*UNECE "ENERGY WEEK"*

*COMMITTEE ON SUSTAINABLE ENERGY*

*November 11 2010*

*ICER VIRTUAL WORKING GROUP ON*

# *ROLE OF ENERGY REGULATORS IN GUARANTEEING RELIABILITY AND SECURITY OF SUPPLY*

*by*

*Massimo Di Domenico*

***Autorità per l'energia elettrica e il gas***

*INTERNATIONAL CONFEDERATION OF ENERGY REGULATORS (ICER)*

# *LAUNCHED IN ATHENS ON OCTOBER 21 2009 ON THE FINAL DAY OF THE WORLD FORUM OF ENERGY REGULATION (WFER) IV, ON THE OCCASION OF THE PRESENTATION OF THE FORUM CONCLUSIONS.*

***Autorità per l'energia elettrica e il gas***

## *ICER FOUNDING MEMBERS*

| | |
|---|---|
| *AFUR* | *African Forum for Utility Regulators* |
| *ARIAE* | *Asociación Iberoamericana de Entidades Reguladoras de la Energía* |
| *CAMPUT* | *Canadian Association of Members of Public Utility Tribunals* |
| *CEER* | *Council of European Energy Regulators* |
| *EAPIRF* | *East Asia and Pacific Infrastructure Regulatory Forum* |
| *ERRA* | *Energy Regulators Regional Association* |
| *MEDREG* | *Mediterranean Gas and Energy Regulators Assembly* |
| *NARUC* | *National Association of Regulatory Utility Commissioners* |
| *OOCUR* | *Organization of Caribbean Utility Regulators* |
| *RERA* | *Regional Electricity Regulators Association* |
| *SAFIR* | *South Asian Forum for Infrastructure Regulation* |

## *VWG 1 – SHARE OF WORLD ENERGY PRODUCTION AND CONSUMPTION (%)*

| | Primary energy | | Generation |
|---|---|---|---|
| | Production | Consumption | |
| EAPIRF | 24 | 23 | 22 |
| NARUC | 14 | 19 | 22 |
| CEER | 9 | 15 | 17 |
| ERRA non CEER non MEDREG non EAPIRF | 19 | 10 | 8 |
| SAFIR | 5 | 6 | 5 |
| ARIAE non CEER | 6 | 5 | 5 |
| AFUR & RERA | 5 | 3 | 2 |
| MEDREG non CEER | 2 | 2 | 3 |
| CAMPUT | 3 | 2 | 3 |
| OOCUR | 0 | 0 | 0 |
| RRA Total | 87 | 87 | 87 |
| WORLD Total | 100 | 100 | 100 |

## *GOALS OF ICER*

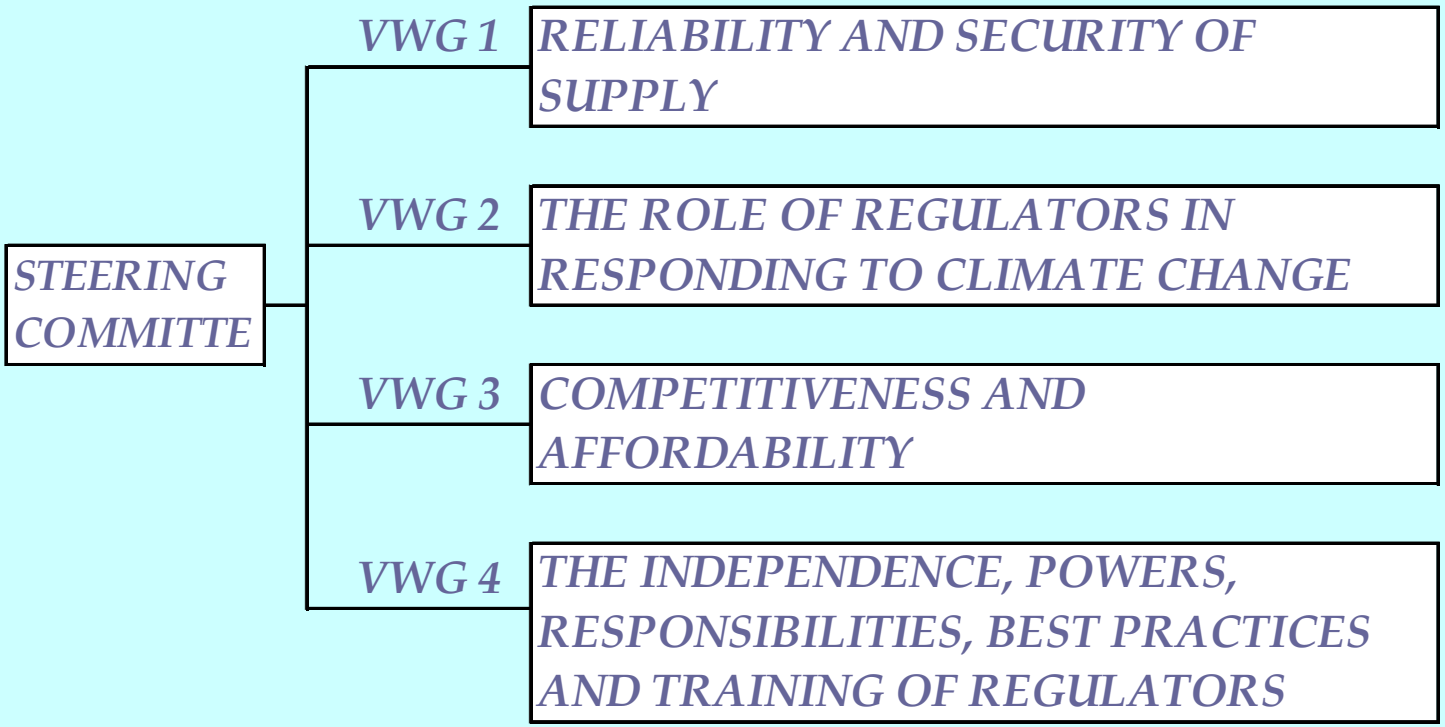
*Promoting the exchange of information on "best practices" to augment regulatory capabilities, including new partnerships between regulators from developed, transitioning, and developing countries;*

*Strengthening efforts at regional coordination through associations of energy regulators and other key sector stakeholders;*

*Increasing professional training programs to enhance institutional regulatory frameworks;*

*Exploring opportunities for cooperation between international development agencies and associations of energy regulators.*

## *ICER – ORGANISATION AND WORKING GROUPS*



## *VWG 1 – KEY ISSUES EXAMINED*

*Market integration and operation;*

*Risks of market failure;*

*Infrastructure capacity and investments;*

*Reliability and efficiency of energy operations;*

*Recognition of emergency conditions and coordination of emergency measures.*

*Geopolitical changes (such as new oil and gas frontiers);*

*Technological breakthroughs (shale gas recovery),*

*Environmental ententes (binding limits on).*

*SoS in less developed countries where security of supply depends more on the availability of woodfuel than on electricity, oil and gas.*

# *European Bank for Reconstruction and Development (EBRD)*

# *International Energy Agency (IEA)*

# *United Nation Economic Commission for Europe (UNECE)*

# *World Bank*

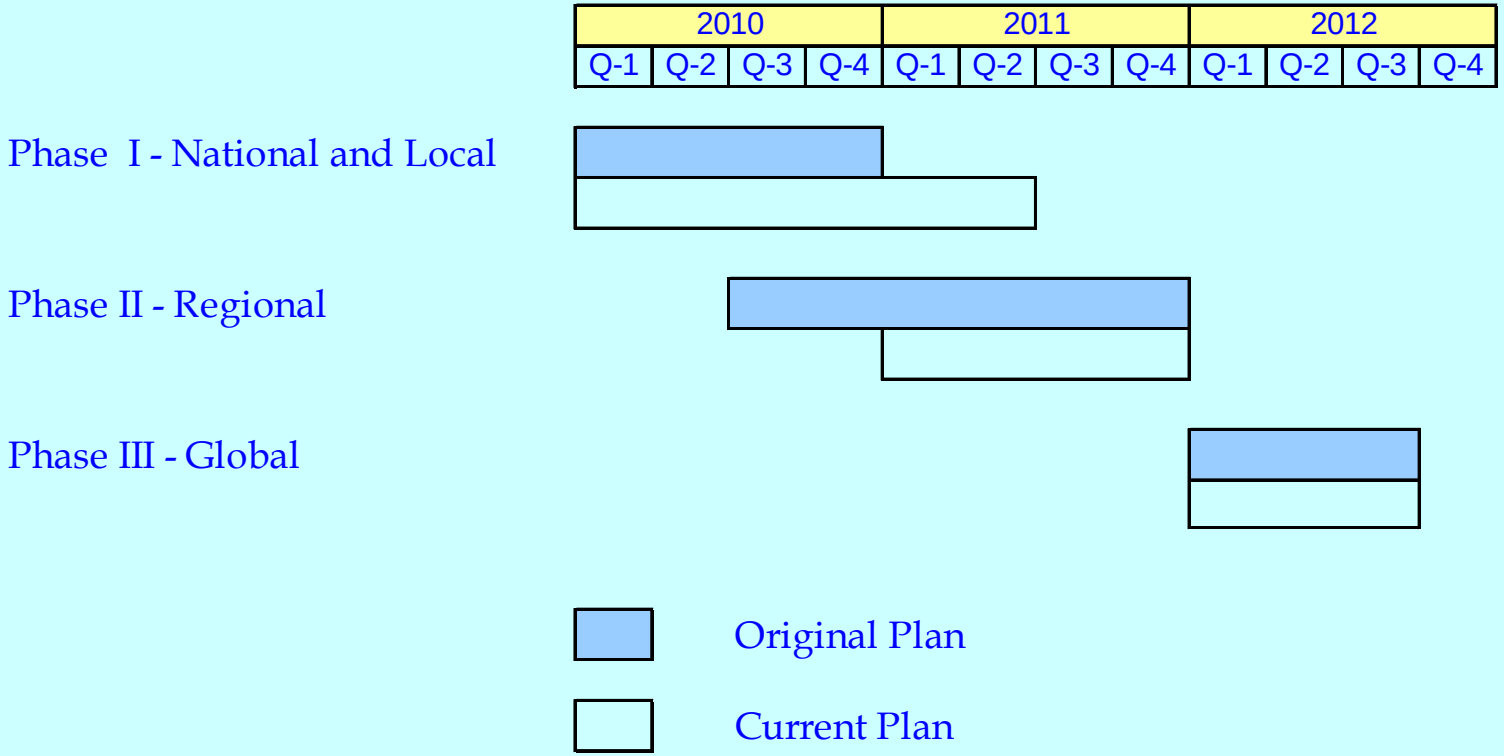
## *VWG 1 - PROGRAMME OF ACTIVITIES AND DELIVERABLES*

*Phase I* *Effectiveness of national and local energy policy and regulation in addressing security of supply issues: regulatory practices in promoting investments;*

*Phase II* *Scope and powers of Regional bodies and Regulatory associations in achieving national and regional security of supply;*

*Phase III* *Role of energy Regulators in promoting security of supply on a global scale.*

## *VWG 1 – SCHEDULE OF ACTIVITIES*



*A learning stage dedicated to achieving an adequate understanding of SoS issues and their solution at the national and local levels.*

*Key information obtained basically through the use of a Questionnaire circulated by the participating Regional Regulatory Associations (RRAs) to each of its Members.*

## *VWG 1 – THE QUESTIONNAIRE SURVEY*

- *A) KEY FEATURES OF THE ENERGY SUPPLY SYSTEM*
- *B) RISKS FOR SECURITY OF SUPPLY AND DEMAND*
- *C) MANAGEMENT OF SUPPLY EMERGENCIES*
- *D) MEDIUM AND LONG TERM PREVENTIVE MEASURES*
- *E) COMPETENCES OF THE REGULATOR*
- *F) STRUCTURE AND ADEQUACY OF THE ENERGY SUPPLY SYSTEM*

## *VWG 1 – MAIN ISSUES ADDRESSED IN QUESTIONNAIRE E ON COMPETENCES OF THE REGULATOR*

| **Independence of the Regulator** |
|---|
| *Nomination* |
| *Source of financing* |
| *Sectoral mandate* |
| *Regulatory remit over segments of the supply chain* |
| *Tariffs for the use of infrastructures* |
| *Sanctioning powers* |
| **Responsibilities and powers of the Regulator** |
| *Unbundling of network from competitive activities* |
| *Fostering infrastructure investments* |
| *Guaranteeing reliability and quality of service* |
| *Market organisation and monitoring* |
| *Promoting energy efficiency* |
| *Promoting renewable energy* |
| *Congestion management* |
| *Other* |