



Mediterranean Energy Regulatory Outlook - 2022-

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Institutional
Working Group
(INS WG)

*Empowering Mediterranean regulators for a common
energy future*



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ABSTRACT

In the framework of monitoring the evolution of the regulatory framework of the energy sector, especially electricity and gas, MEDREG updates the Mediterranean regulatory outlook with a spin of 2 years. This document presents the third edition of the Mediterranean outlook, and it's based on the last edition with an update of the data.

The report aims to provide a complete overview about how the national energy sectors are ruled, ranging from independent entities to governmental bodies. Each regulator is analysed according to several dimensions (such as legal status, independence, competences, internal organization, enforcement, transparency, and accountability). These features are directly linked to the principles for good regulators defined by MEDREG Members, to support the development and reinforcement of national regulations along the same directions, to create a harmonized environment to foster investments, competitiveness, and consumer protection.

ACKNOWLEDGMENTS

This report is the result of the work of the MEDREG Institutional Working Group (INS WG), based on the replies of the MEDREG's members on the benchmarking prepared by the chairs of the INS WG and the MEDREG Secretariat.

DISCLAIMER

This publication was produced with financial support from the European Union. The contents are the sole responsibility of MEDREG and do not necessarily reflect the views of the European Union.

ABOUT MEDREG

MEDREG is the association of Mediterranean energy regulators, bringing together 27 regulators from 22 countries that span the European Union (EU), the Balkans, and MENA region.

MEDREG acts as a platform for facilitating information exchange and assisting its members in addition to fostering capacity development activities through webinars, training sessions, and workshops. Mediterranean regulators work together to improve the harmonization of regional energy markets and legislations, seeking a progressive market integration in the Euro-Mediterranean Basin.

Through constant cooperation and information exchange among members, MEDREG aims at fostering consumer rights, energy efficiency, infrastructure investment, and development by employing safe, secure, cost-effective, and environmentally sustainable energy systems.

The MEDREG Secretariat is in Milan, Italy.

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EXECUTIVE SUMMARY

The Mediterranean regulatory outlook is one of the main reports of MEDREG. It aims to monitor the evolution of the energy regulation in the Mediterranean basin and update the regulatory framework with the recent achievements of MEDREG's members.

MEDREG is committed to regularly providing an overview on the existing regulatory frameworks in member countries as well as to identifying some examples of good practice.

The first Edition of the Regulatory Outlook published in 2017 provided a first review of the competences of Mediterranean energy regulators and their role in the market.

The Regulatory Outlook 2020 builds on the previous edition but provides a more in-depth analysis of current situation in MEDREG Member Regulators through a large set of metrics.

In the 2022 edition, the regulatory outlook will update the last edition and include three new members in the outlook. Even though ARH is a founder member, however due to certain circumstances the last version of the regulatory outlook didn't include the case of ARH.

For Morocco, ANRE was in the 2020 edition but in 2021 ANRE is fully operational and this edition will update the regulatory framework with the most recent evolution.

Lastly, LCEC acts as a technical consultant to the Ministry and provided MEDREG with more information on the planned law that plans to establish the energy regulator "ERA".

The report also addresses the electricity distribution performance indicators used by the National Regulatory Authorities (NRAs) as request by MEDREG members that desire to implement or improve these indicators under their scope.

The report is based on the update of the 2020 benchmarking with 2022 data when available. The update was also an opportunity to review some data from the last version that were provisionally at that moment. The benchmarking was revised and enriched with additional questions and information by the INS WG in 2022. Considering the work MEDREG carried out to identify good regional regulatory principles, the questionnaires were structures into six main sections as shown below, covering several aspects of national regulatory frameworks:

- **Findings**

The main findings of the last edition remain valid in this update, with additional analysis of the Algerian hydrocarbons regulator (ARH), the Moroccan energy regulator that became fully operational in 2021 and the Lebanese electricity law that foresee the establishment of the Lebanese energy regulator.

- **Legal Status:** the energy regulators are not yet established only in Tunisia, Libya, and Lebanon. In the latter one, LCEC act as the technical consultant for the ministry of energy and water, until the establishment of the NRA.

In most cases, the NRAs regulates both electricity and gas market, but in some cases their scope is extended to other sectors including district heating, competition, water, oil and fuels, telecommunications, and audio-visual. Moreover, in some exemption the electricity and gas sector are regulated separately by two distinct regulators such as in Algeria, Egypt, and Israel.

ANRE (Morocco) is the most recent NRA to be fully operational in 2021.

- **Political and Legal Independence:** 19 NRAs in the region are distinct and functionally independent from other public and private entities. However, the competent Ministry or Government remains involved in specific topics that extends to also impact the political aspects. For instance, in 9 countries the competent Ministry or the Government are involved in tariff methodologies and tariffs.

In all the countries the NRAs staff are bided to rules that prevents from any type of conflict of interest by prohibit to their staff from having employment relationships with the energy industry. In cases of non-compliance to Codes of Conduct, 12 NRAs foresee the dismissal of the breaching member or employee.

In terms of board members and chairman appointment, in most cases it's made by the President or the Prime Minister or the relevant Ministry. While in few countries only in 5, the appointment of the Chairman and/or Members of the Board by the Parliament.

Almost all NRAs are formally obliged to report in front of the Government or the Parliament. Reporting is mostly accomplished through Annual Reports as part of their accountability obligations.

- **Financial Independence:** Most of the NRAs are financed through their own resources, mostly through license fees (13 NRAs), market participation fees (9 NRAs) and fines (5 NRAs). Besides to these resources, other types of funding also contribute to the NRA budget such as donations and grants from international organizations. In most countries the NRA's budget process is established by law. The regulatory authority may seek approval of its budget in front of other public governmental bodies. Approaches vary from country to country.

- **Functional Independence:** In all Mediterranean countries, mechanisms for parties to appeal a regulatory decision are in place. Except for two NRAs that reported possible appeals through the Ministry, the remaining NRAs informed on appeals either to Administrative Court (17), Supreme Court (5) or an Appeals Tribunal (4).

- **Information Access:** Almost all NRAs have access to financial information from sector participants (accounts, operational details, agreements, personnel info, etc.). However, some NRAs have reported that difficulties to obtain complete data sets from existing vertically integrated incumbents continue to exist.

- **Security and Quality of Supply:** Almost all NRAs monitor medium and long-term supply/demand balance in the national market, expected future demand and envisaged additional capacity, quality, and level of maintenance of the networks and quality of supply. Where tendering procedures for new capacity are in place, powers granted to NRAs vary from country to country. About 50% of NRAs are involved in tendering procedures.

- **Market Opening and Market Monitoring:** The majority of MEDREG members have opened their electricity markets, market opening remains at different levels. Gas market liberalization follows at a slower pace with variations from country to country according to the legislative framework in place and country specific circumstances. Typically, market opening, roadmaps to consumer eligibility and market design are formulated by law. Nevertheless, there are instances where NRAs are also empowered to also propose an electricity and gas market design, e.g. Egyptera, Gasreg (Egypt).

80% of the NRAs who responded to the questionnaires confirmed that they are responsible for collecting information on market dominance as well as on predatory and anti-competitive behaviour. Often NRAs cooperate with Competition or Anti-trust authorities and Financial Authorities.

- **Tariff Setting:** Most NRAs are now involved in approving tariff methodologies and fixing tariffs for transmission and distribution. NRAs also may set the levels of public service gas supply, remuneration of the supplier of last resort and generation tariffs (in case of one vertically integrated incumbent and historical nuclear production). Most regulators have also the power to include performance-based components in the tariff methodologies. Only a 50% of the NRAs has competences to penalize a non-performing undertaking via reduced rate of return over the tariffs.

- **Licensing:** Licensing of energy infrastructure is a practice adopted by all countries except for France and Slovenia. However, the licensing mandate, and in particular their issuance, often lies with the Ministry rather than with the regulator. Where the license regime is managed by the regulator, NRAs can have several powers depending on the legislation in place, for instance issuance, setting the terms and conditions of the license, modification, and renewal, monitoring, and imposing a fine upon violation of terms and conditions. 17 NRAs responded on the average time to deliver a license. Average times ranged from one to two months from the date of application.

- **Dispute Settlement:** Almost all NRAs have a role in solving disputes occurring between operators and between operators and consumers. Topics addressed by NRAs in the context of dispute settlements include grid access, cross-border issues, commercial behaviours, errors in billing, undue disconnections and switching, or issues related to license holders' responsibilities.

- **Unbundling:** All Mediterranean NRAs have a role with respect to utility unbundling with the sole exception of Tunisia, where there is no regulator and no legal obligation for the unbundling of the vertically integrated incumbent. NRAs have a mandate to issue guidelines and rules for accounting unbundling, compliance, reporting, and cost allocation.

- **Technical Competences:** The majority of the NRAs are involved in setting or approving standards related to quality of supply and congestion rules (17). Twenty NRAs are involved in issuing market rules and grid codes, defining metering rules and charges, and setting incentives. However, in about half of the countries, NRAs provide only an opinion on development plans while approvals lie with the relevant ministries. Only a few NRAs maintain an audited account of revenues collected pursuant to congestion management mechanisms.

- **Consumer Protection:** all Mediterranean NRAs are responsible for customer protection in their regulated sectors, although the level of responsibility differs from country to country. When it comes to vulnerable consumers, NRAs responsibilities vary. Seven NRAs reported that they just implement government policies whereas and four NRAs notified that it is them that define the policies for addressing vulnerable customers' needs, an equal number of the NRAs set prices for vulnerable customers.

- **Internal Organization:** The majority of NRAs are granted with the power of deciding on their internal organization. However, there is a minority of NRAs where high (or even lower) level organization is set by law. Most regulators have the power to autonomously decide on their human resources policy, including

hiring and firing staff as well as staff allocation and competences. The regulatory board is the final decision-making authority for the selection and appointment of staff members in 15 NRAs. In addition, the regulatory board is also the final decision-making authority to remove and set penalties and incentives for staff members, with possible limitations caused by the State Budget. In several NRAs employees' salaries are lower than those of personnel in the energy sector and at the level of civil servants.

In most NRAs there is no legal restriction on the number of staff members employed. In a few countries, however the number of NRA employees is established by law and the NRA has no flexibility to recruit additional personnel to meet needs if necessary.

- **Enforcement:** An overwhelming majority of member regulators (20), have the power to sanction sector participants, when necessary. When violations occur, most NRAs cannot revise tariffs or reduce rates of return on non-compliant operators.

- **Transparency and Accountability:** Almost all NRAs publish information on their functioning (missions, duties, organization chart, and reports) via their website or through regular reports including their annual report. However not all information is available in English and some NRAs continue not to have an English version of their website.

Except for four members, Mediterranean NRAs consult stakeholders on draft regulations before taking any final decision. All NRAs have reporting obligations in front of other public bodies such as Government, Ministry, or Parliament. Depending on national legislation, some NRAs are also required to appear annually before a parliamentary committee.

1

INTRODUCTION & METHODOLOGY

1.1. Report objective

The third edition of the Mediterranean Regulatory Outlook provides a thorough review of the role and powers of energy regulators in the Mediterranean region. This update provides a revised analysis for the MEDREG members and refresh the provisionally data that was given in the previous version.

This Edition of the Regulatory Outlook includes also new members that were not in the last version such as the Algerian hydrocarbon regulator -ARH- and a better view of the Lebanese law that foresees the establishment of the energy regulator in Lebanon -ERA-. The latter one, is provided by LCEC.

Most probably the energy sector is witnessing an unprecedented events which will shape the future and new regulatory framework soon. The COVID-19 outbreak and the energy price surge, demonstrated that the energy regulation needs to be always updated and to be flexible to be able to cope with any sudden event. Many MEDREG members initiated to debate on switching to a “dynamic regulation” that includes prevention mechanisms that will ensure the security of supply in the future.

Moreover, the security of supply was and will be always a priority for all the countries. However, in the recent years, within the energy sector the discussions are more accentuated on security of supply while maintaining the affordability of the energy. The evolution of the electricity and gas systems with more renewable energy sources (RES) and the need to decarbonize the energy sector made that the price of energy is another important element and funding the necessary mechanisms and the costs to achieve the energy transition are higher than what expected.

In this context, MEDREG continues to monitor the evolution of the regulatory framework in the Mediterranean basin and identify the best practices to support its members to achieve their objectives in terms of energy regulation.

MEDREG considers that this report aims to provide:

- Useful insight to Mediterranean regulators on the role and tasks of other fellow regulators in neighbouring countries so that they can improve their approaches and practices within this challenging new era.
- Consolidated and up-to-date information to stakeholders and potential investors regarding the role of Regulators towards new investments.

The Regulatory Outlook 2022 shall also help MEDREG members to refine the forthcoming activities and secure a consistent and robust regulatory climate in the Mediterranean amidst this global exceptional situation. MEDREG will be also sharing this report with the Union for the UfM REM Platform with a view to define common grounds of potential future coordinated actions.

1.2. Context and methodology

The Mediterranean Regulatory Outlook is an important report to identify regulatory frameworks that would improve the role and independence of the Mediterranean energy regulators.

As part of the Action Plan of the Institutional Working Group (INS WG) for 2020, MEDREG undertook the second edition of the Mediterranean Energy Regulatory Outlook, that updated the previous edition and provided recommendations for achieve the energy transition in the Mediterranean.

Given the usefulness of the first editions for MEDREG members regulators as well as the good results in terms of visibility for the organization, the INS WG decided to develop the third edition of the Regulatory Outlook in 2022, including the report in its Action Plan for 2020-2022.

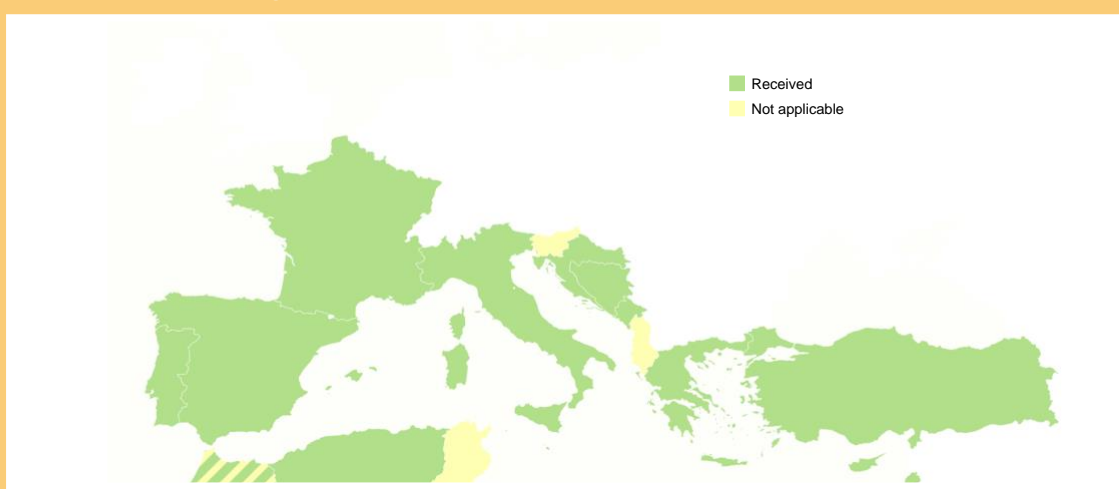
The report is based on the collection of members replies to the benchmarking developed for the second edition of the Outlook in 2020. The benchmarking was revised and updated with additional information by the INS WG in 2022. The list of questions is divided in six sections which reflect the six Good Regulatory Principles identified by MEDREG in 2014 to describe energy regulatory frameworks according to the following aspects:

Table 1: MEDREG Good Regulatory Principles

Principle	Description
Independence	Independence from national and regional Government and from the industry guarantees regulatory stability and neutrality and avoids situations in which the decisions of the regulator are constantly modified or taken under influence.
Competences	Duties and powers should constitute a minimum set of competences defining the specific responsibilities of a regulator to promote competition and to empower consumers.
Internal organization	Effective organization means to have clear decision-making processes and an operative internal structure, with distinction of roles and responsibilities.
Enforcement	Enforcement is to ensure compliance with rules by market participants and regulated entities, to obtain the public benefit that regulation provides.
Transparency	Transparency in the regulatory process helps others to understand the regulator's work and is beneficial for a proactive stakeholder engagement.
Accountability	Accountability means that the regulator takes on the responsibility and can demonstrate outcomes and results from its regulatory action.

To ensure consistency in the responses, questionnaires for this Edition of the Regulatory Outlook were structured as sets of multiple-choice questions allowing for additional written explanations for responding parties to provide more details. MEDREG Secretariat received 18 replies as shown in the figure below:

Figure 1. Replies to the INS WG benchmarking



2

OVERVIEW OF THE QUESTIONNAIRE

The benchmarking was structured around the Good Regulatory Principles identified by MEDREG. These are presented in detailed below as to provide a base for the analysis to follow in the next sections.

Legal Status

The legislative framework is not a principle but is a crucial aspect to understand the nature, origin, and development of the regulator. This aspect provides a picture useful also to understand the environment where the regulator is asked to operate. For instance, Members were asked to point out the current status of the entity devoted to regulating the energy sector (either existing, to be established or not yet foreseen) with clear references to underlying primary or secondary national legislations. Moreover, the clarity of the regulatory role was investigated to analyse potential relationships with other bodies involved in the regulatory decision-making process: an overlap or a failure in the distinction of roles and responsibilities among different entities may be fatal for a correct decision-making process.

Independence

Independence from national, regional Government and the industry guarantees regulatory stability and neutrality and avoids situations where the decisions of the regulator are constantly modified or influenced. Such a crucial feature is analysed according to different points of view, also considering the practical measures and provisions put in place to guarantee an independent behaviour of board and staff members.

Political and Legal Independence

One of the most important regulatory principles is the full independence of the regulator from political and industrial interests e.g. from national and regional Governments, political organizations and any public and private body. Different relationships with other institutions are investigated such as Government, Ministry or Parliament in terms of formal obligations (for instance submitting tariff methodology or annual activities report) and influence on board members (power to appoint or revoke them).

MEDREG members have been asked to describe which constraints that board and staff members may be subjected to when they join or leave the regulator, and the consequences of non-compliance with said constraints. In order to prevent conflicts of interests, provisions may forbid holding energy companies' shares, being employed in regulated entities during term in office or not being engaged after the end of their service in the regulatory body (cooling-off period).

Financial Independence

Independence of the regulatory authorities may be subjected to undue that limit the financial resources that the regulator is eligible to receive, thus severely affecting the pursuit of the regulator's mission. Members have been asked to describe their sources of financing (e.g. national budget, market participation fees, fines), their autonomy in elaborating and approving the budget, and to detail whether some kind of external control on their activities exist.

Functional Independence

Generally, in the legislative framework, clear mechanisms are put in place to appeal a regulatory decision, which is a prerequisite of a state grounded on the rule of law. It is important to understand to whom energy sector parties may appeal to defend their interests, if they feel they may be harmed. Political or external influences may hinder or even nullify the effectiveness of a regulatory decision, while an Administrative Court or Supreme Court may be a more independent solution.

Competences

Duties and powers should constitute a minimum set of competences defining the specific responsibilities of a regulator to promote competition and to empower consumers. Regulatory competences generally refer to monitoring (including access to information), tariff setting, rulemaking, dispute settlement, and consumer protection.

Information Access

Regulation rules extremely sensitive sectors, highly and directly affecting revenues and costs for regulated entities and consumers. Therefore, it is of great importance to elaborate regulatory provisions on evidence base, to demonstrate the rationales behind each decision in front of stakeholders. Only if a phenomenon is measured, it is possible to control and to address it. In order to be able to know all features useful to analyse the evolution of energy markets and infrastructures, regulators need to have access to any information available by market or system operators. This requires access to a wide range of information from sector participants, such as financial, technical and commercial data.

Security and Quality of Supply

Depending on the legislative framework, regulators may be in charge to monitor the evolution of the demand as well as the necessary infrastructures to guarantee an appropriate security of supply, even providing support to elaborate and implement the required actions, for example organizing and managing tendering procedures for new infrastructures.

Moreover, the regulator may monitor the main features of networks development and operation, for instance to elaborate a regulation to incentivize better performances in the services to be delivered to consumers. This means monitoring the quality of supply in term of number and frequencies of interruptions, the frequency and voltage stability in the electric networks, the pressure and the calorific values of the provided gas.

Market Opening and Market Monitoring

Although not fundamental, market opening is an important feature of energy markets which increases competition between utilities and correspondingly increases service quality and consumers satisfaction.

However, considering the inner nature of energy sectors, which are characterized by goods delivered through natural monopolies such as power or gas networks, the role of a regulator is crucial to evaluate and observe the evolution of energy markets, in order to intervene and correct potential distortions. Such continuous monitoring can allow to sanction abuses and market manipulations, paving the way for a fair competition and consumer protection, even considering the support of other institutions such as Competition Authorities or Ministries.

The regulator must be allowed to collect data from regulated entities and directly from stakeholders to receive feedback from the ground to correct and improve the regulation.

Tariff Setting

One of the important competencies of NRAs is the power to fix transparent and non-discriminatory tariffs for connection, access and use of energy infrastructures such as electric networks or gas pipelines.

Tariffs should be cost reflective, provide incentives for efficient new investment and avoid cross-subsidies amongst network users.

The regulator should be responsible for fixing or approving those tariffs in order to guarantee the economical sustainability of network development and ensure that costs passed on through consumers are duly economically justified.

Licensing

The regulator may be in charge to support or be directly involved in a license regime to build a well-designed energy infrastructure plan in short and long term (such as networks, generation power plants, gas storages, Liquefied Natural Gas (LNG) regasification units) which may consist of different phases ranging from issuing licenses, determining terms of reference, monitoring its compliance to imposing sanctions and fines. With regard to limited market opening, this competence is extremely sensitive since it may allow distortions in the market if the procedures are sufficiently robust and non-discriminatory.

Dispute Settlement

In its *super partes* role of energy sector, promoting its non-discriminatory, fair and transparent development and operation, the regulator is asked to settle disputes which may arise among stakeholders. Considering the asymmetrical market power and knowledge between industry and consumers, regulators tend to set up different mechanisms to solve such litigations in the most simple and economic way. The approach is to support smaller consumers to affirm their rights and to reduce time and costs for both parties, for instance avoiding appealing to a Court.

In more advanced cases, the regulator may intervene in dispute between industry operators, for instance when infrastructures access is not guaranteed according to the timetable reported in the license.

Unbundling

To guarantee as much as possible, the above mentioned non-discriminatory and transparent access, energy infrastructures should be developed and managed according to clear and transparent procedures. An important aspect is to ensure there is a separation of the management of the infrastructure from the ownership to weaken the market power of the biggest firms. This separation can take place under three options: ownership unbundling, independent system operator (ISO) and independent transmission operators (ITO). An extensive and complete knowledge of costs of regulated entities (Transmission System Operators (TSOs), Distribution System Operators (DSOs), etc.) allows regulators to set cost effective tariffs to be transferred to end users. Anyway, an infrastructure "neutrality" may be ensured more effectively with a complete separation between market-oriented operators and natural monopolies.

Technical Competences

The regulator's mission should be characterized by detailed instructions, provisions and guidelines to rule the regulated sectors according to MEDREG good regulatory principles. This means that the regulator is provided of some powers to discipline and address regulated entities (metering rules, transmission capacity allocation, grid codes, etc.) toward the general scopes which the legislative and regulatory frameworks assign to the energy sector: partially or entirely market opening, consumer protection, investments promotion, security of supply concretely and effectively.

Consumer Protection

Consumer protection shall be deemed as another significant factor which should be in every regulatory authority's charge for the development of the energy market. The relevant asymmetric knowledge between

consumers and industries requires the regulator to promote their raising awareness about their rights, simple and cheap access to dispute settlement, high quality of services and, in some cases tariffs to support more vulnerable consumers. Several instruments may be put in place such as compliant management, price comparison tools, information campaign, alternative dispute resolution process, with adequate effective powers to sanction sector participants in case of no compliances.

Internal Organization

Effective organization means to have clear decision-making processes and an operative internal structure, with distinction of roles and responsibilities. Moreover, since the high-level skills which are required to staff members, regulators were asked to describe recruitment process and human resources management, referring also to economic issues, training, and carriers' dynamics. These aspects may be relevant to attract and to retain experts from industries, where most of the technical and regulatory skills may be found.

To collect such features, regulators were asked to evaluate Information Technology (IT) and Human Resources (HR) budgets as percentages of their total budget, as well as indicate the total number of employees in main departments.

Enforcement

Enforcement is to ensure compliance with rules by market participants and regulated entities, in order to obtain the public benefit that regulation provides. Moreover, only real powers provide the regulator with a "watch dog" role that can effectively act to induce fully compliant behaviour from sector participants.

Therefore, regulators were asked to describe which are the mechanisms to sanction sector participants, such as reducing tariffs, applying fines, and if they have been practically applied (i.e. evaluating fines total amount).

Transparency and Accountability

Transparency in the regulatory process helps others to understand the regulator's work and is beneficial for a proactive stakeholder engagement. Accountability means that the regulator takes on the responsibility and can demonstrate outcomes and results from its regulatory action.

Several questions shed light on how transparency is assured, with regard to regulatory provisions or general information on the authority itself, for instance publishing detailed information on their websites or issuing annual reports.

Considering significant impacts regulatory decisions may have, regulators may implement different tools to engage stakeholders in different stages of the regulatory decision-making process. This approach supports a fact-based regulation, gathering opinions, data, and technical expertise from sector participants with public hearings or open consultations.

Finally, accountability processes are investigated, since public bodies may be invited to refer about their main activities and results, not only if required by legislation but even in front of stakeholders thus enhancing their accountability.

3

GENERAL OVERVIEW ON MEDITERRANEAN ENERGY REGULATION

The following section presents a general overview of the status of energy regulation in the Mediterranean Region in 2022. Results, based on the, providing an aggregated investigation of all the MEDREG Good Regulatory Principles (Legal Status, Independence, Competences, Internal Organization, Enforcement, Transparency and Accountability) which are analysed one by one.

3.1. Legal Status

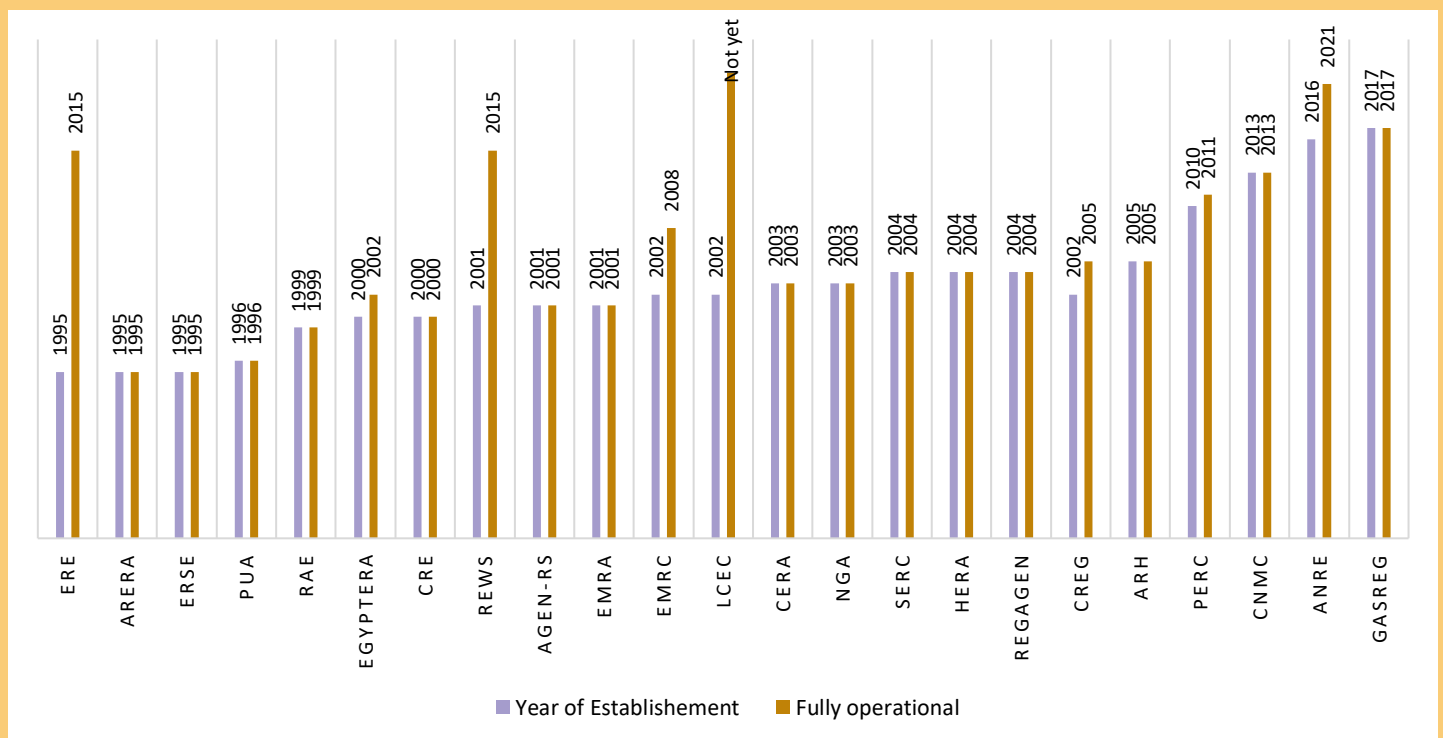
The NRAs are established in most all the Mediterranean countries. The most recent ones are GASREG (Egypt) in 2017, and ANRE which became fully operational in 2021.

In total, among 27 members, 23 are NRAs and 4 ministries. In some cases, a certain period elapsed between the legal establishment of the NRA and the actual initiation of its activities in the market such as in Morocco and Jordan.

In other cases, the law reinforces the competences of the NRA and extend its scope to other sectors, like in Spain, Malta, and Albania. In the later one, the NRA was fully operational since 1995. However, since 2015, the regulator operates based on Law no. 43/2015, of 30.04.2015 "For power sector" and Law no.102/2015 "For natural gas sector".

The year of establishment of each Mediterranean regulator is reported in Figure 2, it also includes the year where the NRA is fully operational (as explained above).

Figure 2. Year of establishment of Mediterranean energy regulators



*LCEC is not a national regulatory authority in Lebanon. However, its acts as a technical consultant to the Ministry

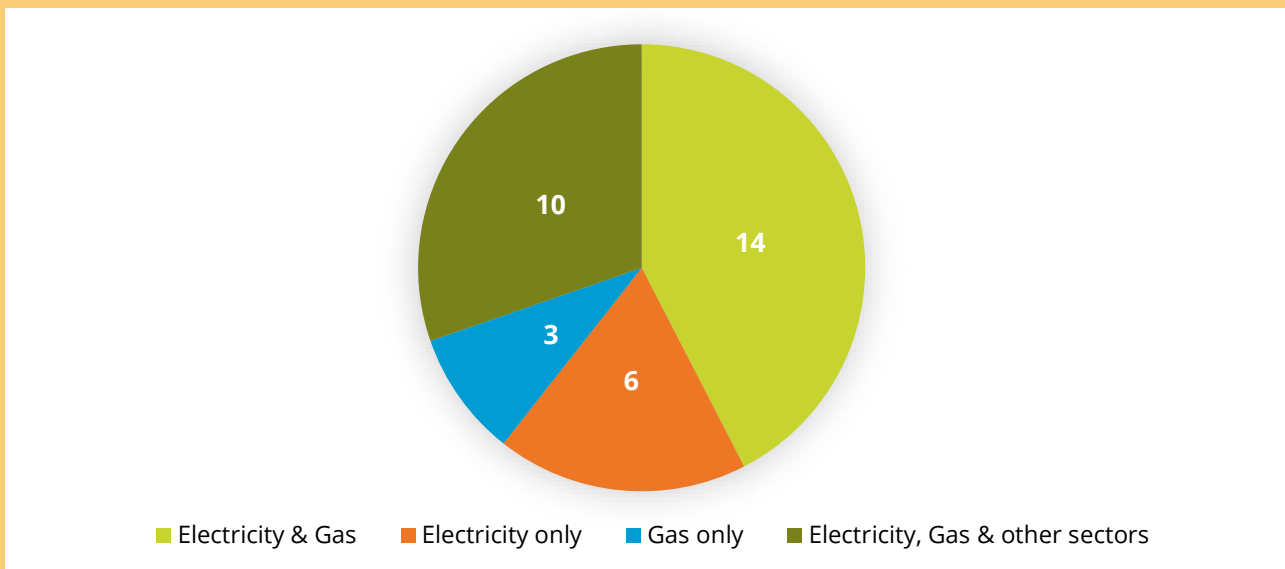
Regarding the regulated sectors, most commonly in the Mediterranean region, the NRAs regulates both electricity and gas markets. However, in some cases the competences of the NRA are extended to other sectors.

The Spanish experience is that regard is interesting. In 1998 the National Energy Commission “CNE” was created as the regulatory body for energy systems, then in 2013, 6 national regulatory authorities combined and CNMC was established and regulate the electricity, gas, oil, and other sectors (telecommunications, audio-visual, transport, and postal sector).

In other cases, a different pattern is used, where each energy is regulated in different authority. For instance, in the case of GASREG (Egypt) and NGA (Israel), In case of ARH and CREG (Algeria) the regulation of the gas market is divided between two regulators, CREG is responsible of the distribution of gas market and ARH the regulation of hydrocarbons and gas export, or due to the absence of natural gas markets in the country such as PERC (Palestine).

Some NRAs include in their perimeters of activities additional energy sectors such as oil, fuels, district heating and cooling. A few are multisector regulators as they regulate water services, for instance ARERA (Italy), REWS (Malta), REGAGEN (Montenegro), waste as in the case of ARERA (Italy) and REGAGEN (Montenegro), electric mobility network as in the case of ERSE (Portugal). An overview of the regulated sectors is given in Figure 3:

Figure 3. Sectors regulated by Mediterranean Energy Regulators



The regulatory issues can be addressed in different type of legislation. Most commonly it's made through the primary legislation, secondary legislation, or a combination of both. The primary legislation can be by a law, Decree or an Act that provide the regulatory framework and the rules to be followed by the concerned actors in the market. Or in the second case, these issues can be addressed in the secondary legislation, such as regulation, code, communiqué ...

In the Mediterranean region, 14 NRAs use a combination of the two legislations to address the regulatory aspects and 8 by only the primary legislation, and lastly, ARERA uses the secondary legislation only (regulation). The figure below outlines how the regulatory issues are addressed in the Mediterranean region.

Figure 4. Legislation ruling the energy sector in Mediterranean

By primary legislation (law) and by secondary legislation		Primary legislation (law) only	
ERE	HERA	CREG	PUA
CERA	EGYPTERA	ARH	NGA
GASREG	CRE	SERC	ANRE
RAE	EMRC	LCEC	PERC
REWS	ERSE		
REGAGEN	AGEN-RS		
EMRA	CNMC		
14		8	
		1	Secondary legislation only - ARERA

In general, the competent ministry provides the country's energy strategy and the NRAs based on that strategy elaborate the necessary regulatory framework.

However, in some cases, other bodies than the regulatory authority amend on subjects like licensing or tariff such as in Morocco, Egypt, and Palestine.

The Competition Council of Bosnia and Herzegovina is involved in case of violation of wholesale market activates rules or support in the drafting of the regulatory rules on tariffs.

In France, the Ministry of Economy and/or the Ministry of Sustainable Development provides directions/instructions envisaged by law or implemented notably for tasks that have been given to the NRA beyond its core regulatory task (i.e., electricity and gas network and market regulation). This relates for example to the organization of tendering procedures for RES capacity, or to long-term goals (e.g., through a national energy strategy). However, the ministries do not have a veto power and cannot overturn CRE's decisions.

In a similar way, in Italy, the Authority functions with full autonomy and independence of judgement within the general policy guidelines laid down by the Government and Parliament and taking into due account the relevant European Union legislation. The Government draws the Authority's attention to any developments concerning the public utilities that it would be in the country's general interest to promote¹.

In comparison to the 2020 regulatory outlook, besides that ANRE became fully operation, there no other notable changes under this criterion.

¹ In the "Documento di Programmazione Economico-Finanziaria", Three-year Economic and Financial Planning Document

3.2. Independence

Independence from national and regional Government and from the industry guarantees regulatory stability and neutrality and avoids situations in which the decisions of the regulator are constantly modified or influenced.

Besides to the results of the analysis of the regulatory outlook benchmarking, MEDREG has also elaborated a report that analyse the rules against conflict of interest within the NRAs and the TSO/DSOs. The report can be found on [MEDREG's website](#).

3.2.1. Political and Legal Independence

Except for Israel, the NRAs in all the rest of the Mediterranean are distinct and functionally independent from any other public or private entity. In Israel, the electricity regulator – PUA- is partially independent since the authority was constituted inside the ministry of energy and to a certain range; the minister can interfere with the decisions except for the legal department, intern controller, budget, and tariffs where there is complete independence. In the same way, the gas regulator NGA is part of Ministry of energy and partially independent.

The main indicators of political and legal independence didn't change since the 2020 regulatory outlook. However, the update provides more details on the Lebanese law related to the establishment of the NRA and more information on the Moroccan regulator ANRE.

Most NRAs are generally autonomous from direct instructions from the Government or other public or private entities when carrying out regulatory tasks. Regulation is generally an activity distinct from energy policy, naturally without prejudice to the guiding principles of the energy policy established by the Government.

In addition, to ensure the neutrality of the NRA, the regulatory staff, especially the board members, are prohibited to have employment relationships within the energy sector or having interest and hold shares in regulated utilities while holding their positions in the NRA. In that regard, the rules against any conflict of interest are strict and transparent either in the general law, energy law or the internal rules/ code of ethics of the NRA.² In case of non-compliance of these rules, administrative & economic sanctions can be used. In instance, in case of violation of these rules by the French regulator – CRE - Board members, a criminal sanction of 3 years imprisonment and a €200 000 fine (the amount of which may be increased) may be pronounced.

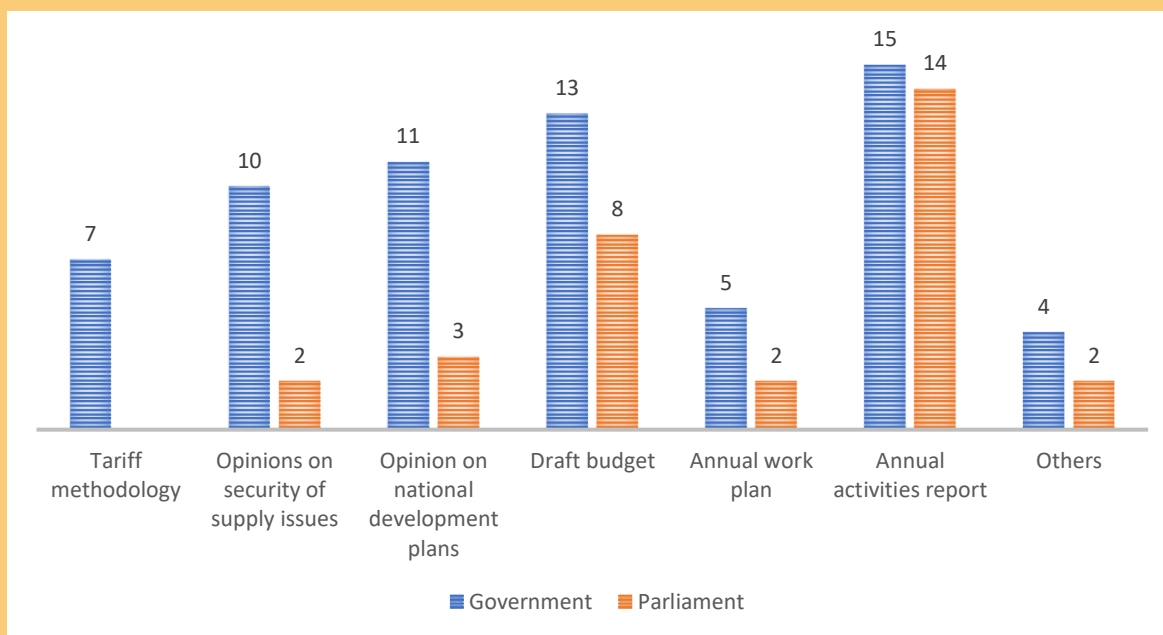
Regulatory decisions are binding to affected parties. However, in most cases the decision can be appealed in court (administrative or supreme).

Almost all NRAs are formally obliged to report in front of the Government or the Parliament. Reporting is mostly accomplished through Annual Reports as part of their accountability obligations. Other interactions between the regulator and relevant Ministry (or Government) concern the approval by the latter of the draft budgets (also discussed in Section 4.2.2) and work plans. During the period of Covid-19 Pandemic and energy price surge, the NRAs also serve as advisories to the relevant Ministry or Government by proving opinion on specific topics such as the national (energy related) development plan, security of supply and in

² More details about the rules against the conflict of interest can be found on [MEDREG's report](#), available in the website.

tariff methodology. Figure below describes the most common formal NRAs obligations towards Government and Parliament.

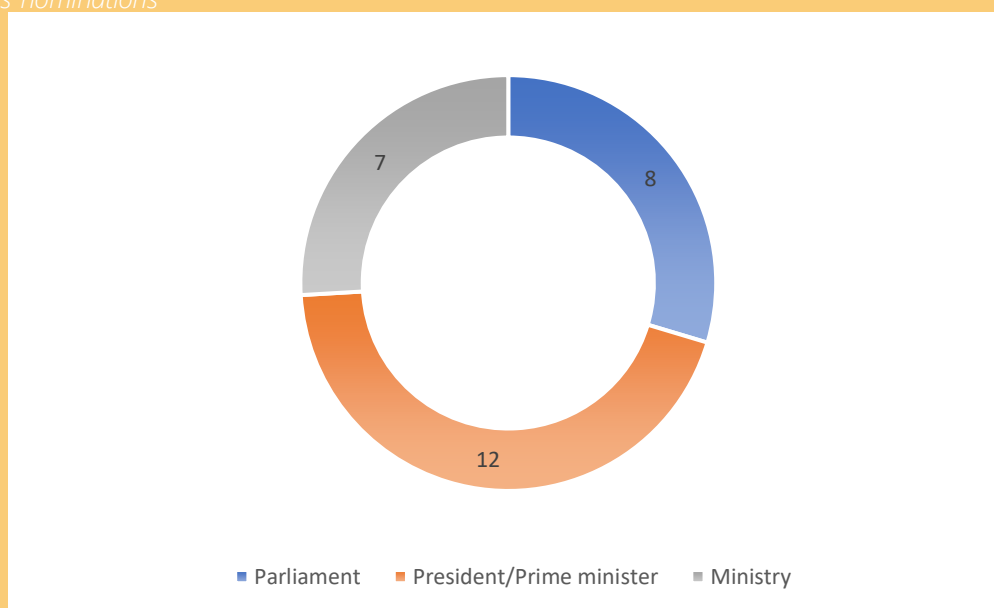
Figure 5. Formal NRAs obligations to Government and Parliament



Even though, the NRA is guaranteed through the legal framework. The board members remain appointed by the governments, either by the President/Prime minister, Parliament, or the corresponding ministry. In case of appointing the board member by the parliament (where there is representation of all political parties), the proposal of the person come from the relevant ministry to avoid jeopardizing the of the independence of the NRA.

Overall, the selection process of the NRA board is a crucial to secure its independence. In the context of this Edition of the Regulatory Outlook, the selection process has been surveyed in depth as reported below.

Figure 6. Board Members' nominations



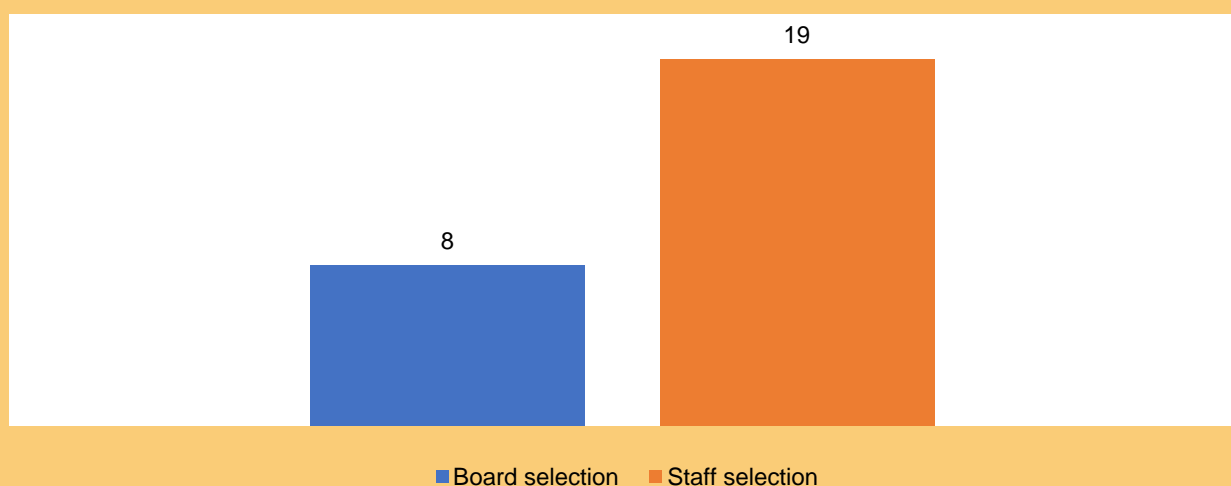
Comparing to the 2020 edition, the nomination of board members remained the same and it involves different public entities in several NRAs. For instance, for CREG (Algeria), ARERA (Italy) and CNMC (Spain) the nomination is done from the Government following a proposal from the competent Ministry. The Parliament may also be empowered to approve the nominations: in the case of ARERA (Italy) nominations are submitted to the competent Parliamentary Committees for scrutiny, and the appointment is based on a two-thirds majority vote. For CNMC (Spain), the Parliament may veto the appointment by absolute majority vote within one month. In HERA (Croatia), the Parliament also approves board members following a proposal of the Government. As for the new input in the 2022 edition, In Morocco, there is no public call for the Board members and they are appointed by government and parliament, while the President of ANRE is appointed by the King of Morocco. For the ANRE's staff a public call is made and it includes the selection criteria, Selection Committee, and the right of recourse by candidates.

On the other hand, the law in Lebanon, does not state the need for a public call for candidates to select the chairman and board members but there is nothing that prohibits from doing so- especially that there is now a new law that regulates the mechanism for appointing first degree officials which will be applicable on the regulator board members.

As for the selection of staff members it is important to highlight that within three months as of the date of the appointment of the NRA, the conditions for choosing the required staff members are for them to be ministry employees who are directly related to the electricity sector and employees of the national utility company (Electricité du Liban). Additional staff if needed will be appointed as per Lebanese legislations (through civil service council).

The figure below provides, the NRAs public call for the selection of board members and staff. Where a public call takes place, this usually includes selection criteria required for the identification of the potential candidates as well as a selection committee in charge of evaluating the right employee, see next figure.

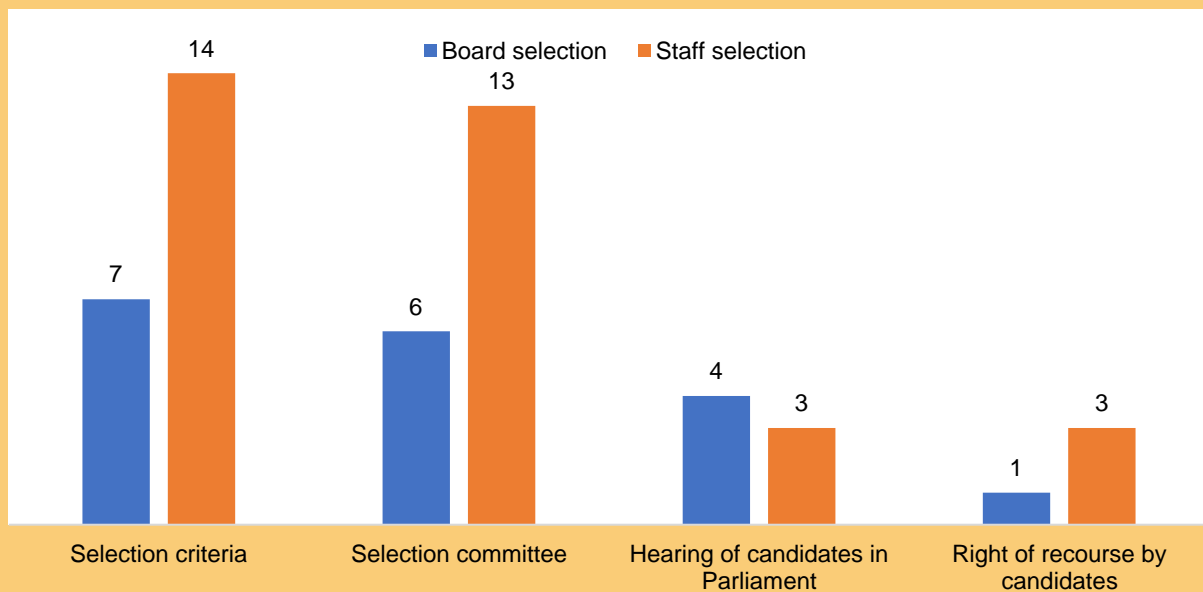
Figure 7. NRAs with public call for the selection of board members and staff



Expect for Algeria (both CREG and ARH), in the rest of the NRAs the terms of office for the chairman and board members are fixed, in almost all, the terms are fixed with renewal mandates in 15 regulators out of 21. A maximum of two renewals is reported. Board members are removed subject to specific conditions e.g., conflict of interests, criminal records, ailing health conditions and non-performance or misconduct in the fulfilment of board members duties and responsibilities for a certain time frame.

An additional practice implemented in 17 NRAs to strengthen regulators' independence relates to provisions which foresee a period in which board members and/or staff cannot be engaged with regulated entity after their service in the regulatory body. The length of the cooling-off period varies from country to country, with the maximum of three years in France.

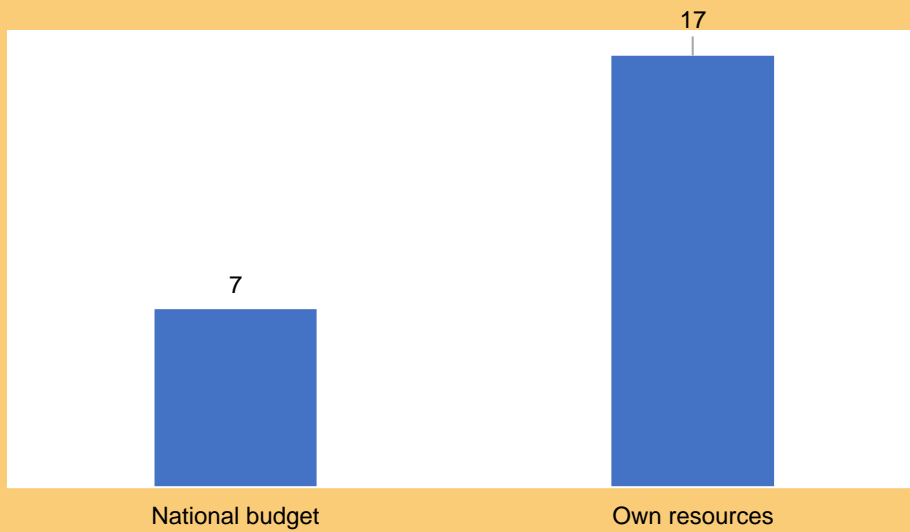
Figure 8. Board Members' and staff selection procedures



3.2.2. Financial Independence

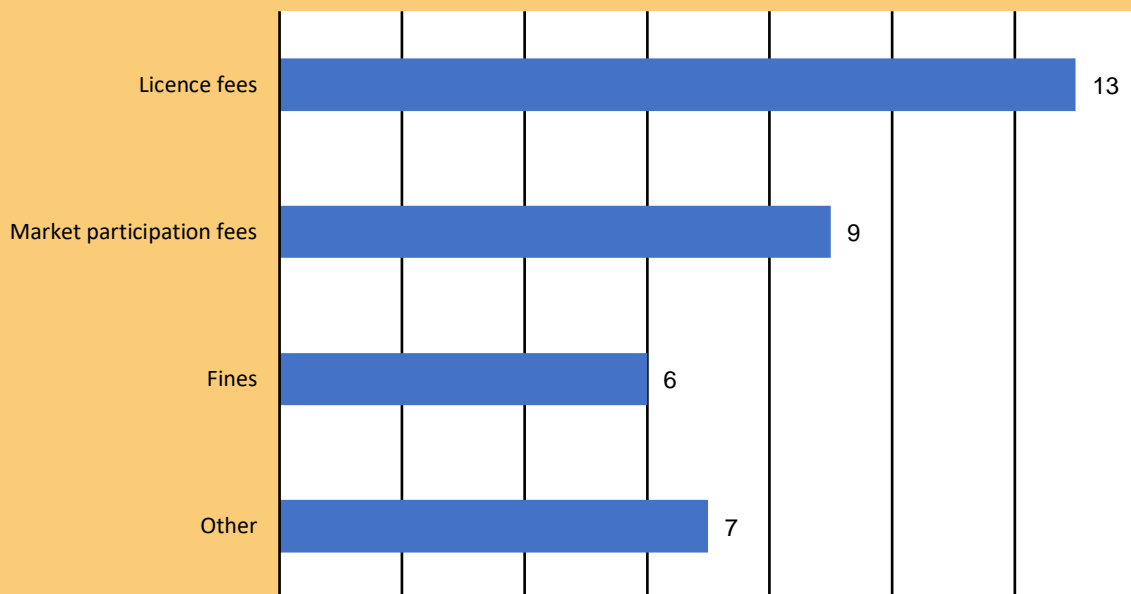
Financial autonomy is essential for the independence of the NRA. This is recognized by the legal framework in most of the Mediterranean countries. Only a relatively small number of NRAs, namely CRE (France), PUA and NGA (Israel), PERC (Palestine), and a partially EMRC (Jordan) and CNMC (Spain) are solely financed through national state budgets and temporality ANRE (Morocco) until the tariff is set, Figure 9:

Figure 9. NRAs sources of funding



NRAs' own resources principally consist of license fees (13 NRAs). Fines, market participation fees and other types of funding also contribute to the NRA budget (see figure 9). In the category of other funding, donations and grants from international organizations are reported by RAE (Greece) and EMRC (Jordan), together with funds collected through the selling of publications and studies as done by ERSE (Portugal) and fees from participation to international scientific programs in the case of RAE (Greece). In case of CREG and ARH (Algeria) additionally to the license fees, an amount is collected from end consumers and specified by tariffs decision, adopted, and published by CREG & ARH in accordance with a decree. The distinction of source of funding is detailed in figure 10:

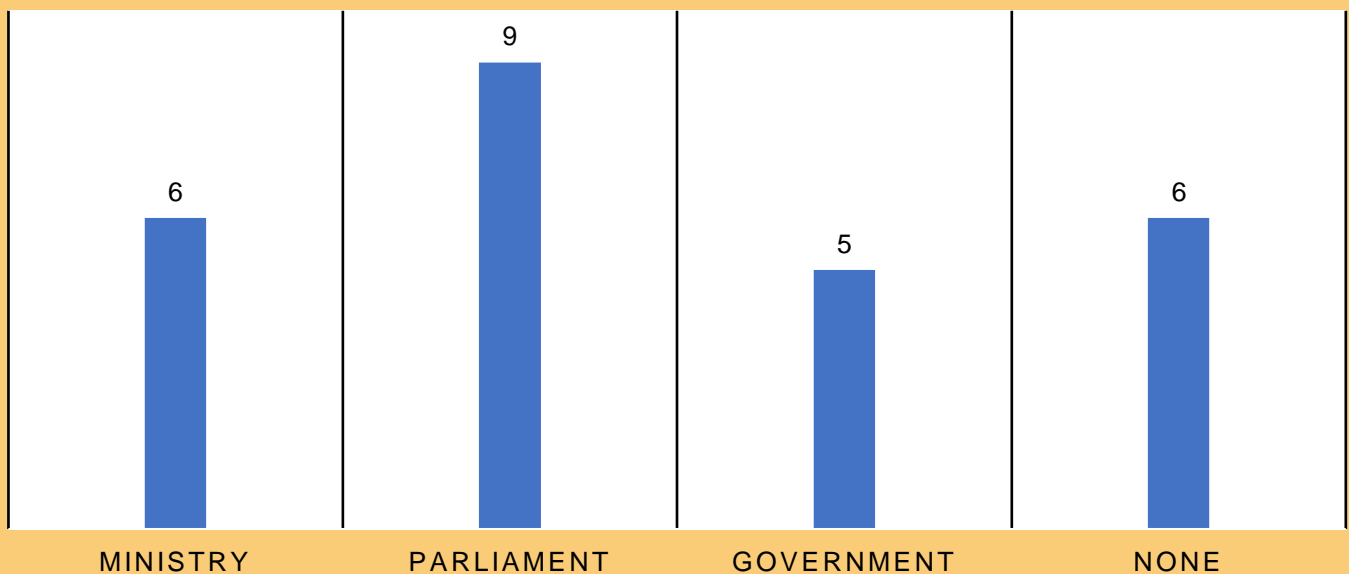
Figure 10. Categories of funding of NRA's own resources



Fees are autonomously defined by the NRAs in 11 cases. In other cases, they are set by the Governments or by Law. Most regulators foresee that governmental bodies may provide some input with respect to the way the regulatory authority's own resources are used. However, it's not the case for SERC (Bosnia and Herzegovina), ERE (Albania), HERA (Croatia), RAE (Greece), REWS (Malta), ANRE (Morocco), CNMC (Spain) and EMRA (Türkiye).

In most countries the NRA's budget process is established by law. The regulatory authority may seek approval of its budget in front of other public governmental bodies, which vary from country to country as reported below by the figure below:

Figure 11. NRAs' Budget Approval Obligations



Only 6 NRAs do not have to receive an approval on their budget definition. In general, the budget approval procedure can also involve exchange and authorization with different governmental entities. For instance, the approval may be given by both the Council of Ministers and the House of Representatives for CERA (Cyprus) or by the Parliament, upon consultation and agreement with the Ministry in charge of finance, as applied in the case of CRE (France) and NGA (Israel).

All NRAs reported to be subject to annual financial review by external auditors, either private or public entities.

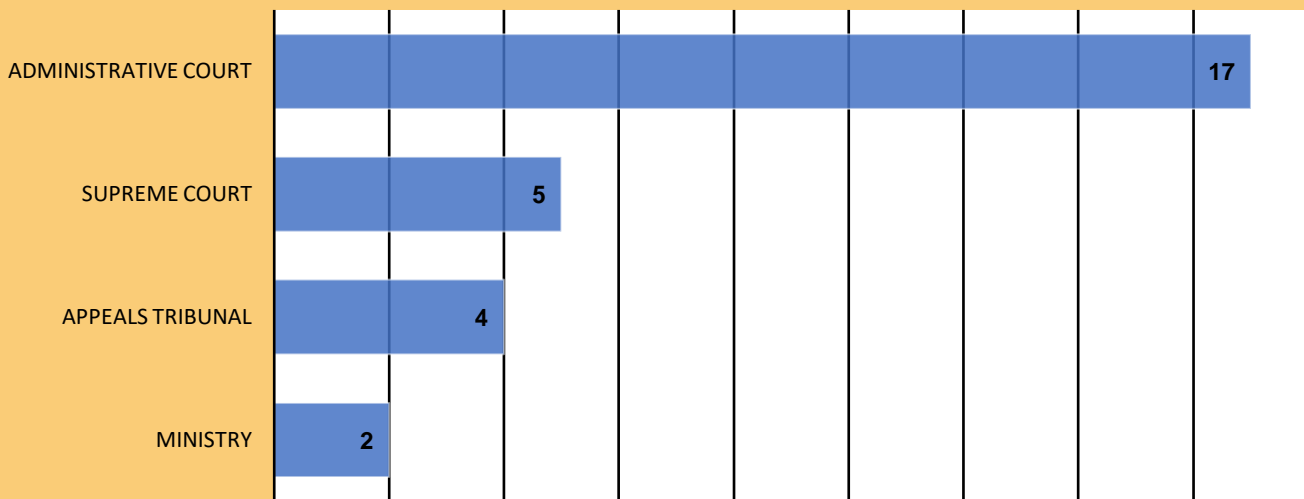
In reference to the last Edition, no major changes are identified. ARH is like CREG in terms of financial independence, ANRE is still in temporary phase in terms of financing scheme until ANRE set the tariff. In Lebanon, the budget is planned to be partially funded by licence fees and market participation.

At least three months prior to each fiscal year end, the regulator sets up the next year budget and submits it to the minister of energy and water for ratification within 30 days as of its registration date in the competent department in the ministry. As it is subject to the finance minister's ratification in accordance with the same rules. In case of a dispute regarding the budget, the matter is referred to the council of ministers for settlement.

3.2.3. Functional Independence

In all Mediterranean countries, mechanisms for parties to appeal a regulatory decision are in place. Except for two NRAs that reported possible appeals through the Ministry (NGA and ARH). The remaining NRAs informed on appeals either to Administrative Court (17), Supreme Court (5) or an Appeals Tribunal (4), as shown in the figure below. Overall, the treatment of appeals indicates considerable progress regarding functional independence.

Figure 12. Entities to which regulatory decisions are appealable in MEDREG countries.



The decisions of the NRA remain in effect pending appeal except for ARERA (Italy) and, partially, for PUA (Israel) where it depends on judge decision. Overall, NRAs have comparable satisfactory levels of independence, which guarantees regulatory stability and neutrality and avoids situations in which the decisions of the regulator are constantly modified or taken under influence.

3.3. Competences

3.3.1. Information Access

Except for NGA (Israel), all Mediterranean NRAs have full access to financial information from sector participants (accounts, operational details, agreements, personnel info, etc.). NGA (Israel) may obtain complete information from utilities upon request and from regulated entities only. In addition, all the regulators have also full access to technical information from utilities.

3.3.2. Security and Quality of Supply

Almost all NRAs monitor the security of supply through several indicators. MEDREG members were asked if their NRAs monitor some indicators such as:

- Medium and long-term supply/demand balance in the national market,
- Projected demand and envisaged additional capacity,
- Quality and level of maintenance of the networks
- Quality of supply.
- Any additional indicators may be also monitored depending on the sectors each NRA is mandated to regulate.

In most of the cases, the NRAs monitor at least the 3 indicators, commonly; the supply/demand balance, foreseen demand and new capacities and quality of supply.

Concerning the latter one, this edition of the regulatory outlook, includes additional information related to the role of the NRA in monitoring the performance of the electricity distribution through several indicators.

Expect for CNMC, all the NRAs follows at least the SAIDI and SAIFI. The detail by NRA is given in the figure below.

Figure 13. Main indicators monitored by the NRA for the electricity distribution.

Indicator	Indicator used																			Indicator not used				
	ERE	CREG	ARH	SERC	HERA	CERA	EGYPTERA	GasReg	CRE	RAE	PUA	NGA	ARERA	EMRC	LCEC	REWS	REGAGEN	ANRE	PERC	ERSE	Agens	CNMC	EMRA	
SAIDI																								
SAIFI																								
CAIDI																								
Average time for new connections	No reply		Not applicable		Not applicable			Not applicable				Not applicable						Not applicable				No reply		
Average time to reply to enquiries																								
Average reconnects after repairs																								
Average time to replace meters in case of complaints																								

transmission systems. However, the rules for the submission of adjustment programmes and proposals submitted to the public transmission system operator on the balancing mechanism shall be approved by CRE prior to their implementation.

In the gas sector, article L. 452-3 of the Energy Code allows CRE to put in place "appropriate short- or long-term incentives to encourage operators to improve their performance linked in particular [...] to the integration of the internal gas market, security of supply [...]". In its deliberation of 22 February 2018, CRE set the terms and conditions for the marketing of gas storage capacities for the year 2018-2019. The primary objective pursued by CRE in the context of the storage reform has been to maximise capacity subscriptions to improve the filling of storage facilities, which has reached particularly low levels in previous years, and thus improve security of supply.

In both sectors, CRE promotes interconnections with neighbouring countries and monitors their efficient operation because they contribute to security of supply in Europe.

Most Mediterranean regulators participate in the implementation of measures to meet the peak demand and to address any shortfalls of suppliers, guaranteeing such issues by law or through provisions of supplier of last resort. Sometimes this role is covered by other entities (such as network operators), but NRAs are always in charge of monitoring and reporting.

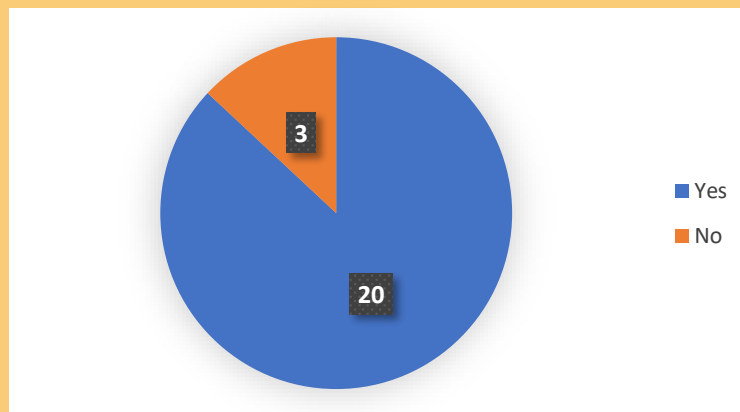
Where tendering procedures exist for new capacity, infrastructure or investment, the powers granted to NRAs vary from country to country. 12 out of 23 of NRAs are involved in tendering procedures, but a diversification between NRAs is also related to the several topics that can be addressed in the tendering process. In this regard, it can be said that the coherence of the monitoring provisions of NRAs concerning security and quality of supply varies too much in the region and more alignment should be reached.

3.3.3. Market Opening and Market Monitoring

The level of market opening in the Mediterranean region vary from a region to another. The EU, Türkiye and the Balkan countries have most likely reached a high level of market opening. However, in the south shore countries, the primary legislation foresees the full opening of the market. Nevertheless, level of opening is lower and in most of the cases concerns only the generation side, the Gas market liberalization follows at a slower pace with variations from member to member according to the legislative framework in place.

Market monitoring is a prerequisite for EU Member States and Energy Community Contracting parties from EU legislation and for several other MEDREG members, for example EMRA (Türkiye), EMRC (Jordan), ANRE (Morocco). 20 out of 23 of the NRAs stated that they are responsible for collecting information on market dominance as well as on predatory and anti-competitive behaviour as shown in the figure below.

Figure 14. NRAs competences in collecting information on market dominance/predatory and anti-competitive behaviour



CERA ensures its role by taking suitable measures that there are appropriate and effective regulation, control, and transparency mechanisms to avoid any abuse of a dominant position, especially to the detriment of consumers, and any aggressive behaviour, which mechanisms consider the provisions of the Treaty on operation of the European Union, and in particular its article 102, as well as the relevant provisions of the Law on the Protection of Competition.

CRE on the other hand, has been assigned the mission of monitoring the wholesale electricity and natural gas markets since 2006, ensuring that the offers made by market players are consistent with their economic and technical constraints. The aim is to ensure that prices are consistent with the physical and economic fundamentals which determine supply and demand. CRE's task of monitoring wholesale markets is also

part of the framework of the Regulation on Energy Market Integrity and Transparency, called REMIT, which prohibits market abuses on wholesale electricity and gas markets. As part of this task, CRE produces an annual report on the functioning of wholesale markets.

In Greece, RAE monitors and supervises the operation of the energy market, according to the Energy Act and as part of its remit, prepares studies, draft, publishes and submits reports, makes recommendations, issues decisions or proposals to the competent bodies that take the necessary measures, including issuing regulatory acts and individual notices, especially for the purpose of compliance with competition rules and the regulatory obligations imposed under the Energy Act, consumer protection, fulfilment of their obligations by general interest service providers, environmental protection, security of supply and the development of the EU internal energy market. The RAE therefore monitors and supervises, in particular: (a) the extent and effectiveness of competition in the energy market, at wholesale and retail level; [...] (c) the emergence of distortions of or restrictions on competition and restrictive practices, such as exclusivity clauses that might prevent customers from entering contracts with more than one supplier simultaneously or restrict their facility to choose a supplier; [...]

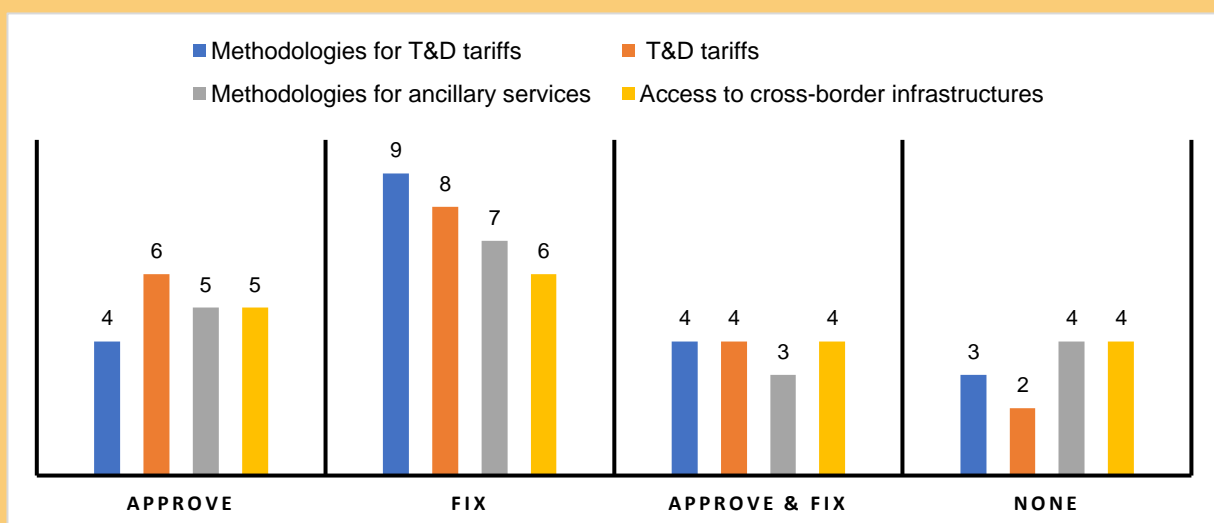
Finally, most NRAs play a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices. CREG and ARH ensure the absence of dominance exercised by others on the management of the system operator and market operator.

In the case of EgyptERA (Egypt), the electricity market law defines the role of the NRA in the wholesale electricity market monitoring. The same case is reported in ANRE, where it's the responsibility of the regulator to monitor the market and to guarantee that all actors have the same opportunities ERSE ensure its responsibility in cooperation with the Portuguese Competition Authority.

3.3.4. Tariff Setting

Apart from PERC, all NRAs are involved in the tariff setting process. Responsibilities range from approving methodologies and values proposed by regulated entities or autonomously setting and fixing methodologies and tariffs for transmission and distribution networks, methodologies for the provision of

Figure 15. NRAs responsibilities concerning tariffs setting in MEDREG countries.



balancing and ancillary services and the access to cross-border infrastructures. An overview of the NRAs competences related to tariff setting is provided in the previous figure.

In the case of Lebanon, the law foresees that ERA the energy regulator has the authority to:

- Regulate tariffs and subscription contracts,
- Ensure and encourage competition in the electricity sector, supervise and control non-competitive tariffs and ensure the transparency of the market.
- Determine, the ceiling of the prices of generation services, tariffs applied on the various services of electricity transmission and distribution, subscription fees, service fees, fines and other fees, and their method of collection.

ARH on the other hand, has the responsibility to fix the methodology used to establish transmission and distribution networks tariffs.

In the case of ANRE, the regulator is responsible to fix all the tariff settings shown in the previous figure, except for the access to cross-border infrastructure, where ANRE approve the tariff.

3.3.5. Licensing

A licensing regime is in place in all MEDREG members countries. However, the NRAs are not involved in all the cases, such as in France, Italy, Morocco, Portugal, and Spain, with the licensing process generally handled by the Ministries. ARERA (Italy) may address observations and recommendations to the Government and Parliament about licenses or authorizations, and to the Ministry of Economic Development about licensing, convention and authorization schemes, and any changes to or renewal of the existing schemes.

Where the license regime is managed by the regulator, NRAs can have several powers depending on the legislation in place, for instance:

- Issuing licenses.
- Determining the terms and conditions of licenses.
- Reviewing and monitoring licenses and their compliance with the terms and conditions,
- Modifying licenses
- Imposing a fine on licenses for infractions and reporting them for violations of terms and conditions of licenses as well.

However, as it can be noted from the figure below, NRAs are not always responsible for all stages of the licensing process.

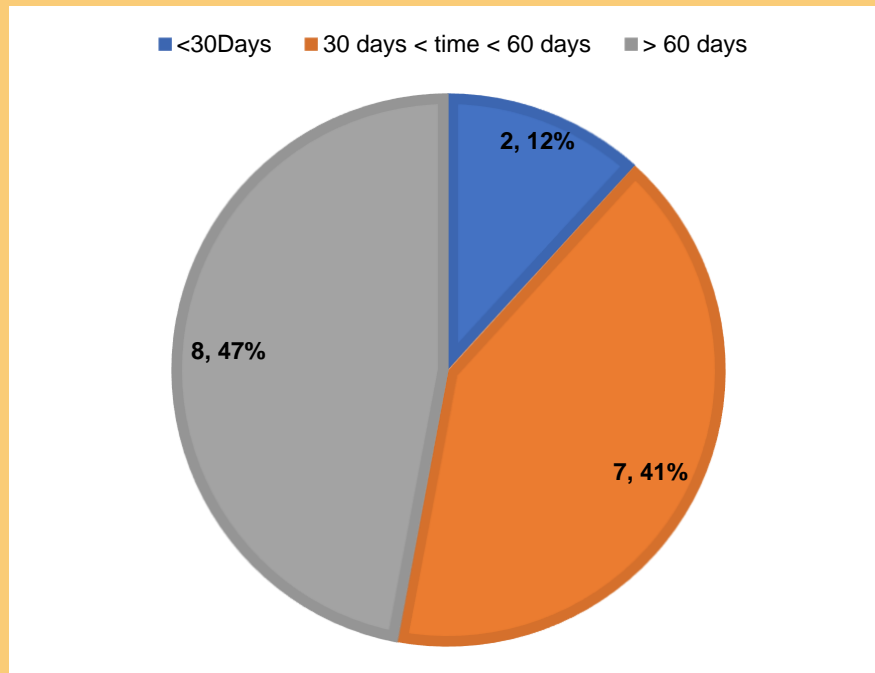
Figure 16. NRAs competencies on licensing regime.



In case of infractions concerning the terms and conditions of licenses, 10 NRAs of Mediterranean have the obligation to refer them to another public body, usually the Ministry, the Competition Authority, or the TSO. However, in Greece for example, the regulatory authority does not have to report infractions to another public body, but any acts imposing penalties or revoking licenses due to infringement of the terms of the license must become publicly available by RAE. In several cases the NRAs have also the power to impose fines or sanctions in case of infractions.

In the case it's the NRA that issue the license, the average time to issue it range from one to more than two months from the date of application, see the figure below. The duration to issue the license may increase as a function of the license requested its complexity and depending on the application – whether this is completed correctly without missing documents or other necessary information.

Figure 17. Average time to deliver a license.



3.3.6. Dispute Settlement

All NRAs have a role in solving disputes between industry actors and customers or between industry actors only.

The slight exception would be in France, where the Article L. 134-19 of the French Energy Code, stipulate that CRE's Standing Committee for disputes and sanctions (CoRDIS) can be seized in case of a dispute between:

- Operators and electricity or gas transmission or distribution network users;
- Operators and natural gas storage facility or liquid natural gas (LNG) facility users;
- Operators and carbon dioxide transmission and geological storage facility users.

In Italy, ARERA is involved only in case of dispute between industry actors only and CNMC has limited responsibilities in terms of dispute settlement.

In case of CREG (Algeria), the CREG's arbitration chamber only rules on disputes that may arise between operators, the composition of this chambre is set in the law. Disputes between operators and consumers are handled by the CREG's conciliation department.

In all countries interested parties may bring to the regulatory authority a complaint against a transmission or distribution system operator on issues related to non-discrimination, effective competition, efficient functioning of the market, transmission and distribution tariffs, and provision of balancing services. Grid access (TPA), cross-border disputes are the main topics raised. Other topics include consumers rights related issues such as unfair commercial conducts, errors in billing, undue disconnections and switching, or issues related to license holders' responsibilities.

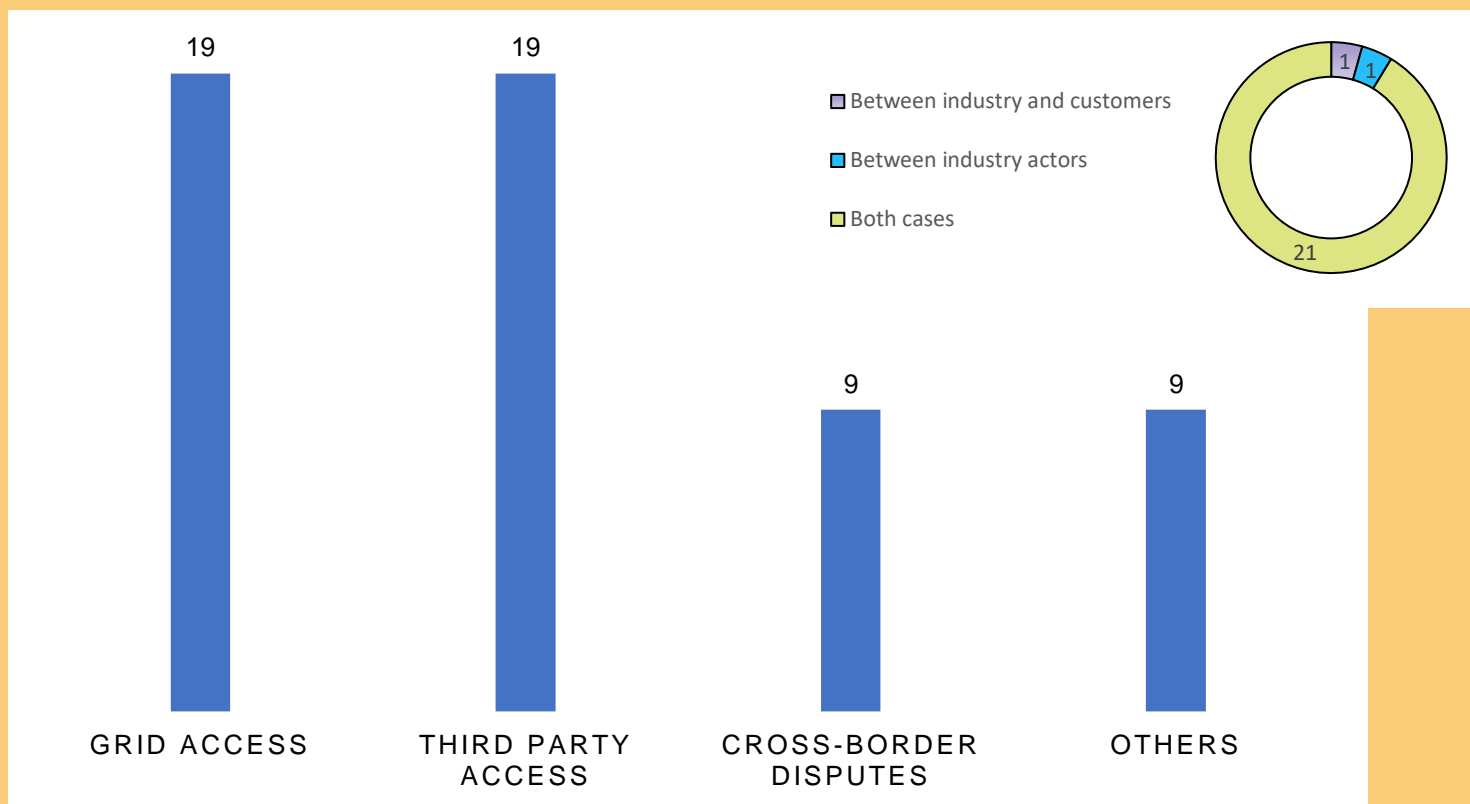
Since the 2020 edition, RAE established a permanent arbitration, to which the following cases can be referred for an award:

- Disputes between persons engaged in any manner of activity in the energy sector.
- Disputes between eligible customers and undertakings engaged in energy-related activities.
- Any dispute that arises between the above persons from the application of the relevant national and EU legislation in force.

On the other hand, CRE (France) does not have the power to act as an arbitration authority and acts only for conflicts between entities listed in the French Code.

The figure below provides the number of NRAs competent in dispute settlement and the topics addressed by NRAs in the context of dispute settlements

Figure 18. NRAs competence in dispute settlement & main topics settled by NRAs in the context of dispute settlements



3.3.7. Unbundling

As an energy regulator, all the NRAs in the Mediterranean region have a role with respect to utility unbundling. In general, the NRAs have a mandate to issue guidelines and a set of rules for accounting unbundling, compliance, reporting, and cost allocation, as described in the figure below.

For the MEDREG EU members such as CRE and RAE, the regulators have the responsibility to issue the certification for the TSO once it complies with all the requirements.

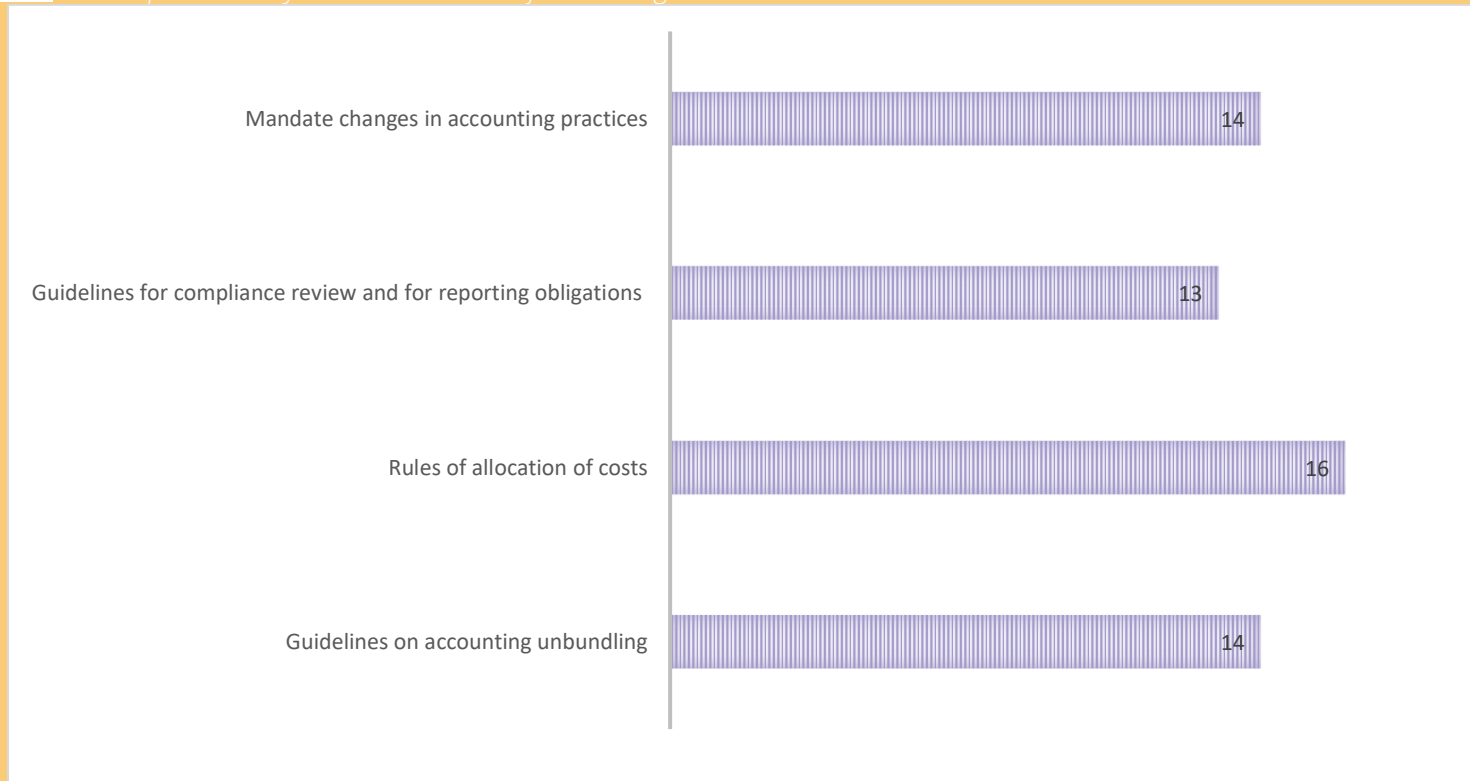
Comparing to the previous edition, In Morocco, ANRE is involved in the accounting unbundling. In addition, by law, the public utility submits its separate accounts for approval to ANRE.

On the other hand, in Lebanon, it's foreseen that as per law 462/2002 the principles of the unbundling are determined pursuant to decrees taken in the council of ministers upon the minister's proposal.

ARH in Algeria is an important player in the separation of activities and must ensure the competitive and transparent operation of market. However, ARH need to complete some other standards to established guidelines on how separate accounts should be drawn up for unbundled entities. In addition, through the tariff and cost equalization fund that ARH manages, the regulator draws up guidelines for compliance review and for reporting obligations regarding the unbundling process.

The figure below provides the main topics settled by the NRAs in the context of unbundling.

Figure 19. Main topics settled by NRAs in the context of unbundling



3.3.8. Technical Competences

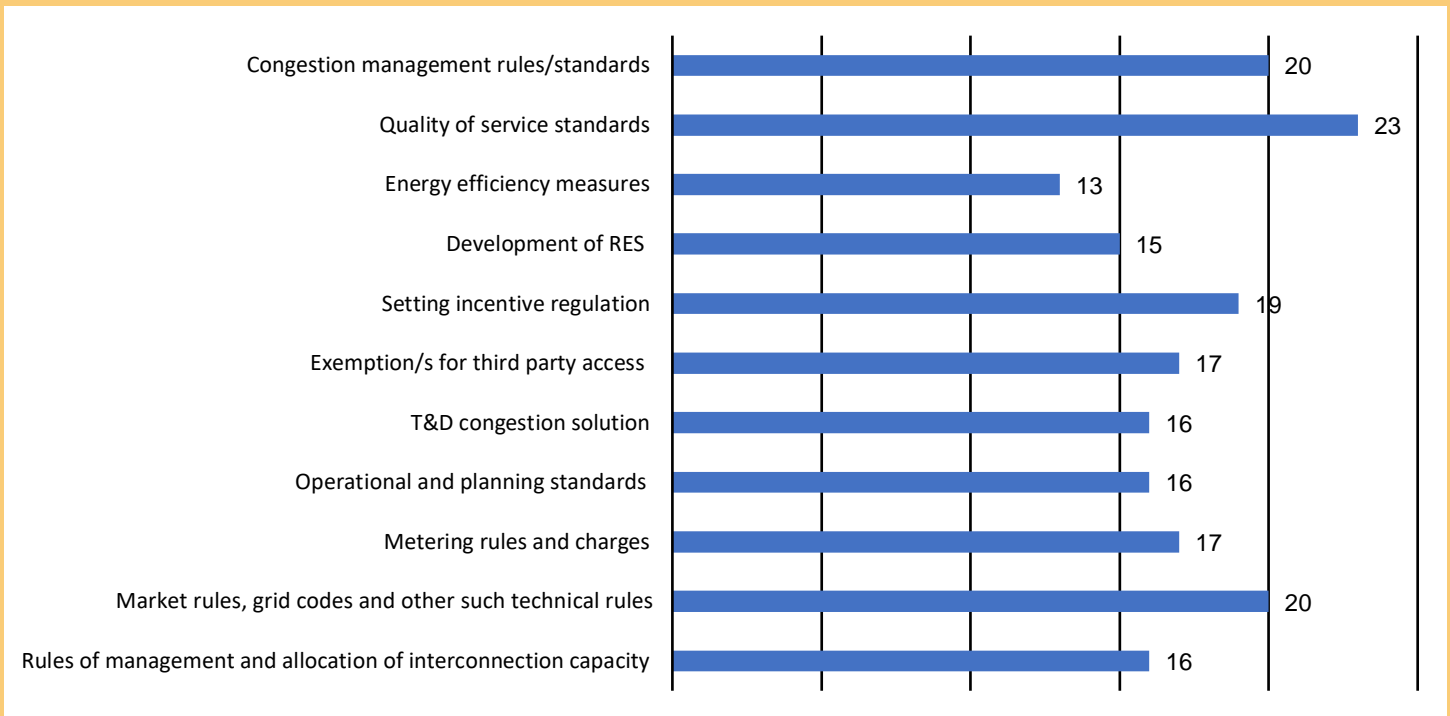
The figure below summarizes the main technical competences of the NRA in the Mediterranean region, most of the regulators are involved in all the technical rules, grid code and to the grid congestion management standards & quality of service rules.

However, concerning the role on the energy efficiency measures, less NRA are involved as the energy efficiency can be under the competences of other entities.

Only a few NRAs maintain an audited account of any revenues collected pursuant to congestion management mechanisms.

Regarding infrastructure development planning, NRAs have differentiated roles in investment planning and cost recovery, both nationally and regionally, most likely because many of these tasks are carried out in cooperation with the relevant ministries and national Governments depending on the legislative framework in place in each country.

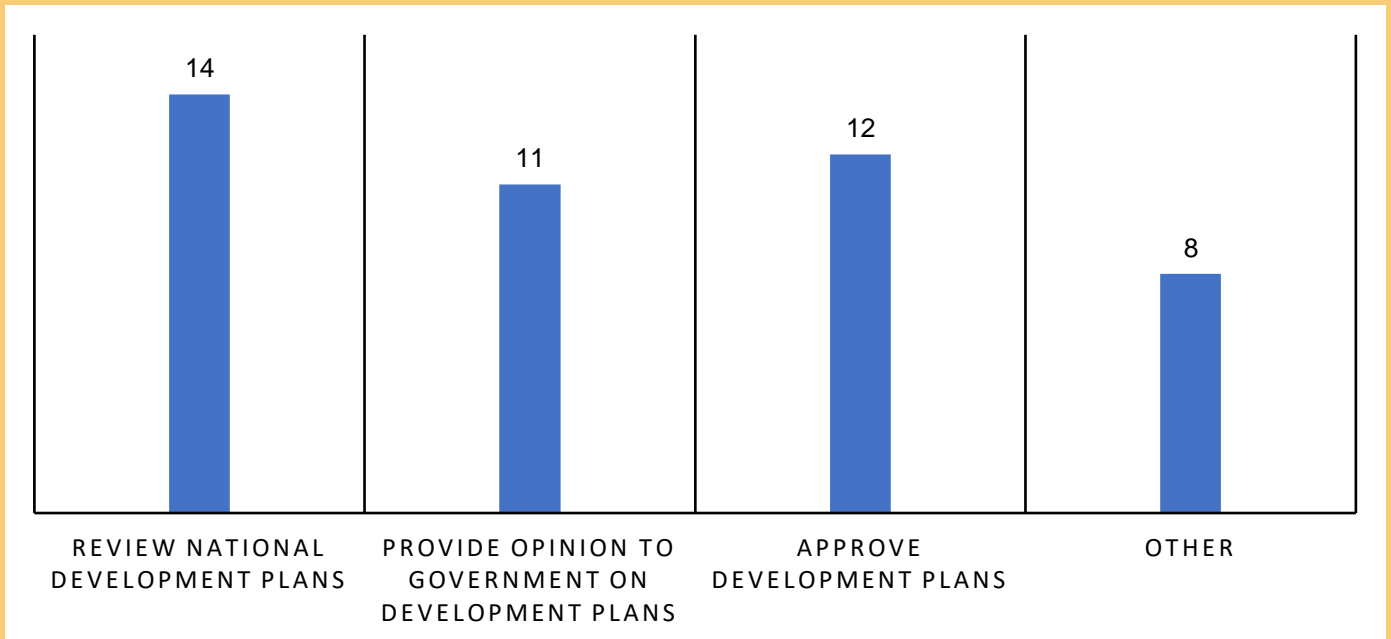
Figure 20. NRAs technical competences



ARH for instance, review national development plans and is involved in the equalization fund. ANRE on the other hand, approve the development plans. However only for the network development. Lastly for Lebanon the law foresees that ERA should prepare studies related to the general plan for the sector in the production, distribution, and transmission fields, submit them to the minister for discussion, finalize them and submit them to the Council of Ministers for approval.

An overview of the regulatory authority's role with respect to investment planning and cost recovery, nationally and regionally is provided in figure below.

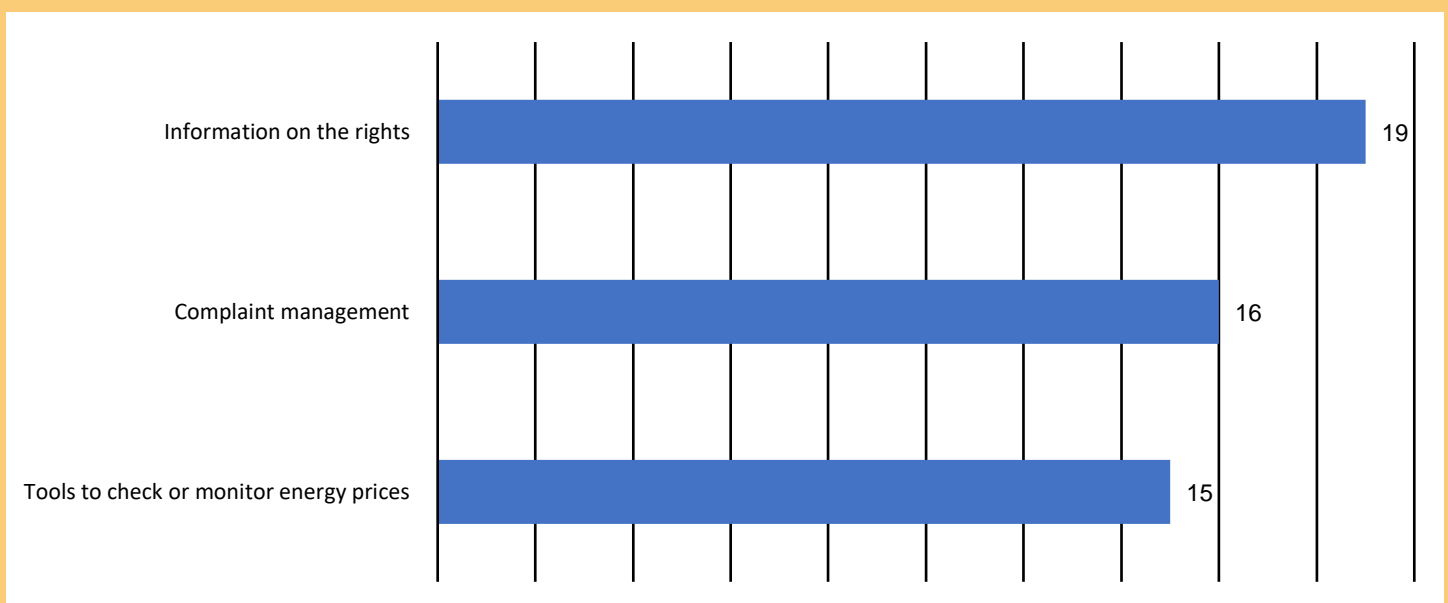
Figure 21. Powers on Infrastructure Planning and Cost Recovery



3.3.9. Consumer Protection

Apart from ARH that doesn't regulate the gas distribution, and which consumer protection is not included within regulator's competences, all Mediterranean NRAs are responsible for customer protection in their regulated sectors, although the level of responsibility differs from country to country. Overall, as represented by the figure below.

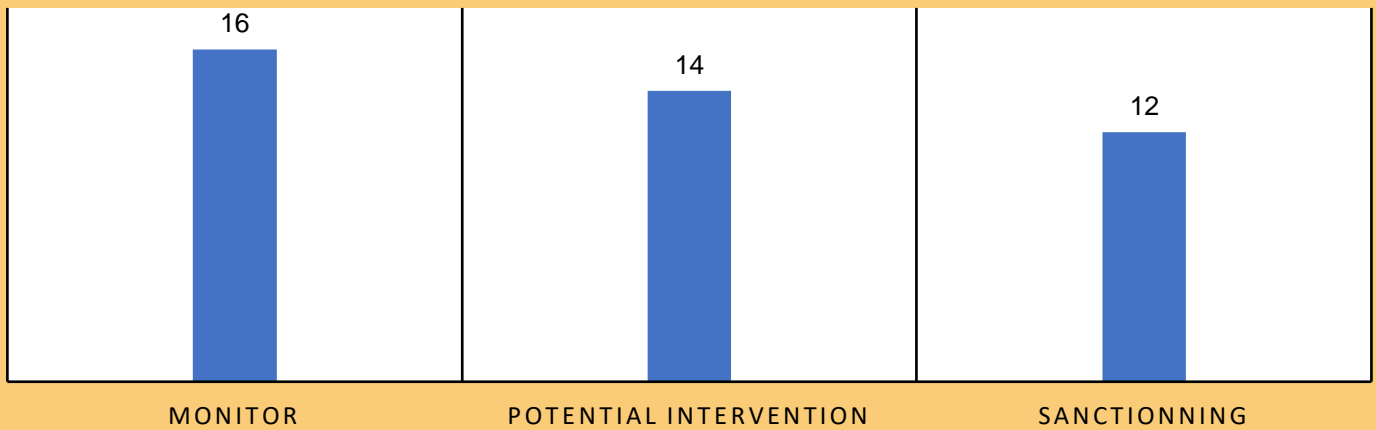
Figure 22. NRAs competences to support energy consumers



consumer protection is ensured by competences related to information on consumers rights, management of costumers' complaints and tools to check or monitor energy prices.

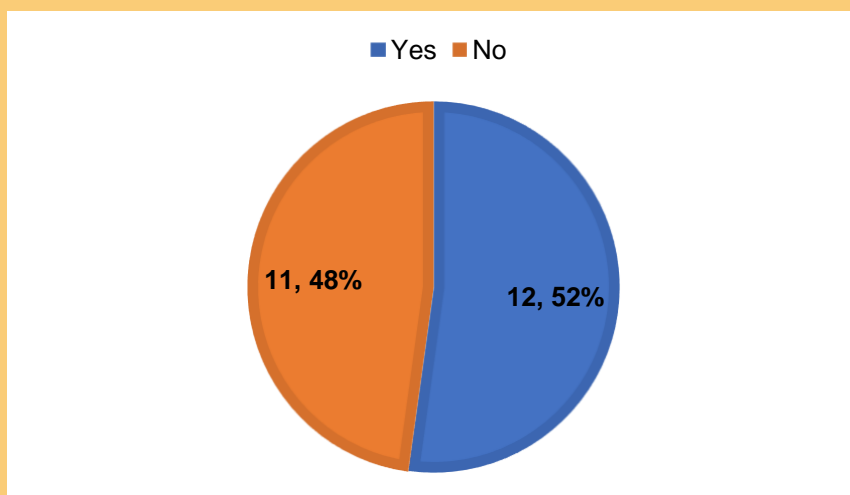
In Lebanon the law defines the role of the energy regulator in that field and ERA will have to put in place supports to consumers in terms of information on consumers rights and tools to monitor the energy prices. For the remaining countries, the competences of the NRAs remained the same as in the last edition as shown in the figure below.

Figure 23. NRAs competences for network connections and repairs



When it comes to vulnerable consumers only the Half of the NRAs are directly involved in addressing somehow their needs, while others do not intervene to support them as it is an issue mainly dealt with by Ministries. Such division is described by figure 24. In the case of ARH, Lebanon and ANRE, the relevant ministry is addressing the needs of vulnerable consumers.

Figure 24. NRAs in charge of competences for vulnerable consumers



Seven NRAs reported that they just implement government policies whereas four of NRAs notified that it is them that define the policies for addressing vulnerable customers' needs and set prices for vulnerable customers.

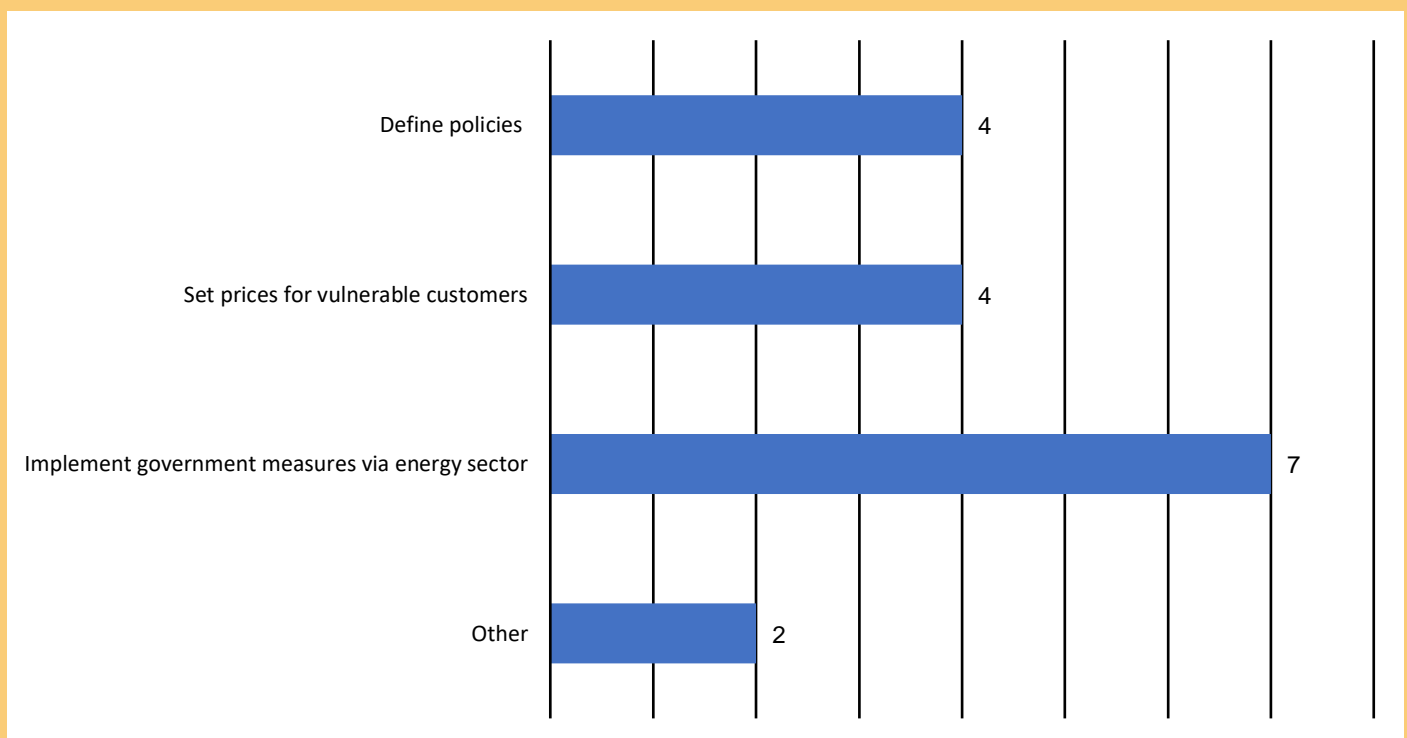
In other cases, the regulator can provide an opinion on the existing mechanisms as CRE that issues opinions concerning the rate mechanism for social purposes designed to guarantee the right for people in situations of precariousness to have electricity, according to Articles L. 121-5 and L. 337-2 of the Energy Code.

For the gas sector, CRE issues opinions on the special solidarity rate for the supply of natural gas, and services related to it, applicable to residential customers who qualify for special "staple product" pricing referred to in Article 4 of Law in° 2000-108 of 10 February 2000 (Article L. 445-5 of the Energy Code).

the figure below summarizes the NRAs measures to address vulnerable consumer's needs.

RA may issue opinions to the Ministry of Energy regarding policy design (including regulated prices) for the protection of vulnerable consumers. The figure below summarize the NRAs measures applied for addressing vulnerable consumer" needs.

Figure 25. NRAs measures applied for addressing vulnerable consumers' needs



Finally, in most countries there are other bodies with the power to address the needs of vulnerable consumers, mainly ministries, Consumer Protection Agencies, Ombudsman or Antitrust Authorities.

3.4. Internal Organization

All the NRAs are granted with the power of deciding on their internal organization. There are however examples where at least high-level organization is provided by law. For example, in CREG, the organization of the management committee is defined by law. In Lebanon, the authority shall adopt its internal and employees' regulations and administrative regulations after the minister's approval which should be granted within thirty days from the date of their submission to him.

In the same way, all the regulators have the power to autonomously decide on their human resources policy, including hiring and firing of staff as well as staff allocation and composition.

Moreover, 15 regulators apply specific criteria for the hiring of staff members, which include, among other, setting central exams, the assessment of candidates by an independent selection panel, specific selection criteria and interviews for each position and issuance of a public notice. In the case of Morocco, since ANRE is temporarily financed by the Ministry, it has to comply with some criteria.

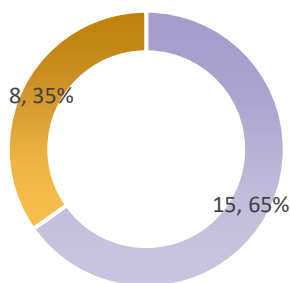
The regulatory board is the final decision-making authority for the selection and appointment of staff members in 15 NRAs, in the case of ANRE, it applies only for the directors. In the other regulators the final decision-making authority for HR selection is only represented by the Chairman or the CEO.

The figure below provides an overview of the NRAs in which the regulatory board is the final decision-making authority for the selection and appointment of staff members.

In 13 out of 22 NRAs the regulatory board is also the final decision-making authority to remove and set penalties and incentives for staff members, with possible limitations caused by the State Budget. In other regulators, instead, the setting of incentives or penalties for staff members is responsibility of the Chairman or Director or might be governed by internal by laws such in case of ARH and Lebanon.

Regarding the status of employees, the staff of 14 NRAs out of 22 is comparable with the status of national civil servants, while, in other cases, staff status may be governed by general labour regulations or by specific rules applied to the regulator only. Moreover, few NRAs can have only a percentage of staff employed as civil servant, leaving open the possibility to hire external contractors for specific duties. In this regard, Figure 27 outlines the percentage of NRAs in which the terms and conditions of NRAs employees are like those of national civil servant.

Figure 27 NRAs in which the regulatory board is the final decision-making authority for the selection and appointment of staff members



■ Yes ■ No

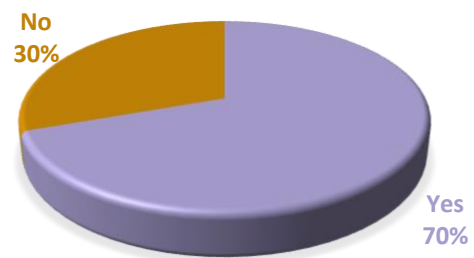


Figure 27. NRAs in which the terms and conditions of NRAs employees are like those of national civil servant

In most NRAs there is no legal restriction on the number of staff members as most of them can autonomously determine the number of employees they need. Few countries, however, foresee that the number of the employee of the regulator is established by law, subject to ministerial or Government approval or defined by external bodies, for instance CRE (France), ARH (Algeria), ARERA (Italy), CNMC (Spain) and EMRA (Türkiye).

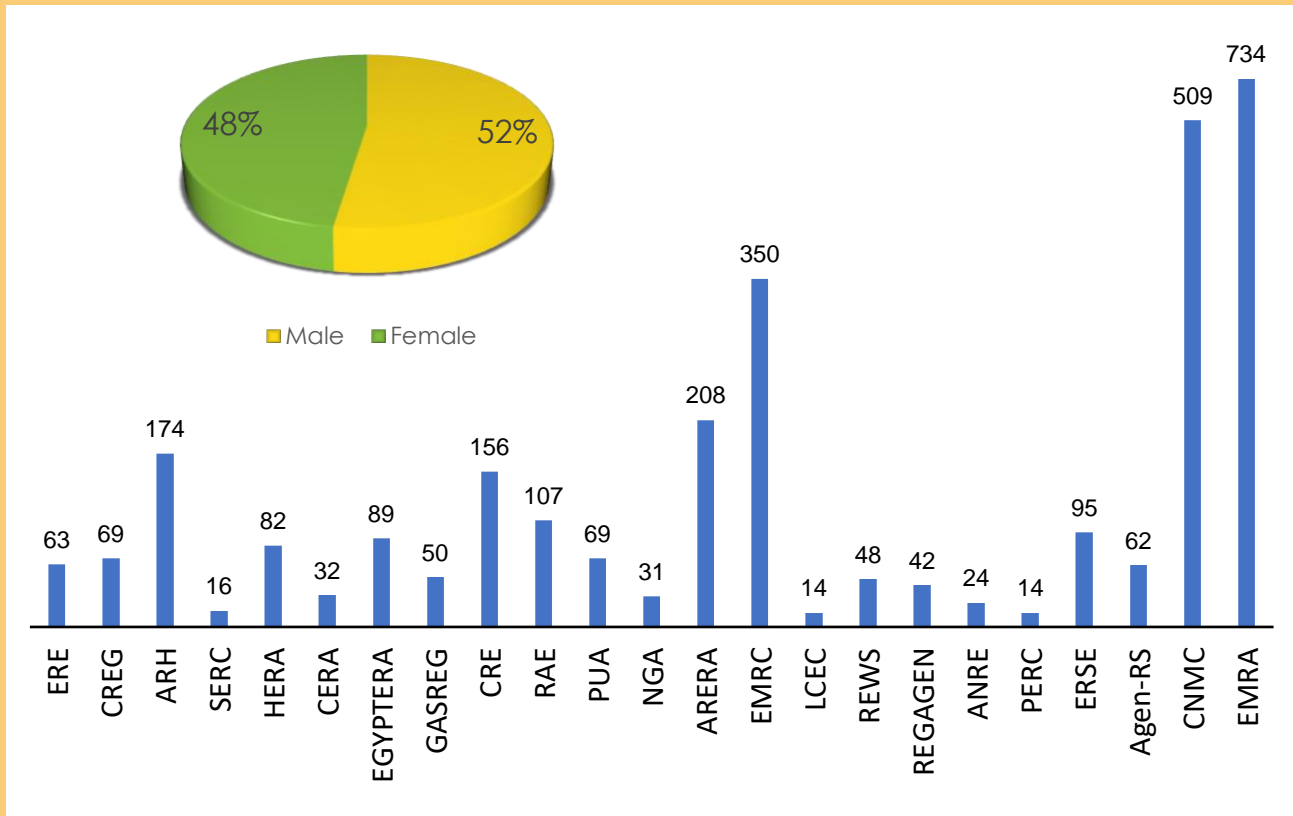
The number of staff members varies sensibly between Mediterranean NRAs, with the largest one counting more 500 employees and the smaller one having a staff of 14 people. An overview of the number of staff

employed by Mediterranean NRAs is given by the next Figure. In some cases, the data were not updated since 2020 and the data for ARH, LCEC and ANRE is not available.

It's also important to highlight that in the region, the women play an important role in the Mediterranean energy regulation as they represent almost half of the total staff of the NRAs in the region.

In 18 NRAs there is a binding code of ethics that all the staff must follow and 19 of them trust to have a sufficient budget to fulfil its mission as established by law. The budget of Mediterranean regulators greatly

Figure 28. Number of staff members



varies from country to country with the minimum being less than 1 million euros and the maximum being almost 77 million euros, with an average of 66 million euros.

On average, 52% of the NRAs budget is dedicated to staff remuneration. Once again, a notable spread is identified from 16% to 78% of the budget dedicated to salaries.

3.5. Enforcement

An overwhelming majority of member regulators, 20 out of 23, has the power to sanction sector participants, when necessary. Only REGAGEN (Montenegro) and PERC (Palestine) do not have such power. Meanwhile, 17 out of 22 regulators, has the power to expose uncompliant operators, publishing comparative reports in case of demonstrated insufficient performances. In the case of Greece (RAE) such reports have not been developed yet.

However, when violations occur, not all the NRAs can revise tariffs or reduce rates of return on non-compliant operators. Such an option is only available to 12 regulators. still, several other enforcement mechanisms are in place to sanction market operators. The most used are, for instance:

- Temporary prohibition of professional activities in CREG and ARH (Algeria), EgyptERA and GASREG (Egypt), CRE (France), RAE (Greece), REWS (Malta), EMRA (Türkiye);
- Temporary prohibition of network access in CRE (France), ERA (Lebanon), EMRA (Türkiye);
- financial penalties, sanctions and compensations are applied in HERA (Croatia), CRE (France), RAE (Greece), ARERA (Italy), EMRC (Jordan), REWS (Malta), REGAGEN (Montenegro), ERSE (Portugal), AGEN-RS (Slovenia) and EMRA (Türkiye);
- revocation or suspension of license in CERA (Cyprus), ERA (Lebanon), REWS (Malta) and EMRA (Türkiye);
- commitments for Future Compliance in HERA (Croatia) and ARERA (Italy).

To be noted that for Lebanon, all the mechanisms are available but needs to be specify in secondary law.

Enforcement is also ensured by the voting procedure in the regulators' board which is fundamental to avoid deadlock in regulatory board decisions. In general, most NRAs foresee procedures to keep the decision-making process effective, for instance with an odd number of commissioners with majority vote where abstention is not possible, or casting, preponderant or veto vote by the Chairman in case of tie vote or case to be brought before arbitrator appointed by the board members.

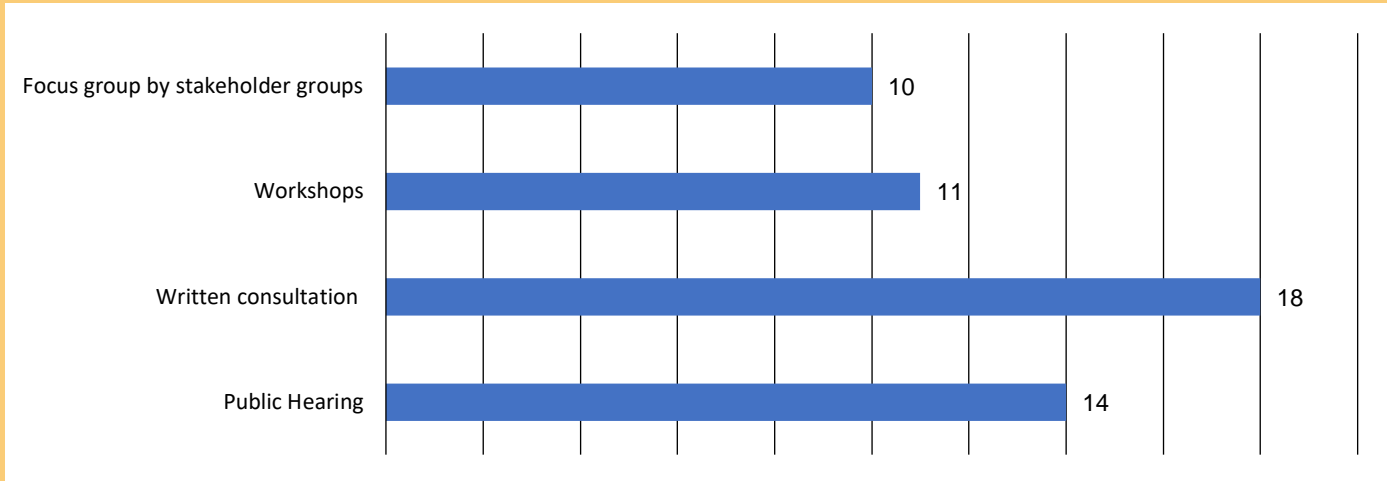
3.6. Transparency and Accountability

All MEDREG NRAs publish information on their functioning (missions, duties, organization chart, and reports), and make it available to external stakeholders via websites or issuing reports. ERA (Lebanon) still does not have a regulator, but it's planned to have a website once established. Information related to NGA (Israel) is included on the website of the Israeli Ministry of Energy.

Except EMRC and EMRA, all the NRAs publish all decisions of the regulator and made them available to all stakeholders, while protecting commercial sensitive information). However, information on all sorts of regulatory issues and practices such as licensing, tariffs, market monitoring data (except confidential data) are found on the regulator's website. Still not all information is available in English and some NRAs continue not to have an English version of their website.

Except for ARH (Algeria)³, Mediterranean NRAs consult stakeholders on draft regulations before taking any final decision. The scope of regulatory issues placed under consultation vary from country to country, but the systematic use. Clearly consultation is a valuable tool that allows for evidence-based regulation and a fruitful stakeholders' engagement. As reported in the Figure 29, the consultation process is applied through several modalities, with a clear preference to public hearing and written consultation.

Figure 29. Consultation tools applied by Mediterranean NRAs



Finally, accountability processes are investigated, as NRAs are public bodies that may be invited to refer about their main activities and results providing information on how they have fulfilled their mission. In this regard, the main instrument used by all Mediterranean regulators is the issuance of an Annual Report where all the activities and regulatory operations are detailed, giving the chance to external stakeholders to be informed and evaluate the work done by the regulator.

All NRAs have reporting obligations in front of other public bodies such as Government, Ministry or parliament. Depending on national legislation, some NRAs are also required to appear annually before a parliamentary committee or other Government body to ensure their compliance with their reporting procedure. Excluding PERC (Palestine), all the information reported by other NRAs are subject to rules which protect confidential information, as indicated by the legislation in place.

Finally, two additional elements are to be considered when evaluating NRAs accountability. In particular, the voting procedures of the regulatory board which is defined in each regulator and usually foresee quorum and majority or unanimity voting criteria. An additional point is related to the existence of a communication strategy which is available in all the Mediterranean regulators.

³ Even though, most of the decision are made in collaboration with the concerned stakeholders.

ANNEX:



Autorité de Régulation des Hydrocarbures - ARH - ALGERIA

Legal status:

The ARH was established in **2005** by the **law n° 05-07 du 28 April 2005** and reinforced by **law n° 19-13** and it regulate the national gas upstream gas market, while CREG regulates the downstream market. In addition, ARH regulate the sector of the hydrocarbons.

The regulatory authority is a public body in terms of its legal status and the national energy regulatory issues are addressed by primary legislation (law).

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). The selection and appointment of staff members is made by the President of ARH.

In 2022, the total staff of ARH reached 155 people, where 33% are women.

Apart of MEDREG, ARH is also involved in other international and regional associations.

Independence:

Political and legal independence:

ARH is an independent organization with legal personality and financial independency. In addition, the regulatory authority member of the management committee are not allowed to have any professional activity, any direct or indirect interest in a company in energy sector, to avoid any conflict of interest.

However, the NRA has formal obligation vis-à-vis the government (excluding the parliament) for approval, including: tariff methodology, opinions on security of supply issues, opinion on national development plans and submitting draft budget for its approval.

Furthermore, the chairman/board members of the NRA are appointed by the government (President) and there is no terms of office for the chairman or board members. After their service in the regulatory body, there is a cooling off period for both board members and staff members.

Financial independence:

In terms of financial independence, the ARH is funded by its own resources that are based on the market participation fees equal to 0,5% of the product of the oil royalty. The regulatory will present its budget to the energy minister for its approval and there is an annual audit of the conducted budget made by an independent auditor.

Functional independence:

Regarding its functional independence, the decisions of the regulator are binding and can be appealed to the ministry of energy, still the decision remain in effect pending the approval.

Transparency & accountability:

The information on the regulatory authority -ARH- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. However, this information is not yet available in English.

The ARH issues an annual report that's shared with the Ministry of energy. Moreover, the regulatory authority is required to appear annually before a parliamentary committee or other government body to report on its activities.

Besides the available information, ARH has a communication department that is active in social media and provides insights and news on the ARH activities.

Competencies:

Access to information and quality of service monitoring

To ensure its role in the sector, ARH has full access to financial information from the sector participants. Under its responsibility, the regulatory authority monitors the following:

- Medium and long-term supply/demand balance on the national market.
- Expected future demand and envisaged additional capacity
- Quality and level of maintenance of the networks
- Quality of supply
- Tendering procedures for new capacity/infrastructure/investment.

Market opening and monitoring:

Furthermore, ARH plays a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices. Moreover, relating to competition, the regulator cooperates with other regulatory authorities, financial authority, and the competition/anti-trust authority.

Tariff setting:

Regarding the tariff setting, the ARH have the power to **fix the tariff methodology** of the transmission and distribution on annual basis. In addition, the **gas tariff of national market** is under the responsibility of the ARH. While ARH may give its opinion to the minister of energy on the setting of connection fees.

Licensing:

The national market of oil products is operating with under licensing regime. ARH has the power to issues the licences and the average time to deliver it is four months and 10 days, starting from the date of application. ARH has the power also to:

- Issues the licenses.
- Determine the terms and conditions of licenses.
- Review and monitor licenses and compliance with the terms and conditions.
- Modify licenses.
- Impose a fine on licensees for infractions.

- Report/announce infractions for violations of terms and conditions of licenses.
- Give opinion to the minister of energy.

In case of infractions the regulatory authority reports it to the district attorney and to the minister of energy.

Dispute settlement & market unbundling

The regulatory authority – ARH – is responsible for the dispute settlement between industry and customers as well as between industry actors. The most common dispute topics are related to the grid access.

Regarding the sector unbundling, ARH's role is important in the separation of activities and must ensure the competitive and transparent operation of the market. For that purpose, the regulatory authority establishes guidelines on how separate accounts and other standards. In addition, through the tariff and cost equalization fun, the ARH establish the rules regarding the allocation of costs resulting from the unbundling process.

Technical competencies

The regulatory authority has the power to:

- Issue secondary legislation, including market rules, grid codes and other such technical rules.
- Approve operational and planning standards including schemes for the calculation of total transfer capacity.
- Grant exemption/s for third party access for new investment
- Set incentive regulation
- Support the development of RES
- Promote energy efficiency measures

Furthermore, ARH has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards.

In case of violation of the service standards, ARH has the power to intervene and sanction the operator.

Regarding the investment planning and cost recovery both nationally and regionally, the ARH has a role reviewing the national development plan.

Consumer protection

ARH is not responsible for the consumer protection in the energy sector, however, it's under the scope of work of the department of Commerce.



Commission de régulation de l'électricité et du gaz - CREG - ALGERIA

Legal status:

The CREG was established in **2005** by the **law n° 02-01 du 5 February 2002** and it regulate the national gas downstream gas market and the electricity market, while ARH regulates the Gas upstream market.

The regulatory authority is a public body in terms of its legal status and the national energy regulatory issues are addressed by primary legislation (law).

Website: <https://creg.dz/>

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition) except the organization of the executive committee. The selection and appointment of staff members is made by the President of CREG.

In 2022, the total staff of CREG reached 69 people, where 55% are women.

Apart of MEDREG, CREG is also involved in other international and regional associations such as Regular-E, ERRA, AFUR, AERF.

Independence:

Political and legal independence:

CREG is an independent organization with legal personality and financial independency. In addition, the regulatory authority member of the management committee are not allowed to have any professional activity, any direct or indirect interest in a company in energy sector, to avoid any conflict of interest.

However, the NRA has formal obligation vis-à-vis the government (excluding the parliament) for approval, including:

- Tariff methodology.
- Opinions on security of supply issues.
- Opinion on national development plans.
- Submitting draft budget for its approval.
- Submitting annual activities report.

Furthermore, the chairman/board members of the NRA are appointed by the government (President) and there is no terms of office for the chairman or board members. After their service in the regulatory body, there is a cooling off period for both board members and staff members.

Financial independence:

In terms of financial independence, the CREG is funded by its own resources that are based on a fee collected from end consumers and specified by tariffs decision⁴. The regulator will present its budget to the energy minister for its approval and there is an annual audit of the conducted budget made by an independent auditor.

Functional independence:

⁴ Décret exécutif n° 05-182 du 9 Rabie Ethani 1426 correspondant au 18 mai 2005 relatif à la régulation des tarifs et à la rémunération des activités de transport, de distribution et de commercialisation de l'électricité et du gaz.

Regarding its functional independence, the decisions of the regulator are binding and can be appealed to the state council still the decision remain in effect pending the approval.

Transparency & accountability:

The information on the regulatory authority -CREG- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. However, this information is not yet available in English.

The CREG issues an annual report that's shared with the Ministry of energy.

Besides the available information, CREG has a communication department that is responsible for all aspects of communication to state institutions, operators and consumers. The communication is done through the media, press releases, a quarterly magazine "Equilibres".

Competencies:

Access to information and quality of service monitoring

To ensure its role in the sector, CREG has full access to financial information from the sector participants. Under its responsibility, the regulatory authority monitors the following:

- Medium and long-term supply/demand balance on the national market.
- Expected future demand and envisaged additional capacity.
- Quality and level of maintenance of the networks.
- Quality of supply.
- Tendering procedures for new capacity/infrastructure/investment.

Market opening and monitoring:

Furthermore, CREG plays a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices. Although the electricity market and the national gas market are not yet open, the law provides that CREG ensures the absence of a dominant position exercised by other players on the management of the Market Operator and ensures compliance with the conditions of neutrality of the Market Operator in relation to other players.

The law also provides that CREG takes any initiative in terms of monitoring and organization of the above 2 markets.

In addition, CREG issues the authorization to exercise the activity of commercial agent for both gas and electricity and proceeds to create the committee of commercial agents of the electricity market and the national gas market which will have as a function the supervision of the functioning of the operator of the electricity market and the operator of the gas transport network (as operator of the national gas market) as well as the preparation of the measures of improvement of the functioning of these markets where all operators having access to these markets are members.

Tariff setting:

Regarding the tariff setting, the methodology is fixed by decree, according to the required income method (cost plus principle). The CREG fix only the transmission and distribution networks tariff and has no jurisdiction related to the other aspects of the tariff. However, CREG may provide its opinion to the ministry of energy if requested.

Furthermore, during the transitory period before implementation market operator, electricity production will be remunerated through a tariff approved by the Commission. Currently, power tariff are negotiated within a contract between the generator and the buyer of energy, and one of the challenges of the regulator is to approve the operator's data.

Licensing:

The market is operating with under licensing regime. CREG has the power to issues the licences and the average time to deliver it is four months and 10 days, starting from the date of application. CREG has the power also to:

- Issues the licenses.
- Determine the terms and conditions of licenses.
- Review and monitor licenses and compliance with the terms and conditions.
- Modify licenses.
- Impose a fine on licensees for infractions.
- Report/announce infractions for violations of terms and conditions of licenses.
- Give opinion to the minister of energy.

In case of infractions the regulatory authority reports it to the district attorney and to the minister of energy.

Dispute settlement & market unbundling:

The regulatory authority – CREG – is responsible for the dispute settlement between industry and customers as well as between industry actors. The most common dispute topics are related to the grid access, third party access and bills (over-billing or tariffs).

Regarding the sector unbundling, as part of its mission to ensure the competitive and transparent operation of the electricity market and the national gas market, CREG as a regulator is an important player in the separation of the activities of production, transport and distribution and marketing of electricity and transport, distribution and marketing of gas.

CREG controls the accounting of the operators. It can require operators on the market to provide all necessary information. It may carry out an on-site inspection of their accounts. With regard to the implementation of the accounting separation, a working group bringing together CREG and all the operators concerned has been created to finalize the process.

In addition, the allocation of costs resulting from the unbundling process is established through the tariff and costs equalization fund that CREG manages.

Technical competencies:

The regulatory authority has the power to:

- Issue secondary legislation, including market rules, grid codes and other such technical rules.
- Approve operational and planning standards including schemes for the calculation of total transfer capacity.
- Requirements that transmission and distribution operators correct any congestion difficulties.
- Set incentive regulation
- Support the development of RES
- Promote energy efficiency measures

In addition, CREG has a consultative powers to the energy Ministry that develops all the regulations and collaborate in issuing tthe sector regulation. CREG also approves procedures of the operators.

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards. In that perspective, CREG approves quality of services standards and povides an opinion on the achievements.

In case of violation of the service standards, CREG doesn't have the power to sanction or intervene. However, CREG ensures that a good quality of service is achieved and has the power to interpellate the operator and inform the Ministry.

Regarding the investment planning and cost recovery both nationally and regionally, the CREG is responsible of:

- Review national development plans
- Provide opinion to government on development plans
- Approve development plans
- CREG has power to control the realization of development plans

Consumer protection:

CREG is responsible for consumer protection in the energy sector, and it receives complaints consumers, ensures their protection, and resolves disputes between them and operators. CREG also inform consumers about their rights and obligations.

However, the regulator doesn't have the power to address the needs of vulnerable consumers, it's under the scope of the Ministry of Solidarity.

Under CREG's duties, the regulator put in place support mechanisms to consumers related to information on the rights and complaint management. In addition, through the reports on the performance indicators of the concessions that the CREG draws up, the regulator can monitor the time taken by sector participants to make connections and repairs, in case the time taken is too lengthy, the regulator can intervene or impose penalties.



The State Electricity Regulatory Commission- SERC – Bosnia & Herzegovina

Legal status:

The SERC was established in **2004** by the **Law on transmission of electric power, regulator and system operator of Bosnia and Herzegovina** and it regulate the electricity market.

The regulatory authority is a public body in terms of its legal status and the national energy regulatory issues are addressed by primary legislation (law).

Website: www.derk.ba

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). The selection and appointment of staff members is made by the regulator board members.

In 2022, the total staff of SERC reached 16 people, where 38% are women.

Apart of MEDREG, SERC is also involved in other international and regional associations such as ECRB, ERRA and has observer status at CEER. Furthermore, SERC participates in and follows the activities of ICER through ERRA, MEDREG and CEER.

Independence:

Political and legal independence:

SERC is an independent organization with legal personality and financial independency. In addition, the code of ethics of the regulatory authority prohibits the member of the management committee to have any professional activity, any direct or indirect interest in a company in energy sector, to avoid any conflict of interest.

However, the NRA has formal obligation vis-à-vis the government (excluding the parliament), by submitting an annual activities report to the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina. On the other hand, the NRA has formal obligation vis-à-vis the parliament by submitting its budget to the Parliamentary Assembly of Bosnia and Herzegovina for information purposes. Furthermore, SERC submits its annual report to the Parliamentary Assembly of Bosnia and Herzegovina for approval.

Furthermore, the chairman/board members of the NRA are appointed by the Parliament and there is terms of office for the chairman or board members, renewable with a maximum of two terms. After their service in the regulatory body, there is no cooling off period for both board members and staff members.

Financial independence:

In terms of financial independence, the SERC is funded by its own resources that are based on a licence fee. The regulator's budget is set by law and SERC doesn't require the approval of it from the government. However, an independent auditor conduct an annual financial audit and it can also be audited at any time by Audit Office of the Institutions in Bosnia and Herzegovina.

Functional independence:

Regarding its functional independence, the decisions of the regulator are binding and can be appealed to the administrative court, still the decision remains in effect pending the approval.

Transparency & accountability:

The information on the regulatory authority -SERC- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. However, this information is also available in English.

While drafting the decisions the regulator consults before taking its final decisions, through:

- Public hearing.
- Written consultation.
- Workshops.

Annually, the regulator elaborates a report and is required to appear before a parliamentary committee or other government body to report on its activities. Furthermore, SERC put in place rules to protect confidential information and the voting procedures of the regulatory board is defined in its framework.

Besides the available information, SERC has a communication department to share publicly the important news through press office and press releases.

Competencies:

Access to information and quality of service monitoring

To ensure its role in the sector, SERC has full access to financial information from the sector participants. Under its responsibility, the regulatory authority monitors the following:

- Medium and long-term supply/demand balance on the national market.
- Expected future demand and envisaged additional capacity.
- Quality and level of maintenance of the networks.
- Quality of supply.
- SERC only approves investment plans, indicative generation development plans and transmission network development plans.

Market opening and monitoring:

Furthermore, SERC plays a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices.

Tariff setting:

Regarding the tariff setting, SERC is responsible on:

- Fixing the methodologies used to establish transmission and distribution networks tariffs.
- Fixing the transmission and distribution networks tariffs.
- Fixing the methodologies for the provision of balancing and ancillary services.
- Approve the access to cross-border infrastructures.

Furthermore, the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner. However, the authority cannot include performance-based components in the tariff methodologies such as incentive regulation, neither to penalize a non-performing undertaking via reduced rate of return over the tariffs.

Licensing:

The market is operating with under licensing regime. SERC has the power to issue the licences and the average time to deliver it is 60 days, starting from the date of application. SERC has the power also to:

- Issues the licenses.
- Determine the terms and conditions of licenses.
- Review and monitor licenses and compliance with the terms and conditions.
- Modify licenses.
- Impose a fine on licensees for infractions.
- Report/announce infractions for violations of terms and conditions of licenses.

In case of infractions the regulatory authority reports it to another public authority/body.

Dispute settlement & market unbundling:

The regulatory authority – SERC – is responsible for the dispute settlement between industry and customers as well as between industry actors. The most common dispute topics are related to the grid access and third-party access.

Regarding the sector unbundling, SERC doesn't have a role in respect to utility unbundling.

Technical competencies:

The regulatory authority has the power to:

- Set or approve rules regarding the management and allocation of interconnection capacity.
- Issue secondary legislation, including market rules, grid codes and other such technical rules.
- Define metering rules and charges.
- Approve operational and planning standards including schemes for the calculation of total transfer capacity.
- Requirements that transmission and distribution operators correct any congestion difficulties.
- Grant exemption/s for third party access for new investment.
- Set incentive regulation
- Promote energy efficiency measures

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards.

In case of violation of the service standards, SERC doesn't have the power to sanction or intervene.

Regarding the investment planning and cost recovery both nationally and regionally, the SERC is responsible of approving the development plans

Consumer protection:

SERC is responsible for consumer protection in the energy sector, and it has jurisdiction in resolving disputes in this field, informing and educating customers...

However, the regulator doesn't have the power to address the needs of vulnerable consumers, it's under the scope of the Ministry and ombudsman.

Under SERC's duties, the regulator put in place support mechanisms to consumers related to information on the rights and tools to check or monitor energy prices.

In addition, the regulator can warn the regulated company, but there are no sanctions prescribed by law which can be imposed by regulator.



Legal status:

The HERA was established in **2004** by the **Act on the Regulation of Energy Activities (Official Gazette, No. 177/04 and 76/07)** and has continued to operate according to the **Act on the Regulation of Energy Activities (Official Gazette, No. 120/12, 68/18)** and it regulate the electricity, gas, and district heating markets.

The regulatory authority is a public body in terms of its legal status and the national energy regulatory issues are addressed by primary legislation (law) and secondary legislation (regulation).

Website: <https://www.hera.hr/en/html/index.html>

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). The selection and appointment of professional and management staff follows the evaluation and assessment of candidates by an independent selection panel and as result of an open competition. The final decision-making authority for the selection is made by the President of the board.

In 2022, the total staff of HERA reached 82 people, where 65% are women.

Apart of MEDREG, HERA is also involved in other international and regional associations such as Working groups of ACER, European Commission, CEER, ERRA.

Independence:

Political and legal independence:

HERA is an independent organization with legal personality and financial independency. In addition, members of the Managing Board and their family members, as well as heads of professional services and their family members, shall not own or hold shares or stakes in any energy undertaking exceeding 0,5% of the capital stock, or be members of the management board or supervisory board or any other bodies in any energy undertaking, and shall not hold any material interest in the area of energy activities or perform any other work in any energy undertaking, which may lead to the conflict of interest.

A member of the Managing Board shall not be an active member of any political party, perform any tasks for any licensed energy undertaking or its branch, perform any other activity which is likely to lead to the conflict of interest. Workers of Independent Department for Internal Auditing Office and Office of the President of the Managing Board shall not perform any tasks for any licensed energy undertaking which could lead to conflict of interests.

However, the NRA has formal obligation vis-à-vis the government (excluding the parliament), by submitting to the Government of the Republic of Croatia, at request, reports on its professional and financial operations, as well as reports on specific issues from its scope of work, also for periods shorter than one year. On the other hand, the Agency has the obligation vis à vis the parliament by submitting annually a

report on its work to the Croatian Parliament, and in particular, on the results of monitoring the compliance of energy undertakings with the obligations specified in Act on the Regulation of Energy Activities, the Energy Act (Official Gazette No. 120/12, 14/14, 102/15, 68/18), and in the acts regulating specific energy activities, on the budget performance of the Agency in the previous year, on the analysis of the energy sector, on observations that are of importance for the development of the energy market and public services in the energy sector, on the compliance with legally binding decisions of the ACER and the Commission. The Managing Board of the Agency shall harmonize the Agency Statutes with the provisions of the Act on the Regulation of Energy Activities and request approval from Croatian Parliament on the Agency's Statute.

Furthermore, the chairman/board members of the NRA are appointed by the Parliament and there is terms of office for the chairman or board members, renewable with a maximum of two terms. After their service in the regulatory body, there is a cooling off period for both board members and staff members.

Financial independence:

In terms of financial independence, HERA is funded by its own resources that are based on fees levied on the regulated industry. Fees for: issuing decisions on status of eligible producer, and decisions in appeal procedures and other procedures initiated on the request of the party.

The regulator's budget is not set by law. However, the fees are set by decision on the amount of fees for performing energy regulation activities (official Gazette, no.38/22) and HERA doesn't require the approval of it from the government. However, an certified independent auditor conduct an annual financial audit.

Functional independence:

Regarding its functional independence, the decisions of the regulator are binding and can be appealed to the administrative court, still the decision remain in effect pending the approval.

Transparency & accountability:

The information on the regulatory authority -HERA- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. However, this information is not available in English.

While drafting the decisions the regulator consult before taking its final decisions, through:

- Public hearing.
- Written consultation.
- Workshops.

Annually, the regulator elaborate a report and is required to appear before a parliamentary committee or parliament to report on its activities. Furthermore, HERA put in place rules to protect confidential information and the voting procedures of the regulatory board is defined in its framework based on quorum and majority.

Competencies:

Access to information and quality of service monitoring

To ensure its role in the sector, HERA has full access to financial and technical information from the sector participants.

Market opening and monitoring:

Furthermore, HERA plays a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices.

Tariff setting:

Regarding the tariff setting, HERA is responsible on:

- Fixing the methodologies used to establish transmission and distribution networks tariff.
- Fixing the transmission and distribution networks tariffs.
- Approve the methodologies for the provision of balancing and ancillary services.
- Approve the access to cross-border infrastructures.
- Set the connection fees.

In the gas sector, the provision of balancing and ancillary services is prescribed by The Rules on the Gas Market Organization (Official Gazette, No. 50/18) and Network code of the transmission system (Official Gazette, No. 50/18, 31/19, 89/19, 36/20, 106/21 and 58/22). Before adopting these bylaws, the gas market operator and the transmission system operator must obtain approval from the regulator.

Furthermore, the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner. In addition, the authority can include performance-based components in the tariff methodologies such as incentive regulation.

However, HERA doesn't have the power to penalize a non-performing undertaking, according to tariff methodologies HERA performs regular audit of allowed revenues, which is performed in the last year of the regulatory period, and as part of which the difference is determined between the realised revenue and the audited allowed revenue to be distributed to the following regulatory period.

An additional measure is the option of performing an extraordinary audit of the allowed revenue during the current regulatory period. The extraordinary audit of allowed revenue is performed due to unexpected changes in the market that have a significant impact on the conditions of providing the energy activity, which the system operator could not have foreseen nor prevented, eliminated or avoided.

Licensing:

The market is operating with under licensing regime. HERA has the power to issues the licences and the average time to deliver it is 30 days, starting from the date of application and 60 days in case that checking of documentation or facilities/buildings is required. HERA has the power also to:

- Issues the licenses.
- Review and monitor licenses and compliance with the terms and conditions.

- Modify licenses.
- Report/announce infractions for violations of terms and conditions of licenses.

Dispute settlement & market unbundling:

The regulatory authority – HERA – is responsible for the dispute settlement between industry and customers as well as between industry actors. The most common dispute topics are related to the grid access, third-party access, and cross-border disputes.

Regarding the sector unbundling, HERA does have a role in respect to utility unbundling, the regulator prescribed by the Decision on the method and procedure for conducting separate, accounting of energy entities (Official Gazette, no. 111/18).

The NRA have the duty to establish the rules regarding the allocation of costs resulting from the unbundling process. More precisely, the unbundling is carried out to achieve the objectives of transparency and standardisation in the annual accounts of companies operating in the regulated sectors, of monitoring the costs of individual services. Also, separate accounting ensure regular and effective control of prices, valid tariffs, fees and price lists for performing certain energy activities (Decision on the method and procedure for conducting separate, accounting of energy entities (Official Gazette, no. 111/18) The mentioned Decision also prescribes rules for classification of accounting categories to certain energy activity.

Technical competencies:

The regulatory authority has the power to:

- Set or approve rules regarding the management and allocation of interconnection capacity.
- Issue secondary legislation, including market rules, grid codes and other such technical rules.
- Define metering rules and charges.
- Approve operational and planning standards including schemes for the calculation of total transfer capacity.
- Grant exemption/s for third party access for new investment.
- Set incentive regulation
- Promote energy efficiency measures

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards. In the gas sector, the transmission system operator must obtain approval from the regulator before adopting Network code of the transmission system which, among others, prescribes congestion management rules.

In case of violation of the service standards, HERA have the power to sanction or intervene.

Regarding the investment planning and cost recovery both nationally and regionally, the HERA is responsible of approving the development plans

Consumer protection:

HERA is responsible for consumer protection in the energy sector, and it assesses complaints, appeals and reports from consumers, individuals or associations, to respect standards of quality and tariffs by the service providers, with whom it will intervene and where necessary, oblige them to change their mode of

operation or revise the service regulations, verifies that the measures adopted by the parties operating the service are adequate to ensure equality of treatment for all consumers, guarantees an uninterrupted energy supply, periodically checking the quality and efficiency of the services, even surveying the opinions of the users, guarantees all information about how services are delivered and relative quality levels, ensures prompt response to complaints, claims and reports regarding the quality and tariff standards.

However, the regulator doesn't have the power to address the needs of vulnerable consumers, it's under the scope of the Centre for Social Welfare.

Under HERA's duties, the regulator put in place support mechanisms to consumers related to information on the rights. In addition, the NRA have the power to monitor the time taken by sector participants to make connections and repairs, and to intervene or sanction the participants if necessary.



Legal status:

CERA was established in **2003** by the **Law on the Regulation of the Electricity Market of 2003 (Law 122(I)2003)**, which was repealed by the **Law on the Regulation of the Electricity Market of 2021 (Law 130(I)/2021)** and it regulate the electricity and gas.

The regulatory authority is a public body in terms of its legal status and the national energy regulatory issues are addressed by primary legislation (law, Decree and act) and secondary legislation (regulation, code and regulatory decisions & decisions).

Website: <https://www.cera.org.cy/en-gb/home>

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). The final decision-making authority for the selection is made by the President of the board. CERA publishes the vacancies in the Official Gazette of Cyprus. CERA, after receiving the applications, prepares a list of candidates who possess the qualifications and proceeds with the evaluation and appointment process.

In 2022, the total staff of CERA reached 32 people, where 63% are women.

Apart of MEDREG, CERA is also involved in other international and regional associations such as ACER, CEER, EC, Energy Community and ECRB.

Independence:

Political and legal independence:

CERA is an independent organization with legal personality and financial independency. In addition, according to the Article 7(2) of the Law on the Establishment and Operation of the Cyprus Energy Regulatory Authority of 2021, during their term of office, the Members of CERA:

- Will not have any financial or other interest, including interest in shares, in any company conducting any business in the energy sector.
- Will not accept or retain employment in any job, office, or a position from which the payment of any kind is reasonably expected regardless of whether it is actually paid.
- Will not be political party officials.

Furthermore, according to the Regulations on recruitment, promotion, service and disciplinary control, no employee is allowed to be directly or indirectly involved in a business or hold a position other than his position in the Office of CERA. In exceptional cases, CERA may grant permission to an employee for part-time employment or recruitment if this does not directly or indirectly affect the proper performance of the employee's duties in the Office of CERA.

However, the NRA has formal obligation vis-à-vis the government (including the parliament), by submitting to the Government a draft budget and CERA issues Regulations which are submitted to the Council of Ministers for approval through the relevant minister. Subsequently, the Regulations are submitted to the House of Representatives for approval.

Furthermore, the chairman/board members of the NRA are appointed by the government (President) and there is terms of office for the chairman or board members, renewable with a maximum of two terms (each term is 5 to 7 years). After their service in the regulatory body, there is a cooling off period for both board members and staff members.

Financial independence:

In terms of financial independence, CERA is funded by its own resources that are based on:

- All amounts paid to CERA, pursuant to the provisions of the Law and the Regulations issued pursuant thereto and/or other Regulations in force.
- Any sponsorship provided to CERA by the European Union or by an international organization, provided that the latter is not a public or other organization that produces products or provides services or conducts research or promotes policies related to electricity market participants or /and in the natural gas market or has any direct or indirect interest related to the participants in the electricity market and/or in the natural gas market.
 - All revenues, which come from CERA's assets.
 - Licence fees and fines.
 - Participation in European and other financed projects.

The regulator's budget is set by law and the Council of Ministers and the House of Representatives approve CERA's budget.

The fees are set in "Regulating the Electricity Market (Licence fees) Regulation (KDP 467/2004) and "Regulating the Electricity Market (Licence fees) Amending Regulation (KDP 365/2007). However, an certified independent auditor conduct an annual financial audit.

Functional independence:

Regarding its functional independence, the decisions of the regulator are binding and can be appealed to the administrative court, still the decision remain in effect pending the approval.

Transparency & accountability:

The information on the regulatory authority -CERA- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. However, this information is also available in English.

While drafting the decisions the regulator consult before taking its final decisions, before taking a Regulatory Decision, CERA consults any licence holder, applicant or any interested party related to the subject of the Regulatory Decision, and publishes the draft Regulatory Decision calling all interested parties to submit comments, for a period of 30 days. through:

- Written consultation.
- Focus group by stakeholder groups.

Annually, the regulator elaborates a report and it's submitted to the President of the Republic and communicates a copy of the report to the Council of Ministers and the House of Representatives. Furthermore, CERA put in place rules to protect confidential information and the voting procedures of the regulatory board is defined in the Regulating the Electricity Market (decision making and operation) Regulations of 2017. The decisions of CERA are taken by a majority of the present members and in case of a tie, the Chairman, or in his absence, the Vice-Chairman, has a winning vote.

Competencies:

Access to information and quality of service monitoring

To ensure its role in the sector, CERA has full access to financial and technical information from the sector participants.

Market opening and monitoring:

Furthermore, CERA plays a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices. CERA ensures by taking appropriate measures that there are appropriate and effective regulation, control and transparency mechanisms in order to avoid any abuse of a dominant position, especially to the detriment of consumers, and any aggressive behaviour, which mechanisms take into account the provisions of the Treaty on operation of the European Union, and in particular its article 102, as well as the relevant provisions of the Law on the Protection of Competition.

Tariff setting:

Regarding the tariff setting, CERA is responsible on:

- Fixing and approving the methodologies used to establish transmission and distribution networks tariff.
- Fixing and approving the transmission and distribution networks tariffs.
- Fixing and approving the methodologies for the provision of balancing and ancillary services.
- Fixing and approving the access to cross-border infrastructures.
- Set the connection fees.

Furthermore, the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner. In addition, the authority can include performance-based components in the tariff methodologies such as incentive regulation. In addition, CERA have the power to penalize a non-performing undertaking.

Licensing:

The market is operating with under licensing regime. CERA has the power to issues the licences and the regulator may, within two months from the date of receipt of an application, request in writing from the applicant to provide any additional information. When CERA does not require additional information, the

application is considered complete. When an applicant submits additional information and CERA does not issue an additional request for information, within one month of the submission of the additional information, the application shall be considered complete. CERA decides on each application within 3 months from the date on which the application is considered complete. CERA may decide to extend the period and the applicant shall be notified in writing by CERA of the reasons and duration of the extension which shall not exceed 3 months.

CERA has the power also to:

- Issues the licenses.
- Determine the terms and conditions of licenses
- Review and monitor licenses and compliance with the terms and conditions.
- Modify licenses.
- Impose a fine on licensees for infractions.
- Report/announce infractions for violations of terms and conditions of licenses.

Dispute settlement & market unbundling:

The regulatory authority – CERA – is responsible for the dispute settlement between industry and customers as well as between industry actors. The most common dispute topics are related to the grid access, third-party access, and cross-border disputes.

Regarding the sector unbundling, CERA does have a role in respect to utility unbundling, by establishing guidelines on how separate accounts should be drawn up for unbundled entities.

Technical competencies:

The regulatory authority has the power to:

- Set or approve rules regarding the management and allocation of interconnection capacity.
- Issue secondary legislation, including market rules, grid codes and other such technical rules.
- Define metering rules and charges.
- Approve operational and planning standards including schemes for the calculation of total transfer capacity.
- Require that transmission and distribution operators correct any congestion difficulties
- Grant exemption/s for third party access for new investment.
- Set incentive regulation
- Support the development of RES
- Promote energy efficiency measures

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards.

In case of violation of the service standards, CERA may impose effective, proportionate, and dissuasive sanctions on electricity undertakings which fail to comply with their obligations under the Law Regulating the Electricity Market of 2021 L.130(I)/2021, or any relevant, legally binding regulatory decision and/or propose to the court to impose the sanctions.

Regarding the investment planning and cost recovery both nationally and regionally, CERA is responsible of reviewing the national development plans and approve it.

Consumer protection:

CERA is responsible for consumer protection in the energy sector, during the exercise of the duties assigned to it under the Law Regulating the Electricity Market of 2021 L.130(I)/2021, CERA is responsible to protect the interests of the consumers, to ensure the needs of consumers in rural areas, of consumers who are disadvantaged, of the elderly and of vulnerable consumers. Articles 117 to 129 define the consumer rights and measures for consumer protecting the vulnerable consumers, respectively.

While addressing the needs of vulnerable consumers, CERA define policies, set prices for vulnerable customers, and implement government measures via energy sector. Besides to the regulator, the ministry addresses the needs of vulnerable consumers as well.

Under CERA's duties, the regulator put in place support mechanisms to consumers related to information on the rights and complaint management. In addition, the NRA have the power to monitor the time taken by sector participants to make connections and repairs, and to intervene or sanction the participants if necessary. CERA exercising its powers under the Law Regulating the Electricity Market of 2021 L.130(I)/2021, has issued, with the approval of the Council of Ministers and after being submitted and approved by the House of Representatives, the Regulating the Electricity Market (Performance Indicators) Regulations of 2005 (Act 571/2005), which include the obligations of the supplier and/or the owner of the distribution system, consumer rights, performance standards and minimum performance levels, as well as the fines imposed in the event of a failure of the supplier and/or the owner of the distribution system to comply.



Egyptian Electric Utility & Consumer Protection Regulatory Agency- EgyptERA – Egypt

Legal status:

EgyptERA was established in **2002** by the **Presidential Decree no.2000** and re-established **by Law in 2015**, and it regulate the electricity sector.

The regulatory authority is a public body in terms of its legal status and the national energy regulatory issues are addressed by primary legislation (law) and secondary legislation (regulation, code, and law).

Website: <http://www.egyptera.org/en/>

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). According to the internal by-Law a public notice is issued, and entrance exams and interviews are conducted. The regulatory board is not the final decision-making authority for the selection, it's according to internal by law.

In 2022, the total staff of EgyptERA reached 89 people, where 52% are women.

Apart of MEDREG, EgyptERA is also involved in other international and regional associations such as RAREA and AERF.

Independence:

Political and legal independence:

EgyptERA is an independent organization with legal personality and financial independency. In addition, based on law 106 for the year 2013 regarding conflict of interest of state officials, in cases of clear conflict of interest (Board of Directors, Experts for the executive staff conflict of interest is regulated by Law).

However, the NRA has formal obligation vis-à-vis the government (excluding the parliament), by submitting to the Government the tariff methodology, draft budget and annual work plan. On the other hand, vis-à-vis the parliament, the draft budget is also submitted.

Furthermore, the chairman/board members of the NRA are appointed by the government (Prime minister) and there is terms of office for the chairman or board members, renewable with a maximum of two terms (each term is 3 years). After their service in the regulatory body, there is no cooling off period for both board members and staff members.

Financial independence:

In terms of financial independence, EgyptERA is funded by its own resources that are based on the licence fees and participant fees to meet budgetary needs.

The regulator's budget is set by law and the ministry of Finance and Parliament may react in which the regulatory authority's use its resources. Furthermore, the budget is approved by the Parliament and it may

be subject to constraints arising from the central budget. Annually, a government agency (Central Auditing Agency) conduct a financial audit.

Functional independence:

Regarding its functional independence, the decisions of the regulator are binding and can be appealed to the administrative court, still the decision remain in effect pending the approval.

Transparency & accountability:

The information on the regulatory authority -EgyptERA- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. This information is also available in English.

While drafting the decisions the regulator consult before taking its final decisions, before taking a Regulatory Decision, EgyptERA consults on draft decisions before taking its final decisions, through:

- Public hearing or consultation.
- Written consultation.
- Workshops.
- Focus group by stakeholder groups.

Annually, the regulator elaborate a report and has reporting obligation to the government. EgyptERA is also required to appear annually before a parliamentary committee to report on its activities. Furthermore, EgyptERA put in place rules to protect confidential information and the voting procedures of the regulatory board.

Competencies:

Access to information and quality of service monitoring

To ensure its role in the sector, EgyptERA has full access to financial and technical information from the sector participants.

Market opening and monitoring:

Even though the market is not yet opened but by law EgyptERA is mandated in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices.

In that regard, there is a national timetable for the full opening of the electricity market, in the case of Egypt, it's stated in the electricity law, including 3 years for restructuring the EETC to TSO and 8 years for the EEHC to adjust. EgyptERA has a role in identifying the market opening timetable by providing a study on market design and market phases to the minister.

With respect to matters relating to competition, the NRA cooperate with the anti-trust authority, even though, the wholesale electricity market is fully regulated and in the future EgyptERA is mandated by law to take this role.

Tariff setting:

Regarding the tariff setting, EgyptERA is responsible on:

- Fixing the methodologies used to establish transmission and distribution networks tariff.
- Approving the transmission and distribution networks tariffs.
- Set the connection fees.

Furthermore, the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner. In addition, the authority can include performance-based components in the tariff methodologies such as incentive regulation. In addition, EgyptERA have the power to penalize a non-performing undertaking.

One of the challenges that the regulatory authority is facing during the tariff setting process, is related to the RE (Return on Equity) for the licensed company and the changing in the exchange rate.

Licensing:

The market is operating with under licensing regime. EgyptERA has the power to issues the licences within two months from the date of receipt of an application, the regulatory has the power also to:

- Issues the licenses.
- Determine the terms and conditions of licenses
- Review and monitor licenses and compliance with the terms and conditions.
- Impose a fine on licensees for infractions.
- Report/announce infractions for violations of terms and conditions of licenses.

Dispute settlement & market unbundling:

The regulatory authority – EgyptERA – is responsible for the dispute settlement between industry and customers as well as between industry actors. The most common dispute topics are related to the grid access and third-party access.

Regarding the sector unbundling, EgyptERA does have a role in respect to utility unbundling, by establish rules regarding the allocation of costs resulting from the unbundling process and draw up guidelines for compliance review and for reporting obligations regarding the unbundling process.

Technical competencies:

The regulatory authority has the power to:

- Issue secondary legislation, including market rules, grid codes and other such technical rules.
- Define metering rules and charges.
- Set incentive regulation
- Support the development of RES
- Promote energy efficiency measures

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards. In case of violation of the service standards, EgyptERA have the power to sanction or intervene.

Regarding the investment planning and cost recovery both nationally and regionally, EgyptERA is responsible of reviewing the national development plans, handles consumer complaints, set, and develop required regulations and provide its opinion to the government.

Consumer protection:

EgyptERA is responsible for consumer protection in the electricity sector and have the power to address the needs of vulnerable consumers. Besides to the regulator, the ministry of Social Solidarity addresses the needs of vulnerable consumers as well.

Under EgyptERA's duties, the regulator put in place support mechanisms to consumers related to information on the rights, complaint management and tools to check or monitor energy prices. In addition, the NRA have the power to monitor the time taken by sector participants to make connections and repairs, and to intervene or sanction the participants if necessary.



Gas Regulatory Authority - GasReg - Egypt

Legal status:

The Gas Regulatory Authority of Egypt (**GasReg**) is an independent public body established by virtue of Law No. 196/2017 for the “regulation of gas market activities”. **GasReg** is established with the objective of monitoring the functioning of the gas market, encouraging new investments, regulating the gas market activities, introducing competition amongst potential market players by allowing TPA to gas networks and availing facilities under a fair and non-discriminatory basis. It also aims to increase the quality of the services provided and protect consumer rights.

Website: <https://www.gasreg.org.eg/>

Internal organization:

GasReg approves its organisational structure, the financial, technical and administrative internal regulations, the HR regulations and any other internal regulations with respect to the GasReg internal work procedures. In this, GasReg is not restricted by the provisions of the civil services code or other governmental rules and regulations.

All employees are bound by an ethics code approved by the board. Currently, the total staff of GasReg reached 50 people, where 32%% are women.

Apart from MEDREG, GasReg is involved in associations such as ERRA.

Independence:

Political and legal independence:

GasReg is distinct and functionally independent from other public and private entities. However, being a governmental entity, it complies with the rules applicable to all governmental entities. GasReg is managed by a board of directors that is headed by the competent minister and composed of the following members:

- The chief executive officer (CEO) of GasReg, who is selected from the petroleum sector.
- Three members representing entities from the petroleum sector that carry out gas market activities.
- The chairman of the Egyptian competition authority or someone nominated by them.
- Two independent members, other than gas market parties, with expertise in the technical, economic, or legal fields or from civil society organisations.
- The chairman of the Federation of Egyptian Industries or someone nominated by them.

The CEO of GasReg is appointed for a period of three years by a decree of the prime minister based on a nomination made by the competent minister. The board members are appointed for a term of three years, with the possibility of one reappointment.

The board members should abstain from deliberating or voting on any matters in case of any conflict of personal interest, and in such cases, the member is required to disclose and clarify the conflict to the board. GasReg submits periodical activity reports to the parliament.

Financial independence:

Pursuant to Law No. 196/ 2017, the financial resources of GasReg consist of the following: any amount allocated from the state general budget to GasReg, license fees, grants and donations and any amount collected from the activities and services performed by GasReg. Its budget is subject to approval by the parliament. The budget is audited by the Accountability State Authority (ASA).

Functional independence:

The decisions of GasReg can be appealed in the administrative court. Pending the outcome of the procedure, the appealed decision remains in effect.

Transparency & accountability:

GasReg's official website contains updated information about its mission, duties, organisation chart and the reports available to the stakeholders. The English version of the website is also available.

GasReg employs several consultation tools. These include public hearings, written consultation, workshops as well as discussions and debates in purposely formed focus groups/stakeholder groups. For certain decisions (such as a consultation for the network code), GasReg consults its draft decisions before the final approval and may organise a public consultation.

GasReg issues an annual report and has reporting obligations towards the parliament. The board decisions are taken by majority vote, and in case the votes are equal, the chairman's vote is decisive.

Competencies:

Access to information and quality of service monitoring

GasReg has access to the financial and operational details as well as the technical information of the sector participants.

Market opening and monitoring:

Pursuant to Law No. 196/2017, the gas market activities should be practiced in a framework of free competition, where eligible consumers are entitled to choose their own supplier and where gas market participants are treated without discrimination to avoid any monopolistic practices as stipulated in the provisions of the executive regulations. Gas regulation aims to avail gas in the domestic market through economic and effective measures as well as to ensure TPA to the gas facilities without discrimination between the gas market parties who are granted such access pursuant to this law.

Currently, GasReg is in the process of developing and submitting the gas market design for approval from the cabinet to facilitate the next phase.

Moreover, GasReg plays a role in prohibiting abusive and monopolistic practices that affect wholesale energy markets as well as in detecting and investigating market manipulation practices.

Tariff setting:

GasReg sets and approves the methodologies used to establish transmission and distribution network tariffs. The cross-border infrastructures and connection fees will apply in the following regulatory phase.

GasReg has the power to require TSOs and DSOs to modify terms and conditions, tariffs, rules, mechanisms, and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner.

Licensing:

GasReg can issue and modify licenses, determine their terms and conditions and review and monitor compliance with the terms and conditions. Therefore, GasReg can impose a sanction on licensees for violations of the terms and conditions. The average time to deliver a license is two months starting from the date of application.

Dispute settlement & market unbundling:

GasReg is responsible for handling complaints from the industry and customers as well as disputes between industry operators. It manages complaints on grid access, TPA, contracts, license conditions and payment obligations.

Regarding the sector unbundling, GasReg is responsible for setting gas market activities unbundling rules that apply to the gas market participants to ensure fair competition. GasReg evaluates the unbundling process while considering the interests of all gas market participants. It does this in compliance with law for competition and the prevention of monopolistic practices. GasReg must also draw up guidelines for compliance review as well as for reporting obligations regarding the unbundling process.

Technical competencies:

GasReg has the power to:

- Issue regulations, including market rules, grid codes and other such technical rules and guidelines.
- Define metering rules and charges.
- Approve operational and planning standards, including schemes for the calculation of total transfer capacity.
- Require the transmission and distribution operators to correct any congestion difficulties.
- Set incentive regulation.
- Promote energy efficiency measures.

GasReg can set and approve both standards for service quality and congestion management rules. Moreover, GasReg has the power to enforce sanctions in case of violation by applying the network code provisions.

With respect to investment planning and cost recovery, GasReg has a responsibility to review and approve development plans.

Consumer protection:

The aims of establishing GasReg include protecting consumer rights, instituting the standard contractual terms and conditions for the supply contract, ensuring the tariffs are fair, transparent, and non-discriminatory and ensuring all consumers can access gas networks.



Legal status:

The “Commission de régulation de l’électricité” (Electricity Regulatory Commission) was created on **24 March 2000** following the adoption of Law No. 2000-108⁵, which was the first step to liberalize the energy market following the "first package" of European Directives. The Commission's powers were rapidly extended to the gas market by the Law of **3 January 2003** on the gas and electricity markets and the public energy service. The extension of its prerogatives justified the transformation into "Commission de régulation de l'énergie".

CRE became immediately operational after its creation in **2000**. It shall be recalled that the role of the French energy regulator was shaped by the European framework. Indeed, following the Directive 2003/54/EC (Art. 25) the Directive 2009/72/EC (Art. 36), it is now the Directive 2019/944/EC (Art. 57) which prescribes the obligation to establish a single national regulatory authority, sets out rules to ensure its independence and specifies its tasks and powers.

The regulatory authority is a public body in terms of its legal status. Within the perimeter defined by the law, CRE has "supplementary" rule-making powers, which it exercises at its own initiative through its college, and quasi-judicial powers [to settle disputes and impose sanctions], which are exercised by its committee (CoRDIS).

Its functioning is also subject to the rules stated in the general statute of independent administrative authorities established by the law of 20 January 2017. Furthermore, the Law 2010-1249 of 22 October 2010 on banking and financial regulation introduced the principle of greater cooperation between the Autorité des marchés financiers (AMF) and the Commission de régulation de l'énergie (CRE). The principles and modalities of this cooperation were formalised in a Memorandum of Understanding signed by the two authorities on 10 December 2010.

Finally, CRE cooperates with the Agency for the Cooperation of Energy Regulators established by Regulation (EU) 2019/942 of 5 June 2019, as well as with the regulatory authorities of the other Member States of the European Union (Article L133-6). It is an active member of regional associations such as CEER and MEDREG and has been an initiator and main promoter of RegulaE.fr (French speaking network of energy regulators) and recently joined ERRA (as an associated member).

Website: <https://www.cre.fr/en>

⁵ Law no. 2000-108 of 10 February 2000 on the modernisation and development of the public electricity service, JORF no. 35 of 11 February page 2143 text no. 1

Internal organization:

Commission's College and CoRDIS:

According to the provisions of article L. 132-1 of the Energy code, the Energy Regulatory Commission consists of a College and a Dispute Resolution and Sanctions Committee [CoRDIS]. Initially the exercise of these attributions was not organically differentiated. Subsequently, the law no. 2006-1537 of 7 December 2006 which introduced a complete separation of functions and distinguished within the CRE between the college and the CoRDIS, these are composed of separate members. However, neither the college nor the committee constitute separate 'bodies' of the CRE: each of them is its expression, in the exercise of those of its attributions that are entrusted to them.

The **college** is composed of five members appointed for their legal, economic and technical qualifications. The president of the college is appointed by decree of the President of the Republic. The other four members are appointed as follows:

- One member appointed by the President of the National Assembly, on the basis of his or her qualifications in the fields of energy consumer protection and the fight against energy precariousness;
- One member appointed by the President of the Senate, on account of his or her qualifications in the fields of local public energy services and territorial planning;
- One member appointed by decree, because of his or her qualifications in the fields of energy demand management and renewable energies;
- One member appointed by decree, on the proposal of the Minister for Overseas France, due to his knowledge and experience of non-interconnected areas.

The College is renewed by half every three years, except for the President. Furthermore, the composition of the college respects gender parity by applying the principle that "the difference between the number of men and women may not be greater than one".

The **CoRDIS** (Dispute Resolution and Sanctions Committee) is composed of four members who are only professional magistrates from the two orders of jurisdiction. From administrative order, two Councillors of State appointed by the Vice-President of the Council of State. From judicial order, two members of the Court of Cassation, appointed by its first president. The president of CoRDIS, (who is appointed by decree among members) is not working on a full-time basis.

Commission's Services:

The Commission has at its disposal services which are placed under the authority of its President or, for the exercise of the tasks entrusted to the Dispute Settlement and Sanctions Committee, under the authority of the Chairman of the Committee (art. L. 133-5 of Energy code). In 2022, CRE has 156 staff members of which 44% are women.

The Commission employs civil servants in active-duty status or on secondment and also recruits employees on a contractual basis. CRE decides on its internal organisation and HR policy (hiring and firing staff, staff

allocation/ staff composition). The final decision for the selection and appointment of staff members lies with the president.

Independence:

CRE has the status of an administrative independent authority according to the French law n°2017-55 of 20 January 2017 on general statute of independent administrative authority and independent public authority.

CRE's independence is pointed out at multiple times such as article L. 133-6 of the energy code: "The agents of the Energy Regulatory Commission perform their duties impartially, do not receive instructions from the government, no one is an institution, no person, a company or an organization".

Furthermore, board members are prohibited to take a job or an interest in any company in the energy sector until the expiry of a period of three years following the end of their mandate (art. L132-2 of the French energy code).

CRE's deontology charter adopted by Board decision on December 7th, 2017, applies to staff members. According to article 1, staff members shall carry out their duties in full compliance with the provisions of the impartiality, without receiving instructions from the Government or from any institution, person or enterprise or organization. They are freely determined, without bias of any kind, nor any desire to favour a particular party or particular interest and without yielding to any pressure. They shall behave in such a way as to prevent any legitimate doubt in this respect and to preserve the confidence of the players in all sectors and the public in the independence of CRE.

They shall ensure that their professional and private relationships do not create a suspicion of bias or make them vulnerable to influence, nor do they violate the dignity of their office. They shall not place themselves or allow themselves to be placed in a position which may require them to grant in return a favour to any person or entity.

CRE is represented by president of the college in all acts of civil life and, like the president of CoRDIS, is competent to undertake legal action.

In terms of financial independence, CRE proposes, during the drafting of the finance bill, to the minister in charge of energy and the minister in charge of finance, the credits necessary for the accomplishment of its missions⁶. Furthermore, the President of the College is the authorising officer for the revenues and expenditure of the Commission⁷.

Transparency & accountability:

The information on the regulatory authority -CRE- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. Moreover, this information is also available in English.

While drafting the decisions the regulator consult before taking its final decisions, before taking a Regulatory Decision, the Energy code provides that CRE shall conduct public consultation prior to adopting decision

⁶ Art. L. 133-5 Energy Code

⁷ Art. R. 132-1 Energy Code

regarding specific issues (such as electricity network tariffs : see Art. L. 341-3). In addition, for other important matters, CRE may decide on its own initiative to carry out consultations. In such as case, CRE's public consultations are open to any concerned party. Stakeholders' submissions are published on the regulators' dedicated website section unless otherwise requested by the respondent. Stakeholders are also invited to express themselves in formal auditions and roundtables, other consultation tools are used such as:

- Public hearing.
- Written consultation.
- Workshops.
- Focus group by stakeholder groups.

As a novelty, the Commission published in February its first ever roadmap for 2023-2024. Resulting from consultative process, the roadmap provides a reference framework and general objectives for the actions of CRE's board and departments for the next two years.

More generally, it shall be mentioned that CRE established in October 2017 the Foresight Committee with participation of industry stakeholders adopt a collective approach to two key challenges: ensuring the success of the energy transition, and capitalizing on the digital revolution to benefit all electricity and gas consumers. This multi-disciplinary forum aims to provide the benefit of its expertise to CRE, all operators and stakeholders in the sector, government and consumers, to help them gauge current changes and their implications for the energy sector and wider society.

Annually, the regulator elaborate a report and based on the art. R134-5 of the energy code, CRE issues every year before 30 June a public report on its activity and the implementation of its legislative and regulatory measures relating to regulated access to historical nuclear power and monitoring of retail and wholesale markets; access to public electricity transmission and distribution systems, natural gas transmission and distribution and liquefied natural gas installations and their use. This report also evaluates the effects of its decisions on the development of competition, on the situation of residential, professional and industrial consumers; on the conditions of access to these networks, works and installations and on the execution of public service missions on electricity and natural gas sectors. This report is addressed to the government, Parliament and the Higher Energy Council. The suggestions and proposals of the latter are conveyed to the Minister of Energy and the Energy Regulatory Commission.

In addition, under Article 59 of Directive (EU) 2019/944 of 5 June 2019 concerning common rules for the internal market in electricity and amending Directive 2012/27/EU, CRE is required to submit an annual report on its activities and the performance of its tasks, in particular to the Commission and ACER (generally in July).

All these various reports and publications on CRE's website, and almost systematically in the Official Journal, are contributing to the gradual development of a coherent normative and "doctrinal" body of work that further strengthens its role as an independent regulatory authority.

Competencies:

Access to information and quality of service monitoring

To ensure its role in the sector, CRE has full access to financial and technical information from sector participants. Article L. 134-18 of the French Energy Code explicitly specifies that in order to carry out the tasks entrusted to the Authority, CRE collects all the necessary information from:

- The Ministers responsible for the economy, the environment and energy.
- The transmission and distribution operators of electricity and gas and the operators of liquefied natural gas facilities.
- End-user suppliers benefiting from regulated access.
- Nuclear plants.
- Operators of transport networks and of geological storage of carbon dioxide and other undertakings involved in the electricity or natural gas market.

The law further specifies that CRE may also hear any person considered likely to contribute to the collection of necessary information.

Market opening and monitoring:

Since 2006, CRE has been assigned the mission of monitoring the wholesale electricity and natural gas markets, in particular ensuring that the offers made by market players are consistent with their economic and technical constraints. CRE plays, thus, an important role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices.

The aim is to ensure that prices are consistent with the physical and economic fundamentals which determine supply and demand. CRE's task of monitoring wholesale markets is also part of the framework of the Regulation on Energy Market Integrity and Transparency, called REMIT, which prohibits market abuses on wholesale electricity and gas markets. As part of this task, CRE produces an annual report on the functioning of wholesale markets.

Tariff setting:

Regarding the tariff setting, CRE is responsible on:

- Fixing the methodologies used to establish transmission and distribution networks tariff.
- Fixing the transmission and distribution networks tariffs.
- Fixing the methodologies for the provision of balancing and ancillary services.

In accordance with article L. 134-1 of the energy code, CRE sets the conditions for access and connection to the public networks of the new interconnections mentioned in Article 17 of Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity.

Furthermore, the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner. Pursuant to the provisions of Article L. 341-3 of the Energy Code, CRE shall give its opinion (...) on the changes in the tariffs for the use of the public electricity transmission and distribution networks and may provide for a framework multi-year tariff evolution.

Regarding the investment planning and cost recovery both nationally and regionally, CRE is responsible of approving the national development plans. In concrete terms, CRE monitors the TSOs' investment plans and provide an assessment of these in his annual report, particularly regarding investment needs and their consistency with the European plan drawn up by the European Network of Transmission System Operators for Electricity and Gas. In case of doubt, CRE may consult ACER and impose on the TSO to modify its ten-year plan.

Licensing:

The market is operating with under licensing regime. However, it does not fall under the scope of the energy regulator.

Dispute settlement & Sanction

Within CRE, the CoRDIS's has competence to settlement of disputes and inflicting sanctions.

As regards its **disputes settlement** competence, firstly it is a limited one, restricted to the cases listed in Article L. 134-19 of the Energy Code. Secondly, this competence remains optional, leaving claimants free to choose whether to bring the matter before CoRDIS or, alternatively, before the competent ordinary courts, generally the judicial judge.

Having said that, CoRDIS can be seized in case of a dispute between:

- Operators and users of public electricity transmission or distribution network or closed electricity distribution networks.
- Operators and users of natural gas transmission and distribution facilities
- Operators and users of natural gas storage facility or liquid natural gas (LNG) facility.
- Operators and carbon dioxide transmission and geological storage facility users.

The most common dispute topics are related to the grid access and third-party access.

CoRDIS decisions on dispute settlement are administrative decisions, enforceable and their non-execution is sanctionable. As administrative acts they may be challenged before the ordinary courts - the Paris Court of Appeal (see Art. L. 134-23). In turn, in the event of its annulment or reversal by the Paris Court of Appeal, CRE may take the dispute to the Court of Cassation.

As regards its **sanction competence**,

CRE has the power to sanction the sector participants, and it may publish comparative reports demonstrating insufficient performance by the network operators. It has the power to require TSOs and DSOs, if necessary, to modify terms and conditions, including tariffs or methodologies, but not for sanctioning purposes.

A sanction procedure may be initiated in cases of failure or abuse in following situations:

- in respect to principles governing public service obligations and consumer protection in particular,
- regarding the rules of independence,
- in observance of the rules defined by the REMIT regulation or any other failure likely to seriously undermine the functioning of the energy market.

- concerning the ARENH right or obstruction of the exercise of this right,
- compliance with a decision of the CRE College or CoRDIS.

CoRDIS may self-refer or be seized by the president of the CRE. In addition, requests may be made by the minister in charge of energy or the environment or by the ACER. Finally, professional organisations, approved user associations and any other person concerned may also refer to CoRDIS.

Investigations are conducted by CRE staff. At the end of the investigation, if commission of a breach has been detected, the staff will draft a report and notified to the person being investigated and to the president. The president can decide to close the case or to bring it to CoRDIS (CoRDIS members are independent judges from the highest civil and administrative courts in France). If the case is brought before CoRDIS, its president appoints one of its members to act as a prosecutor. Where appropriate, this member can issue a formal notice to comply and/or a notice of prosecution. Finally, the CoRDIS judges deliberate to make a decision.

CoRDIS may impose financial penalties of up to 8% of turnover before tax (10% in the event of a repeated breach), depending on the degree of the offence, the situation of the interested persons, the extent of the damage and the benefits obtained. CoRDIS enforcement mechanisms may also include temporary prohibition of network access, temporary prohibition of professional activities.

While appeals against dispute settlement decisions of CoRDIS belong to ordinary justice, appeals against its sanction decisions are only lodged with the Council of State, highest authority of the administrative justice.

Market unbundling:

Regarding the sector unbundling, CRE does have a role in respect to utility unbundling. Pursuant to Article L.111-3 of the Energy Code, CRE certifies that a company complies with the rules of independence and can thus be approved as a TSO.

On 26 January 2012, CRE certified RTE and GRDF as an Independent Transmission System Operators of the Vertically Integrated Company (ITO - Independent Transmission Operator model). However, CRE regularly controls that TSO comply with their obligations in terms of independence. To this end, CRE verifies that the operator fulfils the commitments it has made and which have been recalled in the certification deliberations and that it takes, within the set deadlines, the measures defined by CRE in these same deliberations. The granting of certification is indeed subject to these conditions.

Technical competencies:

The regulatory authority has the power to:

- Set or approve rules regarding the management and allocation of interconnection capacity.
- Issue secondary legislation, including market rules, grid codes and other such technical rules.
- Define metering rules and charges.

- Approve operational and planning standards including schemes for the calculation of total transfer capacity.
- Require that transmission and distribution operators correct any congestion difficulties.
- Grant exemption/s for third party access for new investment.
- Set incentive regulation.
- Support the development of RES.
- Promote energy efficiency measures.

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards.

In case of violation of the service standards, CRE has defined for each quality indicator that is subject to a financial incentive a reference objective below which the operator will pay a penalty and above which it will receive a bonus.

Consumer protection:

Since its creation, the CRE acts to guarantee the proper functioning of the retail markets for the benefit of electricity and natural gas consumers, by monitoring suppliers' practices and promoting competition.

CRE has the obligation to inform all consumers and ensuring access to customer consumption data for all consumers. In addition, through the monitoring of wholesale and retail energy markets, CRE contributes to the protection of consumer's rights.

Regarding the needs of vulnerable consumers, such issues remain primarily within the scope of the Parliament and the government. However, CRE issues opinions concerning the rate mechanism for social purposes designed to guarantee the right for people in situations of precariousness to have electricity, according to Articles L. 121-5 and L. 337-2 of the Energy Code.

Under CRE's duties, the regulator put in place support mechanisms to consumers related to information on the rights and complaint management. In addition, CRE has created and participates in the website energie-info.fr, in conjunction with the Médiateur national de l'énergie (national energy ombudsman) and the directorate of the Ministry in charge of consumer issues. This one-stop service aims at informing consumers about their rights and the steps they can take concerning energy.

The energy price crisis required exceptional measures to protect consumers and to preserve competition. The CRE supported public authorities in their efforts ensuring that their decisions would be taken under optimal technical, economic and financial conditions for the community.



Legal status:

The regulatory authority could perform its tasks autonomously since its establishment in 1999. According to **Law 2773/1999**, RAE is an independent body, and it has administrative and financial independence. **Law 4001/2011** further increased the independence of RAE by transposing the Directives 2009/72/EC and 2009/73/EC to national legislation.

RAE regulate the electricity, gas and oil.

The regulatory authority is a public body in terms of its legal status and the national energy regulatory issues are addressed by primary legislation (law) and secondary legislation (regulation and code).

The primary and secondary legislation is published by the National Printing House website www.et.gr in Greek.

Regulator's website: <https://www.rae.gr/?lang=en>

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). The final decision-making authority for the selection lies with the regulatory board.

In 2021, the total staff of RAE reached 107 people, where 59% are women.

Apart of MEDREG, RAE is also involved in other international and regional associations such as: Member of ACER, Member of CEER, Observer at ECRB of Energy Community.

Independence:

Political and legal independence:

RAE is distinct and functionally independent from any other public or private entity. RAE is autonomous from direct instructions by the government and any other public or private entities.

Furthermore, it is prohibited for Board members and Members of the RAE secretariat to be partners, shareholders, board members, managers, employees, technical or other consultants or designers in an undertaking subject to direct or indirect control and supervision by the RAE during their term of office. Furthermore, the Board Members may not, for two (2) years after expiry of their term of office, be any manner of partner, shareholder, board member, technical or other consultant or employee (with or without pay, on a retainer or with any form of privity) of a company or undertaking whose activities were subject to direct or indirect control and supervision by the RAE during their term of office.

However, the NRA has formal obligation vis-à-vis the government by submitting:

- Opinions on security of supply issues and

- National development plans.
- Opinion on the National Action Plan on Energy poverty;
- Opinion on the fees collected from market participants for its budget;
- Opinion on possible increase of its staff members following a proposal by the Minister of Energy.
- Opinion on the rollout of smart meters.
- Opinion on tenders held for Independent Natural Gas System licenses...

On the other hand, RAE submit an annual activities report to the parliament and reply to questions submitted by various parliamentary committees as well as Members of the Parliament, for issues that fall under the scope of its responsibilities.

Furthermore, the Minister of Energy selects the chairperson and the two vice-chairpersons of RAE and submits an opinion for their appointment to the Committee on Institutions and Transparency of the Hellenic Parliament. The Committee issues an opinion within 30 days. If the opinion is favourable, the chairperson and vice-chairpersons shall be appointed by an act of the Council of Ministers. The other RAE Board members are appointed by a decision of the Minister.

The chairman and board members have each to serve a 5-year term which can be renewed once. After their service in the regulatory body, there is a cooling off period for both board members.

Financial independence:

In terms of financial independence, RAE is funded through its own resources, according to the Energy Act, the budget of RAE is financed solely by market participants. The NRA has its own resources from fees approved by the government on proposal of the NRA (e.g. fees due by energy companies for applications, licenses and certifications), other funding, and subscriptions from persons attending its conferences or similar events. Although the budget of the NRA is administratively attached to the budget of the Ministry of Environmental Affairs, Energy and Climate Change, RAE approves its own budget at an annual basis.

In addition, an annual audit on the conducted budget is elaborated by the Special Standing Committee of Financial Statement, General Balance Sheet and implementation of the State Budget.

Functional independence:

Regarding its functional independence, RAE decisions on individual executive acts of RAE, may be challenged before RAE, by virtue of an Application for Review, which is an administrative appeal, within a certain deadline. The decision of RAE on the Application for Review, may further be challenged before the Athens Administrative Court of Appeal. Appeals against judgments of the Athens Administrative Court of Appeal may be challenged before the Council of State. RAE Decisions of regulatory nature, may be challenged before the Council of State at first and last instance.

However, regulatory authority's decision remain in effect pending appeal.

Transparency & accountability:

The information on the regulatory authority -RAE- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. However, this information is not available in English.

While drafting the decisions the regulator consult before taking its final decisions, RAE conducts public consultations on several issues and proposed measures on the energy market, RAE is giving the opportunity to interested parties to formulate an opinion and submit their comments on the above measures, prior to RAE's decisions. RAE also communicates current developments of the energy sector through conferences, seminars, congresses, workshops, international exhibitions, actions which raise awareness on RAE's work and competencies in the energy sector. Other consultation tools are used such as:

- Public hearing.
- Written consultation.
- Workshops.
- Focus group by stakeholder groups.

The RAE shall have a quorum if the chairman or at least one of the vice-chairmen and at least three (3) members attend the meeting and shall pass decisions by majority vote. If one of the items on the agenda is the imposition of a penalty, the RAE shall have a quorum if at least five (5) members are present, including the chairman or one of the vice-chairmen acting as chairman.

RAE issues an annual report of the performance of its activities, competencies and duties to the Greek Parliament, provided by the relevant legislation. RAE also issues an annual report to the ACER and European Commission which is available in english. In addition, the regulatory authority can be summoned for a hearing by the Special Permanent Committee on Institutions and Transparency of the Hellenic Parliament.

Furthermore, RAE put in place rules to protect confidential and sensitive information.

Competencies:

Access to information and quality of service monitoring

RAE is the competent authority for monitoring the operation of all sectors of the energy markets. In this regard, it may request and process any relevant data acquired from the companies in the energy sector. While executing its monitoring duties, RAE respects any principles of data confidentiality.

Market opening and monitoring:

Furthermore, RAE plays a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices. RAE acting ex officio or pursuant to a complaint, may issue a reasoned decision adopting appropriate interim measures, prior to its final decision, which are immediately enforceable and shall only be open to appeal before the Athens Administrative Court of Appeal in accordance with the provisions of L. 4001/2011. Appeals shall not prevent enforcement of decisions imposing interim measures.

Furthermore, according to the Energy Act and as part of its remit, the RAE monitors and supervises the operation of the energy market, prepares studies, draft, publishes and submits reports, makes

recommendations, issues decisions or proposals to the competent bodies that take the necessary measures, including issuing regulatory acts and individual notices, especially for the purpose of compliance with competition rules and the regulatory obligations imposed under the Energy Act, consumer protection, fulfilment of their obligations by general interest service providers, environmental protection, security of supply and the development of the EU internal energy market. The RAE therefore monitors and supervises, in particular: (a) the extent and effectiveness of competition in the energy market, at wholesale and retail level; [...] (c) the emergence of distortions of or restrictions on competition and restrictive practices, such as exclusivity clauses that might prevent customers from entering contracts with more than one supplier simultaneously or restrict their facility to choose a supplier; [...]

In respect to matters relating to competition, RAE cooperate with other regulatory authorities such as financial authority, competition/anti-trust authority and there is an ad-hoc cooperation between RAE and the Hellenic Capital Market Commission through joint working groups. RAE also cooperates with the Hellenic Competition Commission within the framework of a MoU signed between the two organisations in September 2020.

Tariff setting:

Regarding the tariff setting, RAE is responsible on:

- Fixing and approving the methodologies used to establish transmission and distribution networks tariff.
- Fixing and approving the transmission and distribution networks tariffs.
- Fixing and approving the methodologies for the provision of balancing and ancillary services.
- Fixing and approving the cross-border infrastructure.
- Connection fees for both producers and consumers are determined by the network operators.

Furthermore, the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner.

In addition, the authority can include performance-based components in the tariff methodologies such as incentive regulation. In that regard, an incentive mechanism is in place for "Projects of Major Importance" (i.e. projects that the Regulator has accepted that they carry substantial economic benefits for the network or the market). If such projects are completed within the planned schedule, they can receive a WACC premium ranging from 0.5% to 2% for 4 to 7 years, according to a Decision taken by RAE, as an incentive for the DSO to undertake the cost of the project implementation and its timely completion, taking into account the overall benefit that this project will bring to the network users and by assessing its impact on distribution network charges. In case of delayed project implementation, RAE may decide to reduce the level of the WACC premium.

In addition, RAE have the power to penalize a non-performing undertaking as mentioned above.

Licensing:

The market is operating with under licensing regime. The regulatory authority have the power to:

- Issues the licenses
- Determine the terms and conditions of licenses
- Review and monitor licenses and compliance with the terms and conditions
- Modify licenses
- Impose a fine on licensees for infractions
- Report/announce infractions for violations of terms and conditions of licenses

Regarding the imposition of fines/sanctions, depending on the severity of the infringement, RAE can impose a fine of up to 10% of the annual turnover of electricity and natural gas transmission system and distribution system owners and operators and undertakings engaged in energy-related activities which are in breach of the provisions of the energy law, or the acts issued pursuant here to or the terms of their licences. The fine must be in proportion to the severity and frequency of the infringement.

Dispute settlement & market unbundling:

The regulatory authority is responsible for dispute settlement, where a permanent arbitration tribunal is established, to which the following cases can be referred for an award:

- Disputes between persons engaged in any manner of activity in the energy sector.
- Disputes between eligible customers and undertakings engaged in energy-related activities.
- Any dispute that arises between the above persons from the application of the relevant national and EU legislation in force.

The most common dispute topics are related to the grid access, third-party access, and cross-border. However, the RAE shall only examine customer complaints if they derive from or relate to matters of regulatory supervision and specified in the regulatory decisions issued pursuant to the Energy Act. The RAE does not examine matters relating to disputes of a civil or commercial nature.

Regarding the sector unbundling, RAE issues Decisions on certification of Transmission System Operators in accordance with the criteria and procedure set out by current legislation, monitors the implementation of the unbundling regulation, as well the respective compliance of the Transmission and Distribution System Operators. RAE is the competent body to monitor communications between independent transmission operators and the vertically integrated undertakings to which they belong, to safeguard compliance with their obligations by independent transmission operators in terms of equal access for users to information and data. RAE has access to all data relating to commercial and financial relations, including loans, between independent transmission operators and the vertically integrated undertakings to which they belong, to ensure that these relations are compatible and are based on current market conditions. All financial and commercial agreements between independent transmission operators and the vertically integrated undertakings to which they belong are approved by RAE Decisions in accordance with the provisions of the Energy Act.

Technical competencies:

The regulatory authority has the power to:

- Set or approve rules regarding the management and allocation of interconnection capacity.
- Issue secondary legislation, including market rules, grid codes and other such technical rules.

- Define metering rules and charges.
- Approve operational and planning standards including schemes for the calculation of total transfer capacity.
- Require that transmission and distribution operators correct any congestion difficulties
- Grant exemption/s for third party access for new investment.
- Set incentive regulation
- Support the development of RES
- Promote energy efficiency measures (only the energy networks).

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards. In case of violation of the service standards, RAE has the power to sanction or intervene.

Regarding the investment planning and cost recovery both nationally and regionally, RAE is responsible of review national development plans and approving them. More precisely, RAE may set deadlines for the development of projects included in network development plans, as well as penalty clauses for the benefit of users if the relevant deadlines are not met by the network operators.

Consumer protection:

RAE supervises the application of consumer protection measures, in accordance with current legislation. RAE also examines customer complaints which derive from or relate to matters of regulatory supervision provided for under current energy legislation and not relating to disputes of a civil or commercial nature. In this regard, RAE has recently developed various tools, such as an online portal for the submission of consumer complaints and a public Price Comparison Tool, to fulfil its consumer protection mandate.

Regarding the needs of vulnerable consumers, other bodies than the regulator are responsible for addressing the vulnerable consumers needs such as the ministry, consumer protection agency, ombudsman, and consumer organisations. However, RAE may issue Opinions to the Ministry of Energy regarding policy design (including regulated prices) for the protection of vulnerable consumers.

Under RAE's duties, the regulator put in place support mechanisms to consumers related to information on the rights, complaint management and tools to check or monitor energy prices.

In addition, the network operators share the time taken to make connections and repairs with the regulator on an ad-hoc basis, and RAE have the power to intervene, if necessary, in case of the time is too lengthy. More precisely, RAE has already developed a regulatory framework for the electricity DSO HEDNO for the quality of service, which aims to provide incentives to the DSO to improve the quality of the services offered and to ensure a minimum level of service quality, in a cost-efficient way. If the quality standards are not met then the DSO is obligated to pay a compensation to the affected consumers.



Legal status:

The Italian Regulatory Authority for Electricity and Gas (AEEG) is established under Law No. 481 of November 14, 1995, to regulate and control the electricity and gas sectors. Following a referendum on the public management of water services held in June 2011, Law No. 214 (December 22, 2011) AEEG became AEEGSI and included the regulation on water services.

The Legislative Decree No. 102 of July 4, 2014, implemented the European Directive 2012/27/EU on the promotion of energy efficiency in the Italian legislative framework and attributed to AEEGSI specific functions for regulating district heating and cooling. Moreover, Italian Law No. 205 of December 27, 2017, gave the authority regulatory and control functions over the waste cycle, including sorted, urban and related waste.

Following the assignment of new competences, the regulator became ARERA, the Italian Regulatory Authority for Energy, Networks and Environment. ARERA functions with full autonomy and independence of judgment within the general policy guidelines laid down by the government and parliament while considering the relevant EU legislation.

Regulator's website: <https://www.arera.it/it/index.htm>

Internal organization:

ARERA formulates its own procedures for the adoption of provisions and enjoys organisational autonomy in laying down the rules governing its internal organisation, functioning, and accounting procedures, even if the maximum number of its staff members is fixed by law. The recruitment of professional and management staff involves open competition as well as the evaluation and assessment of the candidates by an independent selection panel. The law defines the salaries of the board members, and they are at a similar level as those of government officials but lower than those of industry officers. The terms and conditions for the employees are specific for independent regulators, and their salaries are determined according to a set pay-scale for independent regulators. The salaries of the staff members are at similar levels as those of industry personnel but higher than those of civil servants. The staff consists of 208 employees on permanent and temporary contracts, along with 16 secondments.

Apart from MEDREG, ARERA is full member of CEER (Council of European Energy Regulators) and WAREG (European Water Regulators).

Independence:

Political and legal independence:

ARERA is distinct and functionally independent from any other public or private entity. ARERA is autonomous from direct instructions by the government and any other public or private entities.

To safeguard ARERA's independence and autonomy, it has adopted a code of conduct for its board members, management and staff. The board members may not (i) carry out, either directly or indirectly, any professional or consultant activity, (ii) be administrators or employees of public or private bodies, (iii) hold other public office of any kind whatsoever, including being elected or representing political parties or (iv) retain interests, either direct or indirect, in enterprises operating in ARERA's regulated sectors.

ARERA's board members are appointed by a decree of the President of the Italian Republic, following nomination by the Council of Ministers based on a proposal by the Minister of Economic Development. The nominations are submitted to the competent parliamentary committees for scrutiny, and the appointment is based on a two-thirds majority vote. The president and the board members remain in office for a non-renewable seven-year term.

ARERA's employees, including those on temporary contracts or seconded from other administrations, may not take on other jobs or positions or carry out other professional activity, even on an occasional basis. Moreover, they may not, either directly or indirectly, retain interests in the enterprises in the sector. Any violation of these rules may cause forfeiture of the post held and, should the deed not constitute an offence, be punished by a fine. A two-year cooling-off period is scheduled; for at least two years after holding office, ARERA's board members and directors involved in regulatory issues may not maintain, either directly or indirectly, relationships of collaboration, consultancy or employment with firms operating in their specific sectors. ARERA's decisions are binding but subject to judicial review.

Appeals against its decisions can be lodged with the Tribunale Amministrativo Regionale (TAR) (Regional Administrative Court) of the Lombardy Region. Appeals against the rulings of the TAR can be presented to the Consiglio di Stato (Council of State).

Financial independence:

ARERA is funded through its own resources, i.e. annual contributions paid by the service providers, which are established autonomously within the maximum percentage of 1/1000 of the contributors' revenues for the previous financial year, as set by Law No. 481/95. (Actual levy 0.032 % of revenues from the electricity and gas sectors, 0.027% from water service, 0.030% from waste and 0.002% for energy infrastructures). Although its budget is not approved by any other entity, like all Italian public bodies, ARERA falls under the spending review process, which limits its expenses. A board of accounts (composed of external experts or administrative judges) verifies ARERA's administrative and accounting management and controls the activities related to financial and asset management as well as the contracts at least once every three months, even on random basis. This board also checks the acts related to financial and asset management and periodically checks the cash values assigned to the cashier.

Functional independence:

ARERA's decisions are subject to judicial review; they can be appealed in the council of State (Consiglio di Stato), and while the appeal is being processed, the contested decision is suspended.

Transparency & accountability:

ARERA's website is key in making information on its internal organisation, objectives and processes available to every stakeholder. All of its provisions are also published on the website while preserving confidential or sensitive data. ARERA extensively uses consultation procedures, such as public hearings, written consultations and workshops. Additionally, ARERA has a new tool to promote the participation of stakeholder in the decisional process – Permanent Observatory on Energy Regulation Adopting a wide communication plan that is particularly devoted to raising consumers' awareness and awareness about its activities, ARERA presents an annual report of its activities and the main features of the regulated sectors to the parliament. Regarding voting procedure, each board member has a single vote. As the board is comprised of five members, deadlock will not occur.

Competencies:

Access to information and quality of service monitoring

ARERA has full access to the financial and technical information of the sectors participants and the utilities through extensive data flow that is mandatorily requested from the regulated bodies. The data are collected and securely stored in an in-house database.

Market opening and monitoring:

Based on the EU directives and their implementation in the Italian primary law, the natural gas market was completely liberalised in 2002. The electricity sector was opened in 1999 when the former monopoly was split into separate companies dealing with generation, transmission, distribution, and sales activities. Since 2007, all consumers can choose their supplier, though Small and medium-sized enterprises (SMEs) and households may remain under regulated tariffs. After various postponements, the Italian government has decided to set the end of the regulated retail electricity and gas markets in January 2021 for small enterprises and in January 2022 for micro-enterprises and domestic customers. ARERA monitors wholesale and retail markets and reports to the Autorità garante della concorrenza e del mercato (Italian Antitrust Authority) any suspected infringements of Law No. 287 of October 10, 1990, by the companies operating in the electricity and gas sectors.

Tariff setting:

ARERA sets the tariffs and tariff methodologies for the transmission and distribution networks. It also determines access to cross-border infrastructures and sets connection fees. The general principles involve adopting cost-reflective methodologies and promoting improvement in the quality of service. ARERA has the power to require TSOs and DSOs to modify terms and conditions, tariffs, rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner. On the other side, ARERA may penalise a non-performing service by reducing the rate of return over the tariffs.

ARERA applies the criteria of transparency when adopting general rules and decisions. This process involves full consultation with the operators and the associations representing the interested parties (consumers, environmental organisations, trade unions and business associations) through the circulation of documents and the collection of written observations. These are then discussed where appropriate during collective and individual hearings prior to issuing any provisions. These hearings are governed by specific regulations

that allow the associations to bring specific and urgent questions to ARERA's attention and propose that these questions be discussed.

Licensing:

ARERA may address observations and recommendations about licenses or authorisations to the government and parliament. Meanwhile, observations and recommendations about licensing, convention, and authorisation schemes as well as any changes to or renewal of the existing schemes are addressed to the Ministry of Economic Development.

Dispute settlement & market unbundling:

ARERA oversees dispute settlement among consumers and the regulated operators, as derived from the EU directives. The main topics addressed are grid access, TPA, cross-border disputes, unfair commercial conducts, errors in billing, undue disconnections and switching.

One of ARERA's main powers is the competence to issue guidelines for the accounting and administrative unbundling of the various activities under which the electricity and gas sectors are organised. Unbundling is carried out to achieve the objectives of (i) transparency and standardisation in the annual accounts of the companies operating in the regulated sectors, (ii) monitoring the costs of individual services and (iii) ensuring that electricity and gas costs can be properly disaggregated and broken down by function to enable the effective promotion of competition and efficiency.

Technical competencies:

ARERA can (i) set or approve rules regarding the management and allocation of interconnection capacity (generally shared within the EU regulatory framework), (ii) issue secondary legislation, including market rules, grid codes and other such technical rules (grid codes and system operation rules are elaborated by the TSO\DSO and submitted to ARERA or approval), (iii) define metering rules and charges, (iv) approve operational and planning standards, including schemes for the calculation of total transfer capacity, (v) require that transmission and distribution operators correct any congestion difficulties, (vi) grant exemptions for TPA for new investments, (vii) set incentive regulation and (viii) support the development of RES. ARERA establishes the guidelines for the production and distribution of services and their standards. Quality standards may refer to both the terms and conditions of contracts (such as the response time to calls or complaints) and the technical aspects of the service (such as service continuity and safety). ARERA sets automatic refund mechanisms to compensate users and consumers when the standards are not met. ARERA monitors the conditions under which the services are provided; it can demand documentation and data, carry out inspections, obtain access to plants and apply sanctions and determine those cases in which operators should be required to provide refunds to users and consumers. Regarding infrastructure development, ARERA reviews and approves national development plans and provides its opinion on these plans to the government. It sets tariffs for the use of infrastructures, including maximum prices net of tax, and tariff adjustments based on a price cap mechanism (defined as a "ceiling on price variations on a multi-annual basis"). The price-cap mechanism sets a limit on annual tariff increases, which corresponds to the difference between the target inflation rate and the increased productivity attainable by the service provider along with any other factors allowed for in the tariff, such as quality improvements. The tariff system is

required “to reconcile the economic and financial goals of electricity and gas operators with general social goals, and with environmental protection and the efficient use of resources”.

Consumer protection:

According to the funding law No. 481/95, ARERA has the following powers:

- It issues directives concerning the production and delivery of the services by the parties operating the said services. In particular, it establishes the overall standards for the entire complex of services and the specific standards guaranteed to the consumer, having heard the parties supplying the service and the representatives of users and consumers.
- It publicises the conditions under which the services are provided to ensure maximum transparency, the competitiveness of the supply and the opportunity for consumers to make better choices.
- It assesses the complaints, appeals, and reports from consumers, individuals or associations to respect the standards of quality and tariffs by the service providers. It may intervene and, where necessary, persuade the service providers to change their mode of operation or revise the service regulations.
- It verifies that the measures adopted by the parties operating the service are adequate to ensure the equal treatment of all consumers.
- It guarantees an uninterrupted energy supply, periodically checking quality and efficiency of the services and even surveying the opinions of the users.
- It guarantees all information about how the services are delivered and the relative quality levels.
- It ensures a prompt response to complaints, claims and reports concerning the quality and tariff standards. Regarding vulnerable consumers, ARERA implements government measures in the energy sectors and jointly acts with the antitrust authority. Its main activities are relevant to complaint management (adopting alternative dispute resolution mechanisms as well). It also monitors energy prices and communication to improve consumers’ awareness.



Energy & Minerals Regulatory Commission - EMRC – Jordan

Legal status:

The regulatory authority was established in 2002 and became fully operational between 2008 and 2009.

EMRC is an independent body, and it has administrative and financial independence. In addition, the national energy regulatory issues are addressed by both primary legislation (Law) and secondary legislation (regulation, code and by law).

EMRC regulate the electricity, gas, radiation, minerals, petroleum and nuclear.

Regulator's website: <http://www.emrc.gov.jo/>

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). The final decision-making authority for the selection lies with the regulatory board.

In 2022, the total staff of EMRC reached 350 people, where 29% are women.

Apart of MEDREG, EMRC is also involved in other international and regional associations.

Independence:

Political and legal independence:

EMRC is distinct and functionally independent from any other public or private entity. EMRC is autonomous from direct instructions by the government and any other public or private entities.

Furthermore, it is prohibited for Board members to be partners, shareholders, board members, managers, employees, technical or other consultants or designers in an undertaking subject to direct or indirect control and supervision by the EMRC during their term of office, as specified in the energy and minerals regulatory commission law and General Electricity Law, the non-compliance member will face the administrative court.

However, the NRA has formal obligation vis-à-vis the government by submitting:

- The tariff methodology.
- Opinions on security of supply issues.
- Opinions on national development plans.
- Draft budget.
- Annual work plan.
- Annual activities report.

On the other hand, EMRC submit the draft budget to the parliament.

Furthermore, the Prime Minister appoints the chairman with fixed terms of office. The mandates can be renewed twice maximum. After their service in the regulatory body, there is a cooling off period for both board members.

Financial independence:

In terms of financial independence, EMRC is funded through its own resources and national budget. More precisely, the sources of the regulatory authority budget are:

- Licence fees.
- Market participation fees (EMRC has the power to set sector participation fees to meet budgetary needs).
- Fines.
- Donation and grants.

The budget is approved by the parliament and an annual audit on the conducted budget is elaborated by the audit bureau.

Functional independence:

Regarding its functional independence, the energy sector parties can appeal a regulatory decision to the administrative court. However, regulatory authority's decision remain in effect pending appeal.

Transparency & accountability:

The information on the regulatory authority -EMRC- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. Moreover, this information is available in English.

While drafting the decisions the regulator consult before taking its final decisions, EMRC conducts consultations. However, there is no consultation process available to stakeholders.

The regulators decisions are voted by the board members, the voting procedure is defined in the regulator internal rules. Annually the regulatory authority is required to appear before a parliamentary committee to report on activities.

EMRC issues an annual report which is available in English.

Competencies:

Access to information and quality of service monitoring

To ensure its role, EMRC have full access to financial information from sector participants including accounts, operational details, agreements, and technical data.

Market opening and monitoring:

In Jordan, there is a national timetable for the full opening of the electricity and gas markets, but still it's not fully implemented. EMRC have the responsibility for collecting information on market dominance as well as

predatory and anti-competitive behaviour. In that regard, EMRC cooperate with other regulatory authorities such as financial authority.

Tariff setting:

Regarding the tariff setting, EMRC is responsible on:

- Fixing and approving the methodologies used to establish transmission and distribution networks tariff.
- Fixing and approving the transmission and distribution networks tariffs.
- Fixing and approving the methodologies for the provision of balancing and ancillary services.

Furthermore, the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner.

In addition, the authority can include performance-based components in the tariff methodologies such as incentive regulation. In case of a non-performing operator, EMRC have the power to penalize the operator.

Licensing:

The market is operating with under licensing regime. The regulatory authority has the power to:

- Issues the licenses
- Determine the terms and conditions of licenses
- Review and monitor licenses and compliance with the terms and conditions
- Modify licenses
- Impose a fine on licensees for infractions
- Report/announce infractions for violations of terms and conditions of licenses

The average time to deliver a license is between two to three months, starting from the date of application.

Dispute settlement & market unbundling:

The regulatory authority is responsible for dispute settlement for:

- Disputes between industry and customers.
- Disputes between industry actors.

The most common dispute topics are related to the grid access and third-party access.

Regarding the sector unbundling, EMRC has a role in utility unbundling, where the authority establish guidelines on how separate accounts should be drawn and establish rules regarding the allocation of costs resulting from the unbundling process.

In addition, EMRC have the duty to draw up guidelines for compliance review and for reporting obligations regarding the unbundling process and have the power to mandate changes in accounting practices where the regulatory authority determines that the sector participants are not sufficiently unbundled.

Technical competencies:

The regulatory authority has the power to:

- Issue secondary legislation, including market rules, grid codes and other such technical rules.
- Define metering rules and charges.
- Approve operational and planning standards including schemes for the calculation of total transfer capacity.
- Grant exemption/s for third party access for new investment.
- Set incentive regulation
- Support the development of RES
- Promote energy efficiency measures.

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards. In case of violation of the service standards, EMRC has the power to sanction or intervene.

Regarding the investment planning and cost recovery both nationally and regionally, EMRC is responsible of review national development plans and provide opinion to government on the plans.

Consumer protection:

EMRC is responsible for consumer protection in the energy sector, and it have the power to address the needs of vulnerable consumers including:

- Defining of policies.
- Setting the prices for vulnerable consumers.
- Implementing government measures via energy sector.
- Vulnerability issues via social policy.

Under EMRC's duties, the regulator put in place support mechanisms to consumers related to information on the rights, complaint management and tools to check or monitor energy prices.

Besides to EMRC, the ministry and consumer protection agency have as well the power to address the needs of vulnerable consumers.

In addition, the regulatory authority has the power to monitor the time taken by sector participants to make connections and repairs, and EMRC have the power to intervene, if necessary, in case of the time is too lengthy, including power to sanction the participants.



Lebanese Center for Energy Conservation - LCEC – Lebanon

Legal status:

In Lebanon the energy regulator is not established yet. However, The Lebanese Center for Energy Conservation “LCEC” is providing technical advice to the Ministry of Energy and Water.

The Law 426 dated 2002 establishes the basis of a regulatory authority. However, the Government of Lebanon is seeking to amend it. The proposed amendment didn't reach the parliament till date and law 462 dated 2002 is the applicable law. It is to be noted that law 462 dated 2002 has not been implemented because the electricity regulatory authority (ERA) was not appointed since 2002. It is also to be noted that several amendments addressed article 7 of this law where the Council of Ministers replaced the ERA in the issuance of permits and licenses for temporary periods and until an ERA is appointed. The latest amendment in this regard was tackled in law 129 dated 2019 and applicable for 3 years.

The above details will describe the **Law** “Law 426” and its content in case of its application.

ERA regulate the electricity sector only.

There is no website for the regulator. LCEC website: <https://lcec.org.lb/home>

Internal organization:

The **Law** foresees that the authority shall adopt its internal and employees' regulations and administrative regulations after the minister's approval which should be granted within thirty days from the date of their submission to him. The final decision-making authority for the selection lies with the regulatory board.

Independence:

Political and legal independence:

ERA should be distinct and functionally independent from any other public or private entity. ERA as per law 462 will be autonomous from direct instructions by the government and any other public or private entities.

Furthermore, as per law 462 dated 2002 there are appointment conditions and interdictions that should be respected by the board members to avoid any conflict of interest within the sector. The terms of the Chairman or a member shall be terminated in the event of flagrant violation to its duties or failure to comply with the conditions set by law 462 dated 2002.

Furthermore, the NRA has formal obligation vis-à-vis the government as follow:

- Submit tariff methodology.
- Submit opinions on security of supply issues.
- Submit opinions on national development plans.
- Submit draft budget.
- Submit annual work plan.
- Submit annual activities report.

Other obligations such as to submit the following to the Council of Ministers through the minister of energy and water:

- Studies related to the general plan for the sector in the production, distribution and transmission fields.
- Decrees and regulations' projects related to the implementation of the provisions of law 462/2002.

On the other hand, ERA has no formal obligations vis-à-vis the parliament.

Furthermore, the law foresees that Government (President/Prime Minister) appoints the chairman/board members of the regulatory authority.

Financial independence:

In terms of financial independence, ERA should be funded by its own resources. However, exceptionally and for a maximum period of two years from the date of its establishment, either through appropriations recorded in the general budget or by means of private participations provided by the parliament on the basis of the authority's annual budget. Once the aforementioned period has elapsed, the authority's activities and expenses shall be entirely funded according to the provisions of law 462 dated 2002

A percentage of the consumers' electricity consumption bill, which shall not exceed 1% of its total value. Unconditional grants and subsidies provided by sources with no direct or indirect interest in the electricity sector, subject to the Council of Ministers's approval. Furthermore, at least three months before the end of each financial year, the authority shall prepare the following year's budget and submit it to the minister of energy and water for his approval, within thirty days from the date of its registration in the competent service within the ministry. The budget will be subject to the minister of finance's approval pursuant to the same procedure. This budget forecasts how the ERA may use its own financial resources.

The accounts of the authority are subject to the internal audit and to the independent audit by auditing and accounting companies according to article 73 of law 326 dated 28/6/2001 (2001 Public Budget law).

Functional independence:

Regarding its functional independence, the energy sector parties can appeal a regulatory decision to the administrative court. However, regulatory authority's decision remain in effect pending appeal.

Transparency & accountability:

The information on the regulatory authority -ERA- including: its missions, duties, organization chart and reports, should be published and made available to stakeholders, either through the official website or by direct contact.

The ERA shall prepare an annual report on its activities and submit it to the Council of Ministers through the minister within the three months following the end of each financial year. This report shall be published in the Official Gazette and shall include a summary of the measures taken by the authority in implementation of its mission, and its participation in the achievement of the objectives specified in the present law.

The regulators decisions are voted by the board members, the voting procedure should be based on majority.

Competencies:

Access to information and quality of service monitoring

The holders of licenses and the Electricité du Liban shall provide the authority with financial and technical information and data, as well as any other information required by the authority to achieve its purposes.

Market opening and monitoring:

The law foresees that the regulatory authority has responsibility for collecting information on market dominance as well as on predatory and anti-competitive behaviour. Furthermore, regulatory authority plays a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices.

Tariff setting:

Regarding the tariff setting, by law the ERA has the following authorities:

- The ERA is the competent authority to regulate tariffs and subscription contracts.
- The ERA shall ensure and encourage competition in the electricity sector, supervise and control non-competitive tariffs and ensure the transparency of the market.
- The ERA shall determine, the ceiling of the prices of generation services, tariffs applied on the various services of electricity transmission and distribution, subscription fees, service fees, fines and other fees, and their method of collection.

Licensing:

The market is operating with under licensing regime. The ministry of energy and water has set a licensing procedure that has been followed for all renewable energy projects as per law 129 dated 2019, whereby the Council of Ministers grants licenses based on a joint proposal of the minister of energy and water and the minister of finance. Yet, once the ERA is appointed, one of its main tasks will be to set up a licensing regime

Once established ERA has the power to:

- Issues the licenses
- Determine the terms and conditions of licenses
- Review and monitor licenses and compliance with the terms and conditions
- Modify licenses
- Impose a fine on licensees for infractions
- Report/announce infractions for violations of terms and conditions of licenses

The average time to deliver a license is 6 months as per the law, starting from the date of application.

Dispute settlement & market unbundling:

The regulatory authority ERA, is responsible for dispute settlement for:

- Disputes between industry and customers.
- Disputes between industry actors.

It acts as intermediary and as arbitral committee to settle the disputes amicably.

Regarding the sector unbundling, ERA have no role in utility unbundling, as per law 462/2002 the Higher Council for Privatization and PPP is the entity responsible for the unbundling of the electricity utility (EDL).

Technical competencies:

The regulatory authority has the power to:

- Set or approve rules regarding the management and allocation of interconnection capacity
- Issue secondary legislation, including market rules, grid codes and other such technical rules.
- Define metering rules and charges.
- Approve operational and planning standards including schemes for the calculation of total transfer capacity.
- Approve operational and planning standards including schemes for the calculation of total transfer capacity.
- Grant exemption/s for third party access for new investment.
- Set incentive regulation

Regarding the investment planning and cost recovery both nationally and regionally, ERA is responsible of review national development plans and provide opinion to government on the plans. Furthermore, ERA should prepare studies related to the general plan for the sector in the production, distribution and transmission fields, submit them to the minister for discussion, finalize them and submit them to the Council of Ministers for approval.

Consumer protection:

ERA is the authority is responsible to ensure the smooth running of the generation, transmission and distribution services up to the supply of the consumer with electrical power, after deliberation with the competent parties while taking into account the free competition conditions in the sector, the government's policy and strategy, the conditions of the agreements, licenses and authorizations in force, the protection of the consumers' interest, the stability in the electricity sector and the balance of the prices of the services, in accordance with the laws in force.

Regarding the needs of vulnerable consumers, these issues are not addressed in the law, but may fall under the mandate of the consumer protection agency (affiliated to the ministry of economy) or the ministry of social affairs.

However, under ERA's duties, the regulator must put in place support mechanisms to consumers related to information on the rights, complaint management and tools to check or monitor energy prices.



Legal status:

Malta Resources Authority was established in 2001 and became the Regulatory for Energy and Water Services in 2015.

REWS is an independent body, and it has administrative and financial independence. In addition, the national energy regulatory issues are addressed by both primary legislation (Law) and secondary legislation (regulation, code and by law). That can be found here: <https://legislation.mt/>

REWS regulate the electricity, gas, fuels, and water services.

Regulator's website: <https://www.rews.org.mt/#/en/home>

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). The final decision-making authority for the selection lies with the regulatory board.

In 2022, the total staff of REWS, excluding board members, reached 48 people, where 33% are women.

Apart of MEDREG, REWS is also involved in other international and regional associations, such as: ACER, WAREG, REFUREC, CEER.

Independence:

Political and legal independence:

REWS is distinct and functionally independent from any other public or private entity. REWS is autonomous from direct instructions by the government and any other public or private entities.

Nevertheless, there is no formal rules that prohibited the authority staff to have employment relationships with energy industry while holding their position in the regulatory authority. But REWS Act -Article 3(9) precise that a person shall not be qualified to hold office as a member of the Board of the Regulator if he:

- is a Minister, Parliamentary Secretary, or a member of the House; or
- is a judge or magistrate; or
- has a financial or other interest in any enterprise or activity which is likely to affect the discharge of his functions as a member of the Board of the Regulator.

Furthermore, the NRA has formal obligation vis-à-vis the government by submitting opinion on national development plans and submitting to the government and parliament an annual activities report.

Furthermore, the relevant Ministry appoints the chairman with fixed terms of office. The mandates can be renewed twice maximum. After their service in the regulatory body, there is a cooling off period for both board members.

Financial independence:

In terms of financial independence, REWS is funded through its own resources. More precisely, the sources of the regulatory authority budget are:

- Licence fees.
- Market participation fees (REWS has the power to set sector participation fees to meet budgetary needs).

The budget is approved by the relevant ministry and an annual audit on the conducted budget is elaborated by the audit bureau.

Functional independence:

Regarding its functional independence, the energy sector parties can appeal a regulatory decision to the administrative court. However, regulatory authority's decision remain in effect pending appeal unless, the party appealing must request the court to suspend the decision pending the hearing and the determination of the appeal.

Transparency & accountability:

The information on the regulatory authority -REWS- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. Moreover, this information is available in English.

While drafting the decisions the regulator consult before taking its final decisions, REWS make written consultation available for the stakeholders.

The regulators decisions are voted by the board members, the voting procedure is defined in the regulator internal rules.

REWS issues an annual report which is available in English.

Competencies:

Access to information and quality of service monitoring

To ensure its role, REWS have full access to financial information from sector participants including accounts, operational details, agreements, and technical data.

Market opening and monitoring:

In Malta, there is no gas market. There is a derogation from Article 4-Free choice of supply and Article 6-Third-party access by virtue of Article 66 of Directive 2019/944. Article 4 shall not apply to Malta until 5 July 2027. That period may be extended for a further additional period, not exceeding eight years

REWS are not responsible for collecting information on market dominance as well as predatory and anti-competitive behaviour. In that regard, REWS cooperate with the competition/anti-trust authority.

Under its remit, REWS play a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices.

Tariff setting:

Regarding the tariff setting, REWS is responsible on:

- Fixing and approving the methodologies used to establish transmission and distribution networks tariff.
- Fixing and approving the transmission and distribution networks tariffs.

Furthermore, the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner.

In addition, the authority can include performance-based components in the tariff methodologies such as incentive regulation. In case of a non-performing operator, REWS does not have the power to penalize the operator. However, increase in efficiency is one of the criteria when approving tariffs or methodologies.

Licensing:

The market is operating with under licensing regime. The regulatory authority has the power to:

- Issues the licenses
- Determine the terms and conditions of licenses
- Review and monitor licenses and compliance with the terms and conditions
- Modify licenses
- Impose a fine on licensees for infractions
- Report/announce infractions for violations of terms and conditions of licenses

The information regarding the average time to deliver a license is not available.

Dispute settlement & market unbundling:

The regulatory authority is responsible for dispute settlement for:

- Disputes between industry and customers.
- Disputes between industry actors.

The most common dispute topics are related to the grid access and third-party access. As well as any other matter falling within the ambit of the functions of the regulator.

In the case of electricity unbundling required at Management Accounts level and the Regulator shall take the necessary steps to ensure that the accounts of electricity undertakings are kept in accordance with the requirements of the regulations.

In addition, REWS have the duty to draw up guidelines for compliance review and for reporting obligations regarding the unbundling process and it's specified in the license conditions. In case of non-compliance with

unbundling requirements, the Regulator is obliged to take all necessary action for the undertakings to comply with the unbundling requirements.

Technical competencies:

The regulatory authority has the power to:

- Set or approve rules regarding the management and allocation of interconnection capacity.
- Require that transmission and distribution operators correct any congestion difficulties.
- Grant exemption/s for third party access for new investment.
- Set incentive regulation
- Support the development of RES
- Promote energy efficiency measures.

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards. In case of violation of the service standards, REWS has the power to sanction or intervene.

Regarding the investment planning and cost recovery both nationally and regionally, REWS is responsible of review national development plans and the regulator may request for amendments to be made to the network development plan.

Consumer protection:

To promote the interests of consumers and other users in Malta, particularly vulnerable consumers, especially in respect of the prices charged for, and the quality and variety of the services and, or products regulated by or under this Act; Also, under the Electricity Regulations (S.L.545.34) which transpose consumer protection provisions of Directive 2019/944. REWS is responsible for consumer protection in the energy sector, and it have the power to address the needs of vulnerable consumers including vulnerability issues via social policy. However, the relevant ministry has power to address the needs of vulnerable consumers. Under REWS's duties, the regulator put in place support mechanisms to consumers related to information on the rights and complaint management.

In addition, the regulatory authority has the power to monitor the time taken by sector participants to make connections and repairs, and REWS have the power to intervene, if necessary, in case of the time is too lengthy, including power to sanction the participants.



Energy and Water Regulatory Agency of Montenegro - REGAGEN – Montenegro

Legal status:

The Energy Regulatory Agency “REGAGEN” was established on January 22, 2004, according to the Energy Law as autonomous, non-profit organization, functionally independent from the state authorities and energy undertakings, that carries out its public authorizations in the energy sector.

In addition, the national energy regulatory issues are addressed by both primary legislation (Law and decree) and secondary legislation (regulation and by law).

REGAGEN regulate the electricity, gas, and water.

Regulator’s website: <https://regagen.co.me/en/pocetna-english/>

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). The final decision-making authority for the selection lies with director's jurisdiction according to the Labour Law.

In 2022, the total staff of REGAGEN, reached 42 people.

Apart of MEDREG, REGAGEN is also involved in other international and regional associations, such as: Energy Community, WAREG, CEER, AIB, Naruc

Independence:

Political and legal independence:

REGAGEN is distinct and functionally independent from any other public or private entity. REGAGEN is autonomous from direct instructions by the government and any other public or private entities.

In addition, according to the Law members of the Board of the Agency, Executive Director, Deputy Director, as well as members of their immediate family shall not be managers and shall not have material, financial or other interest in an undertaking in the energy sector.

Employees in the Agency cannot enter into employment agreement or receive compensation from undertakings in the energy sector during their employment in the Agency.

Furthermore, the NRA has formal obligation vis-à-vis the parliament by submitting the draft budget, annual work plan and annual activities report.

Moreover, the parliament appoints the the chairman with fixed terms of office. The mandates can be renewed twice maximum. After their service in the regulatory body, there is a cooling off period for both board members.

Financial independence:

In terms of financial independence, REGAGEN is funded through its own resources (license fees). More precisely, the fees for determining of the status of a closed electricity distribution system, charges for dispute resolution that the Agency sets pursuant to the Energy Law. In addition, the regulator has the power to set sector participant fees to meet budgetary needs.

The budget is approved by the parliament and an annual audit on the conducted budget is elaborated by the State Auditor institution.

Functional independence:

Regarding its functional independence, the energy sector parties can appeal a regulatory decision to the administrative court.

Transparency & accountability:

The information on the regulatory authority -REGAGEN- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. However, this information is not available in English.

While drafting the decisions the regulator is obliged to submit the by law to a public hearing before its adoption. In addition, the regulator invites energy subjects, other institutions and all interested parties to a public hearing before making a final decision. Besides the public hearing, written consultation is also available for the stakeholders.

The regulators decisions are voted by the board members, the voting procedure is defined and based on majority.

REGAGEN issues an annual report which is available in English.

Competencies:

Access to information and quality of service monitoring

To ensure its role, REGAGEN have full access to financial information from sector participants including accounts, operational details, agreements, and technical data.

Market opening and monitoring:

In Montenegro, there is a timetable for the full opening of the electricity, REGAGEN have responsibility for collecting information on market dominance as well as on predatory and anti-competitive behaviour, where the regulator cooperates with the competition/anti-trust authority.

Tariff setting:

Regarding the tariff setting, REGAGEN is responsible on:

- Fixing methodologies used to establish transmission and distribution networks tariffs.
- Fixing the transmission and distribution networks tariffs.
- Approve the methodologies for the provision of balancing and ancillary services.
- Involved in setting connections fees.

Furthermore, the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner.

In addition, the authority can include performance-based components in the tariff methodologies such as incentive regulation. In case of a non-performing operator, REGAGEN does not have the power to penalize the operator. However, increase in efficiency is one of the criteria when approving tariffs or methodologies.

Licensing:

The market is operating with under licensing regime. The regulatory authority has the power to:

- Issues the licenses
- Determine the terms and conditions of licenses
- Review and monitor licenses and compliance with the terms and conditions
- Modify licenses
- Report/announce infractions for violations of terms and conditions of licenses

The average time to deliver a license is around 20 days, starting from the date of application.

Dispute settlement & market unbundling:

The regulatory authority is responsible for dispute settlement for:

- Disputes between industry and customers.
- Disputes between industry actors.

The most common dispute topics are related to the grid access and third-party access.

In the case of electricity unbundling the regulatory authority have a role with respect to utility unbundling. However, it's not under its scope to establish guidelines on how separate accounts should be drawn or to establish rules regarding the allocation of costs resulting from unbundling process. Neither, to draw up guidelines for compliance review and for reporting obligations regarding the unbundling process.

Technical competencies:

The regulatory authority has the power to:

- Set or approve rules regarding the management and allocation of interconnection capacity.
- Grant exemption/s for third party access for new investment.
- Set incentive regulation.

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards. In case of violation of the service standards, REGAGEN has the power to sanction or intervene.

Regarding the investment planning and cost recovery both nationally and regionally, REGAGEN is responsible of providing opinion to government on national development plans and the regulator approves the plans.

Consumer protection:

According to the Law the objectives of the regulator are to providing benefits for final customers through efficient functioning of market, promoting competition and protection of final customers. The Regulator supervise and analyses operation and business activities of all energy undertakings and in case to identify irregularities in operation or acting of the undertaking contrary to the customers' protection and safety, shall inform the authority competent for competition or customers' protection. the Agency shall decide about complaints relating to final customers in case of suspension or limitation of delivery of electricity.

However, the power to address the needs of vulnerable consumers is under the relevant ministry and consumer protection agency. On the other hand, under REGAGEN's duties, the regulator put in place complaint management.

In addition, the regulatory authority has the power to monitor the time taken by sector participants to make connections and repairs.



Legal status:

The law for establishment of the energy regulator “ANRE” has been approved in 2016, but the appointment of the President was in 2018. ANRE became fully operational on 22nd April 2021, 6 months after the appointment of its council members as the law states.

ANRE is an independent body, and it has administrative and financial independence. In addition, the national energy regulatory issues are addressed by primary legislation (Law).

ANRE regulate the electricity sector.

Regulator’s website: <https://anre.ma/en/>

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). The final decision-making authority for the selection of directors lies with the regulatory board.

In 2022, the total staff of ANRE, excluding board members, reached 24 people, where 50% are women.

Apart of MEDREG, REWS is also involved in other international and regional associations, such as: RegulaE.Fr and RETA.

Independence:

Political and legal independence:

ANRE is distinct and functionally independent from any other public or private entity. ANRE is autonomous from direct instructions by the government and any other public or private entities.

In addition, there is formal rules that prohibited the authority staff to have employment relationships with energy industry while holding their position in the regulatory authority. As well as, to have interests, e.g., hold shares, in regulated utilities or execute leading political functions.

Furthermore, the NRA has formal obligation vis-à-vis the government by submitting its draft budget. Moreover, Board members are designated by both the Government and Parliament. The President of ANRE is appointed by the King of Morocco with fixed terms of office. One term of 6 years can be renewed once. After their service in the regulatory body, there is a cooling off period for both board members.

Financial independence:

In terms of financial independence, ANRE is temporarily funded by national budget till ANRE sets the tariff and has its own resources as dictated by law. More precisely, the law foresees the sources of the regulatory authority budget from:

- Market participation fees.

- Fines and dispute settlement fees.

The budget is temporarily approved by the relevant ministry until ANRE set the tariff. Furthermore, an annual audit on the conducted budget is elaborated by the external audit cabinet.

Functional independence:

Regarding its functional independence, the energy sector parties can appeal a regulatory decision to the administrative court and supreme court. However, regulatory authority's decision remain in effect pending appeal.

Transparency & accountability:

The information on the regulatory authority -ANRE- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. Moreover, this information is available in English.

While drafting the decisions the regulator consult before taking its final decisions. Moreover, the regulators decisions are voted by the board members, the voting procedure is defined in the regulator internal rules.

ANRE issues an annual report and have reporting obligation to the parliament.

Competencies:

Access to information and quality of service monitoring

To ensure its role, ANRE have full access to financial information from sector participants including accounts, operational details, agreements, and technical data. If it is related to ANRE's mission.

Market opening and monitoring:

There are no national timetables for the full opening of the electricity and gas market. However, ANRE as a regulator have the responsibility of market monitoring and to guarantee that all actors have the same opportunities. In terms of collecting information on market dominance, ANRE cooperates with competition/anti-trust authority.

Under its remit, ANRE play a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices.

Tariff setting:

Regarding the tariff setting, ANRE is responsible on:

- Fixing the methodologies used to establish transmission and distribution networks tariff.
- Fixing the transmission and distribution networks tariffs.
- Fixing the methodologies for the provision of balancing and ancillary services.
- Approving access to cross-border infrastructures.

Furthermore, the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner.

In addition, the authority can include performance-based components in the tariff methodologies such as incentive regulation.

Licensing:

The market is operating with under licensing regime. However, it's not under the scope of the regulatory authority.

By law, the time to deliver a license, starting from the date of application is 2 months.

Dispute settlement & market unbundling:

The regulatory authority is responsible for dispute settlement for:

- Disputes between industry and customers.
- Disputes between industry actors.

The most common dispute topics are related to the grid access, third-party access, and cross-border disputes.

In the case of electricity unbundling ANRE have a role with respect to accounting unbundling. In addition, the regulatory authority establish guidelines on how separate accounts should be drawn up and within the guidelines the issue of allocation of costs was mentioned. by law, the public utility submits its separate accounts for approval.

Technical competencies:

The regulatory authority has the power to:

- Set or approve rules regarding the management and allocation of interconnection capacity.
- Issue secondary legislation, including market rules, grid codes and other such technical rules.
- Define metering rules and charges.
- Approve operational and planning standards including schemes for the calculation of total transfer capacity.
- Require that transmission and distribution operators correct any congestion difficulties.
- Grant exemption/s for third party access for new investment.
- Support the development of RES.

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards.

Regarding the investment planning and cost recovery both nationally and regionally, ANRE is responsible of approving the network development plans.

Consumer protection:

Among its duties, ANRE is responsible for consumer protection in the energy sector. However, the relevant ministry has power to address the needs of vulnerable consumers.



Palestinian Electricity Regulatory Council - PERC – Palestine

Legal status:

PERC, the Palestinian energy regulators, was established in 2010 and became fully operational in 2011.

PERC is an independent body, and it has administrative and financial independence. In addition, the national energy regulatory issues are addressed by both primary legislation (Law).

PERC regulate the electricity sector.

Regulator's website: not available.

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). The final decision-making authority for the selection lies with the regulatory board.

In 2022, the total staff of PERC, reached 14 people, where 35% are women.

Apart of MEDREG, PERC is also involved in other international and regional associations, such as ERRA.

Independence:

Political and legal independence:

PERC is not distinct and functionally independent from any other public. Neither autonomous from direct instructions by the government and any other public. As it takes intervention/instruction from the Ministry of energy.

Nevertheless, there is formal rules that prohibited the authority staff to have employment relationships with energy industry while holding their position in the regulatory authority. In addition, it's prohibited to the regulatory authority to have interest, e.g., hold shares, in regulated utilities or execute leading political functions.

Furthermore, the NRA has formal obligation vis-à-vis the government by submitting tariff methodology, opinion on national developments plans, draft budget, work plan and annual activities report.

Furthermore, the President appoints the chairman with fixed terms of office. The mandates can be renewed twice maximum. After their service in the regulatory body, there is no cooling off period for both board members.

Financial independence:

In terms of financial independence, PERC is funded through national budget. More precisely, PERC submit its budget to the cabinet in order to be confirmed and then transferred from the ministry of finance.

The budget is approved by the council of ministries and an annual audit on the conducted budget is elaborated by an external auditor.

Functional independence:

Regarding its functional independence, there is no mechanism for parties to challenge the PERC decisions but parties usually contact the ministry for that issue.

Transparency & accountability:

The information on the regulatory authority -PERC- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. However, this information is not available in English.

While drafting the decisions the regulator consults before taking its final decisions, PERC makes public hearings, focus groups by stakeholder groups and workshops available as tools of consultation.

Furthermore, the regulator is required to appear annually before the council of ministries to report on its activities.

The regulator's decisions are voted by the board members, the voting procedure is defined in the regulator's internal rules.

PERC issues an annual report. However, it's not available in English.

Competencies:

Access to information and quality of service monitoring

To ensure its role, PERC has full access to financial information from sector participants including accounts, operational details, agreements, and technical data.

Market opening and monitoring:

In Palestine, there are no timetables for the full opening of the electricity market.

PERC is responsible for collecting information on market dominance as well as predatory and anti-competitive behaviour.

Under its remit, PERC plays a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices.

Tariff setting:

Regarding the tariff setting, PERC recommends the tariff to the ministry of energy, but has not power to fix or approve the tariff.

Furthermore, while providing its opinion the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner.

Licensing:

The market is operating with under licensing regime. The regulatory authority has the power to:

- Determine the terms and conditions of licenses.
- Review and monitor licenses and compliance with the terms and conditions.
- Report/announce infractions for violations of terms and conditions of licenses.
- PERC recommends the license to the ministry who is responsible for issuing the license.

The average time to deliver the license is one month, starting from the date of application.

Dispute settlement & market unbundling:

The regulatory authority is responsible for dispute settlement for:

- Disputes between industry and customers.
- Disputes between industry actors.

The most common dispute topics are related to the grid access, third-party access and cross-border disputes.

In the case of electricity unbundling, PERC has no role in that regard. However, the regulator can establish rules regarding the allocation of costs resulting from the unbundling process.

In addition, PERC have the duty to draw up guidelines for compliance review and for reporting obligations regarding the unbundling process and it's specified in the license conditions.

Technical competencies:

The regulatory authority has the power to:

- Define metering rules and charges.
- Support the development of RES

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards.

Regarding the investment planning and cost recovery both nationally and regionally, PERC is responsible of review national development plans and the regulator provide opinion to government on development plans.

Consumer protection:

The regulatory authority is responsible for consumer protection in the energy sector, consumers can submit their complaints on the distribution companies to PERC to follow-up with company. PERC has as well the power to set the vulnerable consumer needs in collaboration with the relevant ministry.

Under PERC's duties, the regulator put in place any support to consumers in terms of Information on the rights and Complaint management.

In addition, the regulatory authority has the power to monitor the time taken by sector participants to make connections and repairs, and PERC have the power to intervene, if necessary, in case of the time is too lengthy.



Legal status:

Decree-Law No. 182/95 of July 27 launched the foundations of the Portuguese electricity sector and foresaw the establishment of a regulatory body, which was realised by **Decree-Law No. 187/95 of July**. Similar provisions were established for the gas sector by **Decree-Law No. 14/2001 of January 27**, including the allocation of regulatory powers to a competent and independent entity.

Decree-Law No 97/2002 of April 12 approved the new statutes of ERSE, extending its scope of regulation to the natural gas sector. Since 2016, ERSE's statutes have been revised⁸, expanding regulation to the sectors of LPG in all its categories, petroleum-derived fuels, and biofuels.

In 2019, the Decree-Law No. 76/2019 approved the amendments of the legal framework that governs the activities related to electricity production, transportation, distribution and marketing and the organisation of electricity markets.

According to Law No. 67/2013 of August 28⁹ and its statutes, ERSE is a public corporate body with administrative and financial independence, whose regulatory powers arise from law and are implemented through secondary legislation (regulation and codes), configured as an essential tool to carry out its responsibilities. Within the regulatory decision-making process, the Directorate General for Energy and Geology (DGEG) is the Portuguese public administration¹⁰ entity that ensures the registration and licensing of some regulated activities. The Portuguese government also determines the costs of general economic interest (CIEG) associated with energy policy costs, which are also a part of the grid access tariffs.

The Energy Services Regulatory Authority (ERSE) is a public corporate body with the aim of regulating **electricity, natural gas, LPG in all categories as well as the petroleum-derived fuels and biofuels sectors. It also handles the operations management of the electric mobility network.**

Regulator's website: <https://www.erse.pt/en/home/>

Internal organization:

According to its statutes, the ERSE Board of Directors is responsible for its internal organisation. Therefore, ERSE defines its staff requirements, carries out its recruitment, approves its rules and internal regulations (including the remunerative regime and career, performance evaluation, social protection and organisation and discipline work) and exercises the powers of directing, managing and disciplining staff. All its staff members are bound by an ethics code approved by the board. However, some decisions, such as removing and setting penalties and incentives for staff members, are subject to the restrictions of the state budget. New recruitments (i.e. for additional staff numbers) are subject to ministerial approval. The salaries of the

⁸ Decree-Law No. 57-A/2018 of 13 July.

⁹ This law approves the framework for Portuguese regulatory authorities.

¹⁰ Its mission is to contribute to the design, promotion and evaluation of policies on energy and geological resources from a perspective of sustainable development and security and guarantee of supply.

board members are established according to specific criteria set by law, and those of the staff members are established according to professional experience/background.

As of December 31, 2021, ERSE had 101 staff members – 54% female.

ERSE is involved in regional regulatory associations and organisations worldwide. It cooperates actively with ARIAE, RELOP (Association of Energy Regulators of Portuguese Speaking Countries, for which ERSE is the Executive Director and Permanent Secretariat), CEER and ACER. ERSE is also a member of the OECD Network of Economic Regulators.

Independence:

Political and legal independence:

ERSE has administrative and financial independence as well as organisational, functional, and technical independence. It also has autonomy of management and possesses its own assets. It performs its duties independently, within the framework of the law, and is not subject to governmental supervision or oversight. Rather, it acts without prejudice to the guiding principles of the energy policy established by the government.

ERSE's staff is recruited through a tender procedure like the one used for national public servants, which involves the publication of the job offer on ERSE's website and the public employment pool.

ERSE's chairman and board members are appointed by the government (Council of Ministers) for a term of six years; this is non-renewable.

ERSE's staff, including the board members, cannot have been directly or indirectly employed by or have any contractual relationship with the entities involved in the regulated sectors or other entities whose activities may conflict with ERSE's duties and responsibilities. They also cannot hold any shares or interests in these entities. The staff and board members may carry out teaching or research duties, provided they are unpaid, on a part-time basis and subject to the approval by deliberation of the ERSE Board of Directors. However, when special authority is given by the board, the staff members can perform tasks in stakeholder sectors regulated by ERSE, for a fixed period of time, in the scope of the development of special projects or training in areas relevant to ERSE's activities.

The board members and division heads of ERSE must respect a two-year cooling-off period after their mandate ends. During this period, they may not be engaged with any regulated entity in the regulated sectors.

They must perform their duties on an exclusive basis, and the board's dissolution or dismissal of any of its members can occur by the resolution of the Council of Ministers based on serious lack of individual or collective responsibility; this must be determined through an independent investigation, duly preceded by the opinion of ERSE's advisory board and the competent parliamentary committee. This procedure is applied in cases of (i) unjustified failure to fulfil ERSE objectives, (ii) excessive deviation between the approved budget and its execution, (iii) serious material irregularities in the functioning of the board, (iv) serious or repeated non-compliance of laws and regulations, (v) exclusivity violation or (vi) repeated violation of confidentiality obligations.

Every year, the board of directors should prepare the annual activity plan and the budget for the following year as well as the respective multiannual plan. The annual budget, the respective multi-annual plan and the opinions of the advisory board and the statutory auditor should be forwarded for approval to the members of the government.

Financial independence:

ERSE has its own resources, according to the principle of self-sufficiency, which arise mainly from a share of the access rate charged to the electricity and natural gas customers.

Its budget is approved and implemented within the limits set by the law and is subject to the approval of the government officials responsible for finance and energy.

The approval of these government officials is also necessary for the acquisition or disposal of property, the acceptance of inheritance or legacies and the creation of geographically dispersed offices.

Functional independence:

ERSE's independence means that its decisions may only be appealed in court. Administrative acts taken by ERSE in the exercise of its duties as a public authority can be appealed in administrative courts.

Transparency & accountability:

ERSE's statutes, as well as all decisions within the framework of its regulatory powers, must be published in the Portuguese Official Gazette (Diário da República). Other non-binding decisions and abstracts of ERSE's sanctions are available on its website.

ERSE encourages the involvement of all stakeholders in the regulation process and promotes their active participation through broadened public consultation and public hearings, which are announced in advance.

It also counts on the contributions from its statutory advisory board and tariff board, each composed by a cross-section of energy sector representatives (consumers, industry, and the government). All measures taken and decisions made by ERSE are publicly justified and disclosed.

According to its statutes, ERSE establishes and publishes annual and multi-annual activity plans and annual activity reports and accounts. It is required to report these to the government officials in charge of finance and energy.

The parliament only receives the annual reports and accounts for information. ERSE publishes all the relevant information on its website, in both Portuguese and English.

ERSE's communication and image office regularly updates the website through daily news and highlights and interactions with the media. The legislation is also published in Diário da República as well as its digital version, Diário Eletrónico da República.

Competencies:

Access to information and quality of service monitoring

ERSE's mission is to regulate the electricity and natural gas sectors as well as all categories of LPG, (namely bottled, piped or bulk LPG), petroleum derived fuels and biofuels. It also manages the electric mobility network operations. ERSE must be an effective tool for the efficient and sustainable operation of the respective markets while ensuring the protection of consumers and the environment. It must carry out these duties transparently and impartially.

According to ERSE's statutes, all sector participants must cooperate to facilitate the proper execution of ERSE's duties, including providing the requested information and documents. The data collected is securely stored in an in-house database.

Market opening and monitoring:

The liberalisation of the Portuguese electricity sector was done in a gradual, step-by-step manner, on par with the wider EU efforts to implement a single energy market.

In 2006, EU Directive 2003/54/CE was transposed to the Portuguese legal framework through Decree-Law No. 29/2006, establishing the basic rules governing the functioning of the national electricity system.

In 2007, the reorganisation of the natural gas business began with the liberalisation of the market. Existing companies with more than 100 000 customers were obliged to separate the distribution and commercialisation of natural gas. The market was liberalised gradually, starting with the free sale of natural gas to high-consumption customers, and was completed in 2010, with the opening of the free market to all customers.

Aside from the possibility of being able to choose their supplier, Portuguese householders may be supplied by the SoLR under transitional end-user regulated tariffs until December 31, 2020. Market supervision is one of ERSE's strategic performance priorities, namely as regards the promotion of competition in the sector and the defence of consumer interests. The provision of information and its dissemination in a transparent and non-discriminatory manner is an essential element for the affirmation of efficient and competitive markets. What ERSE seeks to do through its overall actions and, in a more focused context, through the supervision of the markets is to ensure that such conditions are real and effective.

It is also important to show how energy prices are made up, taking into account the evolution of conditions in the wider context. This can be done through information on primary energy (oil, coal, etc.) prices, along with other components of the price (such as the cost of carbon dioxide emissions), so that the consumer knows the make-up of energy prices and can, therefore, make informed and conscious choices.

Both the national electricity and gas markets are fully opened to competition, and ERSE must monitor the:

- medium- and long-term supply/ demand balance in the national market,
- expected future demand and envisaged additional capacity
- quality and level of maintenance of the networks.

With respect to matters relating to competition, ERSE actively cooperates with the Portuguese financial authority and the competition/antitrust authority.

Tariff setting:

ERSE fixes and approves the methodologies used to establish transmission and distribution network tariffs, network tariffs, methodologies for the provision of balancing and ancillary services and access to cross-border infrastructure. It is also involved in setting the grid connection fees.

The tariffs set by ERSE are cost reflective (in line with the respective tariff methodologies).

ERSE can include performance-based components in the tariff methodologies and penalise a nonperforming service by reducing its rate of returns from the tariffs. In addition to the transmission and distribution activities of the electricity and gas sectors, ERSE establishes tariffs for the LNG terminal and for the underground storage of natural gas, both of which are considered to be regulated activities.

Licensing:

ERSE has no competences in licensing. This task lies with the DGEG.

Dispute settlement & market unbundling:

The regulatory authority is responsible for dispute settlement for:

- Disputes between industry and customers.
- Disputes between industry actors.

ERSE plays a role in establishing guidelines and rules for the unbundling of the network operator as well as in and monitoring this process. It must prevent cross-subsidisation between different activities in a corporate group. According to the rules applicable, ERSE can refuse to accept costs that represent detected cross-subsidisation.

Technical competencies:

The regulatory authority has the power to:

- Set or approve rules regarding the management and allocation of interconnection capacity.
- Issue secondary legislation, including market rules, grid codes and other technical rules.
- Require that transmission and distribution operators correct any congestion difficulties.
- Grant exemption/s for third party access for new investment.
- Define metering rules and charges.
- Set incentive regulation
- Support the development of RES
- Promote energy efficiency measures.

ERSE can set and approve both the standards of service quality and congestion management rules. Regarding network development plans, ERSE issues a non-binding opinion addressed to the government.

Consumer protection:

Within the scope of its public service mission, ERSE is given a range of powers by law and its statutes. These powers most notably include:

Protecting consumer rights and interests concerning prices, services, and service quality.

Monitoring compliance with public service obligations and all other legal, regulatory, and similar requirements.

Guaranteeing the economic and financial balance of the activities of the regulated sectors exercised in public interest companies within the framework of appropriate and efficient management.

Promoting competition in the energy markets between all players.

ERSE must regularly inspect consumer complaints about the operators subject to its regulation, and it may order or recommend the necessary measures for fair compensation.

ERSE also promotes arbitration for the settlement of disputes arising from contracts. In terms of vulnerable customers, ERSE implements the governmental measures regarding the energy sector, as do other bodies such as the Consumer Protection Agency and the government itself.

ERSE also plays a role in terms of providing information to vulnerable customers regarding their rights. In terms of monitoring the time taken by sector participants to make connections and repairs, ERSE has the power to monitor the sector participants, intervene if they take too long and sanction them.



Comisión Nacional de los Mercados y la Competencia - CNMC - Spain

Legal status:

In 1998 the National Energy Commission “CNE” was created as the regulatory body for energy systems, then in 2013, CNMC became immediately operational as a result of a merger process among six national regulatory authorities of regulated markets (such as energy, telecomm, transport, audiovisual, postal services, railways and airports) and the competition authority.

CNMC is an independent body, and it has administrative and financial independence. In addition, the national energy regulatory issues are addressed by both primary legislation (Law) and secondary legislation (regulation).

Regulator’s website: <https://www.cnmc.es/>

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). The final decision-making authority for the selection lies with the regulatory board.

In 2022, the total staff of CNMC, excluding board members, reached 509 people, where 59% are female.

Apart of MEDREG, REWS is also involved in other international and regional associations, such as: CEER/ACER in the European context and ARIAE in Latin America.

Independence:

Political and legal independence:

CNMC is distinct and functionally independent from any other public or private entity. CNMC is autonomous from direct instructions by the government and any other public or private entities.

Furthermore, there is formal rules that prohibited the authority staff to have employment relationships with energy industry while holding their position in the regulatory authority and CNMC staff is subject to a disciplinary regime which includes dismissal as stated in law 3/2013 of creation of CNMC.

Furthermore, the NRA has formal obligation vis-à-vis the government by submitting opinion on security of supply issues, national development plans and submitting to the government a draft budget. In addition, President of CNMC shall report on the activities carried out at least once per year.

Furthermore, according to the Law, Board members shall be appointed by the Government, by Royal Decree, at the proposal of the Minister of Economy and Competitiveness, from among persons of recognized standing and professional competence in the field of action of CNMC, following a hearing at the Parliament. By resolution adopted by an absolute majority, the Parliament may veto the appointment of the proposed candidate within one month. If at the end of this period there has been no express declaration from the Parliament, the corresponding appointments shall be deemed to have been accepted.

After their service in the regulatory body, a cooling off period is to be respected by the board members.

Financial independence:

In terms of financial independence, CNMC is funded through its own resources and national budget.

The budget is approved by the relevant ministry and an annual audit on the conducted budget is elaborated by the audit bureau.

Functional independence:

Regarding its functional independence, the energy sector parties can appeal a regulatory decision through appeal tribunal. However, regulatory authority's decision doesn't remain in effect pending appeal.

Transparency & accountability:

The information on the regulatory authority -CNMC- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact. Moreover, this information is available in English.

While drafting the decisions the regulator consult before taking its final decisions, through public hearing, written consultation and workshop with the stakeholders.

The regulators decisions are voted by the board members, the voting procedure is defined in the regulator internal rules.

CNMC issues an annual report which is available in english.

Competencies:

Access to information and quality of service monitoring

To ensure its role, CNMC have full access to financial information from sector participants including accounts, operational details, agreements, and technical data.

Market opening and monitoring:

The Spanish energy markets are liberalised since 1997

CNMC is responsible for collecting information on market dominance as well as predatory and anti-competitive behaviour. In that regard, CNMC cooperate with the competition/anti-trust authority and financial authority.

Under its remit, CNMC play a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices.

Tariff setting:

Regarding the tariff setting, CNMC is responsible on:

- Fixing and approving the methodologies used to establish transmission and distribution networks tariff.

- Fixing and approving the transmission and distribution networks tariffs.
- Fixing and approving the methodologies for the provisions of balancing and ancillary services.
- Fixing and approving the tariff for cross-border infrastructures.

Furthermore, the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner.

In addition, the authority can include performance-based components in the tariff methodologies such as incentive regulation. In case of a non-performing operator, CNMC does have the power to penalize the operator.

Licensing:

The market is operating with under licensing regime. In that regard CNMC shall submit a non-binding report.

The information regarding the average time to deliver a license is not available.

Dispute settlement & market unbundling:

The regulatory authority is responsible for dispute settlement for:

- Disputes between industry and customers.
- Disputes between industry actors.

However, CNMC has limited responsibilities on consumers' complaints.

The most common dispute topics are related to the grid access, third-party access, and cross border disputes.

In the case of utility unbundling CNMC, has a role in terms of establishing guidelines on how separate accounts and rules regarding the allocation of costs resulting from the unbundling process. Furthermore, CNMC have the duty to draw up guidelines for compliance review and for reporting obligations regarding the unbundling process and the regulator has the power to mandate changes in accounting practices where the regulatory authority determines that the sector participants are not sufficiently unbundled.

Technical competencies:

The regulatory authority has the power to:

- set or approve rules regarding the management and allocation of interconnection capacity
- issue secondary legislation, including market rules, grid codes and other such technical rules
- to set incentive regulation

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards. In case of violation of the service standards, CNMC has the power to sanction or intervene.

Regarding the investment planning and cost recovery both nationally and regionally, CNMC is responsible of review national development plans and the regulator may request for amendments to be made to the network development plan.

Consumer protection:

The regulatory authority is responsible for the consumer protection in the energy sector. However, CNMC doesn't have the power to address the needs of vulnerable consumers, it falls under the relevant ministry power.

From the NRA side, CNMC has put in place mechanisms to support the consumers such as: Information on the rights and Tools to check or monitor energy prices.



Legal status:

EMRA was established in 2001 and the NRA was fully operational after the transition period stated in the law.

EMRA is an independent body, and it has administrative and financial independence. In addition, the national energy regulatory issues are addressed by both primary legislation and secondary legislation (Law).

Regulator's website: <https://www.epdk.gov.tr/Home/En>

Internal organization:

The regulator decides on its internal organization and on its human resource policy (hiring, firing staff, staff allocation and composition). The final decision-making authority for the selection lies with the President of the regulatory board.

In 2022, the total staff of EMRA, reached 734 people.

Apart of MEDREG, EMRA is also involved in other international and regional associations, such as: ERRA, ECRB, BSEC, OECD...

Independence:

Political and legal independence:

EMRA is distinct and functionally independent from any other public or private entity. EMRA is autonomous from direct instructions by the government and any other public or private entities.

Furthermore, there is formal rules that prohibited the authority staff to have employment relationships with energy industry while holding their position in the regulatory authority.

Furthermore, the NRA has formal obligation vis-à-vis the government by submitting draft amendments to the market laws and submitting the draft budget to the parliament.

Furthermore, according to the Law, the chairman shall be appointed by the President, with terms of office that can be renewed. After their service in the regulatory body, a cooling off period is to be respected by the board members.

Financial independence:

In terms of financial independence, EMRA is funded through its own resources. More precisely, through:

- Licence fees
- Market participation fees
- Fines

The budget is approved by the parliament and an annual audit on the conducted budget is elaborated by the court of audit.

Functional independence:

Regarding its functional independence, the energy sector parties can appeal a regulatory decision to the administrative court while the regulatory authority's decision does remain in effect pending appeal.

Transparency & accountability:

The information on the regulatory authority -EMRA- including: its missions, duties, organization chart and reports, are published and made available to stakeholders, either through the official website or by direct contact.

While drafting the decisions the regulator consult before taking its final decisions, through public hearing, written consultation and focus groups by stakeholders.

The regulators decisions are voted by the board members, the voting procedure is defined in the regulator internal rules.

EMRA issues an annual report which is available in english.

Competencies:

Access to information and quality of service monitoring

To ensure its role, EMRA have full access to financial information from sector participants including accounts, operational details, agreements, and technical data.

Market opening and monitoring:

EMRA is responsible for collecting information on market dominance as well as predatory and anti-competitive behaviour. In that regard, EMRA cooperate with the competition/anti-trust authority and financial authority.

Under its remit, EMRA play a role in prohibiting abusive practices affecting wholesale energy markets and in detecting and investigating market manipulation practices.

Tariff setting:

Regarding the tariff setting, EMRA is responsible on:

- Fixing and approving the methodologies used to establish transmission and distribution networks tariff.
- Fixing and approving the transmission and distribution networks tariffs.
- Fixing and approving the methodologies for the provisions of balancing and ancillary services.
- Fixing and approving the tariff for cross-border infrastructures.

Furthermore, the regulator has the power to require transmission and distribution system operators to modify terms and conditions, tariffs rules, mechanisms and methodologies to ensure they are cost reflective and applied in a non-discriminatory manner.

In addition, the authority can include performance-based components in the tariff methodologies such as incentive regulation.

Licensing:

The market is operating with under licensing regime. In that regard EMRA shall:

- issues the licenses
- determine the terms and conditions of licenses
- review and monitor licenses and compliance with the terms and conditions
- modify licenses
- impose a fine on licensees for infractions
- report/announce infractions for violations of terms and conditions of licenses

The average time to deliver a license is around 60 days.

Dispute settlement & market unbundling:

The regulatory authority is responsible for dispute settlement for:

- Disputes between industry and customers.
- Disputes between industry actors.

However, CNMC has limited responsibilities on consumers' complaints.

The most common dispute topics are related to the grid access and third-party access.

In the case of utility unbundling EMRA, has a role in terms of establishing rules regarding the allocation of costs resulting from the unbundling process. Furthermore, EMRA have the duty to draw up guidelines for compliance review and the regulator has the power to mandate changes in accounting practices where the regulatory authority determines that the sector participants are not sufficiently unbundled.

Technical competencies:

The regulatory authority has the power to:

- set or approve rules regarding the management and allocation of interconnection capacity
- issue secondary legislation, including market rules, grid codes and other such technical rules
- define metering rules and charges
- approve operational and planning standards including schemes for the calculation of total transfer capacity
- require that transmission and distribution operators correct any congestion difficulties
- to set incentive regulation
- support the development of RES

Furthermore, it has the power to set/approve or provide an opinion on the quality-of-service standards and the congestion management rules/standards. In case of violation of the service standards, EMRA has the power to sanction or intervene.

Regarding the investment planning and cost recovery both nationally and regionally, EMRA is responsible of approving the network development plan.

Consumer protection:

The regulatory authority is responsible for the consumer protection in the energy sector. The NRA enacts the secondary legislation, enforces administrative penalties and fines if the secondary legislation is breached, and handles dispute regulation.

Moreover, EMRA have the power to address the needs of vulnerable consumers, through defining the policies, which consist in direct support to the vulnerable customers.

Besides EMRA, the Ministry of Family and Social Policies address the needs of vulnerable consumers as well. From the NRA side, EMRA has put in place mechanisms to support the consumers such as: Information on the rights, complaint management and Tools to check or monitor energy prices.



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