

Agencia Națională pentru Reglementare în Energetică a Republicii Moldova

Practical aspects of supplier switching in Republic of Moldova

Iulian Guzun

NATIONAL AGENCY FOR ENERGY REGULATION

Legislation:

- Law no.108/2016 on natural gas
- ANRE Decision no.363/2020 on approval the Regulation regarding the natural gas supplier

Definitions:

- *current supplier*: a natural gas supplier who, according to the concluded contract, supplies natural gas to a final consumer until the effective date of the new natural gas supply contract concluded with a new supplier;
- *new supplier*: a natural gas supplier who supplies natural gas to the final consumer, based on a new natural gas supply contract, which takes effect from the date of the change of the natural gas supplier;
- *change of natural gas supplier/supplier switching*: a procedure by which a final consumer decides, through a freely expressed option, to terminate the contractual relationship with the current supplier for all or some consumption points and to conclude a natural gas supply contract with a new supplier.

The natural gas supplier switching procedure includes the following steps:

1. Concluding the natural gas supply contract between the final consumer and the new supplier
2. Submitting the natural gas supplier switching request to the current supplier
3. Notification by the current supplier to the new supplier and the system operator regarding the initiation of the natural gas supplier switching procedure.
4. Presentation by the system operator of information regarding the consumption point(s) where the supplier switch is planned.

5. Conclusion by the system operators and suppliers of additional agreements to the contracts for the provision of natural gas transmission and/or distribution services.

6. Inspection of the metering equipment and reading of the metering equipment indications.

7. Supply of natural gas by the new supplier

8. Issuance of the final payment invoice for the natural gas consumed according to the natural gas supply contract concluded with the current supplier.

9. Payment by the final consumer of outstanding debts to the current supplier

Particularities:

1. The supplier switching process is completed within a maximum of 20 calendar days
2. The supplier switching procedure can be suspended in the following cases:
 - * the (new) supplier does not have a concluded contract for the provision of distribution services at the consumer's address
 - * the consumer has outstanding debts to the current supplier
 - * the consumer did not attend the meter reading appointment
3. The final consumer cannot be obligated to pay any fee, and the supply contract cannot include clauses that in any way hinder the switching of the supplier.
4. The new supplier must have sufficient quantities of natural gas available to supply the consumer who has switched suppliers.

Restrictions

If final consumers change the supplier that provides natural gas under the public service obligation, they are entitled to return to the supplier providing natural gas under the public service obligation after the expiration of 12 months from the date of switching the supplier.

In case the consumer loses their supplier within the 12-month period, they are required to conclude a contract with the supplier of last resort. However, the gas prices under the supplier of last resort will be higher compared to those offered by the universal supplier.

Penalties

- Law no.108/2016 on natural gas

ANRE applies, by decision, sanctions of at least 5% of the annual turnover of the licensees, but not less than 500.000 lei (25000 euro) for breach of obligations, manifested by: preventing the system operator or the supplier from exercising the right to change supplier.

Statistics

In 2023, only 17 household and 68 non-household consumers changed their suppliers

Challenges

- Market concentration
- Resistance from current suppliers and system operators
- Limited Consumer Awareness

Thank you for your attention

Iulian Guzun
ANRE, Republic of Moldova
iguzun@anre.md