



Roles and Tools of ANRE Moldova in support of efficient infrastructure use and development

Andrei SULA, Expert
National Agency for Energy Regulation of Moldova (ANRE)

Tbilisi, June 18th, 2013

Access to network: primary legislation



Law on natural gas, no. 123/23.12.2009 and Law on electricity, no. 124/23.12.2009 (in force from 12.02.2010) transpose several EU principles:

- ✓ Access to the network at predictable, transparent and cost-reflective tariffs (art. 3, art. 8 and art. 53, Law on natural gas; art. 3, art. 8 and art. 51, Law on electricity);
- ✓ Non discriminatory access to all end-users (art. 35, art. 37 and art. 39, Law on natural gas; art. 35, art. 37 and art. 39, Law on electricity).

Access to network: Tariff setting



- ANRE Resolution No. 497 from 20.12.2012 on approval of the new Methodology on calculation, approval and application of tariffs for services of distribution of electricity and of regulated tariffs for supply of electricity;
- ANRE Resolution No. 411 from 27.04.2011, on approval of the new Methodology on calculation, approval and application of tariffs for services of transmission of electricity, amended by ANRE Resolution No. 519/30.05.2013;
- Draft of a new methodology on calculation, approval and application of tariffs for services of transmission of natural gas, distribution of natural gas and for supply of natural gas (under discussions).
- Main principles applied:
 - ❖ Rate of return based on WACC applied to the Net Value of Investments;
 - ❖ Recognition of technical losses in the tariff for transmission services and of technical and commercial losses for distribution services.

Capacity allocation mechanisms and congestion management



- Draft ANRE regulation transposing the EU Regulation No. 1228/2003/EC on conditions for access to the network for cross-border exchanges in electricity - pending approval until primary legislation is modified;
- Draft ANRE regulation transposing the EU Regulation No. 1775/2005/EC on conditions for access to the natural gas transmission networks - pending approval until primary legislation is modified;
- New capacity allocation rules will be applied for interconnectors at the border with Ukraine in the directions: Republic of Moldova – Ukraine and Ukraine – Republic of Moldova;
- Capacity allocation rules not to be applied for electric interconnectors at the Moldova-Romania border, as per ECS commentary: interconnectors which cross the border between Moldova and Romania are used to perform cross-border exchanges in island mode and do not provide a link between systems (passive island mode).

Capacity allocation mechanisms and congestion management



- Yearly and monthly allocations (explicit auctions);
- Cross-border capacity calculated using the ATC method;
 - ❖ Methodology for the calculation of NTC and TRM shall be developed cooperatively by the Moldovan and Ukrainian TSOs, and then approved by ANRE and NERC;
- Common or split allocation by TSOs?
 - ❖ To be decided upon coordination between TSOs;
- Revenues resulting from the allocation of capacity will be taken into account when approving tariffs for electricity transmission services.

Network development



- According to art. 35, art. 37 of the Law on natural gas, no. 123/23.12.2009 and Law on electricity, no. 124/23.12.2009, TSOs and DSOs develop and submit to ANRE investment plans for approval on a yearly basis;
- ANRE proposed amendments to the Law on natural gas, no. 123/23.12.2009 and Law on electricity, no. 124/23.12.2009 as to establish that ANRE shall develop and approve regulations regarding principles for planning and approval of investments for tariff purposes in both electricity and natural gas fields.



Thank you!