

Moldova: energy crisis in Transnistria (temporarily) resolved

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On 31 January, the European Commission approved €64 million in non-repayable aid for Moldova, including €20 million to alleviate the energy crisis in Transnistria, ongoing since early 2024, and to prevent a potential humanitarian disaster (see '[Moldova: Russia's gas crisis game in Transnistria](#)'). These funds have enabled Moldova, from 1 February, to purchase around 3 million cubic metres of gas per day from European markets and supply it to the separatist region, covering approximately 50% of its demand. At current spot market prices, the allocated funds should cover about 10 days of deliveries. An additional €10 million from the EU funds will subsidise electricity imports – mainly from Romania – for right-bank Moldova, while the remaining €34 million will support the Moldovan budget. Chișinău stresses that this is a temporary solution and has announced plans to introduce a two-year mechanism for supplying Transnistria with natural gas in the near future.

The EU aid will help temporarily resolve the energy crisis in Transnistria and lower electricity prices for right-bank Moldova. This is crucial in preventing a further decline in support for the pro-Western government ahead of the parliamentary elections in September. However, new challenges may arise. Tiraspol may reject Chișinău's long-term aid plan, which is likely to involve the gradual commercialisation of gas supplies to the region.

Commentary

- **The resumption of gas supplies to Transnistria has prevented a humanitarian crisis but does not provide a lasting solution to the region's problems.** Since the start of the year, the shutdown of all gas-fired heating plants has left most urban residents and public institutions – including schools, kindergartens, and hospitals – without gas heating and hot water. The Moldavskaya GRES (MGRES) power plant in Transnistria, previously fuelled by gas, switched to coal and drastically reduced its electricity output. As a result, the power grid operator had to ration electricity, causing daily blackouts lasting between four and eight hours. Since early February, Moldova has been supplying Transnistria with 3 million cubic metres of gas per day, restoring heating and allowing a return to gas-fired electricity generation. However, this supply is insufficient to restore industrial production in the region to last year's levels.
- **Without free gas supplies, Transnistria's economy is unsustainable.** The local industry, which has relied on free Russian gas and cheap electricity, has been able to produce competitively priced goods and export them to EU markets – accounting for 80% of its exports – under the Deep and Comprehensive Free Trade Area (DCFTA) agreement between the EU and Moldova. For this reason, the region's government, aligned with the

Sheriff corporation that effectively controls Transnistria, continues to expect that Moscow – Transnistria’s de facto patron – will eventually resume free gas supplies. This expectation was one of the key reasons why, over the past month, the region’s leadership repeatedly rejected Chişinău’s offers to sell gas purchased on the spot market at market prices to Transnistria.

- **In the coming weeks, Transnistria may face another energy crisis.** While the specifics of Chişinău’s announced long-term solution for supplying gas to the left bank remain unclear, it will likely involve the gradual commercialisation of deliveries. For a limited period, Moldova will use EU funds to finance the purchase of small gas volumes for Transnistria. However, in the following months, Tiraspol will be required to cover an increasing share of the costs. This approach is intended to allow the region time to transition its economy to market conditions. However, it is highly likely that the separatist authorities – backed by Russia – will reject the proposal as ‘unprofitable.’
- **EU financial aid strengthens the Moldovan government both domestically and internationally.** Firstly, it enables a reduction in electricity costs, which is particularly important ahead of the parliamentary elections scheduled for September. Although right-bank Moldova was not directly affected by the disruption of Russian gas transit – having sourced its supplies from European providers since 2022 – its residents have still felt the impact. At the start of the year, MGRES halted the supply of cheap electricity to the right bank, previously generated using free Russian gas. This forced Moldova to import more expensive electricity from Romania, leading to a tariff increase of around 75%. Secondly, for the first time, EU support has allowed Moldova to begin supplying Transnistria with non-Russian gas. This potentially strengthens Chişinău’s leverage over the region and fosters its gradual administrative and legal integration with the right bank.