Annual Activity Report 2019

Contents

The year in brief

The National Agency for Energy Regulation (ANRE) continued to fulfill its mission of implementing the state policy and regulation of the energy sector and water supply and sewerage systems. ANRE has ensured the regulation and monitoring of the electricity market, natural gas market, thermal energy sector, petroleum products market and public water supply and sewerage systems while respecting the principles of accessibility, availability, reliability, continuity, fair competition, transparency, quality, safety and environmental protection.

During the year, the Administration Council of ANRE has approved a certain number of normative acts according to the Activity Plan for 2019.

In order to draft and implement the normative acts, according to the best European practices, ANRE continued to work closely with the Energy Community Secretariat. The cooperation is based on the Memorandum of Understanding, signed by both parties in July 2017. A number of regulatory acts were drafted and approved following the technical assistance and the consultations provided by the Energy Community Secretariat in 2019. These regulatory acts promote the integration of energy markets in the region and transpose the EU acquis on energy.

The most important regulatory acts approved in 2019 by ANRE are: the *electricity network code, the natural gas network code and the Natural Gas Market Rules*.

The implementation of the *Electricity Network Code* will provide the necessary grounds to connect the national electricity system with the European electricity system and develop a competitive environment on the internal power market, while ensuring a transparent and non-discriminatory access to electricity networks.

The approval of the N*atural Gas Network* Code ensures a transparent access to the natural gas transmission networks, including the cross-border transactions and provides unique cooperation procedures between system operators in the Republic of Moldova and system operators in neighboring countries, in terms of data exchange.

The *Natural Gas Market* Rules set the terms and conditions of the natural gas market organization and functioning as well as the rights and obligations of the natural gas market participants. The rules also ensure a modern and a well-functioning framework for the natural gas market in the Republic of Moldova.

Starting January 1, 2019, ANRE performs the state energy supervision. The energy supervision includes technical controls of the electrical installations, the electrical installations compliance with the requirements of the normative-technical documents in force and their operational security etc.

In 2019 ANRE has strengthened its cooperation with the European and international energy regulators. Last year ANRE has signed the Cooperation and Assistance Program with the National Energy Regulatory Authority of Romania, which aims to intensify the bilateral cooperation, implement the European standards in all regulated domains, organize trainings for ANRE employees and share the best practices in energy regulation.

The approval of consumer-oriented regulatory normative acts, which also meet the requirements of a truly functional energy market and public water supply and sewerage systems is very important when drafting and approving the secondary legislation.

ANRE will continue to focus on creating the necessary conditions to liberalize the regulated markets, harmonize the secondary legislation with the provision of the primary legislation and European market codes, encourage investments, inform and protect the legal interests of the consumers.

The Administration Council of ANRE

1. The status and the role of ANRE

ANRE has the necessary powers to regulate and monitor the activities of the electricity market, natural gas market, thermal energy sector, petroleum products market, water supply and sewerage systems, as well as competences of state energy supervision and state control of occupational safety of the electric power operators regulated by the legislation.

ANRE has the status of a legal entity and is independent in relation to other public authorities and bodies or in relation to other public or private entities, under parliamentary and judicial control.

ANRE's mission is to:

- implement the state policy in energy regulation and public water supply and sewerage, regulate and monitor the efficient functioning of the electricity market, natural gas market, petroleum products market, thermal energy sector and public water supply and sewerage systems;
- ensure the accessibility, availability, reliability, continuity, competition and transparency for all market participants;
- respect the standards of quality, security and environmental protection;
- perform the state energy supervision and state control of occupational safety of the electric power operators regulated by the legislation.

ANRE expenses are financed fully by regulatory fees. ANRE sets the amount of regulatory fees for the next year just enough to cover the necessary expenses, according to the law, and based on the estimated quantities of electricity, thermal energy, natural gas, petroleum products and liquefied petroleum gas imported in the next year as well as the estimations of the volume of public water supply and sewerage system submitted by the licensees.

The amount of regulatory fees applied in 2019 to licensees in the energy sector was 0.19% and 0.15% to licensees in public water supply and sewerage sector.

The main attributions of ANRE set in the primary legislation are:

- Drafting and approving the regulatory normative acts related to energy sector and public water supply and sewerage, provided by laws;
- Supervising the compliance of the enterprises that carry out licensed activities in the regulated sectors with the normative acts;
- Promoting, monitoring and ensuring a fair competition in the regulated sectors;
- Issuing licenses and authorizations for authorized activities in the regulated sectors;
- Changing, suspending temporarily and withdrawing the licenses according to procedures provided by sectorial laws;
- Monitoring and controlling if the conditions set for licensed activities are respected by the licensees, according to sectoral laws;
- Promoting an appropriate tariff policy that is in line with the market economy principles, so that both, the consumer's rights and the activity of the regulated energy entities and operators providing water supply and sewerage system is at minimum costs and the regulated return on investments made, are protected;
- Supervising the compliance of enterprises in the energy sector and public water supply and sewerage with the principle of "maximum efficiency at minimum costs" when calculating and approving the prices/tariffs for the regulated activities;
- Promoting the protection of consumer rights and legal interests, controlling/monitoring the compliance of consumer rights, examining consumer complaints and solving the issues between consumers and suppliers/operators;
- State energy supervision and state control of occupational safety of the electric power operators.

According to the Law on Energy, ANRE is led by 5 directors of the Administration Council. The decisions of the Administration Council are approved with the vote of at least 3 directors.

The General Director of ANRE calls the Administration Council meetings from the office or following the request of at least two directors of the Administration Council.

The procedure of organizing and conducting the Administration Council meetings and the secretarial work is set by a regulation approved by the Administration Council.

2. The Regulation issues and challenges

2019 was a remarkable year in terms of the number of normative acts approved by the Administration Council of ANRE. These normative acts align the secondary regulatory framework to the Third Energy Package. Following a collective effort, ANRE managed to materialize the result of the last few years of work and approve all the normative acts necessary to organize the activity of the licensees and the organization of the retail energy markets according to the European requirements. These normative acts guarantee the security of electricity and natural gas supply, the quality of services provided and increased flexibility to the final consumer.

The regulatory framework lays the foundations for a system based on market principles, which creates the necessary conditions to liberalize the electricity and natural gas markets and the possibility to negotiate the electricity and natural gas prices between the suppliers and final consumers.

However, during the process of monitoring the regulated energy and water supply sectors, ANRE has identified some legislative impediments which cause deficiencies in implementation as well as some factors that obstruct the development. The solution to these legislative issues and challenges exceed the functional competences of ANRE and can be solved only by engaging the central public administration with legislative initiative. While ANRE can participate actively in the providing the necessary assistance.

2.1. The Regulatory divergences and issues that require changes in legislation

2.1.1. The legislative issues regarding the procedure of issuing certain types of authorizations by ANRE

The provisions of art. 14 para. (1) letter l) and m) of the Law 174/2017 on energy, art. 49 and art. 50 of the Law 107/2016 on electricity, art. 63 and art. 64 of the Law 108/2016 on natural gas, set the competences of ANRE that include the powers of issuing, extending, re-perfecting, suspending, resuming the validity and withdrawing of the authorizations of authorized electrician, authorizations for the electrical laboratories, authorizations for the direct electric power lines, authorizations for the closed distribution systems and authorizations for the direct gas pipeline.

At the moment however there are no provisions that are set by the law regarding the necessary procedure to be followed by both the applicant and the regulator when issuing these authorizations.

The Law no. 160/22.07.2011 on regulation by authorization of the entrepreneurial activity, in art. 6, para. (1) provides that, in order to obtain the necessary documents, the applicant submits the application to the relevant authority, attaching the necessary documents, provided by the legislative act regulating this activity. However, the legislation that regulates this entrepreneurial activity: the Law no. 174/21.09.2017 on energy, the Law no. 107/27.05.2017 on electricity and the Law no. 108/27.05.2017 on natural gas, does not include these conditions (that have to be respected by the applicants) and make reference to the Law no. 160/22.07.2011 on regulation by authorization of the entrepreneurial activity.

The only provision in this sense is art. 14 para. (1) letter l) of the Law no. 174/21.09.2017 on energy, which sets the right of ANRE as a state energy supervision authority to issue, suspend or withdraw the authorizations of authorized electrician and monitor the activity of authorized electricians.

Solution proposals:

Add provisions to the Law no. 107/2016 on electricity and Law 108/2016 on natural gas that assign ANRE with the necessary competence to draft and approve the normative acts regulating the procedure of issuing, extending, suspending and withdrawing: the authorizations of an authorized electrician; the authorizations regarding the electrical laboratories; the authorizations for direct power lines; the authorizations for closed distribution systems and the authorizations for direct gas pipeline.

2.1.2. Removing the authorizations of authorized electrician from the incidence of the Law 160/22.07.2011 on regulation by authorization of the entrepreneurial activity

The review and the improvements of the permissive acts according to art. XII, point 1, para. (2) of the Law 181/22.07.2016 on the amendment and the supplement of some legislative acts in the area of regulation by authorization of entrepreneurial activity had the goal of removing/eliminating from the incidence of this law the acts that are not found in the notion of permissive act.

Thus, based on the legal effects generated by the permissive act, the authorizations for authorized electrician issued by ANRE do not fall under the incidence of permissive acts within the meaning of the Law no. 160/22.07.2011, given that they do not provide with rights and obligations the applicants/license holders related to the initiation, conducting and/or termination of an entrepreneurial activity or some actions related to this activity. These authorizations confirm only the level of qualification related to the minimum knowledge of conducting the works of electrical installations arrangement, in compliance with electricity laws and norms.

The authorized electrician provides the professional services that fall under the incidence of art. 5, point 36 of the Fiscal Code. The only requirement of obtaining the authorization of authorized electrician is to pass the exam organized by an examination commission from ANRE. The art. 2 of the Law no. 107/2016 on electricity, describes the notion of "authorized electrician – an individual authorized by the state energy supervision authority with the right to execute or verify the electrical installations and the right to prepare the documents related to these works."

The authorization of the authorized electrician is not a permissive act – according to the full sense of the Law no. 160/2011. The provisions of this Law **are totally inapplicable for these authorizations**.

Or, according to art. 2 of the Law, "permissive act – is a document by which the issuing authority determines some legal facts and that the conditions established by law are met, certifying the applicant with a series of rights and obligations to initiate, carry out and/or terminate the entrepreneurial activity or actions related and indispensable to this activity ". At the same time, the word authorization, according to the full sense of art. 41 para. (1) letter b) of the Law no. 160/2011 is defined as a "permissive act that refers to - granting of certain activity rights and meeting of certain conditions by the legal person/firm".

Proposed solutions:

It is appropriate to remove position 34, "The authorization of electrician for the arrangement of the new and reconstructed installations" from Annex no. 1 compartment III of the Law no. 160/2011.

2.1.3. Removing the regulatory uncertainties regarding the power (electricity) markets functionality

By the approval of the Law 107/2016 on electricity, the Republic of Moldova has transposed into primary legislation the provisions of the Third Energy Package. While drafting the secondary normative acts, ANRE found that some provisions of the Law no. 107/2016 need to be revised to ensure the full functionality of the power sector.

The Law no. 107/2016 does not separate clearly the functionality of the electricity balancing market from the process of solving the imbalances of the power system and imposing the balancing responsibility. Another example is that the conditionality of launching the day ahead market, intraday market and the balancing market, as well as the designation of the power market operator is somehow vague and do not provide a clear timeframe.

Proposed solutions:

Make amendments to the Law no. 107/2016 on electricity.

2.1.4. Removing the legislative uncertainties on how to reflect (calculate) the depreciation of fixed and intangible assets for tariffs purposes

The word "depreciation" that can be found in the Law no. 107/27.05.2016 and no. 108/27.05.2016 is unclear and comes in contradiction with the current accounting rules for tangible and intangible assets. According to national and international accounting rules - **depreciation and amortization** are two distinct elements of expenses. The tariffs shall allow the return of the justified amortization, but not the depreciation. There is no definition of the word "depreciation" in the Law no. 107/27.05.2016 and no. 108/27.05.2016. This has led to repeated misinterpretations by licensees. There is a high risk that unjustified costs but also the revaluation of assets are included in the regulated expenses, **which will lead to an unfair increase in regulated prices/tariffs.**

Proposed solutions:

In order to solve this problem, it is necessary to amend art. 87 para. (2) letter a) line 5 of the Law no. 107 and of art. 99 para. (3) letter a) line 4 of the Law no.108 with the following wording: "expenses related to the amortization of fixed assets and intangible assets, in order to ensure that the value of respective assets is not to be recovered through tariffs more than once, and to exclude the assets financed by third parties".

2.1.5. No primary regulatory framework to transpose the relevant methodologies according to EU Regulation 312/2014

The primary regulatory framework does not provide the necessary legal provisions to transpose and implement the methodologies relevant to electricity balancing process, as well as the right to calculate and apply the neutral tax and the imbalance tax mentioned in the EU Regulation 312/2014 on establishing a Network code on Gas Balancing Transmission Networks, according to PHLG Decision No 2019/01 / PHLG-EnC.

Proposed solutions:

It is necessary to amend the Law 108/2016 on natural gas taking into account art. 9, 14, 16, 19, 20, 22, 26, 27, 30, 39, 42, 46 of the EU Regulation.

2.1.6. Establishing some legal provisions to transpose the EU Regulation on energy market integrity and transparency

Considering ANRE's commitments to transpose the provisions of the EU Regulation on energy market integrity and transparency (REMIT) by November 29, 2019, it would be advisable and necessary to amend the Law 108/2016 on natural gas, in order to establish the obligation ANRE to transpose this Regulation.

2.1.7. Small enterprises exemption from the obligation of functional and legal separation

Currently, all distribution system operators (DSO) that hold also the supply of natural gas license are obliged to separate their supply activity from the natural gas distribution activity. The provisions of art. 26 para. (4) of Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas establish the right of the states to exempt small businesses serving less than 100 000 consumers from the obligation of functional and legal separation.

In order to support small natural gas enterprises and avoid disproportionate and heavy obligations it is advisable to exempt small enterprises (which serve less than 100,000 consumers) from the obligation of functional and legal separation provided by the Law no. 108/2016 on natural gas.

Proposed solutions:

It is advisable to amend art. 114 para. (11) of the Law no. 108/2016, with the following text: "The obligation of functional, legal and accounting separation is not mandatory for the distribution system operators, which serve less than 100 000 consumers and are not part of vertically integrated company of natural gas".

2.1.8. Standardizing the provisions of the legal framework in the regulated sectors related to the liability for violating the acceptable values of quality indicators

The provisions of the Law no. 107/2016 on electricity and the Law no. 108/2016 on natural gas set certain acceptable values of quality indicators for the licensees. If the licensees do not comply with these quality indicators they will penalized or pay a compensation to consumers. A compensation can be delivered in a reduced/discounted bill paid by the consumer for a low-quality service.

Therefore, it is advisable to amend art. 38 of Law no. 92/2014 on thermal energy and promotion of cogeneration with similar provisions so that thermal energy suppliers pay compensations if they do not comply with the acceptable values of quality indicators.

The same legal approach needs to be applied for public water supply and sewerage. The requirements on the quality of services are established in art. 30 of the Law 303/2013 on public water supply and sewerage. According to this Law *"The quality indicators of public water supply and sewerage provided to consumers are set according to consumers' needs, the technical condition of the supply systems, the investments made, etc."*

These provisions are similar to provisions set by the Law no.107/2016 and no.108/2016 on quality of services, but there are no requirements for operators to provide exact information regarding the calculations of quality indicators and, similar to the Law no. 92/2014 - there are no penalties and compensations for non-compliance with quality indicators. In this case, art. 30 of the Law 303/2013 can be applied only for certain statistical evaluations/assessments, which contributes very little to the improvement of the quality of services provided.

Proposed solutions:

In order to standardize the requirements regarding the quality of services provided by licensees in the regulated sectors and not to discriminate the consumers - it is necessary to amend art. 30 of the Law 303/2013 and art. 38 of the Law no. 92/2014 with provisions similar to those of the Law no. 107/2016 and no. 108/2016.

2.1.9. The need to abolish the outdated provisions of the normative framework

Following the approval of the Law no. 92/29.05.2014 on thermal energy and promotion of cogeneration, ANRE was assigned to regulate the thermal energy market. One of ANRE's tasks is to draft and approve the Regulation on thermal energy supply, as stipulated in art. 9 para. (1) and art. 39 para. (1) of the Law. The new regulation powers of ANRE in the thermal energy market prompts the Regulation approved by Government Decision no. 434 of 09.04.1998 to be abolished.

As soon as the Regulation on supply of thermal energy (approved by ANRE on January 26, 2017 and published in the Official Gazette no. 316-321/1581 of 25.08.2017) came into force, ANRE has notified to the Ministry of Economy and Infrastructure to abolish the Government Decision no. 434 / 09.04.1998. However, this issue hasn't been solved yet. As a consequence, ANRE is facing numerous unilateral interpretations by licensees concerning the applicability of the two regulations, which have the same object of regulation.

Proposed solutions:

In order to avoid the uncertainties for the licensees regarding the applicability of the normative framework it is necessary to abolish the Government Decision no. 434 / 09.04.1998 as being outdated.

2.2. The issues and challenges in the regulated energy sectors which require the involvement of other public authorities or institutions

Electricity and renewables

2.2.1. The energy security and the development of the interconnections with the European electricity market

The development of the regulatory framework creates the necessary grounds to strengthen the country's energy security, increase competition and develop the electricity market, but also achieve the objectives set in the Energy Strategy of the Republic of Moldova by 2030.

The Republic of Moldova relies fully on energy imports, including electricity. The development of the regulatory framework takes into consideration also the development of an infrastructure for alternative sources of energy (the interconnection with Romania's electricity sector, building power plants for electricity and renewable energy production).

2.2.2. The legislative barriers in neighboring countries that have an impact on electricity market competition in the Republic of Moldova

A very important aspect of the electricity markets integration process is to guarantee access to electricity transmission networks, while providing clear, transparent and non-discriminatory market conditions to all market participants.

The Regulation on access to electricity transmission networks for cross-border exchanges and congestion management approved by ANRE is line with the EU principles and rules. However, due to the legislative barriers in Ukraine, the allocation of interconnection capacity between the Republic of Moldova and Ukraine is made unilaterally only by the transmission system operator in Ukraine.

Proposed solutions:

Conduct further discussions with the Ukrainian government in order to adjust the legislative framework. This issue is also monitored by the Energy Community Secretariat.

2.2.3. The process of unbundling the transmission system operator (TSO) and the certification of the system operator

In 2019 Moldelectrica initiated the certification procedure for the transmission system operator. Some legislative issues were identified during the certification process which prompted the Energy Community Secretariat to give a negative notice. According to this notice Moldelectrica did not comply with the unbundling requirements because the company's managed assets are public property, although according to art. 26 of the Law no. 107/27.05.2016 on electricity, all assets related to electricity transmission activity must be the private property of the TSO.

According to art. 19 para. (3) of the Law no. 246/23.11.2017 on the state enterprise and the municipal enterprise, the Government was expected to initiate the reorganization of the state enterprises into other legal forms of organization provided by the legislation by 22.12.2019. This provision has not been amended yet, and remains the main impediment in the process of unbundling the TSO.

Proposed solutions:

In order to succeed with provisional certification of Moldelectrica TSO it is necessary to finalize the process of reorganization of the state enterprise and transfer the electricity transmission assets from public property to the TSO private ownership.

The thermal energy market

2.2.4. Disconnection from district heating systems

Since 2001 there have been continuous disconnections of consumers from the district heating systems. Over 24.1 thousand apartments (about 11% of the total number of apartments) with a total thermal load of 85.2 Gcal/h, have been disconnected in the capital Chisinau until now.

The thermal load of consumers connected to district heating system, in the second largest city of Bălți, decreased from 148.7 Gcal/h to 104.76 Gcal/h. The decrease was registered for all categories of consumers: the residential consumers (from 104.5 to 75.57 Gcal/h), state funded organizations (from 31.3 to 19.73 Gcal/h), companies (from 12.9 to 9.46 Gcal/h). Out of 753 apartment blocks

29% or 12341 apartments, from a total of 753 apartment blocks with a total area of 1536674.7 m², are disconnected from the district heating system.

The Law no. 92 / 29.05.2014 on thermal energy and promotion of cogeneration provides the rules and conditions of disconnecting from the district heating system, and connecting to another heat source. There are some house building rules that set the requirements for the design, construction and operation of the heat supply systems in apartments with gas-fired heat generators (for example: NCM G.04.04: 2012, NCM G.05.01: 2014, etc.).

Proposed solutions:

In order to support the development of the district heating system, it is necessary to abolish the Government Decision no. 267/12.03.2003 on the optimization of the procedure for installing gas boilers in the apartments, houses and social sites (Official Gazette no. 46-47/272/14.03.2003).

2.2.5. Consolidate and optimize district heating systems in Chișinău and Bălți

The two licensees that manage the district heating systems in Chișinău are: S.A. "Termoelectrica" (2 CETs, South CT, West CT, 19 suburban CT) and S.A. "Apa Canal Chisinau" (that is managing the 3 thermal powers stations, one at the Airport, and 2 in Costiujeni and Codru areas). The core business of S.A. "Apa Canal Chisinau" is to provide public water supply and sewerage system. For the last few years the company has been trying to transfer the 3 heat plants to S.A. "Termoelectrica." However, this process has not been finalized.

The city of Balti, is in a similar situation. The licensees of S.A. "CET-Nord" (1 CETs, 1 CT) and the municipal enterprise Î.M. "Termogaz Bălți" manage 9 heat plants.

In both cases the tariffs for heating are different, which generates confusion and disputes. While it is not possible to change the supplier.

Proposed solutions:

The Government and the local authorities (Chisinau City Hall and the Balti City Hall) can examine and solve this issue.

Natural Gas

2.2.6. The natural gas networks without ownership

As of January 1 2020, the natural gas system of the Republic of Moldova has about 25.8 thousand km of natural gas networks in operation, out of which: 38.1% belong to licensees; 25.4% belong to

individuals, associations and groups of individuals; 24.7% belong to the central and local administration authorities; 7.3% belong to legal entities/firms, and 4.5% have no owner.

These gas networks are operated by licensees according to industrial security normative-technical documents based of industrial security based on contracts. The records of gas networks (with no owners) operations are kept in separate books. These gas networks operate according to the same rules.

The expenses for the technical maintenance of these networks are included in the natural gas tariffs approved by ANRE, taking into account the provisions of the Regulation on the transmission of gas networks to gas companies of S.A. "Moldovagaz" for technical service, approved by Government Decision no. 683/18.06.2004. The problems related to the natural gas networks with that have no owners emerge in case of renovation works or capital repairs. According to the Regulation approved by the Government Decision no. 683/18.06.2004, these expenses are covered by the owners of the natural gas networks.

The natural gas networks have a useful life of 20-25 years. The gas networks that were built from state budget sources through the implementation of the State Programs in 2001-2005 will soon need capital works, which will be financed again from state budget sources.

Also, by Government Decision no. 983/22.12.2011 on corporate, institutional and financial restructuring of the district heating system in Chisinau, the Concept on corporate, institutional and financial restructuring of the district heating system in Chisinau and Action plan for the implementation of the Concept was approved. According to point 14.3.3. the regulation of the debts of the newly created enterprise towards the natural gas suppliers will be carried out by the capitalization of the public property gas pipelines and other assets, as well as the sale of the property of enterprises that have been reorganized by merging (SA “CET-1”, SA “CET-2” and SA “Termocom”).

Proposed solutions:

It is advisable that this issue is discussed on a parliamentary platform in order to find a solution and do the necessary changes in legislation.

2.2.7. Refusing to accept any obstructions on the natural gas market from companies with suspended licenses

According to art. 17, para. (5) of the Law on natural gas no. 108/27.05.2016: “In case of license withdrawal for natural gas transmission, distribution or storage [activities], as well as the license withdrawal for suppliers that ensure the supply of natural gas in the context of public service obligations established in art. 89 and 90, ANRE shall designate a new licensee, in the framework of public service obligations, to carry out one of the activities mentioned, instead of the licensee who has its license withdrawn. The natural gas company that has its license withdrawn **shall not obstruct in any way the activity of the designated licensee. It will provide the designated licensee with all the necessary information and documents to carry out its activity**”.

When a designated licensee starts to carry out the licensed activity it will most likely experience some obstructions from the previous natural gas company that has its license withdrawn (for example: ÎM „SEF-Gaz” SRL which started to conduct licensed activity in the city of Soroca).

Proposed solutions:

Amend the Law no. 108/27.05.2016 on natural gas so that the licensee that have their licenses withdrawn to transfer unconditionally all the necessary information and the natural gas networks to the newly designated licensee.

2.2.8. Recovering the operating expenses of SRL „Vestmoldtransgaz”

According to art. 30 paragraph (2) of the Law 174/21.09.2017 on energy the Government may impose public service obligations and may set payments for the development, modernization, operation or maintenance of strategic objects if the income from or related to the development, modernization, operation or maintenance of strategic objects does not cover the justified costs related to these activities.

Also, according to par. (5), the payments for the development, modernization, operation or maintenance of strategic objects may be set to cover (partially or fully) the justified costs related to the development, modernization, operation or maintenance of an object of a strategic importance. And may be imposed on some or all participants in one or all the energy markets in a transparent and non-discriminatory manner, depending on the importance of the strategic object, which needs development, modernization, operation or maintenance.

Proposed solutions:

The Government could propose amendments of the legal framework regarding the issue of recovering the operational expenses of SRL "Vestmoldtransgaz".

Public water supply and sewerage

2.2.9. The financial difficulties of the operators related to waste management

While monitoring the activity of public water supply and sewerage ANRE has identified a few issues related to waste management.

Art. 3 of the Law no. 209/2016 on waste, sets the mechanisms of waste management that also includes energy recovery. Whereas, art. 13 stipulates that waste producers and waste owners have the obligation to capitalize on waste, ensuring an efficient waste management in order to reduce the damaging effects on the environment.

The biogas cogeneration plants (gas produced from sewage sludge) represent a mechanism that help achieve the objectives proposed by the Law no. 209/2016 on waste, in particular, "prevention or reduction of adverse effects caused by the production and management of waste, as well as, reduction of the overall effects of resource use while increasing the efficiency of their use”.

Therefore, the activity of biogas cogeneration plants around the country is a sustainable solution for the gas that is produced naturally during the fermentation process of waste. This gas can be used to produce electricity, thermal energy as well as digestate (a high quality natural fertilizer).

Proposed solutions:

The allocation of financial resources to promote such technologies nationwide.

Energy Supervision

2.2.10. The low degree of compliance with requirements of the power system operators

The most frequent deviations and deficiencies detected in the electricity networks of the system operators are: the free access to substations, the non-compliance of the overhead power lines (OHL) protection 0.4 and 10 kV; the oil leaks of the power transformers; a lack of overvoltage protection devices; tree branches that cause some issues for OHL in the protection zone; no repeated connections

of the protective conductor with repeated grounding outlet; non-compliance with the OHL size requirement; advanced or damaged pylons; access to the active parts of power transformers; the authorized electricity labs do not perform the necessary measures and tests of the equipment and machinery, and do not fill in the technical reports, etc.

Proposed solutions:

Most system operators see the prescriptions as optional recommendations, not as mandatory measures that need to implemented. It is necessary to amend the legislative framework, and in particular the Contravention Code in order to create the premises that set and apply the contraventions that are meant to prevent against damages, fires, electric shocks and explosions.

2.2.11. Failure to comply with the requirements of the Regulation on protection of electricity networks

The construction authorizations for residential houses, buildings, other constructions issued by public authorities in the electricity networks protection areas are not coordinated with system operators. This leads to a higher risk of electric shocks for builders and later for residents of these houses.

Proposed solutions:

Amend the legislation so that firms or individuals cannot build houses in protection areas of electricity networks and local authorities coordinate/double check with system operators before issuing construction permits for houses, buildings, other constructions.

2.2.12. The issues identified following technical inspections of electrical installations conducted to prevent damage, fire, electric shock and explosions

According to Art. 14 para. (1) letter o), of the Law no. 174 of 21.09.2017 on energy, ANRE performs technical controls of electrical networks and installations in order to prevent damages, fires, electric shocks and explosions and issues prescriptions for individuals or firms in case of non-compliance with technical documents (requirements).

Following the 1876 technical controls of electrical installations that belong to final consumers (firms and public institutions), the authorization of the new or reconstructed installations and the assessment of employees' knowledge - ANRE has identified some issues that could lead to damages, fires or electric shocks.

According to ANRE's inspection the main issues are:

1. Almost 70% of public institutions, do not hire specialized personnel or have contracts with specialized firms that provide service for the electrical installations. No specialized maintenance tests of the electrical installations are done either;
2. Due to financial shortages the prescriptions issued to public institutions to remove the violations of the provisions of the normative documents are implemented at 39% only;
3. 22 medical institutions (district and municipal hospitals) do not ensure the category I of mandatory reliability of the power supply of the electric devices according to the initial projects;
4. Approximately 323 substations (PT-10/0.4 kV) and 120 overhead or cable 6-10 kV power lines that belong to final consumers are operated with deviations from the provisions of normative documents;
5. Most autonomous thermal power plants on biomass, coal and wood that are in possession of public institutions are operated by unqualified, untrained and untested personnel;
6. The electrical installations at the rest camps for children, amusement parks, water pump stations, irrigation systems, farms, etc., are in an unsatisfactory technical state. The requirement of conducting technical checks at these electrical installations is not stipulated by the legislation and

ANRE encounters problems when carrying out technical checks to prevent damage, fires or electric shocks.

The following measures and solutions could improve the state of electrical installations that belong to consumers:

1. Analyze the possibility of creating specialized subdivisions of the Education Councils/Directorates, municipal enterprises, other public institutions, that would have authorized personnel to ensure the maintenance of the electrical installations;
2. The Education Councils/Directorates, municipal enterprises and other public institutions can allocate financial resources and sign contracts with electrical laboratories to perform the very minimum set of tests of the electrical installations;
3. Restore the power supply sources at the medical institutions according to the initial projects;
4. Set of obligations for consumer electrical installations to perform technical tests before the start of the seasonal activity;
5. Facilitate the procedure of transferring the electrical installations (with 6-10 kV voltage) that belong to public institutions to system operators, in particular, the electrical installations that are used by system operators to transit electricity to other consumers;
6. Provide training and assess the knowledge of the personnel that serve the thermal power plants that use biomass, coal and wood, in specialized training centers.

2.2.13. Implement the recommendations of the Court of Accounts of Republic of Moldova (Decision no. 58/25.10.2019)

According to point 2.1 of the Decision of the Court of Accounts no. 58 of 25.10.2019 "The Audit Report on compliance of the public funds management by the National Agency for Energy Regulation in 2018", ANRE has an obligation to notify the Parliament on the opportunity to set legal instruments to combat non-compliance with regulatory payments deadlines by licensees.

Thus, it is proposed to modify the legal framework for the implementation of the recommendation of the Court of Accounts.

Proposed solutions:

Amend the legal framework in order to implement the recommendations of the Courts of Account of Republic of Moldova.

3. The evolution of energy and water supply and sewerage sectors regulated by ANRE

3.1. Electric power sector

According to electricity flows data, during 2019, the transmission system operator (TSO), distribution system operators (DSO) and suppliers have purchased 4,301.9 million kWh, 0.05% less compared to 2018 (4,303.9 million kWh). 3,875.1 million kWh was delivered to final consumers, which is 0.3% more compared to the previous year (3,862.7 million kWh). The level of technological consumption and electricity losses in electricity distribution networks decreased in 2019, by 0.2 percentage points (or 8.1%) compared to 2018.

Table 1. The electricity quantity purchased and delivered to final consumers * (2001 - 2019)

Indices	Unit of Measurement	2001	2005	2010	2017	2018	2019
1. The total amount of electricity purchased	**mil. kWh**	3 194,8	3 359,5	3 835,7	4 066,4	4 178,8	4 301,9
	mil. MDL	1 161,6	1 180,1	2 905,5	4 027,3	4 152,1	4 542,9
2. The average price of purchased electricity	**bani/kWh**	36,36	35,13	75,75	99,04	99,36	105,60
3. The total amount of electricity delivered to final consumers	**mil. kWh**	2 166,0	2 585,0	3 229,2	3 637,4	3 737,6	3 875,1
	mil. MDL	1 376,4	1 943,1	4 320,4	7 048,2	6 926,8	6 806,5
4. Average price of electricity supply (excluding VAT)	**bani/kWh**	63,55	75,17	133,80	193,77	185,33	175,65

The table provides information up to 2019, and does not include the final consumers who have made use of the status of eligible consumer".

The data provided in Figure 1 shows a year-on-year decrease of 3.1 million kWh (0.4 percent) to 801.1 million kWh of electricity produced. The electricity produced in 2019 is about 57.5 million kWh or 6.7% below the average annual level of electricity production, registered since 2001. Likewise, the amount of electricity produced in 2019 was 23, 2% lower compared to the maximum quantity produced during this period (1 042.9 million kWh in 2001).

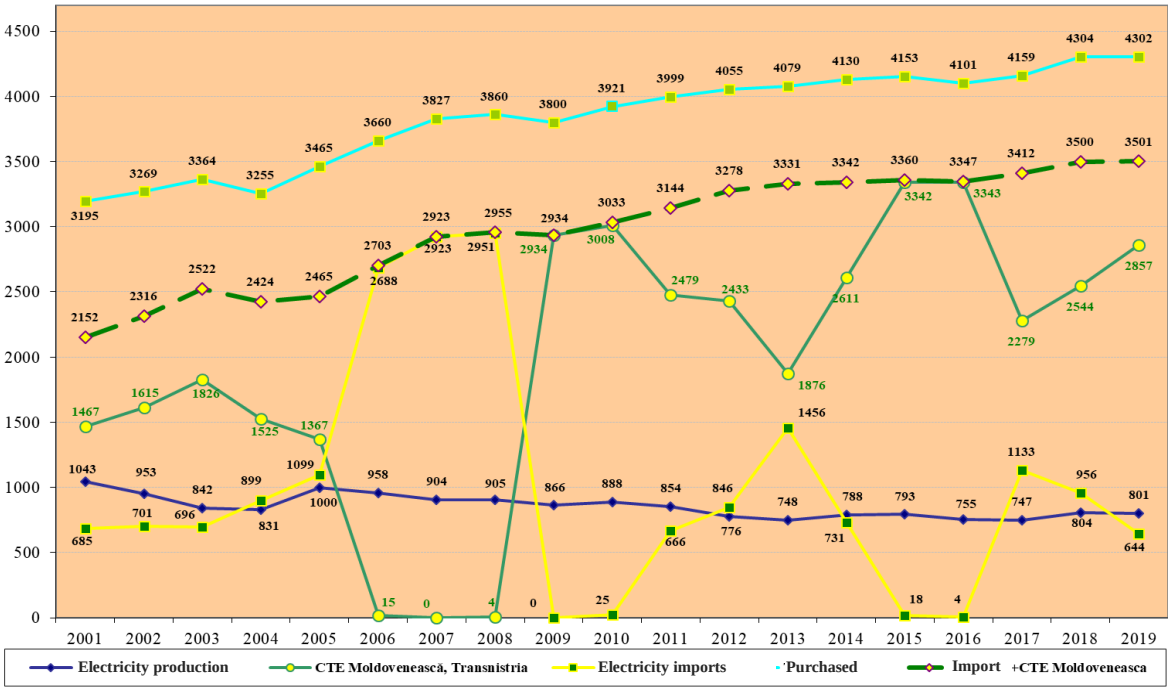


Figure 1. The evolution of electricity production, import and procurement, 2001-2019, million kWh

Source: *ANRE. Reports from licensees*

The evolution of electricity production in 2019 was influenced by the decrease of electricity production at combined heat and power plants, as well as, by the increase in electricity generated by electricity installations from renewable sources (Figure 2). Thus, the amount of electricity produced by S.A. "Termoelectrica" amounted to 601.3 million kWh, 49.8 million kWh (7.6%) lower compared to previous year (651.1 million kWh). S.A. "CET-Nord" generated 58.3 million kWh, 11.2% higher compared to 2018 (53.8 million kWh). The electricity produced from renewable energy sources increased overall by 42.0 million kWh (43.3%) compared to 2018.

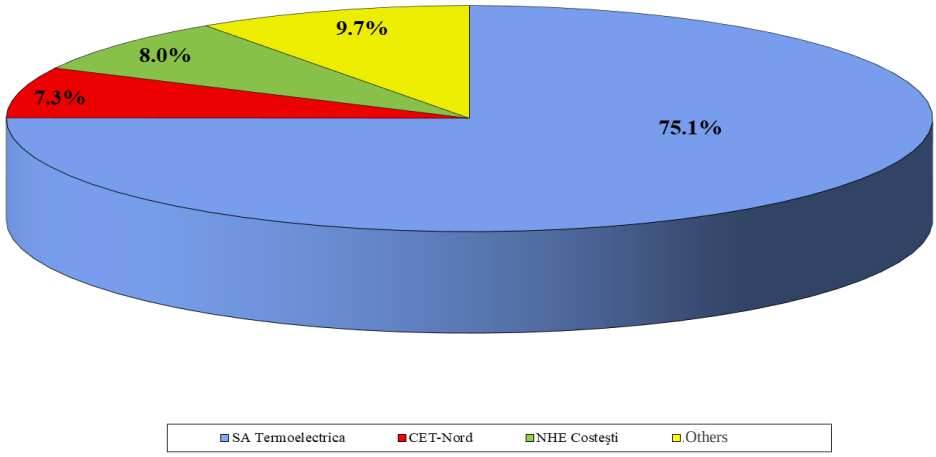


Figure 2. The electricity production structure (%) in 2019

Source: *ANRE. Reports from licensees*

As shown below, Î.S. "NHE Costești" increased its electricity production (by 46.5% or 20.3 million kWh), while other producers of electricity from renewable sources delivered in 2019, 21.6 million kWh (40, 6%) more compared to last year.

The electricity produced and delivered by sugar plants increased by 0.5 million kWh, or 25.2% (2.5 million kWh).

Table 2. Electricity production and procurement during 2001-2019

Indices	2001	2005	2010	2017	2018	2019
Electricity production (delivered from power lines) - total, million kWh	1 042,9	999,8	888,1	747,4	804,2	801,1
incl.: CET-1	115,4	128,9	82,0	×	×	×
CET-2 (from 2015 – Termoelectrica)	812,6	724,7	665,4	619,3	651,0	601,3
CET-Nord	31,5	55,5	57,1	48,4	53,9	58,3
NHE Costeşti	72,2	83,8	78,3	46,9	43,7	64,0
Other domestic producers	11,2	6,9	5,3	32,8	55,5	77,4
The total electricity purchased, million kWh	3 194,8	3 465,1	3 915,6	4 159,0	4 303,9	4 301,9
incl.: RED Nord	569,7	588,1	651,0	53,2	85,0	76,4
RED Nord-Vest	314,9	287,1	342,4	29,5	×	×
Premier Energy Distribution (RED Union Fenosa)	2 310,2	2 484,3	2 842,	234,9	243,2	243,9
Premier Energy (GNF Furnizare Energie)	×	×	×	2 704,4	2 767,6	2 621,5
FEE Nord	×	×	×	933,1	970,0	972,7
Moldelectrica	×	×	×	111,3	112,9	106,5
Consumers that made use of eligibility status	×	105,6	80,0	92,6	125,1	280,9

Source: *ANRE. Reports from licensees*

It is important to point out that the quantity of electricity generated and delivered into the electric power grid remains well below the level of consumption as domestic production (the right side of Dniester River, except Moldovan CTE) covers only 18.6% of demand. The deliveries to final consumers increased by 0.3% compared to 2018 while electricity production is 6.3% below the average annual levels recorded in 2001-2018. This shows an increased vulnerability of the national power sector.

The electricity consumption of the final consumers amounted to 3,875.1 million kWh in 2019, which is 12.4 million kWh higher compared to 2018. The increase in electricity consumption in 2019 continues the upward trend in electricity consumption recorded since 2001.

Table 3. Electricity delivered during 2001-2019

Indices	2001	2005	2010	2017	2018	2019
Total electricity delivered to final consumers (electricity consumption), million kWh	**2 166,0**	**2 695,1**	**3 311,6**	**3 730,0**	**3 862,7**	**3 875,1**
incl.: RED Nord	391,0	483,2	564,7	×	×	×
RED Nord-Vest	181,0	220,3	288,6	×	×	×
RED Union Fenosa	1 594,0	1 881,6	2 375,9	×	×	×
Premier Energy (GNF Furnizare Energie)				2 704,3	2 767,6	2 621,5
FEE Nord				933,1	970,0	972,7
Consumers that made use of eligibility status	×	101,6	77,4	92,6	125,1	280,9
Other consumers	×	8,4	5,0	×	×	×

Source: *ANRE. Reports from licensees*

The electricity consumption of Î.C.S. Premier Energy S.R.L. (former Î.C.S. „GNF Furnizare Energie" S.R.L.) decreased by 146.1 million kWh or 5.3%, while the electricity consumption of S.A. FEE Nord increased by about 2.7 million kWh or 0.3%. The increase in electricity consumption of final consumers who made use of the status of eligible consumer reached 155.8 million kWh, or 124.5%.

Table 4. The structure of electricity deliveries for different types of final consumers

Type of consumers	2017		2018		2019		2018 / 2017			2019 / 2018		
	mil. kWh	%	mil. kWh	%	mil. kWh	%	mil. kWh	%	p. p.	mil. kWh	%	p. p.
The total consumption of electricity (delivered to consumers)	**3 730,0**	**100,0**	**3 862,7**	**100,0**	**3 875,1**	**100,0**	**+132,7**	**+3,6**	**0,0**	**+12,4**	**+0,3**	**0,0**
incl.: household consumers	**1 635,7**	**43,9**	**1 637,5**	**42,4**	**1 663,2**	**42,9**	**+1,8**	**+0,1**	**-1,5**	**+25,7**	**+1,6**	**+0,5**
urban	866,7	23,2	857,7	22,2	859,2	22,2	-9,0	-1,0	-1,0	+1,5	+0,2	0,0
rural	769,0	20,6	779,8	20,2	804,0	20,7	+10,8	+1,4	-0,4	+24,2	+3,1	+0,5
non-household consumers	**2 094,3**	**56,1**	**2 225,2**	**57,6**	**2 211,8**	**57,1**	**+130,9**	**+6,3**	**+1,5**	**-13,4**	**-0,6**	**-0,5**

Source: *ANRE. Reports from licensees*

The change in electricity consumption in 2019 compared to 2018 differs depending on the type of final consumers (Figure 3).

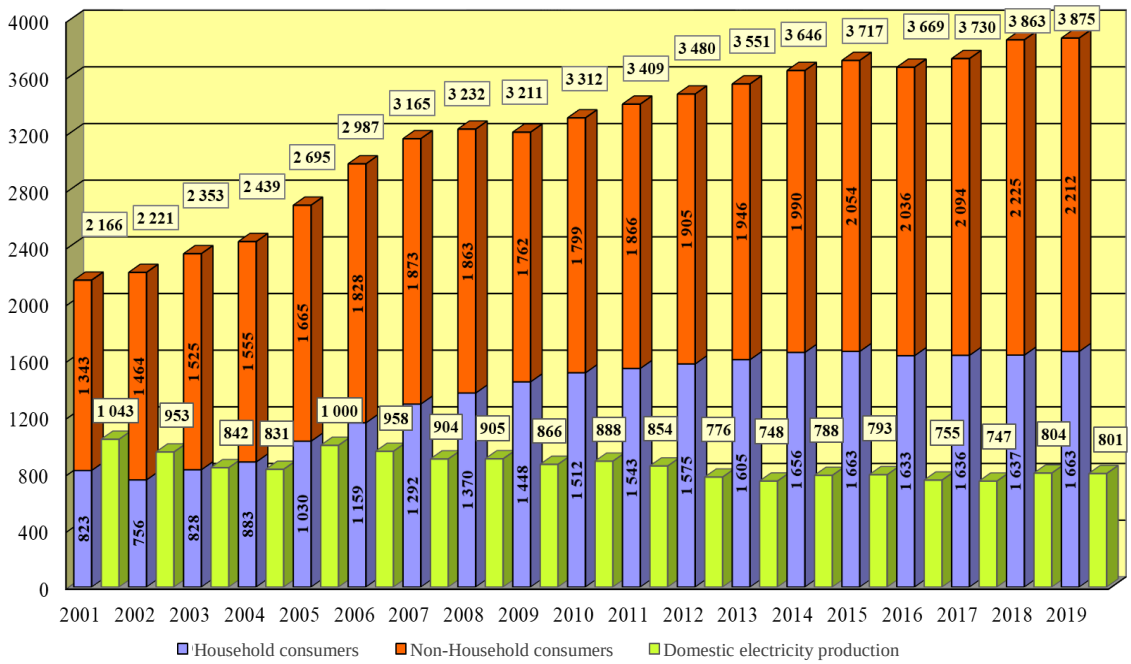


Figure 3. The production and consumption of electricity during 2001-2019, million kWh

Source: *ANRE. Reports from licensees*

The electricity consumption increased, on average, by 0.3%. The increase of electricity consumption by household consumers was 1.6 % (3.1% in rural areas and 0.2% in urban areas). While the electricity consumption for non-household consumers decreased by 0.6%. As a result, the structure of electricity consumption has changed.

The share in electricity consumption by household consumers increased by 0.5 percentage points (pp) while the share of non-household consumers decreased by 0.5 pp compared to previous year.

At the same time, there was an increase of 0.5 pp. (from 20.2% to 20.7%) in the share of electricity consumption of household consumers in rural areas while the share of electricity consumption in households in urban areas remained basically unchanged at 22.2%.

Table 5. The technological consumption and electricity losses in electricity distribution networks

Distribution System Operators (DSO)	Technological consumption and electricity losses (in % in relation to the electricity entered in the distribution networks)						
	2001	2005	2010	2016	2017	2018	2019
RED Nord	*28,4	*14,39	*10,43	8,82	8,74	8,87	7,95
RED Nord-Vest	*39,9	*20,07	*12,98	9,77	9,13	×	×
Premier Energy Distribution (RED Union Fenosa)	*28,0	*21,44	*13,68	8,25	8,12	8,13	8,10

** in % in relation to electricity from exit points of the transmission networks*

Source: *ANRE. Reports from licensees*

The technological consumption and electricity losses of the distribution system operators (DSO) continue to have a downward trend. The average level of technological consumption and total losses for the electricity DSOs decreased by about 0.23 pp or about 8.1% compared to the previous year.

The technological consumption and electricity losses for each DSO however had a different evolution. "RED Nord" S.A. registered a 8.6 million kWh or 0.92 p.p. decrease while Î.C.S. “Premier Energy Distribution” S.A. (former Î.C.S. ,,RED Union Fenosa” S.A.) saw this parameter basically unchanged (-0.03 p. p.).

The investments in the electric power system in 2019

The investments in energy infrastructure is an ongoing process conducted by licensees (transmission, distribution and supply), in order to ensure the uninterrupted delivery of electricity to final consumers of electricity.

The normative framework in force that is applied to the process of investments planning, approval and implementation relates to a series of documents:

- The law no. 107/27.05.2016 on electricity;
- The Regulation on planning, approving and making investments, approved by the Decision of the Administration Council of ANRE no. 283/15.11.2016;
- The Regulation on development of electricity distribution networks approved by the Decision of the Administration Council of ANRE no. 94/04.04.2019.

For 2019 ANRE has approved the investment plans of 275.8 million MDL for the TSO, 577.1 million MDL for the two DSOs, and 1.4 million for the electricity suppliers (Table 6).

Table 6. Planned and approved investments for system operators and electricity suppliers for 2019

No	The licensee		Unit of measurement	Planned & approved investments by ANRE
1	TSO	Î.S. „Moldelectrica”	thousands MDL	275 848
2	DSO	Î.C.S. „Premier Energy Distribution” S.A.	thousands MDL	310 425
3		S.A. „RED Nord”	thousands MDL	266 636
4	Electricity suppliers	Î.C.S. „Premier Energy” S.R.L.	thousands MDL	1 103
5		S.A. „Furnizarea Energiei Electrice Nord”	thousands MDL	281
TOTAL			**thousands MDL**	**854 293**

The electricity TSOs and DSOs have complied with the provisions of point 54 of the Regulation on investment planning, approval and execution, approved by the Decision of the Administration Council ANRE no. 283/15.11.2016, which provides that they are required to allocate at least 75% of their total investments in investment projects mentioned in category A and B, as well as those related to networks in category D and E (Figure 4).

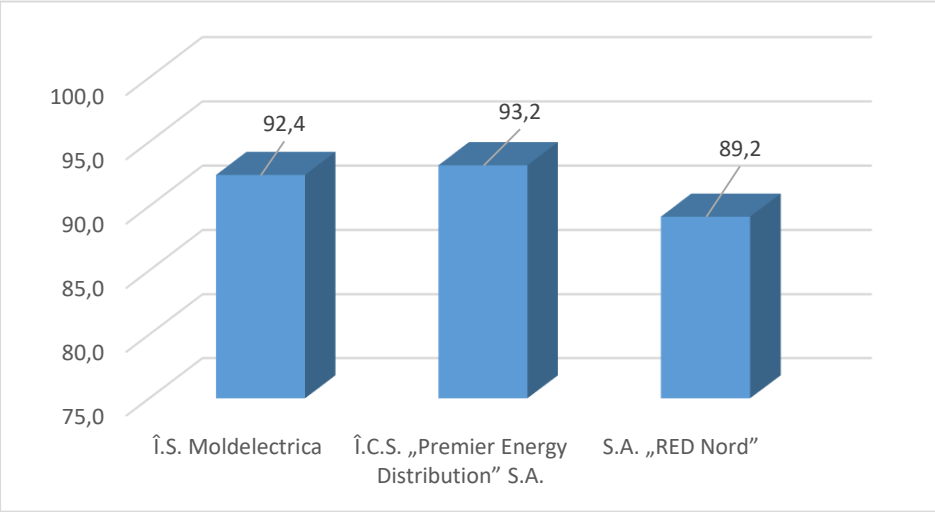


Figure 4. The share of categories A, B, D and E in the annual investment plan (%) 2019

Also, in order to recover the investments made by licensees in 2018 from tariffs, ANRE has approved: 39.4 million MDL for TSOs, 538.2 million MDL for DSOs and 1.6 million MDL for electricity suppliers (Table 7).

Table 7. Investments approved and made by system operators and electricity suppliers in 2018

No.	The name of the licensee / system operator		Unit of measurement	Planned investments, approved by ANRE	Investments made and approved by ANRE
1	TSO	Î.S. „Moldelectrica"	Thousand MDL	392 556	39 388
2	DSO	Î.C.S. „Premier Energy Distribution" S.A.	Thousand MDL	385 549	340 844
3		S.A. „RED Nord"	Thousand MDL	227 902	197 352
4	Electricity Supplier	Î.C.S. „Premier Energy" S.R.L.	Thousand MDL	1 780	1 382
5		S.A. „Furnizarea Energiei Electrice Nord"	Thousand MDL	294	195
Total			Thousand MDL	1 008 081	Thousand MDL

Electricity generated from renewable energy sources (RES)

According to reports submitted by the central electricity supplier and the TSO, the electricity produced from renewable sources in 2019 by the producers to whom the support scheme is applied (except Î. S. „Nodul Hidroenergetic Costești" and producers who do not benefit from the support scheme) reached 67.43 million kWh (Table 8). Out of 67.43 million kWh, the central supplier issued guarantees of origin for 56.35 million kWh of electricity.

Table 8. Electricity generated from renewable energy sources during 2016 - 2019

Type of SER	The amount of generated electricity, thousands of kWh			
	2016	2017	2018	2019
Solar energy (photovoltaic)	1 311	1 509	1 457	1 437
Biogas (produced from biomass)	14 030	21 576	27 961	28 748
Wind power	2 477	7 066	21 968	36 915
Hydroelectric power		38	279	330
TOTAL	17 818	30 189	51 665	67 430

The quantity of electricity generated by RES installations varied as these are largely dependent on weather conditions. In June 2019, the RES installations produced the lowest amount of electricity (about 4.0 million kWh) while in February 2019, the electricity production reached its highest monthly output of 7.3 million kWh. The average monthly quantity generated during 2019 was about 5.6 million kWh (Figure 5).

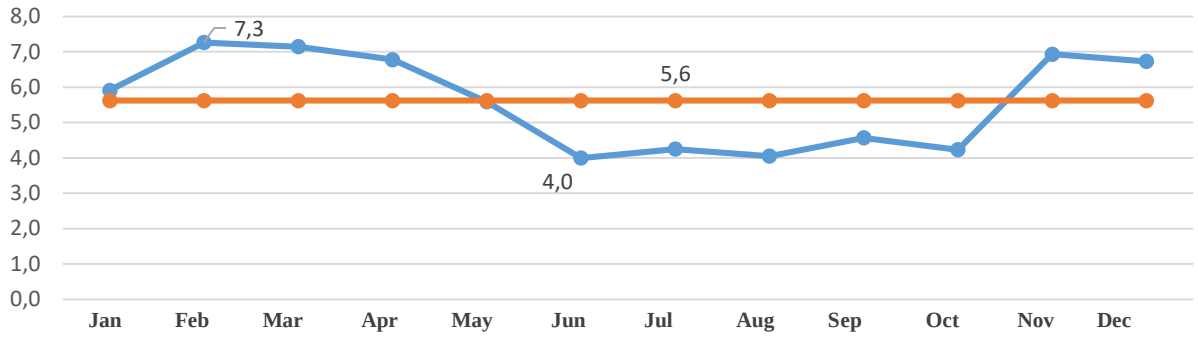


Figure 5. The monthly electricity production by RES in 2019, million kWh

Wind power has the largest share in electricity production from RES (54.7%), followed by biogas (42.6%), solar energy (2.1%), and hydroelectric power (less than 1%). (Figure 6).

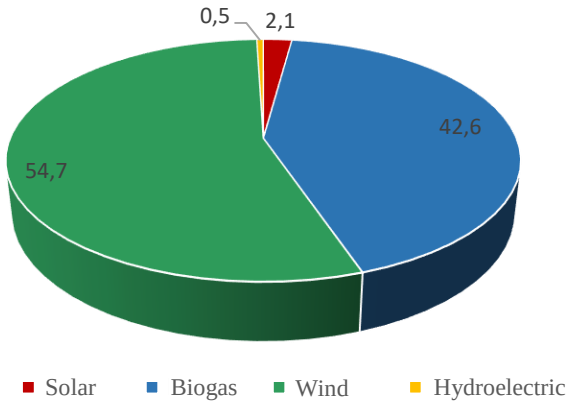


Figure 6. The share of electricity generated from RES depending on their type

As in 2018, the largest amount of energy delivered by a single RES installation comes from the biogas power plant of Î.M. “Sudzucker Moldova” S.A. with a capacity of 3.6 MW that generated 20.5 million kWh of electricity in 2019.

The total installed capacity of the power plants that produce electricity from RES was 41.8 MW in 2019 (Figure 7).

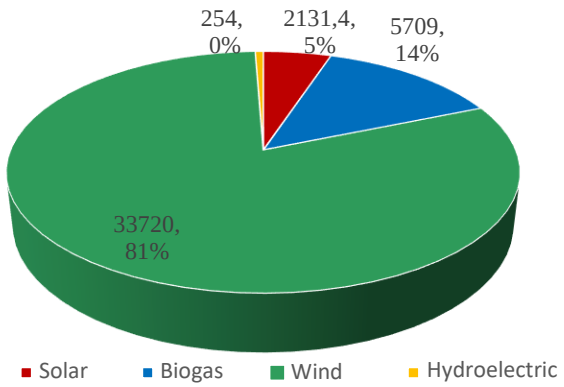


Figure 7. The installed capacities of power generation that use RES, kW

The number of final consumers who benefited from the net metering mechanism, provided by art. 39 of the Law no. 10/26.02.2016 on the promotion of the use of energy from renewable sources, has increased in 2019. 127 final consumers with renewable energy sources for own consumption have delivered about 470.1 thousand kWh of electricity to the power grid in 2019 (Table 9).

Table 9. Data on the application of the net metering mechanism in 2019

Supplier	No. of final consumers	Type of RES	Total installed capacity, kW	Quantity of delivered electricity, kWh
Î.C.S. „Premier Energy" SRL	118	Photovoltaic	1 253,8	422 254
S.A. „Furnizarea Energiei Electrice Nord"	9	Photovoltaic	236,7	47 874
TOTAL	127	Photovoltaic	1 490,5	470 128

3.2. District heating system

During 2019, 7 licensees provided public heat supply services through district heating systems.
The total amount of heat produced in 2019 has decreased (Table 10).

Table 10. The evolution of the thermal energy balance during 2017-2019

Company	Heating delivered to the network, thousands Gcal			Heating losses, thousands Gcal			Delivered to consumers, thousands Gcal			Share in total deliveries, %		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
S.A.„Termoelectrica"	1635,8	1710,1	1532,3	349,6	335,8	304,1	1286,3	1374,2	1228,1	86,5	86,3	87,13
S.A. „CET-Nord"	192,9	211,8	175,7	42,5	45,0	38,1	150,4	166,8	137,6	10,1	10,5	9,76
S.A. „Apă-Canal Chișinău"	25,1	28,2	24,3	2,7	3,2	3,5	22,4	25,0	20,8	1,5	1,6	1,48
Î.M. „Termogaz-Bălți"	11,2	12,4	10,7	1,2	1,3	1,2	10,1	11,0	9,5	0,7	0,7	0,67
S.A. „Comgaz Plus"	7,4	7,1	6,2	1,0	0,9	1,1	6,4	6,2	5,2	0,4	0,4	0,37
Î. M. R. C.T. Comrat	7,0	7,9	6,8	0,3	0,3	0,2	6,7	7,6	6,6	0,5	0,5	0,47
S.R.L. „Thermohouse"	3,5	0,0	0,0	0,5	0,0	0,0	3,0	0,0	0,0	0,2	0,0	0,00
Î.M. „Servicii Comunale Glodeni"	2,1	2,0	2,0	0,2	0,1	0,2	1,9	1,9	1,8	0,1	0,1	0,13
Total	**1885,1**	**1979,5**	**1757,9**	**397,9**	**386,7**	**348,4**	**1487,1**	**1592,8**	**1409,5**	**100**	**100**	**100**

Source: *ANRE. Reports from licensees*

A total of 1757.9 thousand Gcal of heat was delivered to the network in 2019, which is 221.6 thousand Gcal (-11.2%) lower compared to 2018 and 127.1 thousand Gcal (-6.7%) less compared to 2017.

The decline in the output was determined by higher temperatures compared to previous year.

The technological consumption and actual heat losses recorded 348.4 thousand Gcal in 2019, 38.3 thousand Gcal lower compared to 2018. The share of technological consumption and actual heat losses in the total amount of heat delivered in 2019 was 19.8% compared to 19.5% in 2018. Thus, the technological consumption and the actual heat losses increased by 0.3 p.p. compared to 2018.

1409.5 thousand Gcal of heat was delivered to consumers in 2019, 183.3 thousand Gcal less compared to 2018 (Table 11). The amount of heat delivered to consumers compared to previous year decreased by 11.5%.

Table 11. The dynamics of heat delivery during 2016-2019

Company	Delivered to consumers, thousands Gcal				Changes, %		
	2016	2017	2018	2019	2017/ 2016	2018/ 2017	2019/ 2018
S.A.„Termoelectrica"	1374,44	1286,27	1374,24	1228,11	-6,41	6,84	-10,63
S.A. „CET-Nord"	161,81	150,37	166,84	137,61	-7,07	10,96	-17,52
S.A. „Apă-Canal Chișinău"	24,24	22,41	24,97	20,82	-7,52	11,39	-16,62
Î.M. „Termogaz-Bălți"	10,47	10,07	11,05	9,47	-3,84	9,73	-14,30
S.A. „Comgaz Plus"	7,42	6,36	6,23	5,15	-14,33	-1,97	-17,34
Î. M. R. C.T. Comrat	7,29	6,71	7,61	6,59	-7,94	13,33	-13,40
S.R.L. „Thermohouse"	4,63	3,03	0,00	0,00	-34,49	-100,00	0,00
I.M. „Servicii Comunale Glodeni"	2,02	1,92	1,90	1,78	-5,15	-1,05	-6,32
Total	**1592,3**	**1487,1**	**1592,8**	**1409,5**	**-6,61**	**7,11**	**-11,51**

Source: *ANRE. Reports from licensees*

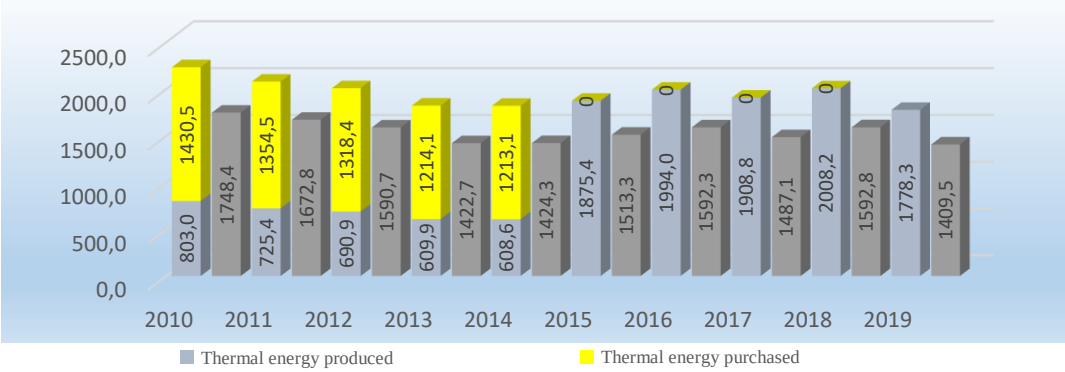


Figure 8. Production and delivery of heat to consumers, thousands Gcal

Source: *ANRE. Reports from licensees*

All 7 licensees, that produce, distribute and supply heat, recorded a decrease in delivered heat quantities in 2019.

The main heat supplier S.A. Termoelectrica registered a decrease in heat deliveries of 146.1 thousand Gcal (-10.6%). The quantities of heat delivered other licensees decreased as well: S.A. "CET - North" by 29.2 thousand Gcal (-17.5%), S.A. „Apa-Canal Chisinau" by 4.1 thousand Gcal (-16.6%), Î.M. „Termogaz - Bălți" by 1.6 thousand Gcal (-14.3%), S.A. „Comgaz Plus" by 1.1 thousand Gcal (-17.3%), Î.M.R.C.T. Comrat by 1 thousand Gcal (-13.4%), Î.M. "Glodeni Communal Services" by 0.1 thousand Gcal (-6.2%).

The analysis of heat deliveries by type of consumers, shows a decrease in heat consumption by all categories of consumers in 2019 (Table 12).

Table 12. The delivery of heat by type of consumers, thousands Gcal

Type of consumers	2016	2017	2018	2019	Changes					
					2017/2016		2018/2017		2019/2018	
					thousands Gcal	%	thousands Gcal	%	thousands Gcal	%
Household consumer	1.225,7	1.152,1	1.223,6	1.082,7	-73,6	-6,0	71,4	6,2	-140,9	-11,52
Public institutions	226,5	207,1	226,7	200,2	-19,4	-8,6	19,6	9,5	-26,5	-11,69
Companies/firms	140,1	127,9	142,5	126,6	-12,2	-8,7	14,7	11,5	-15,9	-11,16
Delivered to consumers	**1.592,3**	**1.487,1**	**1.592,8**	**1.409,5**	**-105,2**	**-6,6**	**105,7**	**7,1**	**-183,3**	**-11,51**

Source: *ANRE. Reports from licensees*

The household consumers' consumption saw a large drop of 140.9 thousand Gcal (-11.5%) in 2019. The consumption by public institutions and companies decreased as well by 26.5 thousand Gcal (-11.7%) and 15.9 thousand Gcal (-11.2%) respectively.

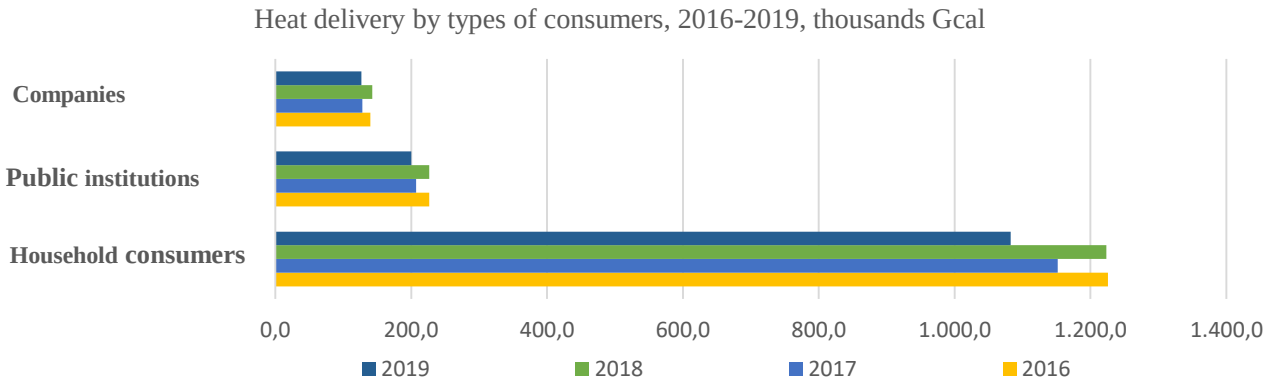


Figure 9. The delivery of heat by type of consumers, thousand Gcal, 2016-2019
Source: *ANRE. Reports from licensees*

The deliveries of heat to all types of consumers saw a steep decline in 2019. In 2017 the consumption decreased by 105.2 thousand Gcal, compared to 2016, while in 2019 the deliveries to all types of consumers decreased by 183.3 thousand Gcal compared 2018.

In 2019, the structure of heat supplies by types of consumers did not see an important change. The household consumers registered a share of 76.8%, public institutions - 14.2%, and companies - 9.0%, in the amount of delivered heat.

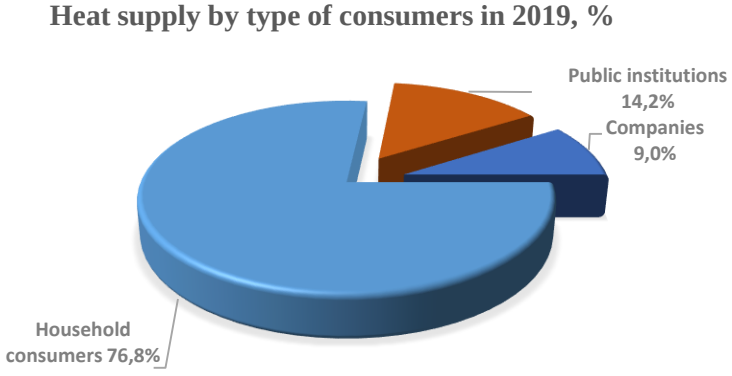


Figure 10. Heat supply by type of consumers, 2019

Source: *ANRE. Reports from licensees*

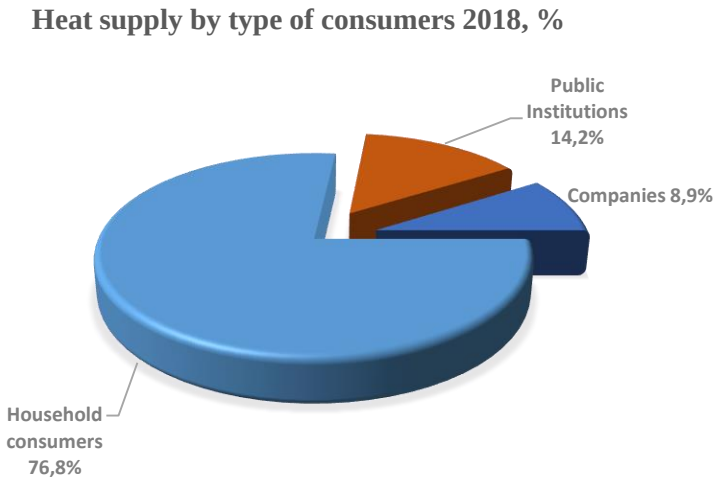


Figure 11. Heat supply by types of consumers, 2018

Source: *ANRE. Reports from licensees*

Investments in district heating systems 2015 - 2019

According to provisions of art. 36 of Law no. 92/29.05.2014 on thermal energy and the promotion of cogeneration, the licensees have an obligation to deliver heat to consumers according to the technical regulations and standards in force, as well as, heat supply contract terms.

The licensees must also operate, maintain, refurbish, rehabilitate and expand heat networks efficiently and develop long-term plans to expand and develop heat networks, taking into account the forecast of heat consumption.

During 2015-2018, ANRE has approved the investments plans for a total of 2115.57 million MDL. The licensees however did not fully implement the approved Investment Plans due to limited financial means.

According to point 26 of the Methodology of determining, approving and applying tariffs for the delivered heat (approved by the Administration Council of ANRE, Decision no. 482 of 06.09.2012) the operators submit the report on the implementation of the investment plan to competent authorities before March 1 of every year. Afterwards, ANRE examines and approves the amount of investments that will be recovered from tariffs.

ANRE has approved the value of 1021.05 million MDL of investments made by the licensees during 2015-2018. The value of these investments will be recovered through the tariffs. 993.89 million MDL are investments made by S.A. "Termoelectrica", which represent 97.3% of the total investments approved by ANRE (Table 13). The investments approved by ANRE for each licensee in 2019-2020, are shown in Table 13.

Table 13. Investments approved by ANRE for each licensee, thousand MDL

No	Company	Investments	Plan (thousands MDL)	Implemented (thousands MDL)
2015				
1	S.A. „Termoelectrica"		86 498,83	79 685,19
2	S.A.„CET-Nord"		11 981,49	8 130,11
3	Î.M. a Reţelelor şi Centralelor Termice Comrat		370	165,32
4	**Total 2015**		**98 850,32**	**87 980,62**
2016				
1	S.A. „Termoelectrica"		*465 787,3*	*80 637,3*
2	S.A.„CET-Nord"		*10 762,1*	*7 961,9*
3	**Total 2016**		**476 549,4**	**88 599,1**
2017				
1	S.A. „Termoelectrica"	Total	*645 763,4*	387 553,2
		Out of which Loan contract	382 800,0	
2	S.A.„CET-Nord"	Total	231 400,0	*6 026,8*
		Out of which Loan contract	215 000,0	*
3	Î.M. „Termogaz-Bălţi"		4 520,0	*
4	Î.M. “Reţelelor şi Centralelor Termice Comrat”		654	249,3
5	S.A. "Apă-Canal Chişinău"		1 626,5	*
6	**Total 2017**		**883 963,9**	**393 829,4**
2018				
1	S.A. „Termoelectrica"	Total	*646 063,7*	*446 017,7*
		Out of which Loan contract	258 305,0	214 968,5
2	S.A. „CET-Nord"		*9 184,3*	*3 929,0*
3	Î.M. “Reţelelor şi Centralelor Termice Comrat”		955	695,3
4	**Total 2018**		**656 203,0**	**450 642,1**
5	**Total 2015-2018**		**2 115 566,6**	**1 021 051,3**
Plan			**2019**	**2020**
1	S.A. „Termoelectrica"	Total	*847 121,7*	353 166,5
		Out of which - Loan agreement	266 403,2	98 529,2
2	S.A. „CET-Nord"	Total	20 910,2	29 344,3
3	Î.M. „Termogaz-Bălţi"		260	3 528,0
4	S.A. „Comgaz - Plus"		**	644,3
5	Î.M. “Reţelelor şi Centralelor Termice Comrat”		535,1	565
6	S.A. „Apă-Canal Chişinău"		1 586,0	5 586,0
7	Î.M. „Servicii Comunale Glodeni”		**	227,4
8	**Total**		**870 413,0**	**393 061,5**

** The investments that were planned but not implemented by the licensees*

*** The licensees did not plan investments for that period*

Part of investments made by S.A. „Termoelectrica" are financed according to the Loan Agreement, (approved by the Law no. 148/30.07.2015) in order to implement the Project of improving the efficiency of the centralized heat supply system.

The investments are directed to:

- increasing the task of District Heating Efficiency Improvement Project (DHEIP/SACET) managed by S.A. “Termoelectrica” by reconnecting some buildings that are managed by local authorities to the centralized heating system while rebuilding the heating networks and connecting through the individual connection points);
- building a main heat network and a pumping station;
- rebuilding some parts of the main heat network;
- refurbish 3 pumping stations by changing the pumping installations etc.;
- changing the connections by installing individual heating points at a number of consumers and others.

Based on this Agreement, EBRD has offered loans for several investment projects for S.A.„CET-Nord" that include:

- installing three gas engines at CET-Nord, which will increase electricity production by about 60%;
- replacing the old ventilators and pumps with high-performance installations that have frequency converters which will reduce the need for auxiliary electricity by about 30%;
- replacing coal boilers of the heat plant with pellet boilers;
- installing 169 individual heat points in 130 buildings that include the automatic data collection system (SCADA).

In 2019 ANRE has approved 7 investment plans (scheduled to be implemented in 2020) according to provisions of the point 25 of the Methodology for determining, approving and applying tariffs for heat delivered to consumers. The total value of investments approved recorded 393.06 million MDL.

3.3. Natural Gas

ANRE monitors the economic relations in the natural gas sector based on data and information provided also by the licensees in each sector.

In 2019, Republic of Moldova has purchased a total volume of 1057.7 million m3. of the natural gas from S.A.P. "Gazprom.", 72.0 million m3 (-6.4%) less compared to the previous year.

During 2005-2013 the natural gas market saw a continuous decrease in volumes purchased, when in 2014, 2016 and 2018, it bounced higher at 2.1%, 3,0% and 9.3% respectively, followed by another drop in 2019 (Figure 12).

In 2019 that natural gas consumption in the Republic of Moldova (both distributed to final consumers and delivered directly from natural gas transmission networks) decreased by 53.9 million m3 (-5.0%) compared to 2018.

In January 2019, the purchase price of natural gas was set at 241.2 USD/1000 m3 (valid for the first quarter of 2019) which is 2.9% lower compared to the fourth quarter of 2018 (248.3 USD/1000 m3).

According to the calculation formula of the natural gas procurement contract, amended quarterly, the purchase price continued to decrease in 2019 and was set at 235.7 USD/1000 m3 in the second quarter, 229,8 USD/1000 m3 in the third quarter and 224.0 USD/1000 m3 in the fourth quarter.

The average import price in 2019 was 233.7 USD/1000 m3, 7.4% higher compared to 2018 (217.5 USD/1000 m3) (Figure 12).

Table 14. The volumes of natural gas purchased and supplied to final consumers, 2001-2019

Indices	Measure unit	2001	2005	2010	2016	2017	2018	2019	Changes			
									2018/2017		2019/2018	
									Amount	%	Amount	%
1. The total volume of natural gas purchased	mil. m3	1127.0	1418.6	1187.8	1038.4	1033.9	1129.7	1057.7	*+95.8*	*+9.3*	*-72.0*	*-6.4*
	mil. MDL	1131.8	1364.9	3674.0	4036.8	3107.3	4146.0	4298.7	*+1038.6*	*+33.4*	*+152.8*	*+3.7*
2. The average purchase price of natural gas	$/1000 m3	78.0	76.1	250.1	193.5	162.05	217.5	233.7	*+55.4*	*+34.2*	*+16.2*	*+7.4*
	MDL/1000m3	1004	962	3093	3887	3005.4	3670.0	4064.3	*+664.5*	*+22.1*	*+394.3*	*+10.7*
3. The total volume of delivered natural gas (incl. trans. networks)	mil. m3	1108.5	1315	1089.8	965.3	965.1	1069.5	1015.6	*+104.4*	*+10.8*	*-53.9*	*-5.0*
	mil. MDL	1004	1551	4362.2	5873.5	5762.4	5384.6	4834,4	*-377.7*	*-6.6*	*-550,2*	*-10,2*
4. The average price for the supply of natural gas (incl. VAT)	MDL/1000 m3	906	1180	4003	6085	5970.7	5034.8	4760,1	*-935.9*	*-15.7*	*-274,7*	*-5,5*

Source: *ANRE. Reports from licensees*

The purchase price (in MDL) saw an increase of 10.7% (from 3670 MDL to 4064 MDL) for 1000 m3, which was determined by the depreciation of 4.6% of the national currency MDL against USD. The average price for natural gas supply to final consumers decreased by 5.5% (from 5035 MDL to 4760 MDL) for 1000 m3. Consequently, the S.A. "Moldovagaz" income from natural gas supply decreased by 10.2% (from 5384.6 million MDL to 4834.4 MDL lei.

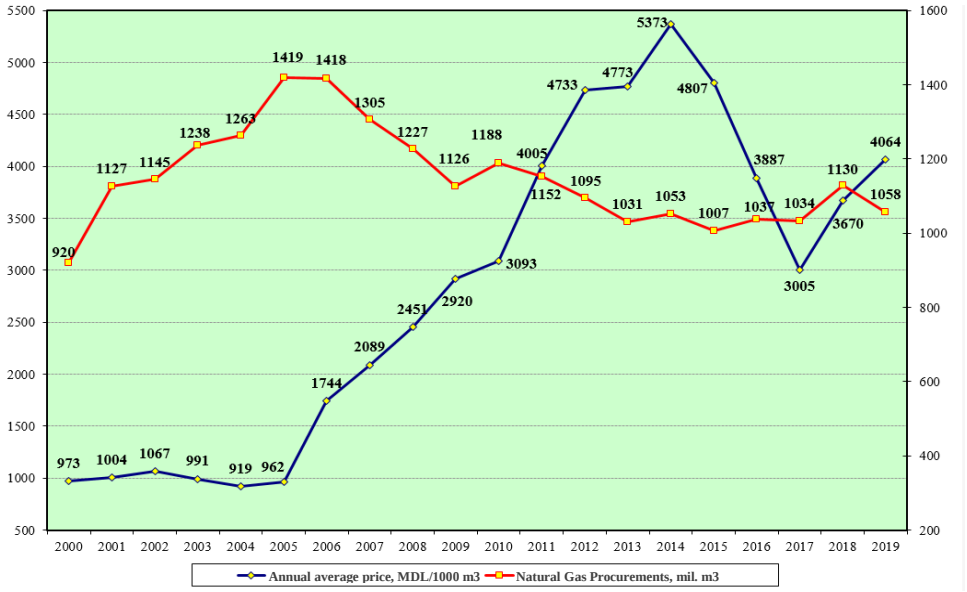


Figure 12. The natural gas purchases and the average import price during 2000-2019

In 2019, most DSOs saw a decrease in volumes of distributed natural gas. Only four DSOs registered a slight increase (Table 15). S.R.L. "Taraclia-gas" was the only one that recorded the highest 30% increase.

8 DSOs (SRL „Chişinău-gaz", SRL „Bălţi-gaz", SRL „Edineț-gaz", SRL „Orhei-gaz", SRL „Ștefan Vodă-gaz", SRL „Gagauz-gaz", SRL „Cahul-gaz", SRL „Ungheni-gaz"), saw a decrease of 0.4% to 8.0% in distributed volumes of natural gas, compared to the increase of 8.1% to 19.9% in 2018.

The territorial differences in natural gas consumption prompted changes of the DSOs share in natural gas deliveries (Figure 13). Although the DSOs registered on average a decrease of 5.6%, the share of natural gas deliveries for 9 DSOs increased from 0.1 p.p. to 0.5 p.p. The share of S.R.L. "Chisinau-gas" decreased by 1.6 p.p., the share S.R.L. "Bălți-gaz" decreased by 0.2 p.p. and the share of S.R.L. "Ștefan Vodă-gaz" remained unchanged.

Table 15. The evolution of natural gas volumes distributed by the DSOs (2017-2019)

No.	Company	Delivered to final consumers, million m^3					The share in total deliveries, %				
					Changes					*Changes*	
		2017	2018	2019	*2018/ 2017, %*	*2019/ 2018, %*	2017	2018	2019	*2018/ 2017, p.p.*	*2019/ 2018, p.p.*
1.	S.R.L. „Chişinău-gaz"	594.6	642.9	591.5	*+8.1*	*-8.0*	63.4	62.0	60.4	*-1.4*	*-1.6*
2.	S.R.L. „Ialoveni-gaz"	58.6	68.7	69.4	*+17.2*	*+1.0*	6.2	6.6	7.1	*+0.4*	*+0.5*
3.	S.R.L. „Bălți-gaz"	84.9	92.1	84.7	*+8.5*	*-8.0*	9.0	8.9	8.7	*-0.1*	*-0.2*
4.	S.R.L. „Edineț-gaz"	35.6	41.4	39.7	*+16.3*	*-4.1*	3.8	4.0	4.1	*+0.2*	*+0.1*
5.	S.R.L. „Florești-gaz"	31.9	38.3	38.9	*+20.1*	*+1.6*	3.4	3.7	4.0	*+0.3*	*+0.3*
6.	S.R.L. „Orhei-gaz"	27.2	32.6	31.9	*+19.9*	*-2.1*	2.9	3.1	3.3	*+0.2*	*+0.1*
7.	S.R.L. „Ștefan Vodă-gaz"	14.0	16.4	15.7	*+17.1*	*-4.2*	1.5	1.6	1.6	*+0.1*	*0*

8.	**S.R.L. „Gagauz-gaz”**	30.1	35.3	35.2	*+17.3*	*-0.4*	3.2	3.4	3.6	*+0.2*	*+0.2*
9.	**S.R.L. „Cahul-gaz”**	22.1	24.3	23.6	*+10.0*	*-2.9*	2.4	2.3	2.4	*-0.1*	*+0.1*
10.	**S.R.L. „Taraclia-gaz”**	7.5	8.3	10.8	*+10.7*	*+30.0*	0.8	0.8	1.1	*0.0*	*+0.3*
11.	**S.R.L. „Cimişlia-gaz”**	12.2	14.2	14.7	*+16.4*	*+3.7*	1.3	1.4	1.5	*+0.1*	*+0.1*
12.	**S.R.L. „Ungheni-gaz”**	19.6	22.3	22.1	*+13.8*	*-0.8*	2.1	2.2	2.3	*+0.1*	*+0.1*
13.	**S.R.L. „BV Group Company”**	0	0	0.4	0	0	0	0	0	0	0
Total		**938.3**	**1036.8**	**978.6**	**10.5**	**-5.6**	**100.0**	**100.0**	**100.0**	**0.0**	**0.0**

Source: *ANRE. Reports from licensees*

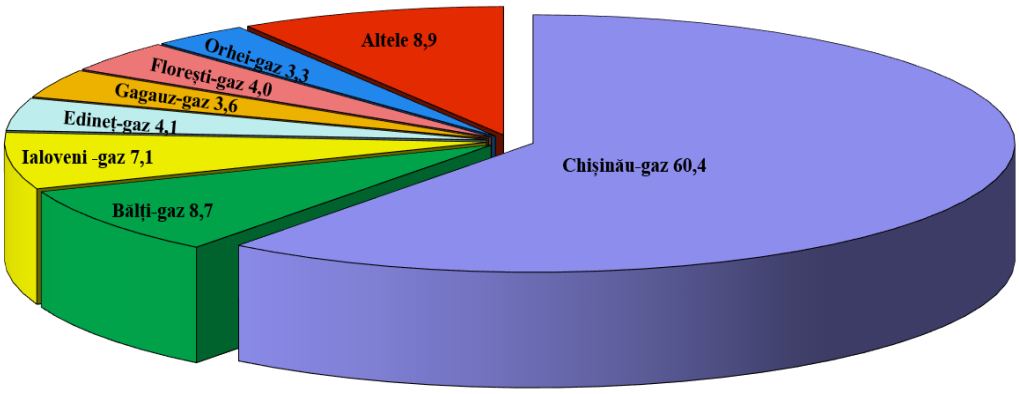


Figure 13. The share natural gas deliveries by company 2019, %

The quantities of natural gas consumed by each type of final consumers saw a diminishing trend given the decrease of 53.9 million m3 (5.0%) of natural gas consumption in 2019, except the household consumers (Table 16).

Table 16. The structure of natural gas supply by type of final consumers, 2017-2019

Type of final consumers	2017		2018		2019		2018 / 2017		2019 / 2018	
	mil. m^3	%	mil. m^3	%	mil. m^3	%	mil. m^3	%	mil. m^3	%
The total consumption of natural gas (delivered to final consumers),	**965.1**	**100.0**	**1069.5**	**100.0**	**1015.6**	**100.00**	**104.4**	**10.8**	**-53.9**	**-5.0**
incl.: household consumers	302.8	31.4	346.4	32.4	347.9	34.3	+43.6	+14.4	+1.5	+0.4
public institutions	45.4	4.7	51.2	4.8	45.7	4.5	+5.8	+12.7	-5.5	-10.6
energy sector	384.0	39.8	404.9	37.9	364.7	35.9	+20.9	+5.4	-40.2	-9.9
other companies	232.9	24.1	267.1	25.0	257.4	25.3	+34.1	+14.7	-9.7	-3.6

Source: *ANRE. Reports from licensees*

The energy sector saw a decrease of 40.2 million m3 (or 9.9%) in natural gas consumption in 2019 while companies from other economic areas registered a drop of 9.7 million m3 (or 3.6%), following the increase of 14.7% in 2018.

The increase in natural gas consumption of household consumers by only 1.5 million m3 (or 0.4%) is not much compared to the 14.4% growth in 2018.

The largest share (35.9%) of natural gas consumption is held by energy companies. This share has fallen however by 2.0 p.p. compared to 2018, and 3.9 p.p. compared to 2017. The share of natural gas consumption of household consumers increased by 1.9 p.p. and accounted 34.3%. While the share of public institutions and companies (except the energy companies) remained largely unchanged at 4.5% and 25.3% respectively (Figure 14).

Figure 14. The share of natural gas consumption by types of final consumers 2001-2019, %

Source: *ANRE. Reports from licensees*

All DSOs of natural gas (the affiliated enterprises of S.A. "Moldovagaz") have extended the length of natural gas distribution networks (Table 17). This confirms the DSOs intention to develop the natural gas distribution networks further in order to meet a reasonable level of demand in the long run. The largest natural gas distribution networks belong to S.R.L. "Ialoveni-gaz" and S.R.L. "Chisinau-gas", these represent 16.0% and 14.0%, respectively, of the total distribution network length.

Table 17. The length of the DSO gas distribution networks

No.	Company	The length of the DSOs gas distribution networks, km					Increase, %	
		2015	2016	2017	2018	2019	*2018/ 2017*	*2019/ 2018*
1.	S.R.L. „Chişinău-gaz”	2919.0	2979.5	3034.5	3130.3	3187.6	*3.2*	*1.8*
2.	S.R.L. „Ialoveni-gaz”	3526.8	3541.0	3558.2	3588.4	3647.3	*0.8*	*1.6*
3.	S.R.L. „Bălţi-gaz”	1797.9	1804.5	1826.5	1847.6	1871.7	*1.2*	*1.3*
4.	S.R.L. „Edineţ-gaz”	1877.5	1883.8	1909.7	1924.5	1947.7	*0.8*	*1.2*
5.	S.R.L. „Floreşti-gaz”	1573.2	1578.4	1582.9	1599.9	1621.1	*1.1*	*1.3*
6.	S.R.L. „Orhei-gaz”	2002.1	2027.9	2060.8	2125.6	2170.9	*3.1*	*2.1*
7.	S.R.L. „Ştefan Vodă-gaz”	1395.2	1404.0	1406.1	1413.7	1427.5	*0.5*	*1.0*
8.	S.R.L. „Gagauz-gaz”	1888.1	1890.7	1901.3	1905.8	1921.9	*0.2*	*0.8*
9.	S.R.L. „Cahul-gaz”	1388.0	1394.4	1420.8	1438.9	1471.6	*1.3*	*2.3*
10.	S.R.L. „Taraclia-gaz”	626.7	627.4	633.7	635.0	635.7	*0.2*	*0.1*
11.	S.R.L. „“Cimişlia-gaz”	1250.3	1264.2	1277.7	1326.3	1357.0	*3.8*	*2.3*
12.	S.R.L. „Ungheni-gaz”	1326.6	1354.9	1386.7	1489.5	1537.1	*7.4*	*3.2*
	Total	21571.3	21750.5	21998.9	22425.5	22797.0	*1.9*	*1.7*

Source: *ANRE. Reports from licensees*

The investments in the natural gas system, 2015 - 2019

According to the Law no. 108/27.05.2016 on natural gas, the licensees have the obligation to develop natural gas networks due to increasing demand, while providing reliable and continuing supply to final consumers. The licensees are also obliged to draft and implement investment plans according to: supply and demand of natural gas and the Energy Strategy of the Republic of Moldova.

During the 2015-2018, ANRE has approved 1555.26 million MDL of investment plans. Out of 1555.26 million MDL, 900.68 million MDL are the investment plans provided by the affiliated enterprises of S.A. "Moldovagaz."

According to art. 42, para. (14) and art. 49, para. (11) of the Law no. 108/27.05.2016 on natural gas and the Regulation on investment planning, approval and implementation, the system operators should submit by April 30, the report on the implementation of the investment plan for the previous year. ANRE than approves the value of the investments that will be recovered from tariffs.

For 2015 - 2018 ANRE has approved the 969.94 million MDL of investments that are being recovered from tariffs. Out of 969.94 million MDL of investments approved, 969.58 million MDL or 99.96% represent the investments of the affiliated enterprises of S.A. „Moldovagaz" (Table 18).

Table 18. Investments in natural gas system 2015 - 2018

No.	Licensed activity	Units of measurement	Investments planned and approved by ANRE	Investments implemented and approved by ANRE
2015				
1	Natural Gas Supply (12 affiliated enterprises of S.A. „Moldovagaz")	thousands MDL	3729,6	3261,5
2	Natural gas transmission SRL „Moldovatransgaz"	thousands MDL	136920,4	40165,4
3	Natural Gas distribution (12 affiliated enterprises of S.A. „Moldovagaz")	thousands MDL	70639,4	49002,1
Total		**thousands MDL**	**211289,4**	**92429**
2016				
1	Natural Gas Supply (S.A. „Moldovagaz")	thousands MDL	510,4	200
2	Natural gas transmission (SRL „Moldovatransgaz", S.R.L. „Vestmoldtransgaz")	thousands MDL	100265,3	287328,8
3	Natural Gas distribution (12 affiliated enterprises of S.A. „Moldovagaz")	thousands MDL	63184,8	80566,1
Total:		**thousands MDL**	**163960,5**	**368094,9**
Affiliated to S.A. „Moldovagaz"		**thousands MDL**	**155560,5**	**367734,9**
2017				
1	Natural Gas Supply (S.A. „Moldovagaz")	thousands MDL	8104,4	8265,6
2	Natural gas transmission (SRL „Moldovatransgaz", S.R.L. „Vestmoldtransgaz")	thousands MDL	176547,9	236796,9
3	Natural Gas distribution (13 DSOs)	thousands MDL	105299,4	106417,2
Total :		thousands MDL	mii lei	**351479,8**
Affiliated to S.A. „Moldovagaz"		**thousands MDL**	mii lei	**351479,8**
2018				
1	Natural Gas Supply (S.A. „Moldovagaz")	thousands MDL	17392,9	17443,2
2	Natural gas transmission (SRL „Moldovatransgaz", S.R.L. „Vestmoldtransgaz")	thousands MDL	773496,9	42744,9
3	Natural Gas distribution (13 DSOs)	thousands MDL	99172,4	97746,9
Total		thousands MDL	thous. MDL	**157935**
Affiliated to S.A. „Moldovagaz"		**thousands MDL**	thous. MDL	**157935**
2015-2018				
1	Natural Gas Supply	thousands MDL	29737,4	29170,3
2	Natural gas transmission	thousands MDL	1187230,5	607036
3	Natural Gas distribution	thousands MDL	338296	333732,4
Total		**thousands MDL**	**thous. MDL**	**969938,7**
Affiliated to S.A. „Moldovagaz"		**thousands MDL**	**thous. MDL**	**969578,7**

For 2019 ANRE has approved the modified investment plans with a total value of 835.95 million MDL. 91.2% of these investments refer to natural gas transmission activity, 8.7% to distribution activity and 0.1% to natural gas supply activity. For 2020 ANRE has approved investment plans for a total of 240.42 million MDL. Out of these, 53.6% refer to natural gas transmission activity, 45.3% to natural gas distribution activity and 1.1% to natural gas supply activity (Table 19).

Table 19. Planned investments in the natural gas system 2019-2020

No.	Licensed activity	Measure unit	Investments planned and approved by ANRE	Investments implemented and approved by ANRE
2019				
1	Natural Gas Supply (S.A. „Moldovagaz”)	thous. MDL	866,2	x
2	Natural gas transmission (SRL „Moldovatransgaz”, SRL „Vestmoldtransgaz”)	thous. MDL	762383,3	x
3	Natural Gas distribution (13 DSOs)	thous. MDL	72704,7	x
Total		thous. MDL	835954,2	x
Affiliated to S.A. „Moldovagaz”		thous. MDL	253120,7	x
2020				
1	Natural Gas Supply (S.A. „Moldovagaz”)	thous. MDL	1411,6	x
2	Natural gas transmission (SRL „Moldovatransgaz”)	thous. MDL	67735,7	x
3	Natural Gas distribution (13 DSOs)	thous. MDL	57188,9	x
Total		thous. MDL	126336,2	x
Affiliated to S.A. „Moldovagaz”		thous. MDL	121392,6	x

In 2019 ANRE has approved 13 development plans of the natural gas distribution networks for the years 2020-2022 and the development plan of SRL "Moldovatransgaz" for the years 2020-2029.

3.4. Public water supply and sewerage system

According to the Law 303/2013 on public water supply and sewerage and the Activity Plan for 2019, ANRE has monitored the economic-financial activity of the operators providing public water supply and sewerage system based on activity reports submitted by licensed operators.

At the end of 2019, 44 licensees were providing public water supply and sewerage system.

The data on water capture volumes, procurement, supply, as well as the technological consumption and water losses of the water supply system in 2019 are reflected in Table 20.

Table 20. The evolution of public water supply system 2018 - 2019

Name	Volumes of captured water		Volumes of procured drinking water		Volumes of supplied drinking water			Volumes of supplied technological water		Technological consumption and water losses of the water supply system		
	thous. m3		thous. m3		thous. m3		2019/2018 %	thous. m3		thous. m3		2019/2018 %
	2018	2019	2018	2019	2018	2019		2018	2019	2018	2019	
S.A. „Apă-Canal Chișinău”	68 720,1	68 758,9	0,0	0,0	43 461,0	45 204,1	104,0	1 361,7	364,8	23 848,2	22 190,0	93,0
I.M. „Regia Apă-Canal” Bălți	118,4	197,8	10 611,6	11 134,1	4 179,7	4 315,0	103,2	0,0	0,0	6 549,9	7 016,8	107,1
Î.M. „Apă-Canal" Cantemir	218,2	212,7	0,0	0,0	144,4	151,0	104,5	0,0	0,0	73,8	61,4	83,2
Î.M. „Apă-Canal” Cahul	2 712,5	2 528,4	0,0	0,0	1 097,8	1 198,3	109,2	0,0	0,0	1 614,7	1 330,0	82,4
Î.M. „Apă-Canal” Ungheni	1 706,3	1 771,4	0,0	0,0	1 206,6	1 171,9	97,1	0,0	0,0	499,7	599,5	120,0
Î.S.I. „Acva-Nord" Soroca	12 694,1	13 154,0	0,0	0,0	12 408,9	12 812,9	103,3	0,0	0,0	285,2	341,1	119,6
Î.M. „Regia Apă-Canal” Orhei	1 499,4	1 598,1	0,0	0,0	947,4	1 038,9	109,7	0,0	0,0	552,0	559,0	101,3
Î.M. „Apă-Canal" Vulcănești	247,1	265,3	0,0	0,0	164,5	175,4	106,6	0,0	0,0	82,6	89,9	108,8
S.A. „Operator Regional Apa-Canal Hîncești”	547,0	624,3	7,5	7,7	323,5	336,4	104,0	0,0	0,0	231,0	295,6	128,0
Î.M. „Apă-Canal” Ștefan Vodă	197,3	200,5	0,0	0,0	154,0	160,3	104,1	0,0	0,0	43,3	40,2	92,8
Î.M. „Apă-Canal” Telenești	197,7	188,8	0,0	0,0	98,1	100,7	102,7	0,0	0,0	99,6	88,1	88,5
Î.M. „Apă-Canal” Anenii Noi	513,2	530,9	0,0	0,0	290,9	295,5	101,6	0,0	0,0	222,3	235,7	106,0
S.A. „Service-Comunale” Florești	735,3	782,5	16,9	17,4	535,2	581,3	108,6	0,0	0,0	217,0	218,7	100,8
Î.M. „Apă-Canal” Căușeni	401,2	408,7	0,0	0,0	259,1	270,4	104,4	0,0	0,0	142,1	138,3	97,3
Î.M. „Apă-Canal” Taraclia	471,8	497,0	0,0	0,0	229,4	260,1	113,4	0,0	0,0	242,4	236,9	97,7
Î.M. „Apă-Canal” Drochia	722,8	754,8	0,0	0,0	362,6	355,6	98,1	0,0	0,0	360,2	399,2	110,8
Î.M. „Apă-Termo” Ceadîr-Lunga	680,9	836,1	0,0	0,0	361,5	481,4	133,2	0,0	0,0	319,1	354,7	111,2
S.A. „Regia Apă-Canal Soroca”	0,0	0,0	1 511,3	1 339,4	782,6	812,8	103,9	0,0	0,0	728,7	526,6	72,3
Î.M. „G.C. Rîșcani”	312,3	307,7	0,0	0,0	237,1	242,2	102,2	0,1	0,0	75,1	65,5	87,2
Î.M. „Apă - Canal” Leova	343,6	380,3	0,0	0,0	230,6	257,6	111,7	0,0	0,0	112,6	122,8	109,1
Î.M. „RCL” Cricova	429,0	393,9	0,0	0,0	272,2	291,9	107,2	0,0	0,0	156,8	102,0	65,1
Î.M. „Apă - Canal Ocnița”	100,9	108,5	0,0	0,0	75,3	79,8	106,0	0,0	0,0	25,6	28,7	112,1
Î.M.D.P. „Apă - Canal” Sîngerei	441,3	401,3	0,0	0,0	254,7	255,7	100,4	0,0	0,0	186,6	145,6	78,0
Î.M. „GCL” Briceni	223,5	216,1	0,0	0,0	148,9	149,0	100,1	0,0	0,0	74,6	67,1	89,9
Î.M. „DPGCL Fălești”	468,7	484,6	20,3	19,9	309,4	293,4	94,8	0,0	0,0	179,5	211,3	117,7
Î.M. „Servicii Publice” Cimișlia	601,3	621,9	0,0	0,0	289,4	303,0	104,7	0,0	0,0	312,0	318,9	102,2
Î.M. „SU - Canal” Comrat	1 361,2	1 458,8	0,0	0,0	503,0	549,3	109,2	0,0	0,0	858,2	909,4	106,0
Î.M. „Servicii Com.Loc.” Rezina	478,5	466,9	0,0	0,0	257,4	262,3	101,9	0,0	0,0	221,1	204,6	92,5
Î.M. „Comunservice” Criuleni	431,2	405,5	0,0	0,0	180,1	183,9	102,1	0,0	0,0	251,1	221,6	88,3
Î.M. „Gospod.Com.Loc.”Călărași	485,3	428,7	0,0	0,0	283,5	289,1	102,0	0,0	0,0	201,9	139,6	69,1

Name	Volumes of captured water		Volumes of procured drinking water		Volumes of supplied drinking water			Volumes of supplied technological water		Technological consumption and water losses of the water supply system		
	thous. m3		thous. m3		thous. m3		2019/2018 %	thous. m3		thous. m3		2019/2018 %
	2018	2019	2018	2019	2018	2019		2018	2019	2018	2019	
Î.M. "AQUA Basarabeasca"	243,5	271,4	0,0	0,0	110,9	112,7	101,6	0,0	0,0	132,6	158,7	119,7
Î.M. „SC Glodeni"	15,7	0,0	201,8	240,2	145,5	149,3	102,6	0,0	0,0	72,0	91,0	126,4
SRL „Făclia" Cimișlia	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Î.M. „Apa Canal" Strășeni	1 183,7	1 003,9	0,0	0,0	349,7	392,7	112,3	0,0	0,0	834,0	611,2	73,3
Î.M. „Apa Canal" Edineț	1 363,8	1 341,1	0,0	0,0	381,5	339,3	88,9	0,0	0,0	982,3	1 001,8	102,0
S.A. „Apa Canal Nisporeni"	322,7	334,4	0,0	0,0	231,3	288,9	124,9	0,0	0,0	91,6	45,5	49,7
S.A. „Apa Canal Basarabeasca"	267,8	238,5	0,0	0,0	86,8	97,1	111,9	0,0	0,0	181,0	141,4	78,1
Î.M. „Apa Canal Magdacesti"	131,2	133,2	0,0	0,0	118,2	125,1	105,8	0,0	0,0	13,0	7,9	60,5
S.R.L. „Petcom Lux" Causeni	60,6	52,4	0,0	0,0	59,0	49,8	84,4	0,0	0,0	1,6	2,6	162,5
S.R.L. "AQUASOL"	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
S.R.L. „Izvor Cristalin"	43,9	12,2	0,0	0,0	43,9	12,0	27,3	0,0	0,0	0,3	0,2	58,3
ÎM „Regia Apa Șoldănești"*	117,0	117,0	0,0	0,0	88,4	90,6	102,5	0,0	0,0	45,5	26,4	58,0
ÎM „Pro Mediu" Cocieri*	120,8	134,3	0,0	0,0	90,3	100,7	111,5	0,0	0,0	30,5	33,7	110,5
Total	**101 930,8**	**102 622,6**	**12 369,4**	**12 758,7**	**71 754,3**	**74 637,3**	**104,0**	**1 361,8**	**1 364,8**	**41 151,3**	**39 379,2**	**95,7**

* The license for ÎM „Regia Apa Șoldănești" was issued on 08.03.2019 * The license for ÎM „Pro Mediu" Cocieri " was issued on 26.04.2019

During 2019 the operators have supplied 74637.3 thousand m3 of drinking water, 2883 thousand m3 or 4.0% higher compared to 2018.

Most operators recorded 0.1% to 33.2% increase in volumes of water supplied. Î.M. „Apa-Termo" Ceadir-Lunga saw a relative increase of 33.2% while S.A. "Apa Canal Nisporeni" 24.9%. The increase in volumes supplied is largely due to the extension of public water supply networks to new residential areas. S.R.L. "Izvor Cristalin" saw the largest drop in drinking water supply volume (-72.7%).

2019 saw a slight decrease in technological consumption and water losses. The evolution of wastewater volumes discharged into public sewerage networks in 2018-2019, is reflected below.

Table 21. The evolution of public sewerage system 2018-2019

Name	The volume of waste water discharged into public sewerage networks, thousands m3		2019/2018, %
	2018	2019	
S.A. „Apă-Canal Chişinău"	41.299,8	42.648,2	*103,3*
Î.M. „Regia Apă-Canal" Bălţi	0,0	0,0	*0,0*
Î.M. „Apă-Canal Cantemir"	66,0	68,7	*104,1*
S.R.L. „Glorin Inginering"	8.316,1	8.974,8	*107,9*
Î.M. „Apă-Canal" Cahul	785,0	1.150,9	*146,6*
Î.M. „Apă-Canal" din Ungheni	800,1	803,2	*100,4*
Î.I.S. "Acva-Nord" Soroca	0,0	0,0	*0,0*
S.A. „Regia Apă Canal-Orhei"	929,9	925,3	*99,5*
Î.M. „Apă-Canal" Vulcănești	52,0	58,5	*112,5*
S.A. „Operator Regional Apa-Canal Hîncești"	207,3	216,8	*104,6*
D.P. „Apă-Canal" din or. Ștefan Vodă	106,2	110,3	*103,9*

Î.M. D.P. „Apă-Canal” Telenești	121,7	171,3	*140,8*
Î.M. D.P. „Apă-Canal” Anenii Noi	132,3	138,1	*104,4*
S.A. „Service-Comunale” Florești	226,1	231,2	*102,3*
Î.M. „Apă-Canal” Căușeni	162,5	170,8	*105,1*
Î.M. „Apă-Canal Taraclia”	127,5	144,0	*112,9*
Î.M. „Apă-Canal din Drochia”	266,3	264,3	*99,3*
Î.M. „Apă-Termo” Ceadîr Lunga	248,4	284,9	*114,7*
S.A. „Regia Apă-Canal Soroca”	471,2	537,7	*114,1*
Î.M. „G.C. Rîșcani”	111,4	112,8	*101,3*
S.A. „Apă - Canal Leova”	113,4	120,3	*106,1*
Î.M. „RCL” Cricova	233,0	257,6	*110,6*
Î.M. „Apă - Canal Ocnița”	48,9	49,9	*102,0*
Î.M.D.P. „Apă - Canal” Sîngerei	126,4	128,7	*101,8*
Î.M. „GCL” Briceni	127,6	128,8	*100,9*
Î.M. „DPGCL Fălești”	212,6	201,4	*94,7*
Î.M. „Servicii Publice Cimișlia”	100,3	107,5	*107,1*
Î.M. „SU - Canal” Comrat	296,6	261,9	*88,3*
Î.M. „Servicii Com. Loc.” Rezina	191,3	216,8	*113,3*
Î.M. „Comunservice” Criuleni	88,6	90,2	*101,8*
Î.M. „Gospod.Com.Loc.”Călărași	448,2	417,4	*93,1*
Î.M. „Servicii Comunale Glodeni”	93,6	95,1	*101,6*
F.P. „Făclia” S.R.L.	0,0	0,0	*0,0*
Î.M. „Apa-Canal” Strășeni	187,2	196,8	*105,1*
Î.M. „Apa-Canal” Edineț	358,4	338,8	*94,5*
S.A. „Apa Canal Nisporeni”	113,4	121,5	*107,1*
Î.M. „Apa-Canal din Basarabeasca”	85,4	84,4	*98,8*
Î.M. „Apa-Canal Măgdăcești”	57,8	84,6	*146,4*
S.R.L. ”Petcom-Lux”	0,0	0,0	*0,0*
S.R.L. ”AQUASOL”	0,0	0,0	*0,0*
S.R.L. ”Izvor Cristalin”	0,0	0,0	*0,0*
ÎM „Regia Apa Șoldănești”	45,5	51,1	*112,3*
ÎM „Pro Mediu” Cocieri	2,6	3,5	*134,6*
TOTAL	**57.360,6**	**59.968,0**	***104,5***

The volume of waste water discharged into public sewerage networks in 2019 increased by 2607.4 thousand m3 (or 4.5%) to 59968 thousand m3, compared to 2018. The largest increase in wastewater volumes discharged into public sewerage system were recorded by Î.M. „Apa-Canal” Cahul (+ 46.6%), Î.M. „Apa-Canal Măgdăcești” (+ 46.4%) and Î.M. D.P. "Apa-Canal" Telenesti (+ 40.8%).

Table 22. The length of public water supply and sewerage networks 2018 - 2019

Name	Public water supply systems			Public sewerage systems		
	The length of public water supply and sewerage water supply, km			The length of public sewerage networks, km		
	2018	2019	*2019/2018, %*	2018	2019	*2019/2018, %*
S.A. „Apă-Canal Chișinău”	1.931,30	1925,1	99,0	1.113,30	1116,8	100,0
I.M. „Regia Apă-Canal” Bălți	241,8	244,0	100,9	0,0	0	0,0
Î.M. „Apă-Canal” Cantemir	56,4	56,4	100,0	10,8	10,8	100,0
SRL Glorin Inginering	0,0	0,0	0,0	151,2	152,4	100,8
Î.M. „Apă-Canal” Cahul	103,6	196,4	189,6	51,5	74,3	144,3
Î.M. „Apă-Canal” Ungheni	137,5	137,5	100,0	66,0	66,0	100,0
Î.S.I. „Acva-Nord” Soroca	73,7	73,7	100,0	0,0	0	0,0
Î.M. „Regia Apă-Canal” Orhei	293,9	295,0	100,4	97,6	99,1	101,5
Î.M. „Apă-Canal” Vulcănești	49,2	49,2	100,0	17,6	17,6	100,0
S.A. „Operator Regional Apa-Canal Hîncești”	133,0	133,0	100,0	26,7	26,7	100,0
Î.M. „Apă-Canal” Ștefan Vodă	45,8	45,8	100,0	24,6	24,6	100,0
Î.M. „Apă-Canal” Telenești	27,6	27,6	100,0	36,2	36,6	101,1

Î.M. „Apă-Canal” Anenii Noi	69,9	69,9	100,0	93,4	93,4	100,0
S.A. „Service-Comunale” Florești	315,9	417,9	132,3	39,9	39,9	100,0
Î.M. „Apă-Canal” Căușeni	94,2	94,2	100,0	44,9	44,9	100,0
Î.M. „Apă-Canal” Taraclia	57,8	57,8	100,0	13,4	13,4	100,0
Î.M. „Apă-Canal” Drochia	70,5	70,5	100,0	45,5	45,5	100,0
Î.M. „Apă-Termo” Ceadîr-Lunga	248,7	248,7	100,0	83,6	83,6	100,0
S.A. „Regia Apă-Canal Soroca”	75,3	119,5	158,7	53,4	53,4	100,0
Î.M. „G.C. Rîșcani”	58,9	58,9	100,0	20,7	20,7	100,0
Î.M. „Apă - Canal” Leova	55,6	111,8	201,1	24,2	24,2	100,0
Î.M. „RCL” Cricova	24,6	24,6	100,0	14,9	14,9	100,0
Î.M. „Apă - Canal Ocnița”	35,4	35,4	100,0	4,6	4,6	100,0
Î.M.D.P. „Apă - Canal” Sîngerei	50,5	50,5	100,0	15,8	16	101,3
Î.M. „GCL” Briceni	47,1	47,1	100,0	30,0	30,0	100,0
Î.M. „DPGCL Fălești”	44,7	44,7	100,0	31,8	31,8	100,0
Î.M. „Servicii Publice” Cimișlia	83,9	83,9	100,0	26,6	26,6	100,0
Î.M. „SU - Canal” Comrat	126,7	135,6	107,0	41,7	44,38	106,4
Î.M. „Servicii Com. Loc.” Rezina	35,0	35,0	100,0	26,0	26,0	100,0
Î.M. „Comunservice” Criuleni	59,5	59,5	100,1	24,0	24,0	100,0
Î.M. „Gospod.Com.Loc.”Călărași	64,0	64,0	100,0	44,7	44,7	100,0
Î.M. „AQUA Basarabeasca”	24,6	24,6	100,0	0,0	0	0,0
Î.M. „SC Glodeni”	34,9	34,9	100,0	18,2	18,2	100,0
SRL „Făclia” Cimișlia	0,0	0,0	0,0	0,0	0	0,0
Î.M. „Apa Canal” Strășeni	82,0	82,0	100,0	42,1	42,1	100,0
Î.M. „Apa Canal” Edineț	118,2	118,2	100,0	52,7	52,7	100,0
S.A. „Apă Canal Nisporeni”	121,2	121,2	100,0	34,0	34	100,0
S.A. „Apă Canal Basarabeasca”	34,6	34,6	100,0	16,3	16,3	100,0
Î.M. „Apa Canal Magdacesti”	33,6	33,6	100,0	21,4	21,4	100,0
S.R.L. „Petcom-Lux”	28,7	28,7	99,9	0,0	0	0,0
S.R.L. ”AQUASOL”	0,0	0,0	0,0	0,0	0	0,0
S.R.L. „Izvor Cristalin”	5,4	5,4	100,0	0,0	0	0,0
ÎM „Regia Apa Șoldănești”	37,0	37,0	100,0	20,0	20,0	100,0
ÎM „Pro Mediu” Cocieri	19,7	23,4	118,8	2,2	3,1	140,9
Total	**5.251,9**	**5.556,8**	**105,8**	**2.481,5**	**2.514,6**	**101,3**

In 2019 the licensees were holding and managing 5556.8 km of public water supply networks and 2514.6 km of public sewerage networks. A year by year increase of 304.9 km and 33.1 km, respectively.

Î.M. „Apa-Canal” Cahul has extended their public water supply networks by 89.6% while Î.M. „Apa - Canal” Leova has doubled them to 111,8 km, compared to the previous year.

The largest extensions of public sewerage networks during 2019, were registered by Î.M. „Apa-Canal” Cahul (+ 44.3%) and Î.M. "Pro Mediu" Cocieri (+ 40.9%).

In 2019 the number of registered consumers of public water supply increased year on year by 7553 (2.0%) and reached 388956. The number of consumers of public sewerage system increased as well by 3.2% and recorded 202608 (Table 23).

Table 23. The number of consumers of public water supply and sewerage system 2018-2019

Name	The number of consumers of public water supply services			The number of consumers of sewerage system		
	2018	**2019**	***2019/2018, %***	**2018**	***2019***	***2019/2018 %***
S.A. „Apă-Canal Chişinău”	93.980,0	96.191,0	102,4	68.854,0	71.341,0	103,6
Î.M. Regia „Apă-Canal Bălţi”	51.215,0	51.472,0	100,5	0,0	0,0	0,0
Î.M. „Apă-Canal Cantemir”	2.630,0	2.680,0	101,9	1.455,0	1.457,0	100,1
S.R.L. „Glorin Inginering”	0,0	0,0	0,0	3.104,0	3.535,0	113,9
Î.M. „Apă-Canal” Cahul	16.150,0	17.071,0	105,7	9.221,0	9.507,0	103,1
Î.M. „Apă-Canal” din Ungheni	15.254,0	15.350,0	100,6	9.414,0	9.474,0	100,6
Î.I.S. „Acva-Nord”	88,0	91,0	103,4	0,0	0,0	0,0
S.A. „Regia Apă Canal-Orhei”	29.587,0	30.042,0	101,5	17.603,0	17.967,0	102,1
Î.M. „Apă-Canal” Vulcăneşti	3.762,0	3.807,0	101,2	1.384,0	1.388,0	100,3
S.A. „Operator Regional Apa-Canal Hînceşti”	6.397,0	6.505,0	101,7	2.948,0	3.048,0	103,4
D.P. „Apă-Canal” din or. Ştefan Vodă	3.174,0	3.210,0	101,1	2.112,0	2.149,0	101,8
Î.M. D.P. „Apă-Canal” Teleneşti	1.702,0	1.651,0	97,0	1.121,0	1.170,0	104,4
Î.M. D.P. „Apă-Canal” Anenii Noi	4.965,0	5.004,0	100,8	1.845,0	1.861,0	100,9
S.A. „Service-Comunale” Floreşti	12.544,0	13.509,0	107,7	4.372,0	4.402,0	100,7
Î.M. „Apă-Canal” Căuşeni	5.925,0	5.721,0	96,6	3.194,0	3.246,0	101,6
Î.M. „Apă-Canal Taraclia”	4.023,0	4.068,0	101,1	1.580,0	1.598,0	101,1
Î.M. „Apă-Canal din Drochia”	8.438,0	8.515,0	100,9	6.066,0	6.097,0	100,5
S.A. „Apă-Termo”	10.351,0	10.643,0	102,8	4.238,0	4.598,0	108,5
S.A. „Regia Apă-Canal Soroca”	13.836,0	14.241,0	102,9	7.629,0	7.703,0	101,0
Î.M. „G.C. Rîşcani”	4.696,0	4.754,0	101,2	1.810,0	1.811,0	100,1
S.A. „Apă - Canal Leova”	4.452,0	4.876,0	109,5	2.216,0	2.216,0	100,0
Î.M. „RCL” Cricova	2.959,0	2.959,0	100,0	1.731,0	1.775,0	102,5
Î.M. „Apă - Canal Ocnița”	2.300,0	2.300,0	100,0	1.700,0	1.700,0	100,0
Î.M.D.P. „Apă - Canal” Sîngerei	4.625,0	4.839,0	104,6	1.722,0	1.924,0	111,7
Î.M. „GCL” Briceni	3.468,0	3.488,0	100,6	2.591,0	2.596,0	100,2
Î.M. „DPGCL Fălești”	6.044,0	5.143,0	85,1	3.503,0	3.601,0	102,8
Î.M. „Servicii Publice Cimișlia”	6.191,0	6.265,0	101,2	1.735,0	1.821,0	105,0
Î.M. „SU - Canal” Comrat	9.039,0	9.159,0	101,3	3.667,0	3.749,0	102,2
Î.M. „Servicii Com. Loc.” Rezina	5.215,0	5.228,0	100,2	4.889,0	4.894,0	100,1
Î.M. „Comunservice” Criuleni	2.867,0	2.872,0	100,2	1.415,0	1.417,0	100,1
Î.M. „Gospod.Com.Loc.”Călărași	6.119,0	6.205,0	101,4	3.581,0	3.640,0	101,6
Î.M. „AQUA Basarabeasca”	2.224,0	2.229,0	100,2	0,0	0,0	0,0
Î.M. „Servicii Comunale Glodeni”	3.550,0	3.585,0	101,0	2.182,0	2.155,0	98,8
F.P. ”Făclia” S.R.L.	0,0	0,0	0,0	0,0	0,0	0,0
Î.M. „Apa-Canal” Străşeni	6.805,0	6.805,0	100,0	3.267,0	3.267,0	100,0
Î.M. „Apa-Canal” Edineț	16.838,0	16.905,0	100,4	9.974,0	9.990,0	100,2
S.A. „Apa Canal Nisporeni”	4.892,0	5.579,0	114,0	1.794,0	1.971,0	109,9
Î.M. „Apa-Canal din Basarabeasca”	2.531,0	2.190,0	86,5	1.610,0	1.610,0	100,0
Î.M. „Apa-Canal Măgdăcești”	1.235,0	1.252,0	101,4	847,0	871,0	102,8
S.R.L. „Petcom-Lux”	1.050,0	1.050,0	100,0	0,0	0,0	0,0
S.R.L. ”AQUASOL”	0,0	0,0	0,0	0,0	0,0	0,0
S.R.L. „Izvor Cristalin”	283,0	280,0	98,9	0,0	3,0	0,0
ÎM „Regia Apa Șoldănești”	0,0	202,0	X	0,0	1.025,0	X
ÎM „ Pro Mediu Cocieri``	0,0	1.021,0	X	0,0	31,0	X
Total	**381.404,0**	**388.957,0**	**102,0**	**196.374,0**	**202.608,0**	**103,2**

Most water installations have been connected to public water supply networks of S.A. „Apa Canal Nisporeni” (+ 14,0%), S.A. „Apă - Canal Leova” (+ 9,5%) and S.A. „Service-Comunale” Floreşti (+ 7,7%). While the largest number of sewerage installations were connected to the public sewerage networks of S.R.L. Glorin Engineering (+ 13.9%), Î.M.D.P. „Apa - Canal” Sîngerei (+ 11.7%), S.A. "Apa Canal Nisporeni" (+ 9.9%).

Investments in public water supply and sewerage systems 2017-2019

During 2017-2019, ANRE has approved the investment plans of the licensees according to terms set in point 49, par. 1) of the Methodology for determining, approving and applying the tariffs for public water supply, sewerage and waste water treatment, approved by the Decision of the Adminsitration Council of ANRE no. 741/18.12.2014 (Official Gazette no. 33 - 38/258/13.02.2015).

According to point 49, par. 6) of the Methodology for determining, approving and applying the tariffs for public water supply, sewerage and wastewater treatment, until March 1 of every year the operators must submit the reports regarding the implementation of the investment plans for the previous year to local administration authority or to ANRE. Soon after ANRE will approve the investments that will be recovered from tariffs.

In 2019, 10 operators submitted their investment plans with a total value of 432088.40 thousand MDL, 15.65% lower compared to 2018.

ANRE has approved the reports on the implementation of the investments for two operators in 2019. The licensee Î.M. „Apa-Canal" Ungheni has implemented 43.37% of the Investment Plan for 2019 while S.A. "Regia Apa Canal-Orhei" has implemented 46.3%.

Table 24. Investments made by operators in public water supply and sewerage systems 2017-2019

Name	Investments in public water supply and sewerage systems approved by ANRE, thousands MDL			Investments approved by ANRE, that are to be recovered from tariff, thousand MDL		
	2017	2018	2019	2017	2018	2019
S.A. „Apă-Canal Chișinău"	406510,84	465652,03	399482,82	29461,02	18882,97	
Î.M. „Regia Apă-Canal" Bălți	0	0	0	0	0	
Î.M. „Apă-Canal Cantemir"	0	0	0	0	0	
S.R.L. „Glorin Inginering"	0	0	0	0	0	
S.A. „Apă-Canal" Cahul	207868,0	1184,0	2342,10	10648,243	0	
Î.M. „Apă-Canal" din Ungheni	1820,0	2076,4	8506,0	66,0	2093,1	907,76
Î.S.I. „Acva-Nord" Soroca	0	0	0	0	0	
Î.M. „Regia Apă-Canal" Orhei	0	5597,40	8646,70	0	150,14	4004,1
Î.M. „Apă-Canal" Vulcănești	0	0	0	0	0	
S.A. „Operator Regional Apă Canal – Hîncești"	0	996,98	0	0	0	
Î.M. „Apă-Canal" din Ștefan Vodă	0	0	0	0	0	
Î.M.D.P. „Apă-Canal" Telenești	9361,65	26070,5	465,77	0	26739,73	
Î.M. „Apă-Canal" Anenii Noi	0	0	0	0	0	
S.A. „Service-Comunale" Florești	3530,77	9033,49	8797,91	243,91	1780,96	
Î.M. „Apă-Canal" Căușeni	0	0	790,60	0	0	
Î.M. „Apă-Canal" Taraclia	0	275,30	0	0	0	
Î.M. „Apă-Canal" Drochia	0	0	0	0	0	
S.A. „Apă-Termo"	0	80,9	2006,50	0	0	
S.A. „Regia Apă-Canal Soroca"	0	0	0	0	0	
Î.M. „G.C. Rîșcani"	0	0	0	0	0	
Î.M. „Apă – Canal" Leova	0	0	0	0	0	
Î.M. „RCL" Cricova	0	0	0	0	0	
Î.M. „Apă - Canal Ocnița"	0	0	0	0	0	
Î.M.D.P. „Apă - Canal" Sîngerei	0	0	0	0	0	
Î.M. „GCL" Briceni	0	0	0	0	0	
Î.M. „DPGCL Fălești"	250,5	360,5	880,0	0	0	
Î.M. „Servicii Publice" Cimișlia	0	0	0	0	0	
Î.M. „SU - Canal" Comrat	0	0	0	0	0	
Î.M. „Servicii Com.Loc." Rezina	0	0	0	0	0	
Î.M. „Comunservice" Criuleni	0	772,85	170,0	0	0	

Î.M. „Gospodăria Comunal-Locativă” Călărași	0	0	0	0	0	
Î.M. „AQUA Basarabeasca”	0	0	0	0	0	
Î.M. „Servicii Comunale Glodeni”	0	172,6	0	0	0	
SRL „Făclia” Cimișlia	0	0	0	0	0	
Î.M. „Apa Canal” Strășeni	0	0	0	0	0	
Î.M. „Apa Canal” Edineț	0	0	0	0	0	
S.A. „Apa Canal Nisporeni”	0	0	0	0	0	
S.A. „Apa Canal Basarabeasca”	0	0	0	0	0	
Î.M. „Apa Canal Magdacesti”	0	0	0	0	0	
S.R.L. „Petcom Lux”Căuseni”	0	0	0	0	0	
S.R.L. „Aquasol”	0	0	0	0	0	
S.R.L. „Izvor Cristalin”	0	0	0	0	0	
Î.M. „Regia Apa Șoldănești”	0	0	0	0	0	0
Î.M. „Pro Mediu-Cocieri”	0	0	0	0	0	0

Most operators/licensees did not submit the Investment Plans for examination and approval by ANRE. Therefore, ANRE cannot reflect the data on investments planning and implementation for 2019.

Until December 29 2019, the licensees submitted the Investment Plans according to provisions of point 49 of the Methodology for determining, approving and applying tariffs for public water supply, sewerage and wastewater treatment services approved by the Administration Council (Decision no. 741/18.12.2014). Starting December 29 2019 the Regulation on the principles of investments making in water supply and sewerage came into force (ANRE Decision no. 357/2019 of 27.09.2019).

Although ANRE has informed the operators about the deadlines of submitting the investment plans, the minimum requirements of drafting these plans, etc. and asked all operators to submit the investment plans and the reports of investments implementation, most operators did not comply unfortunately.

The lack of financial sources necessary to be invested in public water supply and sewerage systems does not give the opportunity to develop, modernize, rehabilitate and refurbish these systems, which are so important for Republic of Moldova. The urban water system infrastructure is very old with most public water supply and sewerage networks worn out. This causes significant water losses.

3.5. Petroleum products market

The Republic of Moldova is importing all petroleum products from regional suppliers. In 2019, the country imported 861128.1 tons of petroleum products, 3.8% higher compared to 2018. The increase is largely due to a rise in diesel (+ 6.2%) and gasoline imports. The imports of liquefied petroleum gas (LPG) decreased by 8.9% (Table 25).

Table 25. The imported quantities of petroleum products 2017-2019

Type of product	2017	Share	2018	Share	2018/2017	2019	Share	2019/2018
	tons		tons		%	Tons		%
Gasoline A 98	2 612,18	0,3%	2 821,15	0,3%	***8,0***	3 524,64	0,4%	***24,9***
Gasoline A 95	159 555,64	19,7%	162 642,61	19,6%	***1,9***	167 534,14	19,5%	***3,0***
Gasoline A 92	5 818,19	0,7%	4 176,80	0,5%	***-28,2***	501,33	0,1%	***-88,0***
Diesel	568 934,49	70,3%	587 844,84	70,9%	***3,3***	624 038,28	72,5%	***6,2***
LPG	72 351,47	8,9%	71 917,94	8,7%	***-0,6***	65 529,71	7,6%	***-8,9***
Total	**809 271,97**		**829 403,35**		***2,5***	**861 128,10**		***3,8***

Source: *ANRE statistics based on reports submitted by licensees and imports registered by Customs Office*

Romania is the main supplier of petroleum products in Republic of Moldova with a share of 99.94% of gasoline and 87.26% of diesel oil. The reason is that Moldovan oil companies that have their own refineries in the neighboring state. This allows domestic companies to have low transportation/delivery costs. Other regional suppliers include: Ukraine with a share of 0.06% for gasoline, Russian Federation with 7.72% for diesel oil, Belarus with 2.8% for diesel oil and Bulgaria with 1.59% for diesel oil (Figures 15, 16).

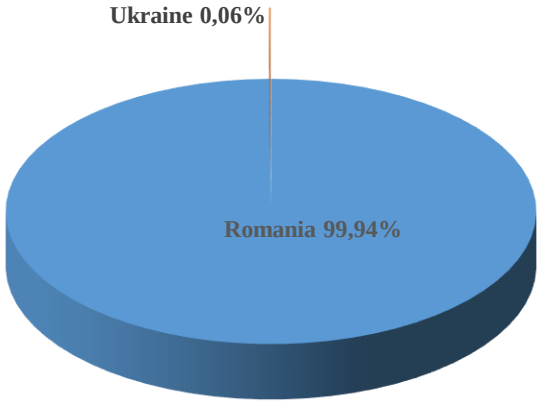


Figure 15. Gasoline imports by countries 2019

Source: *ANRE statistics based on imports data from Customs*

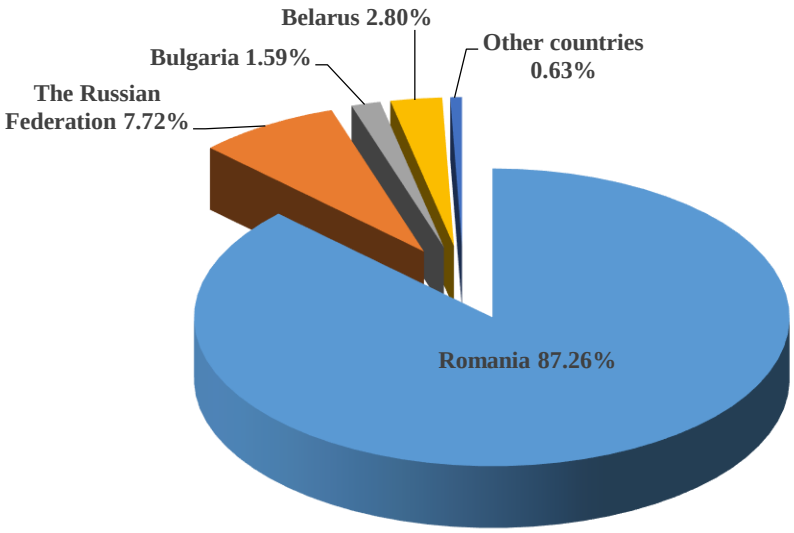


Figure 16. Diesel oil imports by countries 2019

Source: *ANRE statistics based on imports data from Customs*

The liquefied petroleum gas is imported from the Russian Federation, Romania, Kazakhstan and Belarus. Kazakhastan has the largest share of 38.7% due to its competitive prices, followed by Russia with 35.80%, Romania with 25.44% and Belarus with 0.06% (Figure 17).

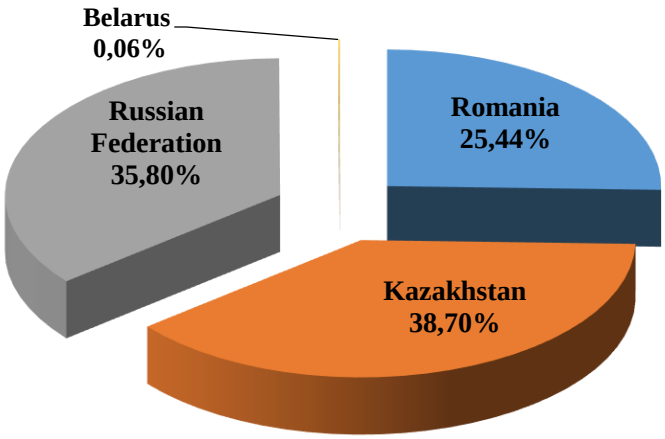


Figure 17. Liquefied petroleum gas (LPG) imports by countries 2019

Source: *ANRE statistics based on imports data from Customs*

Figures 18, 19, 20 show the stock market quotations, as well as the average import prices in USD and MDL. The average monthly import prices of petroleum products (USD) were largely influenced by Platts quotations.

The average import price of one ton of gasoline in January 2019 was 531.8 USD/ton. By May it has increased to 712.2 USD/ton. The import prices started to soften in July, reaching 614.8 USD/ton in December.

As shown in Figure 18, the difference between the average import price and Platts quotations started to widen in May, on average by 43 USD/ton, up from an average of 22.5 USD/ton (January - April).

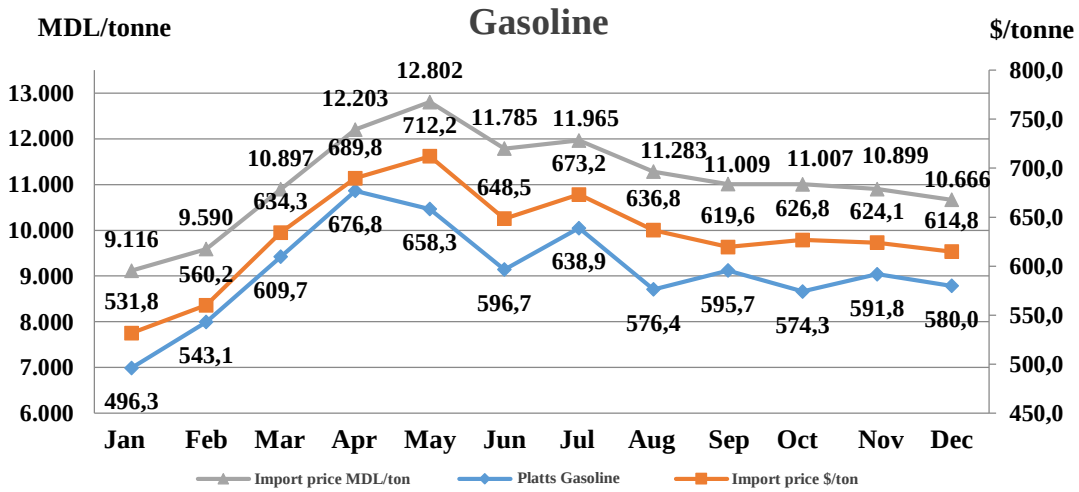


Figure 18. Average import prices/average Platts quotations for gasoline in 2019

Source: *ANRE statistics based on imports data from Customs*

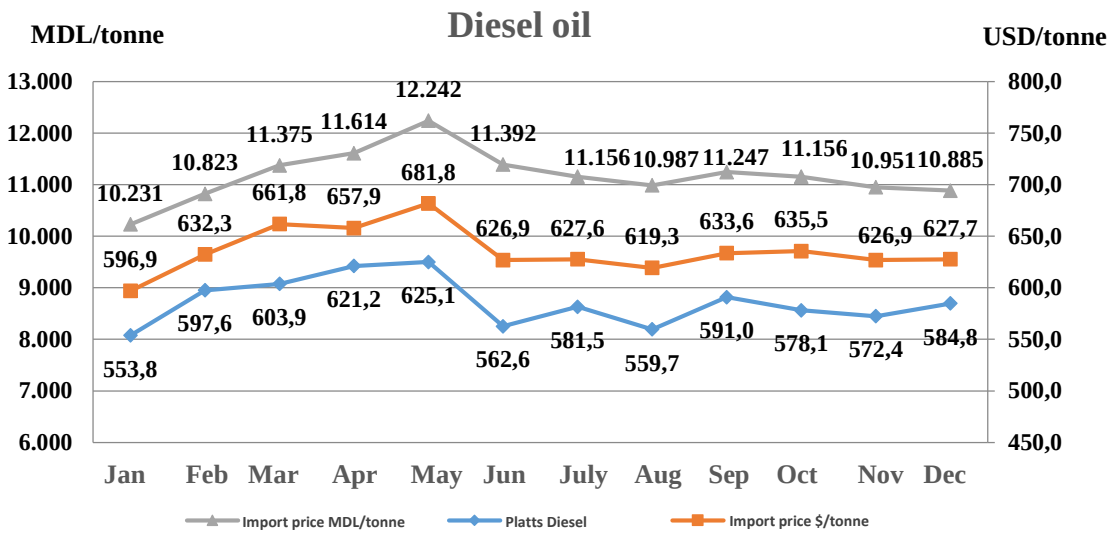


Figure 19. Average import prices/average Platts quotations for diesel oil in 2019
Source: *ANRE statistics based on imports data from Customs*

The average import price of liquefied petroleum gas in 2019 ranged from 381.4 to 512.7 USD/ton. The import prices started to increase in September, reaching a yearly high of 512.7 USD/ton in December, 24.1% compared to January 2019.

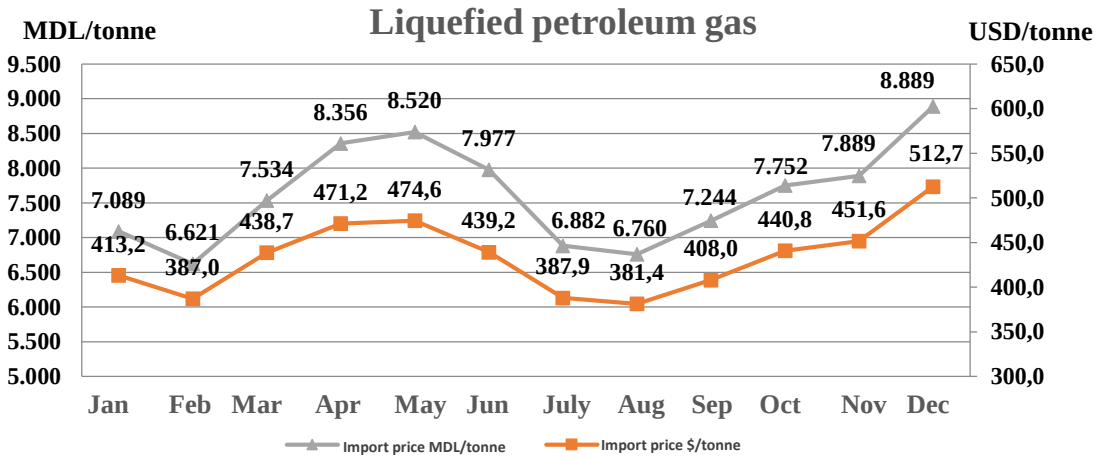


Figure 20. Average import prices/average Platts quotations for liquefied petroleum gas in 2019
Source: *ANRE statistics based on imports data from Customs*

Table 25 provides a comparative data on the quantities of petroleum products traded on the wholesale and retail markets, average trading prices, including VAT, in 2018-2019. The average wholesale and retail prices were calculated as the weighted average of the prices set by all licensees.

Table 25. The quantities of petroleum products sold on the wholesale and retail markets 2018-2019

Product	Wholesale						Retail sale					
	2018		2019		2019/2018 %		2018		2019		2019/2018 %	
	Ton	MDL/ Tonnes	Ton	MDL/ Tonnes	Quantity	Price	Thous. liters	MDL/Liter	Thous. liters	MDL/Liter	Volume	Price
Gasoline 98	613,45	22 290,80	807,18	22 248,41	31,6	-0,2	3 651,62	19,26	4 341,86	19,47	18,9	1,1
Gasoline 95	60 043,00	20 706,16	86 927,91	20 454,92	44,8	-1,2	177 344,95	18,27	187 789,09	18,53	5,9	1,4
Gasoline 92	2 997,15	21 210,07	1 855,86	20 305,32	-38,1	-4,3	30 827,47	18,00	21 181,94	18,31	-31,3	1,7
Diesel	448 537,05	17 286,73	564 790,59	16 859,23	25,9	-2,5	428 066,20	15,99	445 139,53	16,19	4,0	1,2
LPG	45 066,02	14 531,51	41 646,29	13 703,68	-7,6	-5,7	118 411,92	10,25	113 338,74	10,20	-4,3	-0,5
Total	**557 256,66**		**696 027,83**		**24,9**		**758 302,16**		**771 791,15**		**1,8**	

Source: ANRE statistics based on annual reports from licensees

Table 26. Stocks and domestic consumption of the main oil products and LPG in 2019

Product	Stocks at the beginning of the year	Imports	Domestic consumption	Stocks at the end of the year
Gasoline	12 633,08	171 560,10	169 750,15	14 443,03
Diesel oil	28 825,97	624 038,28	624 099,78	28 764,47
LPG	6 032,13	65 529,71	66 398,41	5 163,44
Total	**47 491,18**	**861 128,10**	**860 248,34**	**48 370,94**

Source: ANRE statistics based on annual reports from licensees

The petroleum products stocks at the end of the year can cover the domestic consumption for gasoline for 31 days, 17 days for diesel oil and 28 days for liquefied petroleum gas.

Following the amendments to the Law no. 461/2001 on petroleum products market, which came into force on January 1 2019, the retail prices of the main petroleum products and liquefied gas are set and amended by the oil companies providing that the annual rate of return for licensees'/oil companies shall not exceed 10%.

The new Methodology that allows the annual rate of return of 10% was approved by the Administration Council of ANRE (Decision no. 50/2019/11.03.2019) and came into force on 15.03.2019.

The comparison of the weighted average retail prices of gasoline, diesel oil and liquefied petroleum gas and weighted average ceiling prices set by the licensees for 2019 are shown below.

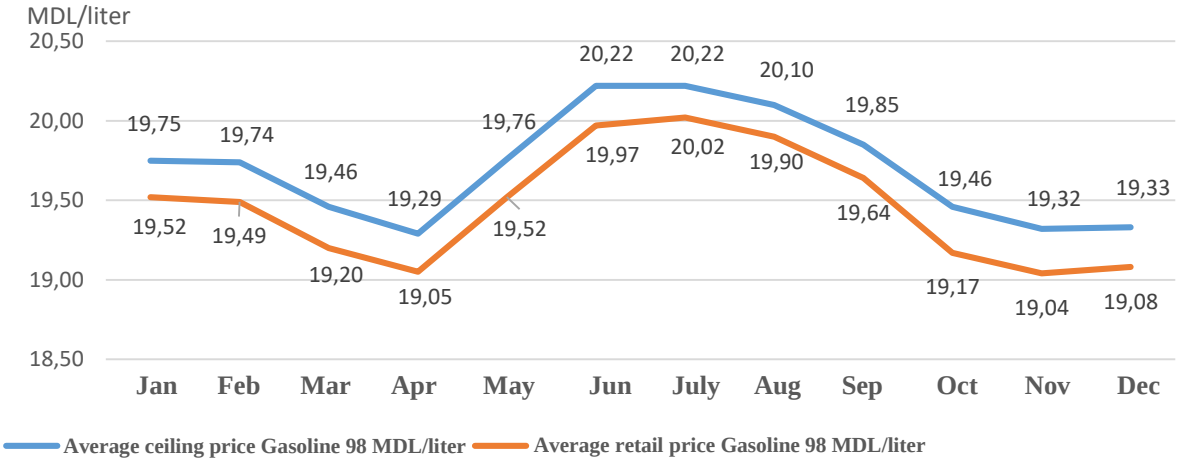


Figure 21. The Ceiling prices vs average effective prices for Gasoline 98
Source: ANRE statistics based on ceiling price calculations and reports from licensees

The difference between the average ceiling price and the average effective price for gasoline 98 in 2019 was about 0.24 MDL/liter.

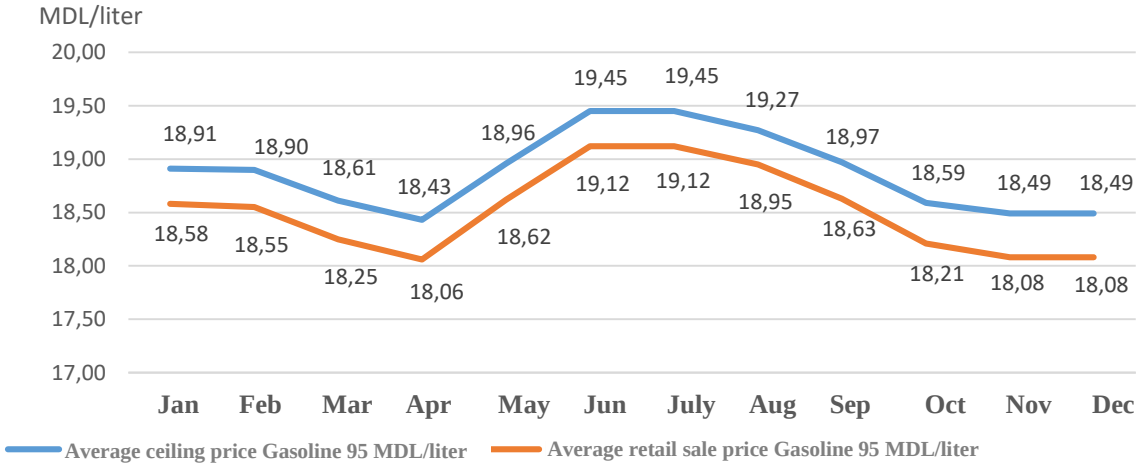


Figure 22. The Ceiling prices vs average effective prices for Gasoline 95
Source: ANRE statistics based on ceiling price calculations and reports from licensees

The difference between the average ceiling price and the average effective price for gasoline 95 was about 0.36 MDL/liter in 2019.

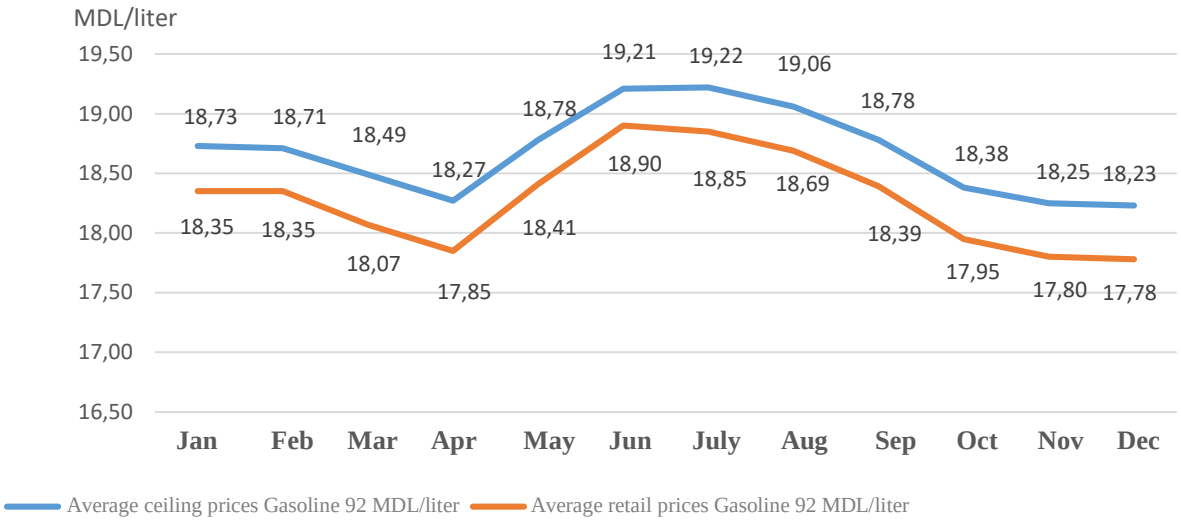


Figure 23. The Ceiling prices vs average effective prices for gasoline 92

Source: ANRE statistics based on ceiling price calculations and reports from licensees

The difference between the average ceiling price and the average effective price for gasoline 92 was about 0,39 MDL/liter or - 2,1 %.

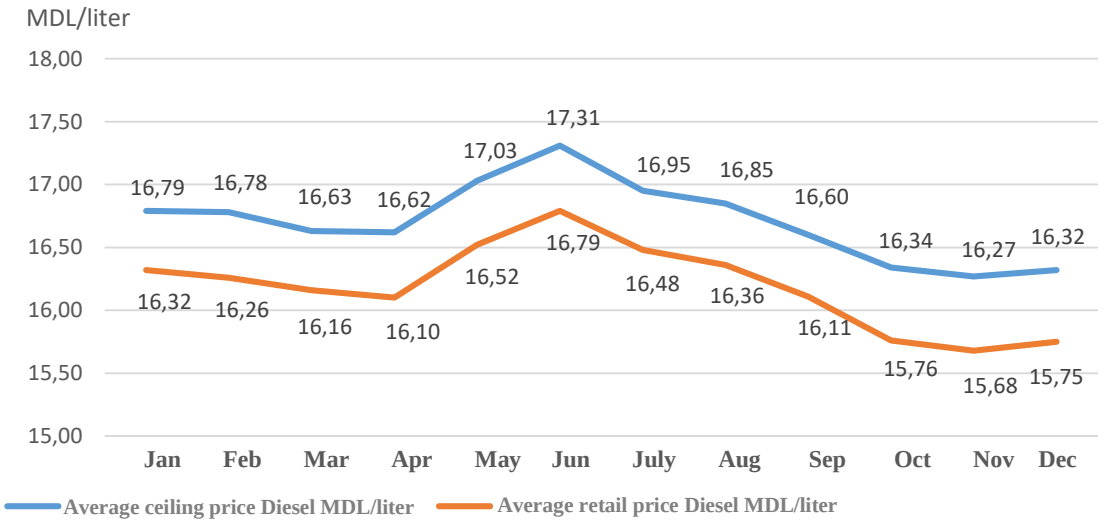


Figure 24. The ceiling prices vs average effective prices for diesel oil in 2019

Source: ANRE statistics based on ceiling price calculations and reports from licensees

The difference between the average ceiling price and the average effective price for diesel oil in 2019 was about 0.52 MDL/liter.

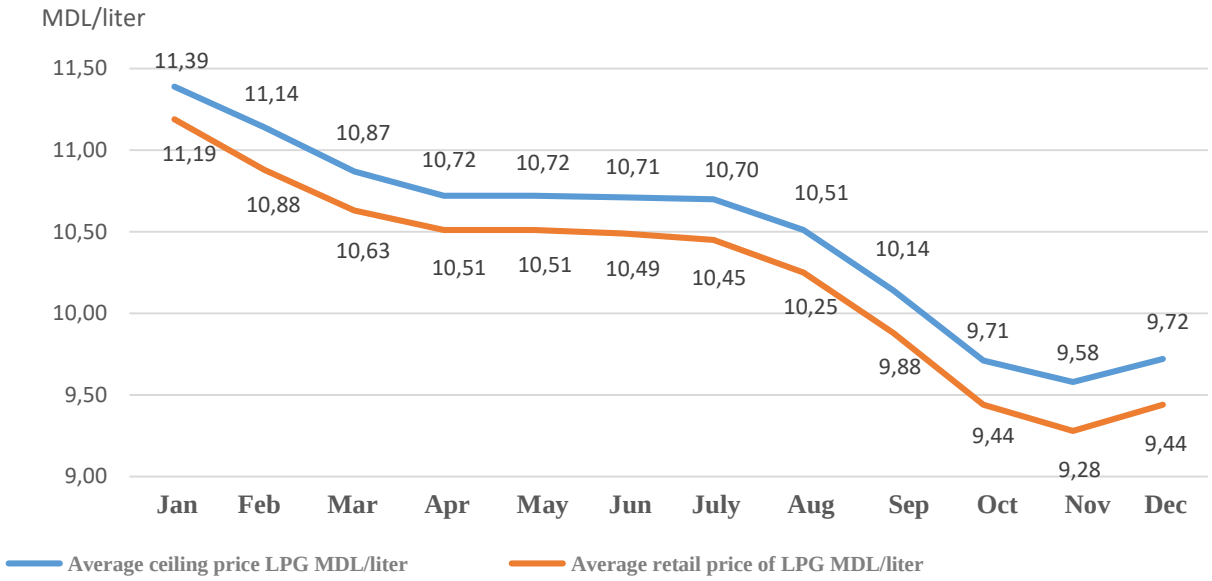


Figure 25 The ceiling prices vs average effective prices for liquefied petroleum gas in 2019

Source: ANRE statistics based on ceiling price calculations and reports from licensees

The difference between the average ceiling price and the average effective price for liquefied petroleum gas in 2019 was about 0.25 MDL/liter.

The difference between the weighted average ceiling prices set by the licensees and the average effective marketing price are largely due to discounts offered by oil companies on weekends (and other holidays) and use of corporate cards.

According to point 15 of the Methodology on petroleum products price formation and application, approved by ANRE (Decision no. 50/2019/11.03.2019), the annual rate of return included in the retail sale price of the main petroleum products and liquefied gas shall not exceed 10%.

The average return applied by licensees in 2019 on the retail market was 4.23%, while the average effective return was 1.51%.

4. Normative activity

According to art. 12 paragraph (2) of the Law on Energy, no. 174/21.09.2017, ANRE is exercising its attributions and functions provided by law of drafting and approving regulations, methodologies and other normative acts provided by the Law on energy (no. 174/21.09.2017), the Law on electricity (no.107/27.05.2016), the Law on heating and promotion of cogeneration (no. 92/29.05.2014), Law on natural gas (no.108 of 27.05.2016), the Law on promoting the use of energy from renewable sources (no. 10 of 26.02.2016), the Law on public water supply and sewerage system (no. 303/13.12.2013).

Similar provisions are set in the Regulation on the organization and functioning of ANRE, approved by the Parliament of the Republic of Moldova, Decision no. 334/14.12.2018, which stipulates that ANRE drafts and approves regulations, methodologies and other normative acts in the energy sector, public water supply and sewerage system.

ANRE has respected the principle of public consultations when drafting and approving normative acts, which have a significant impact on the regulated markets.

The process of drafting and approving the normative acts takes place according to the Law no. 239-XVI/13.11.2008 on transparency in the decision-making process, special laws that apply in the energy sector and public water supply and sewerage system.

According to the Activity Plan for 2019, the Administration Council of ANRE has approved during public hearings the following normative acts:

1. **The Regulation on connection to natural gas networks and providing the transmission and distribution services of natural gas, approved by the Administration Council of ANRE, Decision no. 112/2019, April 19 2019 (Regulation on connection)**

The Regulation on connection to natural gas networks and providing the transmission and distribution services of natural gas, regulates the following:

- the stages, the procedure, the terms and conditions of connecting the user installations and production installations to the natural gas networks of the system operators, the interconnection of the natural gas networks;
- the legal aspects of the relations between system operators and system users regarding natural gas transmission and distribution services;
- the terms and conditions for disconnection (interruption), reconnection to the natural gas transmission and distribution networks of the user installations, production installations and storage depots; disconnection from natural gas transmission or distribution services, interruption and reduction of supply.

The Regulation applies when connecting the users' installations, production installations, the applicant's storage depots; when modifying the existing natural gas installations, when issuing connection notice, as well as to the relations between the system operators and system users regarding the natural gas transmission and distribution contracts.

The impact

The implementation of the Regulation on connection will have a positive impact on both existing and potential licensees and final consumers.

Any potential consumer or final consumer will be able to benefit from his right to access to the system operator's natural gas network. The procedure, steps and conditions to connect to the gas network are described in the Regulation on connection. The provisions of the Regulation on connection will help improve the provided gas services and to avoid misunderstandings between system users and system operators.

The provisions of the Regulation served as basis to set the guaranteed quality indicators provided in the Regulation on natural gas transmission and distribution services quality approved by ANRE, which stipulate that system operators are obliged to pay compensation to system users in case of noncompliance with quality standards.

2. The Regulation on natural gas supply, approved by the Administration Council of ANRE, Decision no. 113/2019, 19.04.2019

The regulation on natural gas supply regulates:

The supply of natural gas, including the supply of natural gas by the supplier of last resort and the supplier who has the obligation to supply natural gas to household consumers and small businesses in the context of public service obligations;

- natural gas contracts and billing;
- disconnection, reconnection of natural gas installations, limitation and interruption of natural gas supply;
- the quality of natural gas supply services;
- the examination of complaints and solving the disputes between suppliers, system operators and final consumers.

The Regulation applies to final consumers, suppliers and system operators, in order to ensure the necessary conditions for the supply of natural gas to final consumers.

The impact

The natural gas supply regulation provides solutions to solve the problems of final consumers (contract the chosen supplier, disconnect the user installation, conclude gas supply contracts with several suppliers at the same time, billing, last resort gas supply, fraudulent consumption etc.) the implementation of which will have a positive impact on licensees and final consumers.

Well informed consumers will know their rights and obligations and will play a proactive role in their relation with suppliers and the system operators while avoiding misunderstandings and conflicts.

System operators and suppliers will be required to have Customer Information Centers in order to provide all the necessary information to solve customer complaints.

Also, the implementation of the provisions of the Regulation on natural gas supply will lead to the improvement of the quality of natural gas supply service. In case of non-compliance by the public service provider with the deadlines for concluding the natural gas supply contract, the potential final consumer applicant is entitled to claim compensation from the supplier.

3. The Natural Gas Network Code approved by the Administration Council of ANRE, Decision no. 420/2019 of 22.11.2019

The Natural Gas Networks Code sets the rules to an efficient and transparent access to natural gas networks.

The provisions of the Natural Gas Networks Code apply to interconnection points between the natural gas systems of the Republic of Moldova, the European Union Member States and the contracting parties of the Treaty establishing the Energy Community. According to ANRE's decision the code applies to entry/exit points to third countries.

The Natural Gas Networks Code sets the norms regarding:

- the operation of natural gas transmission and distribution networks;

- the interoperability within the natural gas system;
- data exchange with system operators, including TSOs from neighboring countries;
- the operation of natural gas flows in natural gas networks, including interconnections;
- capacity allocation at interconnection points.

The Natural Gas Network Code applies to all system operators and system users, including their cross-border transactions.

The impact

By approving the natural gas networks code, the Republic of Moldova has honored its commitments as a member of the Treaty establishing the Energy Community.

The approval of this code allowed a series of European normative acts to be transposed into national legislation. The national system operators will conduct their activity and cooperate with system operators from the neighboring countries according to these normative acts.

The implementation of the Natural Gas Networks Code will bring medium-term benefits, such as increased transparency and higher levels of competition on the natural gas market. And in the long run it could improve the country's level of energy security in case there are several suppliers of natural gas.

4. The Regulation on access to natural gas transmission networks and congestion management, approved by the Administration Council of ANRE, Decision no. 421/2019 of 22.11.2019

The Regulation on access to the natural gas transmission networks and congestion management sets the following:

- the general principles and conditions to access the natural gas transmission networks;
- the mechanisms of capacity allocation for natural gas transmission networks;
- the congestion management tools/instruments and procedures;
- the rights and responsibilities of market participants;
- the transparency requirements of publishing the data by system operators;
- measures meant to guarantee the security of natural gas supply.

The Regulation applies to all system users, including the legal aspects of cross-border exchanges of natural gas.

The impact

The Regulation on access to natural gas transmission networks and congestion management provides the mechanisms that can be used by the TSOs to reduce the risk of physical congestion in the system that may disrupt the day-to-day activity of system users and potential damages to the entire natural gas transmission infrastructure.

From the economic efficiency point of view, the approved mechanisms will allow the TSOs to manage the unused capacities and offer them to other buyers on the market.

The Regulation includes several transparency requirements related to publication of the necessary information for system users that ensures the access to the natural gas transmission network.

5. The Regulation on quality of natural gas transmission and distribution services, approved by the Administration Council of ANRE, Decision no. 422/2019 of 22.11.2019

The Regulation on quality of natural gas transmission and distribution services regulates the quality of natural gas transmission and distribution services provided by the TSO, DSO, system users or applicants. The Regulation sets out the general and guaranteed indicators of the quality of natural

gas transmission and distribution services, as well as, the consequences of non-compliance with these indicators.

The provisions of this Regulation apply to the relationship of system operators with:

- system users, including final consumers of natural gas;
- individuals/firms which ask the system operator to connect the natural gas installations to the natural gas network;
- individuals/firms that request information or file a complaint regarding the quality of the natural gas transmission/distribution service.

The impact

The final consumers are entitled to compensations (set out in the Regulation) if the system operator does not comply with the established quality indicators. The system operator is obliged to compensate the final consumer directly through fixed compensations or through the natural gas supplier by reducing the price for the natural gas supplied. Depending on the case, these compensations are automatically paid at the request of the final consumer.

ANRE can reduce the tariffs for natural gas transmission and distribution services if the system operators do not comply with the minimum values of the general quality indicators and the guaranteed indicators of continuing delivery of natural gas to final consumers.

The Regulation will hold the system operators accountable and ensure a reliable and a continuous supply of natural gas to final consumers.

The general and guaranteed indicators of quality allow ANRE to assess properly the degree of compliance and apply the necessary regulatory measures.

6. The Natural Gas Market Rules, approved by the Administration Council of ANRE, Decision no. 534/2019 of 27.12.2019

The goal of the Natural Gas Market Rules is to set the legal framework for the buy/sale transactions of natural gas and related products on the wholesale and retail markets, as well as, system services, based on the principle of transparency, impartiality, competition, and non-discrimination.

The Rules regulate:

- the structure of the natural gas market;
- the procedures, principles and standards of natural gas market organization and functioning;
- the types of contracts used on the natural gas market and the mandatory clauses that need to be included in the contracts signed on the bilateral contracts market under regulated conditions;
- the calculation methods of the actual natural gas flows on the market, the volumes of natural gas purchased by the participants on the market according to their contracts, the methods of recording the quantity of natural gas at the entry/exit points of the transmission networks;
- the procedures and the methods of recording the transactions on the natural gas market;
- the procedure of physical notifications by participants on the natural gas market;
- the procedures and the methods of setting out and maintaining the database for the needs of the natural gas market;
- the procedures and methods related to the acquisition of system services and the acquisition of natural gas to cover the technological consumption and natural gas losses in the transmission and distribution networks;
- the rights and obligations of natural gas market participants, including the balancing gas market participants' obligations;
- the calculation methods of quantitative imbalances caused by the natural gas market participants and the financial settlements for the imbalances caused on the natural gas market;
- other rules necessary for the organization and functioning of the natural gas market.

The impact

The provisions of the Natural Gas Market Rules will have a considerable impact on several aspects of the natural gas sector, including:

- ✓ A higher number of suppliers will be able to access the natural gas market The emergence of new suppliers on the market, the diversification of natural gas supply sources;
- ✓ Final consumers will have the opportunity to choose their own gas supplier and benefit from competitive prices;
- ✓ The participants on the natural gas market will have new responsibilities and duties (issues related to balancing, natural gas records, forecasting and notifying about the transactions). The balancing entity will be responsible of recording all transactions and the volumes of natural gas going in and out of the national gas transmission system;
- ✓ Setting the balancing mechanism of the natural gas system, which allows the system users to cover the financial costs associated with the imbalances caused by them in the natural gas transmission networks;
- ✓ The integration of the natural gas market of the Republic of Moldova with the regional and European Union energy markets.

7. The Methodology of calculating and applying regulated tariffs for the natural gas transmission service, approved by the Administration Council of ANRE, Decision no. 535/2019 of 27.12.2019

The goal of the Methodology of calculating, approving and applying tariffs for the natural gas transmission service is to set the way of calculating, approving and applying the tariffs for the natural gas transmission service and the input/output tariffs that are provided by the TSOs,

The Methodology sets:

- ➢ the principles of regulating the tariffs for the natural gas transmission service;
- ➢ how to calculate and apply the entry/exit tariffs in and out of the natural gas transmission networks;
- ➢ the mechanisms and the method of setting the cost allocation rates in relation to entry/exit points into/from natural gas transmission networks;
- ➢ the structure and the way of determining the regulated expenses;
- ➢ how to determine, approve and update the basic costs for the natural gas transmission service;
- ➢ how to determine the level of profitability;
- ➢ the separation of costs, expenses and profitability between the activities carried out by the TSOs;
- ➢ how to determine, approve, adjust, update and apply the regulated tariffs.

The impact

The Methodology will have an impact on all transmission system operators, as well as on system users (suppliers, final consumers).

The TSOs will calculate the tariffs for the natural gas transmission service separately for each entry/exit point in/from the natural gas transmission system applying the cost allocation mechanisms set by the Methodology. The tariffs for the natural gas transmission service will be determined using the reference price method based on the weighted average distance based on capacity.

The impact of this normative act on final consumers will be determined in the process of applying the methodology by the licensees. Unlike the previous tariff Methodology, which set the tariff according

to the "postage stamp" principle, the costs for the transmission service in the new methodology are not associated with a certain transmission route. The System users will be able to contract input and output capacity separately. In addition, they can request the natural gas to be delivered from any entry point - to any exit point. This way the TSO decides which is the most efficient way to deliver the natural gas.

Due to this Methodology specific approach the TSOs will have the possibility to plan their activity and related costs in an accurate and predictable way.

8. **The Regulation on closed electricity distribution system, approved by the Administration Council of ANRE, Decision no. 48/2019 from 11.03.2019**

The Regulation on closed electricity distribution system has the following goal:

- Regulation of the terms and conditions for the connection, disconnection, reconnection of user installations to the closed distribution system;
- Regulation of the legal relations between the closed distribution system operator and users with regards to contracts and payments.

The Regulation applies to operators and users of closed distribution systems of electricity supply, consumption records, payments, restriction and interruption of electricity supply, examination of user complaints and how to solve the disputes between operators and users.

The impact

The application of this Regulation will oblige the operators of closed distribution systems to conclude power supply contracts with users of closed distribution system, in order to: *1) ensure an efficient and safe delivery of electricity; 2) ensure that the operators receive the payments for the distributed electricity; 3) compensate the damages caused by operators; 4) provide monthly invoices to users based on the metering equipment indicators at approved tariffs, at least 10 calendar days before the expiry date on the invoice.*

9. **Decision no. 49/2019 of 11.03.2019 on the amendment of the Regulation on quality of electricity transmission and distribution services, approved by the Administration Council of ANRE, Decision no. 282 of 11.11.2016**

This amendment aims to change the deadline for the automatic payments of compensation for non-compliance with the duration and number of scheduled and unscheduled outages, allowing system operators to conduct their activities according to the principle - minimum costs and maximum efficiency.

The main objectives of the decision are:

- drafting the database on the association of final consumers with specific elements of the low voltage electricity networks, in order to systemize the information for the automatic determination of violations of continuity indicators of the electricity supply
- reducing the necessary costs to modify the existing information systems used by system operators;
- eliminating the additional costs related to investments in modifying existing information systems used by system operators;
- drafting a functional algorithm to determine the violation of the continuity indicators of electricity supply as well as automatic compensations for final consumers;
- ensuring transparency and non-discrimination in the process of compensating the final consumers for non-compliance with normative indicators of continuity in electricity supply;

- avoiding the non-payment of compensation to final consumers;
- the compliance pf licensees' activities with the principle of minimum costs and maximum efficiency, set by Law no. 107/27.05.2016 on electricity.

The impact

The final consumers will benefit from an increase in the level of continuity indicators of the electricity distribution service, driven by the implementation of compensation payment system, which will serve as an incentive for DSO to respects these indicators.

10. The Regulation on developing the electricity distribution networks, approved by the Administration Council of ANRE, Decision no. 94/2019 from 04.04.2019

The regulation on developing of electricity distribution networks aims to set:

- the way of drafting, evaluating and approving the development plans of electricity distribution networks for a period of 3 years;
- the stages and procedure of developing the electricity distribution networks;
- the responsibilities of the parties involved in the process of developing electricity distribution networks.

The regulation is applied by DSOs, local public administration authorities, associations and investors.

The impact

The approved regulatory act will have a positive impact on the activity of DSOs, existing and potential consumers by:

- creating the necessary conditions for the development of the electricity distribution networks by the DSOs according to the development plan;
- creating the best conditions for developing electricity distribution networks and providing electricity to potential consumers;
- protecting of the rights and interests of potential final consumers.

11. The methodology on calculating the payments for the development, modernization, operation and maintenance of energy infrastructure of strategic importance, approved by the Administration Council of ANRE, Decision no. 95/2019 from 04.04.2019

The methodology on calculating the payments for the development, modernization, operation and maintenance of energy infrastructure of strategic importance aims to determine the amount of payments if the revenue from or related to the development, modernization, operation and maintenance of energy infrastructure of strategic importance does not cover the costs of these activities.

The methodology sets:

- the structure and the way of determining the justified costs related to the activities of development, modernization, operation and maintenance of the energy infrastructure of strategic importance;
- the method of calculating the income gained by the operator of the energy infrastructure object of strategic importance following the use of this infrastructure object;
- how to determine and adjust the amount of payment for financing or co-financing the object of energy infrastructure of strategic importance.

The impact

The regulatory act will have the following impact:

- ✓ creating the premises and conditions necessary to achieve the objectives set out in the Law on Energy;
- ✓ ensuring transparency in the process of generating payments for financing or co-financing the object of energy infrastructure of strategic importance;
- ✓ ensuring the necessary conditions for the operators to cover the minimum operating costs necessary for the development of their activity.

12. The Regulation on electricity supply, approved by the Administration Council of ANRE, Decision no. 169/2019 from 31.05.2019

The Regulation on electricity supply aims to regulate the legal relations between the supplier, the system operator and the final consumer regarding the supply and payment of electricity on the retail electricity market.

The Regulation sets the following objectives:

- ➢ defining the roles and setting the duties and obligations of the universal service provider and the provider of last resort as well as the terms and conditions of concluding and terminating electricity supply contracts;
- ➢ increasing the degree of transparency between final consumers and suppliers by offering the possibility to negotiate the contract terms/clauses, according to provisions of art. 70, paragraph (4) of the Law on Electricity;
- ➢ the provision of the mandatory clauses of the electricity supply contract which stipulate the rights and obligations of final consumers regarding electricity delivery, delivery restrictions and disconnection from the electricity network;
- ➢ offering the final consumers the possibility to choose between monomial and binomial tariffs, as well as differentiated prices according to electricity usage periods (on-peak and off-peak hours);
- ➢ setting a compensation payment system in case of supplier's non-compliance with obligations set by the Law on Electricity and the Regulation on supply of electricity.

The Impact

The Regulation will have a positive impact as it sets clear and transparent rights and obligations for both, suppliers and final consumers. It describes how to apply binomial and differentiated tariffs, giving the final consumers the opportunity to control their spending on consumed electricity. It also creates the premises for the development of a genuine competitive market in the Republic of Moldova, by allowing other electricity suppliers on the market

13. The Regulation on connection to electricity networks and providing electricity transmission and distribution services, approved by the Administration Council of ANRE, Decision no. 168/2019 of 31.05.2019

The Regulation on connection to electricity networks and providing electricity transmission and distribution services provides solutions to connect the installations and the power plants to the electricity grid, as well as regulates the relations between system operators and system users on electricity transmission and distribution services.

The Regulation sets the following objectives:

- the implementation of the provisions of the Law on electricity related to connection of system users' installations, the terms and conditions of electricity transmission and distribution services termination, suspension, restriction and disconnection from the electricity network;
- increasing the degree of transparency between system users and system operators related to regulated access to electricity grid and the connection of installations and power plants to electricity transmission and distribution networks;
- setting the consumers' rights and obligations related to connection of system users' installations, the terms and conditions of electricity transmission and distribution services termination, suspension, restriction and disconnection from the electricity network;
- ensuring the possibility of integrating the electricity market of the Republic of Moldova into the regional market of the European Union

The impact

The major benefits of this Regulation are:

- ✓ the proper implementation of the Law on Electricity;
- ✓ a clear determination of system operators and final consumers' rights and obligations.

14. The Regulation on confirmation of the status of eligible producer, approved by the Administration Council of ANRE, Decision no. 251/2019 from 05.07.2019

The goal of the Regulation on confirmation of the status of eligible producer is to set transparent and non-discriminatory procedures and requirements that apply during the confirmation and withdrawal of the status of eligible producer.

The regulation sets the following objectives:

- setting the procedure of confirming the status of eligible producer;
- setting clear and transparent rules when confirming and withdrawing the status of eligible producer;
- providing information to the public on the procedure of confirming the status of eligible producer;
- the approval of the secondary legal framework and implementation of the principles set in the Law on promoting the use of energy from renewable sources no. 10/26.02.2016.

The impact

The implementation of this Regulation will have a positive impact on the activity of producers of electricity from renewable sources, which will benefit from fixed tariffs for electricity produced from renewable sources for a period of 15 years. Other benefits of this Regulation include:

- the compliance with the principles of transparency and non-discrimination as well as the creation of the necessary grounds to attract small producers and investments for the development of power plants producing electricity from renewable sources;
- the creation of necessary grounds to attract foreign investments for the development of renewable energy production sources.

15. The mandatory clauses of the contract on procurement of electricity produced from renewables, approved by ANRE, Decision no. 252/2019 from 05.07.2019

The mandatory clauses of the contract on procurement of electricity produced from renewables set out the mandatory terms and conditions that shall be added to the contract in order to avoid any misunderstandings between the central electricity supplier and eligible producers.

The impact

These contract clauses will ensure transparent and non-discriminatory terms and conditions of the contract on procurement of electricity from renewables.

16. The Methodology on calculation, approval and application of regulated tariff for electricity market operation service, approved by the Administration Council of ANRE, Decision no. 395/2019 from 01.11.2019

The Methodology on calculation, approval and application of regulated tariff for electricity market operation service sets out how the electricity market operator shall calculate, approve and apply the regulated tariff for the electricity market operation service.

The methodology sets out:

1) the structure and the way to determine the justified costs related to the activity and income gained by the electricity market operator;

2) how to determine and adjust the tariff for the electricity market operation service.

Depending on the number and quantities of electricity traded on the market the electricity market participants (electricity suppliers, system operators) will do the payments taking into account also the tariffs for the electricity market operation service.

17. The Regulation on access to the electricity transmission networks for cross-border exchanges and congestion management in the power system approved by the Administration Council of ANRE, Decision no. 424/2019 of 22.11.2019

The Regulation on access to the electricity transmission networks for cross-border exchanges and congestion management in the power system aims to set the rules and requirements for the long-term allocation of available capacities of interconnections between the electricity system of the Republic of Moldova and the electricity systems of neighboring countries, in order to achieve cross-border exchanges of electricity on equal, transparent and non-discriminatory terms for all participants in the electricity market, of the norms regarding the management of congestion on interconnections, thus increasing the competition on the electricity market.

The Regulation sets the following objectives:

- providing a predictable regulatory framework for cross-border exchanges of electricity and managing the congestion in the electricity transmission network;
- promoting competition on the electricity market;
- ensuring an efficient use of electricity transmission infrastructure;
- ensuring the security of electricity supply;
- non-discriminatory access to interconnection capacity;
- ensuring fair and non-discriminatory treatment for electricity market participants;
- ensuring and improving the transparency and reliability of information;
- contributing to an efficient and long-term operation and development of electricity transmission networks;
- creating the prerequisites for a fair and organized market as well as setting fair prices;
- creating the necessary normative framework for the cooperation between Moldovan and foreign TSOs, determine how to calculate the capacity allocation and set the congestion management mechanisms.

The impact

The implementation of the Regulation will ensure: 1) a fair treatment of electricity market participants; 2) non-discriminatory access to interconnection capacity; 3) improved information transparency and reliability; 4) a transparent congestion management mechanism; 5) promote competition in generating, marketing and supply of electricity; 6) an efficient and long-term development of electricity transmission networks.

18. The Electricity Network Code approved by the Administration Council of ANRE, Decision no. 423/2019 from 22.11.2019

The Electricity Network Code sets the regulatory framework to ensure an efficient and transparent access to electricity networks as well as regulate the connection procedures, the development and the operation of electricity networks.

The regulation sets the following objectives:

- harmonize the national technical requirements for electricity installations that have a potential systemic impact with European technical requirements;
- regulate the requirements for potential demand response units/consumers so they can participate in managing the frequency and voltage;
- improve the procedure of information exchange between owners of energy infrastructure;
- provide system operators with access to information related to the possible response of the energy infrastructure to possible shocks, that can threaten the security of electricity supply;
- ensure a safe, reliable and efficient operation of the electricity system that can guarantee an uninterrupted supply of electricity while meeting the electricity demand from final consumers;
- ensure a regulated and non-discriminatory access for all individuals and firms to electricity transmission and distribution networks, as well as to system services;
- guarantee the security of electricity supply to final consumers.

The impact

The implementation of Electricity Network Code will have a positive impact on system operators, producers and final consumers, as it creates the necessary premises to bring the electricity installations in line with the requirements applied in European Union member states. The Electricity Network Code will also contribute to the sustainable development of the power system, ensure the necessary conditions for the TSO to provide system services on demand, thus, ensuring the functionality of the electricity system and the security of electricity supply to final consumers.

19. The framework Regulation on organization and operation of public water supply and sewerage system, approved by the Administration Council of ANRE, Decision no. 355/2019 from 27.09.2019

The framework Regulation on organization and operation of the public water supply and sewerage system sets the following requirements for:

- the connection of internal water and sewerage installations to public water supply and sewerage;
- the delimitation of internal water and sewerage installations from the operator's installations;
- the contract procedures on public water supply and sewerage system;
- the rights and obligations of the parties;
- recording the volumes of water supplied to consumers and volumes of wastewater discharged into the public sewerage system;

- billing and payment of the public water supply and sewerage system;
- disconnection, reconnection of internal water and sewerage installations, interruptions and restrictions of the public water supply and sewerage;
- the procedures for solving the disputes between consumers and operators.

The framework Regulation will be used by level 1 local public administration authorities to draft and approve their own regulations for the operation of public water supply and sewerage system, according to the Law no. 303/2013 on public water supply and sewerage system.

The impact

The Regulation will have a positive impact on consumers and operators as the rights and obligations of the parties, the necessary steps that need to be taken in case of misunderstandings and the quality of water supply are set in a transparent way. The regulation also allows operators and consumers to negotiate additional contract provisions which will meet customer expectations and improve the quality of services.

20. The framework regulation on performance indicators of public water supply and sewerage, approved by the Administration Council of ANRE, Decision no. 356/2019 of 27.09.2019

The framework Regulation on performance indicators of public water supply and sewerage sets:

- the performance indicators that operators must comply with in order to provide water supply and sewerage system;
- the authorities that approve the performance indicators and their value;
- how the operators shall submit the reports on compliance with performance indicators.

The impact

The Regulation will benefit the consumers as well as operators. The operators will be motivated to ensure the good operation of public water supply and sewerage at the normative parameters set for water collection, treatment, transmission and distribution to consumers as well as for the collection and discharge of wastewater from consumers. Consumers in their turn will benefit from an increase in the quality of services.

The operators are required to submit to ANRE the reports on the continuity of public water supply and sewerage as well as the reports on compliance with the performance indicators. This will allow to monitor the operators' performance.

21. The Regulation on principles of making investments in water supply and sewerage sector, approved by the Administration Council of ANRE, Decision no. 357/2019 of 27.09.2019

The Regulation objective is to regulate the procedure of drafting the annual investment plans, the reports on implementation of the investment plans, the investment categories, the evaluation criteria of the investment projects, the deadlines of drafting the annual investment plans, the way of approving the modification of the annual investment plans, the requirements for submitting the investment implementation report, as well as provisions related to the implementation of the multiannual programs for the development of public water supply and sewerage.

The impact

The implementation of this Regulation will encourage operators to make the necessary, the mandatory and economically efficient investments in order to ensure the continuity of public water supply and sewerage system.

22. The framework reference terms of public water supply and sewerage system, approved by the Administration Council of ANRE, Decision no. 358/2019 of 27.09.2019

The framework reference terms of public water supply and sewerage includes the following provisions:

- the operation terms of public water supply and sewerage system;
- the technical specifications which define the level of quality, the level of performance, the operational safety, as well as, the systems that ensure the provided services;
- the technical specifications regarding the operation, testing, inspection and approval of works;
- the mandatory regulations on labor protection, fire prevention and fire extinction and environmental protection.

The framework reference terms will be used by the local public administration authorities to prepare the specifications (schedule of conditions), which will allow the sustainable development of the public water supply and bring improvements to the public water supply and sewerage system through a coordinated management and financing of that service.

23. The framework contract for the public water supply and sewerage system approved by the Administration Council of ANRE, Decision no. 359/2019 of 27.09.2019

The framework contract for the public water supply and sewerage system includes the following mandatory clauses:

- records, invoicing and payment of the public water supply and sewerage system;
- the terms and conditions for disconnection and reconnection of internal water and sewerage installations, interruptions and limitations of public water supply and sewerage system;
- the terms and conditions of contract suspension and modification;
- solving the misunderstandings and disputes between the operator and the consumer;
- the quality and technical parameters for public water supply and sewerage system.

The impact

The approved Framework contract will enable the operators and consumers to negotiate the contract, avoiding the potential misunderstandings.

24. The Methodology on determining, approving and applying the tariffs for public water supply, sewerage and wastewater treatment service, approved by the Administration Council of ANRE, Decision no. 489/2019 of 20.12.2019

The Methodology on determining, approving and applying the tariffs for public water supply, sewerage and wastewater treatment service aims to set the method of calculating, approving, adjusting and applying the tariffs for the public water supply, sewerage and wastewater treatment.

The methodology sets:

- the tariffs that shall be determined and approved;
- how to determine the tariffs;
- justified expenses that are included when determining the tariffs;
- the new type of expenses – that are related to the royalty expenses for public water supply and sewerage system objects that are given to operators by the local public administration authorities to be managed;
- how to recover the expenses related to the purchase of meters for household consumers from tariffs;

- how to set the branch complexity coefficient according to the technological losses in the public water supply system;
- adjusting the way of recovering the water tax expenses through tariffs. This offers the operator the possibility to cover its justified expenses, necessary for conducting its regulated activity.

The impact

The Methodology will have a positive impact on operators and consumers as the calculation of tariffs will include only the justified expenses necessary to conduct the activity at minimum costs and maximum efficiency. It will also allow to perform metrological checks/verification, repair and replace the water meters of household consumers. The operators will be able to get a reasonable profit to enable the development, renovation and rebuilding the public water supply and sewerage system that will eventually benefit the consumers.

25. The Decision of the Administration Council of ANRE no. 488/2019 of 20.12.2019 on amending the Methodology on the approval and application of tariffs for auxiliary services provided to consumers by the public water supply and sewerage system operators

The amendment of the Methodology on the approval and application of tariffs for auxiliary services provided to consumers removes - the provisions related to the determination and approval of the distinct tariff applied to the installation of water meters in apartments of residential blocks, paid by consumers. Taking this provision out will contribute to the reduction of expenses incurred by consumers and misunderstandings between the operator and the apartments owners/tenants related to the installation of water meters.

26. The Methodology for the calculation, approval and application of regulated prices and tariffs for the production of electricity and heat, and the heat distribution and supply services approved by the Administration Council of ANRE, Decision no. 396/2019 from 01.11.2019

The Methodology for the calculation, approval and application of regulated prices and tariffs for the production of electricity and heat, and the heat distribution and supply services aims to set unique methods of calculating, approving and applying the regulated prices and tariffs by licensees for electricity production, heat production, distribution and supply of heat and domestic hot water.

The Methodology sets:

- the principles of regulating the prices and tariffs for electricity and heating produced and delivered;
- the structure and the way of determining the regulated expenses;
- the method of separating the expenses and the profitability for the production of electricity and heat;
- the principles of making investments and how to return the investments through regulated prices and tariffs;
- how to calculate profitability;
- the method of determining, approving, updating and applying the regulated prices and tariffs.

The Methodology regulates the prices for electricity and heat produced by combined heat and power district plants, the tariffs for the production of heat by heat plants, the distribution and supply service and the tariff for heat delivered to consumers, including domestic hot water.

The impact

The Methodology will have a positive impact on heating plants and consumers of electricity and heat as it will allow the prices and tariffs to be determined and approved on non-discriminatory, transparent, performance-based and objective basis which include a reasonable rate of return. The Methodology will also ensure a fair determination of the expenses related to each regulated activity, so that cross-subsidies are eliminated, and each category of consumers pays only the justified cost of electricity and heat. This will attract investments in the development, modernization and reconstruction of production capacities, distribution and supply of heating.

27. NE1-01: 2019 "The operation norms/standards of electrical installations of non-household consumers", approved by the Administration Council of ANRE, Decision no. 393/2018 from 01.11.2019

The goal of the normative-technical document NE1-01: 2019 "The operation norms/standards of electrical installations of non-household consumers" is to set the necessary requirements to ensure a reliable and safe operation of electrical installations as well as their maintenance.

The norms/standards set:

- the responsibilities and obligations of non-household consumers regarding the operation of their own electrical installations;
- the requirements regarding the organization of the operation of electrical installations of non-household consumers;
- the requirements regarding the personnel that operates the electrical installations and their level of training;
- the requirements regarding household management;
- the requirements regarding technical maintenance, repairs, modernization and renovation of electrical installations;
- the requirements on the technical documentation necessary to operate the electrical installations of the non-household consumers;
- the volume and regularity of the tests and measurements of the parameters of the electrical equipment and installations of the non-household consumers.

28. NE1-01:2019 "The safety norms/standards for the operation of electrical installations", approved by the Administration Council of ANRE, Decision no. 394/2018 from 01.11.2019

The normative-technical document NE1-02: 2019 "Safety norms/standards for the operation of electrical installations" includes the safety requirements regarding the activities related to electrical installations. These norms/standards are mandatory for technicians that work with electrical installations, regardless of their voltage, as well as employers (individuals and firms) that do design activities, maintenance works of the existing electrical installations, organize and perform construction works, assembly, repairs, tests and measurements.

The norms/standards set the following:

- the requirements regarding the qualification of personnel that work with electrical installations;
- the requirements on safe execution of the works;
- the rights and obligations of the people responsible for the safe execution of works related to the electrical installations;
- how to execute the works based on authorizations and orders;
- the technical and organizational measures for works related to electrical installations, which will ensure the very minimum level of safety;

- the safety requirements for special activities such as: live works on conductive parts of electrical installations, induced live works, escalation works, tests and measurements with increased voltages, etc.;
- the security requirements when carrying out works with telecommunications means, technological management and operational management;
- how to organize the work of staff that was sent to do the repairs related to electrical installations;
- how to organize the admission of staff of construction-assembly and design enterprises, to works related to the electrical installations and to protection area of the power lines.

29. RA01-02:2019 the Regulation on the authorization of electro technical laboratories, approved by the Administration Council of ANRE, Decision no. 405/2019 from 01.11.2019

RA01-02:2019 "Regulation on the authorization of electro technical laboratories" sets the terms of issuing, renewal, suspending and withdrawing the authorizations for electro technical laboratory.

The Regulation sets:

- the types of authorizations;
- non-discriminatory requirements for the heads of laboratories that request the authorization for electro technical laboratories;
- the procedure of organizing exams for the heads of laboratories to get the authorization for the electro technical laboratory;
- the procedure of issuing/extending and renewal of the authorization for the electro technical laboratory;
- the procedure of withdrawing and suspending the authorization for the electro technical laboratory;
- the rights and obligations of electrical laboratories staff.

30. RA01-02:2019 The Regulation on the authorization of authorized electrician, approved by the Administration Council of ANRE, Decision no. 404/2019 from 01.11.2019

The Regulation (RA01-02:2019) on the authorization of authorized electrician sets the terms for issuing, renewal, suspension and withdrawal of the authorization of authorized electrician.

The Regulation sets:

- the degrees of the authorizations for authorized electricians;
- the requirements for the candidates applying for authorized electrician;
- the procedure of organizing and conducting the exams for potential authorized electricians;
- the procedure of issuing/extending and renewal of the authorization of authorized electrician;
- the procedure of withdrawing and suspending the validity of the authorization of authorized electrician;
- the rights and obligations of the authorized electrician.

The impact

The implementation of the normative documents mentioned above will have a positive impact on the power sector and state energy supervision performed by ANRE. The contractors that perform works on electrical installations, the employers (individual and firms) and employees that carry out design, maintenance, operational, construction works on electrical installations and networks, any works related to the operational tests and measurements, as well as, the staff of the state energy supervision body – must comply with these normative documents.

The compliance with these normative documents will ensure the security and safety of the technical works done on electrical installations. This will reduce the number of electric shocks, fires and accidents, and will contribute to the efficient operation, development and long-term safety and reliability of the power sector.

In 2019, in order to fulfill the responsibilities and duties set by the Law on Energy, the Law on Electricity, the Law on Natural Gas, the Law on Heat and Promotion of Cogeneration, the Law on the Petroleum Products Market, the Law on promotion of the use of energy from renewable sources, the Law on public water supply and sewerage system, the Administration Council of ANRE has approved 555 decisions. During public meetings, the Administration Council of ANRE has approved 55 decisions on the approval or amendment of normative acts, the approval of tariffs for electricity, natural gas, heat, and public water supply and sewerage system.

According to ANRE Regulations Program for 2020, approved by the Administration Council of ANRE, Decision no. 549/2019 of 27.12.2019, the following normative acts shall be drafted and submitted for approved:

- The Electricity market rules;
- The Regulation on the procedure of changing the electricity supplier;
- The Methodology of calculation, approval and application of regulated tariffs for the natural gas distribution service;
- The Methodology of calculation, approval and application of regulated prices for natural gas supply by the supplier of last resort and the public service supplier;
- The Methodology of evaluation of the technological consumption and natural gas losses in the natural gas transmission and distribution networks;
- The Modification of ANRE Decision no. 420/2019 on the approval of the Natural Gas Network Code by transposing the EU Regulation no. 312/2014 approved establishing a network code on the gas balancing of transmission networks;
- The Regulation on the integrity and transparency of the wholesale energy market by transposing EU Regulation no. 1227/2011of the European Parliament and of the Ministerial Council D2018/10/ MC - EnC of November 29, 2018;
- The Regulation on approving the operation of electrical installations;
- The Rules for the technical operation of power plants and networks.

Table 27. The indicators of transparency in the decision-making process, 2019

Indicators	**No.**
The decision-making process	
The no. of decisions approved	*555*
The no. of draft decisions consulted in public	*55*
The no. of decisions approved without consultations, which fall outside the scope of the Law no. 239-XVI/13.11.2008:	*500*
The no. of consultative meetings (public hearings, debates, working group meetings, etc.) organized	*211 – work meetings* *32 - WG (RIA drafts acts)*
The no. of recommendations received	*1798*
The no. of recommendations included in draft decisions	*1171*
Appeals/sanctions	*0*
The no. of actions or decisions of the central public administration authority that were challenged for non-compliance with the Law no. 239-XVI of 13.11.2008: *the higher hierarchical body*	*0*

In court	
The no. of sanctions applied for violating the Law no. 239-XVI of 13.11.2008	*0*

5. Quality of services

The principles of evaluation and analysis of service quality are similar to all energy and public water supply and sewerage system sectors regulated by ANRE, regardless of each sector specifics. The evaluation of quality is based the following criteria:

- the service continuity (scheduled and unscheduled outages of service);
- the quality and product delivery arrangements (electricity, natural gas, water supply);
- the relationship between system operators and system users.

The normative acts approved by ANRE set 2 types of indicators for each criteria:

a) **General indicators** – which are calculated for each enterprise. Based on these general indicators - the regulator sets certain levels of performance. The non-compliance with these levels of performance may prompt ANRE to impose penalties (tariff reduction).

b) **Guaranteed indicators** – are quality indicators that are set for end consumer/individual system user (no. of outages for one end user/places of consumption, voltage level for a certain end user/places of consumption, etc.). The non-compliance with these indicators will prompt system operators to pay compensations to their clients.

5.1. Quality of electricity distribution services in 2019

ANRE supervision of the quality of electricity distribution services, provided by electricity OSD during 2019 was conducted according to provisions of the Regulation on the quality of electricity transmission and distribution services, approved by the Administration Council of ANRE, Decision no. 282/2016 of 11.11.2016 based on the information submitted by system operators.

5.1.1. The continuity of electricity delivery to final consumers

The assessment of electricity continuity of supply was based on general continuity of supply indicators: System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Duration Index (CAIDI).

The continuity indicators, monitored according to the provisions of the Regulation, are calculated according to the duration of the interruptions, the number of final consumers affected by an interruption and the total number of final consumers served by a DSO. During 2019, the DSOs Î.C.S. Premier Energy Distribution S.A. and S.A. "RED-Nord" have served a total of 1,399,621 end users/places of consumption. The number of end users/places of consumption increased in 2019 by 10,591, compared to 2018 (1,389,030 points of consumption).

Out of all final consumers of electricity in the country, Î.C.S. Premier Energy Distribution S.A. has served 65% while S.A. RED Nord S.A served 35% of final consumers. (Figure 26).

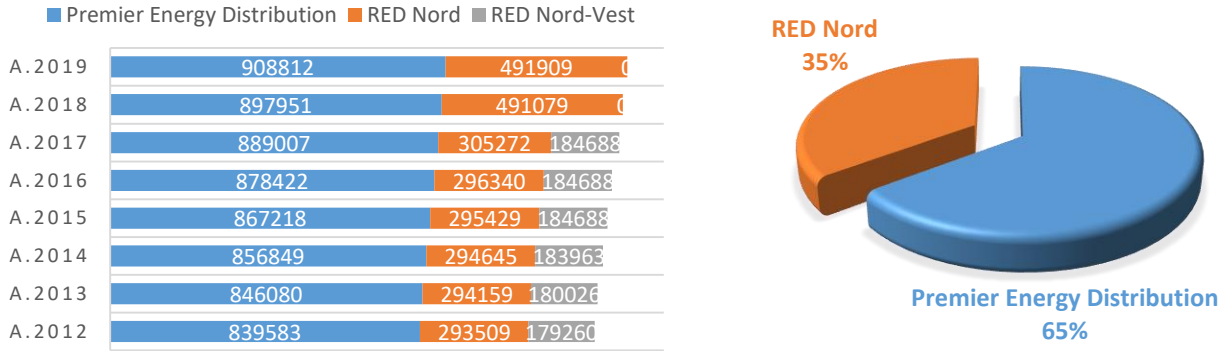


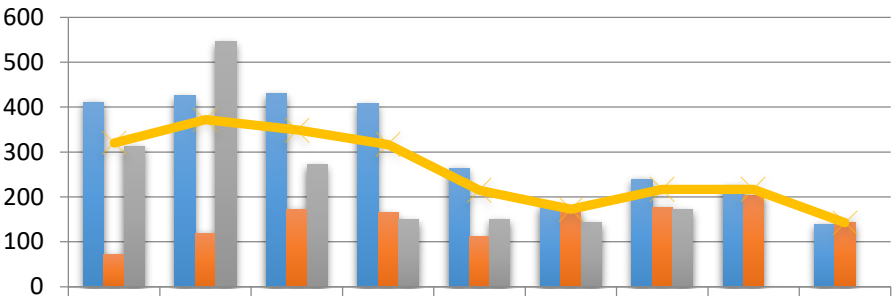
Figure 26. Number of places of consumption served by the DSOs during 2012 - 2019

The general indicators of continuity of supply

The average duration of unscheduled interruption for each of the two DSOs was set the following SAIDI indicator:

1) S.A. "RED Nord" - 155 minutes;
2) Î.C.S. Premier Energy Distribution S.A. - 270 minutes.

In 2019 the continuity indicators have improved significantly, for both Î.C.S. "Premier Energy Distribution" S.A., and "RED Nord" S.A. (Figure 27).



	2011	2012	2013	2014	2015	2016	2017	2018	2019
Î.C.S. „Premier Energy Distribution”S.A.	410,9	426,3	430,16	408,2	264,2	179,2	240,0	225,1	139,7
RED Nord S.A.	72,6	119,7	173,26	165,13	111,0	171,2	176,9	202,0	143,6
RED Nord-Vest S.A.	313,1	546,1	272,3	148,61	149,7	142,8	172,2	0,0	0,0
Average per country	320	372	349	316	215	173	216,9	217	143

Figure 27. The evolution of the SAIDI indicator 2011 to 2019)

The average level of the SAIDI indicator in 2019 was 143 minutes, significantly lower compared to 2018 (217 minutes).

Î.C.S. Premier Energy Distribution S.A. reported a SAIDI indicator of 139.7 minutes, 85.4 minutes lower compared to 2018, while S.A."RED Nord" showed the indicator at 143.6 minutes, 58.4 minutes lower.

The level of the SAIDI indicator, mentioned above, is calculated only for interruptions caused by the system operator (AC) and do not include interruptions produced by consumer installations technical failures (IC), interruptions caused by third party’s actions (AT - road accidents, outside intervention), force majeure or severe weather conditions (FM). Severe weather conditions are a natural phenomenon that includes strong winds, frost deposits, heavy rainfall and other natural disasters that have caused mass disruptions to electricity transmission or distribution services.

According to point 22 of the Regulation on the quality of electricity transmission and distribution services, ANRE accepts the evidence of severe weather conditions provided by system operators as reasons for electricity supply disruptions and the consequences these produce. The disruptions produced by severe weather conditions are excluded from the calculation of the annual continuity indicators.

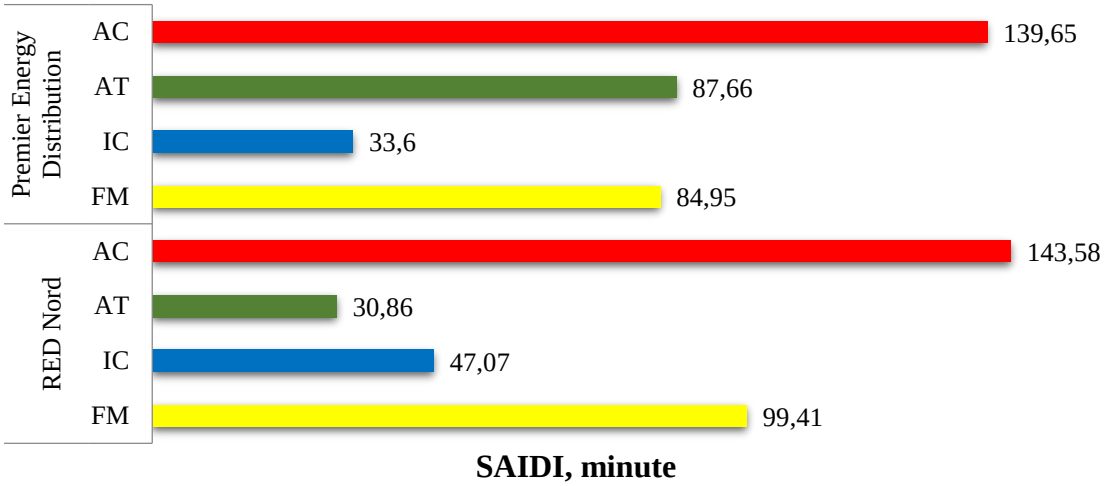


Figure 28. The level of SAIDI indicator in 2019, depending on causes of disruptions

The electricity distribution networks served by Î.C.S. Premier Energy Distribution S.A. have suffered less from severe weather conditions in 2019. The value of SAIDI indicators, calculated for interruptions caused by severe weather conditions in 2018 was 282 minutes, while in 2019 it was only 84.95 minutes.

The picture is different however for the DSO "RED Nord" S.A., where the share of interruptions caused by severe weather conditions increased by almost 90 minutes compared to 2018. In 2019, ANRE applied the statistical approach - 2.5 Beta Methodology (described in international standard IEEE Std 1366-2003) to examine the requests from DSOs regarding the approval interruptions caused by severe weather conditions. Based on these requests ANRE issued 4 decisions accepting the severe weather conditions in 2019.

According to point 11 of the Regulation, the DSO are required to monitor and report annually the values of SAIFI and CAIDI indicators. The evolution of SAIFI and CAIDI indicators during 2015 - 2019 are shown below (Figure 29).

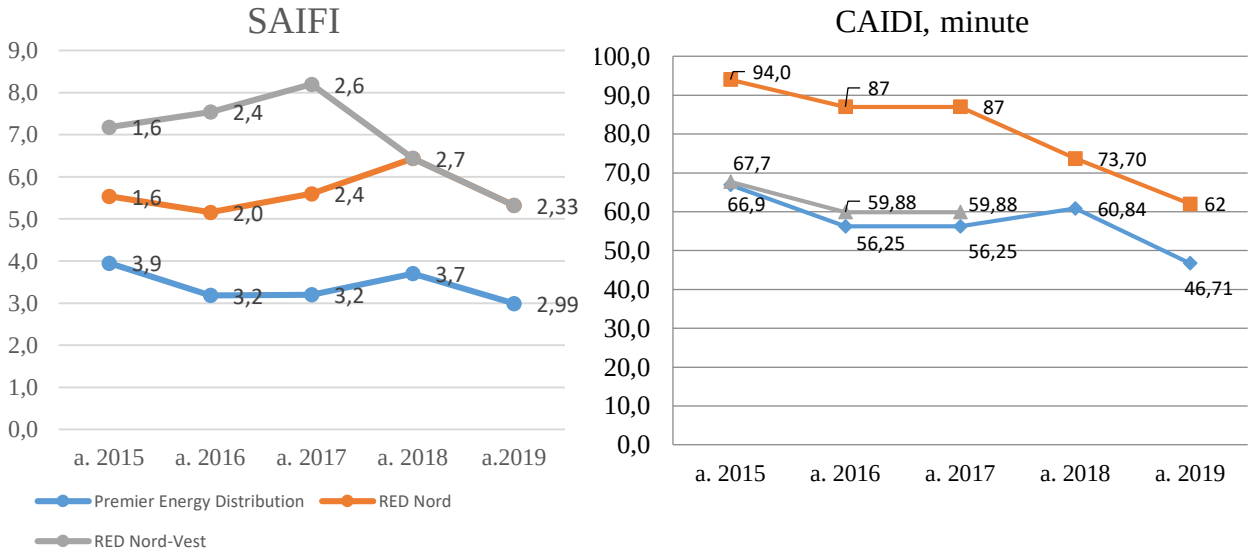


Figure 29. The Evolution of SAIFI and CAIDI indicators during 2015 - 2019

According to the data shown above (Figure 29), in 2019 the interruption frequency was reduced for both system operators: from 3.7 to 3 in case of Î.C.S. Premier Energy Distribution S.A. and from 2.7 to 2.33 in case of "RED Nord" S.A.

Î.C.S. Premier Energy Distribution S.A. recorded the value of CAIDI indicator of 46.71 minutes, compared to 62 minutes recorded by "RED Nord" S.A., which means that the end consumers served by Î.C.S. "Premier Energy Distribution" S.A., are reconnected about 15 minutes faster following unscheduled outages compared to consumers served by "RED Nord" S.A.

In 2019, individual regulated levels of the SAIDI indicator were applied to DSOs, according to point 13 of the Regulation. The regulated value of SAIDI indicator for Î.C.S. Premier Energy Distribution S.A. was set at 270 minutes. For "RED Nord" S.A. the regulated value of SAIDI indicator was set at 155 minutes. The Figure below shows the registered values of SAIDI indicator for DSO in 2019, compared to the regulated level.

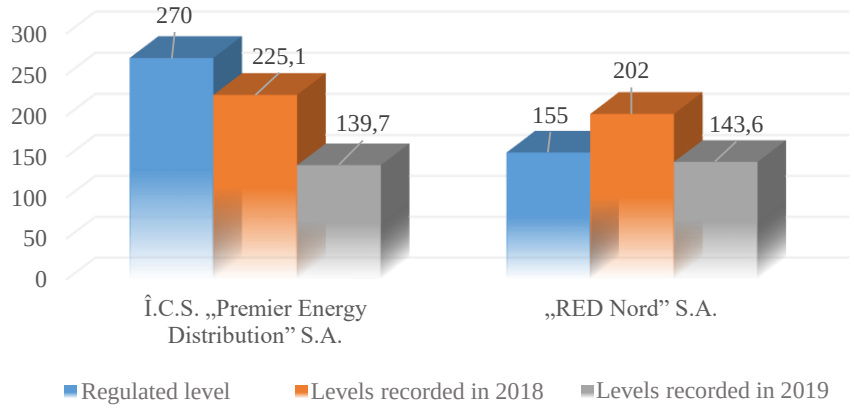


Figure 30. SAIDI indicator level in 2018-2019, per system operator, compared to the regulated level

Both DSOs complied with the regulated values of SAIDI indicators, with 130 minutes saved in case of Î.C.S. Premier Energy Distribution S.A. and 14 minutes in case of "RED Nord" S.A. The registered SAIDI indicator values are very close as both distribution systems operate in the same conditions. The small difference between the values of the indicators indicates also that the methods of data recording and processing are applied accurately by both operators.

In many districts of the country, the continuity of electricity supply to final consumers is at unsatisfactory levels. Figure 31 shows the continuity of electricity supply to consumers served by Î.C.S. Premier Energy Distribution S.A.

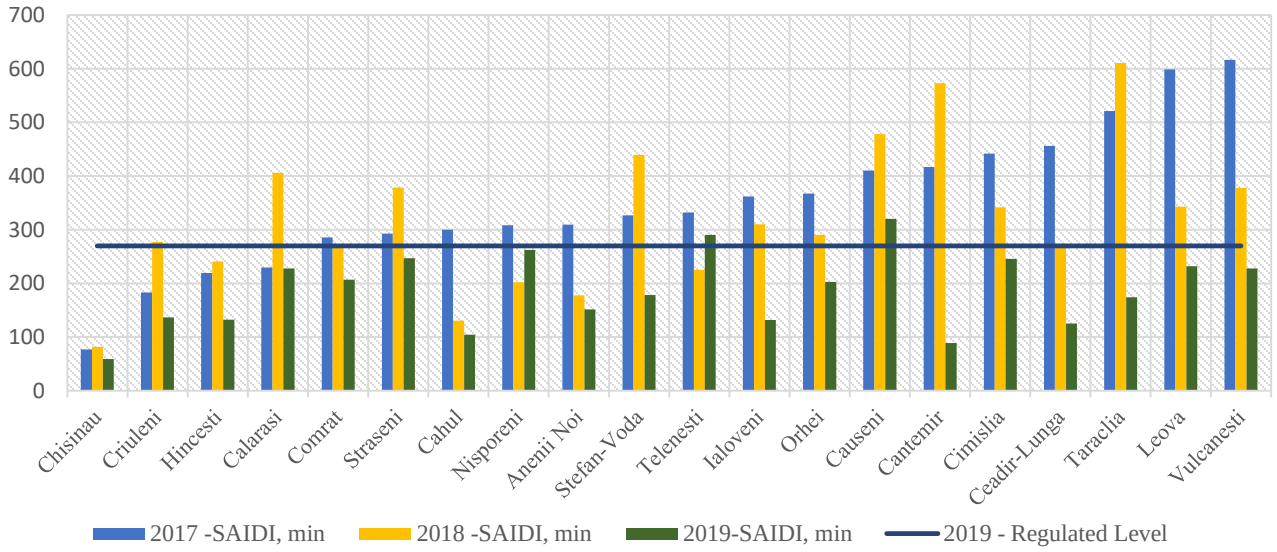


Figure 31. The value of SAIDI (minutes) in the districts served by Î.C.S. "Premier Energy Distribution" S.A., 2017 - 2019

In 2019, the SAIDI indicator at Î.C.S. ″Premier Energy Distribution″ S.A. was higher than the regulated value - in only 2 of the 20 districts served, Causeni and Telenesti, where the annual value of SAIDI was 320 and 290 minutes, respectively. In Nisporeni and Telenesti districts, however, the SAIDI indicator has fallen compared to the previous year. An important fact to highlight is the ongoing changes in value of the monitored indicator. The value of the SAIDI indicator in the rest of the districts served by the Î.C.S. ″Premier Energy Distribution″ S.A. has improved significantly. In indicator values for S.A. "RED Nord" is shown below in Figure 32.

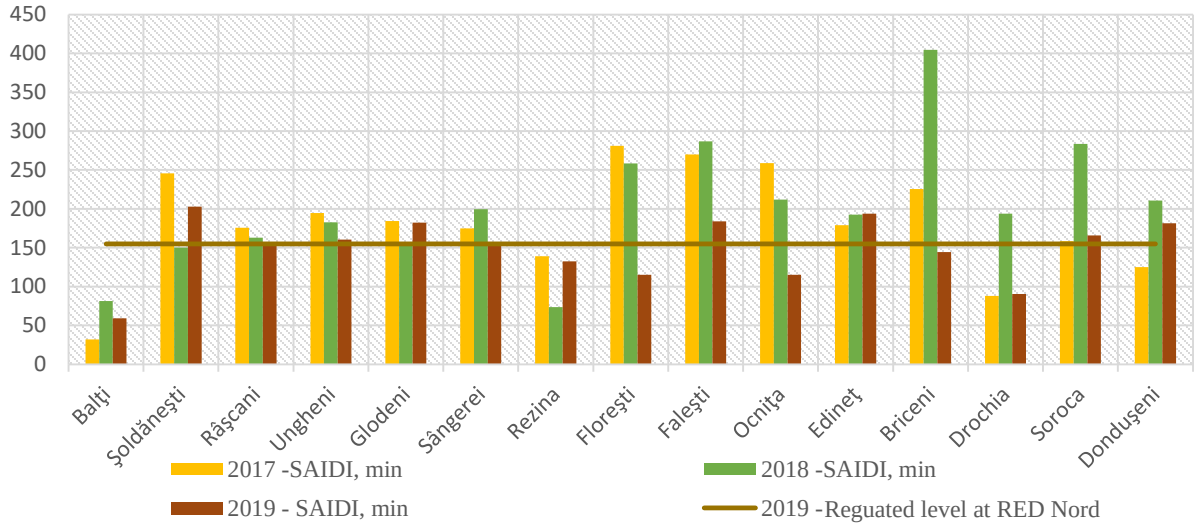


Figure 32. The value of SAIDI (minutes) in the districts served by S.A. "RED Nord" during 2017-2019

The data of the DSO S.A. „RED Nord" indicates the compliance with the regulated value of the SAIDI indicator in 8 out of the 15 districts served. Compared to the previous year, the situation improved however in all districts, except for Soldanesti district, where the SAIDI indicator increased from 150 to 203 minutes.

During 2017 - 2018 the SAIDI indicator was relatively stable in the districts of Edineț, Ungheni, Glodeni, Râșcani and Sângerei.

Guaranteed indicators of continuity of electricity supply

The guaranteed indicators applicable for each final consumer classify as follows:

- the duration of a scheduled outages (8 hours for current repairs and 24 hours for capital repairs or reconstructions);
- the duration of an unscheduled outages (6 hours for final consumers in urban areas and 12 hours for final consumers in rural areas);
- Annual number of scheduled outages (5 + 2 for final consumers in urban areas and 8 + 2 for final consumers in rural areas);
- Annual number of unscheduled outages (for final consumers in urban areas - 6 at MT level and 9 at JT level, and for final consumers in rural areas - 9 at MT and 12 at JT).

In case of non-compliance with these indicators, the DSOs are obliged, according to point 18 of the Regulation, to pay compensations following the request from final consumers.

Table 28 shows the number of violations of the guaranteed continuity indicators, admitted by the two DSOs.

Table 28. The power outages that exceeded the permitted duration

	S.A. "RED Nord"	Î.C.S. "Premier Energy Distribution" S.A.
Outage duration indicators		
The total no. of planned/scheduled outages	10 656	**14687**
The total no. of unscheduled outages	2 322	2 562
No. of outages that exceed the permitted duration	77	116
The share of outages exceeding the permitted duration out of the total number of outages,%	0.59	1.79
The no. of cases when DSOs had to pay compensations	15 603	41 144
No. of compensations paid	***0***	***1***
The amount of compensations paid, MDL	***0***	***5 073***
Indicators of the annual number of outages		
The total no. of scheduled outages that exceed the permitted duration for a final consumer	5 153	15 510
The total no. of unscheduled outages that exceed the permitted duration for a final consumer	12 669	13 361
No. of compensations paid	***0.00***	***0.00***
The amount of compensations paid, MDL	***0.00***	***0.00***

The majority of cases for which consumers were entitled to claim compensation following unscheduled outages that exceeded the permitted duration were recorded by Î.C.S. Premier Energy Distribution S.A. (41,144 cases). However, only one request of 5,073 MDL was registered by the DSO.

"RED Nord" S.A., has registered 15,603 cases where the permitted duration of the outage was exceeded. The compensations were not paid as these were not requested by the consumers.

In 2019 the DSOs reported a total number of 103,440 cases in which consumers were entitled to claim compensation for non-compliance with the guaranteed continuity indicators. Out of these 17,822 cases belong to "RED Nord" S.A. and 28 871 cases belong to Î.C.S. Premier Energy Distribution S.A. The no. of cases is lower by 47,608 compared to the previous year.

During 2019 only one compensations of 5,073 MDL was paid by Î.C.S. "Premier Energy Distribution" S.A. The final consumers' failure to submit the compensation requests is largely due to insufficient information about their rights in relation to the DSOs. This prompts ANRE to launch additional information campaigns regarding consumers' rights.

5.1.2. Solving the issues related to the quality of delivered electricity

The quality of electricity delivered to final consumers remains a serious issue in the Republic of Moldova. The issue with quality has caused the DSO Î.C.S. „Premier Energy Distribution" S.A. in 2019 - 624,038 thousand MDL of material losses (931,910 thousand MDL – in 2018), paid for the repair of electrical devices of final consumers that were damaged following the delivery of electricity that does not comply with quality parameters. "RED Nord" S.A. reported material losses of 45,715.41 MDL (in 2018 - 0 lei).

For the technical failure of electrical devices, Î.C.S. "Premier Energy Distribution" S.A. paid on average, 1431 MDL to each final consumer while "RED Nord" S.A. - 4571 MDL.

436 (46.6%) claims out of 936 were paid/satisfied by Î.C.S. "Premier Energy Distribution" S.A. "RED Nord" S.A. has satisfied/paid for all 10 claims received from final consumers.

Another issue reflected in the Regulation on quality of electricity transmission and distribution services, is the way of resolving the consumers' complaints regarding the quality parameters of electricity supplied. The consumer complains mainly about the non-compliance with the standard values of voltage in the electricity network.

The Regulation sets an obligation for system operators to solve the claims/requests from final consumers, related to overvoltage, within 24 hours from the moment these were registered, as well as, the procedure of resolving complaints regarding voltage deviations.

In 2019, Î.C.S. Premier Energy Distribution S.A. has satisfied 554 out of 9432 claims (compared to 10506 in 2018) related overvoltage and repeated voltage gaps. "RED Nord" S.A. registered 2707 complaints in 2019, up from 2621 in 2018.

The deadline for resolving voltage deviations claims submitted by final consumers is 30 calendar days, according to point 29 of the Regulation. The final consumers are entitled to request compensations (25% cash equivalent of electricity consumed during the period when quality parameters were violated) if the system operators do not meet the deadline of 30 calendar days. Starting July 1 2017, the compensations for violating the quality parameters are automatically paid by the system operators, with no need to submit the claim/request in this regard by the final consumers.

During 2019, the system operator "RED Nord" S.A. reported 10 consumer complaints, all of which were resolved within the set deadline.

Î.C.S. Premier Energy Distribution S.A. reported 329 consumer complaints, 10 of which were resolved beyond the set deadline. The operator paid compensations in the amount of 2,509 MDL.

5.1.3. The relationship between DSOs and final consumers of electricity

The relationship between DSOs and final consumers is assessed based on the following indicators:

- informing consumers about the scheduled outages;
- issuing the connection notice within the set deadlines;
- compliance with the deadlines of connecting the consumer installations to the electricity distribution network;
- compliance with the deadlines of reconnecting the installations of final consumers to the electricity network.

According to point 39 of the Regulation, the DSOs may be penalized for non-compliance with their obligations to inform consumers about the scheduled outages or for not issuing connection notices (points 37 and 38 of the Regulation), by reducing the tariff of electricity distribution service by 1% for each indicator.

If operators miss the deadlines of connection or reconnection of the end-users' installations to the electricity distribution network, they are obliged to pay final consumers compensations of 25% of the cost of the reconnection service, for each day of delay.

According to the submitted reports, both DSOs complied with the requirements of informing consumers about scheduled outages. The local public administration authorities in rural areas are notified about the scheduled outages with information being published on billboards of the town halls. In urban areas the information is published in newspapers and broadcast on television and radio stations. The information is also available on operators' website. DSOs can also deliver the message to non-household consumers in writing or by telephone.

According to Î.C.S. „Premier Energy Distribution" S.A. all 14 687 scheduled outages were announced in advance. S.A. „RED Nord" also reported that consumers were notified about all 10 656 scheduled outages.

Table 29. Indicators of relationship quality between system operator and system users

		Î.C.S. Premier Energy Distribution S.A.		**S.A. RED Nord**	
		2018	**2019**	**2018**	**2019**
Pt. 37	**Announcing the scheduled outages**				
	No. of scheduled outages	**16230**	**14687**	**10441**	**10656**
	Unannounced scheduled outages	**0**	**0**	**0**	**0**
pt. 38	**Issued connection notifications**				
	The potential consumers requests to connect their electrical installations to the electricity distribution network (10 days)	**6 727**	**6 741**	**2872**	**3161**
	The power plants requests to connect to the electricity distribution network (30 days)	**121**	**136**	**0**	**11**
pt. 40	**Connecting applicants' installations to the electricity distribution network**				
	No. of connection requests	**11422**	**12569**	**2509**	**2342**
	No. of final consumers connected after 2 calendar days	**15**	**12**	**0**	**0**
	The amount of compensations, MDL	**576,13**	**243**	**0**	**0**
pt. 41	**Reconnecting the consumer installation to the electrical distribution network**				
	No. of reconnected consumers	**11480**	**9740**	**10848**	**10526**
	No. of reconnected consumers after 2 working days	**5**	**3**	**0**	**0**
	The amount of compensations, MDL	**78,25**	**173**	**0**	**0**

According to "RED Nord" S.A., all connection notifications were issued on time. For Î.C.S. Premier Energy Distribution S.A. (old name "RED Union Fenosa" S.A.) however, ANRE found a deviation from the provisions of the normative framework. The DSO missed the deadline of issuing connection notice for a potential non-household consumer by 30 days.

The number of requests from power plants to connect to the electricity distribution network increased in 2019 compared to the previous year. Î.C.S. "Premier Energy Distribution" S.A. registered 136 requests (compared to 121 in 2018) while "RED Nord" S.A. registered 11 requests (0 in the previous year). The number of notifications/approvals issued by system operators in 2019 remained largely unchanged compared to 2018. Î.C.S. Premier Energy Distribution S.A. issued 6,741 notifications/approvals (compared to 6727 in 2018), and "RED Nord" S.A. issued 3161 notifications (2872 in 2018).

The connection and reconnection of consumer installations to the electricity distribution network deadlines was fully met by S.A. "RED Nord" while Î.C.S. Premier Energy Distribution S.A. reported 12

cases of missed deadlines. The compensations paid to consumers by Î.C.S. Premier Energy Distribution S.A amounted to 243 MDL.

According to the Regulation, starting July 1, 2017, the above-mentioned compensations are paid by the DSOs automatically, without a request from the final consumer.

5.2. Quality of natural gas transmission and distribution services

The quality of natural gas transmission and distribution services provided by licensees was analyzed by ANRE based on the quality indicators defined in the Regulation on the quality of natural gas transmission and distribution services, approved by the Administration Council of ANRE, Decision no. 406/09.06.2011, in force until 24.02.2020 and which refers to:

- **The continuity of natural gas delivery** (scheduled and unscheduled outages);
- **The commercial quality of natural gas transmission and distribution services** (issuing the Notification/approval of connection to applicants, connecting potential final consumers to the natural gas network, reconnecting the final consumers' installation to the natural gas network);
- **The safety of gas transmission and distribution services**.

The values of quality indicators were analyzed by ANRE based on the data submitted by 19 DSOs and 1 TSO according to the Regulation.

5.2.1. The continuity of natural gas supply

According to the Regulation the continuity of natural gas supply - is the system operator's obligation to ensure a continuous and reliable supply of natural gas, which implies the obligation to perform scheduled and unscheduled works. The analysis of gas supply continuity is done on the basis of guaranteed continuity indicators, which reflect the state of affairs of every enterprise regarding scheduled and unscheduled outages.

a. Scheduled outages

During 2019 the system operators reported 1889 scheduled outages that were related to maintenance works of the natural gas network, current repairs, connection and modernization works necessary for the reliable operation of the network. Compared to 2018, the number of scheduled outages decreased by 139 cases.

1832 scheduled outages (97%) were registered by the affiliated system operators of S.A. "Moldovagaz" and 57 scheduled outages (3%) by other system operators. The licensees: „Candelux Com" SRL, „Pielart-Service" SRL, „Proalfa-Service" SRL and SRL „Compania Doboș" - did not run any scheduled outage. SRL "Gagauz-Gaz" registered 365 of scheduled outages, which is 19.3% of the total number of scheduled outages in the country. The second largest number of 266 scheduled outages (14%) was registered by SRL "Balti-Gaz."

Table 30. Scheduled outages in the natural gas distribution networks, in 2019

Total no.	The number of scheduled outages	The permitted duration of outages			
		24 hrs	48 hrs	72 hrs	120 hrs
	1889	1782	49	28	30
	100 %	94. 3 %	2.6 %	1.5 %	1.6 %
DSOs affiliated to S.A.„Moldovagaz"	1832	1726	49	27	30
	97 %				
Other DSOs	57	56	0	1	0
	3 %				

The DSOs of natural gas have complied with the requirements of the permitted duration of outages. According to the DSOs reports the duration of the scheduled outages for each type of activity is in line with the requirements. Across the country the indicator has the following values (%):

- 94.3% - outages that lasted 24 hours,
- 2.6% - outages that lasted 48 hours,
- 1.5% - outages that lasted 72 hours
- 1.6% - outages that lasted 120 hours.

According to these continuity indicators all natural gas distribution companies have met the requirements.

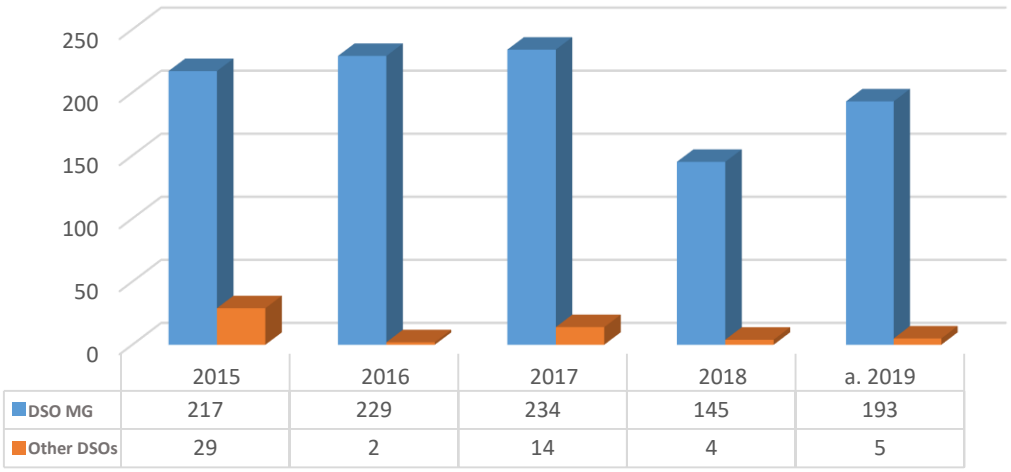
The Regulation on quality of natural gas transmission and distribution services also stipulates that system operators are obliged to inform consumers in advance about the date and the duration of natural gas outages/interruptions.

According to submitted reports the system operators have complied with the requirements of notifying the final consumers about the upcoming outages of natural gas. The information was made available to consumers by: notice posted in residential buildings (for urban areas), notice posted on information boards (in rural areas), mail/e-mail or fax (for non-household consumers). In some cases, the information was posted on operators' website.

The notice on scheduled outages was sent out 3 calendar days in advance.

b. <u>Unscheduled outages</u>

The evaluation of the degree of compliance with quality indicators related to unscheduled outages which was based on reports submitted by licensees showed an increase of unscheduled outages in 2019 compared to 2018. 193 out of 198 unscheduled outages in 2019 were registered by the distribution network operators affiliated to S.A. "Moldovagaz" and only 5 unscheduled outages (2%) by other operators. In 2018, the licensees reported 149 unscheduled outages, compared to 248 unscheduled outages in 2017.



	2015	2016	2017	2018	a. 2019
DSO MG	217	229	234	145	193
Other DSOs	29	2	14	4	5

Figure 33. The Dynamics of unscheduled interruptions during 2015 - 2019

S.R.L. "Gagauz-gas" remained the DSO with the largest no. (76) of outages that lasted 36 hours.

In 2019 the system operators have largely complied with the quality indicator of "informing consumers about unscheduled outages". The full compliance of this quality indicator by licensees is a major step forward following a constant violation of this indicator in the past.

For example, in 2015 S.R.L "Chisinau-gas" failed to inform the consumers about 10 unscheduled outages while S.R.L. "Gagauz-gas" about 139 unscheduled outages. Since 2016 however this indicator has improved significantly. In 2019, the final consumers have been provided with detailed information about the reason of the outage and when the supply will resume.

With regards to the continuity of the natural gas transmission service, the system operator S.R.L. "Moldovatransgaz" reported 7 scheduled outages with DSOs connected to the natural gas transmission network being notified in advance. No unscheduled outages were reported.

Table 31. The information on scheduled/unscheduled interruption reported by TSO for 2017-2019

Moldovatrangaz	2017					2018					2019				
	Scheduled outages				Unscheduled outages	Scheduled outages				Unscheduled outages	Scheduled outages				Unscheduled outages
Duration (hours)	*24*	48	*72*	*120*	-	*4*	*8*	*2*	*20*	-	*4*	*8*	*2*	*20*	-
No. of outages	-	**2**	**3**	-			**1**	**3**	**5**		**1**	**1**	**4**	**1**	
	Total=5					**Total=9**					**Total=7**				

The ongoing monitoring of quality indicators by ANRE prompted licensees to step up their responsibility in complying with the provisions of the Regulation. According to data gathered by ANRE the licensees have complied with the requirements regarding the “continuity of service” considering that:

- **scheduled outages** were done with prior notification of consumers (3 calendar days before the outage) and settled within deadlines;
- **unscheduled outages** were managed efficiently by system operators. The duration of outages was reduced by solving the technical issues within regulated deadlines.

The process of recording the consumers affected by outages has improved in 2019. The DSOs were able to provide accurate data to ANRE.

The responsibility for service continuity cannot be attributed entirely to system operators only. In order to prevent the risks of affecting the health or life of a person, endangering the integrity of the goods, prevent damages to the installations/transmission equipment/distribution networks and other emergency situations, the system operator has the obligation to stop the gas delivery service to consumers.

5.2.2. The quality and natural gas delivery regime

The system operator has the obligation to ensure the delivery of natural gas to final consumers, according to natural gas quality parameters set by the national standard "Natural gas for industrial and domestic use purposes" GOST 5542.

The provisions of the Regulation set the procedures and deadlines for resolving consumer complaints, including complaints for non-compliance with the quality parameters/natural gas pressure levels. The Regulation also sets the compensations that need to be paid to consumers.

The number of complaints registered during 2016 - 2019 shows an increased compliance with quality indicator. The number of complaints related to non-compliance with quality parameters by year:

- 3 out 152 general complaints in 2016;
- 0 out of 122 general complaints in 2017;
- 1 out of 118 general complaints in 2018;
- 1 out of 108 general complaints in 2019.

The figure below shows the no. of complaints related to the quality of the services in the total number of complaints registered in the last 4 years.

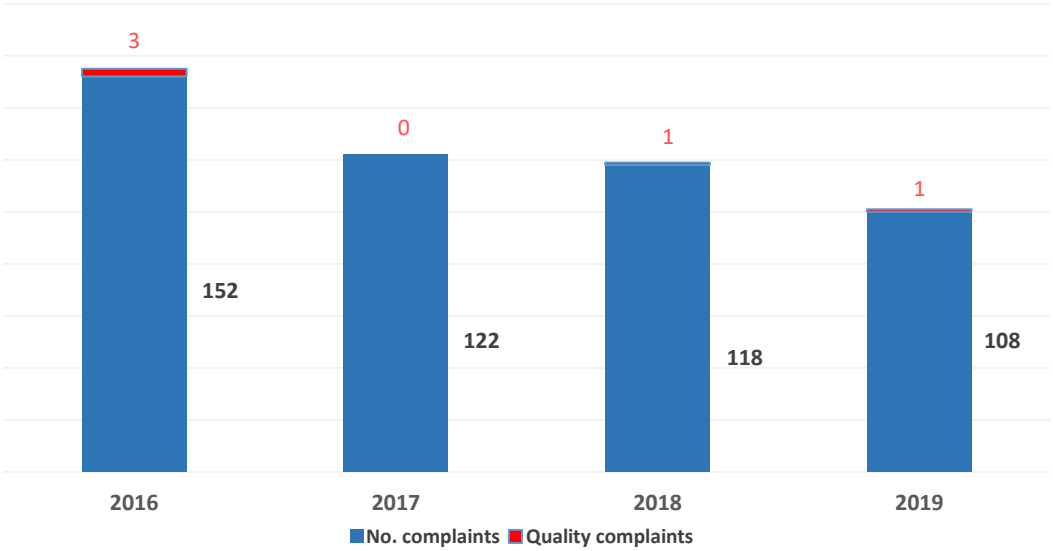


Figure 34. Quality of services complaints vs total number of complaints 2016 - 2019

5.2.3. The relationship between system operators and final consumers

The relationship between system operators and final consumers (potential final consumers) is assessed based on the following indicators:

- connection notice provided by system operators;
- connection to the natural gas network in compliance with the deadline;
- reconnection the consumers' installation to the natural gas network according to set deadlines;

a. *The connection notice to natural gas distribution networks*

According to point 22 of the Regulation, the system operator is obliged to issue the connection notice within 15 working days from the day the request was submitted by the potential consumer. If during a year, the operator has issued

If the deadline of more than 5% of the total connection notices issued by the operator was not met than the system operator's distribution tariff will be reduced by 0.1%, as a penalty.

The analysis of the submitted reports show that system operators comply with the requirements set in the Regulation. In 2019, potential consumers submitted 19352 requests to connect to the gas distribution network. 18228 (94%) were submitted to DSOs affiliated to S.A. "Moldovagaz" and 1124 requests (6%) by other system operators.

18082 (or 93.4%) of connection notices issued by DSOs in 2019 met the 15 working days' deadlines. The rest of applications were declined by the DSOs. 884 requests were declined by S.R.L. "Chisinau-gas" and 379 by S.R.L." Bălți-gaz" due to the lack of technical capacity of the existing natural gas distribution network.

Table 32. The number of connection notices issued by DSOs in 2019

	Number of submitted requests	Issued on time (15 working days)	
		Connection notices	Declined
Total	**19352**	**18082**	**1269**
		93.4%	6.6%
DSOs affiliated to SA Moldovagaz	**18228**	**16962**	**1265**
		93	7
Other DSOs	**1120**	**1120**	**4**
		99.6	0.4

b. The connection to the natural gas network;

c. The reconnection to the natural gas network.

The table below shows the evolution of "*connection to the natural gas network"* indicator in 2019.

Table 33. Number of requests to connect to gas network in 2019

	No. of requests to connect to gas network	**Connected**	
		In 4 working days	***After 4 working days***
Total	**14773**	**14710**	**63**
		99.6%	0.6%
DSOs affiliated to S.A. „Moldovagaz"	**13312**	**13249**	**63**
		99.5%	0.5%
Other DSOs	**1461**	**1461**	**0**
		100%	

The number of connection requests increased in 2019 due to the expansion of natural gas distribution networks, the real estate development and new consumers that chose natural gas over other types of fuels. According to license holders reports during 2019, 14773 requests to connect to natural gas network were submitted which is 14.6% higher compared to 2018.

99.6% or 14,710 requests to connect to gas network were done according to set deadline (4 working days). If the deadline 4 working days is not met the consumers are entitled to request compensations in the amount of 15% of the connection fee and 5% of the connection fee for each day of delay.

The evaluation of collected data regarding "*reconnection to the natural gas network"* in 2019 showed that most operators have complied with the regulated value of the quality indicator.

All 8724 applications submitted for reconnection to the network were satisfied.

d. Service safety

The safety indicators that operators must comply with are the following:

- ***AND*** *– which represent the annual number of defects caused by third parties actions per km of active network, and*
- ***TND*** *- which represents the total number of defects registered during a year.*

The assessment of indicators of safety are based on reports submitted by system operators. According to reports, in 2019 operators have registered 143 defects, 141 at DSOs affiliated to S.A. "Moldovagaz" and 2 at other system operators. All 143 defects were fixed according to requirements.

The largest number of defects produced in the distribution network was registered by SRL "Balti-Gas", 32 defects or 22.4% of the total no. of defects, followed by SRL "Ialoveni-Gas" - with 29 defects (20.3%).

The number of cases/defects has increased in 2019 compared to 2017 and 2018. The figure below reflects the evolution of the natural gas distribution service safety indicator.

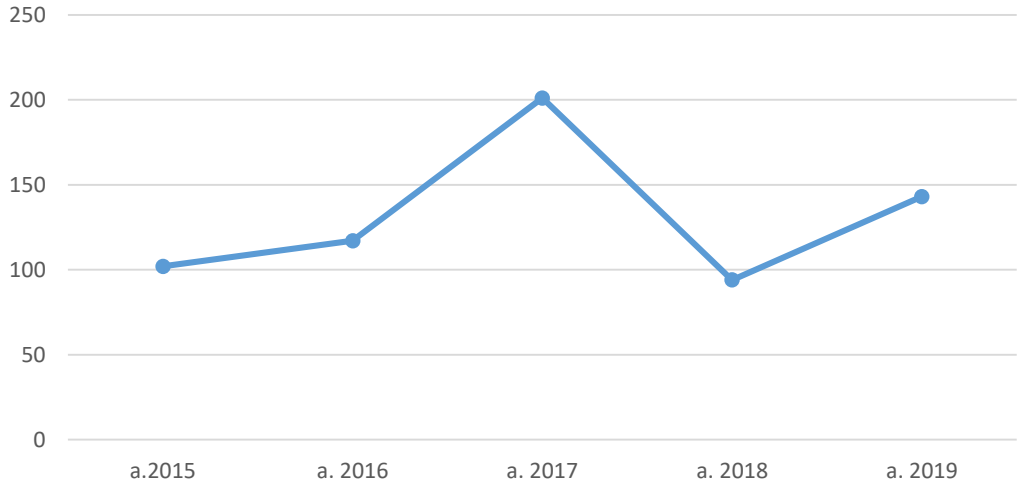


Figure 35. The no. of defects produced in gas distribution networks during 2015-2019

The TSO "Moldovatransgaz" did not register any defects during 2019.

5.3. Quality of the public water supply and sewerage system

According to the provisions of the Regulation on quality of the public water supply and sewerage system, approved by the Administration council of ANRE, Decision no. 352/2016 of 27.12.2016, the evaluation of the quality of the activity of operators providing the public water supply and sewerage system is done based on submitted reports.

The analysis of the quality of the public water supply and sewerage system was based on reports submitted by 34 operators/licensees out of the total of 44 regulated operators.

5.3.1. The continuity of the public water supply and sewerage system

The assessment of the degree of continuity of the public water supply and sewerage system was done according to quality indicators: “Scheduled outages” and “Unscheduled outages”. The operators are obliged to provide the public water supply and sewerage system to consumers – in a continuous and reliable way in strict compliance with the minimum values of quality indicators set out in the Regulation.

In 2019 operators reported 10,610 unscheduled outages of public water supply service. Out of these 10,610 unscheduled outages – the public water supply service resumed within regulated deadline in 10191 of the cases (96.5%). The rest of 419 unscheduled outages exceeded the regulated deadlines.

The number of unscheduled outages for the public water supply service has decreased by 1000 in 2019 compared to 2018.

1540 scheduled outages were reported in 2019 related to connection and repairs/maintenance works. 31 out of 34 licensees did not register deviations from requirements regarding the duration of outages.

S.A. "Apa-Canal Chisinau", reported 184 outages. Out of these - 164 were fixed within regulated deadline.

The public sewerage system saw an improvement in quality of services as well in 2019. The number of outages that were fixed within deadlines registered about 98.7%.

The evolution of scheduled/unscheduled outages is shown in the diagram below.

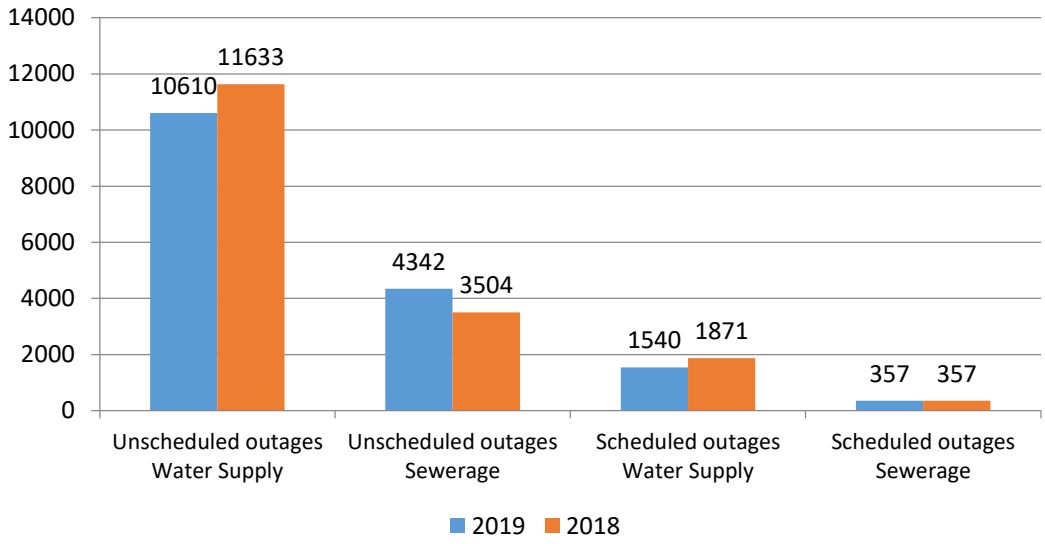


Figure 36. The evolution of scheduled/unscheduled outages during 2018-2019

Another indicator to assess the continuity and quality of the public water supply and sewerage system is – informing consumers about the upcoming outages or outages that already happened due to malfunctions or third parties' actions. 20 operators out of 34 reported that they have informed consumers every time there was scheduled outages. 19 operators have informed consumers about unscheduled outages.

Other licensees, including SRL "Apă Canal Chișinău", did not comply with the provisions of the Regulation on the obligation to inform consumers swiftly through announcements distributed within 1 hour, indicating the expected hour/day of resuming the service.

5.3.2. The quality indicators that reflect how the operator solves the requests and complaints

The quality indicators that assess the way the operator solves the requests and complaints, are based on:

Network access

- Issuing the connection notice in time;
- Approving in time the documents of the project of assembling the internal water installation;
- Connecting the installations of potential consumers to the public network;
- Reconnecting the consumers' installations within set deadlines;
- Concluding in time the contracts for the public water supply and sewerage system;
- Invoicing;
- Analyzing and resolving consumer complaints.

The reports on issuing the connection notice on time to consumers showed that operators have largely complied with the deadline of 20 calendar days from the day the request was registered. S.A. „Apa-Canal Chisinau" saw a an improved dynamic of this performance indicator. 1208 out of 1356 requests were satisfied by the operator in time.

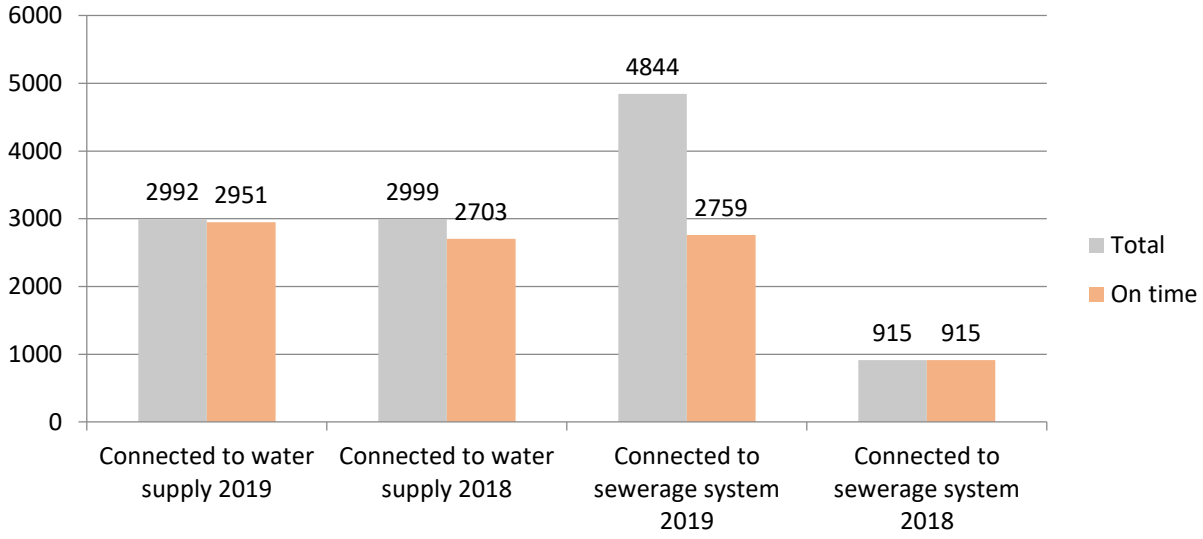


Figure 37. The connection of consumers' internal installations to public water supply network

The data analysis showed an improved operators response to consumers' requests to connect to public water supply network. The level of performance indicator of connecting to public water supply system increased to 98.65% in 2019, compared to 90.1% in 2018.

The operators' response to requests to connect/access the sewerage network in 2019, saw a significant decrease compared to 2018, with only 60.98% requests being satisfied. 4935 out of 6048 of requests were submitted to SRL "Apa Canal Chisinau".

Out of 2906 requests from potential consumers to connect to public sewerage network, 2698 (92.75%) were issued within 20 days, in compliance with the provisions of the Regulation.

In 2019 the requests to reconnect consumers' installations to public water supply network within the deadline of 3 working days were satisfied at higher rates. At Î.M. "Gospodăria Comunal-Locativă Călărași" and Î.M. Regia „Apă-Canal-Bălți" this performance indicator reached almost 90%.

The process *analyzing and resolving consumer complaints* by SRL "Apa Canal Chisinau" has significantly improved. The operators have solved in 2019 - 78.6% of consumer complaints compared 69.2% in 2018. While this performance indicator at Î.M. Regia „Apă-Canal-Bălți", S.A. „Regia Apă Canal-Orhei" and S.A. „Servicii Comunale Florești" is only around 30%.

According to point 21 of the Regulation on the public water supply and sewerage system, approved by the Administration Council of ANRE, Decision no. 271/2015 of 16.12.2015, the connection to water supply network and sewerage system is done on the basis of the design coordinated by the operator. Although the importance of complying with this indicator is obvious, 9 of the 27 licensees do not coordinate these designs. Thus, the construction and assembly works of the installations are done based on the technical conditions and recommendations provided by the company's specialists that come on site.

To monitor their service, the operators must generate their own record system. Therefore, the operators should have their own database to manage the issue, collect, cancel and correct the invoices.

The operators managed to submit the requested information on the total number of invoices issued, including the invoices that were issued based on smart meters' data, invoices issued with penalties, number of invoices paid and number of non-collected invoices. Based on information provided to ANRE one can deduct that the operators record and billing system is managed at a satisfactory level.

The analysis of submitted reports has shown that operators complied with most quality indicators during 2018-2019. The largest number of complaints referred to issues of connection, invoicing, water quality, finalizing the road repairs following water supply works, etc.

The issues raised about the public sewerage system were related to blockage in the sewerage network, invoicing and network connection. Some operators however still do not record the data on customer complaints.

Most operators have also complied with their obligation to set up a telephone service to answer to customer complaints and other issues. All operators that provided information to ANRE have said that they provide a telephone service to their customers.

During 2019, the operators received 65106 calls, of which 14905 calls (22.89%) were related to water leaks, 19440 (28.95%) to sewerage system defects. The rest of the calls were related to poor water quality or no water supply.

5.4. Quality of heat distribution and supply

The monitoring of the quality of heat distribution and supply was done according to the provisions of the Regulation on quality indicators of heat distribution and supply services, approved by the Administration Council of ANRE, Decision no. 484/2017 of 13.12.2017. According to this Regulation, the quality indicators for heat distribution and supply services can be grouped into following categories:

- indicators of continuity of heat supply;
- the quality and technical parameters of heat supply;
- network access;
- heat supply contract;
- heat consumption tracking and billing;
- customer complaints and settlement procedures.

The analysis of heat supply distribution and supply quality was based on reports submitted by 6 out of heat suppliers.

Continuity of thermal energy supply to final consumers

In 2019 the Regulation has set up the maximum values for scheduled and unscheduled outages for heat distribution and supply operators. According to point 33 of the Regulation, the duration of scheduled outages shall not exceed 12 hours while unscheduled outages can last up to 16 hours and will not exceed 24 hours.

SRL "Termoelectica" has recorded 48 scheduled outages that lasted 113 hours and 31 minutes, affecting 889 consumers in 2109. The scheduled outages were related to the assembly, connection and relocation of certain segments of the network, and did not cause deviations to the regulated deadlines. The rest of heat operators did not report any scheduled outages.

SRL "Termoelectica" reported 808 unscheduled outages that did not exceed the deadlines set by the Regulation. “CET-Nord” SA reported only 7 unscheduled outages of the heat supply service.

"Apa-Canal Chisinau" has complied fully with continuity of heat supply indicator in 2019. No outages were reported at the operator’s thermal power plants related to scheduled repairs, thermal load shortages, natural disasters, accidents, fuel shortages, shortages of payment for the delivered heat or other causes. "Airport", "Codru" and "Costiujeni" thermal power plants have worked without interruption with all consumers being provided continuous heat.

The thermal energy unit Î.M. ”Servicii Comunale Glodeni” reported no scheduled/unscheduled outages, except for some interruptions related to rational use of heat during warm weather. No schedule/unscheduled outages of heat were reported by Î.M. "Termogaz-Balti".

The quality and technical parameters of heat supply

The Regulation provides the following indicators to assess the quality and technical parameters of heat supply:

- the number of complaints regarding the quality of heat delivered to consumers;
- the number of outages that comply with the quality indicators provided by the Regulation or the contract signed with consumers;
- the number of complaints regarding non-compliance with the delivery terms;
- the amount of damages paid to consumers for non-compliance with the annual guaranteed quality indicators.

During 2019, the thermal energy units registered a total of 178 complaints, 168 of these complaints belong S.A. "Termoelectrica" customers. The most common issues addressed by customers are related to the quality of delivered heat (148 complaints) and hot water delivery (20 complaints).

The customers of S.A. "CET-Nord" have also complained about the quality of delivered heat.

"Apa-Canal Chisinau", Î.M. "Termogaz-Bălți", S.A. „Comgaz Plus Ungheni" and Î.M. "Servicii Comunale Glodeni" did not provide the reports for this indicator.

Network access

The way the thermal energy enterprises comply with consumers' rights regarding access to the network is assessed on the following data:

- the number of requests for connection notices;
- the number of requests for connection notices that were settled within 15 days;
- the number of requests for connecting the consumer installations to district heating;
- the number of connections made in up to 15 days.

According to the Regulation, the thermal energy unit is obliged to **issue a connection notice** for potential consumers within 15 days following a written request.

Following the reports submitted by 3 licensees regarding the delivery of heat, out of 190 registered requests, 177 connection notices were issued within the 15-day deadline set by the Regulations. Thus, 13 connection notices issued by S.A. "Termoelectrica" exceeded the deadline.

The information submitted by operators regarding the heat supply contract, heat consumption tracking and billing and customer complaints and settlement procedures, does not provide sufficient data to assess compliance with the provisions of the Regulation.

It is necessary to revise certain provisions of the Regulation, in particular the form and content of reports submitted by thermal energy units, as well as, conducting controls at thermal energy units to obtain the necessary information. This would allow an objective assessment of the quality of services provided by thermal energy units.

6. Consumer protection

In 2019 ANRE continued to play an important role in protecting consumers by approving several normative acts related to consumers' rights in relation to operators in regulated sectors.

According to art. 7 para. (4) letter. d) and e) of the **Law no. 108/27.05.2016 on natural gas**, the art. 7 para. (4) letter d) and e) of the **Law no. 107/27.05.2016 on electricity**, the art. 9 para. (2) letter o) of the **Law no. 92/29.05.2014 on heating and the promotion of cogeneration** and the art. 7 para. (2) letter q) of the **Law no. 303/13.12.2013 on the public water supply and sewerage system** - ANRE monitors if the consumer rights are respected by licensees, examines and resolves the misunderstandings between consumers and suppliers/operators outside the court, examines consumer complaints according to the provisions of the Administrative Code. ANRE powers regarding the protection of the legitimate interests of the consumers are provided in art. 28 of the **Law 105/13.03.2003 on consumer protection**.

In 2019, ANRE has registered and examined 825 complaints. The largest share of examined complaints belongs to consumers of electricity (439 complaints or 53.21%), followed by consumers of public water supply and sewerage system (161 complaints or about 19.51%) and consumers of heat (114 complaints or 13.81%).

108 complaints (13.09%) were submitted by the final consumers of natural gas and 3 complaints (0.3%) were submitted by the consumers of petroleum products.

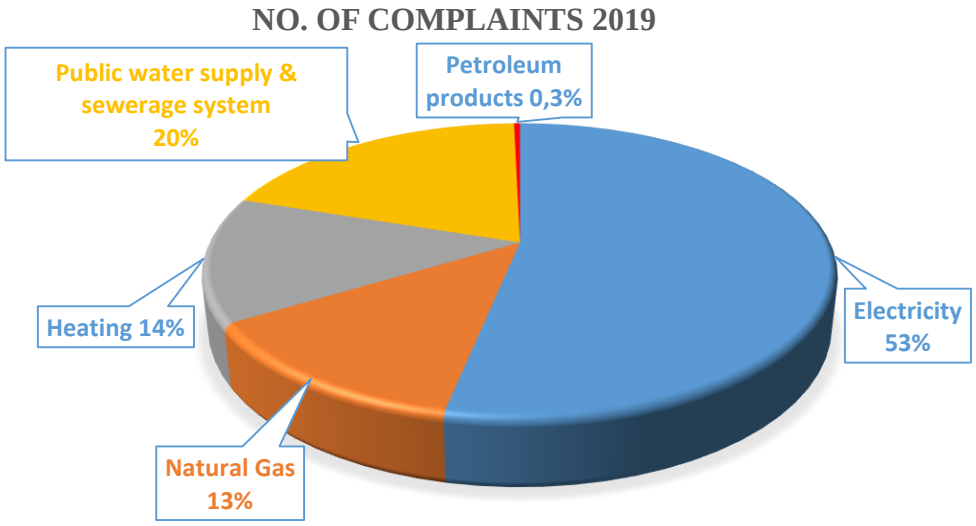


Figure 38. The share of consumer complaints registered at ANRE in 2019

In order to improve the protection of legitimate rights of consumers ANRE monitors the activity of the licensees and supervises their implementation through the normative acts.

6.1. Electricity

The total number of complaints submitted by consumers of electricity during 2019 remained relatively unchanged. The largest number of complaints were registered by Î.C.S. „Premier Energy" S.R.L. (former name - Î.C.S. „Gas Natural Fenosa Furnizare Energie" S.R.L.).

355 out of 439 complaints were submitted by the final consumers of electricity provided by Î.C.S. "Premier Energy Distribution" S.A. (former name - Î.C.S. RED Union Fenosa S.A.) and Î.C.S. "Premier Energy" S.R.L (former name - Î.C.S. "Gas Natural Fenosa Energy Supply" S.R.L).

The most common issues raised by Î.C.S. Premier Energy Distribution S.A. customers were related to the quality of services (56 complaints), the connection procedure, the extension of electricity distribution networks (63 complaints), violations of contractual terms and issues related to measuring equipment (39 complaints), power outages (34 complaints), invoicing (36 complaints), contract issues (13 complaints), application of regulated prices, production of electricity from renewable energy sources (16 complaints), etc.

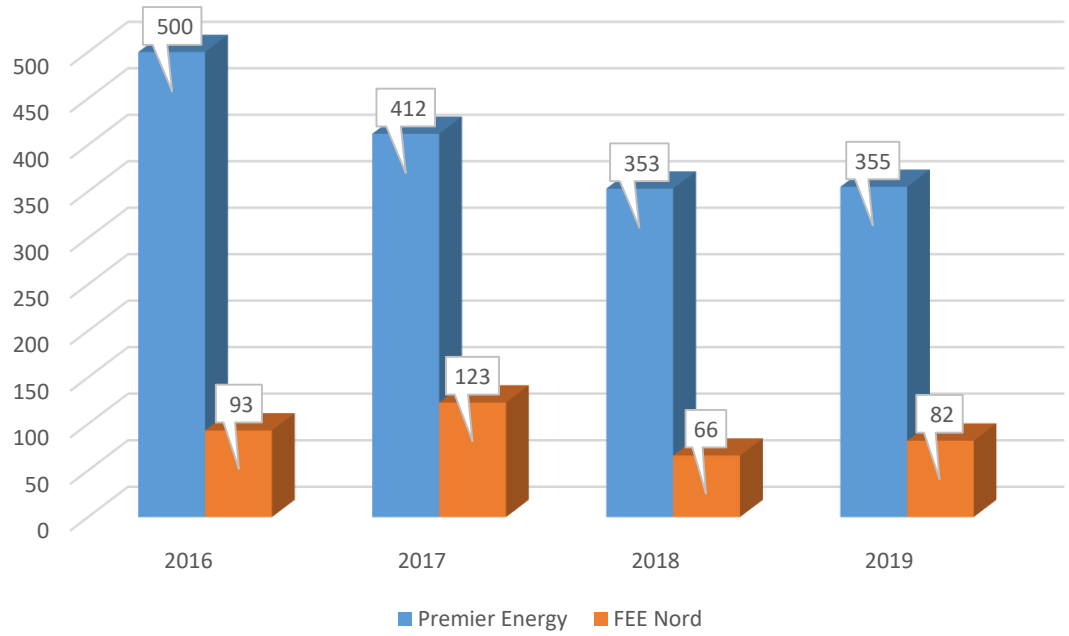


Figure 39. The number of complaints submitted by final consumers of electricity during 2016 - 2019

Out of all the submitted complaints related to the services provided by Î.C.S. "Premier Energy Distribution" S.A. (former name - Î.C.S. RED Union Fenosa S.A.) and Î.C.S. "Premier Energy" S.R.L (former name - Î.C.S. "Gas Natural Fenosa Energy Supply" S.R.L), ANRE has provided the necessary explanations and information on 166 complaints addressed by consumers. 56 complaints or claims were satisfied, 5 complaints were forwarded to other authorities, recommendations were offered to 7 complaints and 16 complaints were declined as unfounded.

The number of complaints related to the activity of S.A. „Furnizarea Energiei Electrice Nord", has increased to 82 in 2019, up from 66 in 2018.

29 complaints examined by ANRE in 2019 were related to the quality of services provided, and in particular to outages and disconnections from the electricity grid for non-payment. 14 complaints – were related to invoicing and regulated prices, 6 complaints to the process of connecting to (contract) the electricity network, 11 complaints related to the connection to electricity grid including the extension of the electricity distribution network, etc.

Following the examination of all complaints, 22 petitioners were provided the necessary explanations to solve the addressed problems, the requirements of 14 complaints were satisfied, and 3 complaints were forwarded to other responsible institutions.

The most frequent subject addressed by consumers is the quality of services provided by the DSOs. 56 out of 67 complaints were submitted consumers served by Î.C.S. "Premier Energy Distribution" S.A. (former name - Î.C.S. RED Union Fenosa S.A.).

According to the list of complaints examined by ANRE in 2019, the largest number of complaints were submitted by customers of Î.C.S. "Premier Energy" S.R.L (former name - Î.C.S. "Gas Natural Fenosa Energy Supply" S.R.L), 3.91 complaints per 10000 consumers. S.A. „Furnizarea Energiei Electrice Nord" saw fewer complaints with only 1.07 complaints per 10000 consumers.

Table 34. The number of complaints per final consumers for 2019

The Licensee	Final Consumers	Registered	Examined	Satisfactory	Recommendations	Explanations	Rejected	Forwarded to other institutions	Complaints examined per 10000 consumers
Î.C.S. „Premier Energy" S.R.L. and Î.C.S.„Premier Energy Distribution" SA	908766	355	270	56	7	166	15	5	3.91
„FEE NORD" S.A. and „RED Nord" SA	490855	53	46	14	2	22	1	3	1.07

The data analysis has shown that the largest number of complaints were submitted by Î.C.S. "Premier Energy" S.R.L consumers of electricity.

204 out of 355 complaints were submitted by the final consumers from Chisinau, followed by 20 complaints in the district of Cahul, and 14 complaints in each of the 4 districts - Ialoveni, Orhei, Criuleni and Anenii-Noi.

S.A. „Furnizarea Energiei Electrice Nord" reported 82 complaints (35 complaints from Bălți, 10 complaints from Floresti district and others).

The main reason customers complain remains the quality of the services provided by the DSOs. During 2019, Î.C.S. „Premier Energy Distribution" S.A. (former name - Î.C.S. RED Union Fenosa) reported 46 complaints related to the quality of provided services provided. However, the number of complaints have been decreasing in the last 2 years.

Table 35. The no. of complaints related to the quality of services provided 2017 – 2019

The Licensee	Complaints regarding the quality of services provided		
	2017	2018	2019
Î.C.S. „Premier Energy" S.R.L	94	64	56
S.A. „ FEE Nord"	23	3	11

6.2. Natural Gas

In 2019 ANRE has registered and examined 108 complaints from final consumers, down from 118 in 2018.

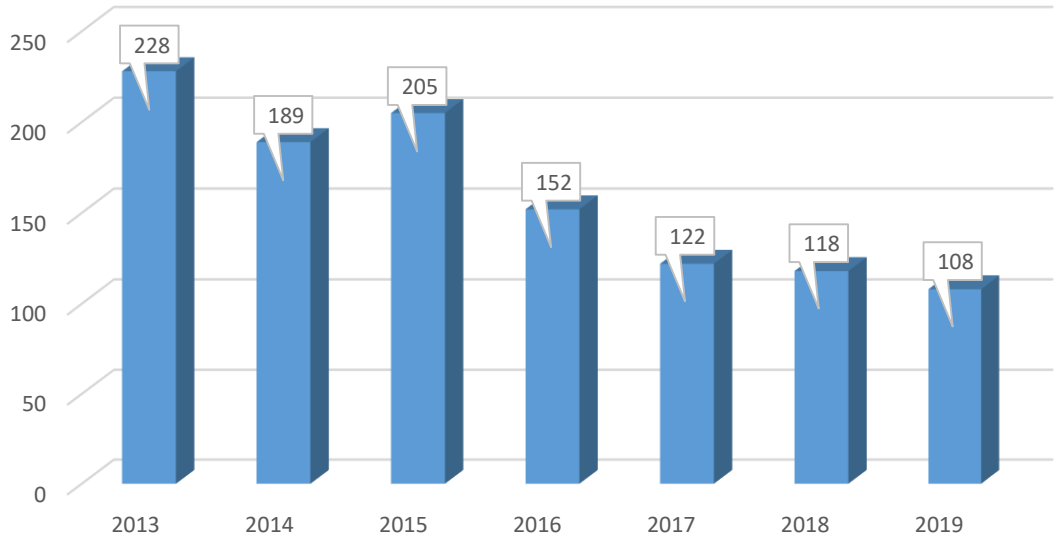


Figure 40. The number of complaints submitted by the final consumers of natural gas 2013 - 2019

The largest share of complaints were submitted by customers served by S.A. "Moldovagaz" and only 7 complaints submitted by final customers served by Î.M. Rotalin Gaz Trading S.R.L.

During the year the gas operators have satisfied the requirements of 11 final consumers. 73 consumers were given explanations and recommendations necessary to solve their problems and 6 complaints were forwarded to be resolved by other competent institutions.

The data analysis of reported complaints registered and examined by ANRE, has shown that the largest number of complaints are due to - connection to natural gas distribution network (19 complaints), invoicing of natural gas supplied (15 complaints), disconnection from natural gas network (16 complaints).

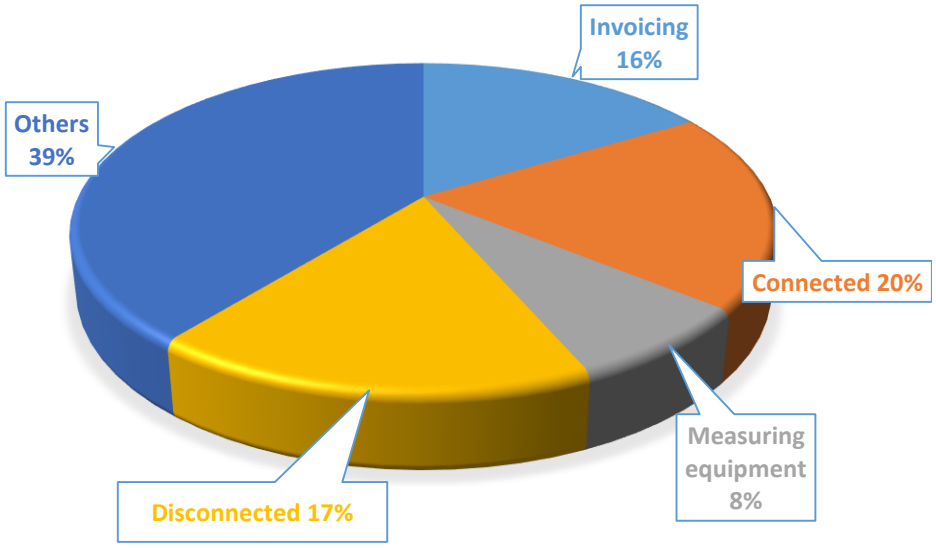


Figure 41. The main reasons consumers filed complaints in 2019

An issue frequently reported by non-household consumers is related to recalculation of invoices for natural gas consumption by the supplier for the period of 01.01.2018 - 17.03.2018, at regulated prices approved by the Administration Council of ANRE, Decision no. 88/2018 from 16.03.2018. In this context, ANRE has insisted that S.A "Moldovagaz" must recalculate their invoices for the period 01.01.2018 - 17.03.2018 for all consumers, including non-household consumers.

In order to improve the protection of consumers' rights, the licensees must undertake the following measures:

- streamline their actions in informing final consumers, in particular on issues related to the rights and obligations of the parties, invoicing, connection and access to the gas network, ensuring that the supply of the natural gas is done in compliance with contract clauses specified, provide the final consumer with information on gas volumes used in case of unauthorized connection of natural gas appliances and installations, avoiding the measuring equipment or distortion the data of the measuring equipment by the final consumer;
- finalizing the process of installing the measuring equipment at all household consumers by the DSOs, as well as monitoring the legal period of the metrological verification of the measuring equipment.

6.3. The public water supply and sewerage system

The consumers of the public water supply and sewerage system were provided comprehensive consultations on how to solve efficiently their issues with the provided service.

ANRE's powers of regulating the public water supply and sewerage system are determined by art. 7 para. (2) of the **Law no. 303/12.13.2013 on the public water supply and sewerage system**. Under this Law only some issues addressed by consumers fall under the competence of ANRE. According to the provisions of art. 8 para. (1) of the Law no. 303 / 13.12.2013 the issues related to public water supply service, including complaints, must be addressed by local public administration authorities (with some exceptions set by Law).

Currently, not all consumers have direct contracts with the operators of the public water supply and sewerage system. The public water supply and sewerage system in residential blocks is managed by the block administrator, who has concluded the contract with the operator.

During 2019, consumers submitted - 161 complaints related to the public water supply and sewerage system, compared to 143 complaints submitted in 2018.

66 out of 161 complaints were related to billing disputes. The consumers disagreed with the additional payments for the shared volume of water, that was billed by block administrator through the calculation center ÎM "Infocom". The increased number of complaints was largely due to incorrect distribution of water volumes for each consumer and extra payments for the shared volumes of water set by the block administrators (in non-compliance with amendments approved to the Law No. 303/13.12.2013 on the public water supply and sewerage system).

The provisions of the law *that stipulated that undistributed volumes of water recorded by water metering (following the deduction of individual water metering recording) is proportionally distributed among consumers based on water metering indications installed in each apartment* – was removed from the art. 29 para. (2) of the Law no. 303/13.12.2013 following the adoption the Law no. 322/30.11.2018 (in force since 08.03.2019).

Although the Law was amended on March 8, 2019, some residential block administrators continue to add the cost of additional volumes of water to monthly invoices - as shared volume of water consumed.

ANRE provided consumers with exhaustive information about the changes made to the legislation and that there is no legal basis to add the cost of undistributed volumes as shared volume consumed.

However, taking into account that the activity of the residential block administrators is not regulated by ANRE, the consumers were urged to address the complaints to local public administration institutions.

ANRE notified Chisinau City Hall about the activity of the residential block administrators regarding this issue, as well as, the National Anticorruption Center to examine the issues as a violation of art. 313 of the Contravention Code.

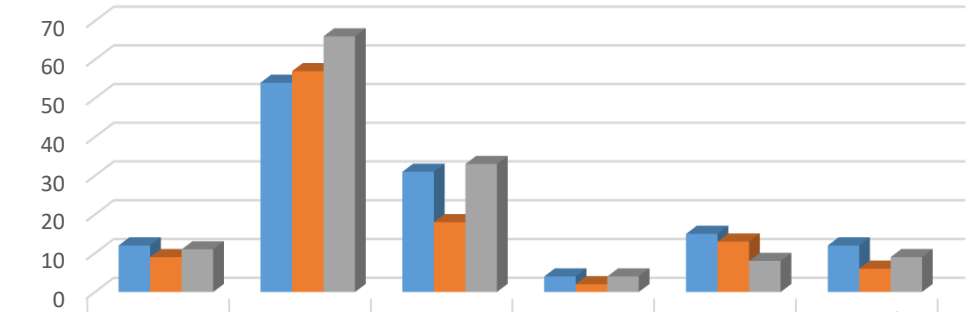
The complaints regarding the public water supply and sewerage system contract have increased in 2019 to 33, compared with only 18 complaints in 2018.

The amendments to the Law no. 303/13.12.2013 on the public water supply and sewerage system that came into force on March 8 2019, are meant to simplify the procedure of concluding direct contracts between consumers and service providers.

ANRE provided the necessary explanations to consumers and asked S.A. "Apa-Canal Chisinau" not reject contracts without solid/unjustified arguments.

ANRE held several work meetings with S.A."Apa-Canal Chisinau" on this issue. ANRE also filed a complaint and initiated a case regarding the unjustified refusal to conclude contracts, as requested by a group of consumers (tenants of a residential block).

Other complaints examined by ANRE include the suspension or disconnection of services due to non-payment of invoices. 9 complaints were registered by ANRE in 2019 compared to 6 in 2018 and 12 complaints in 2017.



	Water meters	Invoicing	Contracts	Connected	Tariffs	Outages/disconnected
2017	12	54	31	4	15	12
2018	9	57	18	2	13	6
2019	11	66	33	4	8	9

Figure 42. The issues raised by consumers of the water supply and sewerage system in 2017-2019

ANRE's main issues that need to be addressed in order to improve the quality of the public water supply and sewerage system is continuing collaboration between the regulator and licensees in identifying the best solutions for the problems faced by consumers.

6.4. Heating

In 2019, ANRE has registered and examined - 114 complaints from heat consumers, significantly lower compared to 214 complaints filed in 2018.

The main issues raised by consumers referred to billing - 46 complaints, the application and value of tariffs - 5 complaints, the quality of services provided – 18 complaints, disconnection for non-payment - 9 complaints, contracts - 9 complaints, and other - 47 complaints.

The highest number of complaints submitted by heat consumers relate to service provided by operators in the cities of Chișinău (75 complaints) and Bălți (39 complaints).

The decrease in the number of submitted complaints is also due to:

- an efficient management and distribution of heat among consumers by residential block administrator;
- DSOs that are responsible for heat delivery according to set parameters;
- billing according heat metering.

The activity of the residential block administrators is not regulated/monitored by ANRE. The consumers' complaints related to housing services are examined by local public administration bodies. ANRE has informed regularly the consumers about this, including the consumers that call the free information service "Green Line".

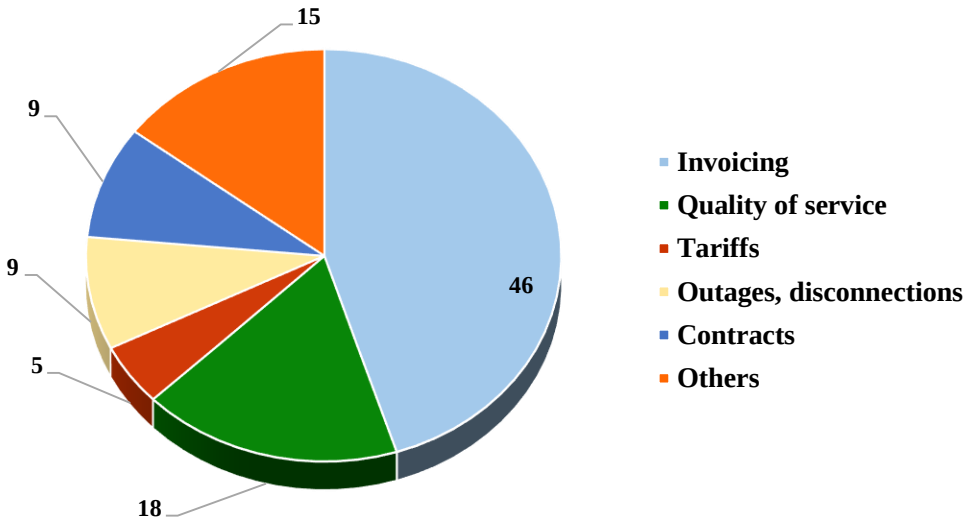


Figure 43. The issues addressed by consumers' complaints

6.5. Petroleum products

Only 3 complaints related to petroleum products were registered by ANRE in 2019, compared to 12 complaints in 2018. The main topic addressed by consumers remains – the price formation for petroleum products.

In the past ANRE was responsible for setting ceiling prices for the main petroleum products. However, since the Law on the Petroleum Products Market and the pricing methodology was amended, the prices are set by operators in compliance with the limited trade surcharge.

In order to resolve the disputes between licensees and consumers ANRE provides recommendations, sets up working groups with stakeholders in order to identify the best solutions, issues binding decisions for licensees, prescriptions or, adjust the related regulatory framework.

During 2019, ANRE issued 13 prescriptions to licensees on removing the identified violations and 9 decisions to oblige licensees to conclude contracts with potential consumers according to submitted applications, to connect the installations to operator's network, to reconnect or not to admit the disconnection. In case of violations on behalf of licensees, ANRE staff will document and determine the contravention facts based on art. 411 of the Contravention Code.

6.6. Info Line

468 telephone calls were registered by ANRE's **Info Line** (free call number 0800010008) in 2019. The citizens have addressed various issues related to electricity, natural gas, drinking water, energy thermal, petroleum products, etc.

179 telephone calls were registered from the final consumers of electricity. 60 out of 179 telephone calls reported issues regarding the quality of services provided (disconnections, power outages, outage duration and frequency of disconnections). 12 consumers complained also about the delays in repairing the material damages caused by voltage shocks while 25 complained about the issues related to billing of electricity consumed.

90 calls were registered from final consumers of natural gas. 21 calls were related to recalculation of invoices for the first 2 months of 2018, 22 calls to connection to the gas network, 27 calls to billing, 12 calls to disconnections from natural gas network, 8 calls on quality issues, etc.

124 phone calls were recorded in 2019 from consumers of the public water supply and sewerage system received. More than one hundred consumers complained about the additional payment for the **shared** volume of water (78 calls and 42 complaints). 11 calls from consumers were related to the quality of the water supply and sewerage system. Consumers also complained about the connection to the public water supply and sewerage network; water meter checks; operators' refusal to conclude individual contracts, etc.

52 calls were recorded from heat consumers (17 calls about the billing, 16 calls on recalculation of payment and 13 calls on quality of the service provided).

The consumers of petroleum products have called the **Info Line** 14 times on issues related to prices of petroleum products (7 calls) and fuel quantity measuring (3 calls), etc.

9 calls were registered related to the promotion and use of renewable energy.

In the process of examining the topics addressed by the callers to the "Information Line",

ANRE staff try to solve the alleged problems by providing explanations to consumers about the necessary actions to be taken or by notifying the relevant licensees. If a problem cannot be solved by telephone and requires a thorough examination, the consumer is urged to submit a written complaint to ANRE (by mail or e-mail) with the details of the alleged issue and attaching the necessary documents.

Consumers can call **Info Line** free of charge from any mobile and landline phone operator. The content of the telephone call is registered and saved by the phone operators. ANRE registers the calls in the special **Info Line** Phone Registry. At the beginning of 2019, ANRE launched a commercial video to inform consumers about the availability of - Info Line.

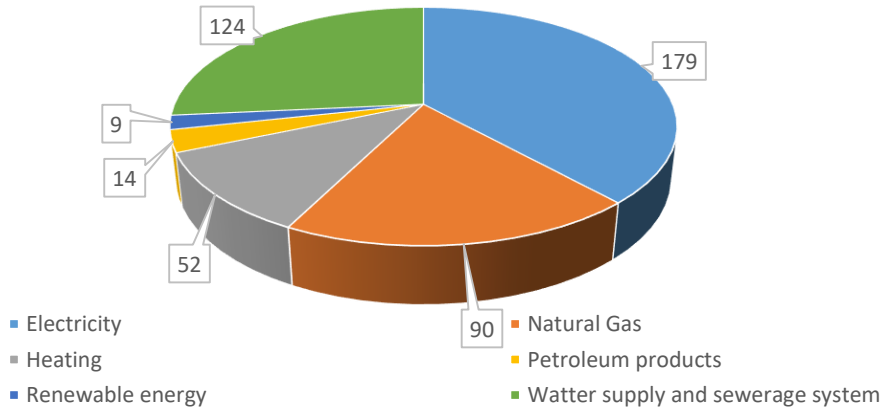


Figure 44. Calls made to Info Line in 2019

6.7. Consumer audience

ANRE provides the front desk reception and consultations to consumers, who want to address various issues related to the regulated sectors. In 2019, 221 consumers have come to ANRE to submit their complaints. ANRE staff has examined the complaints and provided the necessary technical and informational support to solve the addressed issues.

The information about each front desk reception is saved in a special Registry. Each file contains information about the raised issue and the result of the consultation/solution offered. During 2019 hearings, 84 people addressed issues on electricity supply, 38 on the public water supply and sewerage system, 16 on natural gas supply, and 21 on supply of heat, 60 on other issues related to regulated services.

If the issue is complex and cannot be solved during the hearings, the consumers is urged to submit a complaint to ANRE. ANRE staff shall provide the necessary support to prepare the complaints.

6.8. Consumer information

ANRE plays an important role in promoting and protecting consumers' rights by informing consumers about their legal rights. In 2019, ANRE carried out several actions meant to increase consumers' education and the level of awareness about their legal rights.

In 2019, ANRE launched a new website that includes new tools that should be useful for consumers. Since its launch (mid-June 2019) the website registered 29,000 views. The website contains useful and easy to access information about: the necessary telephone contacts, the free information service "Info Line", contact addresses, how to address an electronic complaint, ANRE organizational structure, regulatory acts, consumer guide, etc.

ANRE website provided also 85 press releases on important issue meant to inform the general public, operators/suppliers and others.

The most important subject (extra billing issues, amendments of the legal framework, etc.) are also placed on news portals.

7. Price and tariff regulation

Based on the principle of minimum costs for the efficient operation of the DSOs and the TSOs, and according to relevant Tariff Methodologies, ANRE has approved the basic cost values for 2018 for DSO S.A."RED Nord" and TSO Î.S. "Moldelectrica."

Following the economic analysis of consumptions and expenses requested by electricity, heat and water supply and sewerage operators and in order to ensure the reliable supply and adjustment of the tariffs to the real costs, during 2019, the Administration Council of ANRE has issued in several stages the Decisions on electricity tariffs and prices, on heat and on the public water supply and sewerage system tariffs.

7.1. Regulated tariffs and prices for natural gas

During 2019, the gas operator did not provide any requests to adjust the prices for natural gas. Therefore, the final average price for natural gas determined and approved by ANRE in 2018, remained unchanged at 4,420 MDL/1000 m³.

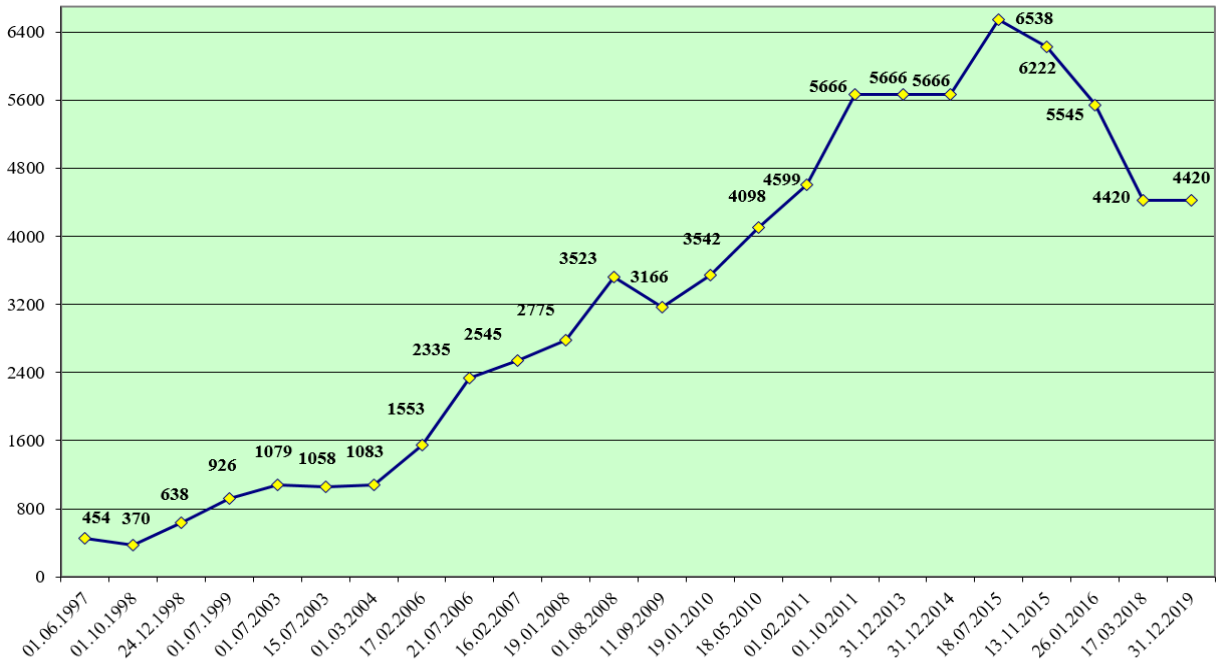


Figure 45. The evolution of natural gas tariffs 1997 – 2019 MDL/1000 m³

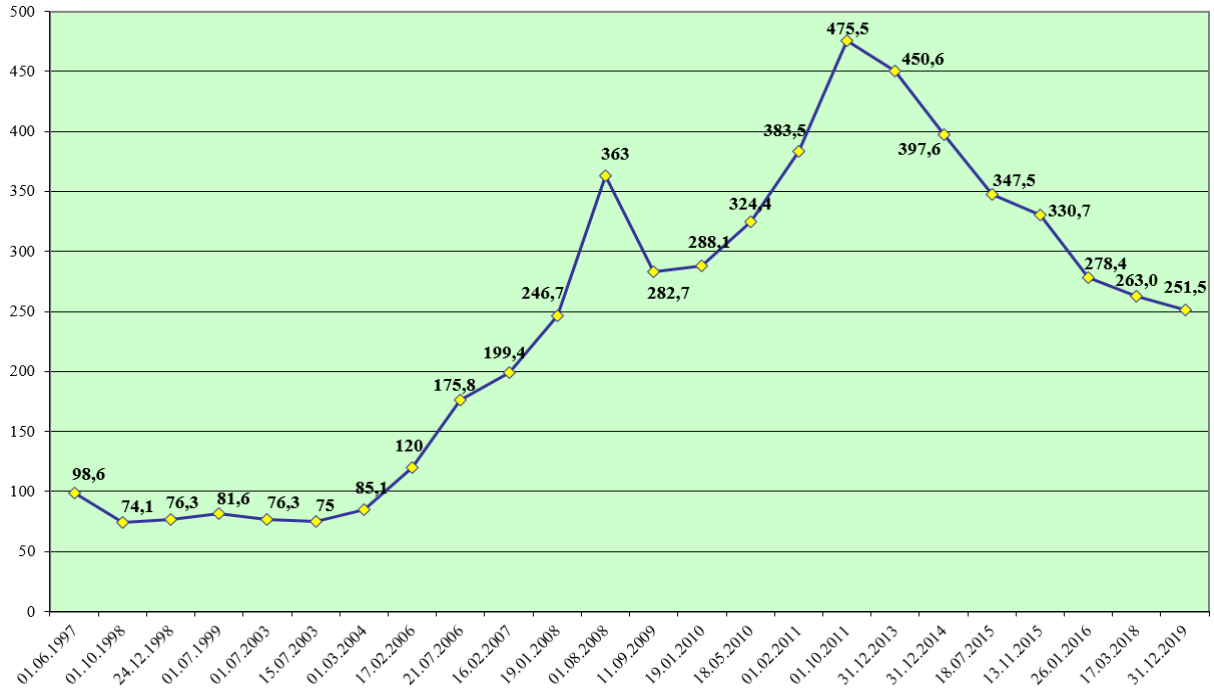


Figure 46. The evolution of natural gas tariffs 1997 – 2019 USD/1000 m³

In order to ensure a proportional and non-discriminatory application of regulated tariffs in case of possible changes of the natural gas transmission regime on the territory of the Republic of Moldova and significant decrease of the estimated volumes of transported gas, at the end of 2019 ANRE has approved the tariffs for the natural gas transmission service.

7.2. Regulated heat tariffs

The results of licensees' activity in 2019 were also determined by the following Decisions of the Administration Council of ANRE on tariffs for heat delivered to consumers:

- Î.M. of "Rețelelor și Centralelor Termice Comrat" - Decision of the Administration Council of ANRE no. 425/2019 of 22.11.2019 (Official Gazette no. 352-359/1993 of 29.11.2019). According to this Decision, the tariff for heat was reduced from 1593 MDL/Gcal to 1200 MDL/Gcal, (-25%).;

- S.A. „Comgaz-Plus" - Decision of the Administration Council of ANRE no. 426/2019 of 22.11.2019 (Official Gazette no. 352-359 / 1994 of 29.11.2019). According to this Decision, the tariff for heat was reduced from 1432 MDL/Gcal to 1363 MDL/Gcal, (-5%);

- Î.M. „Servicii Comunale Glodeni" - Decision of the Administration Council of ANRE no. 427/2019 of 22.11.2019 (Official Gazette no. 352-359/1995 of 29.11.2019). According to this Decision, the tariff for heat was reduced from 1219 MDL/Gcal to 955 MDL/Gcal, (- 22%);

- Î.M. „Termogaz-Bălți" - Decision of the Administration Council of ANRE no. 428/2019 of 22.11.2019 (Official Gazette no.352-359/1996 of 29.11.2019). According to this Decision, the tariff for heat was reduced from 1219 MDL/Gcal to 1083 MDL /Gcal, (-11%);

- S.A. „CET-Nord" - Decision of the Administration Council of ANRE no. 540/2019 of 27.12.2019 (Official Gazette no. 7-13 / 34 of 17.01.2020). According to this Decision, the tariff for heat remained unchanged.

The Administration Council of ANRE (Decision no. 396/2019 of 01. 11. 2019) has approved the *Methodology for calculation, approval and applying the regulated prices and tariffs for the production of electricity and heat*, for distribution services and supply of heat (Official Gazette no.360- 366/2028 of 06.12.2019), as well as the decisions regarding the basic costs for the delivery service for the following licensees:

- Î.M. „Termogaz-Bălți" - Decision of the Administration Council of ANRE no.114/2019 of 19.04.2019 (Official Gazette no.159-161/761 of 03.05.2019);
- Î.M. of „Rețelelor și Centralelor Termice Comrat" - Decision of the Administration Council of ANRE no.253 / 2019 of 05.07.2019 (Official Gazette no.230-237/1283 of 19.07.2019);
- S.A. „Comgaz-Plus" - Decision of the Administration Council of ANRE no. 317/2019 of 16.08.2019 (Official Gazette no. 261-268/1422 of 23.08.2019).

7.3. Regulated electricity tariffs and prices

According to provisions of the tariff Methodologies and in order to ensure a reliable electricity supply at minimum costs, ANRE has set on August 23, 2019 the:

- *tariffs* for electricity distribution service of Î.C.S. „Premier Energy Distribution" S.A and S.A. "RED Nord" - according to the voltage level of the electricity distribution networks;
- *regulated prices* of electricity supply Î.C.S. „Premier Energy" S.R.L. and S.A. „Furnizarea Energiei Electrice Nord" – according to consumption points of the final consumers.

According to the calculations the average price of electricity for consumers of Î.C.S. Premier Energy S.R.L. was set at 1.77 MDL/kWh, up by 2.6% compared to 2018. The average electricity price for S.A. „Furnizarea Energiei Electrice Nord" was set at 2.02 MDL/kWh, up 13.3% compared to previous year.

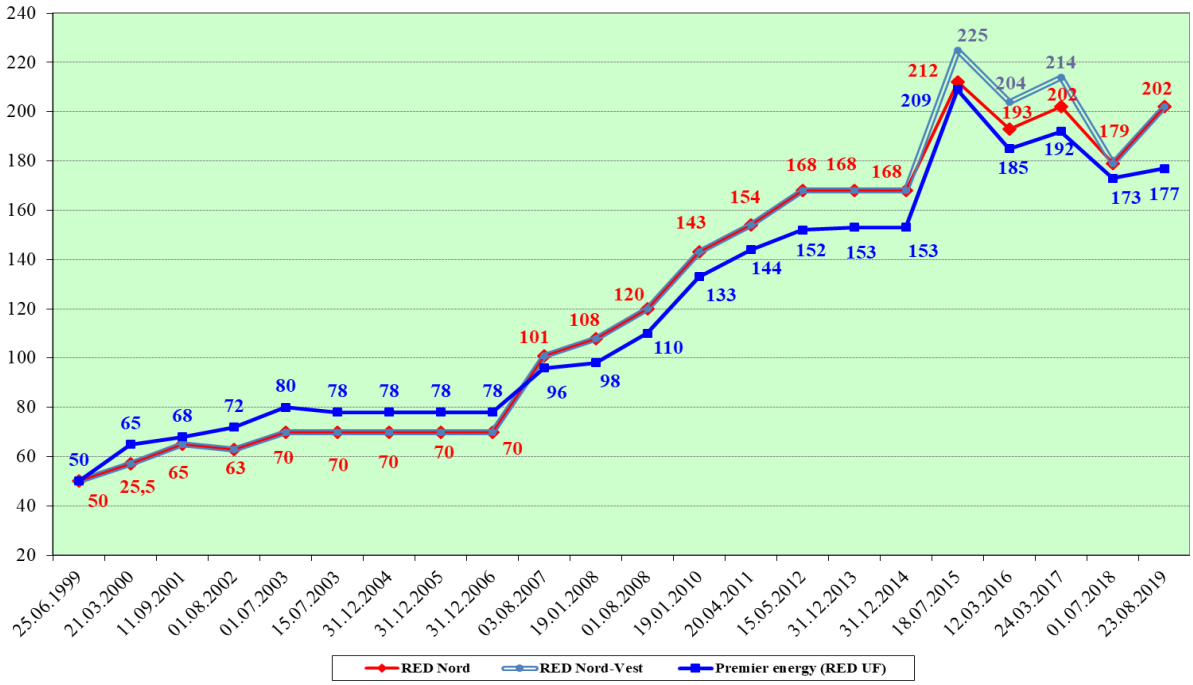


Figure 47. Regulated prices for electricity provided to final consumers during 1999-2019 MDL/kWh

The gradual increase of the electricity prices from 98.7 bani/kWh to 108.5 bani/kWh, was caused by the evolution of the average annual exchange rate USD to MDL (applied to the purchase of imported energy for 2019 at the exchange rate of 17.58 MDL/USD, compared to the average exchange rate of 16.83 MDL/USD for the previous regulated tariffs and prices), as well as the increase of the average import price of electricity from 5.16 ¢/kWh to 5.38 ¢/kWh.

The difference between the rate of increase of S.A. ,,Furnizarea Energiei Electrice Nord" regulated prices and S.R.L. "Premier energy" regulated prices is that the tariff supplement of about 7 bani/kWh was removed from the regulated prices of S.R.L. "Premier energy."

The tariff supplement was removed from the regulated prices of S.A. ,,Furnizarea Energiei Electrice Nord" in 2018, therefore the increase of regulated prices in 2019 had a more pronounced impact on the level of regulated prices.

At the same time, given the decisive impact of the national currency exchange rate on regulated tariffs and prices in the sectors regulated by ANRE, implicitly the electricity sector, the regulated prices of electricity supply to final consumers in 1999-2019, expressed in foreign currency, they had a specific evolution compared to those approved in national currency (Figure 48).

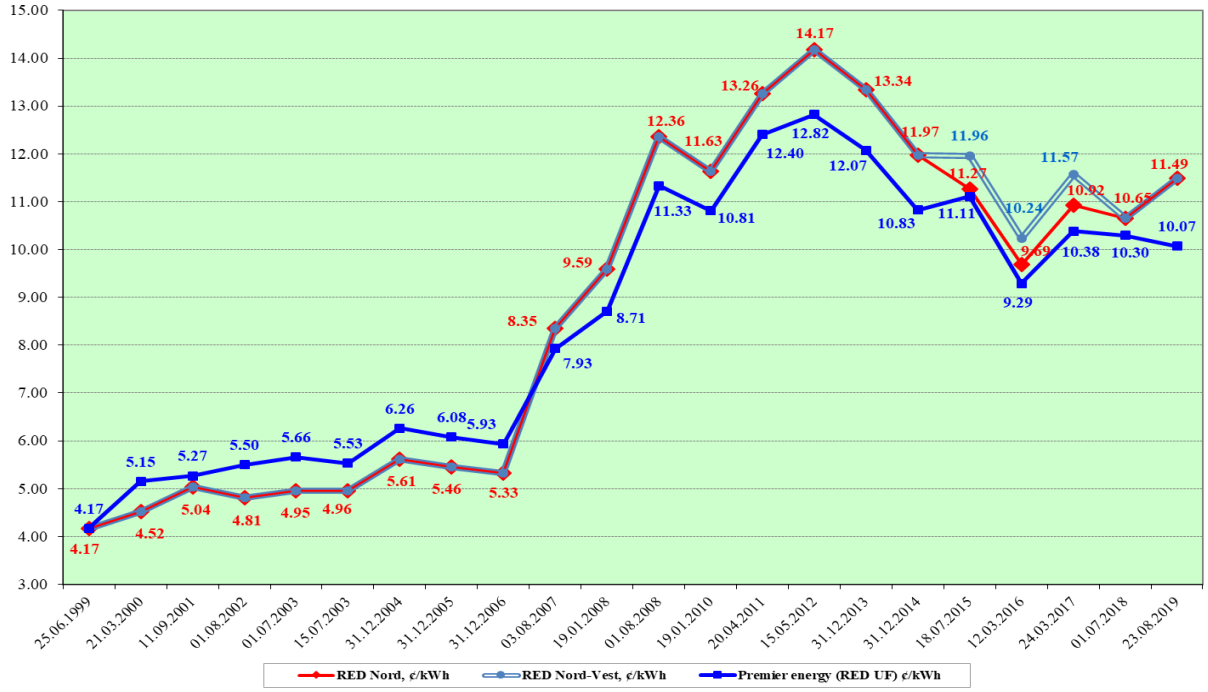


Figure 48. Regulated electricity prices for final consumers in 1999-2019, ¢ / kWh

7.4. Regulated tariffs for the public water supply and sewerage system

In 2019, ANRE has analyzed the requests on the approval of basic expenses of 13 operators.

The basic expenses for 3 operators were approved by ANRE, however, for 1 of the 3 operators the local councils rejected the request (based on art.35 par. 10 of the Law no. 303/2013 on the public water supply and sewerage system). The analysis of the requests of the other 10 operators will be completed in 2020.

During 2019, ANRE has approved the tariffs for the public water supply, sewerage and wastewater treatment for 10 operators.

At the end of 2019, there were no unfinished tariff examination files for the public water supply and sewerage system.

Until December 31, 2019, ANRE has approved the following tariffs for the public water supply, sewerage and wastewater treatment.

Table 36. Regulated tariffs approved by ANRE for public water supply, sewerage and wastewater treatment, MDL/m^3

Operator	Average tariffs approved by ANRE for public service		Tariffs approved by ANRE for public service				
	public water supply	sewerage and wastewater treatment	public water supply		sewerage		Tech.water supply
			household consumers	non-household consumers	household consumers	non-household consumers	
S.A. "Apă-Canal Chișinău"			8,65	13,29	2,04	11,17	8,86
Î.M. "Apă-Canal" Cahul			13,87	22,45	5,96	15,30	
ÎM „Apă-Canal" din Ungheni			13,40	22,15	7,07	16,32	
SA „Operator Regional Apă-Canal Hîncești"			18,40	50,28	7,35	23,51	
DP „Apă-Canal" din Ștefan Vodă			18,96	48,74	11,75	24,50	
ÎM DP „Apă-Canal" Telenești	20,77	15,30					
SA „Servicii Comunale Florești"			20,69	35,09	11,74	37,76	
Î.M. "Apă-Termo" Ceadîr-Lunga			16,20	18,70	18,18	30,00	
Î.M.D.P. "Apă - Canal" Sîngerei	12,13	10,94					
Î.M. "DPGCL Fălești"			16,75	35,20	16,40	30,96	
Î.M. "AQUA Basarabeasca"	18,70						
ÎM „Servicii Comunale Glodeni"			16,09	54,83	13,83	52,99	
S.A. "Apa Canal Nisporeni"	22,62	22,17	17,99	37,23	18,02	28,00	
S.A. "Apa Canal Basarabeasca"	21,92	20,15	20,00	36,00	14,90	34,00	

8. Licencing

One of the main competencies and duties of ANRE, provided by art. 2 para. (1) lit. a) of the Law on energy no. 174 / 21.09.2017 is to issue, extend, suspend, resume or withdraw the licenses and authorizations to conduct activities in the energy sectors, according to the Law no. 160/2011 on the regulation by authorization of entrepreneurial activity and sectoral laws.

The Law on the public water supply and sewerage system, no. 303/12.12.2013 provides ANRE with powers and duties to issue the license for the public water supply and sewerage system activities.

During 2019, ANRE has fully implemented the mechanism for managing and issuing permissive documents through the Automated Information System for Management and Issuance of Permissive Acts (SIA GEAP). This system helps to facilitate the process of issuing permissive documents for both, licensees and public authorities.

In 2019, ANRE has received 131 applications online through SIA GEAP. It has allowed applicants to save time, money and administrative effort in obtaining permissive documents issued by ANRE.

Currently, SIA GEAP allow to submit and receive applications for the following services:

1. *License for import activities, retail and wholesale of gasoline, diesel and liquefied gas at petrol stations;*
2. *License for electricity production; operation on the electricity market; electricity transmission; centralized management of the electric power system; electricity distribution; electricity supply;*
3. *License for natural gas production; natural gas transmission; natural gas distribution; natural gas storage; natural gas supply; supply of compressed natural gas for vehicles;*
4. *License to provide the public water supply and sewerage system at regional level, district level, municipality level, city and village levels;*
5. *License for the activity of heat production, distribution and supply;*
6. *License for electricity production from renewable sources; production of heat from renewable sources; production of biogas that shall be delivered to natural gas networks; production of biofuel that shall be purchased by major oil importers;*
7. *Diesel import authorization.*

8.1. Licensing of petroleum products market operators

In 2019, ANRE has issued 46 licenses for petroleum products market operators. 22 out of 46 licenses have been extended for the next 5 years (Table 37). 83 licenses were renewed.

Table 37. Licenses issued/extended to conduct activities on the petroleum products market during 2019

No.	**Type of activities**	**No. of issued licenses**	**No. of extended licenses**
1	Import and wholesale of gasoline and diesel	6	3
2	Import and wholesale of liquefied gas	3	-
3	Retail sale of gasoline and diesel at petrol stations	9	4
4	Retail sale of liquefied gas at petrol stations	6	15
	Total	**46**	

Source: *ANRE Licensing Registry*

At the end of 2019, ANRE has authorized 90 licensees to sell gasoline and diesel at 663 petrol stations around the country. 76 licensees were authorized to sell liquefied gas at 550 petrol stations.

Table 38. Number of licensees on the petroleum products market (December 31, 2019)

No.	**Types of activity**	**No. of licensees**	**No. of certified copies of the license, issued to licensees for each petrol station**
1	Import and wholesale of gasoline and diesel	23	
2	Import and wholesale of liquefied gas	11	
3	Retail sale of gasoline and diesel at petrol stations	90	663
4	Retail sale of liquefied gas at petrol stations	76	550
	Total	**200**	**1213**

Source: *ANRE Licensing Registry*

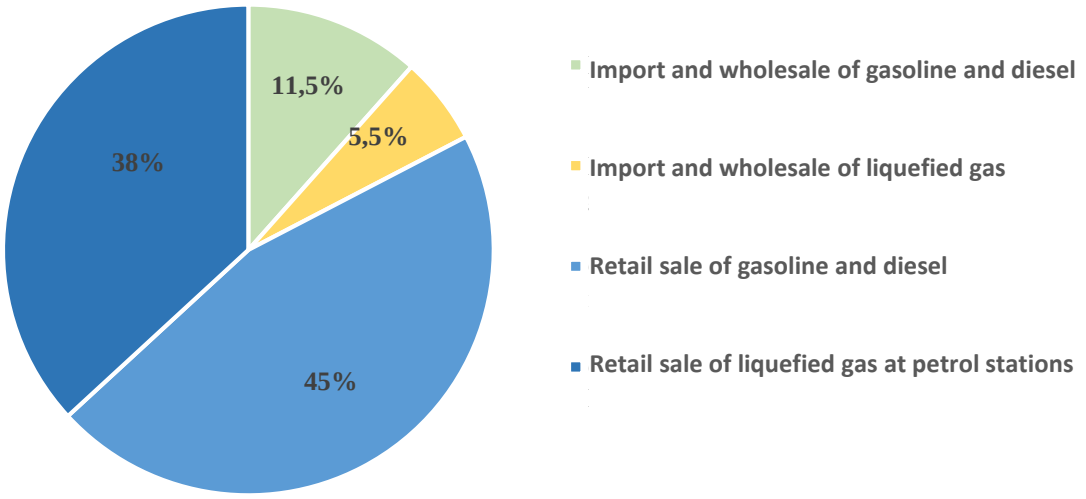


Figure 49. The share of licensees on the petroleum products market
Source: *ANRE Licensing Registry*

At the end of 2019, out of the total number of filling stations, the licensees were running - 503 Mixed stations, 160 gasoline and diesel (PECO) stations and 47 gas filling station (SAAG).

In 2019, ANRE has issued - 6 licenses for the import and wholesale of gasoline and diesel and 3 licenses for the import and trade of liquefied gases for operators registered in the left bank of the Nistru river (Transnistria). The licenses were issued for a period of 6 months

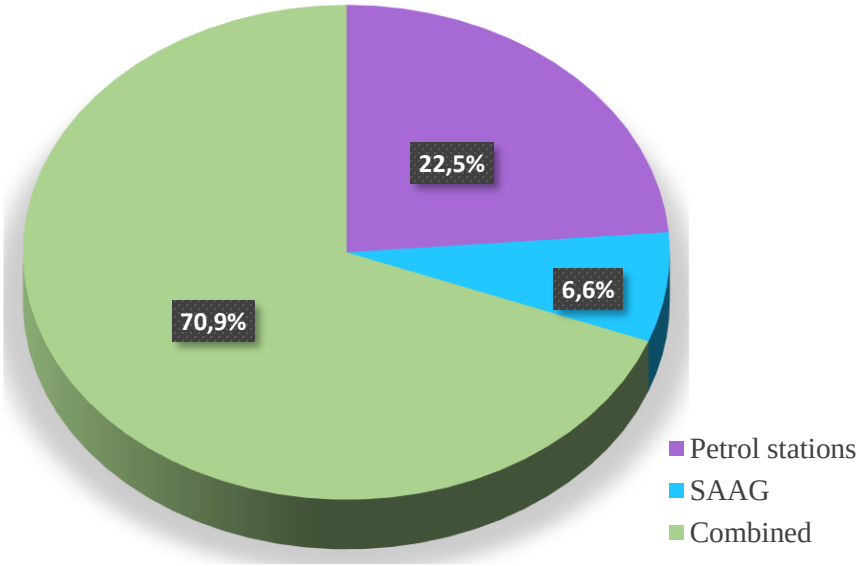


Figure 50. The share of filling stations depending on the type of oil product offered

8.2. Licensing the electricity operators

In 2019, ANRE has issued 4 licenses for electricity supply. 2 licenses for electricity supply and 1 license for electricity distribution were renewed.

Table 39. The number of licensees operating on the electricity market (31.12.2019)

No.	Types of activity	No. of licensees
1	*Electricity production*	5
2	*Electricity transmission*	1
3	*Electricity distribution*	2
4	*Electricity supply*	30
Total		**38**

Source: *ANRE Licensing Registry*

Public service obligations in the electricity sector:

The public service obligations to provide universal service and supply of last resort until 08.07.2026, are imposed to ÎCS „Premier Energy" SRL and S.A. „Furnizarea Energiei Electrice NORD" within the territories served by the DSOs ÎCS „Premier Energy Distribution" SA și SA „RED NORD" .

Licensing activities related to electricity produced from renewable sources

In 2019, ANRE issued 1 license for the production of electricity from renewable sources. (SRL „JCG Solar").

8.3. Licensing the natural gas operators

During 2019, ANRE has issued 2 new licenses and renewed 2 licenses for natural gas supply. One license was renewed for natural gas distribution activity.

5 licensees provided compressed natural gas for vehicles (CNGV) through 20 petrol stations in 2019. 3 out of 5 licensees have renewed their licenses during the year.

Table 40. Number of licensees operating on the natural gas market (31.12.2019)

No.	Types of activities	No. of licensees
1	*Transmission of natural gas*	2
2	*Distribution of natural gas*	25
3	*Supply of natural gas*	17
4	*Supply of compressed natural gas*	5
	Total	**49**

Source: *ANRE Licensing Registry*

Public service obligations for natural gas supply:

- *The public service obligation for natural gas supply of last resort* on the territory of the Republic of Moldova is done by S.A."Moldovagaz" for a period of 3 years (ANRE Decision no. 272/2018 of 28.09.2018).
- *The public service obligation to supply natural gas to final consumers at the quality parameters set - at regulated, transparent, non-discriminatory and easy to compare* prices was imposed to 11 suppliers (ANRE Decision no. 487/2019 of 20.12.2019).

8.4. Licensing the public water supply and sewerage system operators

During 2019, ANRE has issued 2 licenses for the public water supply and sewerage system while one license was renewed. At the end of 2019, 44 licensees were providing public water supply and sewerage system.

8.5. Licensing of heat suppliers

No licenses for production, distribution and supply of heat were issued, extended or renewed by ANRE in 2019. 7 licensees were operating in the heat sector at the end of 2019.

9. Legal aspects of the energy regulation

The regulatory framework drafted, approved and implemented by ANRE has a major impact on economic and social realities, given that it is mandatory for both, licensees and consumers.

The possibility to contest/challenge individual or normative acts of the regulator is an important factor in ensuring the regulator's accountability to consumers. The decisions issued by ANRE can be challenged in a court of law by any person who considers that his rights have been violated by a certain regulation.

During 2019, ANRE has participated at 132 court cases. The cases are classified as follows:

- 62 litigation cases:

- 27 administrative cases. In 22 cases ANRE participated as a defendant, in 3 cases as a public authority and in other 2 cases as an accessory intervener;
- 35 civil cases. In 2 cases ANRE participated as a defendant and in 33 cases as accessory intervener;

- 4 cases on insolvency where ANRE participated as a creditor. The cases of SRL „Rincor-Prim", SRL „Agrocom Oil", SRL „Defoil" and SRL „Moldis Trading LTD" are being reviewed in court for;
- 66 contravention cases where ANRE participated as the asserting party. In order to prevent contraventions in the regulated sectors, as well as to hold individuals and firms accountable, ANRE can act as the asserting party that can document and draw up minutes of the contravention and mail them to court of law (art. 411 of the Contravention Code).

Table 41. Judicial disputes involving ANRE (2017-2019)

Year	2017	2018	2019
Administrative cases	32	26	27
Civil disputes	24	24	35
Insolvency	1	1	4
Contraventions	5	8	66
Total	**62**	**60**	**132**

48 out of 132 lawsuits involving ANRE were finalized in 2019. In 8 **administrative cases** ANRE acted as a defendant and 5 cases as an accessory intervener. In 1 **civil case** ANRE participated as a defendant and in 3 cases as an accessory intervener. ANRE also documented 31 **cases of contravention**. 84 lawsuits filed in 2019 remain to be examined by the court of law during 2020.

In only 30 cases of contravention (out of 66) the offenders were found guilty. One contravention case was terminated due the lack of contravention reasons.

In order to solve the judicial disputes ANRE has prepared its defense strategy for each case, drafting procedural documents and participating at hearings in the court of law. No cases that would harm ANRE's interests were registered.

In order to consolidate and comply with the institutional values of ANRE, such as: *rule of law, objectivity, professionalism, transparency, efficiency, fairness, integrity and impartiality*, 12 normative acts were developed, applicable at the institution level. Among them an important role plays the following:

- *The Code of Ethics and Professional Conduct of ANRE, applicable to both, ANRE's staff and its management, which sets the rules of ethical conduct and professional competence designed to ensure compliance with the above values in order to increase ANRE's credibility in exercising its powers as an independent regulatory authority;*
- *Regulation regarding the procedures of drafting normative acts by ANRE developed in order to increase the transparency in the decision-making process and comply with the procedural steps provided by law;*
- *Regulation on the institutional performance management of ANRE which sets a correct and efficient mechanism of setting up performance indicators that would allow the evaluation of ANRE's performance and help streamline its activities;*
- *Regulations on organization and holding the meetings of the Administration Council of ANRE meetings;*
- *Other normative acts for internal use.*

10. Control activity

One of ANRE's main tasks is to conduct control missions in order to assess if the regulated operators/companies apply the principle of maximum efficiency at minimum costs.

According the Control Plan for 2019, ANRE carried out 7 control missions at „Basapetrol" SRL, „Clever Energy" SRL, ÎM „Tirex Petrol" SA, ÎM „Rompetrol Moldova" SA, „Ialoveni Gaz" SRL , „Moldovagaz" SA și „Datario" SRL.

The control carried out at licensees in the natural gas sector was focused on verifying the accuracy, reliability and reasoning of consumptions and expenses in their accounting reports, as well as, their compliance with the requirements of the normative framework.

ANRE representatives have examined the primary documents, the synthetic and analytical records, the financial and statistical reports, the contracts regarding the procurement of goods, the works done and services provided, the minutes of the works done and services provided.

ANRE also examined the procurement process carried out by the licensees, based on: planning and drafting documents, the launch of procurement procedure, evaluation of tenders and award of contracts, implementation and monitoring of contracts, compliance with the legal framework and the Regulation on procurement procedures of goods, works and services used by the licensees in electricity, heat and natural gas sectors as well as operators providing the public water supply and sewerage system approved by the Decision of the Administration Council of ANRE no. . 24/2017 from 26.01.2017.

The operators on the petroleum products market were verified if they complied with the laws and regulations in force when setting and applying the prices for petroleum products, based on: purchase prices, consumption and actual costs, necessary for their import and sale on the domestic market. And also the accuracy of the income and expenses reports.

The controls were also focused on the accuracy of distribution of expenses by types of activities, compliance with the provisions of the Methodology of formation and application of prices for petroleum products no. 50/2019 of 11.03.2019, the accuracy of calculation and payments of the license fee.

The Control Reports reflected all the deviations and violations detected, while providing the necessary recommendations. The decisions of the Administration Council of ANRE regarding the results of controls were not questioned by the licensees while the deviation and the violations of legislation have been or will be removed by the operators.

ANRE continued to work and put into practice the provisions of art. 41 of the Law no. 107 of 27.05.2016 on electricity and art. 34 and 45 of the Law no. 108 of 27.05.2016 on natural gas, which obliges the TSOs, DSOs, the operators of natural gas storage depots and electricity DSOs to prepare and submit to ANRE for approval the program of compliance and the draft contract with the individual or a firm.

During 2019, ANRE has examined and approved the compliance programs of the following 15 operators in the electricity and natural gas sectors: „Chișinău-Gaz" S.R.L., „Ungheni-Gaz" S.R.L., „Floreşti-Gaz" S.R.L., „Ştefan Vodă -Gaz" S.R.L., „Taraclia-Gaz" S.R.L., „Bălţi-Gaz" S.R.L., „Orhei-Gaz" S.R.L., „Edineţ-Gaz" S.R.L., „Cimişlia–Gaz" S.R.L., „Cahul-Gaz" S.R.L., „Ialoveni –Gaz" S.R.L., „Gagauz-Gaz" S.R.L., „Moldovatransgaz" S.R.L., „RED-Nord" S.A. and Î.C.S. „Premier Energy Distribution" S.A.

11. State energy supervision

11.1. The technical controls' plan for 2019

According to its state energy supervision powers, set in art. 14 of the Law no. 174/21.09.2017 on energy, ANRE performs technical controls of electrical installations (EI) in order to ensure their compliance with the requirements of the normative and technical documents in force and their operational safety.

The technical control plan for 2019 included **2398** technical controls:

- 1176 controls of EI of the firms/businesses;
- 1222 controls of EI of state institutions.

Table 42. The technical controls' plan for 2019

Territorial distribution	No. of scheduled technical controls		
	Firms	State institutions	Total
Centre	447	391	838
North	450	412	862
South	279	419	698
Total	1176	1222	2398

During 2019, ANRE conducted 1218 technical controls of the IE of the firms and 1232 technical controls of EI of state institutions.

Table 43. The distribution of technical controls by types of consumers

	Actions	South	North	Centre	Total
1	Controls of EI of the large consumers	121	180	237	538
2	State institutions (large consumers)	23	31	70	124
3	Controls of EI of small consumers	449	439	400	1288
4	State institutions (small consumers)	407	378	323	1108
5	Controls at ÎS „Moldelectrica"	12	28	4	44
6	Controls at ÎCS „Premier Energy Distribution" SA (former name - ÎCS „RED Union Fenosa" SA)	12	0	27	39
7	Controls of electric networks of the DSO of the town halls	136	211	198	545
8	Unscheduled controls of EI of the firms / state institutions	18/7	6/1	18/2	42/11
9	**Total no. of controls of EI of firms**	**295**	**450**	**473**	**1218**
10	**Total no. of controls of EI of state institutions**	**430**	**409**	**393**	**1232**

ANRE also carried out 53 unscheduled technical controls, based on submitted complaints. While verifying the electrical installations (EI) of the town halls, ANRE also verified the EI of 2927 household consumers. Following the conducted technical controls, ANRE provided the reports reflecting the identified shortages/issues and violations of the requirements of normative-technical documents. As a result, ANRE issued prescriptions on removing the identified issues.

The results of the technical controls of the electrical installations that belong to DSOs, TSOs and consumers are provided in subchapters below.

11.2. The technical condition of the electrical installations of TSOs and DSOs

Technical control of the DSOs and TSOs electrical networks - technical condition, maintenance and service

In 2019, ANRE carried out scheduled and unscheduled/unannounced inspections (Table 44) of the electrical networks (EN) of the DSOs (6649 substations 10/0.4 kV), that were located on the territory of 545 town halls.

Table 44. The results of the technical controls done at DSOs

Type of works done	Unit of measurement	TOTAL
Scheduled/completed controls of electrical networks of the DSOs	unit	519/545
Examined areas/examined areas that are supplied by a feeder	unit	901/118
No. of examined transformation stations that are managed by DSOs from town halls examined:	unit	7758/6649
Overhead lines (OHL) 6-10 kV examined at DSOs	Feeder	1137
Do not comply with the provisions of the ANT	Feeder	468
Cable lines (CL) 6-10 kV examined at DSOs	Feeder	168
Do not comply with the provisions of the ANT	Feeder	12
Free access to active parts of EI	Cases	727
Failure of the protective device or direct connections, total:	Cases	913
0,4 kV/10 kV	Case / case	773/140
Leak or lack of transformer oil	Case	971
Availability of line sections without double connection of conductors	Case	385
OHL 0.4 kV/10 kV pylons that are in poor shape or state of emergency, total:	unit/unit	4245/976
Availability of OHL or transformation stations on the territories of educational and preschool institutions	Unit	152
Issuing control sheets for periodic supervision of transformation stations/OHL	unit/unit	3815/3502
Conducting periodic tests - by LET authorized transformation stations	No. of	2009
At OHL 0,4 kV	No. of PV	1945
At OHL 10 kV	No. of PV	465
No protection against atmospheric overvoltage at transformation stations	Unit	651
At OHL 0,4 kV/10 kV	unit / unit	987/64
Supervising EI of production and transport units		
Scheduled/completed controls of EI of production units	unit / unit	0/0
Scheduled/completed controls of electrical systems of ÎCS „Premier Energy Distribution” SA	unit / unit	36/39
Scheduled/completed controls of electrical systems of ÎS „Moldelectrica”	unit / unit	48/44

The priority of technical controls was to ensure the reliability of electricity supply to final consumers. Following the analysis of technical documents and electricity supply systems ANRE found that 118 out of 901 localities are supplied by a single feeder.

ÎCS „Premier Energy Distribution” S.A. delivers electricity to 79 localities on a single 10 kV feeder while S.A. “RED Nord” to 39 localities, which diminishes the reliability of the electricity supply of category II and I consumers.

The deviations mentioned above were included in the Reports regarding the results of technical controls issued by ANRE. After that, a receipt was drafted, indicating the deadline to resolve the technical issues.

The technical controls conducted at electrical installations of the DSOs identified that some transformation stations were in a very poor technical condition.

The deviations and violations of the normative and technical documents identified during technical controls of IE of the DSO are shown below.

Table 45. The deviations and violations of the normative and technical documents identified during the technical controls of EI managed DSOs in 2019

	System operator	Free Access to EI	The non-compliance of the protective device or direct connections		Leaks or lack of transformer oil	OHL pylons that are in poor state	
			10 kV	0,4 kV		10 kV	0,4 kV
Year 2019	Premier Energy Distribution	363	14	211	438	526	3246
	RED NORD	364	126	562	533	450	999

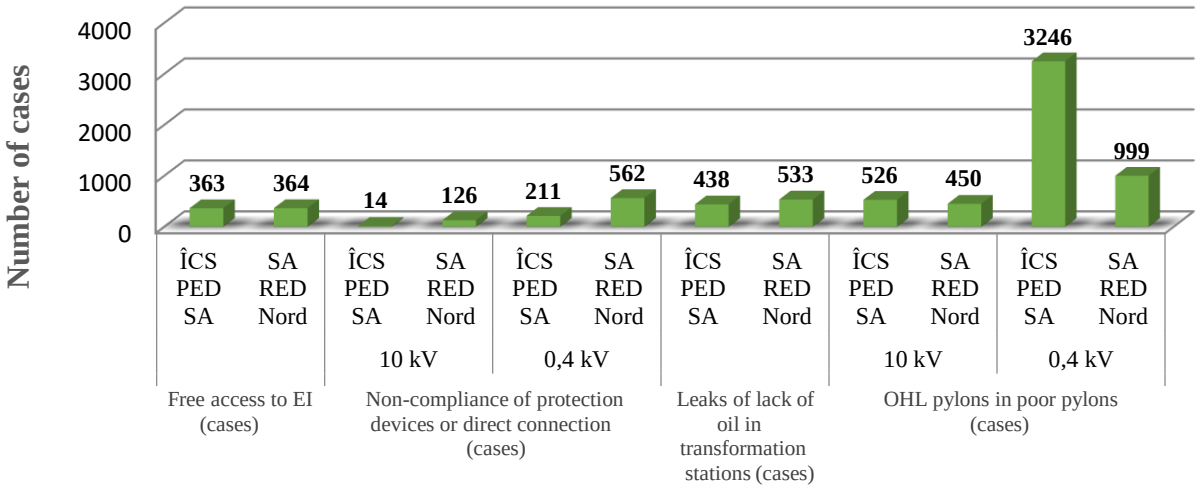


Figure 51. The deviations and violations identified during technical controls of the electrical distribution networks of the DSOs.

Table 46. The availability of distribution networks on the territories of preschool and educational institutions

DSO	The availability of distribution networks on the territories of kindergartens and educational institutions				
	Quarter I	Quarter II	Quarter III	Quarter IV	Total per year
Premier Energy Distribution	7	34	40	17	98
RED NORD	7	18	12	17	54

The compliance of DSOs with prescriptions issued by ANRE

Out of 18232 prescriptions issued in 2019, the DSOs have executed only 6830 (37.46%).

Table 47 presents the analysis of the total number of prescriptions issued and the degree of execution, as well as the annual dynamics 2019 (by quarters), following the technical controls of the electrical distribution networks of the OSD and the number of execution of these prescriptions.

Table 47. The total number of issued prescriptions and their rate of compliance 2019

No.	Total no. of prescriptions			Rate of Compliance
	Issued	Executed	Valid	%
Quarter I	1762	3	1762	0,16
Quarter II	8131	1630	3780	20,05
Quarter III	13108	3715	3301	28,13
Quarter IV	18232	6830	2769	37,46
2019	**18232**	**6830**	**2769**	**37,46**

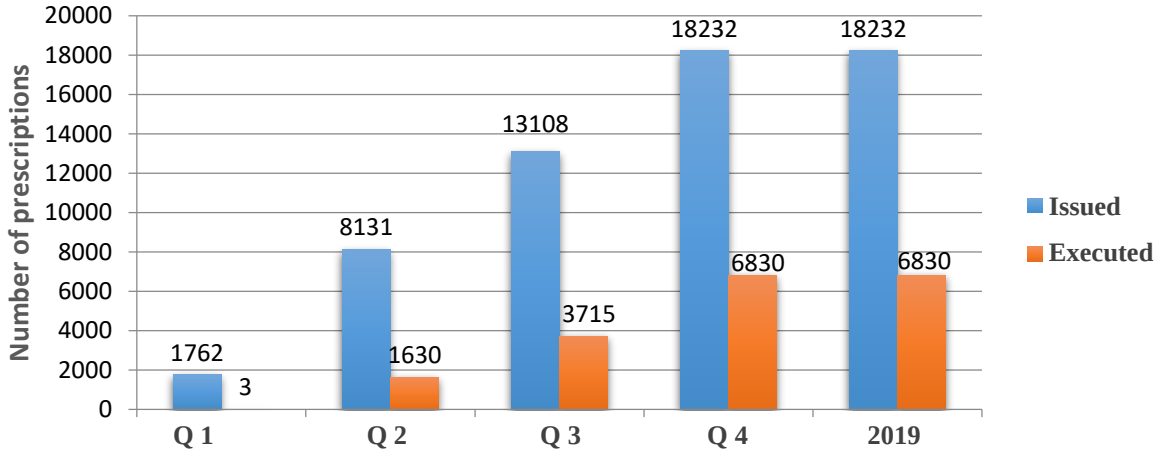


Figure 51. The number of prescriptions issued following the technical controls of the electrical networks of the DSOs and the number of prescriptions executed by the DSOs in 2019

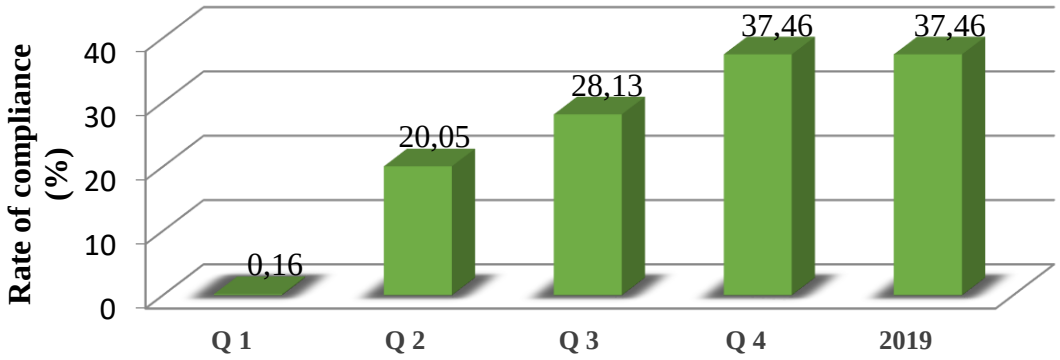


Figure 52. The rate of compliance with the prescriptions issued following the technical controls of the electrical distribution networks of the DSOs in 2019

*Note: The rate of compliance with issued prescriptions for Quarter 1 is for the month of March 2019, only.

The prescription issued are largely related to failure to comply with the following technical requirements: *preventing free access to electric power transformation station; ensuring the protection of 0.4 and 10 kV nozzles; removing oil leaks from power transformers; providing PT 10/0.4 kV with overvoltage protection devices; removing tree branches in the protection zone of the overhead lines (OHL); lack of repeated connections of the protective conductor with the repeated grounding; non-compliance with OHL size; using pillars with advanced deterioration; not taking the necessary measurements and tests of the equipment and machinery of the authorized electrical laboratories (with the relevant minutes drawn), etc.*

The compliance of DSOs with prescriptions issued, following the controls of electrical distribution of each DSO are shown below.

Table 48. The compliance of DSOs with prescriptions issued by ANRE in 2019

No.	DSO	Number of prescriptions			The rate of compliance with prescriptions (%)
		Issued	Executed	Valid	
*Quarter I	Premier Energy Distribution	790	3	790	0,4
	SA RED Nord	972	0	972	0
Quarter II	Premier Energy Distribution	5098	180	2517	3,53
	SA RED Nord	3582	1450	1263	40,43
Quarter III	Premier Energy Distribution	7838	879	2114	11,22
	SA RED Nord	5370	2836	1187	52,81
Quarter IV	Premier Energy Distribution	10593	1651	1821	15,6
	SA RED Nord	7639	5179	948	67,8
By year	Premier Energy Distribution	10593	1651	1821	15,6
	SA RED Nord	7639	5179	948	67,8

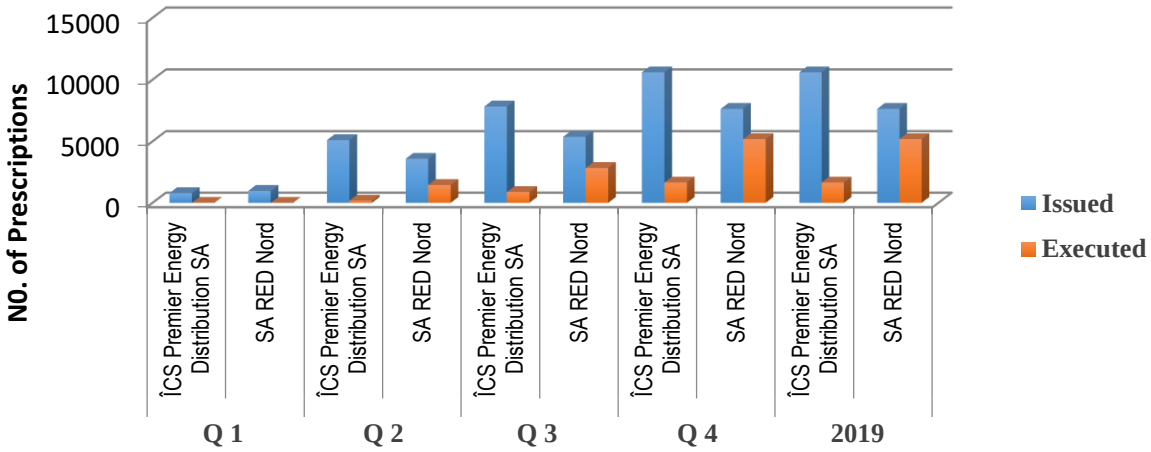


Figure 53. No. of prescriptions issued and the no. of prescriptions executed by the DSOs

*Note: The rate of compliance with issued prescriptions for Quarter 1 is for the month of March 2019, only.

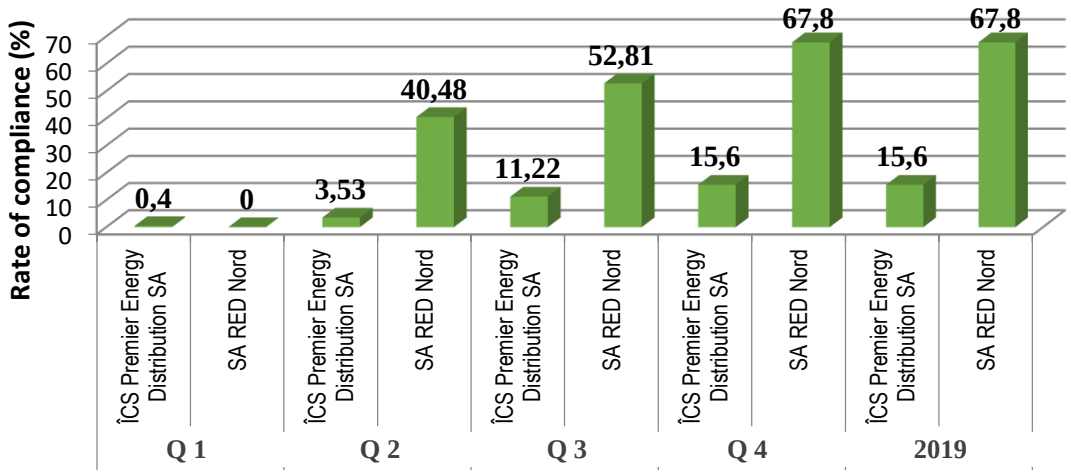


Figure 54. The rate of compliance with issued prescriptions following the controls of the electrical distribution networks for each DSO in 2019

The compliance of TSOs with the prescriptions issued by ANRE

In 2019, ANRE has performed 44 controls of the electric transmission networks of the TSO - ÎS ,,Moldelectrica." Following the control of the TSO's electrical networks, ANRE issued 139 prescriptions in order to eliminate the identified issues. 69 out of 139 prescriptions were executed by the TSOs (this includes 29 prescriptions with expired deadlines).

The no. of prescriptions issued and executed are shown below (Table 49).

Table 49. The rate of prescriptions executed by the TSO in 2019

No.	TSO	No. of prescriptions		The rate of prescriptions executed by the TSO (%)
		Issued	Executed	
*Quarter I	**Moldelectrica**	11	0	0
Quarter II		40	3	7,5
Quarter III		49	25	51
Quarter IV		139	68	49
Annualy		**139**	**68**	**49**

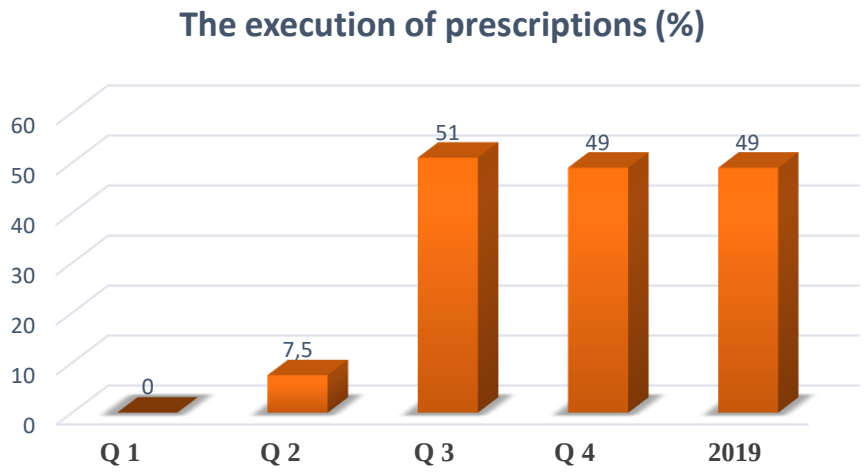


Figure 55. The rate of prescriptions executed by the TSO in 2019

Monitoring the compliance with the requirements of the Regulation on the protection of electricity networks

Failure to comply with the requirements of the Regulation on the protection of electrical networks is an issue that remains unsolved. Attempts to solve the problem, including the change in the regulatory framework, did no not yet finalize.

Following the analysis of the examination sheets of the installations it was identified that many system operators do not reflect/report the objects located in the protection areas of the OHL.

Table 50 provides information on the number of violations of the protection areas of OHL identified following the EI controls in 2019.

Table 50. The number of violations of the protection areas

Violations of the Regulation on the protection of electricity networks	**un**	**4621**
unauthorized constructions in the OHL protection area: total	un	**1456**
- with voltage up to 0.4 kV	un	**711**
- with voltage up to 10 kV	un	**724**
- with voltage of 35 - 110 kV	un	**21**
the 10 kV, 0.4 kV OHL that need removal of tree branches	feeder	**3165**

1456 cases unauthorized constructions in the OHL protection zone were re-evaluated. The number of new cases of violation of the protection area is shown below.

Table 51. The number of violations of the protection area by DSOs in 2019

No.	**No. of violations of the Regulation on protection of the electrical networks**				
	Quarter I	Quarter II	Quarter III	Quarter IV	2019
ÎCS „Premier Energy Distribution” SA	59	774	788	670	2291
SA „RED Nord”	111	506	460	491	1568

During technical controls of 10 and 0.4 kV OHL, 3165 leaks were identified due to non-cleaning of OHL routes. The analysis of non-compliance with the requirements of the Regulation was due to the following:

- unauthorized extension of the protection areas by individuals and firms, initiate various construction projects in these areas;
- decisions issued by public authorities to allow constructions in protection of electricity networks areas;
- interventions in the protection areas following the consent of the electricity network enterprises;

The most frequent violations of the Regulation requirements identified are the following:

- capital constructions (houses, shops, bars, garages, sheds, etc.) in protection areas;
- planting trees, including fruit trees in protection areas.

A large part of violations is due to local public authorities that disregard the requirements of point 13 of the Regulation and issue construction permits.

Allowing the construction of various facilities in protection of the electrical networks areas, not respecting the safe distance from OHL represents an imminent danger for people and material goods.

Unfortunately, the DSOs do not take the necessary measures to avoid these risks.

Also, according to ANRE reports the TSOs and DSOs do not comply with the requirements of periodic checks of electrical networks, according to art. 5.7.16 of the Regulation on the technical operation of power plants and networks, do not pay the necessary attention to the OHL safety checks, does not take the necessary actions to identify and stop the violations related to construction works in protection areas, does not provide information to law enforcement about people who violate the requirements of the Regulation (p. 5.7.8, 5.7.18).

Supervising the preparation of electrical distribution and transmission installations for operation for atmospheric overvoltage

- ÎS „Moldelectrica"

According to its Activity Plan, ÎS „Moldelectrica" issued the order no. 123 (on March 1, 2019) on the necessary measures taken to prepare the electrical networks for the season of atmospheric overvoltage that include the following:

• creating the Central Commission at the main office and enterprise' branches that would monitor and evaluate the preparation EI for atmospheric overvoltage;

• implementing the action plans related to the isolation and protection against overvoltage;

• coordinating the necessary activities with enterprise' branches for the season of atmospheric overvoltage in the power grids;

• joint checks by ANRE and DSOs of the outputs of the OHL and power lines cable (PLC) (6) 10 kV from electrical stations;

• visual inspection of the OHL and electrical stations, protection devices against atmospheric overvoltage in the power grids, of OHL protection conductors, metal connections;

• Measuring and testing electricity networks, checking the condition of sockets at 110/35/10 kV electrical stations;

• Inspecting the technical condition of insulators mounted at the OHL;

• Checking the condition of the spark plugs and discharges of 10 kV feeders from the 110/35/10 kV power stations; checking the 110 kV dischargers of the electrical stations at working voltage;

• Inspecting if the tree branches around the OHL protection zones were removed.

According to report submitted by Î.S. „Moldelectrica" the preparations works of electrical networks was finalized as planned.

- **SA „RED Nord"**

S.A. "RED Nord" issued order no. 42 of 18.02.2019 on electrical installations preparation for the season of atmospheric overvoltage, and other orders related to the creation of local commissions that would monitor the implementation of the action plans.

According to the scheduled activities, a series of measures were set:

- correction of 10 kV schemes by placing the protection means against overvoltage;
- correction of 0.4 kV schemes by placing the protection means against overvoltage;
- revising the 10 kV dischargers at the OHL;
- measuring the resistance of sockets, checking the metal connections at the 10 kV OHL output from SE 110/35/10 kV, etc.

Monitoring the level of compliance of electricity networks for the seasonal atmospheric overvoltage, is based on the information submitted by system operators.

According to data submitted by SA „RED Nord", out of the 4914 transformation stations 10/0.4 kV that were scheduled for preparation works against atmospheric overvoltage, only 4760 were equipped with dischargers necessary to protect against atmospheric overvoltage.

- **ÎCS „Premier Energy Distribution" S.A. (former name: ÎCS „RED Union Fenosa" SA)**

ÎCS „Premier Energy Distribution" SA issued order no. 03/01 of 22.01.2019 regarding the preparation of electrical installations for atmospheric overvoltage. The area managers of the DSO were asked to draw and take the necessary technical and organizational measures to prepare electrical networks.

According to reports submitted by DSO, 8344 (10 kV) out of 8447 transformation stations (10/0.4 kV) were equipped with protection equipment against atmospheric overvoltage. 103 transformation stations remained unprotected against atmospheric overvoltage. 7089 transformation stations (0.4 kV) or 83.9% have the necessary protection against atmospheric overvoltage. Also, out of 642 nozzle outputs of 6-10 kV OHL, only 20 nozzles were not.

11.3. The supervision of electrical installations (EI) of consumers

a) The inspection/examination of electrical installations (EI) of large consumers and the execution of prescriptions issued by ANRE

During 2019, ANRE has organized and conducted 268 seminars with firms to discuss the normative and technical documents necessary to operate the electrical installations and the importance of consumers to comply with these provisions in order to ensure a safe, reliable and efficient operation of the IE in use.

538 electrical installations of large consumers were inspected in 2019. According to reports, only 132 large consumers (24%) complied with the requirements of the normative and technical documents. While the electrical installations of 199 consumers (37%) did not meet the necessary requirements of the normative and technical documents due to poor technical condition of electric devices (1336 kW), which could cause potential accidents. Following the inspection all 199 electric devices (1336 kW) were disconnected from the electricity networks.

The technical condition of electrical installations depends largely on technical assistance provided by authorized personnel. According to reports, 339 consumers are served by personnel qualified to provide electro-technical assistance for the EI, 42 consumers concluded contract with service providers (firms) that provide service for EI while 161 consumers (29%) do not have contracts of technical assistance and do not get the necessary services necessary according to the normative and technical documents.

<u>The reports also shown that:</u>

- Out of the total number of consumers' subject to control, 51 consumers have the devices that require category I of reliable of electricity supply, 22 are state institutions (mainly hospitals).
- 224 consumers subject to control (or 41%) did not provide their electrical installations with operating electrical schemes and other technical documents necessary to ensure a harmless organization of operational works and repairs of the electrical installations;
- 260 consumers (48%) do not plan in advance the maintenance works of the electrical installations. Or if these works are planned, the works are not done according to the necessary requirements. As a result, the technical conditions of the electrical installations could worsen;
- out of 904 power transformers that belong to consumers, 262 power transformers (29%) register deviations from the provisions of the normative and technical documents in force;
- out 513 OHL (6-10 kV) that belong to consumers, 113 OHL (22%) are operated with deviations from the provisions of the normative and technical documents in force;
- the electrical installations of 289 consumers (53%) are not provided with the necessary protection means, which could cause electric shocks among the electrical personnel during repairs and service.

In order to eliminate the technical issues identified, ANRE issued 5898 prescriptions that need to be executed by owners of the electrical installations.

Table 52. Monitoring the execution of prescriptions issued to large consumers (31.12.2019)

	Q I	Q II	Q III	Q IV	2019
Prescriptions issued to large consumers:	699	2184	1513	1502	**5898**
Active	689	1023	819	822	**822**
Executed	10	952	1260	1348	**3570**
% of executed prescriptions					**60,5**

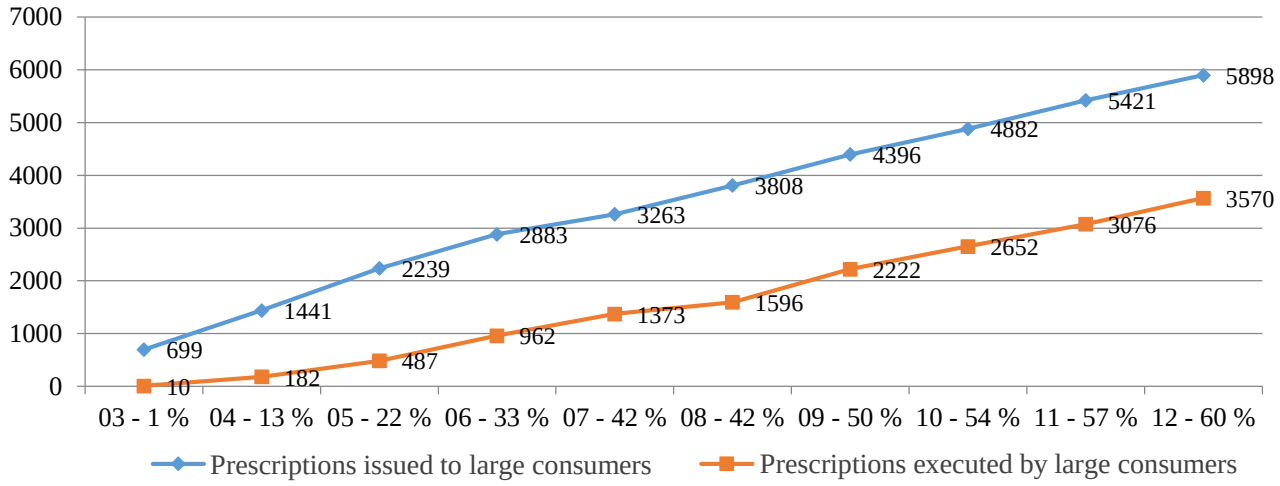


Figure 56. The monthly evolution of the no. of prescriptions issued and executed by large consumers

b) The analysis of the technical condition of the electrical installations of the small consumers

Out of 1288 electrical installations of small consumers (of which 1108 state institutions) inspected by ANRE in 2019, 1203 (93%) electrical installations did not comply with the normative and technical documents.

During the inspections the following violations were identified:

- the protection devices of 394 consumers (30%) were not properly adjusted;
- the I class protection electrical devices of 649 consumers (50%) did not have a protective conductor, which could cause accidents.

The increase in the number of small consumers (firms) to buy and run their own transformer substations and power lines (6, 10 kV voltage) will contribute to higher safety risks as not all consumers ensure that the maintenance and repairs of EI is done by authorized electrical personnel. 61 of 127 power transformers, managed by small consumers do not meet the requirements of the normative and technical documents in force.

894 consumers (69%) subject to control do not have qualified electrical personnel to service their electrical installations, nor have they concluded contracts with service providers. ANRE has issued prescriptions to consumers addressing various issues, including:

- the lack of preventive tests and measurements for electrical installations (933 consumers or 72% of the total number of consumers);
- oil leaks (19 consumers);
- power transformers are not properly protected against atmospheric overvoltage (17 consumers);
- power transformers are not protected against short circuit currents (19 consumers).

ANRE inspectors permanently inform the individuals and firms using/operating the electrical installations about the responsibilities and the risks related to their operation.

During the technical controls, ANRE has identified 296 small consumers that operate 863 devices (with a total power of 1334 kW) which do not comply with the provisions of the normative and technical documents in force. Following ANRE's inspection the devices were disconnected from the electricity grid.

Following the analysis of reports on the technical control of the electrical installations, ANRE issued 11054 prescriptions that individuals and firms must comply with in order to ensure a safe operation of the electrical installations.

Table 53. Monitoring the execution of prescriptions issued to small consumers (31.12.2019)

	Q I	Q II	Q III	Q IV	2019
Prescriptions issued to small consumers:	996	4225	2779	3054	**11054**
Active	972	2068	1673	1315	**1315**
Executed	24	1207	1450	1680	**4361**
% of executed prescriptions					**39,45**

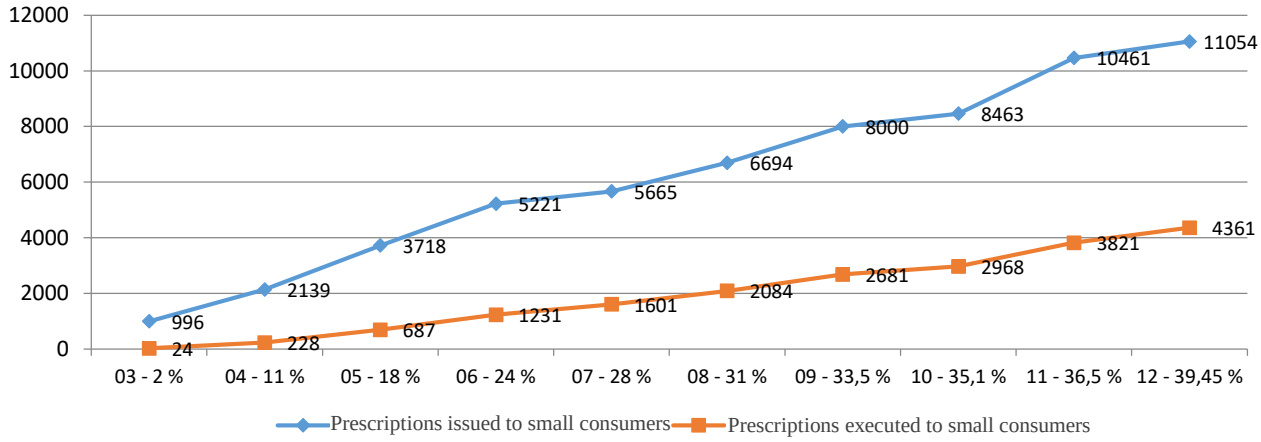


Figure 57. The no. of prescriptions issued by ANRE and executed by small consumers every month

c) The readiness of electrical installations for atmospheric overvoltage

During the first and the second quarter of 2019, ANRE has supervised the preparation process of electrical installations for atmospheric overvoltage and the execution of instructions issued by ANRE.

366 (37%) out of 999 electrical installations that belong to large consumers were inspected by ANRE during the first 2 quarters.

ANRE inspection of electrical installation of the **large consumers** showed that:

- 385 out of 429 transformation stations of large consumers were prepared;
- 150 out of 154 (6-10 kV) OHL were prepared;
- 342 out of 375 (0.4 kV) OHL were prepared;
- 97 out of 108 (10 kV) cable power lines (CL) were prepared.

ANRE inspection of electrical installation of the **small consumers** showed that:

- 113 out of 364 (10/0.4 kV) transformation stations were prepared for atmospheric overvoltage. At 251 (10/0.4 kV) transformation stations ANRE inspectors detected deviations from the normative and technical documents;
- 97 out of 102 (10 kV) OHL were prepared;
- 160 out of 212 (0.4 kV) OHL were prepared.

d) The supervision of the technical condition and technical servicing of thermal (heat) installations (TI) and renewable energy sources (RES)

In 2019, ANRE has inspected thermal installations of the non-household consumers, educational institutions and hospitals/medical centers, according to technical controls plan.

The inspections were carried out at:

Priority consumers:

- Penitentiary no. 18 Brănești, district of Orhei - is supplied with heat from 5 boilers type "KMM-5-80 kW" running on coal. The heat transfer surfaces need to be cleaned.
- Temporary Placement Center for People with Disabilities in city of Bălți - is supplied with heat from the heat/thermal power plant (4 PROTHERM-300 kW boilers running on natural gas).

Educational institutions:

- The Gymnasium in Cioburciu village, district of Ștefan Vodă - the heat supply network is equipped with improvised radiators (made of ∅ 100 pipes).
- The High school in Talmaza village, district of Ștefan Vodă - the thermal/heat power plant with 2 KBa-1 boilers and the underground heat networks (≈250 m) is old and requires repair works.
- The Gymnasium in Sturzeni village, district of Râșcani - is supplied with heat from stoves, etc.

According to the analysis and inspections made, ANRE remains concerned that most autonomous thermal/heat power plants of biomass, coal and wood of the state institutions are operated by unskilled personnel, which does not have the necessary training and certification.

Hospitals/Medical centers:

- ÎMPS "Spitalul Cancelariei de Stat" in Chisinau - is supplied by 3 "Romstal" boilers (2× 750 kW and 1 × 319 kW) running on natural gas which are in a satisfactory technical condition.
- ÎMSP "Spitalul raional Glodeni" - is supplied by 2 boilers KBa-0.8 MW and 2 boilers ПТП-60 kW running on natural gas. During the summer, domestic hot water is supplied by 12 СВК-А 20 solar collectors.

In 2019, the consumers reported the execution of the following recommendations and prescriptions issued by ANRE:

- The Gymnasium in Botnărești village, district of Anenii Noi – carried out capital repair works of the heat networks. The heating system pipes and radiators were replaced.
- The High School in Drepcăuți village, district of Briceni – carried out repair works of the heat supply system, replacing all the radiators.
- The Gymnasium in Gaidar village, district of Ciadîr-Lunga – have installed 2 solar panels to supply hot water.
- Thermal insulation works were carried out at kindergarten buildings in: Tomai village, Sărățica Nouă village, district of Leova, district of Drochia, district of Ialoveni, Bardar village and city of Cantemir.

- The Gymnasium in Săiți village, district of Causeni – carried out thermal insulation of the exterior walls and replaced windows and radiators.

- Nisporeni District Hospital - carried out thermal insulation works and replaced the windows.

e) The readiness of thermal installations for the cold season 2019-2020

Unlike state/public institutions that are supplied by district heating systems (in Chisinau and Balti), most institutions in the country are supplied from autonomous heat systems. These institutions are responsible to conduct - current repairs, provide fuel supply and training to service personnel.

During the months of October and November, state institutions conducted preventive checks of boilers of the thermal/heat systems. Most checks were done by authorized firms.

Thus, during October and November, prophylaxis works were carried out, regulation of the boilers in the thermal power plants of the public institutions in the republic. In most cases, these works were carried out by companies specialized in the repair and maintenance of thermal power plants.

According to ANRE reports, the technical checks at several state institutions were done by unauthorized personnel. Also, the vast majority of autonomous thermal/heat systems running on solid fuel are operated by unqualified personnel, which could lead to safety and heat supply issues during the cold season.

The school principals and directors of kindergartens in the districts of Anenii Noi, Ialoveni and Straseni are provided the necessary training to service the autonomous thermal/heat systems.

Due to recommendations made by ANRE inspectors, some state institutions have purchased autonomous low power electric generators to supply S = 5 ÷ 7 kVA (Cahul - 5 units; Causeni - 6 units; Ștefan Vodă - 3 units, etc.). The low power electric generators will ensure the necessary supply backup.

According to ANRE reports some institutions encountered difficulties in supplying pellets/briquettes of appropriate quality and competitive price to supply the thermal/heat systems running on biomass.

According to reports, most state institutions were prepared for the cold season. However, in some cases the state institutions did not comply with the required air temperature in the room, according to GOST 30494-2011 requirements.

f) Cooperation with Local Public Authorities (LPA)

ANRE inspectors participate at the monthly meetings of the Consultative Council of the State Chancellery that take place in the districts of Ungheni, Soroca, Hâncești, Glodeni, Drochia, Călărași, Sângerei, Râșcani, Cahul, Edineț, Căușeni etc. During these meetings the inspectors provide the latest on the technical condition of the electrical installations of state institutions and consumers, the service provided to electrical installations, brief information on electric shock cases, and other important subjects including the lack of qualified personnel, etc.

In August 2019 ANRE inspectors provided an evaluation on electrical installations readiness, reliability and operational safety. According to their analysis, the technical condition and assistance provided to electrical installations at educational institutions in the districts of Briceni, Edineț, Ungheni, Căușeni, Cantemir do not meet the necessary requirements.

During the meetings of Consultative Council, ANRE inspectors also provided information on the necessary measures to be taken to prepare the state institutions for the cold season of 2019-2020. The inspectors of ANRE met with the heads of the districts of Leova, Cantemir, Edinet, Cahul, Soroca, Causeni, Briceni and Nisporeni, to discuss if the electrical installations meet the technical requirements before the start of the new school year. The inspectors also discussed the technical condition of the

electricity distribution networks, the authorized electrical personnel shortages, as well as, the process of conducting test activities for the electrical installations.

The following measures were taken:

1. Reports were issued following the results of EI controls and the execution of prescriptions;

2. The heads of state institutions and firms were informed about the dangers operating the EI without qualified personnel, the potential risks of electric shocks or material damage if ANRE prescriptions are not executed. The deadlines to execute the prescriptions was set.

3. The inspectors provided information on the importance of operating the EI by authorized electrical personnel or authorized firms.

4. The inspectors also emphasized the importance to conduct the necessary measurements and tests by the electro technical laboratory.

11.4. Certifying the operation of the new or reconstructed electrical installations

According to the provisions of art. 2 and art. 48 para. 7) and 8) of the Law no. 107/2016 on electricity, ANRE as a state energy supervision body issues certificates of connection to the electricity network of power plants or consumption points with a power capacity of more than 150 kW, or which have a lower power capacity but are included in the list of: kindergartens, schools, hospitals, nursing homes and orphanages.

In 2019 ANRE issued 290 certificates for different types of electrical installations. 125 certificates for permanent use electrical installations, 22 for temporary use of electrical installations, 68 certificates for power plants (mainly photovoltaic power plants) and 75 certificates for the transmission of electrical installations (free of charge) to the system operator (Table 54).

Table 54. Number of certificates issued in 2019

Type of document	**Certificates issued in 2019**				Power, kW	**Total**
	Q I	Q II	Q III	Q IV		
Electrical Installations in use	6	45	39	35	27329	**125**
Power plants	4	17	18	29	16565	**68**
Installations electrical that belong to owners	8	25	25	17	-	**75**
Temporary electrical installations	0	7	5	10	9773,5	**22**
Issued by ANRE	**18**	**94**	**87**	**91**	**53667,5**	**290**

The number of regulatory documents issued by ANRE has increased during 2015-2020, which is largely due to the rise in the number of new consumption points and the reconstruction of the old ones, as well as the increase in the number of power plants that produce electricity from renewable sources. The number of certificates/authorizations issued for free transmission of electrical installations, power lines and substations of individuals and firms is also on the rise.

11.5. The authorizations issued to: the heads of electrical laboratories, electricians, electrical security group of the qualified personnel of the firms that provide technical services

According to Art. 14 pt. (1) letter. l); letter. m) and letter n) of the Law no. 174/2017 on energy, the ANRE issues, suspends or withdraws the authorizations for authorized electrician and the authorizations for electro technical laboratory.

According to the Administration Council of ANRE Decision no. 13/2019 on the organization of state energy supervision, the "Regulation on the authorization of authorized electrician" RA 02-02: 2019, approved by ANRE (Decision no. 404/2019) and the "Regulation on the authorization of electrical laboratories" RA 01-02: 2019 approved by ANRE (Decision no. 405/2019), ANRE organizes the process of authorizing the electro technical laboratories, electricians and the process of testing the qualification of electro technical personnel of firms, electric and heat enterprises staff as well as firms that provide repair and maintenance services of electrical installations.

During the year ANRE held 22 meetings of the Examination Commission:

- 9 meetings to verify the qualification (knowledge) of the heads of the electro technical laboratory;
- 8 meetings to verify the qualification of the candidates that apply for role of authorized electrician;
- 5 meetings to verify the qualification of the staff of the firms that provide technical and maintenance services for electrical installations.

Following the tests organized by the Examination Commission of ANRE, 96 out of 112 electros technical laboratory have been issued authorizations.

In 2019, 96 electro technical laboratories are allowed to conduct measurements and tests when authorizing new or reconstructed electrical installations in the country.

a) The authorization issued for authorized/licensed electricians

In 2019, out of 79 applications submitted ANRE has issued 55 authorizations (certificates) of - authorized/licensed electricians.

Table 55. Distribution of authorized electricians by degrees in 2019

Authorized electrician	Degree				Total
	I	II	III	IV	
	66	**56**	**84**	**4**	**210**

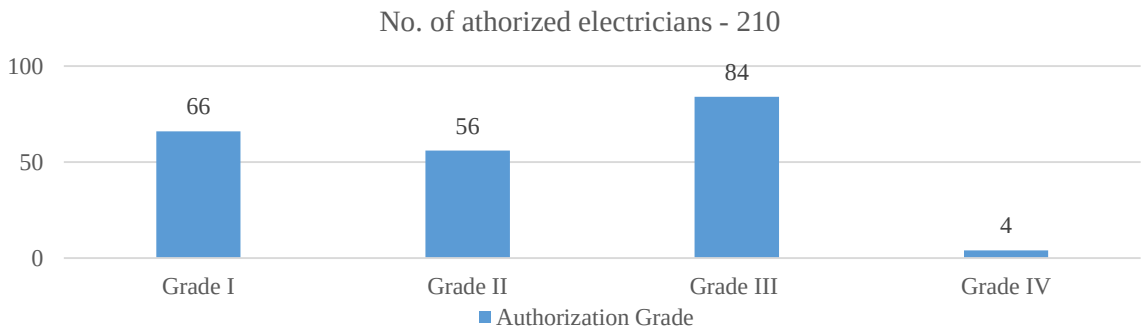


Figure 58. Distribution of authorized electricians by degrees in 2019

The lists of authorized electricians and authorized electro technical laboratory are published on a monthly basis on ANRE's website (anre.md).

b)The authorized personnel of firms that provide technical assistance

During 2019, the Examination commission met 5 times to examine 43 representatives/applicants from 12 electric power and heat enterprises. The table below show the authorizations issued to personnel of the Electrical Security Group.

Table 56. The authorizations issued to personnel of the Electrical Security Group

Electrical Security Group	**Q I**	**Q II**	**Q III**	**Q IV**	**Total**
II	44	71	74	76	265
III	265	518	428	504	1715
IV	178	241	237	279	935
V	187	252	246	270	955
Checks issued	**674**	**1082**	**939**	**1129**	**3870**

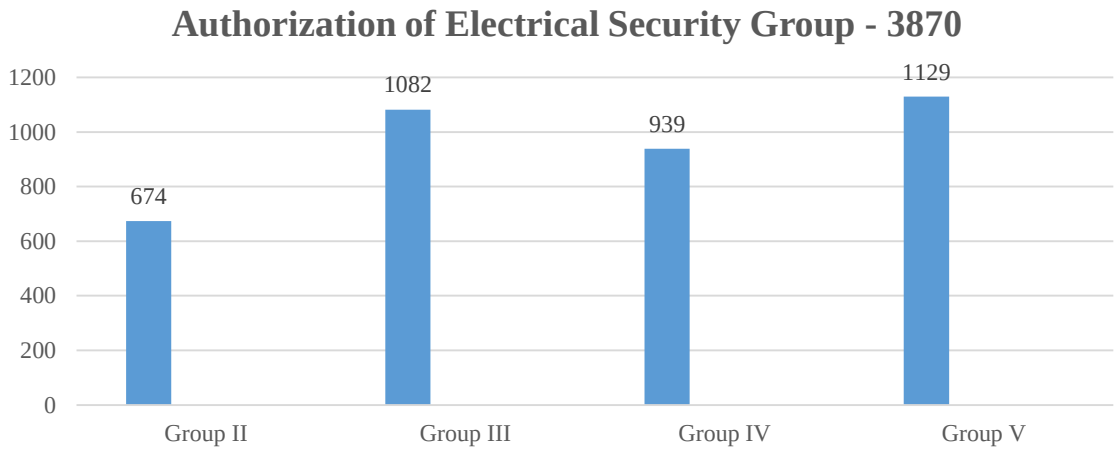


Figure 59. Distribution of authorized personnel by Electrical Security Groups

11.6. Occupational safety

The occupational safety in 2019 was ensured by ANRE according to State controls of occupational safety Plan for 2019, approved by the Administration Council of ANRE (Decision no. 282/2019, July 26 2019). The Instruction on state controls related to occupational health and safety, was drafted and approved by the General Director Order no. 99/05.09.2019

11 work accidents were reported to the Occupational Safety Service in 2019.

- 3 accidents outside working hours at ÎS "Moldelectrica" (fatal accident, investigated by the company's commission); ÎCS "Premier Energy Distribution" SA, Chișinău (investigated by the company's commission); SRL "Electrocon" (fatal accident, investigated by the labor inspector of the Occupational Safety Service of ANRE);
- 1 work accident - ÎS "Moldelectrica" (investigated by the labor inspector of the Occupational Safety Service of ANRE);
- 1 work accident at ÎCS " Premier Energy Distribution" SA, Chișinău (is under investigation by the labor inspector of the Occupational Safety Service of ANRE);

- 4 work accidents that caused incapacity to perform work (investigated by the commissions from - SA ”RED-Nord” district of Drochia; ÎS ”Moldelectrica”; SA ”RED-Nord” city of Bălți; SA ”RED-Nord” city of Glodeni;
- 1 work accident at SC ”Condimelectro” SRL (a misdemeanor case was initiated as the company did not report the accident).

During the year ANRE labor inspectors made 7 regulatory controls at: SA ”RED-Nord”; SRL ”SDS Ekip”; SRL ”Pliton”; SA „Premier Energy Distribution”; SRL ”Electrostrat” and FPC ”Tenar” SRL.

Following the scheduled controls ANRE labor inspectors identified: 32 violations of the normative acts of occupational safety; 2 contravention proceedings were initiated at SRL “Pliton” and SRL “SDS Ekip” (art. 553 of the Contravention Code) and an investigation was launched regarding wark place accident in Ilenuța village, district of Falesti.

During the year ANRE provided monthly reports on accidents to the State Labor Inspectorate.

11.7. Electrical shock accidents

According to provisions of art. 14 pt. (1) letter i), of the Law no. 174/21.09.2017 on energy, ANRE participates at the examination of circumstances and causes of electrical shocks caused by electrical installations.

During 2019, ANRE recorded 16 electrical shocks in electrical installations. 10 electrical shocks were fatal while 6 electrical shocks caused burns and injuries.

Following the examinations of the electrical shocks accidents ANRE inspectors issued - Accident Examination Acts for household consumers and investigation notice of electrical shocks that took place at enterprises or in electrical installations of system operators.

The main causes of electrical shocks recorded were:

- conducting technical works by unqualified and unauthorized persons;
- non-compliance with the requirements of electrical safety regulations;
- using electrical devices that do not comply with technical requirements;
- inadequate supervision of minors near the electrical installations.

During 2019, ANRE organized meetings and workshops to inform the power companies employees, authorized electricians and the heads of the electro technical laboratories.

An efficient method of promoting electrical safety is to install the "Electrical Security Panels" and inform about safety rules during school classes or technical control missions at 1300 pre-university institutions.

ANRE inspectors also inform the employers and employees about precautionary measures during their control visits at companies’ electrical installations.

12. International Cooperation

In 2019, ANRE continued to strengthen and consolidate the relations with European and international regulators and organizations in the energy sector. ANRE has also enhanced the dialogue with the diplomatic corps and international financial institutions.

The members of the Administration Council of ANRE held numerous meetings with ambassadors and representatives of the United States, Romania and Ukraine as well as International Monetary Fund (IMF) mission to Republic of Moldova and the World Bank regarding the latest developments in the energy sector and energy security.

On September 26, 2019, ANRE signed a Cooperation and Assistance Program with the Romanian National Energy Regulation Authority which aims to extend the bilateral cooperation in order to take on the best practices of regulating the electricity, natural gas, heating and water supply sectors (incl. the activities of licensing, consumer protection issues, energy supervision and IT), according to European and International standards.

The program also includes the organization of regular meetings at various institutional level, joint projects, technical assistance for the development of normative regulatory framework, attracting European funds, study visits, trainings or internships for employees, workshops, etc. According to the action plan set, ANRE staff traveled to Bucharest for an exchange in experience and transfer of expertise regarding licensing and control activities. In November 2019, the two experts from the Romanian regulator visited Moldova for an exchange of experience regarding the process of setting electricity transmission tariffs as well as natural gas entry/exit tariffs. The assistance and transfer of expertise from the Romanian regulator covers all areas of activity and has an indefinite term.

The members of the Administration Council of ANRE have visited the Energy Community Secretariat in Vienna to discuss and enhance the ongoing collaboration which includes technical and legal assistance, participation of ANRE staff in various working groups, the experts working visits to the Republic of Moldova, etc.

In order to develop the bilateral cooperation in the electric power and natural gas sectors at the regional level ANRE met with the directors of the National Energy and Utilities Regulatory Commission of Ukraine (NEURC). The sides agreed to sign a Cooperation Agreement based on the draft agreement proposed by ANRE.

2019 was very fruitful in terms of ANRE participation at various Energy Community Regulatory Board (ECRB) activities which aim to extend the application of the European Union energy market rules and principles to Southeast European countries.

ANRE staff are actively involved in many ECRB activities that include: participation as members of Electricity Working Group (EWG), Customers and Retail Markets Working Group and Gas Working Group (GWG), in which the Head of Regulations Division, Natural gas and thermal energy heat Department of ANRE, Mrs. Elena Stratulat was appointed President.

ANRE staff continued to participate at various training programs provided by the Energy Regulators Regional Association (ERRA).

ANRE continued to work closely with the Council of European Energy Regulators (CEER) in 2019. ANRE staff had the opportunity to participate at various workshops on regulatory policy, exchange

experience and best practices related to regulatory framework in order to adjust national legislation to European directives and regulations.

Given the ongoing collaboration with the European Water Regulators (WAREG), ANRE participated at the 20th General Assembly of WAREG, organized by the Italian Regulatory Authority for Energy, Networks and Environment (ARERA). The General Assembly addressed issues related to the harmonization of EU practices and principles in order to protect water resources and promote the efficient use of water. As a member of WAREG, ANRE works with the relevant European regulators to adjust the national legislation on public water supply and sewerage system.

13. Administrative management of ANRE

13.1. Internal development activities

On January 1, 2019 ANRE took on the responsibility of state energy supervision (according to art. 32 paragraph (2) of the Law no. 174/2017 on energy). As a result, at the beginning of the year - 93 people were transferred from the State Energy Inspectorate to ANRE, following their professional evaluation.

In order to optimize and streamline the activity, ANRE has conducted an assessment of the number of employees necessary to perform its activity in an efficient manner. As a result, 19 employees were laid off. The total number of ANRE staff was reduced to 195.

Over the course of the year, ANRE has organized a contest for 4 management positions and 19 executive positions. 19 out of 123 candidates have passed the selection process and took over their new position at ANRE.

The communication service of ANRE continued to improve in 2019. According to the work plan the following objectives were planned and achieved:

- A new version of ANRE website was launched. The website is now better structured, user friendly and is a useful tool to communicate with the public;

- Drafting the Visual Identity Manual, which provides the institutional framework to implement ANRE identity. It is also a guide for regulating the use of graphic, scriptural and visual identity elements both internally and externally;

- Launching a promotional video about the activity of ANRE: “What do you know about ANRE?”. The video provides information about ANRE duties, responsibilities and competences;

Accordance to the provisions of art. 19 of Law no. 229-of 23.09.2010,

In 2019, the position of internal auditor was added the organizational chart of ANRE. During the year internal audit has evaluated work processes of ANRE Secretariat and issued a report on current shortcomings. The auditor has also lined up some recommendations to increase the efficiency of the division’s working processes.

ANRE has taken the necessary measures to minimize paper correspondence while moving the mailing activities to electronic formats. ANRE has also implemented new measures to increase data and network security, including cyber security.

The Administration Council of ANRE has approved in 2019 the Strategic Development Program of ANRE for 2020-2023. The Program sets the main objectives that will help ANRE fulfil its mission and strengthen its role as a credible authority that works in best interest of the people.

13.2. The approval and execution of the budget

ANRE's budget is approved every year according to art. 11 of the Law on energy no. 174 of 21.09.2017 and the Regulation on ANRE organization and functioning, approved by the Parliament (Decision no. 334/14.12.2018). The budget is drafted according to the regulatory framework in force, which sets out the rules of the formation of costs and expenses, associated with macroeconomic indicators that ensure the activity of ANRE.

ANRE revenues are based on regulatory payments that are set for licensees every year. ANRE sets the amount of regulatory payments for the following year enough to cover the expenses necessary to conduct its activities, according to the law.

The amount of regulatory payments is based on:

a) *sales income* of the licensee that produces electricity, the licensee for power market operation, the licensee that provides transmission of electricity services, the licensee that does centralized management of the power system, the licensee that provides electricity distribution services and the licensee that supplies electricity;

b) *sales income* of the licensee that produces natural gas, the licensee that provides transmissions services for natural gas, the licensee that provides distribution services for natural gas, licensee that provides gas storage services of natural gas, licensee that supplies natural gas, licensee that supplies compressed natural gas for vehicles;

c) *sales income* of the licensee that produces heat, licensee that distributes heat, the licensee that supplies heat;

b) *imported volume* of the main petroleum products and liquefied gas;

c) the profile law - of the public water supply and sewerage system.

Regulated sectors	**Amount of regulatory payments % 2019**
Electricity market	0,19
Natural Gas market	0,19
Petroleum products market	0,19
Public water supply and sewerage system	0,15
District Heating	0,19

The estimated amount of revenues for 2019 was 67107.0 thousand MDL (the Decision of the Administration Council of ANRE no. 46/2019 of 06.03.2019). The actual revenues calculated for 2019 reached 69535.2 thousand MDL.

Table 57. Revenues

	REVENUES	Planned 2019 (thousand MDL)	Executed 2019 (thousand MDL)
1.	Regulatory payment for the activity on the electricity market	29812,0	33416,1
2.	Regulatory payment for the activity on the natural gas market	11256,0	12901,3
3.	Regulatory payment for petroleum products import	18942,0	18569,5
4.	Regulatory payment for the activity of the public water supply and sewerage system	1558,0	1611,2
5.	Regulatory payment for the activity on the heating market	5539,0	3037.1
	Total revenues	**67107,0**	**69535.2**

According to the Decision of the Administration Council of ANRE no. 46/2019 of 06.03.2019, 110297.4 thousand MDL of expenses were budgeted (rectified and specified). According to the Report of budget execution of the budget the total amount of expenditures reached 90420.10 thousand MDL, which is 81.9% of the budget plan.

Table 58. Expenses

Name	Approved	Blocked	Reviewed (thous. MDL)	Executed (thous. MDL)	Executed vs reviewed (%)
1	2	3	4	5	6
Total Expenses	110297.4		110297.4	90420.1	81.9
Remuneration of staff	46490.4		71645.2	72002.6	100.5
Goods and services	24795.8		12011	10280.3	85.6
Social benefits (allowances)	600		600	700.2	116.7
Membership fees/international organizations	147.5		147.5	147.5	100
Expenses	2533		2533	2186.6	86.3
Non-financial assets, including:	35730.7		23360.7	5102.9	21.8
Fixed assets	*33854.7*		*21484.7*	*3820.7*	*17.8*
Stocks of rolling materials	*1876*		*1876*	*1282.2*	*68.3*

Table 59. The services used to conduct ANRE activities

Name	Reviewed (thous. MDL)	Executed (thous. MDL)	Executed vs Reviewed (%)
1	2	3	4
Rent and utilities	5500.0	5497.5	99.9
Business trips	530.0	530.0	100.0
Information services	1716.0	1303.5	76.0
Telecommunication services	560.0	320.6	57.2
Transport services	920.0	938.6	102.0
Current repair	70.5	70.5	100.0
Staff training	1600.0	563.2	35.2
Publishing services	40.0	37.8	94.0
Protocol	36.0	33.9	94.0
Security services	264.0	263.8	100.0
Other services	3455.0	3055.0	88.42
Total	14691.5	12614.4	85.86

In order to conduct its activities, ANRE has reviewed the amount of 14,691.5 thousand MDL and executed only 12614.4 thousand MDL (11.43% of the total specified expenses). The largest share of services used is held by rent and utilities, followed by transport services and other services. ANRE does not own its own building therefore it must rent offices to conduct its activity.

Since taking over the responsibility of state supervision on January 1 2019, the number of services used by ANRE has increased, given the additional activities it must conduct across the country.

530.0 thousand MDL were spent for business trips which include staff participation at conferences, workshops and other meetings organized by international organizations. As a full member of the Energy Community Regulatory Board (ECRB), ANRE has committed to participate in various projects of technical assistance and support to adjust the secondary energy legislation which involves various trainings and reporting activities abroad. ANRE's staff are members of ECRB working groups: Electricity Working Group (EWG), Customers and Retail Markets Working Group and Gas Working Group (GWG).

As a member of several European and International organizations ANRE pays a membership fee from its own budget. ANRE participates as a contracting party at various working sessions and conferences of Energy Community Regulatory Board (ECRB) and Energy Community Secretariat. ANRE is also the founding member of Energy Regulators Regional Association (ERRA), an observer at Council of European Energy Regulators (CEER) and member of European Water Regulators (WAREG),

Non-financial assets

During 2019, ANRE has reviewed financial means in the amount of 23360.7 thousand MDL, and executed 5102.9 thousand MDL (21.84% of the total reviewed expenses). During the year ANRE has acquired cars for the department of state supervision staff that must conduct their activities across the country.

The unused budget at the end of 2019, recorded 19877.3 thousand MDL. According to art. 11 para. (4) of the Law on energy no. 174/21.09.2017, the unused budget is transferred for the next year.

The total value of the balance sheet assets was 47941.4 thousand MDL, and included the following:

• the balance sheet value of fixed assets - 5277.8 thousand MDL;

• material stocks - 742.5 thousand MDL;

• trade receivables - 18221.7 thousand MDL; (regulatory payments - Q.IV 2019)

• advances granted - 84.9 thousand MDL;

• cash on settlement/bank account - 23376.8 thousand MDL (ANRE has sufficient funds to cover the expenses necessary for the next accounting period until regulatory payments are collected);

• other current assets - 237.7 thousand MDL.

The transitory credit debts at the end of the year reached 187.8 thousand MDL, and include:

• commercial debts - 173.6 thousand MDL (to other firms, payment deadline - January 2019);

• advances received - 2.7 thousand MDL (for regulatory payment);

• debts to state budget - 11.5 thousand lei (deadline - January 2019).

BALANCE SHEET as of December 31, 2019

No.	A S S E T S	Code	Balance at	
			Beginning of the year	End of the year
1	2	3	4	5
1.	**Non-current assets**			
	Intangible assets	010	110 546	127 174
	Tangible assets	020		356 244
	Land	030		
	Fixed assets	040	3 642 231	4 794 374
	Mineral resources	050		
	Biological non-current assets	060		
	Long-term financial investments in non-affiliated parties	070		
	Long-term financial investments in affiliated parties	080		
	Investments in real estate	090		
	Long term receivables	100		
	Long-term advances	110		
	Other non-current assets	120		
	Total non-current assets (rd.010 + rd.020 + rd.030 + rd.040 + rd.050 + rd.060 + rd.070 + rd.080 + rd.090 + rd.100 + rd.110 + rd.120)	130	3 752 777	5 277 792
2.	**Current assets**			
	Materials	140	346 941	159 994
	Biological current assets	150		
	Small value and short term asset	160	134 309	582 504
	Work in progress and finished goods	170		
	Commodities	180		
	Trade receivables	190	18 902 263	18 164 070
	Receivables of affiliated parties	200		
	Current advances	210	235 697	84 913
	Budget receivables	220	102	17 212
	Employee receivables	230		4 504
	Other current receivables	240		35 979
	Cash in bank	250	43 190 401	23 376 841
	Other cash elements	260		
	Current financial investments in non-affiliated parties	270		
	Current financial investments in affiliated parties	280		
	Other current assets	290	34 779	237 682
	Total current assets (rd.140 + rd.150 + rd.160 + rd.170 + rd.180 + rd.190 + rd.200 + rd.210 + rd.220 + rd.230 + rd.240 + rd.250 + rd.260 + rd.270 + rd.280 + rd.290)	300	62 844 492	42 663 698
	Total Assets (rd.130 + rd.300)	310	66 597 269	47 941 491

No.	**L I A B I L I T I E S**	Code	Balance at	
			Beginning of the year	End of the year
	2	3	4	5
3.	**Owner's equity**			
	Share capital and capital surplus	320		
	Reserves	330		
	Correction of the previous year results	340	x	1 396 016
	Undistributed profit (uncovered loss) from previous years	350	66 262 270	66 262 270
	Net profit (net loss)	360	x	(19 904 644)
	Profit used	370	x	
	Other elements of shareholder equity	380		
	Total owner's equity (rd.320 + rd.330 + rd.340 + rd.350 + rd.360 - rd.370 + rd.380)	390	66 262 270	47 753 642
4.	**Long-term liabilities**			
	Long-term bank loans	400		
	Long-term loans	410		
	Long-term finance lease liability	420		
	Other long-term liabilities	430		
	Total long-term liabilities (rd.400 + rd.410 + rd.420 + rd.430)	440		
5.	**Current liabilities**			
	Short-term bank loans	450		
	Short-term loans	460		
	Trade payables (commercial debts)	470	329 113	173 644
	Payables to affiliated parties	480		
	Current advances received	490	5 886	2 683
	Payables to employees	500		
	Social and medical insurance debts	510		
	Budget liabilities	520		11 522
	Anticipated income	530		
	Debt to equity	540		
	Current financing and receipts	550		
	Current provisions	560		
	Other current liabilities	570		
	Total current liabilities (rd.450 + rd.460 + rd.470 + rd.480 + rd.490 + rd.500 + rd.510 + rd.520 + rd.530 + rd.540 + rd.550 + rd.560 + rd.570)	580	334 999	187 849
	Total liabilities (rd.390 + rd.440 + rd.580)	590	66 597 269	47 941 491

The financial result

The financial result of ANRE is made of - the budget balance from previous years and the difference between the revenues and expenses of the current financial year. According to budget planning method, the financial result of ANRE represents the revenues surplus accumulated over the years.

Budget balance – is the difference between budget revenues and expenses. The negative balance of the budget represents – deficit, positive balance – surplus, and zero balance – the budget balance.

The annual inventory was conducted according to the provisions of the Minister of Finance, Order no. 60/29.05.2012 "*On the approval and implementation of the Regulation on inventory*." The inventory was conducted during the year according to Director General Order no. 126/18.10.2019.