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**DECISION OF THE ENERGY CHARTER CONFERENCE**

**Subject:      Recommendations on the In-Depth Energy Efficiency Review of Moldova**

[The Energy Charter Conference at its 14<sup>th</sup> Meeting held on 15 June 2004 *welcomed* the report on the In-Depth Energy Efficiency review of the Republic of Moldova (as circulated in Room Document 2) and *endorsed* the recommendations made to the Government of Moldova (*Annex*).]

Keywords:      In-depth Review of Energy Efficiency Policies, PEEREA, Recommendations, Moldova

## **Recommendations on the In-Depth Energy Efficiency Review of Moldova**

as adopted by the Energy Charter Conference  
at its 14<sup>th</sup> Meeting held on 15 June 2004

### *General*

- The government should secure a better balance between the supply and the demand-side energy efficiency policies and activities to exploit the high potential existing in both areas.
- The government should develop a long-term energy efficiency strategy in order to reflect potential scenarios regarding economic development, security of supply and environmental protection; this strategy will require firm commitment from the government, including financial resources, in order to secure the implementation and achievement of the quantitative targets.
- The government should secure an increased role of the local authorities and civil society in the process of preparation and implementation of energy efficiency policy.

### *Energy efficiency legislation, policies, and programmes*

- The government should continue to develop legislation in the area of energy efficiency, paying due attention to recent international developments, including the EU *acquis communautaire* in this area.
- The implementation of the National Energy Conservation Programme should be started without delay; further, in the process of implementation various measures may need to be adapted to reflect the changing circumstances.
- Sectoral programmes should be developed to achieve the targets adopted by the governmental decision from 2002 regarding the reduction of costs of energy in the national economy.
- In order to increase the effectiveness of the government policy for energy conservation, mechanisms for implementation should be developed and needed resources should be secured.
- The government should elaborate new legislation allowing housing associations to enforce decisions related to investments for improvement of energy efficiency in the residential sector.

### *Institutional framework*

- The government should strengthen the institutional capacity of the Ministry of Energy for playing a more active role in policy formulation and coordination in the area of energy efficiency and renewable energy sources (RES).

- The implementation functions of the Ministry of Energy in the field of energy efficiency and renewable energy should be delegated to mandated agencies.
- The National Energy Conservation Agency should be strengthened and entrusted the necessary human and financial resources to carry out the tasks set out in the National Energy Conservation Programme.
- The Government should take advantage of the existing expertise and human resources in various institutions/organisations such as universities, energy efficiency centres, the State Energy Inspectorate, etc., in developing and implementing energy efficiency measures in the various sectors of the economy.
- The government should involve local and regional actors, such as NGOs, municipalities and energy distributing companies in preparing and implementing energy efficiency programmes.

### *Energy pricing*

- The National Energy Regulatory Agency of the Republic of Moldova (ANRE) is encouraged to continue promotion of price differentiation between the various categories of consumers in order to best reflect the costs of supply.
- The regulatory mechanism for establishing energy prices should take into account energy efficiency activities of the energy companies on both the supply and demand side, at the same time providing for improved penetration of renewable energy sources and co-generation.

### *Energy efficiency funding and fiscal policies*

- Action programmes included in the National Energy Conservation Strategy should be accompanied by appropriate public funding to secure implementation.
- The funding mechanisms established by the National Energy Efficiency Fund need further consideration in order to create sufficient financial resources to cover the implementation of the Energy Conservation Law. The involvement of external financing in the fund should be considered.
- In general, financial mechanisms and funds should be designed as to avoid any conflict of interests.
- There should be created incentives for public entities to invest in energy efficiency by benefiting from the realized energy costs reduction over the depreciation period of investments.
- The government should promote third party financing/performance contracting as an important financial instrument for energy efficiency.
- The taxation of energy use should be considered with a view of stimulating energy efficiency initiatives and rational energy use.

### ***Energy efficiency, environment and other economic activities***

- Energy efficiency should be better integrated into the various economic activities and be subject of continuous cooperation between ministries, including the Ministry of Energy, Ministry of Ecology and Natural Resources, Ministry of Economy and the Ministry of Industry.
- The Clean Development Mechanism (CDM) under the Kyoto Protocol should be more actively used as a tool for promoting both energy efficiency and renewable energy sources.
- The government should secure that various fiscal and taxation measures, as well as the Environmental Fund, established under the Ministry of Ecology and Natural Resources should target energy efficiency improvements as an important way of achieving environmental objectives and sustainable development.

### ***Implementation of specific energy efficiency measures***

- The government should assess and decide on the maintenance and modernization of district heating systems based on cost-effectiveness criteria.
- The government should exploit the opportunities created by the new Heat Law to consolidate the remaining district heating on a decentralised basis, also introducing small-scale cogeneration. This should include securing a high connection rate in the heat market, combined with demand-side measures and modernisation.
- The government should continue its present activities in energy metering and should analyze the opportunity for a long-term programme for individual metering of heat, electricity and gas at the consumer.
- The building regulations should be continuously improved to secure penetration of most efficient technologies and practices, reflecting progress made in this area internationally, e.g. by the EU Directive on Energy Performance of Buildings.
- The government is encouraged to continue its effort to introduce energy certificates for new buildings and to analyze the feasibility of expanding such a system in the reconstruction/modernization of existing buildings.
- Measures on the demand-side should be further developed and implemented, incl. awareness campaigns, audits, appliance standards and labeling, etc.

### ***Promotion of renewable energy and cogeneration***

- Both in the field of renewable energy and cogeneration, there is a significant potential in Moldova that could be utilised in long-term programmes. The government is encouraged to make better use of this potential.

- In the specific energy situation of Moldova, the utilization of renewable energy sources should be further recognized as a way to secure the population with the necessary energy. This should be based on focused practical research of the renewable energy sources potential and feasibility.

*Data collection, monitoring and forecasting*

- Databases with real and reliable end-use data must be developed in order to harvest the benefits of energy efficiency and support both monitoring improvement in this area and the orientation of energy efficiency policies.