



Fundamentals of energy regulation – tendencies and challenges

ERRA Training Workshop

**for Staff Members of British Embassies (responsible for energy and climate change issues)
involved in the Central European Network (CEN)**

8-9 December, 2015 – Budapest

(British Embassy premises: 1051 Budapest, Harmincad u. 6.)

Agenda

Day 1. – Fundamentals of energy regulation

The scheduled time for each topic contains 10-15 minutes allocated for Q & A!

9,00 – 10,30 ***Role and Functions of the Regulator; Regulatory independence and perceived regulatory risk*** Péter Kaderják, Director, REKK (former regulator) + Gábor Szörényi, general secretary, ERRA (former regulator): ERRA Survey on regulatory autonomy and independence

- Theory and principles of regulation
- Reality in the CEE, SEEE regions
- the importance of autonomous regulatory operation
- the “measured” reality of independence level in ERRA
- potential regulatory risk elements hindering private investments

10,30– 11,00 Coffee break

11,00 – 12,30 ***Restructuring of the Electricity and Gas Industries; Regulated Third Party Access (rTPA) concept and its consequences*** Péter Kaderják, Director, REKK (former regulator)

- General market structure development paths and sector design aspects
- Some typical market structure and operation model elements in the CEE and SEEE regions
- Obstacles hindering effective competition in the region
- Role of regulators under restructured market conditions: price/ tariff regulation, access to networks, market monitoring
- rTPA concept (free access to networks [incl. cross-border] and system services, network tariff)
- Importance of unbundling and its implementation

12,30 – 13,30 Lunch

13:30 – 15,00 ***Security of supply and regulation*** Csaba Kovács, Director, KPMG (former regulator)

- Elements of security of supply in the gas markets
- Generation adequacy in the electricity markets
- Energy policy and regulatory tools enhancing security of supply level

15,00– 15,30 Coffee break

15,30– 17,00 ***Different markets and cross border trading*** Zsolt Bertalan, CEO, HUPX (former head of MAVIR, TSO)

- The functions of different markets (wholesale, balancing, ancillary services and retail)
- Market based commodity prices
- Cross border trade
- Market Coupling in the CEE-SEE region

Day 2. – The Concept and Proposed Actions of the European Energy Union (European energy and climate policy tendencies, general industry trends and associated regulatory challenges)

9,00 – 10,30 ***Supporting the implementation of common EU Goals*** (focus on European Energy Union) Konstantin Petrov, Head of Section, Policy and Regulation, DNV- GL Energy

- European Energy Union (basic concept, fifteen action points)
- Infrastructure development (Project of Common Interest)
- New Market Design

10,30– 11,00 Coffee break

11,00 – 12,00 ***European energy policy: establishment of Internal Energy Market*** Konstantin Petrov, Head of Section, Policy and Regulation, DNV- GL Energy DNV- GL Energy expert - TBC

- Regional concept of market integration and the present situation
- Basic concept of Target Models
- Critical questions of further market integration

12:00 – 12,30 ***Harmonised and common regulatory framework*** Marko Senčar, Expert, ACER

- Role of ACER (present and potential future responsibilities)
- Framework Guidelines and Network Codes (role and list of them, preparation method and schedule)
- Implementation of binding Codes
- REMIT (transparency, market monitoring)

12,30 – 13,30 Lunch

13:30 – 14,30 ***Harmonised and common regulatory framework continue*** Marko Senčar, Expert, ACER

14,30 – 15,30 ***European Climate Change targets and potential measures*** László Szabó, Research Associate, REKK

- Ambitious targets (2020, 2030, 2050)
- Renewable support schemes (EU and ERRA picture)
- New EC requirements regarding support schemes
- System operation (flexibility) and system (generation) adequacy consequences of high renewable penetration
- Role of regulators in promoting RES electricity generation



15,30– 15,45 Coffee break

15,45 – 16,15 *Post privatization issues in the CEE and SEE region (debated questions between investors and regulators)* Gábor Szörényi, General Secretary, ERRA

16,15 -17,00 *General discussion of hot topics*