

Synthesis of problems and solutions discussed at the public debate

“Old problems of the new heating season 2017 – 2018 in Chisinau”

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PROBLEMS	SOLUTIONS
<p>The energy efficiency of housing blocks requires investment at the building level, ie contributions from all residents.</p> <p>At the same time, each building has apartment owners who do not have these means and are not eligible for loans.</p> <p>This blocks investment in improving the energy efficiency of buildings.</p>	<p>Partial redirection of the funds allocated to the compensation mechanism for vulnerable consumers during the cold season of the year to offset the contributions of these consumers to investments in the thermal insulation of residential blocks and their transition to the horizontal distribution scheme of the thermal agent (separate contour and individual metering for each apartment)¹.</p>
<p>Both drinking water supply and heat supply are governed by relatively new legislative acts, approved in 2014, and both services are regulated by the National Agency for Energy Regulation (ANRE).</p> <p>At the same time, the domestic hot water supply service operates in a legal vacuum - the service provider, the consumer, the obligations related to metering, etc. are not defined.</p> <p>As a result, the accumulation of debt on the consumption of domestic hot water arrived at the block, but not distributed to the inhabitants, is perpetuated.</p>	<p>Changing the regulatory (secondary and / or primary²) framework and defining the service provider, the consumer, and their obligations, to stop the accumulation of new debt related to unallocated domestic hot water.</p> <p>Solving this problem would be a first step and a prerequisite for solving the wider problem of the debt accumulated on the chain: the residential fund - the heat supplier - Moldovagaz - Gazprom.</p>
<p>The residential sector currently represents only 19% of the housing sector is legally organized as</p>	<p>The historical debts of the HOAs to the former heat supplier (SA Termocom) must be frozen in order not to</p>

¹In the cold season of the year, the most vulnerable consumers can benefit from financial compensation from the Government and municipal authorities. Thus, public authorities spend money annually to compensate for expenses that can be avoided by isolating buildings. Moreover, the compensation provided by the municipal authorities to the eligible persons constitutes about 40% of the heating bill. At the same time, the pilot projects demonstrate that as a result of the investments in the insulation of the residential blocks and the switch to the horizontal distribution scheme, the thermal energy consumption in the block decreases by about 40%. This issue needs a Policy Brief.

² ANRE insists that the amendment of the primary legislation (the Laws) it is necessary, but given that both sectors are regulated by ANRE, the option to solve the problem by amending the secondary regulatory framework (the ANRE regulations) should be taken into consideration.

Condominium Associations (ACC), provided by the legislation. More than 80% of the buildings in Chisinau are still operating under obsolete legal forms.

The process of reorganization is also blocked by the fact that those who initiate the reorganization process are required to take over the historical debts of the block, which were never previously invoiced.

block the reorganization of the legal entities currently managing the housing sector in Condominium Owners Associations (ACC).

Moreover, **the problem has to be placed and solved in the context of the wider problem of SA. Moldovanagaz's debt to S.A.D. Gazprom³.**

Managers of the HOAs don't have the decipherment (calculation) of the debts and penalties included in the invoice.

At the same time, on the eve of the heating season, they are required to sign verification papers, including unsecured debts and penalties, under the threat that the dwelling will not be connected to the heat source until the act of verification is signed.

The problem is largely overcome, as recently (on August 25, 2016), the Regulation on Supply of Heat Supply, approved by ANRE, was published and entered into force.

Point 62, paragraph 5 of the Regulation stipulates expressly the right of consumers to submit the information regarding the consumption history, regarding the calculated and paid payments and penalties. From the entry into force of that Regulation, **the supplier's refusal to submit that information will be considered a violation of the regulation and may be penalized.**

³ This issue needs a Policy Brief