

The background of the slide shows a person's arm in a blue and white checkered shirt holding a bright orange safety helmet. In the background, there are rows of solar panels installed on a grassy field under a blue sky with clouds.

**DO YOU WANT TO
SELL GREEN ENERGY
TO THE GRID AT A
GUARANTEED TARIFF?**

Questions and answers



Renewable energy sources are a clean alternative to fossil fuels in electricity production. The states of the world, including our country, have committed to contribute to reduction of greenhouse gas emissions by introducing policies to support renewable energy production.

Through the Feed-in Tariff Support Scheme the Moldovan Government gives everyone the opportunity to produce their own energy, generate revenue and contribute to the reduction of carbon dioxide in the atmosphere.

Moldova needs to take actions to confirm and raise the awareness of the importance of reducing greenhouse gas emissions, reducing the impact of the energy sector on the environment, and commitments to citizens to ensure sustainable development through the three elements of the sustainable development concept:

- environment;
- society;
- economy.

Alexandru CIUDIN

Director of Energy Efficiency Agency

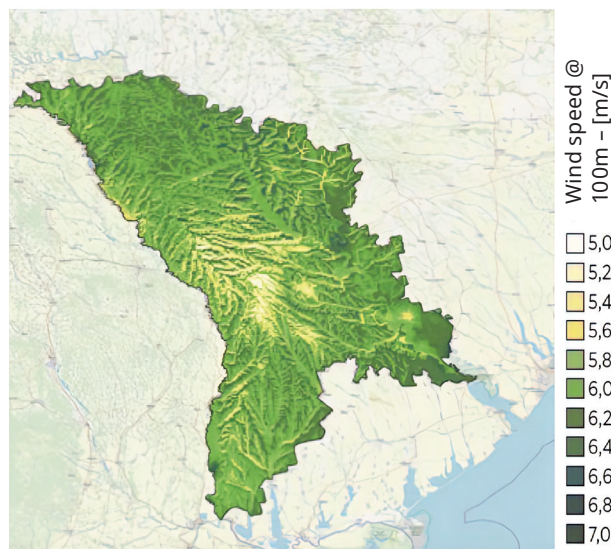
WHAT IS THE WIND ENERGY POTENTIAL IN MOLDOVA?

Moldova has huge wind energy potential; almost the entire country has technically favourable locations for wind energy investments.

The average annual wind speed exceeds 4 m/s for 98.21% of the country's area at 50 m above ground level, and ranges between 5 and 8 m/s on about 33,240 km², which accounts for 98.7% of the country's territory at 100 m above ground level.

Calculations also suggest that about 1,830 km² of the country's area have the power density above 400 W/m² at a height of 100 m, which accounts for 5.88% of the total territory. Since 5 MW can be installed per km², the electrical capacity that could be installed on the entire territory of Moldova would amount to about 9,150 MW that by far exceeds the current consumption of the country.

**The potential of wind energy
in the Republic of Moldova**

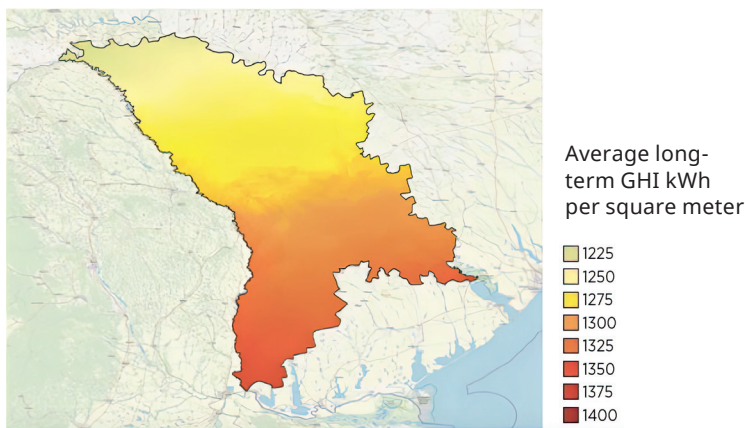


Source : <https://moldova.awstruepower.com>

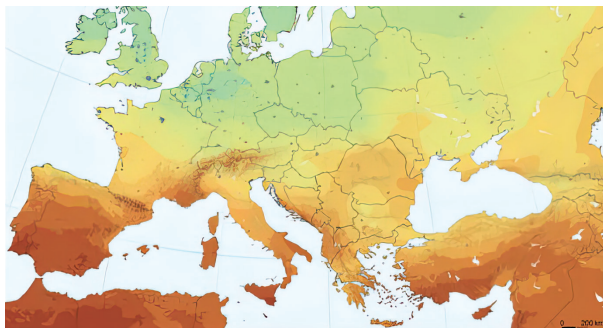
WHAT IS THE SOLAR ENERGY POTENTIAL IN MOLDOVA?

Moldova has enormous potential for solar energy usage, due to its geographical position and climate conditions. The average annual potential of solar energy in Moldova is estimated at a fairly high level of 1,200-1,400 kWh/m².

Global horizontal irradiation in the Republic of Moldova



The average annual potential of solar energy



3

WHY DOES MOLDOVA ALLOCATE LIMITED QUOTAS FOR RENEWABLE ENERGY PRODUCTION UNITS?

Variable renewable energy sources, such as wind and solar power, entail the issue of balancing the national grid. Therefore, the state takes into account the safety of balancing the national grid at affordable costs for final consumers when planning to increase the share of renewable sources.

4

WHAT IS THE FEED-IN TARIFF?

The feed-in tariff is the most frequently used mechanism by states world-wide to promote renewable energy sources. The feed-in tariff has, in general, three key elements:

- a) quotas established for electricity fed-in into the grid;
- b) long-term contracts (10-20 years);
- c) return of investment through guaranteed tariff.

The Feed-in Tariff Support Mechanism guarantees a fixed payment for each unit of electricity produced from renewable sources and fed-in into the grid. It means that anyone who wants to invest in green technology is guaranteed that the investment will be returned.

WHY HAS MOLDOVA ADOPTED THE FEED-IN TARIFF SUPPORT SCHEME FOR RENEWABLE ENERGY PRODUCTION?

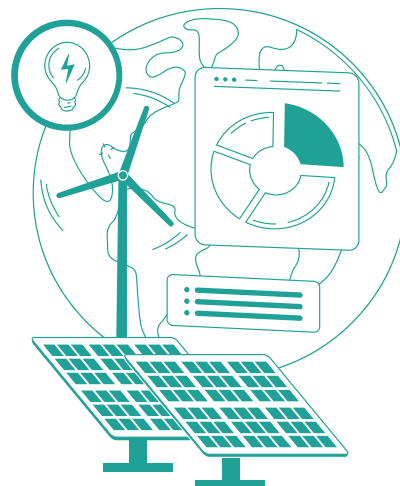
There are several reasons why Moldova has developed this support scheme for renewable energy production:

- Reducing CO₂ emissions by replacing fossil fuels with green and renewable energy sources;
- Creating new jobs;
- Ensuring diversification and energy supply at the national level, thus reducing dependence on fossil fuels imports;
- Guaranteeing investments for investors;
- Promoting technological innovation;
- Citizens can produce their own clean electricity;
- Long-term tariff guarantee contracts facilitate access to finance;
- Encouraging energy investors/producers to use the most efficient technology at low costs, thus encouraging competition;
- Minimising grid losses by generating energy locally.

WHAT ARE THE MEASURES BY WHICH MOLDOVA INCENTIVISES THE DEVELOPMENT OF RENEWABLE ENERGY PRODUCTION? DOES IT PROVIDE SUBSIDIES?

To provide additional support for renewable energy investments, the legislation provides for customs and tax incentives. These incentives include reduced import duties, VAT exemption for installation works and other contributions to renewable energy projects.

The Feed-in Tariff Support Scheme is one of the mechanisms provided by the state to potential investors, as financing in the form of subsidies is not available. The support mechanism provides for non-discriminatory grid connection, priority supply and the obligation of the central supplier to purchase all electricity generated from renewable sources for 15 years, at a guaranteed tariff.



WHEN WERE THE FIRST FEED-IN TARIFFS OFFICIALLY APPROVED IN MOLDOVA?

In 2018, the Moldovan Government approved the Decision 689 on capacity limits, maximum quotas and capacity categories for electricity produced from renewable sources, valid until 2020. And in 2020, ANRE distributed 55 MW for each type of production facility, as follows:

- **wind power units with maximum available capacity of 20 MW**, with a capacity limit of 4 MW;
- **solar/photovoltaic units** – 15 MW;
- **biogas cogeneration units** – 12 MW, with a capacity limit of 1 MW for each type of unit.

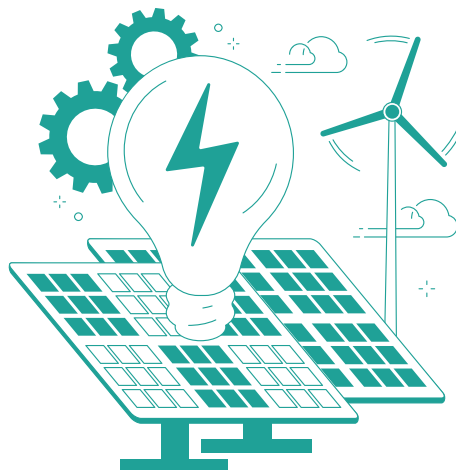
For that period, ANRE has approved the following fixed tariffs for electricity produced from renewable sources:

- a) **photovoltaic units** – 1.88 MDL/kWh;
- b) **wind power units** – 1.55 MDL/kWh;
- c) **hydroelectric units** – 0.97 MDL/kWh;
- d) **biogas cogeneration units** – 1.84 MDL /kWh;
- e) **solid biomass cogeneration units** – 1.96 MDL /kWh.

WHAT ARE THE NEW APPROVED CAPACITIES FOR RENEWABLE ENERGY PRODUCTION THROUGH THE FEED-IN TARIFF SUPPORT MECHANISM?

Moldova has approved the Government Decision 401 dated 8 December 2021 on the approval of capacity limits, maximum quotas and capacity categories for electricity produced from renewable sources until 2025. 235 MW have been approved for all technologies supported through the Feed-in Tariff Support Scheme.

ANRE, which is the central public authority responsible for regulation and monitoring of energy sectors, will approve a decision that will guarantee fixed tariffs for renewable energy producers for units under 4 MW for wind energy and 1 MW for solar and hydro technologies. This support scheme aims to help small producers, who are planning to invest in up to 4 MW for wind power units and 1 MW for other types of units.



No.	Electricity production technology	Capacity categories	Maximum capacity quotas for types of generating units considered, MW	
		[MW]	Feed-in tariff Sources	Capacity limit, [MW]
1.	WIND units, total: of which:	—	15	4.0
1.1	large wind units	0.501 – 4	12	
1.2	small wind units	< 0.5	3	
2.	SOLAR PV (photovoltaic) units, total: of which:	—	70	1.0
2.1.	PV units mounted on buildings	< 0.05	50	
		0.051 – 0.2		
		0.201–1.0		
2.2.	PV units other than those referred to in point 2.1.	< 1.0	20	
3.	Biogas cogeneration units, total: of which:	—	100	—

3.1.	biogas cogeneration units (biogas produced using the energy potential of animal manure, livestock waste, agricultural waste, agricultural crops, energy plants, food industry waste, including a mixture of them)	—	45	—
3.2.	cogeneration units based on biogas produced using municipal solid waste	—	45	—
3.3.	cogeneration units based on biogas produced using municipal liquid waste/wastewater	—	10	—
4.	Cogeneration units based on syngas (on solid biofuel, agricultural waste, including energy crops/plants, excluding forest products)	—	15	—
5.	Cogeneration units using direct combustion (on solid biofuel, agricultural waste, including energy crops/plants, solid household waste, excluding forest products)	—	30	—
6.	HYDRO units	—	5	1.0
TOTAL (MW) Feed-in Tariff		—	235	—

WHAT WILL BE THE IMPACT OF ALLOCATED QUOTAS ON THE NATIONAL GRID UNTIL 2025?

9

You can see, in the table below, what is the estimated amount of electricity to be generated every year through the Feed-in Tariff Support Mechanism.

RES technology	Maximum duration of use of rated power [hours/year]	Installed capacity [MW]	Estimated amount of electricity to be generated [MWh]
WIND power units	2,800	15	42,000
SOLAR PV (photovoltaic) units	1,200	70	84,000
COGENERATION units (biogas, syngas and direct combustion)	4,500	145	652,500
HYDRO units	2,500	5	12,500
TOTAL installed capacity		235	791,000

WHAT MEASURES HAVE BEEN IMPLEMENTED TO INCENTIVISE THE ELECTRICITY PRODUCTION FROM BIOGAS?

The Moldovan economy and population generate huge amounts of waste – solid household waste, wastewater, food industry waste etc., the energy potential of which is enormous.

Local public authorities operate, through specially created municipal enterprises, the municipal services for the management of solid household waste, wastewater (sewage) etc. All this waste has extraordinary potential as raw material for biogas production.

Therefore, the use of non-intermittent capacity quotas allocated by the Government depends, to a large extent, on how local public authorities will mobilise to identify a solution to the issue of solid waste or wastewater, with or without establishing partnerships with private sector.

To support local public administration authorities and facilitate their partnerships with private sector, 100 MW have been allocated for biogas cogeneration plants, producing biogas from:

- solid municipal waste;
- municipal liquid waste/wastewater.

WHAT IS THE GOVERNMENT'S POSITION ON SOLID WASTE INCINERATION TECHNOLOGIES?

11

The state promotes the “waste to energy” concept – the production of bio-gas and syngas, with its subsequent conversion into electricity and heat, through direct burning of biomass waste, solid household waste etc. in cogeneration units. The proposed mechanism provides for the elimination of the capacity limit and the support of investment projects through the “Feed-in Tariff” Support Mechanism.

WILL PHOTOVOLTAIC UNITS MOUNTED ON ROOFS HAVE A DIFFERENTIAL TARIFF?

12

Tariffs for photovoltaic units mounted on roofs will be differentiated based on the capacity categories:

- PV solar units under 50 kW;
- PV solar units of 51 to 200 kW;
- PV solar units of 201 to 1000 kW.

13

WHAT IS THE BASIS FOR DETERMINING AND CALCULATING THE FEED-IN TARIFF?

The feed-in tariff is calculated in accordance with a methodology for each type of technology for the production of electricity from renewable sources and by capacity categories, using data from international practice on the period during which the plant operates, investment costs, plant maintenance and operation costs, the rate of return on investment, determined based on weighted average cost of capital, and depending on the amount of electricity expected to be produced.

14

CAN THE FEED-IN TARIFF BE ADJUSTED?

Within 15 years, feed-in tariffs will be adjusted once a year, in accordance with the approved methodology and depending on the evolution of the exchange rate of the national currency against the USD.



HOW CAN I USE THE FEED-IN TARIFF SUPPORT MECHANISM? DO I HAVE TO ALREADY OWN A POWER PLANT?

15

After the Governmental Decision on feed-in tariffs for electricity produced from renewable sources is approved and published in the Official Gazette, applicants may submit, from the date indicated in the decision, an application for the confirmation of the status of eligible producer of electricity from renewable sources. The power plant does not have to be built; the participation and confirmation of the status of eligible producer take place on the basis of the submitted documents.

HOW IS THE CONTEST FOR CONFIRMATION OF THE STATUS OF ELIGIBLE PRODUCER ORGANISED?

16

The procedure for confirmation of the status of eligible producer is based on objective, transparent, and non-discriminatory criteria and on the “first come, first served” principle, until the maximum capacity quota is reached. If several applications for confirmation of the status of eligible producer are concurrently submitted and if the order of the “first come” cannot be established, the order for verifying the compliance of the application against the requirements shall be established by drawing lots.

WHAT SHOULD THE APPLICATION FOR CONFIRMATION OF THE STATUS OF ELIGIBLE PRODUCER CONTAIN?

For the confirmation of the status of eligible producer, the applicant must submit an application according to the form provided for in Annex 1 to the Regulation on confirmation of the status of eligible producer and must attach to it the following documents:

- 1) a copy of the document certifying the technical credibility of the project, demonstrated by:
 - a) *the connection notice issued by the system operator of the electricity network to which the power plant is to be connected (in the case of power plants to be built);*
 - b) *the compliance document issued by the State energy surveillance body (in the case of power plants put into operation);*
- 2) a copy of the document certifying the ownership right /the right to use the land where the applicant's power plant is to be built;
- 3) a copy of the document certifying that the participation guarantee was deposited;
- 4) the declaration on one's own responsibility to comply with the conditions provided for in Article 36 (51) of the Law no. 10/2016 on the promotion of the use of energy from renewable sources, submitted by the individual entrepreneur or the administrator/administrators of the legal entity for which the confirmation of the status of eligible producer is requested, according to the form provided for in Annex 2 to the Regulation on confirmation of the status of eligible producer;

- 5) additional information about the applicant who has submitted the application for the confirmation of the status of eligible producer, according to the form provided for in Annex 3 to the Regulation on confirmation of the status of eligible producer;
- 6) a copy of the excerpt from the State Register of Legal Entities;
- 7) in the case power plants put into operation – confirmatory documents regarding the date of manufacture of the equipment used in the construction of the plant.

WHERE AND WHEN CAN I SUBMIT THE APPLICATION?

The application for confirmation of the status of eligible producer must be submitted by the applicant or by a person authorised by the applicant directly to the office of the central public authority responsible for regulation and monitoring of energy sectors.

Applications for confirmation of the status of eligible producer can be submitted by applicants from the date set in the Governmental Decision on the approval of feed-in tariffs for electricity generated from renewable energy sources, during the working hours of the central public authority responsible for regulation and monitoring of the energy sectors, posted at its headquarters and on its official website.

The date of receipt of applications will be indicated by the Authority in a notice on its official website. The notice on the start of confirmation of the status of eligible producer for new capacity quotas will be published at least ten working days before the scheduled start date of confirmation process.

19

HOW IS THE APPLICATION REGISTERED?

The application for confirmation of the status of eligible producer shall be recorded in the Register of incoming correspondence. If the application does not meet the requirements, the applicant is notified of the non-compliance of submitted application and the missing documents.

The applicant will submit the missing documents within three working days from the date of notification; otherwise the application and accompanying documents shall not be examined and shall be returned to the applicant, including the participation guarantee. If the applicant submits the missing documents within three days, the application shall be deemed registered on the day all the necessary documents were submitted.



20

HOW LONG DOES IT TAKE FOR THE APPLICATION TO BE EXAMINED?

The application for confirmation of the status of eligible producer shall be examined within thirty days, with the adoption of the decision. The deadline can be extended under the terms of the Moldovan Code of Administrative Offences.

IF SEVERAL APPLICATIONS FOR CONFIRMATION OF THE STATUS OF ELIGIBLE PRODUCER HAVE BEEN SUBMITTED AND ALL AVAILABLE CAPACITIES HAVE BEEN ALLOCATED, WILL I BE INCLUDED IN THE WAITING LIST?

If the maximum capacity quota set by the Government for a type of generation technology has been allocated, applications for confirmation of the status of eligible producer, which did not fall within the limits of available capacity, shall be returned to applicants with the mention of their right to submit a new application if the Government increases the maximum capacity quotas or vacates capacity quotas as a result of withdrawal of the status of eligible producer. The participation guarantee submitted by the applicant will be reimbursed within ten working days from the date of returning the application.

WHAT IS THE AMOUNT OF THE PARTICIPATION GUARANTEE?

The amount of the participation guarantee is calculated for 1 kW of installed capacity and cannot exceed 0.2% of the specific investment value taken into account when setting feed-in tariffs, and shall be conditional on the specific investment value taken into account when determining the feed-in tariffs for electricity generated from renewable sources.

23

WHERE CAN THE PARTICIPATION GUARANTEE BE DEPOSITED?

The participation guarantee can be deposited in a specified bank account.

24

WHEN IS THE PARTICIPATION GUARANTEE REIMBURSED?

The participation guarantee shall be reimbursed to the applicant, if the application for confirmation of the status of eligible producer is rejected, within ten working days from the date of adopting the rejection decision or after the performance guarantee was deposited, if the status of eligible producer has been confirmed.

25

HOW DO I FIND OUT ABOUT THE CONTEST RESULTS?

The applicant shall be informed about the confirmation of the status of eligible producer within ten working days from the date of adopting the decision and shall be communicated the bank account and the amount to be deposited as a guarantee of good performance of the contract by a notice published on the official website of the central public authority responsible for regulation and monitoring of the energy sectors.

WHAT IS THE AMOUNT OF THE PERFORMANCE GUARANTEE?

26

The amount of the performance guarantee shall be calculated for 1 kW of installed capacity and cannot exceed 2% of the specific investment value taken into account when setting the feed-in tariffs and shall be conditional on the specific investment value taken into account when determining the feed-in tariffs for electricity produced from renewable sources.

THE DEADLINE FOR DEPOSITING THE PERFORMANCE GUARANTEE?

27

The applicant must deposit the guarantee for the good performance of the contract and submit the confirmation within fifteen working days from the date the notice confirming the status of eligible producer was published on the official website of the central public authority responsible for regulation and monitoring of the energy sectors.

WHEN IS THE PERFORMANCE GUARANTEE REIMBURSED?

28

The performance guarantee is reimbursed in full, if the eligible producer has fulfilled its obligations regarding the construction and putting into operation of the power plant producing electricity from renewable sources, in accordance with the terms and conditions set out in the decision on confirmation of the status of eligible producer.

WHAT SHOULD I DO AFTER MY STATUS OF ELIGIBLE PRODUCER HAS BEEN CONFIRMED?

After confirmation of the status of eligible producer, the applicant must fulfill the following requirements:

- 1) to build and put into operation a power plant producing electricity from renewable sources no later than 24 months after the confirmation of the status of eligible producer or within the extended period in accordance with point 35 of the Regulation on the confirmation of the status of eligible producer;
- 2) to construct the power plant producing electricity from renewable sources in strict compliance with the installed power indicated in the decision on the confirmation of the status of eligible producer;
- 3) not to utilise, during the construction and putting into operation of the power plant producing electricity from renewable sources, used equipment or equipment manufactured more than 36 months before the putting into operation of the plant, and submit confirmatory documents in this regard;
- 4) after the completion of the construction of the power plant producing electricity from renewable sources, to notify the central public authority responsible for regulation and monitoring of the energy sectors and submit the documents confirming the fulfilment of obligations undertaken as an eligible producer;
- 5) to use and ensure, starting with the second year, the operation of biomass cogeneration plants with an efficiency of over 80%.

HOW CAN I PROVE THAT THE EQUIPMENT IS NEW?

30

If the eligible producer is unable to prove the date of manufacture of the equipment used in the construction of the plant at the stage when the compliance document is granted, they must request the Moldovan Chamber of Commerce and Industry to perform the expertise of units for the purpose of determining the date of manufacture, bearing the related expenses.

WHAT HAPPENS IF I DO NOT BUILD OR REFUSE TO BUILD THE POWER PLANT AFTER OBTAINING THE STATUS OF AN ELIGIBLE PRODUCER?

31

If an eligible producer fails to put the power plant into operation, their right to sell the amount of electricity at fixed tariff shall be withdrawn, and the guarantee of good performance of the contract will be transferred to the State Budget.



WHAT ARE THE RESTRICTIONS ON APPLYING FOR THE FEED-IN TARIFF SUPPORT MECHANISM?

1) the status of an eligible producer cannot be confirmed for applicants who are planning to build a power plant with used equipment or equipment manufactured more than 36 months before the putting into operation of the power plant. In the case of biomass cogeneration units, only technologies with an efficiency of over 80% shall be allowed to participate;



2) applicants who are planning to construct two or more power plants using renewable energy sources and operating on the same type of production technology are not entitled to request the confirmation of the status of an eligible producer for investment projects, if the combined installed capacity of the power plants is higher than the capacity limit set by the Government.

These provisions also extend to the spouse, relatives and in-laws, up to and including the second degree, to founders/associates, administrators and persons related to electricity producer within the meaning of the Moldovan Civil Code.

CAN I INCREASE THE CAPACITY OF MY POWER PLANT AFTER BEING CONFIRMED AS AN ELIGIBLE PRODUCER?

33

If, after obtaining the status of eligible producer, an investor is planning to increase the capacity of the existing power plant and the cumulative capacity is higher than the capacity limit set by the Government, the producer will bid to obtain the right of an eligible producer for the newly installed capacity.

WHAT FINANCING MECHANISMS ARE NOW AVAILABLE TO BE ABLE TO IMPLEMENT PROJECTS THROUGH THE FEED-IN TARIFF SUPPORT MECHANISM?

34

The European Bank for Reconstruction and Development (EBRD) launched the Green Economy Financing Facility (GEFF) of € 20 million in 2021, which provides loans to businesses and homeowners to become more energy efficient and greener. Eligible for financing are:

- Individuals who own or live in a building or apartment in which they are planning to implement an eligible investment;
- Private companies, enterprises, firms, sole proprietors or other legal entities that want to invest in [eligible technologies](#);

- Suppliers of equipment or materials eligible in the [Green Technology Selector](#) that are planning to participate in the financing program of the suppliers within the Facility;
- Manufacturers of “green” technology listed in the [Green Technology Selector](#) that are planning to support or expand the “green” part of their business.

Maximum amounts that can be funded by GEFF:

- up to EUR 300,000 for small and clearly defined projects, which include high-performance equipment and materials from the [Technology Selector](#);
- up to EUR 5 million for larger energy efficiency and renewable energy projects in the non-residential sector, for which GEFF experts can provide advice;
- up to EUR 500,000 for larger energy efficiency and renewable energy projects in the residential sector, for which GEFF experts can provide [advice](#);
- the maximum amounts of the sub-loan must not exceed EUR 5 million or the equivalent in another currency.

More details on: <https://ebrdgeff.com/moldova/ro/romana-geff-programul-berd-de-finantare-a-economiei-verzi-s-a-lansat-oficial-in-moldova/>

To start a business in the field of renewable energy, you need:

1. Starting/establishing a business

Competent institution: **Public Services Agency**

2. Registration of property rights/Change of land use

Competent institution: **Local public authority/Public Services Agency**

3. Urban design certificate

Competent institution: **Local public authority**

4. Network connection notice/Technical conditions for connection to utility networks

Competent institution: **System operator**

5. Obtaining the status of eligible producer

Competent institution: **Central public authority responsible for regulation and monitoring of energy sectors**

6. Topographic study and geotechnical surveys

Competent institution: **Authorised institutions**

7. Environmental impact assessment

Competent institution: **Environmental Agency of Moldova**

8. Technical project

Competent institution: **Authorised institutions**

9. Building permit

Competent institution: **Local public authority**

10. Notification on launching the construction works

Competent institution: **Agency for Technical Supervision**

11. Construction of the power plant

Competent institution: **Authorised company**

12. Connecting to the electricity transmission or distribution network

Competent institution: **Electricity transmission/distribution company**

13. Testing and reception

Competent institution: **Beneficiary/Investor, Central public authority responsible for regulation and monitoring of energy sectors**

14. Signing the electricity supply contract

Competent institution: **Central electricity supplier**

ENERGY EFFICIENCY AGENCY

The mission of the Agency is to implement the state policy in the field of energy efficiency, energy efficiency of buildings and the use of renewable energy sources, including by attracting and managing financial resources to finance projects in these areas on a sustainable basis in the context of the environment and climate change.

CONTACT INFORMATION



Chisinau, 1 Alecu Russo str., bl A1, 10th floor, MD-2068



(+373) 22 311 001



(+373) 22 499 444



office@aee.md



info@aee.md