



EU4Energy

**Support to Modernisation of the
Energy Sector in the Republic of Moldova (STARS)**



MOLDOVA BUSINESS WEEK 2018

Energy policy elements for sustainable development and business opportunities

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STARS project

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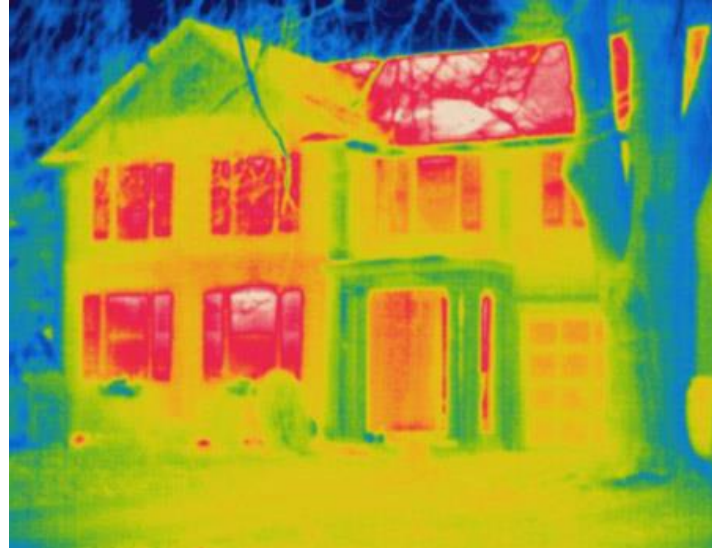
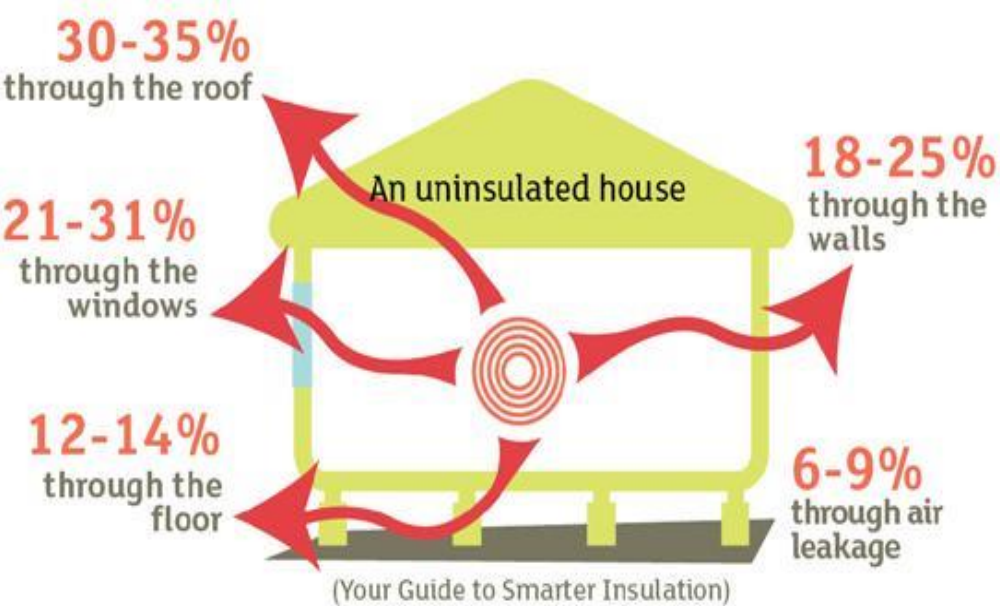
Project implemented by:



Overall RES and EE policy framework

Targets – 2020 (EU climate and energy package)	Targets – 2030 (EU climate and energy framework)
<p>The package sets three key targets:</p> <ul style="list-style-type: none">- 20% cut in GHG emissions (from 1990 levels)- 20% of EU energy from renewables- 20% improvement in energy efficiency <ul style="list-style-type: none">• RES targets• National Renewable Energy Action Plans (NREAPs) <ul style="list-style-type: none">• EE targets• National Energy Efficiency Action Plans (NEEAPs)	<p>The climate and energy framework sets three key targets :</p> <ul style="list-style-type: none">- at least 40% cuts in GHG emissions (from 1990 levels)- at least 27% share for renewable energy- at least 27% improvement in energy efficiency <ul style="list-style-type: none">• EE, RES, GHG targets• National Energy and Climate Plan (NECAP)

Renovation of the buildings first

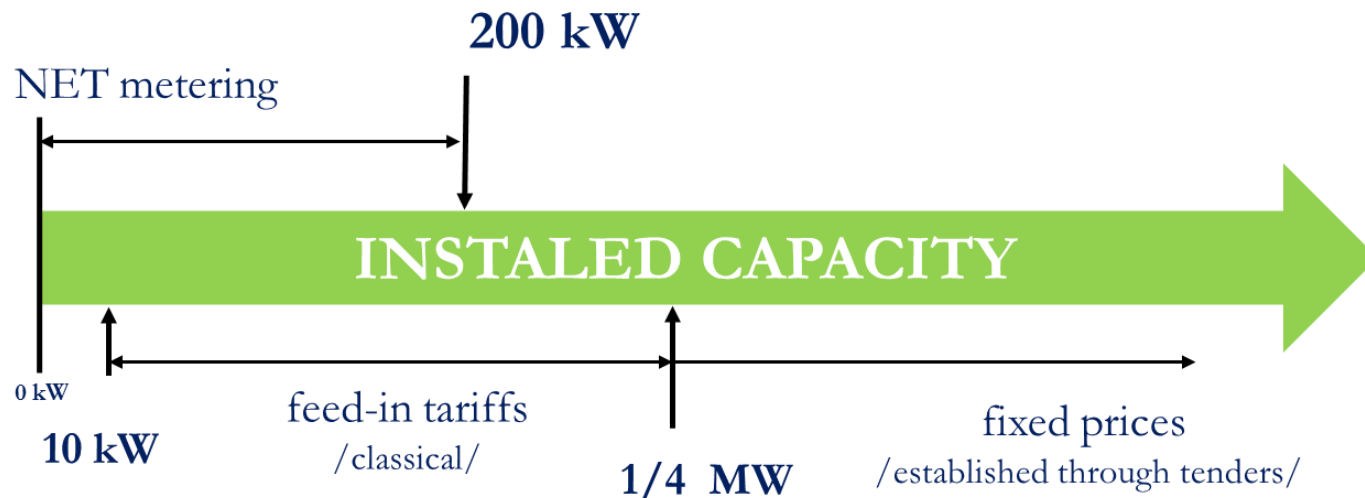


..... and then come RESs to the buildings



Legal framework for promotion of RES projects in Moldova

- **Law on the promotion of use of renewable energy sources** (Law No.10 of 26.02.2016) and a list of **secondary normative acts**; already partly elaborated and approved by the Government
- **Support schemes in the field of RES**



Capacity limit/threshold
(established by the Government for
different type of technologies)

Sources of information – ED of MoE&I

Production capacity of Renewable Energy - key characteristics

Limits of capacity, maximum rates and categories capacity, established by **GD No. 689/2018**

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

RE Generation capacity tenders

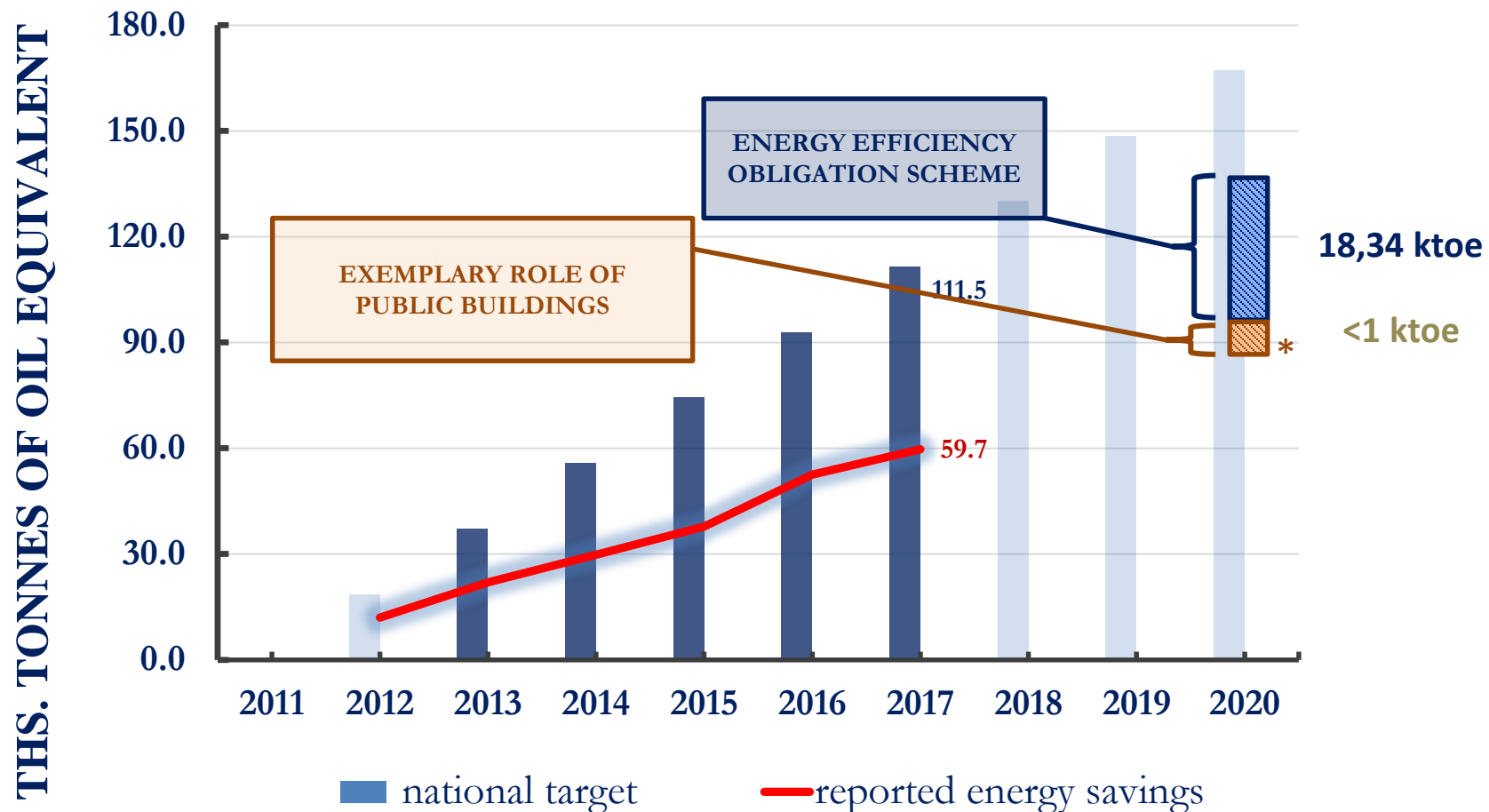
- **MoEI proposes** by letter to the Government, by **30 November of the current year**, a calendar of auctions to be organized during the following year or during the next period
- **MoEI will publish a general notice** of the planned auctions to be organized, indicating the periods of their deployment as well as the auctioned capacities by types of production technologies
- The offer with the **lowest price relative to the ceiling price** set out in the tender documentation, the aggregate capacity of which does not exceed the auctioned capacity of energy production from renewable sources, if appropriate, for respective production technology

Main provisions on EE policy in Moldova

- **Law on Energy Efficiency** (Law No. 139 of 19.07.2018) and a list of **secondary normative acts** that to be still elaborated and approved by the Government
- Main elements:
 - **Energy efficiency obligation scheme**
 - **Exemplary role of buildings** of central government authorities
 - **Obligatory energy audits** for big enterprises/ companies
 - Strengthening the local **energy managers** capacities and role of the of **local EE action plans**
 - Creation and strengthening of local **energy services market**
 - **Sustainable public procurements**
 - **Public awareness** and promotion of efficient energy use
 - **Strengthening of capacities** of the institution responsible for energy efficiency policies implementation

NATIONAL ENERGY EFFICIENCY TARGETS BY 2020

IN ABSOLUTE VALUES, ACCORDING TO NEEAP 2016-2018 VS ACHIEVED SAVINGS



Note: Energy savings to be achieved under art. 5 of the EED depends on the accepted assumptions

ENERGY EFFICIENCY OBLIGATION SCHEMES⁽¹⁾

MAIN ELEMENTS OF THE CONCEPT

Obligation:

new energy savings at the final consumer

0,7% - 2019

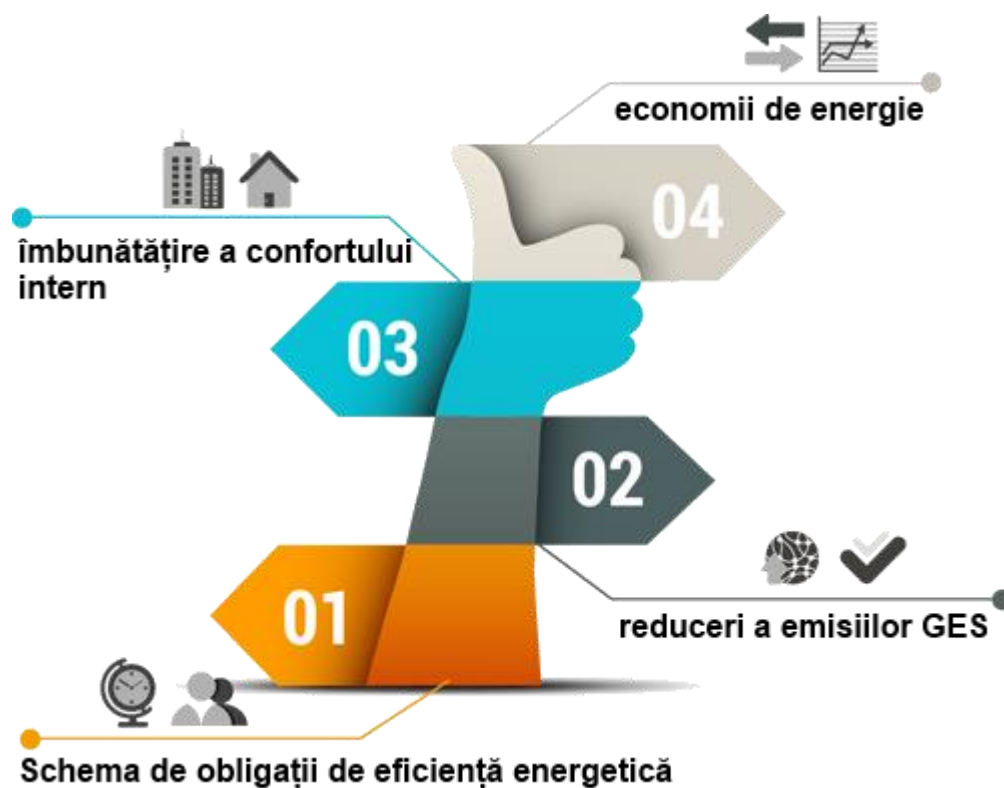
0,7% - 2020

Obligated parties:

electricity distributors,
natural gas distributors;
importers of main petroleum
products.

Implementer:

Energy Efficiency Agency



Obligatory energy audits for big companies

...once in 4 years, big companies are **obliged to audit** all their energy flows *or* implement the **energy management system** which includes energy audits as a component...

...the obligation enters into force **in one year** after the Government approves a special regulation in this respect...



Business opportunities

- Under the EED savings should be only **projects based/ measurable and trackable** therefore investments should be made into a **good quality projects** and a **proper capacity** and **good quality services** to be provided at all stages of the EE projects elaboration and implementation (energy audits, technical design, construction works, maintenance of installations after investments have been made etc.)
- A **growing demand of EE products** as the public sector will be obligated to purchase only energy efficient products
- An opportunity **to extend a scope of business** – develop **ESCO principles based services** (especially when it comes to investments into the renovation of multi-apartment buildings – a huge untapped potential for investments)

Is the private sector ready to take this opportunity and to become more competitive and extend a scope of business?

Is it only an obligation or also an opportunity?

Investments are needed to make substantial energy savings



but benefits are not measured only in the energy
and money terms.....

Local and global benefits

Much more than just saved money there are benefits that can't always be expressed in money terms



Better comfort and living conditions

Better working and learning environment for kids

Health and well-being impacts

Reduced environmental pollution