INTERVIEWS 20.01.2025

‘Ultimately, it’s about keeping Moldova bound to Moscow’

Moldovan energy consultant Sergiu Tofilat on the end of Russian gas supplies to Transnistria and the future of the breakaway region

The Russian gas freeze for Transnistria, which came into effect on 1 January, has triggered a serious energy crisis in the breakaway region of Moldova. How has daily life been affected?

Daily life in the Transnistria region has been severely impacted. People lack access to natural gas and district heating, and electricity is being provided with frequent interruptions. Blackouts occur every four hours, as the limited electricity supply is rationed and turned on and off in cycles to cope with shortages.

For over 30 years, this breakaway region has survived solely due to free Russian gas. However, all the resulting debt has been placed on MoldovaGaz, which is registered in Moldova and is partially owned by Gazprom. Transnistria does not have a direct contract with Gazprom. Instead, MoldovaGaz signs the contract for the entire country’s gas supply, including the volumes consumed in the breakaway region. Consequently, all the debt attributed to gas consumption in the Transnistria region is accumulated by MoldovaGaz.

Currently, the total debt to Gazprom exceeds $11 billion. MoldovaGaz, which owns the gas infrastructure and pipelines on both the right bank of Moldova and the left bank in the separatist region, is 50 per cent owned by Gazprom. The Moldovan government holds a 35.3 per cent stake, while 13.4 per cent is controlled by entities tied to the left bank in Tiraspol. The remaining 1.3 per cent is owned by former employees and individual shareholders.

Overall, the shares and infrastructure on the left bank in Tiraspol are also under Gazprom’s control. This arrangement was deliberately designed by Moscow to funnel gas to Transnistria while burdening Moldova with the debt. It ensures that Moldova remains dependent

on the Kremlin's influence and decisions.

Russia has often used gas supply threats as a weapon. Why has it followed through now?

Until recently, Moldova was entirely dependent on Gazprom for gas and electricity. Without Russian gas, we would have faced freezing winters and power outages. The first step towards diversifying gas supplies came in 2019 when the Trans-Balkan pipeline was upgraded for reverse flow. Previously, it was used by Russia to supply gas to the Balkans. After the Turkish Stream pipeline became operational, the Trans-Balkan pipeline became an alternative route for LNG imports via Greece or Turkey, allowing Moldova and Ukraine to receive gas.

Another major milestone came in October 2021 with the completion of the Iași-Ungheni-Chișinău pipeline, providing another supply route. On the electricity side, Moldova's domestic production only meets 20 per cent of demand. Traditionally, the rest came from Transnistria's Moldavskaya GRES power plant, which runs exclusively on free Russian gas, or from Ukraine. However, Ukraine's energy infrastructure has been devastated by Russia's aggression, cutting off that supply.

In March 2022, Moldova began importing electricity from Romania, enabled by synchronisation with the European power grid. However, Moldova's power infrastructure still heavily depends on Soviet-era designs, with a critical high-voltage line running through the breakaway region. To address this, Moldova signed a contract in November 2021 to build a direct power line bypassing the Transnistria region, expected to be completed by December 2025.

Why did this happen so late?

Moldova's historical dependence on Gazprom left it highly vulnerable to Moscow's influence. Beyond energy dependency, Russia actively worked to entrench its control by corrupting Moldovan political elites, regardless of whether they identified as pro-Russian or pro-European. Moscow funnelled resources to these elites to stall or sabotage critical infrastructure projects, such as diversifying gas supplies or building independent electricity connections. Investment projects were delayed for decades, leaving Moldova reliant on Soviet-era systems that kept it tied to the Kremlin's orbit.

Additionally, Moldovan politicians and officials embezzled funds from MoldovaGaz, which has an annual investment budget meant for equipment, pipelines and meters. Procurement processes were rigged, and prices were inflated, with the stolen money often redirected for personal enrichment or political campaigns. Gazprom, as the majority

shareholder in MoldovaGaz, knowingly turned a blind eye to these schemes, as the dysfunction served Russia's strategic interests. Investigations into these crimes have been opened over the years, but they rarely progressed due to political interference and judicial corruption. No high-profile figures have faced accountability, perpetuating a culture of impunity.

What's the geopolitical aim behind Russia's energy strategy in the Transnistria region and Moldova?

The aim is multifaceted. First, to keep Transnistria closely tied to Russia by making it fully dependent on free Russian gas. Second, to maintain Moldova's dependence on electricity generated in the region of Transnistria, which relies entirely on that free gas. Ultimately, it's about keeping Moldova bound to Moscow, constraining its geopolitical decisions — whether joining the EU, NATO or pursuing greater energy independence.

What could the Moldovan government have done better to prepare for this crisis?

The Moldovan government failed to anticipate and prepare for this scenario. For over a year, plans outlining reintegration costs and activities have existed but were ignored. I previously developed a non-public concept paper estimating budgets and activities needed for reintegration. Discussions with the government, including President Maia Sandu, were dismissed due to a lack of time, resources and expertise. But: Ignoring the issue hasn't made it go away.

Diplomatic missions frequently ask why the government lacks preparation, leaving civil society to fill the gap. This disorganised approach is unacceptable and undermines Moldova's ability to respond effectively.

The same goes for the other side: Kyiv has long announced it won't renew the gas transit contract. Why didn't Transnistria prepare for this scenario?

Primarily because the Transnistria region assumed the free gas flows from Russia would continue uninterrupted. They believed Moscow would instruct Gazprom to reroute gas through Turkey, as the technical capacity exists. However, this route is more expensive and has less capacity, and Putin would also need to supply gas to his allies, like Slovakia or Austria, through the same corridor. Instead, Putin prefers the cheaper and shorter route through Ukraine, without which he would lose about $6 billion a year. This is the reason why he creates tensions in Moldova and sparks a humanitarian crisis in the

region of Transnistria, aiming to blame Ukraine for the fallout.

Transnistria could have prepared by implementing energy efficiency measures to reduce consumption of gas, heat and electricity. But such measures require upfront investment, and with the artificially low gas prices they enjoyed, the payback period for these investments would be practically infinite. Similarly, investing in renewable energy wasn't viable because electricity generated from free Russian gas is far cheaper.

Here's the core issue: the Transnistria region receives free gas from Russia. They don't pay for it or the accumulated debt. Instead, they resell this gas domestically — primarily to the Moldavskaya GRES power plant, which supplies electricity to Moldova, and to the steel plant, a major consumer that burns gas to produce steel for sale at market prices. These revenues from reselling gas are then deposited into a 'special gas account', used to fund up to one-third of the region's budgetary expenditures. In essence, free Russian gas props up the entire separatist regime. Without it, the so-called independence of Transnistria would collapse — like being disconnected for non-payment.

What are the potential long-term implications for the Transnistria region and Moldova? Could this lead to a rapprochement?

Yes, this could be an opportunity for Moldova to resolve the Transnistrian conflict. In the short term, separatist leaders in Tiraspol are optimistic that Gazprom will resume gas supplies, albeit in reduced volumes. However, this would likely be insufficient to power the Moldavskaya GRES power plant, which supplies electricity to Moldova. Meanwhile, Moldova must continue importing expensive electricity from Romania, with higher tariffs — a situation Putin could exploit. But he is running out of time: By year's end, Moldova will have a new power line bypassing the Transnistria region, reducing Moscow's ability to blackmail us. The current contract between MoldovaGaz and Gazprom expires in September 2026. Regardless of short-term fixes, free gas will eventually end, forcing a reckoning. Putin is likely focused on leveraging this final year to influence Moldova's political agenda, particularly through parliamentary elections. His goals include pressuring Kyiv to maintain gas transit and demoralising Moldovans with high utility bills to sway votes toward pro-Kremlin parties.

At the same time, Putin seeks greater loyalty from Transnistria's regime. Interestingly, since Russia's invasion of Ukraine, Tiraspol's media has been silent about Russian military goals and instead focused on humanitarian efforts, like hosting Ukrainian refugees. This may

reflect the influence of Sheriff Holding, the oligarchic structure controlling the Transnistria region. Sheriff's owner, Viktor Gushan, likely views Russian troops as a threat to his assets and may even be quietly supporting Ukraine to keep them at bay.

What are other obstacles for the reintegration of the Transnistria region?

For Moldova, reintegration presents financial challenges. Transnistria's energy tariffs would need to increase dramatically — gas prices 15-fold and electricity eight to 10 times. Without subsidies, residents could not pay their bills, risking widespread disconnections. Subsidising households alone would cost Moldova around €300 million annually – about two per cent of GDP – and additional costs for businesses could impact competitiveness.

In the midterm, Moldova must invest in energy efficiency and renewables to reduce subsidies. With foreign assistance, reintegration could include removing Russian troops and resolving this 32-year conflict.

What do you mean by foreign assistance?

Foreign assistance should come from the EU, US, UK and other partners helping Ukraine. Stability at Moldova's border with Ukraine is critical, as no one wants Moldova to fall into the Kremlin's orbit. Ukraine, too, cannot tolerate Russian troops in its backyard.

The Moldovan government must present this not as a request for subsidies but as a reintegration plan. Western decision-makers are more likely to support a project framed as resolving a decades-old conflict. Politically, this would be seen as a success — a chance for leaders to claim credit for achieving regional stability and reintegration. Moldova must develop a clear plan with budgets and activities to make this pitch credible.

This interview was conducted by Alexander Isele.



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