

# Role of the Energy Efficiency Agency in the development of energy sector



Mihail STRATAN  
Director General  
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## Sector review

- The Republic of Moldova is highly dependent on energy imports.
- 94% of the energy consumption is covered from import.
- Very high energy intensity.

**The lack of own resources and high energy intensity sets the energy efficiency and renewable energy sources as a top priority.**



## Sector challenges

- Lack of own energy resources (natural gas, oil, coal);
- High energy intensity and poor energy efficiency;
- Low level of renewable energy sources utilization;
- Fuel mix deviation from the optimal one (the imported natural gas prevails);
- Non-uniform location of electricity generation capacities on the territory of the Republic of Moldova creates considerable supply-demand imbalance (poor generation capacity on the right bank of Dniester River, where the electricity generation covers only 30% of the consumption);
- Advanced level of wear and tear / obsolescence (circa 60-70%) of the equipment installed at the power plants, transformer substations and high voltage transmission lines, distribution networks;
- Insufficient investments in the energy sector.

## **Legal and institutional framework for promotion of EE and RES**

1. Law on renewable energy (No. 160 as of July 12, 2007)
2. Law on energy efficiency (No. 142 as of July 2, 2010)
3. Energy Community Treaty – accession as of May 1, 2010;
4. Energy Efficiency Agency – created by the Government Decision No. 1173 as of December 21, 2010;
5. Energy Strategy until 2020 – to be updated by the end of 2011 ;
6. National Program on Energy Efficiency - to be put in place soonest;
7. Energy Efficiency Fund – to be put in place in 2011.

## The Law on Energy Efficiency

- Transposes the framework for application of EU Directive 2006/32/CE of April 5, 2006 on energy end-use efficiency and energy services;
- Provides for the creation of the institutional capacity in charge of EE and RES promotion and monitoring;
- Provides for periodical national and local EE Programs and Action Plans to be developed and approved;
- Promotes energy auditing;
- Provides for appointment of energy managers for regions and municipalities;
- Promotes the creation of ESCOs, third party financing, energy performance contracting, energy consumption metering;
- Requires setting the minimum energy performance standards, etc.

## Mission of the Energy Efficiency Agency

The Agency, as a central public authority and the focal point in the field of energy efficiency and RES, has the mission to:

- manage the activity in the energy efficiency and renewable energy sectors;
- ensure the implementation and reach the objectives set out in the national energy efficiency and renewable energy programs and coordinate the actions in these fields;
- ensure the implementation of the legal framework in the field of energy efficiency and renewable energy.

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**The Agency shall promote the concept for efficient use of energy and development of renewable energy sources based on advanced, state-of-the-art technologies.**

## EEA role in the field of EE and RES

### ***Implementation of the government policy:***

- Participation in elaboration of draft legal acts, including technical regulations and standards
- Participation in developing national programs and action plans
- Developing pilot projects
- Advising central and local authorities on improving the energy efficiency and use of renewable energy sources
- Approving projects in the field of EE and RES financed from the state budget
- Coordinating the programs and action plans developed by local authorities

### ***Developing comprehensive knowledge base and information database:***

- Taking stock of existing knowledge, activities and opportunities
- Developing a reporting system and an extensive database
- Developing regulations and methodologies for energy auditing

## EEA role in the field of EE and RES

### ***Networking and Communication***

- Cooperates with international organizations, institutions and networks in this field
- Consults with experts from academia and industry
- Disseminates information on EE and RES, including legal framework, financing opportunities and mechanisms
- Provides consultancy and information to ESCOs, energy managers, legal and natural persons, which are active in this field
- Organizes seminars, conferences and exhibitions for promoting the energy efficiency measures and use of renewable energy sources

### ***Training***

- Approves training programs and courses for experts, energy auditors and managers



## EE and RES “guide books”

The National Energy Efficiency Program (NEEP) sets the priority policies and actions which shall be implemented during 2011-2020 in order to meet the challenges emerged as a result of energy prices increase, dependency on imported energy resources and the impact of the energy sector on climate change.

Implementation of the NEEP shall be ensured through National Energy Efficiency Action Plan (NEEAP) and National Renewable Energy Action Plan (NREAP), to be newly approved every three years.

The NEEP shall be updated once in a three years period or, if necessary, according to the technical advancement and amendments operated to EC Directives.

## **NEEP provides for the following general objectives to be reached by the Republic of Moldova:**

- reducing the primary energy consumption by 20% until 2020;
- reducing the GHG emissions by 20% until 2020;
- increasing the share of renewable energy sources in the overall energy balance from 6% in 2010 up to 20% in 2020;
- increasing the share of biofuels to at least 10% in the total amount of fuels used in 2020.

## **Law on Renewable Energy: The Energy Efficiency Fund – Key EE&RES promotion instrument**

- Promotion of investment projects in the field of energy efficiency and renewable energy sources;
- Provision of technical assistance for development of projects in the energy efficiency and renewable energy sources;
- Provision of financial assistance to EE and RES projects;
- Direct financial contribution;
- Acting as an agent or liaison with other financing sources;
- Ensuring full or partial guarantees for bank loans;
- Assistance in identifying the best financing opportunities.

THANK YOU!

Mihail STRATAN  
Director General  
Energy Efficiency Agency