

Energy Regulators Regional Association (ERRA)

WELCOME TO BUDAPEST!

***Krisztina Kasza
Head of Secretariat
ERRA***



What is ERRA:

Voluntary, not-for-profit organization of independent energy regulatory bodies of the Central Eastern Europe (CEE), South East Europe (SEE), the Commonwealth of Independent States (CIS), Baltic States (Estonia, Latvia, Lithuania) and Affiliate members from Jordan, United Arab Emirates, Africa and Saudi Arabia.

Objectives:

- To improve national energy regulation in member countries and foster development of stable energy regulators with autonomy and authority → *stable investment climate*
- To improve cooperation among Energy Regulators and facilitate the exchange of information, research, training and experience among members and other regulators around the world → *harmonized regulatory framework* → *more chance for regional market building*



ERRA Members:

Currently

24 Full Members:

Albania, Armenia, Azerbaijan, Bosnia & Herzegovina, Bulgaria, Croatia, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Latvia, Lithuania, Macedonia, Moldova, Mongolia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Turkey, Ukraine

4 Associate Members:

Regulatory Commission for Electricity in BiH, Regulatory Commission for Energy of Republik of Srpska (BiH) National Commission for Regulation in the Sphere of Communal Services of Ukraine, UNMIK Kosovo,

6 Affiliate Members:

Electricity Regulatory Commission of Jordan, Regulation and Supervision Bureau of United Arab Emirates, Electricity & Co-Generation Regulatory Authority of Saudi Arabia, NARUC (USA), Nigerian Electricity Regulatory Commission (NERC), Ecowas Regional Electricity Regulatory Authority (Africa),



Main Activities

- Standing Committees with detailed work plan and deliverables:
 - Licensing/Competition Committee
 - Tariff/Pricing Committee
 - Legal Regulation Working Group
 - Chairmen meetings
- Deliverables: discussion papers, case studies, issue papers
- Energy Investment & Regulation Conference (since 2001)
- Technical Exchange Programs
- Peer Reviews
- Website (library – issue papers as background material for training and self-development!)
- Tariff Database
- Newsletter
- Training programs

- Monitoring Activities of Energy Regulatory Commissions
- Price Regulation & Tariffs
- Renewable Energy Regulation
- Electricity markets
- Principles of Regulation of Natural Gas Markets



ERRA Training Courses

www.ERRAnet.org

- Regulatory Information & Public Participation
- Introduction to Energy Regulation (ERRA Summer School)
- Training Course for New Commissioners
- Newly developed training course for regulators from emerging economies

ERRA announced the introduction of the:

ERRA Certified Energy Regulator Programme (CER)

ERRA will acknowledge participants who have successfully participated in a minimum three of the training programs organized by ERRA.

The Credit System is based on credits which are earned following successful completion of the ERRA training courses.



In order to receive the certificate, **participants must earn at least 30 credits within three calendar years.** Participants must successfully complete the final exam to be eligible for the ERRA's CER Programme.

- **Classroom Training** (ERRA Training Course on Price Regulation and Tariffs or Modular Training Course): **10 credits/course**
- **E-learning Courses: 5 credits/course**
- ERRA will acknowledge completed courses and collected credits retroactively from 2008. For those participants who completed courses in 2008-2009, the 3 years for credit collection will start from 2010.

Training Participants: January 2005 – September 2012

Total Number of Trained Participants from
2005 to September 2012: **1,598**

- Number of employees from the ERRA
Member organizations: **1,049**;
- Commissioners: **70**

Advantages:

- Lecturers: Present and/or former Regulators
- Case studies, group work

The ERRA consists of energy regulators from countries which have gone through major restructuring and privatization processes in the past few years. We believe that we have built up the regulatory practice and experience which could very applicable and practical for those countries which are ahead or in the middle of these processes. Thus, the prime goal of this pioneering programme is to share this special knowledge with our fellow regulators in developing regions of the World.

This 5-day course equips participants with the core concepts, objectives and techniques of energy regulation with special focus on the needs and burning issues for developing countries. The course will be based on theoretical presentations by former and/or practicing energy regulators and it also will contain practical exercises (from transition economies as well).

The target audience of the course is stakeholders from developing countries, such as energy regulators, ministry representatives, utility representatives, etc.

The Course will be conducted in English.

TUITION FEE:

- Member organizations: 2000 EUR ⁽¹⁾ ⁽²⁾ ⁽³⁾
- Non-Member Organizations: 2200 EUR ⁽¹⁾ ⁽²⁾ ⁽³⁾

- (1) Includes accommodations for 5 nights in a hotel, lunches and coffee breaks during the course and one social programme. Participants are responsible for all other costs including travel, insurance, etc.
- (2) Maximum credits awarded upon successful completion: 10. For more information on Certified Energy Regulatory Programme please visit: <http://www.erranet.org/Training>
- (3) Fee is subject to review for registrations received after February 20, 2012



Main topics to be covered by the Training Course:

REGULATION GENERAL

Principles of regulation: independence; transparency; predictability; investor and consumer protection
Global trends in energy sector regulation
Capacity building of the National Regulatory Authorities
Assessing regulatory performance and impacts
Resisting the political and lobby pressure; Combating corruption
Licensing as a regulatory tool

PROVIDING ACCESS TO ELECTRICITY SERVICES

Status of off-grid regulation and rural electrification in developing countries
Increased access to electric power and income generating opportunities for the poor from sustainable power supplies

PRICING AND TARIFF SETTING

Rate of return (or cost-of-service) regulation
Incentive price regulatory schemes to improve the operational efficiency of electricity sector companies
Tariff setting in the context of energy poverty (affordability)

INVESTMENT INCENTIVES TO MEET GROWING ELECTRICITY DEMAND

Investment incentives into electricity generation under alternative electricity market models
Independent power production and the structuring of long term power purchasing contracts
Attracting investment into electricity grid upgrade and expansion
Integrated generation and network planning

REFORMS IN THE ELECTRICITY SECTOR

Challenges in regulating state-owned enterprises
Regulatory experience with the privatized electricity sector companies
in transition economies



A 5-day Training Course combining “classic” regulation under the traditional vertically integrated industry structure with up-to-date issues of regulation in developing a competitive industry environment.

The Course is to be taught in 2 tracks:

Track I for the ERRA-member regulators;

Track II for non-regulators such as ministry and local government representatives, banking institutions, law and investment firms, consulting companies and regulated utility companies.

Major issues: Role & Functions of Regulator; Tariff Setting & Price Regulation; Restructuring of the Electricity & Gas Industries; Energy Market Reforms Issues in the Emerging Countries; Regulation & Security of Supply.

Dates: July 15-19, 2013

Location: Budapest, Hungary

For more information,
please refer to the ERRA
website: www.erranet.org¹⁴





Training Course: Monitoring activities of energy regulatory commissions

www.ERRANet.org

The course will feature 4 days dedicated to core responsibilities of energy regulatory authorities / commissions (ERC) with regard to a) monitoring the behaviour of individual licensees as well as the overall outcome of the behaviour of a group of companies and b) to their role in enforcing rules and regulations in cases of detected non-compliance.

- **MODULE 1: BASIC CONCEPTS AND THE MONITORING NEEDS OF PRICE REGULATION**
- **MODULE 2: SERVICE QUALITY**
- **MODULE 3: ELECTRICITY MARKETS**
- **MODULE 4: OTHER ISSUES RELATED TO MONITORING ACTIVITIES**

Dates: July 22-26, 2013

Location: Budapest, Hungary

For more information,
please refer to the ERRANet
website: www.erranet.org



12th ERRA Energy Investment and Regulation Conference

www.ERRAnet.org



September 16-17, 2013
Tallinn,
Estonia

12th ERRA
Energy Investment
and Regulation Conference

16-17 September, 2013

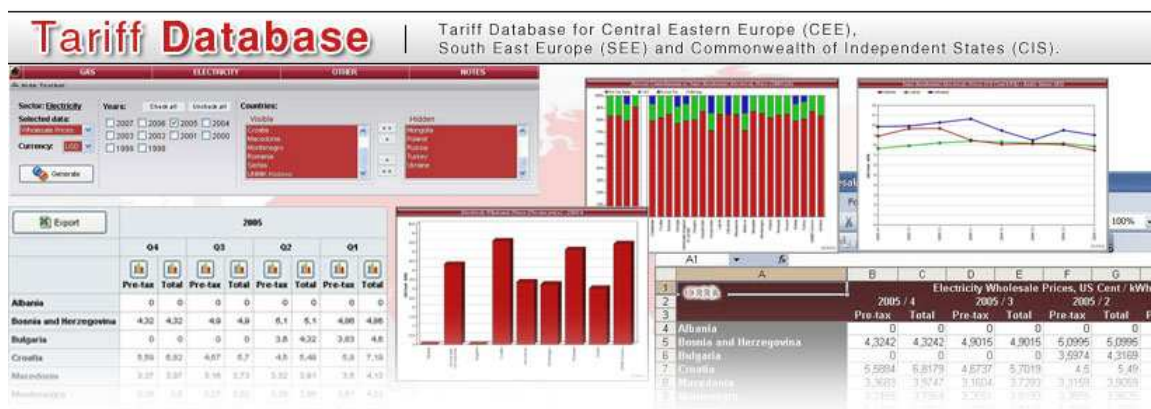
Tallinn, Estonia

The ERRA Energy Investment & Regulation Conference serves as a platform where you will not only hear the latest news on energy but where you can actively **exchange ideas with more than 100 energy regulators** of the ERRA region. Get actively involved in the discussion about the necessary improvements for the development of energy markets and for energy regulation for electricity, gas and sustainable development of the energy industry.

The conference offers a **high level 2 day programme including electricity and gas sessions** focusing on the CEE, SEE, and CIS regions. The event will gather high level speakers and representatives from the ERRA-member regulators, European institutions, industry, international organizations, producing countries, consumers and press.

<http://www.erranet.org/InvestmentConferences>

Premier data source on the official electricity and gas tariffs of the ERRA member-countries (2008 – 2012 Quarter 2)



Highlights:

- Quarterly Electricity Prices for Residential and Non-residential Consumers;
- User friendly format, option to export data into Excel sheets for application in Power Point Presentations and energy industry analyses;
- Producer, Wholesale and End-user prices for Electricity; Wholesale and End-user Prices for Natural Gas;
- Per capita Electricity Consumption;
- Composition of Tariffs (Wholesale/Retail Margins, Taxes).

Subscription Fees:

Institutional Subscribers: €1,000 + VAT

Individual Subscribers: €500 + VAT

Subscription Renewal Fees:

Institutional Subscribers:

€250 + VAT

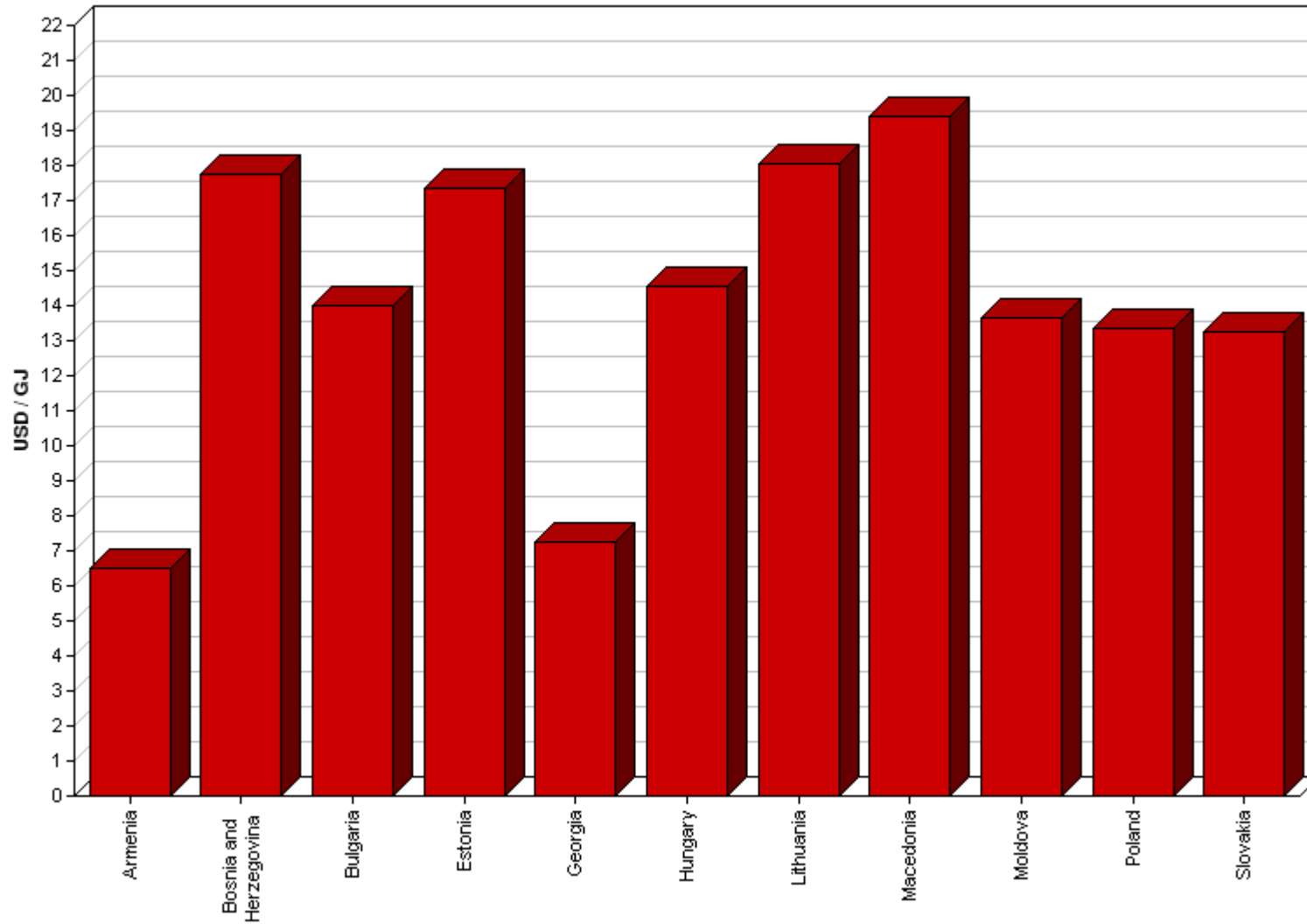
Individual Subscribers:

€125 + VAT

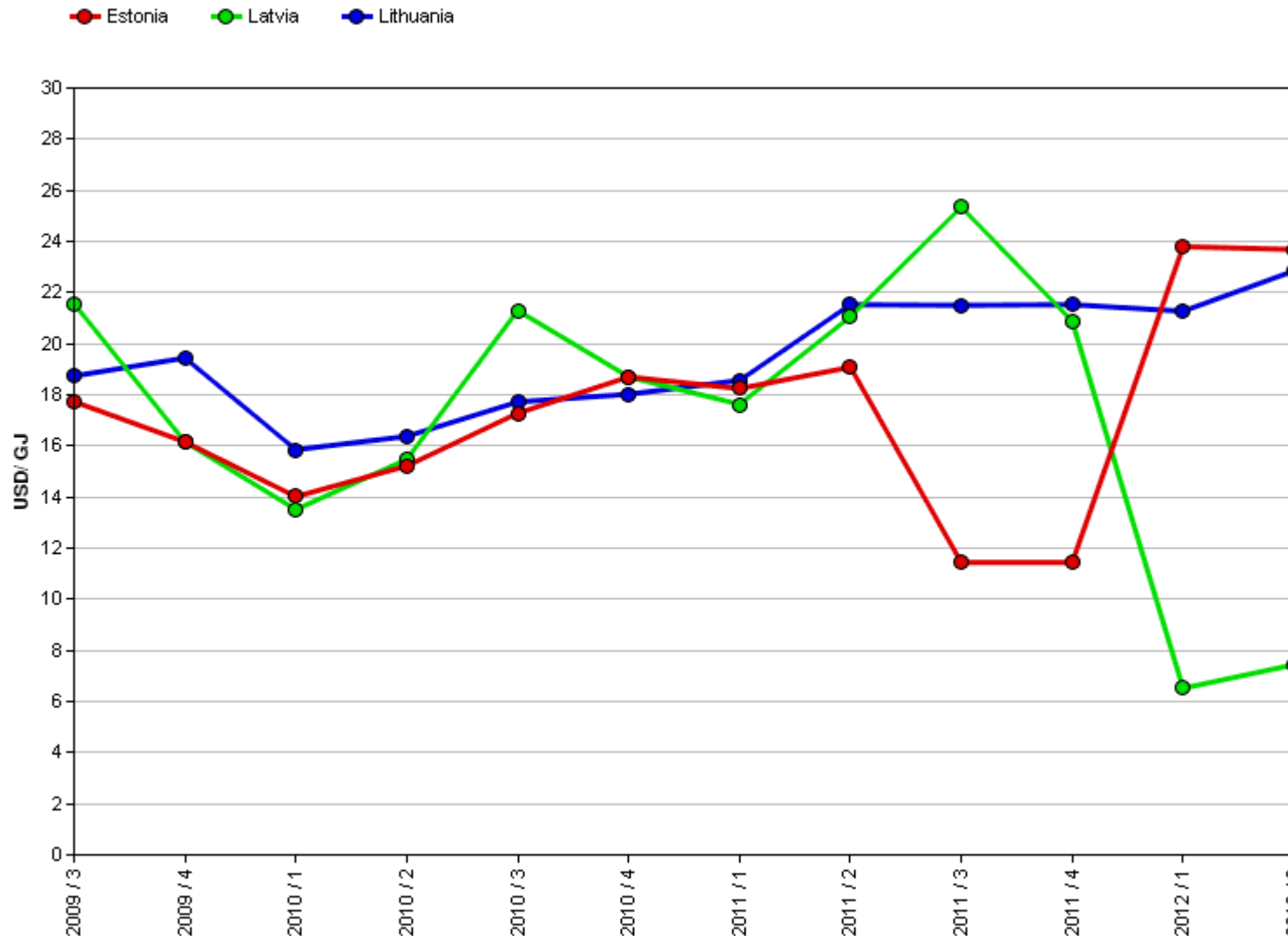
End User Natural Gas Prices without taxes in USD/GJ for Q2 of 2012, for selected ERRA countries



Natural Gas End-user Prices (Pre-tax price) - 2012/2



Total Residential Natural Gas Prices (USD/GJ) - Baltic States (BS)



ERRA has prepared 4 VIDEO RECORDINGS

- **GENERAL INTRODUCTION OF THE EU ENERGY MARKET**
- **ELECTRICITY SERVICE QUALITY REGULATION**
- **BENCHMARKING OF ELECTRICITY DISTRIBUTION COMPANIES**
- **REGULATORY ASSET BASE FOR SYSTEM TARIFF SETTING**

The videos are available through online order:

http://www.erranet.org/Training/Training_Podcasts

PRICE 100 EUR + VAT per video

PRICE of 4 VIDEOS: 300 EUR + VAT



ERRA has prepared 4 TEXTBOOKS

Within the frames of the Inogate Project titled: "Capacity Building for Sustainable Energy Regulation in Eastern Europe and Central Asia „ERRA has prepared 4 TEXTBOOKS:

- **Regulation Renewable Energy Sources;**
- **Regulatory Implications of District Heating;**
- **Vulnerable Customers and Possible Support Schemes;**
- **Regulatory Implications of Energy Efficiency Policies**

The ERRA Secretariat provided you a copy of the *Vulnerable Customers and Possible Support Schemes* textbook!

- **March 5:**
„Get together’ dinner in „Trófea Grill” Restaurant
(from 18:30)
- **March 6:**
Ship City Tour of Budapest
(from 17:30)





Message to Participants of the Training Course

www.ERRANet.org

Thank you for your attention!

secretariat@erranet.org

Please, use the excellent possibility of the week:

- Do not hesitate to ask questions
- Discuss with other participants on their daily regulatory practice
- Create network with schoolmates for later information exchange