

Reorientation of the energy market in the Republic of Moldova

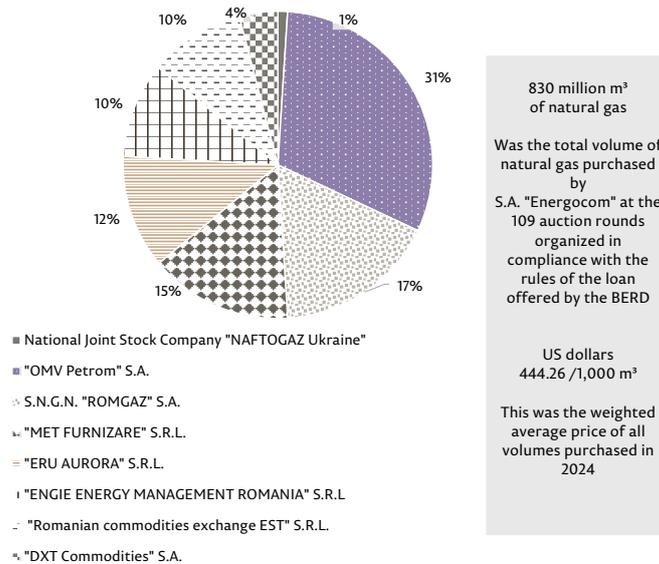
In the context of the energy crisis at the end of 2021, the Republic of Moldova began to diversify its gas supply sources, completely abandoning imports from the Russian Federation from May 2023, and since January 1, 2025, the Cuciurgan Power Plant (MGRES) stopped delivering electricity energy to the right bank of the Dniester. These changes were accompanied by the consolidation of legislative progress in the energy field, the implementation of various projects in the targeted field, the facilitation of access to the competitive market, and last but not least, by initiatives aimed at increasing the share of renewable energy in the mix of energy sources, thus representing a historical turning point in the energy independence of the Republic of Moldova.

Current energy market design

Until 2020, S.A.P. "Gazprom" was fully supplying the natural gas needs, but, starting from that moment, the geopolitical and energy context determined a radical change in the situation. According to the latest official data published by S.A. "Energocom", during the period April-December 2024, the company has purchased over 8.8 million MWh of natural gas (equivalent to 830 million cubic meters) at the weighted average price of EUR 40.09/MWh (or about USD 444.26/1,000 cubic meters) from a variety of sources, thus reducing dependence on a single supplier (Chart 1).

Chart 1: Natural gas purchased in 2024

As a result of more than 100 organized auctions, supply contracts were concluded 8 companies. The Romanian Commodities Exchange was also included in the procurement sources

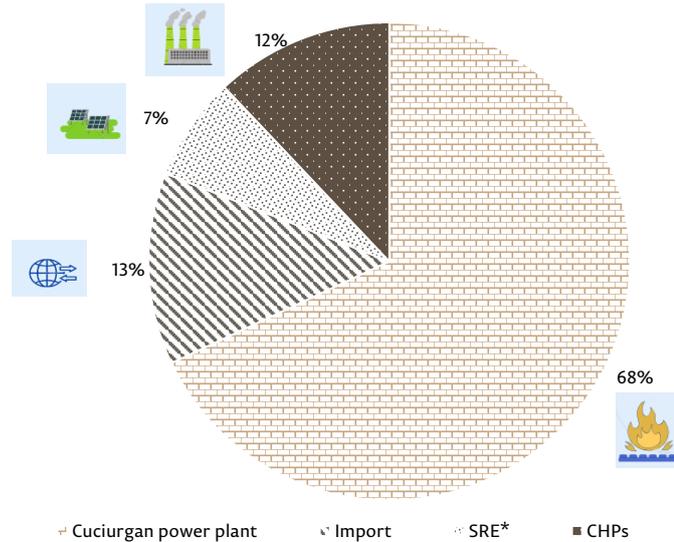


Source: S.A. "Energocom"

In its latest press release, the company S.A. "Energocom" informed that, for the period from October 1, 2025 to September 30, 2026, approximately 90.9% of the forecasted volume of natural gas consumption with firm delivery had already been contracted, which constituted 7,448,218 MWh, the equivalent of 700 million cubic meters. The purchases were carried out mainly at an indexed price based on the TTF front month (TTFM) quotations published by the Argus International Reference Agency, corroborated with the quotations of RCE (Romanian Commodities Exchange). Based on the bids received at the auctions held and the TTFM quotations available on September 15, 2025, the average purchase price for the 2025-2026 gas year is forecast at approximately EUR 38.5/MWh (about EUR 410/1,000 cubic meters), an amount that includes the cost of transportation to the virtual trading point (VTP) of Moldova^a.

^aS.A. "Energocom". *Energocom: the forecasted average gas purchase price for the 2025-2026 gas year* Chişinău, September 16, 2025, Available: <https://energocom.md/energocom-pretul-mediu-prognozatat-de-achizitie-a-gazelor-pentru-anul-gazier-2025-2026/>

Chart 2: Electricity energy purchased by S.A. "Energocom" in 2024 (%)

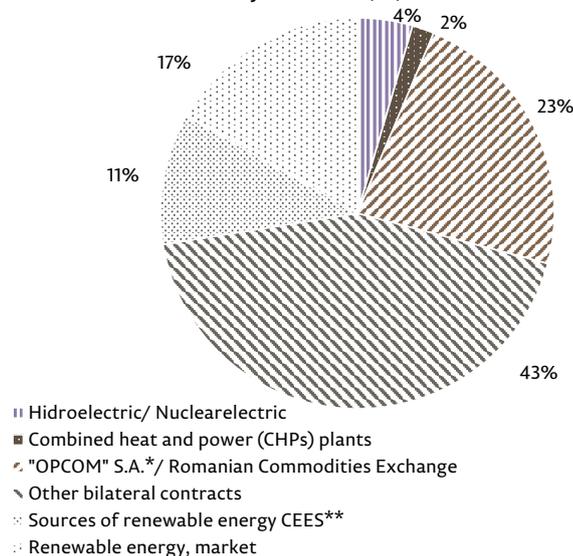


Source: S.A. "Energocom"

*SRE – sources of renewable energy

Until the reconfiguration of natural gas sources, a similar situation of dependence on a single supplier was also valid for the electricity energy market (Chart 2). Thus, the major share of electricity energy needs was covered by MGRES, about 68.0%, but from January 1, 2025 MGRES ceased electricity supplies to the right bank of the Dniester, given that the purchase contract was not extended. However, the Republic of Moldova managed to ensure continuity of supply through alternative sources, avoiding major interruptions. For June 2025, electricity purchases by source are presented in Chart 3.

Chart 3: Electricity energy purchased by S.A. "Energocom" in June 2025 (%)



Source: S.A. "Energocom"

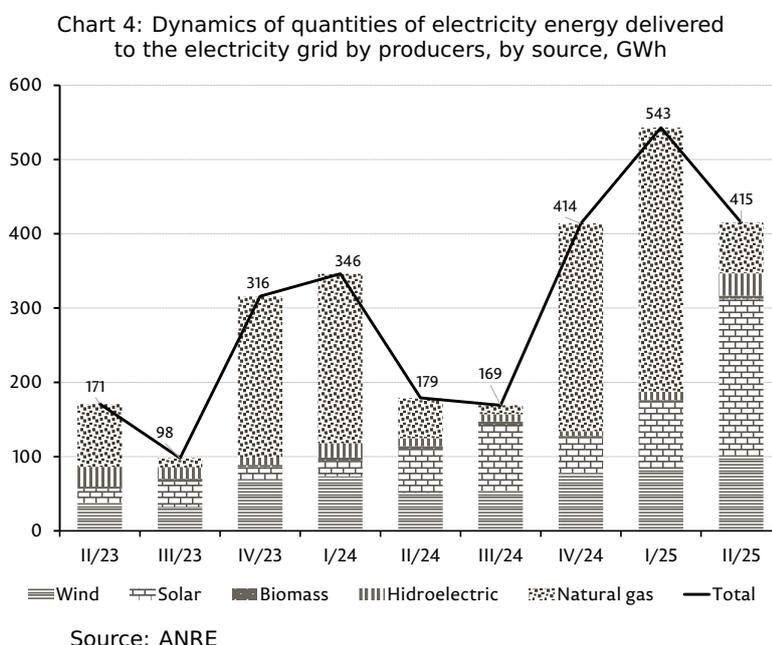
*Operator of the electricity market and natural gas

**CEES – The central electricity energy supplier

The cessation of electricity supplies by MGRES had a significant impact on the increase in imports in the country's trade balance, especially in the "mineral products" category (see *Chart 3.20 of the Inflation Report*). Thus, starting from 2025, the electricity energy previously supplied by MGRES and considered part of domestic production was replaced with imported energy, which was reflected in the balance of payments as an energy import. This change has contributed substantially to the increase in imports from the mineral products segment.

At the same time, the announcement regarding the complete liberalization of the Romanian energy market, starting from July 1, 2025, has amplified the uncertainty related to future prices and potential electricity purchase conditions for the Republic of Moldova. However, for the Republic of Moldova this means the end of energy supplies at a capped price, which until now benefited from electricity at a preferential rate of RON 400/MWh. Regarding this topic, some experts consider that "There is a possibility that positive deviations will cover potential price increases during the summer. We buy 100-150 MW from Romania, an increase of 50 RON will be significant. We will use all the deviations in the purchase price in the summer".

At the same time, it is worth mentioning that, recently, the Republic of Moldova has made significant progress in the development of the green energy sector. According to the latest information presented by ANRE, electricity energy produced locally from renewable sources in the second quarter of 2025 amounted to approximately 346.7 million kWh, which represents over 36.0% of the total electricity delivered to end consumers. By type of source, solar energy dominates with a share of about 61.0% of the total electricity produced from renewable sources, with a quantity of 211 million kWh, followed by wind energy, with a share of 29.0% of the total and, respectively, a quantity of 101.5 million kWh, hydroelectric energy represents about 9.0% with a quantity of 29.9 million kWh, and biomass has a share of about 1.0% of the total renewable energy with a quantity of 4.3 million kWh.



A landmark moment was recorded on August 23, 2025, when for the first time the Republic of Moldova's electricity consumption was almost fully covered by local renewable sources, with only 0.5 MW imported. Almost half of these renewable capacities were developed through state-regulated support mechanisms, demonstrating the effectiveness of public policies in stimulating green investments and the sustainable transformation of the national energy sector^b.

^bMINISTRY OF ENERGY OF THE REPUBLIC OF MOLDOVA. ANRE has established the fixed tariffs and the ceiling price for the production of electricity from renewable sources. Chişinău, October 7, 2025. Available: <https://energie.gov.md/ro/content/anre-stabilit-tarifele-fixe-si-pretul-plafon-pentru-producerea-energiei-electrice-din-surse>