

INTEGRATION IN EUROPE PRESUPPOSES INVOLVEMENT OF GOVERNMENTS IN ENSURING ENERGY SECURITY

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Thermal energy consumption remains a serious problem, even for the well-developed countries. But when it comes to the countries under transition such as Moldova, things get even tougher. The difficulties are accentuated if these countries do not have their own energy resources. This is why the International Energy Agency (IEA), established in 1974 within the framework of the Organization for Economic Cooperation and Development (OECD) and is now the energy forum for 26 industrialized countries, is committed to coordinating energy policies and actions that are targeted to solving issues related to utilities' crisis, as well as to bringing about cooperation among energy programs. In 2004, IEA had published "Coming in From the Cold: Improving District Heating Policy in Transition Economies", a thorough study in the field. This study is recommended for the decision-makers from the federal governments, and is designed to provide assistance in drafting central heating strategies. Based on extensive experience and practice, the study aroused interest among the Moldovan energy specialists. The latter are now speculating about how to apply the study recommendations to the energy strategies drafted in Moldova.

The Alliance to Save Energy, funded by USAID, has already organized a meeting with representatives of the Ministry of Energy, Ministry of Economy, Technical University of Moldova, Termocom Company, etc. Taking into account that the study mainly analyzed the central heating systems and their role in the sustainable development of Central European and CIS countries, the meeting participants expressed their opinions on the state of the Moldovan thermal power sector, discussing how and under what conditions the European experts' recommendations could be implemented in the Moldovan heating sector. Certainly, participants of the meeting took into account economic, social, environmental, and security issues related to adjustment of the heating system to the new requirements.

Although reasonable, it is not yet to say that the experts' proposals should be adopted without a moment's hesitation. According to these proposals, for instance, a policy is needed to balance supply and demand through a mechanism of competition or regulation. The legislation and strategies in the heating sphere should stimulate energy efficiency and should be particularly targeted to consumers. Yet, regardless of what mechanism is selected (regulation or competition), a series of actions will be required. These actions should be common for both mechanisms – development of social assistance programs, elimination of direct subsidies for heat generators, toughening of the legislation with regard to payment collection, installation of meters, etc.

If the government decides to apply regulation, then it will be necessary to establish an independent regulatory structure, to plan minimal costs, and to totally cover the costs in the tariff. But if the government decides to create competition between various forms of heating, then the correctness of competition should be emphasized. That means it is necessary to eliminate subsidies for any type of heating, to allow heat suppliers to force the consumers to pay for the consumed energy. It is important to take into account that the socially vulnerable households can be severely impacted if the central heating is replaced by the individual one. Such categories of citizens should enjoy special social programs, without subsidizing heating energy generators. Also, it is necessary that the

governments should more actively assume the commitment to restructure the centralized heating sector.

The requirements are clear. The extent to which the governments of the countries under transition should be involved is also straightforward. The difficult question is how to adjust our heating system to these requirements, because all the components – cold and hot water, fuel consumption, transmission through the networks, metering – are interlinked, mutually influencing each other. At the same time, we should not forget that the thermal energy system is very expensive not only in Moldova, but throughout the world. In addition, this is an extremely conservative sector, and as famous scientists state, revolutionary ideas appear only once every fifty years. Aware of this, we understand that reinforcement of a country's energy security is a time-consuming matter, and that nowadays we have to use the available leverages and possibilities. Currently, our scientists give a lot of thought to the so-called energy co-generation, which can afterwards be transformed into trigeneration. Thus, this idea is also valid for Romania and for other countries with limited energy resources.

It is important that co-generation can help establish a balance between centralized and individual heating as there is already much antagonism between the advocates of these two systems. Unfortunately, the parties have not yet achieved understanding in this respect. There is no doubt, however, that a common denominator is in sight. But, given the conservatism of the heating sector, if a wrong decision (formula) is adopted, the disastrous consequences will be faced not only by us, but also by our descendants, who should not be penalized for our distorted thinking.

Also, we have to take into account that the energy sector largely influences population's prosperity and the environment. By the way, in Finland, Denmark, and other Northern European countries, cogeneration was rooted earlier, and they are now enjoying the harvest after implementation of this idea. Recommendations that were made by IEA experts for governments of the countries under transition were based namely on the experience of these northern countries. This experience brought the unexpected results and, therefore, should be adopted, although not automatically. It is necessary to carefully consider all particularities of our [Moldova] country.