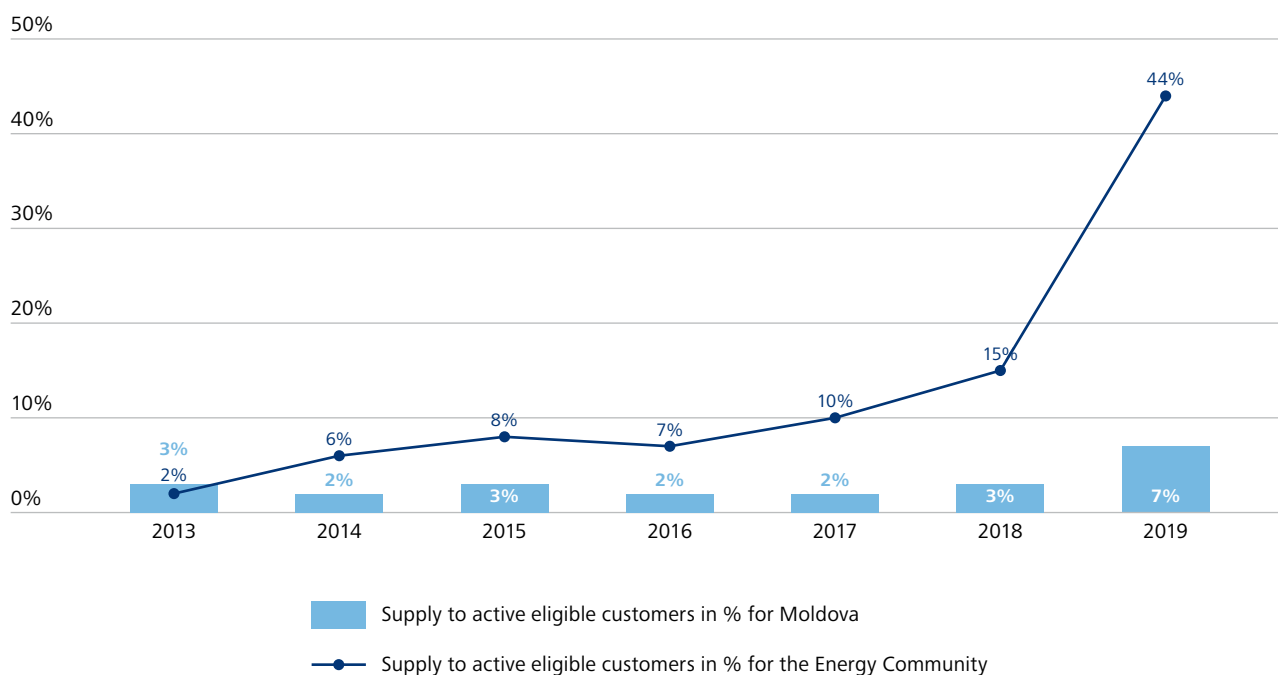
Electricity Indicators	Transposition Assessment	Implementation Status	Descriptions
Unbundling		<div style="width: 55%;"><div style="width: 55%;"></div></div> 55%	After the first failed attempt to certify the transmission system operator Moldelectrica in line with the ownership unbundling model, it was decided to use the independent system operator model instead. However, the national legal framework still needs to be amended for this purpose. Legal and functional unbundling of the distribution system operators is finalised.
Access to the system		<div style="width: 48%;"><div style="width: 48%;"></div></div> 48%	Tariffs are approved and published. The Connection Network Codes, transposed by a decision of the regulator, entered into force in January 2020. The Transparency Regulation is transposed by the wholesale electricity market rules, approved by the regulator in August 2020 and published in October 2020.
Wholesale market		<div style="width: 35%;"><div style="width: 35%;"></div></div> 35%	The wholesale electricity market rules were approved by ANRE. They will only enter into force on 2 October 2021, i.e. one year after their publication. A new procedure for procurement of electricity, also part of the wholesale market rules, will enter into force already on 1 January 2021. Transposition and implementation of REMIT is pending amendments to the Electricity Law.
Retail market		<div style="width: 53%;"><div style="width: 53%;"></div></div> 53%	Despite the fact that all customers are formally eligible, retail market competition is only slowly taking off and most of the customers continue to be supplied at regulated prices.
Regional integration		<div style="width: 12%;"><div style="width: 12%;"></div></div> 12%	The Moldovan and Ukrainian transmission system operators have made progress towards the allocation of cross-border capacities. However, the different levels of their market development make market integration difficult at this stage. The finalisation of the interconnection with Romania is expected only at the end of 2024.

There was modest progress in the electricity sector during this reporting period.

The first attempt to certify Moldelectrica failed due to lack of ownership over the assets and separation of control. A negative Opinion of the Secretariat on the preliminary certification of Moldelectrica was issued on 11 October 2019. None of the Third Energy Package unbundling models can be implemented under the current legislative framework in Moldova. The Moldovan authorities are in the process of transposing the independent system operator model in the Law on Electricity.

On 7 August 2020, the energy regulator, ANRE, approved the wholesale electricity market rules, developed with the support of the Secretariat. The rules will only enter into force one year after their publication, i.e. on 2 October 2021. The wholesale market rules transpose the Transparency Regulation. The rules also include a procedure for the procurement of electricity which will be operational as of January 2021. However, its implementation will be problematic in the absence of the transitional balancing rules which will enter into force only in October 2021. Currently, there is no mechanism for distributing the imbalances between the balancing responsible parties in Moldova.

Retail Market Opening



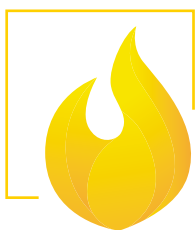
Source: Ministry of Economy and Infrastructure

The 2020 electricity procurement procedure was temporarily suspended for three months due to the Covid-19 crisis. The procedure re-commenced once the state of emergency ended. This year once again, Energocom won all the procurement procedures organised by the transmission and distribution system operators and the regulated suppliers, with electricity supplied by Moldavskaya GRES, the power plant located in the region of Transnistria. The procurement procedure is contested by Ukrainian company DTEK.

All final customers are eligible. New rules for switching the electricity supplier, aiming to simplify the procedure, were approved by ANRE. However, competition at the retail level is limited and mirrors the lack of competition in the wholesale market. The Electricity Law provides that regulated prices must be gradually eliminated; however, no concrete steps have been taken in this regard.

The electricity Network Code and a new regulation on access to the electricity transmission networks for cross-border exchanges and congestion management in the power system were adopted by ANRE in November 2019.

Cross-border capacity allocations were not yet introduced by the Moldovan transmission system operator in anticipation of joint auctions on the Ukrainian border. There is progress regarding inter-transmission system operator arrangements for the settlement of unintended deviations. The transmission system operators of Moldova and Ukraine agreed in principle on the terms of the agreement and the financial settlement of such deviations. Another obstacle to the development of competition in the Moldovan electricity market is the lack of interconnection with Romania. Asynchronous interconnection (using back-to-back stations) is expected to be finalised by the end of 2024.



Moldova

Gas

Gas Implementation

Gas Indicators	Transposition Assessment	Implementation Status	Descriptions
Unbundling			Moldova's derogation for transmission system operator unbundling expired on 1 January 2020, but certification is still outstanding. None of the existing transmission system operators have been certified.
Access to the system			Moldova's national regulatory authority, ANRE, adopted a list of entry/exit points and established a provisional tariff for natural gas transmission services. Gas Network Codes have been transposed. However, third party access in practice is incomplete, as reverse flow (backhaul) is absent. Capacity allocations are not performed in line with the Network Code on CAM.
Wholesale market			Gas market rules have been adopted. Yet, Moldova's gas market is still illiquid, monopolised and without a virtual trading point. REMIT is not transposed.
Retail market			The retail market is still heavily regulated. Supply under public service obligations and last resort is offered to all customers, without adequate eligibility criteria for such supply. ANRE's public service obligation decision envisages a seven year period for supply at regulated prices.
Interconnectivity			Gas flows through Moldova have drastically changed in 2020. The transmission system operator Moldovatrangaz has concluded an interconnection agreement with Ukraine. Security of supply rules are well defined.

During this reporting period, Moldova experienced important changes in its regulatory framework and the pattern of gas flows. Although the country is still supplied through the traditional route from Ukraine and exclusively by Gazprom, it no longer transits vast gas quantities to downstream markets of the Balkans and Turkey, which resulted in a drop of transit quantities by 20 times. This has opened up opportunities for trading and physical flows from the south to the north towards Ukraine. This potential, however, still remains untapped due to the lack of unbundling of the incumbent company, Moldovagaz, with Gazprom as dominant shareholder, and an incomplete legal framework.

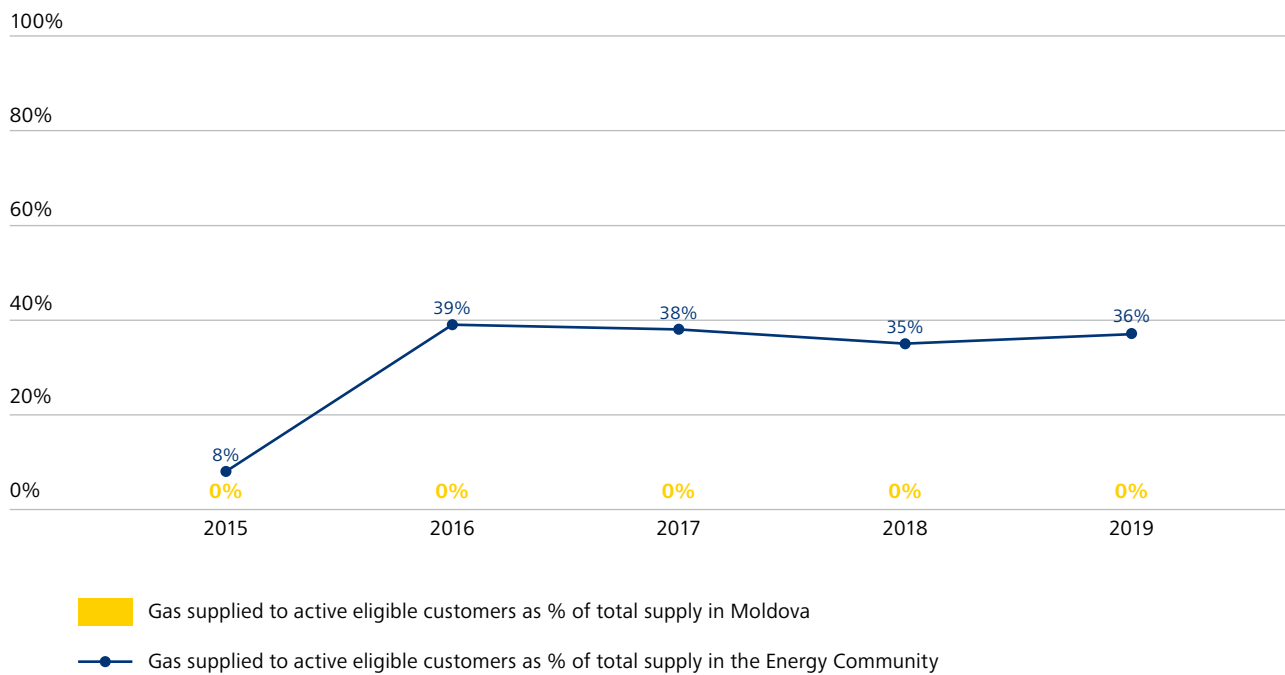
Currently, amendments to the Gas Law and other related legislative acts are being drafted to enable full reforms of the market and rectify shortcomings related to public supplies and reverse flow, as identified by the Secretariat in previous years.

In February 2020, an unbundling plan proposed by the gas incumbent Moldovagaz was adopted by the regulator ANRE. The plan envisaged application for certification by its daughter company Moldovatrangaz under the independent transmission operator model by October 2020. However, although the bulk of the work on preparatory documents has been done and consulted with the Secretariat, the plan's realisation has slowed down in the autumn of 2020, and ANRE granted an extension for four months.

Third party access to users which do not belong to Moldovagaz' shareholders is missing, only a draft transmission contract exists. Backhaul (contractual reverse flow) is still not offered by Moldovatrangaz.

The other infrastructure company, Vestmoldtrangaz, owned by the Romanian transmission system operator Trangaz, is not operational nor certified.

Retail Market Opening



Source: National Energy Regulatory Agency (ANRE), compiled by the Energy Community Secretariat

After several years of assistance to ANRE by the Secretariat, all gas Network Codes have been adopted. This was an important achievement during this reporting period, but the implementation of the Codes in practice remains very limited. In December 2019, Moldovatrangaz concluded an interconnection agreement with Ukraine in line with the Network Code on Interoperability and Data Exchange Rules.

ANRE has adopted a list of entry/exit points, with provisional tariffs for natural gas transmission services in place. The full regulatory period is expected to start this year. A major dispute between Moldovagaz and ANRE on the level of losses in the distribution grid was resolved successfully under the Secretariat's Dispute Resolution and Negotiation Centre.

At the wholesale level, no changes are visible in Moldova's gas market. It remains illiquid and foreclosed. Although gas market rules were adopted in 2019, they have not been implemented. Moldovagaz is responsible for gas imports from Russia and

exercises control over two gas transmission system operators, Moldovatrangaz and Tiraspoltrangaz. On the retail market, all final customers are supplied under regulated prices. Moldovagaz acts as a public supplier, appointed without a competitive procedure. Unlimited and untargeted public supplies are one of the main obstructions to market opening.

Moldova has adopted the full set of security of supply rules, which even go beyond the existing Energy Community acquis.

The ongoing changes in the gas flows of Southeast Europe will open up opportunities for increased security of supply and competition in Moldova. Although the country has updated its secondary regulatory framework in gas, primary legislation needs to follow suit. The major challenges remain: finalizing the unbundling of its transmission operators despite the slow-down, and accelerating efforts to make its market more liquid. In this respect, Moldova may benefit from increased market liquidity in neighbouring countries, especially Ukraine.

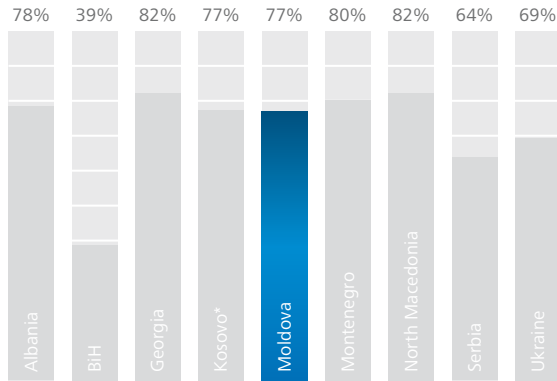


Moldova

National Authorities



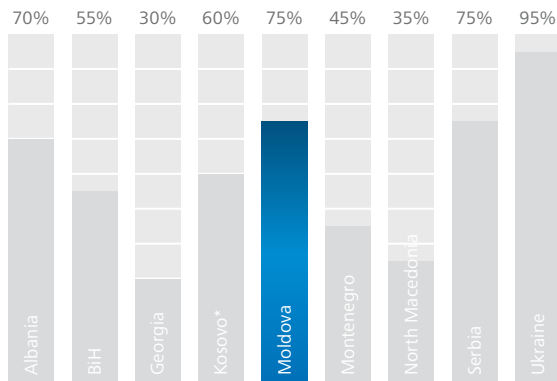
Regulatory Authority



The National Agency for Energy Regulation (ANRE) was exposed to interventions which challenged its independence during this reporting period. An amendment of the Law on the Court of Auditors suggested competence of that body to assess ANRE's performance. On technical level, ANRE demonstrated expertise, even if taking a conservative approach in fully exploiting its legal powers. ANRE adopted the gas and electricity Network Codes. Adoption of the REMIT Regulation is pending as are regulatory criteria based on which derogations from the electricity Network Codes can be granted. ANRE showed commitment to settle a dispute on gas losses mediated by the Secretariat.



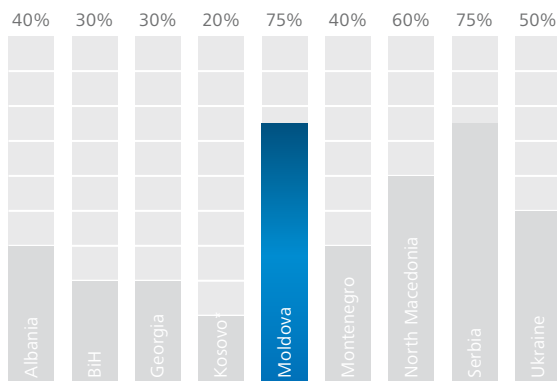
Competition Authority



In the reporting period, due to the lack of evidence, the Competition Council closed an investigation initiated in 2016 concerning the alleged abusive conduct of Moldovagaz, Gas Natural Fenosa Furnizare Energie (currently Premier Energy) and Furnizarea Energiei Electrice Nord, namely by imposing unfair prices and applying unequal conditions to customers. The Competition Council is still conducting sector inquiries into the wholesale and retail sale of petroleum products and liquefied gas, and the market for electricity production. With regard to the tariff setting for renewable energy by the national regulatory authority, the Competition Council has started to investigate a potential infringement of competition law.



State Aid Authority



In the area of State aid, in the reporting period, the Competition Council rendered a decision finding that support to Moldelectrica for the implementation of the Moldova-Romania electricity interconnection project does not constitute State aid due to the lack of effect on competition. The renewables support scheme is currently in the process of being amended and will have to be assessed by the Competition Council.



Moldova Oil

Oil Implementation

Oil Indicators	Transposition Assessment	Implementation Status	Descriptions
Stockholding obligation		<div style="border: 1px solid blue; border-radius: 10px; width: 100%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid blue; border-radius: 10px; width: 0%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid blue; border-radius: 10px; width: 0%; height: 15px;"></div> 0%	At present, Moldova has no emergency oil stocks. The country has drafted a Law on creating and maintaining a minimum level of oil product stocks.
Emergency procedures		<div style="border: 1px solid blue; border-radius: 10px; width: 100%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid blue; border-radius: 10px; width: 0%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid blue; border-radius: 10px; width: 0%; height: 15px;"></div> 0%	Moldova is currently lacking legislation concerning the release of emergency oil stocks.
Fuel specifications of petrol, diesel and gas oil for non-road mobile machinery (NRMM)		<div style="border: 1px solid blue; border-radius: 10px; width: 100%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid blue; border-radius: 10px; width: 80%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid blue; border-radius: 10px; width: 0%; height: 15px;"></div> 80%	Moldova's legal framework sets the requirements for the quality of petrol and diesel, which meet the Fuel Quality Directive's specifications. Gas oil used for NRMM is not covered.
Monitoring compliance and reporting including the lay down the rules on penalties		<div style="border: 1px solid blue; border-radius: 10px; width: 100%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid blue; border-radius: 10px; width: 0%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid blue; border-radius: 10px; width: 0%; height: 15px;"></div> 0%	In 2019, the Ministry established a working group to ensure the preparation and publication of national data on monitoring the quality of petrol and diesel in accordance with the legislation. The first such report is expected to be elaborated by the end of August 2021. Fines for not meeting the quality standards are defined in the Penalty Code of 2008.

Moldova does not maintain emergency oil stocks as required by the Oil Stocks Directive. The country has drafted a Law on creating and maintaining a minimum level of oil product stocks in 2017. The draft Law has been adapted to meet the new requirements of Directive (EU) 2018/1581 as regards the methods for calculating stockholding obligations. At the time of publication of this report, the Ministry of Economy and Infrastructure had planned to submit the draft Law for stakeholder consultation and then to submit it for adoption to the Government and Parliament by the first quarter of 2021.

The quality of fuels on the Moldovan market is regulated by the Government Decision of 2019, which amended a previous decision from 2002. The legal framework conforms with the Fuel Quality Directive to a large extent. Should gas oil used for non-road mobile machinery (NRMM) be present on the domestic market, an additional governmental decision(s), amending the Decision of 2002, should follow.



Moldova

Renewable Energy

Renewable Energy Implementation

Renewable Energy Indicators	Transposition Assessment	Implementation Status	Descriptions
National Renewable Energy Action Plan			Moldova submitted its NREAP and all three Progress Reports on implementation of the Renewables Directive to the Secretariat. The country exceeded its overall 2020 target of 17%, reaching 27,46% in 2018.
Quality of support schemes			The Renewables Law as of 2018 sets up the legal framework on support schemes for renewable energy projects. Administratively set feed-in tariffs (FiT) for small producers are implemented, while auctioning is still under discussion.
Grid integration			The Renewables Law prescribes non-discriminatory grid connection for renewable energy producers, priority dispatch and an obligation for the central electricity supplier (Energocom) to purchase the electricity and cover imbalances for eligible producers. In August 2020, the energy regulatory agency adopted electricity market rules, which implement these provisions.
Administrative procedures and guarantees of origin			There is no appointed single administrative body. However, the Energy Efficiency Agency acts as an informational one-stop shop, providing all assistance to potential investors in the fields of renewable energy and energy efficiency. An electronic system for issuing, transfer and cancellation of guarantees of origin is not in place.
Renewable energy in transport			Provisions related to the sustainability of biofuels are still not transposed and the legal framework remains completely non-compliant with Directive 2009/28/EC. The share of renewables in transport is only 0,27% compared to the objective of 10% in 2020.

The development of renewable energy is stagnating and there has been almost no progress compared to the last reporting period. The country overreached its 17% target for the share of renewable energy in gross final energy consumption by 2020 due to revision of biomass data and increasing the use of biomass in the heating sector. However, additional efforts are needed to increase the share of renewable energy in the electricity and transport sectors.

Moldova enabled a net-metering scheme for self-consumption through the Renewables Law resulting in 127 solar PV applications with 1,49 MW of installed power. At the moment, with the support of the EU4Energy Governance project and the Sec-

retariat, the scheme is being revised to address provisions of the new Renewable Energy Directive 2018/2001/EU and attract even more users.

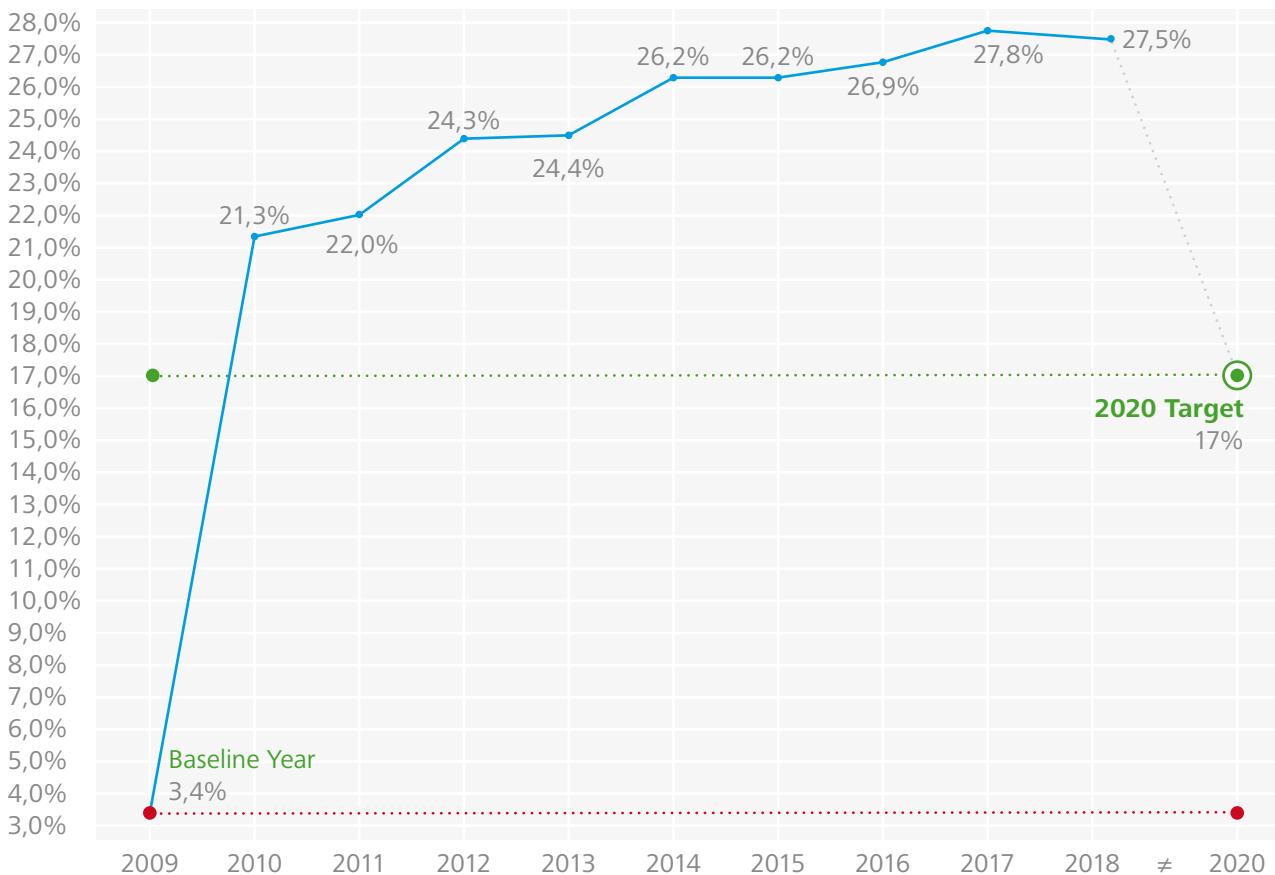
As a designated body, the energy regulatory authority adopted a secondary act on enabling guarantees of origin back in 2017. However, a system of issue, transfer and cancellation of guarantees of origin compatible with the standardized European Energy Certificate System has not been implemented.

Sustainability criteria for biofuels and bioliquids are under development and will include provisions on the establishment of a verification body.

Moldova should prioritize the adoption of secondary legislation needed to enable a market-based support scheme. This should be done in a manner allowing for transparency and avoiding further foreclosure of the electricity market. The country should also

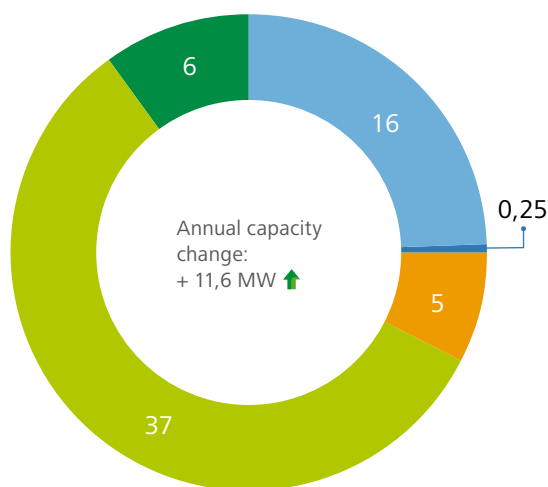
focus on transposition of provisions related to the sustainability of biofuels and implement an electronic system for guarantees of origin while continuing with the further implementation of existing legislation and promoting the use of renewable energy.

Shares of Energy from Renewable Sources



Source: Ministry of Economy and Infrastructure based on the Short Assessment of Renewable Energy Sources 2018 report

Total Capacities of Renewable Energy 2019 (MW)



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

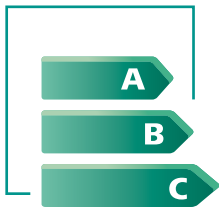
Source: National Agency for Energy Regulation of Republic of Moldova

In 2019, around 11 MW of new renewable energy capacities were added in the electricity sector. Currently, there is one hydropower plant (Costești, 16 MW), constructed in the late 1970s, 37 MW of wind and around 6 MW of biogas in operation. So far, only small projects, mostly rooftop solar, have been implemented, with accumulative capacity of around 5 MW.

Due to revision of biomass data, Moldova exceeded its overall 2020 target for renewable energy in gross final energy consumption already in 2010. And while use of bioenergy, as main renewable energy source, remains a national priority, it is important to note that the biomass, mostly firewood, is used in inefficient boilers and stoves. At the same time, several solar water heaters were installed in public institutions providing a cost-effective and environmentally friendly solution for hot water demand.

Total capacities of renewable energy (MW):

65



Moldova

Energy Efficiency

Energy Efficiency Implementation

Energy Efficiency Indicators	Transposition Assessment	Implementation Status	Descriptions
Energy efficiency targets and policy measures			The 2020 target as well as the sector specific targets were set in the 2018 Energy Efficiency Law. The NEEAP 2019 - 2021 was adopted in December 2019. In summer 2020, Moldova submitted the fourth Annual Progress Report in line with the Energy Efficiency Directive. In the reporting period, several sub-laws were adopted such as the programme for the renovation of buildings owned and occupied by central government authorities for the period 2019 - 2020 and the new Regulation on energy audit and energy auditors.
Energy efficiency in buildings			The implementation of the Buildings Directive is still incomplete. Progress in 2020 included the preparation of an updated national methodology for minimum energy performance of buildings and related certificate calculation tool, including minimum energy performance requirements. The adoption of both by-laws is pending. The national action plan to increase the number of nearly zero-energy buildings is yet to be drafted and adopted.
Energy efficiency financing			In 2019, the Energy Efficiency Agency absorbed the energy efficiency fund following a governmental decree. The Agency launches regular calls for public building renovation projects, supported by grants from the Government and the EU. A public building renovation programme supported by the EU and IFIs is to start in 2021. Energy efficiency in hospitals will be also supported by IFIs.
Energy efficient products - labelling			By end of 2019, Moldova adopted all the regulations mandatory under Directive 2010/30/EU. Moldova did not transpose Regulation (EU) 2017/1369 yet, which is planned for 2021, and hence is not in full compliance with the acquis related to energy efficient products.
Efficiency in heating and cooling			Moldova has two towns (Chisinau and Balti) which have district heating systems using combined heat and power technology based on natural gas. Biomass-fired heating systems were installed in 144 public institutions in rural communities. Moldova has not yet prepared the national assessment of its high efficiency cogeneration and efficient district heating potential as required by the Energy Efficiency Directive.

Despite the difficult circumstances caused by elections and the Covid-19 crisis, Moldova made good progress, including by drafting the missing regulations required to implement the Energy Performance of Buildings Directive, but did not to adopt these.

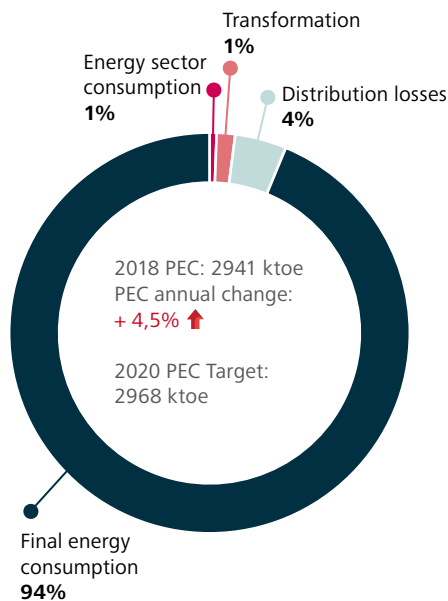
In the next reporting period, Moldova's first priority is the full implementation of the Energy Efficiency Law to bring the country into full compliance with new Directive 2012/27/EU, by adopting the by-laws on mandatory energy audits for large enterprises and the long-term building renovation strategy, that are already

drafted. The second priority is to achieve full compliance of the Law on Energy Performance of Buildings with Directive 2010/31/EU by implementing the building certification system, including

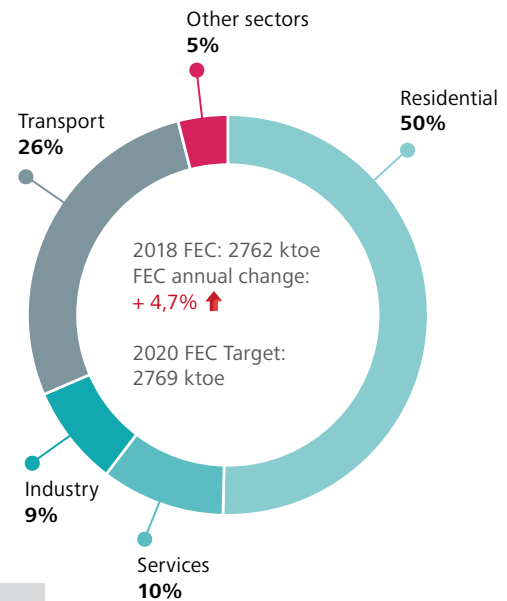
the calculation tool for building performance certificates, which are already drafted.

2018 Energy Efficiency Indicators and Trends

Primary Energy Consumption (PEC)



Final Energy Consumption (FEC)



Energy intensity, 2018 value and trends:
 0,43 ktoe/mil EUR, +0,9% ↑

Source: EUROSTAT 2020 data and Contracting Party's Annual Reports under Directive 2012/27/EU

Energy Efficient Products – Overview of Implementation of Labelling Regulation

FRAMEWORK REGULATION*											
Household dishwashers	●										
Fridges and freezers*		●									
Household washing machines			●								
Televisions				●							
Air conditioners and fans*					●						
Household tumble driers						●					
Electrical lamps and luminaires							●				
Solid fuel boilers*								●			
Space heaters*									●		
Water heaters & storage tanks										●	
Domestic ovens and range hoods											●

● Adopted and implemented ● Compliance or implementation issues detected ● No progress with adoption/implementation

* The new labelling package adopted by the Ministerial Council in November 2018 was assessed, as the transposition deadline expired in January 2020.

Source: multiple sources of data (EECG reports, NEEAPs etc.), compiled by the Energy Community Secretariat



Moldova

Environment

Environment Implementation

Environment Indicators	Transposition Assessment	Implementation Status	Descriptions
Environmental impact assessment (EIA) and strategic environmental assessment (SEA)			The amendments to Directive 2014/52/EU still need to be transposed. Improvements of the quality as well as the control of environmental reports are needed. Effective measures for the public concerned to participate in decision-making needs to be ensured both at project and plan/programme level.
Sulphur in fuels			The State Environmental Inspectorate is in charge of implementing the transposing legislation. No information is provided on sampling and analysis of fuels and the testing methods used.
Large combustions plants and industrial emissions			The Large Combustion Plants and Industrial Emissions Directives have not been transposed. Moldova does not apply a NERP nor an opt-out mechanism. Existing combustion plants meet the emission limit values of the Large Combustion Plants Directive.
Nature protection			The designation of special protected areas for wild birds is at an early stage and measures for the protection of wild birds have also not been established yet.

Work on the preparation of legislation to transpose the amendments of Directive 2014/52/EU have started. The competent authority for both types of environmental assessments is the Environmental Agency and the register of environmental impact assessments and strategic environmental assessments on its website is functional. Development consents and other administrative decisions related to the processes are systematically published. Efforts should be focused on further capacity building of the implementing authorities, with particular regard to the Environmental Agency, and improving the level of quality control of environmental reports. During the last reporting period, the approval of the environmental report of a Project of Energy Community Interest (Romania-Moldova 400 kV interconnection line) was done, while another (Vulcănești wind power plant) is in progress. With regard to strategic environmental assessment, a review of the transposing national legislation was carried out during the last reporting period. Based on its findings, amendments are being prepared.

As regards legislation on the sulphur content of liquid fuels, the Government Decision on the Reduction of the Sulphur Content of Certain Liquid Fuels transposes the provisions of the Directive into national law. The sulphur limits for heavy fuel oil and

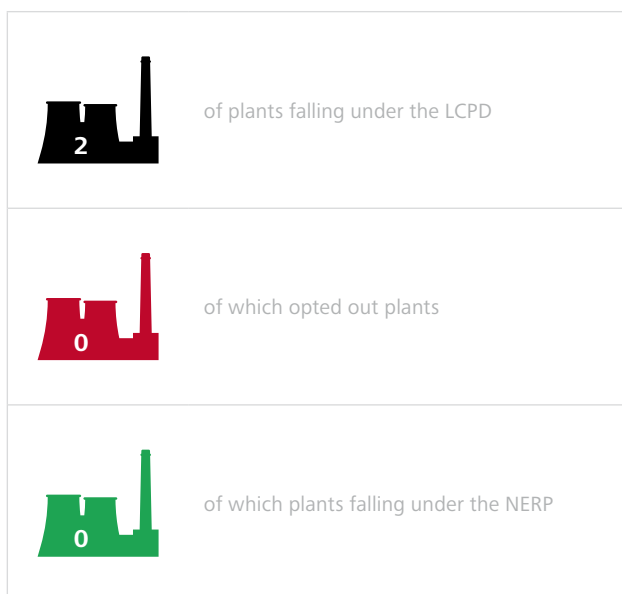
gas oil are compliant with those required by the Directive. The State Environmental Inspectorate is the competent authority for overseeing implementation of the decision and – in cooperation with the Government and border police – performing checks to verify compliance of the fuels covered by its scope. While the standards for sampling and analysis stipulated in the decision are equivalent to those in the Directive, no information is provided on the frequency, methodology and the systematic nature of quality control of heavy fuel oil and gas oil. The provisions on marine fuels do not apply to this Contracting Party.

Moldova has still not transposed the requirements of the two Directives regulating the emissions of large combustion plants into national law. To address this failure, the Secretariat initiated infringement proceedings against Moldova in September 2018 and submitted a Reasoned Request to the Ministerial Council in September 2020. At the same time, based on the technical characteristics of Moldova's two plants falling under the scope of the Large Combustion Plants Directive (with a total of eight units), the emission limit values of the Directive are complied with on an individual basis. Moldova complied with its reporting obligations under the Large Combustion Plants Directive for the 2019 reporting year.

As regards the protection of wild birds, Moldova currently has three sites designated as Wetlands of International Importance (Ramsar sites). Furthermore, 61 sites are officially adopted as Emerald sites under the Bern Convention, with nine new sites being included in December 2019. Ensuring the proper functioning of the Emerald Network by introducing and implementing measures against prohibited means and methods of killing, capture and

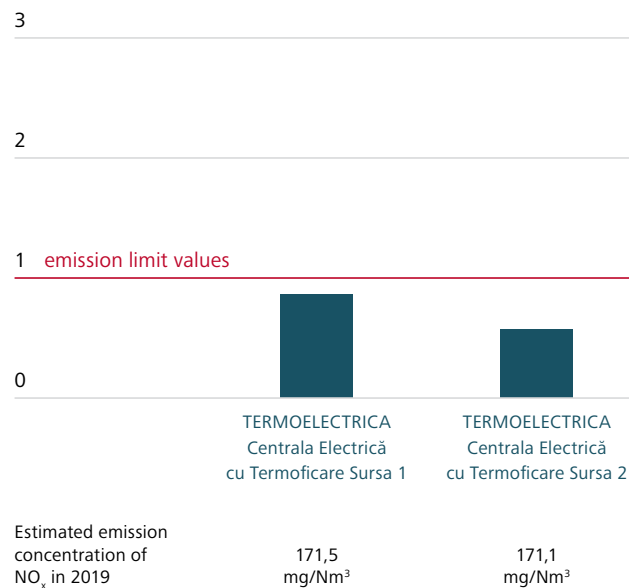
other forms of exploitation of protected species (by e.g. closed seasons or temporary or local prohibition of exploitation) would be beneficial for the future Natura 2000 classification process. The draft law amending and supplementing the Law on Wildlife, which is to transpose Article 4(2) of the Wild Birds Directive, is still not adopted.

Installations under the Large Combustion Plants Directive

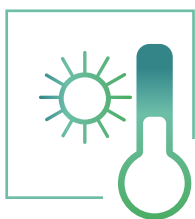


Source: compiled by the Energy Community Secretariat





2019 emissions of NO_x versus applicable emission limit values (ELV)



Source: calculated by the Energy Community Secretariat



Moldova Climate

Climate Indicators	Transposition Assessment	Implementation Status	Descriptions
National greenhouse gas emissions monitoring and reporting systems			Legislation transposing Regulation (EU) 525/2013 and a system for policies, measures and projections was adopted in a compliant manner. The Low Emissions Development Strategy is planned to be updated based on the more ambitious targets established in the country's updated NDC.
National Energy and Climate Plans (NECPs)			Moldova still needs to develop a legal basis for NECP adoption, officially set up a national working group on NECP development and start drafting.

Moldova updated and submitted its Nationally Determined Contribution (NDC) under the Paris Agreement to the UNFCCC Secretariat as the fourth country in the world on 4 March 2020. With this second NDC, the country increased the ambition level and committed to unconditionally reduce its GHG emissions by 70% below its 1990 level in 2030 and by up to 88% when receiving technical, financial and technological support from the international community.

The Regulation on the Organisation and Functioning of the National Monitoring and Reporting of Greenhouse Gas Emissions and Other Information relevant to Climate Change transposes Regulation (EU) 525/2013. The Environment Agency of Moldova was designated as the entity responsible for its implementation. The National System for Reporting on Policies, Measures and Projections is an integral part of it. This assignment also requires collecting, centralizing, validating and processing data

and required information for the inventories and reports on atmospheric pollutants and GHG emissions; implementing the provisions of policy documents and international environmental treaties to which Moldova is a party in the field of protection of atmospheric air quality and ozone layer, GHG emissions reductions and adaptation to climate change; and the elaboration and presentation of information on their implementation. The Government plans to update its Low Emissions Development Strategy 2030 based on the more ambitious targets established in Moldova's updated NDC.

The development of the analytical basis for the NECP started with external modelling support, which delivered the first results in May 2020. Current work focuses on the alignment of results with previous modelling exercises undertaken for the preparation of the second Biannual Update Report. Consultants will support the upcoming drafting process.



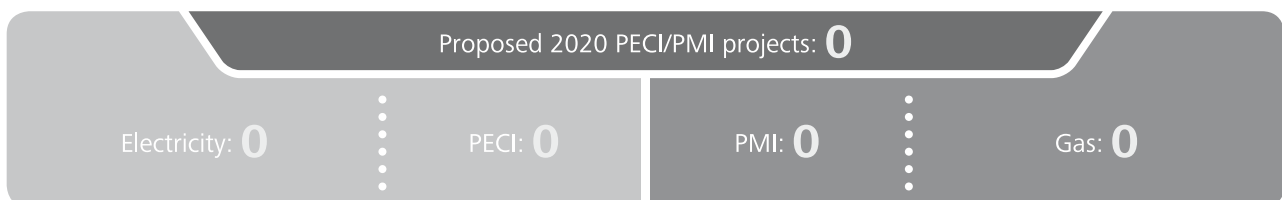
Moldova Infrastructure

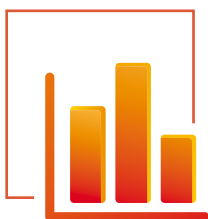
Infrastructure Implementation

Infrastructure Indicators	Transposition Assessment	Implementation Status	Descriptions
National competent authority		<div style="width: 30%;"><div style="background-color: #007bff; height: 10px;"></div></div> 30%	In order to transpose elements of Regulation (EU) 347/2013, a draft Law on amending the Law on Energy was prepared. The draft Law will be submitted for approval to the Government and Parliament by the end of 2020. According to the draft Law, the Ministry of Economy and Infrastructure is designated as the national competent authority.
Manual of procedures		<div style="width: 0%;"><div style="background-color: #007bff; height: 10px;"></div></div> 0%	There is no manual of procedures for the permitting process of Projects of Energy Community Interest or Projects of Mutual Interest. According to the draft Law, a guide on the procedures for the permit granting process shall be elaborated and published on the website of the Ministry of Economy and Infrastructure.
National regulatory authority involvement		<div style="width: 0%;"><div style="background-color: #007bff; height: 10px;"></div></div> 0%	The methodology and criteria to be used to evaluate infrastructure investments shall be defined and published by the regulatory authority after the approval of the draft Law on amending the Law on Energy.

Moldova has initiated the transposition of Regulation (EU) 347/2013 by preparing an amendment to the Energy Law, which is scheduled for adoption by the end of 2020. The Ministry of Economy and Infrastructure will act as the national competent authority. Until the amending law is adopted, Moldova does not comply with the Energy Community infrastructure acquis.

The transposition of the Regulation will facilitate the realization of ongoing strategic infrastructure projects in gas and electricity. Particularly pressing is the facilitation of the infrastructure projects related to the integration of Moldova into the Continental European power system in order to upgrade the country's security of energy supply. Unfortunately, the sole Moldovan candidate project in the 2020 PECE/PMI selection process (Trans-Balkan Corridor Bidirectional Flow between Moldova and Ukraine) was not shortlisted to receive the PECE label.





Moldova Statistics

Statistics Implementation

Statistics Indicators	Transposition Assessment	Implementation Status	Descriptions
Annual statistics			The five annual questionnaires and the questionnaire on final energy consumption of households for 2018 were transmitted to EUROSTAT.
Monthly statistics			All monthly collections were compiled and disseminated and transmitted to EUROSTAT. Short-term monthly data are reported with delay.
Price statistics			Price statistics for electricity and natural gas for 2019 were compiled and transmitted in accordance with the acquis.

Moldova transposed the general requirements on energy statistics and complies with key obligations of the statistical acquis.

In accordance with the Law on official statistics, the National Bureau of Statistics of the Republic of Moldova (NBS) is responsible for the coordination of the Moldovan statistical system.

NBS transmits annual questionnaires to EUROSTAT on time and publishes them on its website. Annual questionnaires for 2018 are compiled and transmitted in full compliance with the acquis, as well as the preliminary data for 2019. Disaggregated data on energy consumption in households are compiled and transmitted to EUROSTAT within the set deadlines. NBS also prepares information for calculation of the renewables share by the institution in charge. The established quality system has allowed NBS to timely prepare and transmit the quality report on its annual statistics in accordance with the Regulation.

The reporting scheme for monthly data has been established and NBS publishes monthly datasets for coal, oil and petroleum products, natural gas and electricity and transmits them to EUROSTAT. Natural gas and monthly oil data are also reported to the JODI database. Short-term monthly data, including oil stocks, are also reported, albeit not within the deadlines yet.

NBS has established a methodology and a reporting system to collect electricity and natural gas prices, per consumption band and broken down per price component. The price data are transmitted to EUROSTAT.

The remaining tasks are to complete the short-term monthly statistics and transmit the required monthly collections to the EUROSTAT database.



Moldova Cybersecurity

Cybersecurity Implementation

Cybersecurity indicators	Transposition Assessment	Implementation Status	Descriptions
Institutions and legislation			There is no compliant cybersecurity law covering the energy sector and a policy for designation of critical energy infrastructure is missing. The national computer emergency response team (CERT-GOV-MD) is responsible for energy.
Requirements for operators and energy regulatory authority			General frameworks for security requirements and risk management in the public sector, applicable to energy stakeholders, are in place but reporting is missing. Implementation of energy-specific rules, measures and cooperation mechanisms should follow. The energy regulator does not have competences for cybersecurity.

Moldova's general cybersecurity rules and policies are well developed and the country is gradually increasing its implementation capabilities. The state security authorities are leading in cyber protection. Energy-specific measures are in the planning phase and compliant cybersecurity legislation in the energy sector is yet to be developed.

The 2013 strategy "Digital Moldova 2020" aims to enhance cybersecurity of critical infrastructures and lists measures to identify and protect critical infrastructure including energy networks, harmonize legislation, promote information exchange and international cooperation and strengthen the computer emergency response team (CERT) capacity. The follow-up Cybersecurity Programme 2016 - 2020 goes further by introducing mandatory minimum cybersecurity standards, certification criteria, cybersecurity audit for public communication networks and other critical systems and introduction of penalties for non-compliance. The Information Security Strategy and action plan 2019 - 2024 provide a roadmap for the development of an integrated cybersecurity and defence platform but they do not contain energy-specific provisions.

EU legislation on cybersecurity is not transposed. The Law on Preventing and Combating Terrorism of 2017 specifies criteria for the identification of critical infrastructures that can be applied to oil and gas storage facilities and pipelines and transport and distribution of electricity, gas and oil. A mechanism for designation of the operators does not exist. CERT-GOV-MD is

the national CERT protecting information and communication systems of the public administration and networks, including energy, from cyber threats, implementing risk mitigation measures and responding to security incidents.

The Cybersecurity Guidelines for civil servants published in 2018 by CERT-GOV-MD provide a general framework for risk management and security measures and are applicable to the energy operators. No energy-specific risk assessment methodology and policy exist.

General cybersecurity requirements, applicable also to energy operators, are defined by the Governmental Decision on Mandatory Minimum Cybersecurity Requirements of 2017. The Decision designates the Ministry of Economy and Infrastructure as the responsible authority for implementation of cyber policy in all public sectors, including energy. It addresses security measures and internal cybersecurity systems, data protection, access to information and communication technology, obligations of the service providers and incident recovery aspects. Incident notifications are required but no enforcement measures are in place.

The role of the energy regulator ANRE is limited to approving the expenses required for ensuring anti-terrorism protection. The current legislation fails to grant the regulator competences over cybersecurity.