



“ESCO Moldova – Transforming the market for Urban Energy Efficiency by introducing Energy Service Companies” (ESCO Moldova)



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Transforming the market
for Urban Energy Efficiency
in Moldova by introducing Energy Service Companies



ESCO PROJECT – GENERAL INFORMATION

Duration: 4 years (2015-2018)

GEF Budget: 1,3 mln. USD

Total budget: 1,450, 000 mln. USD (150,000 USD UNDP contribution)

Project partners: Ministry of Environment, Ministry of Economy, Chisinau City Hall, Energy Efficiency Fund, Energy Efficiency Agency, Private sector



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PROJECT OBJECTIVES AND RATIONALE

Overall objective:

Reducing the greenhouse gases emission in Moldova by accelerating the development of a sustainable market and a business model that will provide financial and technical solutions for the investments in Energy efficiency sector.

Purpose

Development of a functional, sustainable and efficient market of the Energy Service Companies (ESCO) in Chisinau, through the elimination of legal, institutional and financial barriers, as a bases for the implementation of the ESCO business model at a larger scale and for the Energy Performance Contracts in Moldova

PROJECT COMPONENTS

The Green Urban Development Plan developed/updated and approved, as a result the projects on the reduction of greenhouse gases emissions receive financing and are implemented in Chisinau municipality;

Functional ESCO business model Energy Service Companies invest in energy saving projects applying Energy Performance Contracts;

Financial mechanisms are defined and functional and are facilitating the financing of Energy Service Companies;

Replication: Energy Service Companies implement successfully energy efficiency projects outside Chisinau municipality, at least in one city;

CHALLENGES/PRE-REQUISITES

- Legal framework (Fiscal and budgeting)
- The buildings stock
- Capacity and expertize
- Financial/capital market

EE & RES PROMOTION LEGAL FRAMEWORK(1)

Law on Adherence of the RM to the Treaty establishing the Energy Community

Law No.117 of 23.12.2009

- Energy Strategy 2030
 - Renewable Energy Law
 - Law on Energy Efficiency
 - Law on the energy performance of buildings
 - Law on heat and cogeneration promotion
 - Law on eco design
 - Law on energy labelling
- Gov. D No.102 of 05.02.2013
- No. 10 of 26.02.2016 - 2009/28/EC
- No.142 of 02.07.2010 – ED 2006/32/EC
- No. 128 of 10.10.2014 – EU 2010/31/EC
- No. 92 of 29.05.2014 – 2012/27/UE
- No. 151 of 17.07.2014 – 2009/125/EC
- No. 44 of 02.07.2014 – 2010/30/EU

EE & RES PROMOTION LEGAL FRAMEWORK(2)

- Regulation on energy services
- National Energy Efficiency Program 2012-2020
- National Energy Efficiency Action Plan 2013-2015
- National Renewable Energy Action Plan until 2020

GD No. 1093 of 31.12.2013 -
2012/27/EU

GD No. 833 on 10.11.2010

GD No. 113 on 07.02.2013

GD No. 1073 of 27.12.2013 -
2009/28/EC

EE & RES PROMOTION INSTITUTIONAL FRAMEWORK

- Ministry of Economy – public central authority in the energy sector
- Ministry of Regional Development and Construction – public central authority in the construction and regional development sector
- Energy Efficiency Agency – administrative authority in the field of EE & RES
- Energy Efficiency Fund – institution focused on identification and financing of EE & RES projects
- National Agency for Energy Regulation – institution focused on energy sector regulation

Government Decision
No. 690 of 13.11.2009

Government Decision
No. 662 of 10.11.2009

Government Decision
No 1173 of 21.12. 2010

Law No. 160 of
12.07.2007

Government Decision
No. 767 of 11.08.1997

ACHIEVEMENTS:

1. ESCO companies, energy managers, financial institutions and specialized institutions are trained in the field of EPC (Energy Performance Contracts);
2. A guaranteed savings Energy Performance Contract model (buildings, street lightning) was elaborated as well as a model of the Energy Supply Contract;
3. First 20 projects on energy efficiency were pre-selected and are screened for relevance to be implemented using the EPC financing modality;

ACHIEVEMENTS:

1. A Loan Guarantee Fund is established and is fine-tuning its operations to start the provision of guarantees for the first pilot projects;
2. The Energy Efficiency Fund committed to invest 3 million USD into ESCO projects. The financial support envisages concessional loans with a grant component and financial guarantees;
3. An inter-ministerial WG has been created under the roof of Ministry of Economy to facilitate the implementation of ESCO projects in Moldova



Thank you!



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