

PUBLIC POLICY STUDY

GAS PROCUREMENT: ERRORS WITH A HIGH PRICE TAG

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Table of Contents

1. Summary.....	3
2. How EU countries procure gas for the heating season	5
3. The mistakes Moldovagaz committed when purchasing gas in 2024.....	7
3.1. The purchase of gas for the winter started with a delay of 2 months	8
3.2. Moldovagaz tried to buy the entire volume in one day	8
3.3. The condition of changing the volume of gas by $\pm 20\%$ distorts competition and demotivates participation in tenders	10
3.4. Performance guarantee – higher than for other participants	12
4. The central authorities ignored the issue and misled the public	14
5. Moldovagaz subsidiaries repeated the same mistakes in 2025	16
6. Energocom is doing better, but there are risks regarding the safety of conducting auctions through the mailbox.....	17
6.1. In January 2023, an excessive volume of gas was purchased at high prices.	18
6.2. Gas purchases following the procedure outlined in the EBRD loan contract.....	19
7. Conclusions and recommendations.....	20
7.1. Gas procurement strategy	20
7.2. Minimum requirements for gas procurement rules.....	22
7.3. Security requirements for auctions conducted via the mailbox	24
7.4. Disclosure of information on the gas purchase price.....	25

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Key findings

- The procurement of natural gas in recent years has been carried out with multiple irregularities: excessive quantities acquired at high prices, delayed procurements, ignoring the market rules. These mistakes led to higher gas bills paid by consumers.
- For the 2024-2025 winter season, the procurement of gas started more than two months late, missing the advantageous prices in May-July 2024.
- Two attempts were made to procure the entire volume of gas for the winter season (630 million m³) in a single day, contrary to the principles of risk diversification. This kind of transaction distorts the gas market: such large volumes are not available on the regional market for a single transaction.
- Tender terms were inconsistent with gas market practices, restricting the competition and driving up acquisition costs. The procurement orders included restrictive provisions, such as the right to change volumes by $\pm 20\%$ or the performance guarantee of 25% of the cost of gas.
- The Parliament and the Government have dealt with the problem superficially: no analysis of the problems has been carried out and the legal framework has not been modified. Instead, the authorities passed the blame on to other people, manipulating public opinion.
- As a result, the distribution operators subordinated to Moldovagaz repeated the same errors in 2025, when purchasing gas for technological consumption.
- Energocom did better in procuring gas when the political factor was not involved in the decision-making process. However, receiving bids through the corporate mailbox involves certain communication security risks, which could affect the fairness and transparency of the bidding proceedings.
- The problems can be overcome by amending the legislation in accordance with the European rules: (1) establishing clear provisions, based on which the operators should develop the annual gas procurement strategy; (2) the introduction of mandatory minimum requirements regarding the rules for organizing tenders and defining auctioned products; (3) establishing the minimum cybersecurity requirements for the auctions organized through the corporate mailbox of Energocom.

1. Summary

The Republic of Moldova is totally dependent on gas imports and price fluctuations on regional markets. Under these circumstances, gas procurement must be organized with maximum responsibility to manage price volatility and ensure security of gas supply. Since the liberalization of the gas market is only at the beginning of the road, the suppliers with the public service obligation (initially Moldovagaz, later Energocom) are still responsible for the procurement of gas.

The price of gas is volatile and cannot be accurately forecasted. To manage this risk, European countries procure gas in small quantities throughout the warm season (April-October), based on clearly defined procedures and monitoring rules. The Republic of Moldova has not yet introduced clear rules into the national legislation. Because of this, the purchase of gas was carried out with multiple mistakes and scandals, and the cost of these errors was fully felt in the bills paid by consumers.

During the state of emergency in the energy sector (2022-2023), Energocom was responsible for the purchase of gas, based on the public service obligation. At that time, Energocom did not have a license for gas supply, so Moldovagaz determined the necessary volumes of gas that Energocom had to purchase. In January 2023, Energocom purchased an excessive volume of gas at high prices, partly pursuant to the decision of the Commission for Exceptional Situations. This volume of expensive gas was included in the final tariff, paid by consumers. While the price of gas on regional exchanges was decreasing, Moldovan consumers continued to pay an increased tariff because of the previously purchased expensive gas.

In May 2024, the public service obligation (and implicitly the procurement of gas) returned to Moldovagaz. The company started purchasing gas for the winter only in mid-July 2024 and tried to procure the entire volume of gas in one day. Likewise, the gas purchase orders included the possibility of changing the monthly volume by $\pm 20\%$, contrary to market practices, thus limiting competition. As a result, gas was purchased late and at expensive prices, and consumers again paid for these mistakes.

Although the subject was discussed on the parliamentary platform in December 2024, the legislation was not amended and the decisions of the Moldovagaz management were not scrutinized. Consequently, the same mistakes were repeated in 2025, when the distribution operators subordinated to Moldovagaz purchased gas to cover technological consumption and gas losses in the distribution pipelines.

Starting with September 2025, all gas consumers switched to the state supplier Energocom, which was tasked with the public service obligation after the supply license from Moldovagaz was withdrawn.

Energocom announced that it had stockpiled gas reserves for the entire heating season, at an average forecast price of €38.5/MWh.¹ This price was lower than the price included in the final tariff (€45.7/MWh), and consumers were waiting for a reduction in the gas tariff before the start of the heating season. However, the tariff reduction occurred only in February 2026, towards the end of the cold season, sparking a new wave of discontent in society. The delay is due to the fact that in January-April 2025 we consumed the gas purchased by Moldovagaz at a much more expensive price, of 52 EUR/MWh,² and the company accumulated negative tariff deviations of 450 million MDL. These deviations were recovered in October-December 2025, when we consumed cheaper gas, purchased by Energocom.

In this study we examine the causes of problems with gas procurement and what measures need to be taken by the authorities to ensure that future gas purchases will be organized more efficiently.

¹ Energocom press release of 16.09.2025, <https://energocom.md/energocom-pretul-mediu-prognozat-de-achizitie-a-gazelor-pentru-anul-gazier-2025-2026/>

² Presentation to the ANRE press release of 03.02.2026, <https://anre.md/anre-reduce-pretul-gazelor-din-februarie-2026-consumatorii-casnici-vor-plati-13-353-lei1000-m3-fara-tva-3-1245>

2. How EU countries procure gas for the heating season

The purchase of gas takes place mostly on regional exchanges, where the price depends on supply and demand. The price of gas on the trading platforms cannot be accurately forecasted, because there are many factors that influence supply and demand (economic growth or recession, climate factors, geopolitical confrontations, sanctions, etc.).

Figure 1 shows the evolution of gas prices in 2024-2026 on the TTF exchange³ in the Netherlands – the main gas trading platform in the EU:

Figure 1: evolution of the price of gas on the TTF exchange



Price volatility risk can be mitigated through diversification: "not putting all eggs in one basket." In other words, it is very risky to purchase the entire volume of gas in a single day, because it is not known what the price will be in the coming days or months.

European countries apply the following diversification elements when purchasing gas for the heating season:

- The purchase of gas starts in April, immediately after the end of the cold season;
- Procurements take place during the warm period (April-October), when consumption is low and the price is lower;
- Gas is purchased in small weekly volumes, ensuring that the purchase price aligns with market price fluctuations;
- EU members establish a monthly storage filling trajectory to monitor how the procurement process is going. Storage facilities must be at least 80% full by the beginning of the heating season.

³ Source: <https://tradingeconomics.com/commodity/eu-natural-gas>

The purchased gas is stored in underground facilities only in countries that have such infrastructure. The other countries (including the Republic of Moldova) procure gas for later delivery during the winter. The purchase of gas for underground storage in the EU takes place gradually, in small amounts each week, following the principle of diversification. Figures 2 and 3 show the filling charts of gas storage⁴ in the last 2 years:

Figure 2: 2024 EU gas storage filling schedule

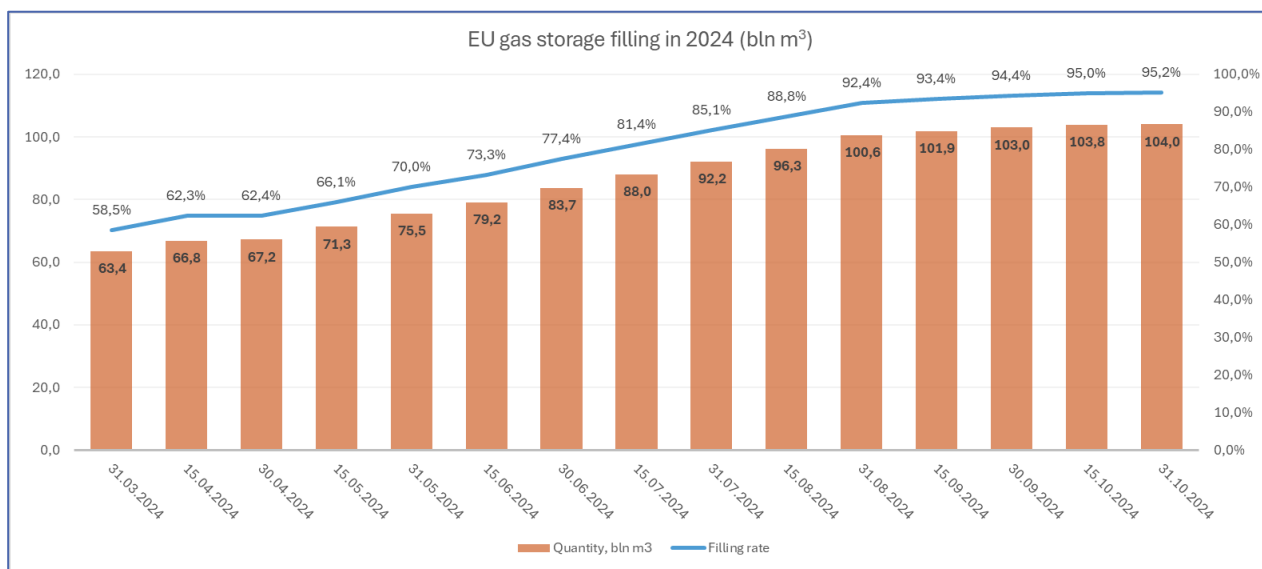
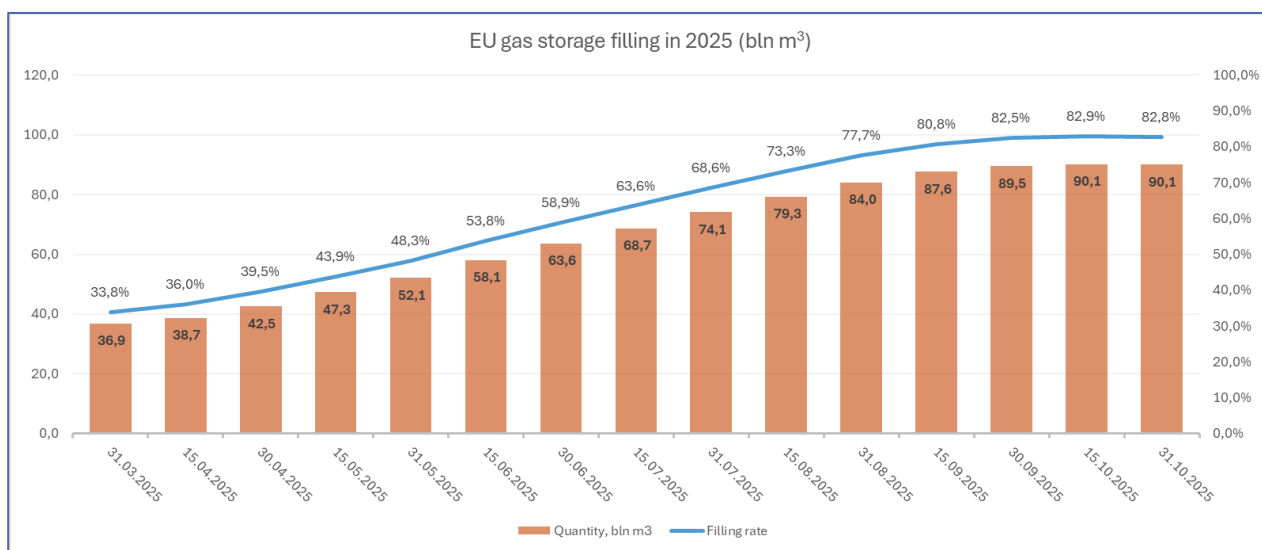


Figure 3: 2025 EU gas storage fill schedule



The capacity of underground storage can exceed the annual gas consumption of the country concerned. In such situations, a part of the storage capacity is offered to neighboring countries to store the purchased gas.

⁴ Source: Aggregated Gas Storage Inventory / Gas Infrastructure Europe, <https://agsi.gie.eu/>

As can be seen, EU countries procure gas gradually, throughout the warm season. This diversification strategy (staged procurement) is used to hedge against gas price fluctuations on the spot markets. No one can predict how the price will evolve, so it is too risky to buy all the volume in one day.

3. The mistakes Moldovagaz committed when purchasing gas in 2024

The purchase of gas can be carried out only by the operator with public service obligation. During the state of emergency and until April 2024, Energocom was in charge of gas procurement based on the decision of the Commission for Emergency Situations⁵, and starting with 01.05.2024, the public service obligation (and implicitly – gas procurement) reverted to Moldovagaz. First of all, it is necessary to clarify the following procedural aspects:

- **Where did Moldovagaz buy gas from:** the purchases were made on the BRM East trading platform⁶, which is a specialized gas exchange, authorized on the territory of the Republic of Moldova⁷. Moldovagaz placed gas purchase orders on the gas exchange, and Energocom and other suppliers sent price offers, looking for gas from regional traders.
- **Who approves the decision on gas procurement:** the responsibility for gas procurement is the competence of the Board of Directors of Moldovagaz. Although the total cost of gas for the winter season is a large transaction, the legislation provides for an exception: transactions carried out on the commodity exchange do not require the approval of the hierarchically superior bodies of the company, as provided for in art. 82 para. (10) of Law no. 1134/1997 on joint stock companies. Respectively, **the decisions to purchase gas were approved exclusively by the Board of Directors of Moldovagaz**, without approval from the shareholders or the Supervisory Board.

Figure 3: excerpt from art. 82 of Law no. 1134/1997 on joint stock companies

(10) Prevederile prezentului articol nu se aplică tranzacțiilor de înstrăinare sau de procurare a bunurilor societății care se efectuează prin licitații deschise, publicând, cu cel puțin 10 zile lucrătoare înainte de data licitației, un aviz în Monitorul Oficial al Republicii Moldova, inclusiv tranzacțiilor realizate la bursă și/sau tranzacțiilor efectuate la inițiativa sau sub supravegherea unei autorități administrative sau judiciare, precum și în cazul în care toți acționarii societății au decis astfel.

⁵ Item 2.1. of the CSE Provision no. 97/2023 (PDF doc), https://old.gov.md/sites/default/files/document/attachments/97_dispozitia_cse_rm_nr_97_27.12.2023.pdf

⁶ BRM East Platform, <https://brmeastenergy.md/piata-forward-gn/>

⁷ ANRE Decision no. 172/2022, https://www.legis.md/cautare/getResults?doc_id=130890&lang=ro#

The late procurement of gas, at increased prices, occurred due to a series of mistakes admitted by the Moldovagaz management when organizing the tenders, namely:

3.1. The purchase of gas for the winter started with a delay of 2 months

The first gas purchase order was placed on the BRM East trading platform only on 12.07.2024⁸. It must be noted that EU countries start purchasing gas for the winter season in April, and the public service obligation returned to Moldovagaz on 01.05.2024. Therefore, Moldovagaz missed 2 months when the price of gas on the trading platforms was more attractive.

3.2. Moldovagaz tried to buy the entire volume in one day

Through the procurement orders of 12.07.2024 and 19.07.2024⁹, Moldovagaz repeatedly tried to procure in one day the entire volume of gas for winter consumption, or about 630.6 million m³ (!), completely ignoring the rules of risk diversification and distorting the gas market:

Figure 4: excerpt from the gas procurement order by Moldovagaz on 12.07.2024

<u>Cantitate</u>	5 290 208 MWh (estimativ 497 200 000 m³) (în condițiile standard la t=20°C, P=101,325 kPa) Energia va fi calculată folosind volumul de gaze naturale măsurat în Smc (standard metri cubi, 20°C) și puterea calorifică superioară la temperatura de combustie de 25°C și temperatura de măsurare de 20°C.
noiembrie	927 808 MWh (estimativ 87 200 000 m³)
decembrie	1 502 368 MWh (estimativ 141 200 000 m³)
ianuarie	1 685 376 MWh (estimativ 158 400 000 m³)
februarie	1 174 656 MWh (estimativ 110 400 000 m³)

Figure 5: excerpt from the gas procurement order by Moldovagaz on 12.07.2024

<u>Cantitate</u>	1 419 376 MWh (estimativ 133 400 000 m³) (în condițiile standard la t=20°C, P=101,325 kPa) Energia va fi calculată folosind volumul de gaze naturale măsurat în Smc (standard metri cubi, 20°C) și puterea calorifică superioară la temperatura de combustie de 25°C și temperatura de măsurare de 20°C.
Martie	1 099 112 MWh (estimativ 103 300 000 m³)
Aprilie	320 264 MWh (estimativ 30 100 000 m³)

⁸ (A) Order of 12.07.2024 on the procurement of gas volumes for November 2024 – February 2025 (PDF doc), <https://gasforward.brmeastenergy.md/gassstatsgfw/assets/documents/download?documentId=86672> and (B) Order of 12.07.2024 on the procurement of gas volumes for March-April 2025 (PDF doc),

<https://gasforward.brmeastenergy.md/gassstatsgfw/assets/documents/download?documentId=86678>

⁹ (A) Order of 19.07.2024 on the procurement of gas volumes for November 2024 – February 2025 (PDF doc), <https://gasforward.brmeastenergy.md/gassstatsgfw/assets/documents/download?documentId=86692> and (B) Order of 19.07.2024 on the procurement of gas volumes for March-April 2025 (PDF doc),

<https://gasforward.brmeastenergy.md/gassstatsgfw/assets/documents/download?documentId=86696>

Initially, the problem was noticed by the member of the Supervisory Board of Moldovagaz, Sergiu Tofilat. In an email sent to Moldovagaz's management on 18.07.2024, he mentioned the need to diversify risks and purchase gas in smaller volumes, in different periods¹⁰:

Figure 6: excerpt from the email message sent by Sergiu Tofilat to the management of Moldovagaz on 18.07.2024

Consider inacceptabile și riscante acțiunile conducerii Moldovagaz de a procura tot volumul într-o zi. Solicit retragerea anunțului de procurare a gazelor pe bursă, planificat pentru 19 iulie, și convocarea unei ședințe la Minister pentru a discuta următoarele:

1. Stabilirea unor produse standard spre licitare, după cum am indicat în punctul 3 (month +1, +2 etc, Quarter, Winter)
2. Stabilirea principiilor de diversificare a riscurilor la procedurile de achiziții.

Spre exemplu, stabilim produsele (P) standard:

- P2 - Quarter 4/2024 (Oct - Dec), 267,3 mln m³;

- P3 - Quarter 1/2025 (Jan - Mar), 372,1 mln m³;

- stabilim mecanismul de diversificare a riscurilor, astfel încât să procurăm volumele în perioade diferite, în câteva etape.

De pildă, într-o zi să nu procurăm mai mult de 20% din volumul pe fiecare produs.

Kind regards,
Sergiu Tofilat

However, Moldovagaz ignored the warnings and continued to organize tenders with deviations from standard gas market practices¹¹. Repeatedly, the problem was highlighted during the meeting organized by the Ministry of Energy on 06.08.2024. The director of Energocon explained that the volumes available on the regional exchanges are much lower (up to 300 thousand MWh, or ~30 million m³), and **the purchase of a large volume of gas in a single day leads to an increase in prices**.¹² In order to obtain a lower price, it is necessary to divide the purchases into smaller volumes:

Figure 7: excerpt from the minutes of the meeting organized by the Ministry of Energy on 06.08.2024

DI Victor Binzari a explicat că volumul de 1.3 mil Mwh este un volum foarte mare, care în regiunea noastră nu există, ca să fie achiziționate odată. Respectiv, pentru a fi livrat toată lumea încearcă să cumpere de pe piețe adiacente, ceea ce crește prețurile. Ofertele disponibile pe piața noastră sunt în jurul la 200 mii MWh – 300 mii MWh. Diminuarea volumului duce la scăderea prețului oferit.

It was only in August 2024, after several failed tenders, that Moldovagaz began to take these recommendations into account, having failed to purchase gas in July, at lower prices.

¹⁰ Email message of 18.07.2024 to the management of Moldovagaz, <https://bit.ly/3ZGezh7>

¹¹ Moldovagaz's comments on the proposals of the member of the Supervisory Board of Moldovagaz, Sergiu Tofilat, <https://bit.ly/41ncg44>

¹² Minutes of the meeting organized by the Ministry of Energy on 06.08.2024, p. 2 (doc PDF), https://www.mold-street.com/bma_userfiles/file/Proces%20verbal%20Minenergie%20s%CC%A6edint%CC%A6a_06_08_2024_Strategia_de_achizitii.pdf

3.3. The condition of changing the volume of gas by $\pm 20\%$ distorts competition and demotivates participation in tenders

Moldovagaz included in the procurement notices¹³ a condition that gives it the right to change the volume of gas by $\pm 20\%$ (*tolerance margin to the purchased volume*):

Figure 8: excerpt from the gas procurement order by Moldovagaz on 12.07.2024

Client	SA „MOLDOVAGAZ”
Produs	Gaze naturale (în scop comercial)
Cantitate	5 290 208 MWh (estimativ 497 200 000 m ³ (în condițiile standard la t=20°C, P=101,325 kPa)) Energia va fi calculată folosind volumul de gaze naturale măsurat în Smc (standard metri cubi, 20°C) și puterea calorifică superioară la temperatura de combustie de 25°C și temperatura de măsurare de 20°C.
	noiembrie 927 808 MWh (estimativ 87 200 000 m ³)
	decembrie 1 502 368 MWh (estimativ 141 200 000 m ³)
	ianuarie 1 685 376 MWh (estimativ 158 400 000 m ³)
	februarie 1 174 656 MWh (estimativ 110 400 000 m ³)
Atribut (total/partial)	Total în profil zilnic proporțional numărului de zile din luna de gestiune <u>cu limita de toleranță $\pm 20\%$ la cantitatea zilnică și lunară</u>

In this regard, Energocom presented clarifications before the auction¹⁴, in which it explained that normal market practices do not allow the volumes to be modified. If a buyer purchases a smaller amount of gas than stipulated in the contract, the trader is left with unsold gas volumes and tends to increase the price to hedge his risks. For this reason, Energocom recommended dividing the amount of gas into 2 distinct products:

- a) The firm volume, which will be purchased 100% in full, at a better price, and
- b) The flexible volume, which gives the buyer the right to purchase only a part of the contracted quantity, and for this right he will pay a mark-up.

*Example: gas consumption in December is an average of 150 million m³, but can vary depending on the temperature. If the winter is warmer, consumption can drop to 120 million m³, and if it is colder, consumption can increase to 180 million m³. In this case, **the firm volume** will be 120 mln m³ – the quantity that will certainly be consumed, and **the flexible volume** will be 60 mln m³, which can be purchased*

¹³ *Supra* notes 8 and 9

¹⁴ Clarifications presented by Energocom at the auction of 12.07.2024 (doc PDF), <https://gasforward.brmeastenergy.md/gassstatsgfw/assets/documents/download?documentId=86690>

additionally if necessary. The buyer has the right not to purchase the full flexible volume, and for this he pays a mark-up to the price.

Figure 9: Energoecom's clarifications to Moldovagaz's gas procurement order of 19.07.2024

<p>3. <u>Ședințele de tranzacționare:</u> BRME_GAS_S_01-10-2024, BRME_GAS_S_01-11-2024 BRME_GAS_S_01-03-2025</p> <p>Ideea obținerii unui cost minim al gazelor naturale contravine cu prevederea livrării gazelor naturale cu o limita de toleranță $\pm 20\%$. Explicație: practica internațională la care Energoecom S.A. se aliniază, reflectă o toleranță de 0% și în rare cazuri poate ajunge la $\pm 5\%$. <u>Cea mai ieftina achiziție de gaze naturale se efectuează în flux ferm și continuu.</u> Aceasta abordare este condiționată de faptul că vânzătorul oferă un preț sau o reducere pentru un volum cu o limita de toleranță $\pm 20\%$ care în consecință, nu știe dacă va fi comercializat și anticipând această situație, sporește prețul sau diminuează din reducere pentru a acoperi anumite riscuri.</p> <p>Prin urmare, Energoecom S.A. sugerează modificarea formulelor de calcul a celor 3 ședințe de tranzacționare sus menționate după cum urmează: <u>volumele total ferme care vor fi cu siguranță achiziționate de către Moldovagaz S.A., sa fie cu formula TTF_{FM} iar volumul adițional care constituie toleranța de $\pm 20\%$ după formula de TTF_{DA} (unde TTF_{DA} este valoarea indicelui TTF Day Ahead, publicat în Argus European Natural Gas - Daily Natural Gas Market Prices, în tabelul Featured index pentru ziua anterioară lucrătoare a zilei care preceda ziua de livrare, în Euro/MWh.) Astfel, volumul ferm va fi achiziționat cu preț de referință lunară conform solicitării și volumul cu toleranță de $\pm 100\%$ la preț de piață, dar fără a influența negativ reducerea care poate fi oferită în urma ședințelor de tranzacționare.</u></p>	<p>Nu se acceptă.</p> <p>SA „Moldovagaz” are nevoie de toleranță stabilită în contract din următoarele circumstanțe.</p> <p>În conformitate cu art. 85 alin. (9) din Legea nr. 108/2016 cu privire la gazele naturale Furnizorii care furnizează gaze naturale în contextul obligațiilor de serviciu public stabilite la art. 89 și 90 procură gaze naturale urmărind realizarea unui echilibru între obținerea unui cost minim al gazelor achiziționate și asigurarea siguranței în aprovizionarea cu gaze naturale a consumatorilor finali pentru o perioadă rezonabilă.</p> <p>Prelevările zilnice de gaze naturale ale consumatorilor SA „Moldovagaz” variază semnificativ în funcție de sezon. Peste 90% din consumatorii depind direct de temperatura atmosferică, ceea ce duce la o variație zilnică a consumului iarnă în limita de $\pm 30\%$ față de volumul mediu zilnic.</p> <p>În perioadele de tranziție toamnă-primăvară, cererea de gaze naturale poate crește brusc sau poate scădea în mod imprevizibil, tot din cauza dependenței mari de temperatura aerului exterior, ceea ce duce la fluctuații bruște ale consumului pe parcursul lunii.</p> <p>Totodată, reieșind din necesitatea dispunerii de prețuri previzibile de procurare a gazelor naturale pentru consumatorii de pe piața reglementată, SA „Moldovagaz” are necesitatea stabilirii prețurilor în contracte în baza cotațiilor medii specifice perioadelor, evitând procurarea gazelor în baza prețurilor zilnice de pe burse, care pot avea fluctuații imprevizibile.</p>
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As can be seen, **Moldovagaz rejected these proposals as well.** As a result, both auctions on 12.07.2024 and 19.07.2024 ended unsuccessfully.

At the meeting organized by the Ministry of Energy on 06.08.2024, Moldovagaz President Vadim Ceban admitted that the condition regarding the modification of gas volumes by $\pm 20\%$ (tolerance margin) creates uncertainties for traders, who are not interested in participating in the auction¹⁵:

Figure 10: excerpt from the minutes of the meeting organized by the Ministry of Energy on 06.08.2024

DI Vadim Ceban a prezentat volumele estimate de către SA Moldovagaz, necesare pentru consumul „malului drept al râului Nistru”, care presupune un marjă de toleranță de +/- 20%, din cauza variației temperaturilor în lunile de început și de sfârșit a perioadei de încălzire. DI Ceban a relatat că SA Moldovagaz a întreprins o încercare de achiziție a volumelor respective, anterior, printr-o licitație pe platforma BRM East Energy, dar care nu s-a soldat cu succes. Concluziile trase au fost faptul că anume marja de toleranță solicitată face ca produsul să nu fie unul atractiv pentru participanții la piață. În consecință, SA Moldovagaz, a decis ca să împartă volumele necesare, în două tipuri de produs și anume, un produs flexibil, care să acopere marja de toleranță, și un produs cu volum fix, perioada 1 octombrie 2024 – 1 iunie 2025. Gazele achiziționate pentru produsul flexibil urmează a fi stocate în depozitele de stocare subterană din Ucraina, iar gazele destinate produsului fix, vor fi livrate la termen. SA

¹⁵ Supra note 12: Minutes of the meeting organized by the Ministry of Energy on 06.08.2024, page 1.

As we noted in the previous paragraph, the auctions organized in July were unsuccessful. Subsequently, on August 6, 2024, the Ukrainian forces initiated an operation in Russia's Kursk region¹⁶, where the Sudja gas metering station is located, which was used at the time by Gazprom to transit gas to Europe. As there was a risk of stopping the transit of Russian gas through Ukraine to the EU, European hub prices rose sharply. Consequently, this drove up the acquisition costs for Moldovagaz.

3.4. Performance guarantee – higher than for other participants

Another condition of the auctions organized by Moldovagaz was the performance guarantee of 25% of the cost of gas. In other words, traders who wanted to sell gas to Moldovagaz had to offer a guarantee of 25% of the total cost of gas¹⁷:

Figure 11: excerpt from Moldovagaz's draft contract at the auction of 05.09.2024

Valoarea garanției de bună execuție trebuie să acopere 25 % din contravaloarea gazelor naturale contractate pentru livrare. Garanția de bună execuție poate fi executată de către Cumpărător pentru nelivrare și neplată a penalităților aplicate în conformitate cu prevederile Contractului de vânzare-cumpărare a gazelor naturale.

The performance guarantee is necessary if a trader violates the provisions of the contract and refuses to deliver the gas. In such a case, he pays the buyer (i.e. Moldovagaz) the performance guarantee. However, it is important that the guarantee ceiling is at the same level as the established practice on the market.

After several unsuccessful tenders, in September 2024 Moldovagaz reduced the performance guarantee to 15%.¹⁸ However, even this ceiling was much higher than in the auctions organized in the free market:

- **CET-Nord: the performance guarantee was 10%** at the April 2024¹⁹ and September 2024 auctions²⁰:

Figure 12: excerpt from the draft contract of CET-Nord at the auction of 11.04.2024

11.3. În termen de până la data de 15.09.2024 VÂNZĂTORUL va constitui o garanție de bună execuție a contractului în mărime de 10% din valoarea contractului, care poate fi instituită după unul din modelele descrise mai jos:

¹⁶ Kyiv Independent, <https://kyivindependent.com/russia-kursk/>

¹⁷ Draft of the gas sale-purchase contract at the Moldovagaz auction of 05.09.2024, item 3.3 (PDF doc), <https://gasforward.brmeastenergy.md/gassstatsgfw/assets/documents/download?documentId=86919>

¹⁸ Draft of the gas sale-purchase contract at the Moldovagaz auction of 24.09.2024, item 3.4 (PDF doc), <https://gasforward.brmeastenergy.md/gassstatsgfw/assets/documents/download?documentId=87050>

¹⁹ Draft of the gas sale-purchase contract at the CET-Nord auction of 11.04.2024, item 11.3 (PDF doc), <https://brmeastenergy.md/wp-content/uploads/Contract-achzitionare-a-gazelor-naturale-V.1-din-08.04.2024.pdf>

²⁰ Draft of the gas sale-purchase contract at the CET-Nord auction of 23.09.2024, item 11.3 (PDF doc), <https://brmeastenergy.md/wp-content/uploads/CONTRACT-achizitionare-g.n.pdf>

It should be noted that, according to the estimates of the Ministry of Energy, at the September 2024 auctions, CET-Nord managed to obtain a price lower by 3.9 EUR/MWh compared to the purchase price of Moldovagaz in the same period.²¹

- **SA Franzeluța: likewise, the performance guarantee was 10%** at the auction in August 2024²²:

Figure 13: excerpt from the draft contract of SA Franzeluța at the auction of 23.08.2024

9.2. În termen de 5 zile calendaristice de la semnarea contractului, VÂNZĂTORUL transferă CUMPĂRĂTORULUI o garanție de bună execuție a contractului în mărime de 10% din valoarea contractului.

- For comparison, **in 2025 Moldovagaz subsidiaries demanded a guarantee of only 5%** for gas purchase tenders to cover technological consumption in distribution pipelines²³:

Figure 14: excerpt from the draft contract of Chisinau-gaz at the auction of 25.09.2025

3.4 Garantarea executării prezentului Contract, aferent livrării gazelor naturale, se va realiza prin constituirea de către Vânzător a unei garanții de bună execuție, în valoare de 5,0 % din valoarea ofertei, inclusiv TVA, sub una din următoarele forme:

Analyzing the mistakes made in gas procurement during 2024, we can conclude that Moldovagaz's management entirely ignored market rules and imposed uncompetitive conditions during the bidding process. The company's management knew as early as December 2023 that, starting with 01.05.2024, it would have the public service obligation and would be responsible for the purchase of gas. The company could contract the services of consultants to carry out a **market analysis** and establish optimal conditions for gas procurement, to obtain an advantageous price.

The purchase of gas for the winter season was initiated with a delay of over 2 months and was completed only on 13.12.2024²⁴. The tenders were held based on uncompetitive conditions, which diverge significantly from gas market rules. As a result, Moldovagaz bought gas much later and at a higher cost, and consumers had to pay for these mistakes.

²¹ Mold-street.com, 24.11.2024, <https://www.mold-street.com/noutate/se-cauta-un-vinovat-pentru-ca-nu-au-fost-cumparate-gaze-ieftine-pentru-iarna>

²² Draft of the gas sale-purchase contract at the Franzeluța auction of 23.08.2024, item 11.3 (PDF doc), <https://brmeastenergy.md/wp-content/uploads/Contract-de-achizitionare-a-gazelor-naturale-pentru-publicare-pe-platforma-BRMANEXE.pdf>

²³ Draft of the gas sale-purchase contract at the Chisinau-gas auction of 25.09.2025, item 3.4 (PDF doc), [https://chisinaugaz.md/storage/files/shares/Achizitii2020/16%20Amendatment%20cu%20Contract%20vanza-re-cumparare%20gaze%20opera%C8%9Bionale%20\(26.09.25\).pdf](https://chisinaugaz.md/storage/files/shares/Achizitii2020/16%20Amendatment%20cu%20Contract%20vanza-re-cumparare%20gaze%20opera%C8%9Bionale%20(26.09.25).pdf)

²⁴ Moldovagaz press release of 13.12.2024, <https://www.moldovagaz.md/rom/centrul-de-presa/comunicate-de-presa/republica-moldova-este-asigurata-cu-gaze-naturale-pentru-intregul-sezon-de-incalzire>

4. The central authorities ignored the issue and misled the public

On 26.11.2024, Moldovagaz submitted to ANRE a request to increase natural gas tariffs²⁵, before completing the purchase of gas for the winter. ANRE decided to examine the request the next day, as a matter of urgency and without public consultations.²⁶ This raised many questions among the public.

As a result, on 03.12.2024 the Parliament held public hearings about gas procurement²⁷. The hearings were superficial: **the problems related to the purchase of gas**, described in chapters 3 and 6, were ignored and no measures were proposed to adjust the legal framework to prevent such situations in the future. In truth, **the alleged parliamentary hearings had other purposes**:

- to justify the actions of the Moldovagaz management, which admitted mistakes in the purchase of gas.
- to mislead public opinion and transfer the responsibility for increased gas tariffs onto other people.

During the hearings, only one relevant proposal was formulated – on the phased purchase of gas to reduce the risk of price fluctuations²⁸, but the Parliament did not transpose this requirement into legislation:

Figure 15: extract from Parliament's press release of 03.12.2024

Astfel, furnizorii de gaze naturale și energie termică vor prezenta un plan de achiziție pentru diversificarea produselor, pentru o perioadă de 12 luni. „O solicitare de a noastră este ca aceste achiziții să nu fie făcute toate odată. Trebuie făcute progresiv, să fie împărțite în contracte, cu formule de preț, furnizori și perioade diferite, pentru a reduce riscul de turbulente pe piață”, a specificat deputatul Radu Marian.

Exactly the same recommendation was made a few months earlier by the member of the Supervisory Board of Moldovagaz, Sergiu Tofilat, and the director of Energocom, as mentioned above in paragraph 3.2.

The manipulation of public opinion was amplified by Prime Minister Dorin Recean. Instead of demanding the resignation of the Board of Directors of Moldovagaz, which was responsible for the purchase of gas, Prime Minister Recean knowingly ignored this fact

²⁵ Moldovagaz request of 26.11.2024 on the adjustment of gas tariffs (PDF Doc), <https://anre.md/storage/upload/projects/announcements//tmp/phpmWuRIU/Cerere%20MG%20privind%20revizuirea%20pre%C8%9Burilor%20reglementate%20pentru%20furnizarea%20g....pdf>

²⁶ ANRE press release of 26.11.2024, <https://anre.md/aviz-privind-ajustarea-preturilor-reglementate-a-gazelor-naturale-3-956>

²⁷ Public hearings organized by the Parliament on 03.12.2024 on the purchase of gas, <https://www.youtube.com/watch?v=kI9fi0rWMRA>

²⁸ Parliament's press release of 03.12.2024, <https://parlament.md/ns-newsarticle-Majorarea-tarifului-la-gazele-naturale-i-impactul-asupra-consumatorilor-i-economiei-discutate-la-Parlament.-Comisia-de-profil-a-recomandat-mai-multe-aciuni.nspX>

and ordered the dismissal of the Minister of Energy, the director of Energocom and the member of the Supervisory Board of Moldovagaz²⁹:

Figure 16: excerpt from the Government's press release of 05.12.2024

5 decembrie 2024, Chișinău – Prim-ministrul Dorin Recean a solicitat demisia mai multor persoane responsabile pentru situația creată în sectorul energetic al Republicii Moldova. Din funcții vor fi demisi ministrul Energiei, Victor Parlicov, care a admis greșeli în gestionarea situației, și directorul general Energocom, Victor Bînzari. Potrivit premierului, Energocom nu a achiziționat gaze, ascunzându-se în spatele birocrăției, și nu a asigurat, astfel, necesarul pentru perioada de iarnă la cele mai avantajoase prețuri.

De asemenea, a fost solicitată demisia lui Sergiu Tofilat din funcția de membru al Consiliului de Observatori al „Moldovagaz”, care a blocat achiziționarea de gaze de către instituțiile responsabile. În acest sens, prim-ministrul a solicitat Agenției Proprietății Publice să convoace Adunarea Generală pentru a numi un nou membru, în colaborare cu societatea civilă.

As mentioned in Chapter 3, the gas procurement decisions were approved exclusively by the Board of Directors of Moldovagaz based on the provisions of art. 82 para. (10) of Law no. 1134/1997 on joint-stock companies, which provides that transactions carried out on trading platforms do not require the approval of the shareholders or the Supervisory Board. Therefore, **Prime Minister Recean consciously misinformed the public opinion and brought unfounded accusations against the dismissed persons.**

In June 2025, the Parliament amended the Law on Natural Gas. According to the new provisions, suppliers with a public service obligation (in this case – Energocom) must annually approve, by March 31, a natural gas procurement strategy³⁰:

Figure 17: new provisions introduced in the Law on Natural Gas

„(9¹) Pentru a asigura implementarea în mod eficient a prevederilor alin. (9) de către furnizorii care furnizează gaze naturale în contextul obligațiilor de serviciu public stabilite la art. 89 și 90, organele de conducere ale furnizorilor respectivi urmează să aprobe anual, până la 31 martie, o strategie de achiziție a gazelor naturale.”

However, the new regulation fails to outline the methodology for developing the gas procurement strategy, particularly regarding the timing of acquisitions, the monthly procurement schedule, the tender procedures, or the minimum requirements in purchase orders that would ensure competition. Also, this obligation does not extend to other regulated operators, such as the transmission system operator (TSO), distribution system operators (DSOs) or power plants (CHPs):

- CHPs represent about 35% of the gas consumption in the country;
- TSO and DSO procure gas to cover technological losses in the pipelines.

²⁹ Government press release of 05.12.2024, <https://gov.md/ro/comunicate-de-presa/decizii-importante-legatura-cu-situatia-din-sectorul-energetic-al-tarii>

³⁰ Art. 85 para. (91) of the Law on Natural Gas, amended by Law no. 152 of 19.05.2025, https://www.legis.md/cautare/getResults?doc_id=149356&lang=ro

5. Moldovagaz subsidiaries repeated the same mistakes in 2025

Legislative gaps combined with the authorities' disregard for regulating gas acquisition process led to the fact that Moldovagaz branches replicated the same mistakes in the September 2025 auctions, while procuring gas to cover grid losses.

Distribution operators buy gas to cover technological consumption and natural gas losses in distribution pipelines³¹. These procurements are made either through public auction³² or on trading platforms³³ such as BRM East. In September 2025, Moldovagaz subsidiaries published procurement notices to cover technological consumption and gas losses in distribution networks. The tender documentation published by Chisinau-gaz and other Moldovagaz branches again included the provision for a $\pm 20\%$ gas volume adjustment (tolerance limit)³⁴:

Figure 18: excerpt from the specifications of Chisinau-gaz at the auction of 25.11.2025

<p>5.2 Descrierea situației actuale la nivelul Beneficiarului</p> <p>Cantitățile de gaze naturale ce urmează a fi achiziționate pentru acoperirea consumului tehnologic și pierderilor de gaze naturale în rețelele de distribuție al gazelor naturale și menținerea rezervei de capacitate din rețelele ale întreprinderii vor fi disponibile în orice moment, la solicitarea Beneficiarului.</p> <p>Predarea-preluarea cantităților de gaze naturale se va realiza în profil zilnic ce se încadrează în <u>limita de toleranță $\pm 20\%$ din cantitatea medie zilnică.</u></p> <p>Perioada contractuală pentru care se face licitația – include 12 (douăsprezece) luni gaziere și include termenul de livrare: 01.10.2025 – 30.09.2026 inclusiv.</p>

It should be noted that, a year earlier, the President of Moldovagaz stated that this provision discourages the participation of traders in the auction (see paragraph 3.3). Therefore, this **requirement was intentionally included** in the tender conditions to limit competition, making it impossible to secure the best possible price. As a result, the winner of the auctions organized by Moldovagaz subsidiaries was declared Transautogaz³⁵, which is also part of the Moldovagaz group:

³¹ Art. 46 para. (3) of the Natural Gas Law no. 108/2016, https://www.legis.md/cautare/getResults?doc_id=151419&lang=ro#

³² Item 103 of the Natural Gas Market Rules, approved by ANRE Decision no. 534/2019, https://www.legis.md/cautare/getResults?doc_id=120439&lang=ro

³³ Art. 94 para. (3) of the Natural Gas Law no. 108/2016, https://www.legis.md/cautare/getResults?doc_id=151419&lang=ro#

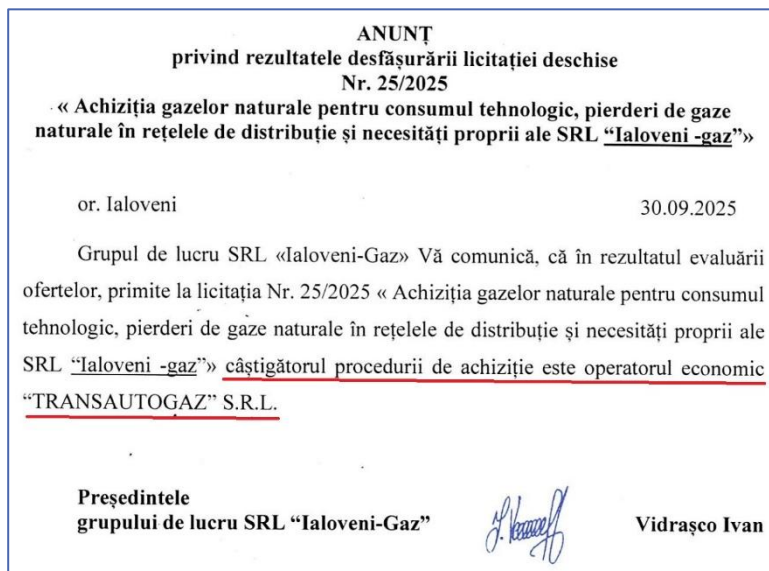
³⁴ Item 5.2. from the specifications for the Chisinau-gas tender of 25.11.2025, <https://chisinaugaz.md/storage/files/shares/Achizitii2020/03%20Anun%C8%9B%20Gaze%20operationale%202025%20pentru%20publicare%20actualizat%201.pdf>

³⁵ (1) Results of the Ialoveni-gas tender, <https://ialovenigaz.md/wp-content/uploads/2025/10/Anunt-rezultat.pdf>

(2) Balti-gas auction, <https://balti-gaz.md/wp-content/uploads/2025/09/Anunt-castigator.pdf>

(3) Results of the Orhei-gaz auction, <https://orhei-gaz.md/uploads/Rezultatul%20concursului%20Procurarea%20Gazelor%20naturale.pdf>

Figure 19: announcement regarding the winner of the auction organized by Ialoveni-gaz on 25.09.2025



The expenses related to the purchase of gas for technological losses **are included in the distribution tariff, paid by consumers**. Respectively, ANRE was to apply *the principle of maximum efficiency to minimum expenditures*³⁶ and identify the problems in question, which would have meant revising its normative acts or asking Parliament to adjust the legal framework. However, so far, the Agency has not taken any action in this regard.

6. Energocom is doing better, but there are risks regarding the safety of conducting auctions through the mailbox

In response to the attempts at energy blackmail and the reduction of gas supplies by Gazprom in 2021-2022, the Government put Energocom in charge of the gas procurements during the state of emergency.³⁷ Thus, between December 2022 and April 2024, Energocom was responsible for supplying gas to all consumers in the regulated market. To this end, in 2022 Energocom benefited from a €300 million loan from the EBRD.

Energocom demonstrated a more efficient gas procurement policy when it was not exposed to political influences: it saved consumers more than \$60 million in 2023 by sourcing gas from traders cheaper than the price from Gazprom.³⁸ This is because Energocom, unlike Moldovagaz, has a better reputation and can work with international traders. Energocom is fully state-owned and has no debts, while Moldovagaz is 50%

³⁶ The provisions of art. 8 para. (1) letter e) of the Natural Gas Law no. 108/2016

³⁷ GD no. 589/2022 on the imposition of the public service obligation in order to ensure the security of natural gas supply in an emergency situation, https://www.legis.md/cautare/getResults?doc_id=132742&lang=ro

³⁸ Agora.md, 31.01.2024, <https://agora.md/2024/01/31/parlicov-moldova-a-economisit-60-milioane-de-dolari-la-procurarea-gazelor-din-partea-energocom-video>

owned by Gazprom and has debts of over \$12.4 billion to Gazprom for gas consumed on the left bank of the Nistru.³⁹

6.1. In January 2023, an excessive volume of gas was purchased at high prices.

For the 2022-2023 heating season, Energocom purchased 600 million m³ of gas. Some of these volumes were purchased in January 2023 without auctions, based on the CSE provision, when prices were quite high.⁴⁰ The actual consumption was lower due to the mild winter and the measures to reduce gas consumption, approved by the Government.⁴¹ As a result, Energocom announced in May that it was left with a gas stock of 150 million m³, purchased at high prices.⁴² This expensive gas, purchased in January 2023 at a price of 60-80 EUR/MWh, was "mixed" with gas purchased during 2023 at lower prices (35 EUR/MWh).⁴³ Respectively, the expensive gas was gradually consumed until April 2024. In other words, gas purchased in excess in January 2023, at high prices, was consumed over the course of a year and led to an increase in the gas tariff.

Purchasing excess gas at high costs sparked allegations of corruption, partly due to the CSE decision to classify information about the gas sources. In the absence of conclusive evidence (contracts, bank turnovers), this hypothesis cannot be proven.

On the other hand, in 2022-2023 there was panic in the region and high price volatility, due to the cessation of Russian gas supplies to European countries. Thus, at the end of the heating season (31.03.2023), gas stocks in underground storage in the EU amounted to 55.6%,⁴⁴ being the highest in recent years.

In the case of the Republic of Moldova, the basic problem was **the lack of a gas procurement strategy** that would establish the necessary volume of gas and the procurement schedule. At that stage, Energocom did not have a gas supply license,

³⁹ Report of the Supervisory Board of Moldovagaz for 2024, page 4, https://www.moldovagaz.md/pic/uploaded/docs/MG_SM_2025_g2_file3.pdf

⁴⁰ CSE Provision no. 57A of 19.01.2023, https://old.gov.md/sites/default/files/document/attachments/dispozitia_57a.pdf

⁴¹ GD no. 606/2022 on the 2022-2023 heating season, Annex 2, https://www.legis.md/cautare/getResults?doc_id=133022&lang=ro

⁴² Energocom press release of 05.05.2023, <https://energocom.md/energocom-a-facut-publice-tranzactiile-de-gaze-naturale-raalizate-in-ultimul-an/>

⁴³ Between June and October 2023, SA Energocom acquired approximately 600 mln. m³ of gas (or 6.37 mln. MWh), at a weighted average price of USD 410/1000 m³ (EUR 35,07/MWh), <https://energocom.md/achizitiile-gaze-naturale-facute-egc-pentru-sezonul-2023-2024/>

⁴⁴ Aggregated Gas Storage Inventory, 31.03.2023, agsi.gie.eu

which was held by Moldovagaz. Accordingly, it was Moldovagaz that established the necessary volumes of gas, which Energocom procured and delivered to Moldovagaz.

6.2. Gas purchases following the procedure outlined in the EBRD loan contract.

According to the procedures established in the loan agreement, Energocom purchases gas from pre-selected traders, to exclude any possibility of Russian gas being purchased from the borrowed funds. At the initial stage, in April and May 2022, Energocom organized 2 pre-qualification rounds to select the traders eligible to participate in the upcoming tenders.⁴⁵ The tenders were organized via email – the dispatch of purchase orders to pre-qualified entities and the subsequent collection of price offers are carried out via the mailbox tenders@energocom.md.⁴⁶

Figure 20: excerpt from Energocom's briefing note

- De pe adresa poștală tenders@energocom.md se expedia un mesaj către companiile precalificate și cu care la acel moment Energocom avea încheiat contract EFET, unde era atașată cerere de prezentare a ofertelor.
- Urmare a recepționării ofertelor, e-mailurile erau deschise de către membrii grupului de lucru unde se citea cu voce tare conținutul mesajelor recepționate/ofertelor. După care, în cazul în care erau recepționate oferte, grupul de lucru se retrăgea pentru a evalua ofertele primite, emitând astfel un verdict – acceptat sau respins.

According to the gas procurement procedures stipulated in the loan agreement, the bidders prequalified for the auctions submit price offers in electronic format on the date and time set, and late bids are rejected.⁴⁷

Figure 1: extract from the gas procurement procedures provided for in the loan agreement, Annex 3, art. (C) (6)

- (6) Toți ofertanții pre-calificați sunt invitați simultan să depună oferte (în format electronic) care sunt primite până la o dată și o oră specificate (în format electronic). Orice ofertă depusă după data și ora specificate este respinsă.

The fairness of the auctions through the mailbox depends on **the integrity and security of the electronic data exchange in the bidding process**. In particular, there are risks that (1) some bids may be rejected or blocked on the server before reaching the mailbox, or (2) delivery delays may occur between the server and the

⁴⁵ Energocom's information note of 05.05.2023 regarding the prequalification procedures and gas purchases, <https://energocom.md/wp-content/uploads/2023/05/NOTA-precalificare-si-achizitii-final.pdf>

⁴⁶ *Idem*

⁴⁷ The loan agreement with EBRD, Annex 3, art. (c) (6) at page 38, <https://parlament.md/preview?id=158308a0-f357-4ce8-af54-ed0abd1c7d7c&url=https://ep-sp.parlament.md/materials/638780184170944402/Documents/20250328111141.pdf&method=GetDocumentContent>

mailbox, or (3) the offers will end up in spam. As a result, those bids are rejected, distorting the results of the auctions.

In order to avoid these risks, Energocom should develop internal procedures that define access rights for the server hosting the mailbox, log all server-side activities and operations and record the precise arrival time (*qualified timestamp*) of offers both at the server level and within the mailbox. More detailed recommendations are presented in Chapter 7.3.

7. Conclusions and recommendations

Legislative gaps facilitate both the occurrence of errors and undue political interference in gas acquisition processes. As a result, consumers pay exaggerated tariffs due to mistakes that could have been avoided. To resolve the issues described in the previous chapters, we have mapped the gaps in national legislation and are proposing gas procurement recommendations aligned with EU standards.

7.1. Gas procurement strategy

As mentioned in Figure 18, currently the law provides that only the gas supplier with the public service obligation (i.e. Energocom) must approve annually, by March 31, the gas procurement strategy.⁴⁸

Identified gaps: (1) this provision does not apply to other large regulated consumers, such as CHPs (Termoelectrica and CET-Nord), which have a share of 35% of the total gas consumption at national level but are not legally required to have a procurement strategy; (2) the law does not provide minimal criteria for diversifying the purchased volumes, in order to avoid buying the entire volume of gas in a single day, as happened in 2024; (3) the period for the gas procurement is not specified and there is no monthly trajectory for gas stock contracting (similar to *filling targets*) before the start of the heating season.

Recommendations: minimum requirements must be established to serve as the basis for drafting the annual gas procurement strategy. In EU Regulation no. 1938/2017 on measures to guarantee the security of gas supply,⁴⁹ there are already relevant provisions, which can be transposed into national legislation. Although the Republic of Moldova does not possess underground natural gas storage facilities, the criteria can be applied to gas volumes purchased under forward contracts with future delivery, specifically:

⁴⁸ Art. 85 para. (9¹) of the Natural Gas Law no. 108/2016

⁴⁹ EU Regulation no. 1938/2017 as amended on 03.02.2026, <https://eur-lex.europa.eu/legal-content/RO/TXT/PDF/?uri=CELEX:02017R1938-20260203>

Table 1: Recommendations on the gas procurement strategy

Necessary provision	Legal References/Comments
Establishing the obligation for CHPs to develop and approve the annual gas procurement strategy.	<i>The goal – to avoid purchasing the entire volume of gas in a single day, as in 2024</i>
Establishing the necessary gas volumes to be purchased for the heating season (October – April), based on the average consumption over the last 5 years.	<i>Art. 6a point 2 of EU Regulation 1938/2017</i>
By December 1, 90% of the volumes needed for winter consumption should be contracted.	<i>Art. 6a point 1 of EU Regulation 1938/2017</i>
Establishing the monthly trajectory (monthly chart) for gas purchases for the heating season. This provision will prevent attempts to procure the entire quantity of gas in a single day and will enable the authorities to oversee the procurement process.	<i>Article 6a point 10 of EU Regulation 1938/2017 in force and Annex 1a of the previous version of the Regulation,⁵⁰ as amended on 30.06.2022</i>
Reporting and monitoring of the monthly trajectory of stockpiling: if a regulated operator substantially deviates from the stock formation trajectory, ANRE should issue a recommendation on the remedial measures required to correct the deviation or to minimize the impact on security of supply.	<i>Art. 6a point 11, Art. 6b point 1, Art. 6d points 1 and 2 of EU Regulation 1938/2017</i>
Designating a specialized entity in charge of meeting the stockpiling objective if the objective would not otherwise be met.	<i>Art. 6b point 1 letter (i) of EU Regulation 1938/2017</i>
Optional: 60% of the stocks to be contracted based on the monthly trajectory, and 40% to be purchased at the discretion of the operators, based on the price forecast.	<i>This provision will provide flexibility to operators and will allow them to obtain optimal prices when purchasing gas.</i>

⁵⁰ EU Regulation no. 1938/2017 as amended on 30.06.2022, Annex 1a, <https://eur-lex.europa.eu/legal-content/RO/TXT/PDF/?uri=CELEX:32022R1032>

7.2. Minimum requirements for gas procurement rules

As mentioned in Chapters 3 and 5, the inclusion of atypical conditions in gas purchase orders can discourage bidders (traders) from participating in auctions. To achieve competitive gas pricing, multiple traders must compete in the auctions.

Procurement rules must align with regional gas trading practices to ensure maximum competition and obtain the most advantageous prices. Therefore, in addition to the approval of the strategy and the monthly trajectory of gas stock formation, **the legislation must establish minimum rules regarding the conditions for organizing tenders.** Based on these conditions, each operator must draw up its own internal regulations. This will allow the authorities to monitor whether the operators' management has taken all measures to ensure competition in the auctions and obtain the best price.

Below are outlined the shortcomings and recommendations regarding the rules for gas procurement:

a) Market research

Auction terms must be consistent with regional gas trading practices. As not all operators are familiar with the international rules, they might consider contracting a market study. While the law on sectoral procurement provides for the possibility that a contracting entity has the right to conduct market consultations in preparation for a procurement,⁵¹ such provisions are not applicable to gas procurement carried out by regulated operators.

Recommendation: Operators should have a market study on regional gas trading practices, describing at least the following aspects:

Recommendation	Description
Product formation criteria: firm volume and flexible volume	<p><i>As mentioned in chapter 3.3, the firm volume is auctioned as a separate product, based on front month quotations, and the flexible volume – on day ahead quotations.</i></p> <p><i>The firm volume is mandatory to be paid and consumed, the operator cannot refuse or modify the volume. Therefore, the trader is guaranteed to sell the full volume of gas, which allows them to provide more favorable pricing.</i></p>

⁵¹ The Law on Sectoral Procurement no. 74/2020, Art. 50. Market consultation, https://www.legis.md/cautare/getResults?doc_id=153662&lang=ro#

	<p>The flexible volume is not mandatory; the operator has the right to only what is needed or may decline the entire volume. For the trader, this represents a risk – they could be left with unsold gas. For this very reason, the flexible volume is auctioned under different terms: the operator will pay a premium for the right to consume as much as required.</p> <p>Example: let's admit that in December the average gas consumption is 150 million m³ for the last 5 years. If temperatures are lower, consumption can increase to 180 million m³, and if there is warmer weather, consumption could drop to 120 million m³. In this case:</p> <ul style="list-style-type: none"> • The firm volume will amount to 120 million m³ and is auctioned at Front month quotes; • The flexible volume will be 60 million m³ (180 - 120) and is auctioned at Day ahead quotes.
<p>The optimal mechanism for conducting auctions on the trading platform – single ring or competitive double ring⁵²</p>	<ul style="list-style-type: none"> • Simple competitive ring – atypical products, reduced competition, higher prices; • Double competitive ring – standard products, many participants, more competition and better prices.
<p>Payment Terms</p>	<ul style="list-style-type: none"> • Standard practices – prepayment, bank guarantee, letter of credit, escrow; • Atypical practices – payment within 30 days after delivery
<p>Value of the performance guarantee</p>	<p>The amount of the guarantee must correspond to regional practices. As the price fluctuation is large, the value of the guarantee can be determined based on statistical models.</p>

b) Purchasing gas to cover technical losses in gas networks

As mentioned in Chapter 5, the legal framework does not oblige transmission operators (TSOs) and distribution operators (DSOs) to purchase gas on trading

⁵² The procedure for trading natural gas through the BRM East platform, https://brmeastenergy.md/wp-content/uploads/Procedura-de-tranzactionare_Piata_ENGROS_v_2.0.-valabila-din-11.06.2024-2.pdf

platforms. Operators publish announcements on their websites, but the tender conditions are inconsistent with standard market practices.

The expenses related to the technical losses in gas networks are ultimately paid by the consumers. This gas must be purchased at the most favorable prices.

Recommendations:

- The TSO and DSOs must purchase gas to cover technological losses only on trading platforms, where competition is higher and prices are better. This provision must be introduced in the Natural gas law no. 108/2016 and in the Natural Gas Market Rules, approved by ANRE Decision no. 534/2019.
- The TSO and DSOs shall develop internal procedures for the auction rules specified in chapter 7.2. If necessary, they may commission a market study to analyze the trading conditions practiced in the regional markets.

7.3. Security requirements for auctions conducted via the mailbox

As mentioned in Chapter 6.2, receiving bids via email involves certain risks: tenders may be influenced by the integrity and security of the electronic data exchange in the reception process. Specifically, any possibility should be excluded when: (a) certain bids are received on the server before the deadline but are blocked from reaching the inbox on time, or (b) bids are accessed by persons with server access rights and the results are disclosed to the tender evaluation committee.

In this regard, Energo.com is to develop internal procedures that regulate at least the following aspects:

a) Server access rights

A *secure logging* mechanism and *full audit trail* must be established for all operations performed on the server of the tenders@energo.com.md address. Specifically, the following events should be recorded and retained: (a) successful and failed logins and authentication attempts to the server and mailbox; (b) the operations involving reading, copying, forwarding, downloading or deleting messages; (c) IP addresses, timestamps and identification of access devices; (d) changes to server configuration, including filtering, redirecting, or auto-forwarding rules.

b) Protection of security logs

It is necessary to protect the security logs against alteration or deletion of information about all operations performed on the server of the tenders@energo.com.md address. Likewise, the retention period for the information contained in these logs must be specified.

c) Integrity of the bids

The integrity of the bids must be ensured between the moment they are received on the server and the moment they are received in the mailbox, where the tender evaluation committee performs the bid opening. Cryptographic mechanisms must be established to ensure that the content of the bid cannot be altered, accessed or viewed before the submission deadline.

d) Exact time of receipt of offers

Upon the receipt of bids, *qualified timestamps* must be applied to confirm the exact time of bid reception: (a) on the server and (b) in the mailbox. This requirement is partially provided for in the Law on sectoral procurement no. 74/2020, but these provisions are not applicable to the acquisition of gas: *Art. 55, para. (4): 'The contracting entity shall compulsorily issue to the economic operator a receipt indicating the date and time of receipt of the offer or confirming its receipt in cases where the offer has been submitted by electronic means.'*

e) Editing whitelists and blacklists

The procedure for including and excluding email addresses in the *whitelist* and *blacklist* is to be defined. Similarly, provisions must be established regarding the authorization and documentation of changes to these lists.

f) External audit of server operations

Periodic (annual) external audit of the information in the security logs regarding the server operations is required. This audit is to be carried out after the completion of the gas procurement for the heating season (after December 1, according to the procurement strategy, provided for in Chapter 7.1).

g) Penetration tests

In the context of cyber-attacks, the company must periodically conduct penetration tests or vulnerability assessments on the mailbox infrastructure used in the gas acquisition bidding process.

7.4. Disclosure of information on the gas purchase price

The price of gas is a constant subject of speculation, particularly among political actors who make populist claims. The problem is amplified both by mistakes made in the procurement of gas and by the lack of clear provisions on the disclosure of information on the purchase price of gas.

Although the procurement of gas takes place before the heating season, the price formula includes the *front month* quotes, and the exact price is known on the last working day before the delivery month. In other words, if the operator contracts in July the gas that

will be consumed in December; the exact price will only be known at the end of November.

Recommendations: it is proposed to introduce a legal obligation for all regulated operators to publish on their electronic pages the following information about gas purchase:

- a) **After the completion of the purchases**, by December 1, all operators must publish the total volume of gas contracted, the date on which each purchase was made and the price formula: quotation + margin (for example: *TTF front month* + 8 EUR/MWh).
- b) **After the end of the heating season**, by May 1, all operators should publish the actual volume consumed each month (for the last 12 months) and the effective price of gas.