

Moldova: Russia's gas crisis game in Transnistria

Kamil Całus

On 1 January, Gazprom ceased its gas supplies to Transnistria, a separatist territory within Moldova, following Ukraine's decision not to extend the gas transit agreement. Furthermore, Russia refused to deliver gas via an alternative route utilising the TurkStream and Trans-Balkan pipelines, stating that it might agree to supply gas in this manner if Moldova repays its alleged debt, which, according to Russia, amounts to \$709 million.

Consequently, on 1 January, all gas-fired heating plants in Transnistria were shut down. Residential areas, as well as public institutions, including schools, kindergartens, and hospitals, were left without gas heating and hot water. The Moldovan GRES, the 'republic's' main power plant located in Dnestrovsc and owned by the Russian company Inter RAO, which had previously operated on effectively free gas as its primary fuel, has now switched to coal. However, this shift will not enable it to meet the region's demand for electricity. Moreover, it is estimated that the coal reserves stored near the plant will last only about 50 days.

The Kremlin regards the Russian-engineered crisis in the parastate as a means to undermine the popularity of Moldova's pro-Western ruling Party of Action and Solidarity (PAS) ahead of the parliamentary election scheduled for this summer or early autumn. Moscow aims to exploit the rise in electricity prices, resulting from the halt in gas supplies to Transnistria – which produces the majority of Moldova's electricity – along with a potential humanitarian crisis in the 'republic', to weaken public support for the government and encourage the electorate to favour pro-Russian forces.

Commentary

- **The halt in gas supplies has triggered a severe crisis in Transnistria.** The Moldovan GRES, now operating on alternative fuel (Anthracite coal), is unable to fully meet the region's energy demand, particularly as many of its 300,000 residents are relying on electric heaters and air conditioning devices to heat their homes. Consequently, the local power grid operator was forced to ration the available electricity, which resulted in scheduled power outages (for eight hours daily as of 7 January). The cessation of gas supplies and the reduction in electricity production have also resulted in the shutdown of nearly all major industrial plants in the region.
- **Right-bank Moldova (i.e. excluding Transnistria) is also experiencing the consequences of the cessation of gas transit through Ukraine.** Although it has not consumed Russian gas since 2022, it relied on electricity generated from gas combustion at the Moldovan

GRES. Until 1 January, this power plant supplied as much as 80% of Moldova's electricity demand, with the remaining 20% provided primarily by combined heat and power plants in Chişinău and Bălţi, as well as renewable energy sources. However, supplies from Transnistria have been halted, forcing Chişinău to import electricity at more than double the cost from Romania and, when available, from Ukraine. This led to an approximately 75% increase in electricity prices for consumers as from 3 January. While imports generally meet right-bank Moldova's electricity demand, emergency situations – such as significant spikes in consumption or disruptions to Ukrainian energy supplies caused by Russian bombings – occasionally lead to power outages.

- **Responsibility for the ongoing crisis lies with Moscow**, which could have maintained its gas supplies to Transnistria via an alternative route but deliberately chose not to. Russia was aware that its demands for Moldova to repay the debt – disputed by Chişinău – are unacceptable. According to an independent audit commissioned by Chişinău in 2023, the debt amounts to \$8.6 million, rather than the \$709 million claimed by Moscow. This move also allows the Kremlin to shift the responsibility for the current situation onto the PAS government, which both Moscow and Tiraspol have accused of seeking to trigger a humanitarian and economic crisis in the parastate. However, it was, in fact, Transnistria that rejected Chişinău's recent offer of assistance.
- **Moscow aims to exploit the crisis to weaken the PAS's position ahead of the parliamentary elections.** The sharp rise in electricity prices – particularly burdensome during the winter – along with possible supply disruptions and the potential destabilisation of the situation in Transnistria, is likely to further tarnish the ruling party's reputation. At present, PAS has little prospect of replicating its 2021 success, when it secured an absolute majority. The consequences of the gas supply halt provide propaganda material for the Russian-aligned opposition, enabling opposition politicians to claim that the Moldovan government is ineffective, having failed to negotiate favourable agreements with Ukraine and Russia to maintain supplies. They argue that the crisis – and, by extension, the high energy prices – could have been avoided had the authorities adopted a neutral or pro-Russian stance.
- **The crisis in Transnistria is likely to deteriorate and may soon evolve into a humanitarian crisis.** The potential cessation of electricity production in the region within the next six weeks remains the key problem that could lead to the collapse of Transnistria's economy and public finances. This, in turn, could trigger a wave of migration to right-bank Moldova, placing considerable strain on the country's budget and administrative capacity.