German Economic Team

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POLICY BRIEFING MOLDOVA

The Moldovan energy sector: outlook for the winter season 2025/2026

By Alina Kunde, Pavel Bilek

Executive summary

- Since 2021, MDA faced several energy crises, driven primarily by its dependence on cheap RUS gas
- RB MDA is no longer directly or indirectly dependent on RUS gas and has made key progress. Concurrently, some challenges remain for the 2025/2026 winter

Gas

- **Regulatory changes:** Energocom is now fully responsible for procurement, reducing vulnerabilities associated with Moldovagaz monopoly and purchasing delays experienced in winter 2024/2025
- **Gas purchases:** supply fully secured for this winter, with expected prices ca. 24% lower than last season. However, as prices are indexed to international markets, volatility risks remain
- **Implications on tariffs**: regulated tariffs can be adjusted if costs deviate by more than 1%. Tariffs are likely to stay stable/decrease if purchase prices hold, as gas makes up 60% of the tariff composition

➢ **Positive developments compared to last winter season, but external risks remain**

Electricity

- **Domestic generation:** insufficient to meet peak/average demand. While RES has grown rapidly, its output remains limited, and its variability further complicates meeting peak demand reliably
- **Trade infrastructure:** Vulcănești - Chișinău line reduces dependence on TN region infrastructure, but does not increase 315 MW commercial limits under ENTSO-E (which is insufficient for peak demand)
- **Import prices:** prices sensitive to external factors, especially UKR NTC and ROU market conditions
- **Impact on tariffs:** tariffs depend on purchase costs and can be adjusted if costs exceed 5% of forecast. Even if tariffs remain stable, household electricity bills will rise in 2026 as subsidies end

➢ **Situation similar to Jan-25, but more RES generation and higher costs for households**

Introduction

- Since 2021, MDA had gone through several energy crisis, primarily driven by its dependence on cheap RUS gas and electricity supply from the Transnistrian (TN) region
- However, significant improvements have been made over time
- 2021: MDA long-term gas supply contract with Gazprom expired; and a new contract linked gas supply prices to international gas markets, which exposed MDA to much higher prices than before
- 2022: Gazprom reduced in Oct gas supplies to MDA by > 50%; both RB MDA and TN region affected
  - TN region initially received less gas and ceased to produce electricity for RB MDA
  - RB MDA agreed that all gas supplies would go to TN region in exchange for continued electricity supply to RB MDA
- 2023: MDA stopped importing gas from RUS, but remained indirectly dependent on RUS gas through cheap electricity purchases from TN region
- 2024/2025:
  - Electricity: when RUS cut gas supplies to the TN region, MGRES fully halted electricity deliveries to RB MDA. This pushed up electricity prices in RB MDA as they started importing from ROU
  - Gas: higher European gas prices and delayed procurement, increased the cost of gas, heating and domestic electricity generation, resulting in higher end-user tariffs

Objective of this Policy Briefing:

- Assess the security of supply and price outlook for natural gas and electricity in RB MDA for the 2025/2026 winter season

Natural gas: regulatory changes in 2025

Background and problems in winter 2024/2025

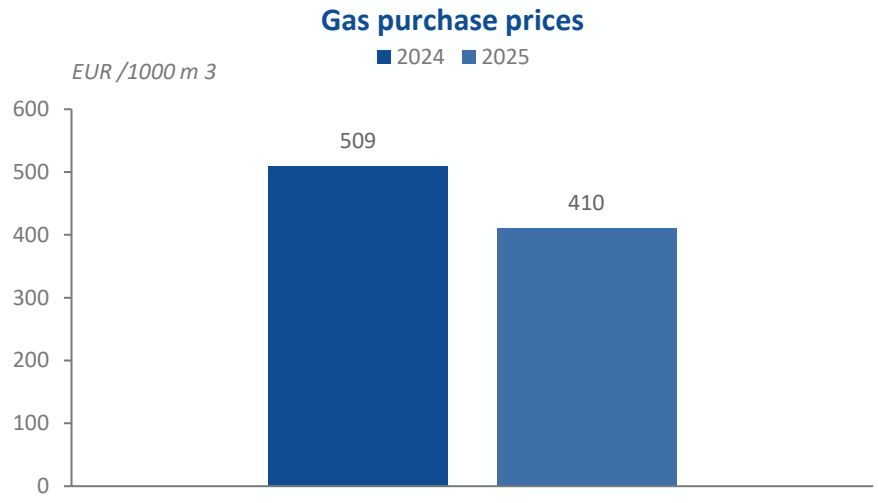
- Historically, Moldovagaz (50% owned by Gazprom) held a monopoly over gas procurement, transport, and supply, including exclusive rights for the supply of gas to the TN region
- Gas procurement relied almost exclusively on long-term contracts with Gazprom, limiting exposure to and experience with EU gas markets
- After Gazprom first cut deliveries in Nov-22, the Gov't authorised Energocom as an emergency supplier to buy gas from EU markets
- In Apr-24, the emergency situation ended and procurement responsibilities shifted back to Moldovagaz, while market-based procurement capacity remained limited
- As a result, RB MDA did not spread out its gas purchases, with most volumes bought in Q3-24, when prices were approx. 60% higher than the H1-24 average; see also: GET_MDA_PB_01

Regulatory changes in 2025

- In Jan-25, Gazprom stopped supplying the TN region, which accelerated the process of unbundling (separating networks from supply)
- MDA had already committed to unbundling in 2010 but had postponed full reform to 2026 because of the Gazprom contract valid until 2026
- In Jul-25 ANRE set a new deadline for Moldovagaz to complete unbundling
- Moldovagaz did not comply; ANRE consequently revoked its supply licence, leaving it responsible only for gas distribution
- Energocom was designated as the sole public supplier, responsible for procurement and supply

➢ **Regulatory changes provide clearer allocation of responsibilities for gas procurement and developments in unbundling**

Natural gas: purchase price outlook 2025/2026



Sources: Moldovagaz (2025); SA Energocom (2025); Note: average purchase price; estimation from Energocom is based on using auction bids and TTFFM quotes as of 15 September 2025

Procurement status for winter 2025/2026

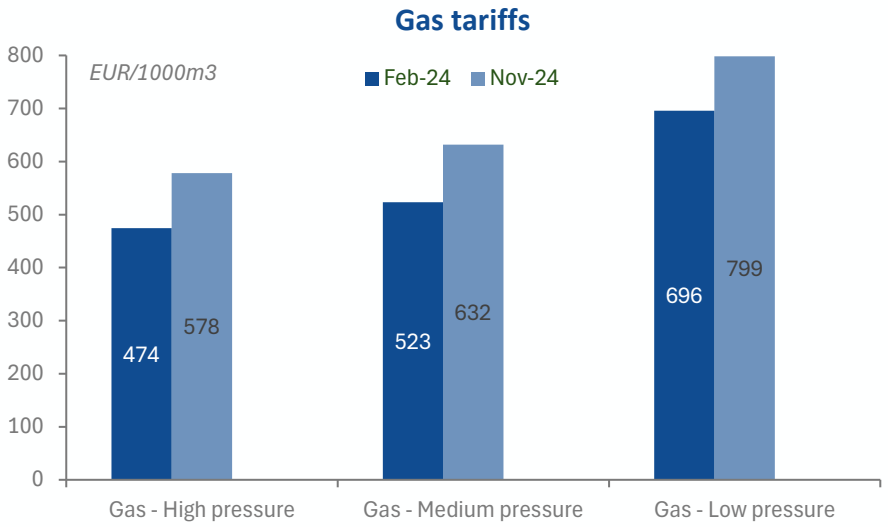
- MDA has no domestic gas sources or storage and is fully reliant on imports (storage in UKR and ROU)
- Energocom has purchased ca. 700 mcm of gas which is expected to cover 100% of the demand for the heating season
- Mandatory 15% storage obligation of the average annual consumption is fulfilled

Expected price levels

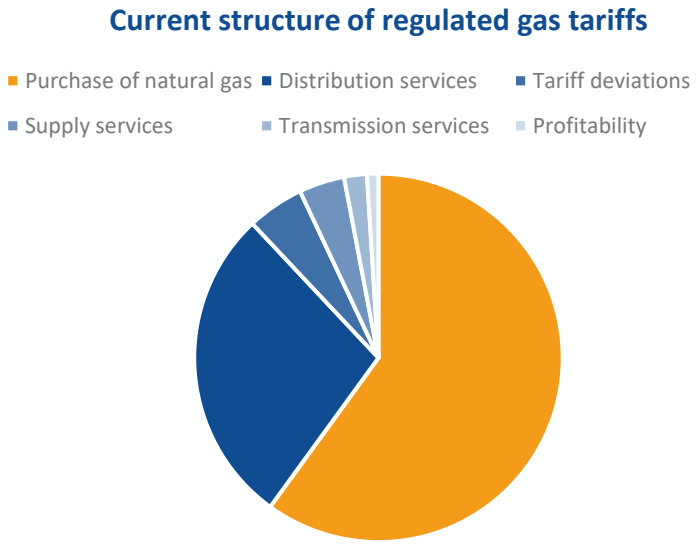
- Purchased gas is delivered monthly and is purchased at fixed and indexed prices
- The indexed price is linked to TTF (NL) and BRM (ROU Commodity Exchange)
- The exact purchase price for each month is determined on the last day of that month
- Energocom estimates prices of around 410 EUR/1,000 m³ (ca. 24 % lower than last year)
- However, price could fluctuate based on int. and regional gas market developments

➢ **Purchase prices expected to be lower**

Natural gas: implication for tarrifs



Source: The National Agency for Energy Regulation of the Republic of Moldova (ANRE, 2025); Moldovagaz (2025); Note: converted to EUR



Sources: ANRE (2025)

Current structure of regulated gas tariffs

- The current structure of regulated tariffs is largely driven by the gas component (60%)
- ANRE can adjust tariffs during the year if the actual costs vary more than 1% compared to estimated regulated costs
- If gas purchase costs decrease by 24% as projected, ANRE could reduce tariffs, as it exceeds the 1% adjustment threshold, provided all other costs remain unchanged
- However, due to indexed contracts (TTF MR), MDA is exposed to market volatility, making any tariff adjustment by ANRE uncertain

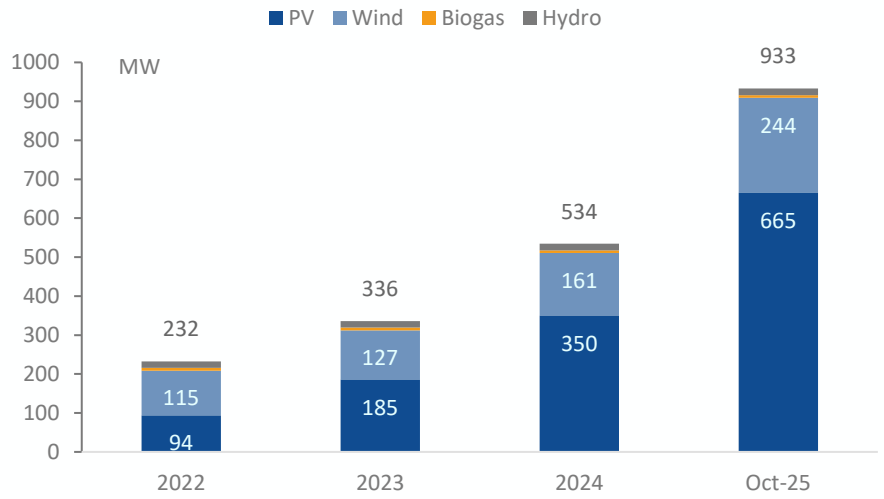
Heating tariffs

- Balti and Chisinau rely on gas-powered CHPs for district heating
- This means any fluctuations in gas prices are also have an impact on heating tariffs

➢ Current expectation is that consumer gas prices will not increase in 2025/2026

Electricity: domestic generation

Installed capacity of RES



Sources: The Moldovan National Centre for Sustainable Energy (CNED, 2025)

Peak hour demand and available domestic generation (RB only)

	MW
Peak demand	1053
Available domestic power	367
CHPs	351
Hydro	16
RES	Variable 0 - 191
Import requirements	495 - 686

Sources: Moldelectrica (2025)

Development of RES

- Strong growth in RES: +301% since 2022
- PV increased by 90%, wind by 51%, reaching a total installed RES capacity of 933 MW in Oct-25
- Despite a high installed capacity, RES output is still quite low, but growing
- It covered ca. 7.3 % of consumption between Jan-25 and Oct-25 (excl. hydro)
- Reasons for low output include:
  - Some RES are not connected to the grid
  - PV solar peaks often coincide with near-zero OPCOM prices and without storage purchasing from OPCOM is cheaper

Domestic generation

- Peak hour demand: ca. 1053 MW
- Domestic generation can cover about 35% of peak hour demand and covered on average 26% of total consumption between Jan-25 and Oct-25

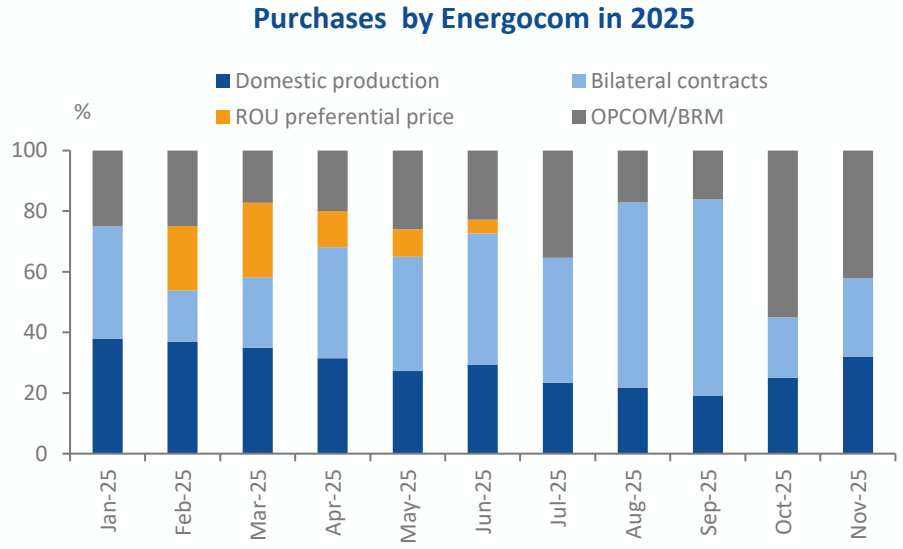
➢ **Domestic generation remains insufficient to meet domestic demand**

Electricity: trade infrastructure

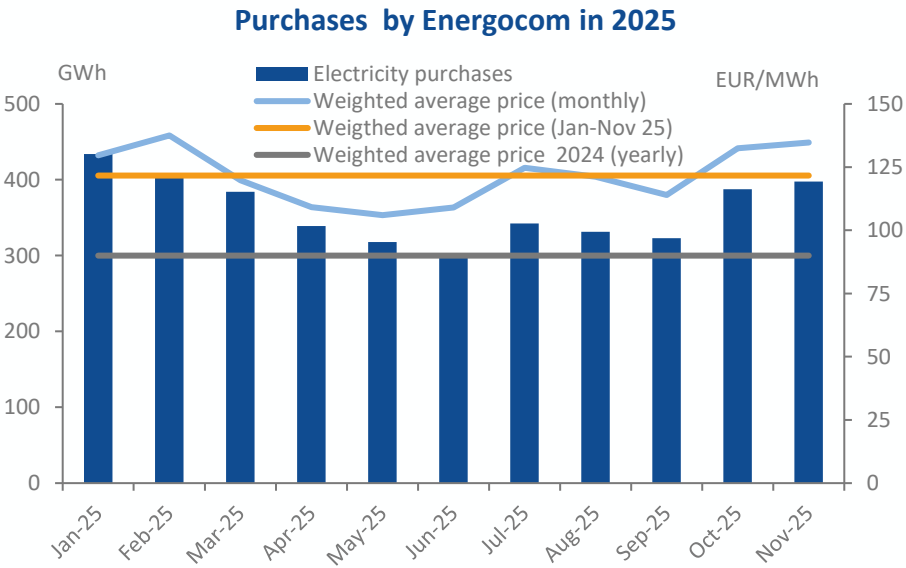
- MDA has interconnections with neighbouring countries UKR and ROU
- MDA grid is synchronized with ENTSO-E (which also includes UKR), with a joint Net Transfer Capacity (NTC) of 2100 MW, of which MDA has 315 MW allocated
- If demand exceeds 315 MW (e.g., during peak load), MDA has three options:
  - Use NTC latency if UKR 's imports are below 1785 MW to buy power at OPCOM spot prices
  - Utilise emergency contracts if Ukraine's NTC limit is reached, but with an emergency surcharge
  - If neither option is available, demand would have to be curtailed to prevent power outages
- MDA is currently constructing the Vulcănești–Chișinău 400 kV transmission line, scheduled for completion by the end of 2025, however this project has been plagued by delays
  - While this project strengthens system reliability, it does not increase MDA commercial import capacity, as it relies on the same Vulcănești interconnection point
  - The primary benefit is reducing dependence on infrastructure located in the TN region
- Until additional infrastructure projects are completed, import capacity will remain broadly unchanged (e.g. Construction of 400 kV overhead power line between Suceava–Bălți planned for Q4 2027)

➢ **While the Vulcănești - Chișinău line will improve stability, it will not improve cross-border import capacity**

Electricity: import prices



Sources: SA Energocom (2025)



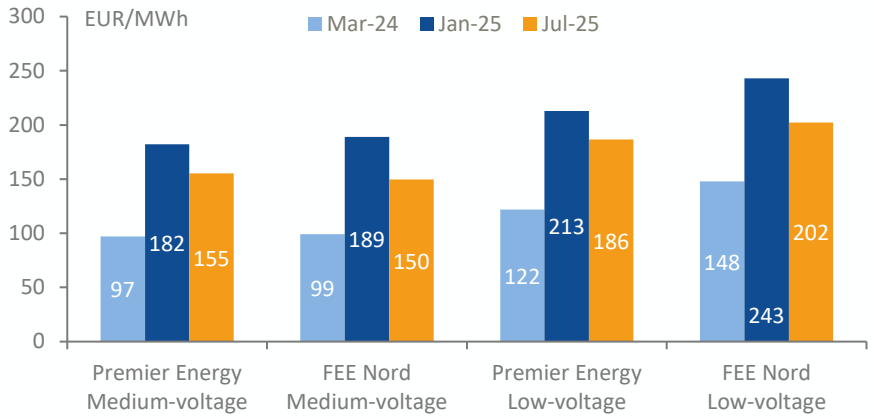
Sources: SA Energocom (2025)

- Energocom purchases electricity partly through bilateral contracts with UKR/ROU and OPCOM
- Until Jul-25, MDA had preferential prices from ROU, due to a price cap mechanism
- Import prices: 2024 weighted average: 90 EUR/MWh; Jan–Nov 25: ca. 121 EUR/MWh
- Future costs will depend on several factors:
  - Share of bilateral contracts for the next months (which is not publicly known)
  - Peak hour demand and available NTC from UKR
  - Gas price developments, which affect CHP generation costs
  - ROU's domestic and export prices
  - RES share of generation
  - Temperature

➢ **MDA electricity prices are highly sensitive to market conditions in ROU and UKR**

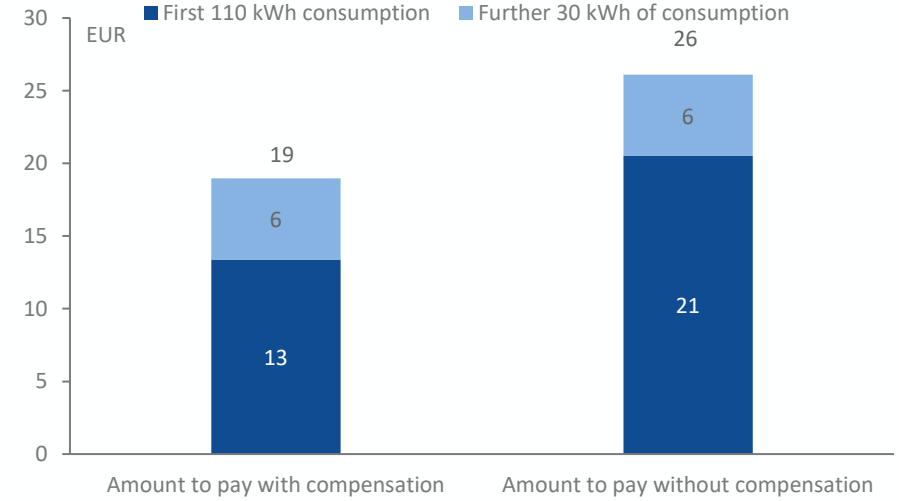
Electricity: impact on tariffs

Electricity tariffs, final consumers



Sources: ANRE (2025); Note: tariffs do not include in-bill compensation; converted to EUR

Electricity subsidies for household consumers (monthly)



Sources: Premier Energy (2025) Note: converted to EUR, based on Premier Energy tariffs low voltage and a consumption of 140 kwh per month

- Tariffs decreased from Jan-25 to Jul-25
- Further tariff changes depend on winter 2025/2026 average purchase costs
- ANRE sets tariffs annually, but can adjust during the year if costs deviate by >5%

Electricity subsidies for HH consumers in 2025

- Since Feb-25, a non-targeted in-bill compensation subsidises the first 110 kWh of consumption
- With average use of 138 kWh (2023/2024), this encourages a 20% lower consumption
- Subsidy is EU-funded and valid until Dec-25
- In 2026, support will only continue indirectly; electricity subsidies will end for general consumption and will only apply to vulnerable households (ca. 605 thsd.) using electricity for heating (Moldpres, 2025)
- Electricity bills will noticeably increase, even without ANRE changing tariffs, as direct subsidies will no longer apply

➢ **With the end of subsidies, electricity bills will increase for most households**

Assessment and outlook

Natural gas

- **Achievements in 2025:** strong regulatory process; supply for 2025/2026 winter is fully secured
- **Remaining risks:** exposure to international market volatility (TTF/BRM); no domestic gas storage, any damage to infrastructure (e.g., storage facilities) could pose a threat to supply security
- **Outlook:** further gas market unbundling timeline already planned; strong cooperation on regional interconnection (e.g. Trans-Balkan Pipeline capacity expansion)

Electricity

- **Achievements in 2025:** no dependence on TN-region for electricity supply; RES installed capacity is increasing rapidly; reliance on TN region infrastructure for imports from ROU reduced
- **Remaining risks:**
  - High import dependency; domestic generation insufficient
  - Import capacity (315 MW) does not cover peak demand; prices highly exposed to UKR NTCs, ROU market conditions and temperatures this winter
  - Energy vulnerabilities may increase due to the shift from untargeted support to no support
- **Outlook**: BESS included in next RES auction (Feb–Mar 2026)

- MDA is better prepared for this winter season than last year, especially in the gas sector
- In the electricity sector, little fundamental improvement since last winter; system remains vulnerable
- Risks in electricity sector likely to recur annually until storage, dispatchable generation, and cross-border capacity projects (expected completion end of 2027) are implemented

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About the German Economic Team

Financed by the Federal Ministry for Economic Affairs and Energy, the German Economic Team (GET) advises the governments of Ukraine, Belarus*, Moldova, Kosovo, Armenia, Georgia* and Uzbekistan on economic policy matters. Berlin Economics has been commissioned with the implementation of the consultancy.

**Within the framework of project activities in Georgia, we are in contact solely with reform-oriented partners for the time being; in Belarus advisory activities are suspended.*

CONTACT

Alina Kunde, Project Manager Moldova
kunde@berlin-economics.com

German Economic Team
c/o BE Berlin Economics GmbH
Schillerstraße 59 | 10627 Berlin
Tel: +49 30 / 20 61 34 64 0
info@german-economic-team.com
www.german-economic-team.com

Our publications are available under
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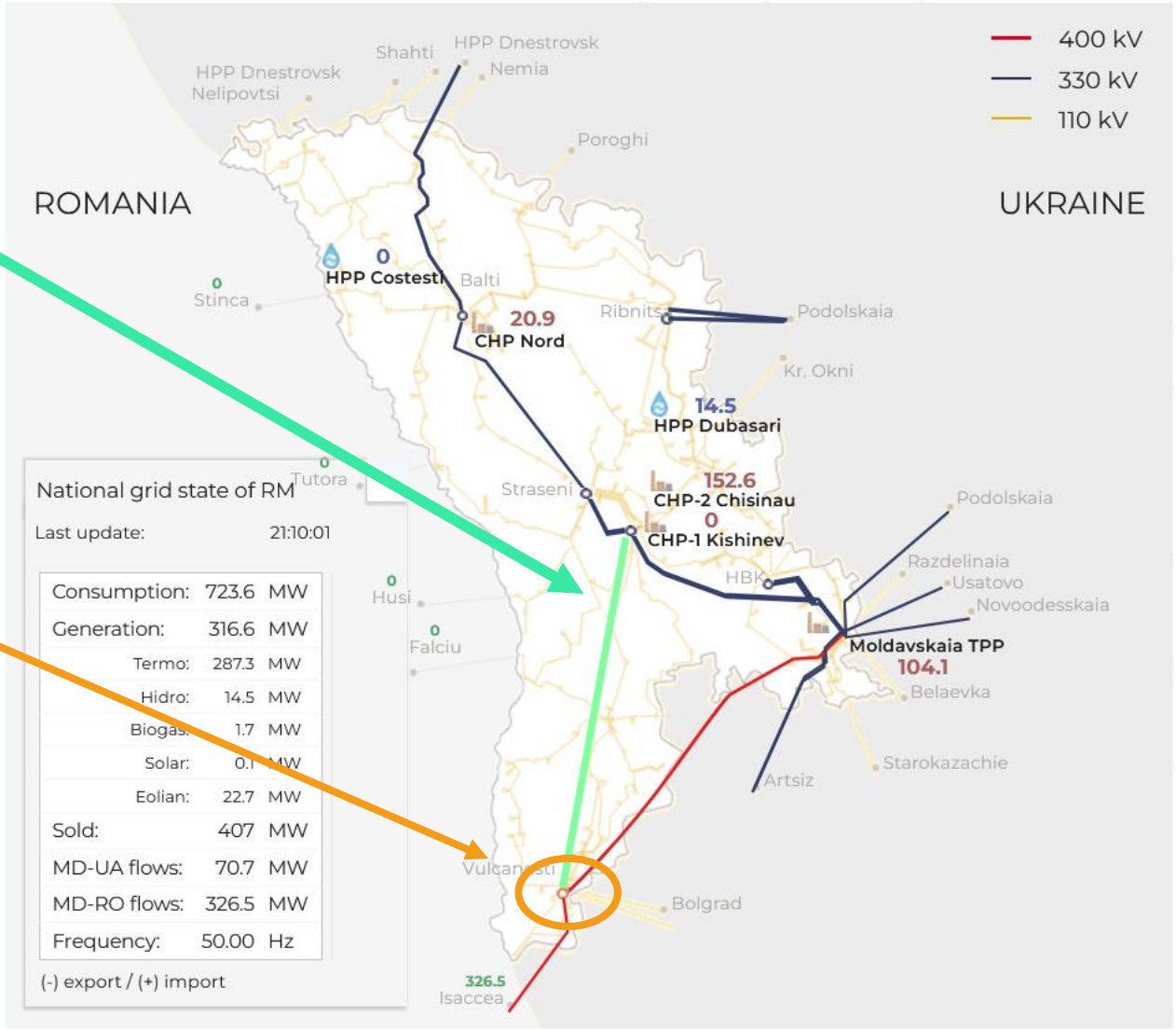
Electricity: infrastructre map

New Vulcănești–Chișinău 400 kV transmission line

The new Vulcănești–Chișinău 400 kV transmission line will improve MDA domestic transmission network but will not enhance the cross-border electricity network between MDA and ROU. The capacity of the Vulcănești interconnector will remain unchanged



Sources: © S.E. „Moldelectrica“, used with permission; Note: new New Vulcănești–Chișinău 400 kV transmission line is not to scale and is for illustrative purposes only