

Danube Region Strategy (DRS) Energy Priority Area

1st WORKSHOP

PROGRAMME

February 26-28, 2013

Chisinau, Moldova

AGENDA-AT-A GLANCE

February 26, 2013 (15:00 – 17:30)	Topic I: Independence, Tasks, Responsibilities and Necessary Statutory Powers of the Regulator
February 27, 2013 (09:00 – 17:30)	Topic II (Parallel Meeting): Regional Market Building Possibilities (Gas and Electricity); Cross-Border Capacity Calculation and Congestion Management
February 27, 2013 (10:00 – 12:00)	Topic I (Parallel Meeting): Independence, Tasks, Responsibilities and Necessary Statutory Powers of the Regulator
February 27, 2013 (13:45 – 15:15)	Topic III: Supporting Competition (Possible Regulatory Interactions in Concentrated Markets)
February 28, 2013 (09:00 – 12:00)	Topic II: Cross-Border Capacity Calculation and Congestion Management (Gas and Electricity)

Tuesday, February 26, 2013: Topic #1: Independence, Tasks, Responsibilities and Necessary Statutory Powers of the Regulator

Venue: MOLDELECTRICA, str. V. Alecsandri, 78.

15:00	<p>Discussion on Independence, Tasks, Responsibilities and Necessary Statutory Powers of the Regulator: Key elements of the national legal/regulatory framework ensuring autonomy, authority for the National Regulatory Authority (NRA) required by the 3rd EU Package</p>	<p>-Representatives of the Ministry of Economy of Republic of Moldova and ANRE -Possible invitees: MPs of Rep. Moldova -DRS' delegation (István Joó, Szilvia Nagy, Gábor Szörényi, Representative of the Swedish and Polish NRA)</p>
15:00 – 15:15	Introduction	Gábor Szörényi
15:15 – 16:00	Country Case Study of Poland (including Q&A)	Andrzej Szpakowski, Expert, legal Office, Energy Regulatory Office of Poland
16:00 – 17:00	<p>Discussion of issues related to autonomy and authority of the Moldovan National Regulator (where gaps between the 3rd EU Package' requirements and the national legal/regulatory framework have been detected)(Attached to this Agenda please find the detailed List of the issues for discussion)</p>	<p>Moderator: Gábor Szörényi The members of the DRS' Delegation (based on their own national practice) could comment the issues listed in the Attachment.</p>
17:00	Meeting concludes	

Wednesday, February 27, 2013

Topic #2: Regional Market Building Possibilities (for Gas and Electricity), including Cross-Border Capacity Calculation and Congestion Management

(Parallel Meeting):

Venue: MOLDELECTRICA, str. V. Alecsandri, 78.

<i>Morning Session</i>	GAS & ELECTRICITY Regional Market Building Possibilities	-Representatives of the Ministry of Economy of Republic of Moldova and ANRE - Representatives of the electricity and natural gas TSOs of Moldova -DRS' delegation (István Joó, Szilvia Nagy, Gábor Szörényi, Pál Ságvári, Zoltán Gellényi, Zoltán Gyulay, and Representative of Union Fenosa)
09:00 – 09:45	<ul style="list-style-type: none"> • General market building tendencies in the CEE region (concept of gas and electricity target models) • Presentation of regional initiatives in market building (EU internal market concept, CEE, SEEE, V-4, North-South Corridor) • Infrastructure development concepts (new potential gas transit routes, PCI concept) 	Pál Ságvári, Head of Department (Strategy and Energy Policy), Ministry of National Development, Hungary
09:45 – 10:30	Q&A	
10:30 – 10:45	Coffee break	
10:45 – 11:45	<ul style="list-style-type: none"> • Regional gas market building process (SEEE working groups, ENTSOG, Ro-Hu initiatives, other initiatives) • Harmonization of gas market rules and market operations (development of gas target model, framework guidelines, network codes) • Concept and practice of ENTSOG' Ten Years Network Development Plan (TYNDP) related to gas transmission networks 	Zoltán Gellényi, Head of Business Development, FGSZ Natural Gas Transmission Closed Company Limited by Shares (ITO), Hungary
11:45 – 12:30	Q&A	
12:30 – 14:00	Lunch break	

<i>Afternoon Session</i>	ELECTRICITY	
14:00 – 15:00	<ul style="list-style-type: none"> • Regional electricity market building process (CEE working groups, ENTSO-E, trilateral market coupling, other initiatives) driving forces and impediments • Harmonization of electricity market rules and market operation (concept of different target models, framework guidelines, network codes) • Concept and practice of ENTSO-E' Ten Years Network Development Plan (TYNDP) – related to electricity transmission networks 	Zoltán Gyulay, Head of Market Operation, MAVIR Hungarian Independent Transmission Operator Company (ITO), Hungary
15:00 – 1545	Q&A	
15:45	Meeting concludes	

Wednesday, February 27, 2013

Topic #1: Discussion on Independence, Tasks, Responsibilities and Necessary Statutory Powers of the Regulator (cont'd) and

Topic #3: Supporting Competition (methods and possible regulatory interactions in concentrated markets)

10:00 – 12:00	<p>Topic #1: Discussion of issues related to autonomy and authority of the Moldovan National Regulator (where gaps between the 3rd EU Package' requirements and the national legal/regulatory framework have been detected) (cont'd)</p> <p>Parallel Meeting with Regional Market Building!</p> <p>venue: ANRE's meeting room; str. Columna 90,</p>	<p>-Representatives of the Ministry of Economy of Republic of Moldova and ANRE</p> <p>-DRS' delegation (István Joó, Szilvia Nagy, Gábor Szörényi, Andrzej Szpakowski, Expert, legal Office, Energy Regulatory Office of Poland)</p>
12:00 – 13:45	Lunch break	
13:45 – 15:45	Topic #3: Supporting Competition (methods and possible regulatory interactions in concentrated markets)	
13:45 – 14:15	The idea and practical implementation of ex-ante regulation of market players with significant market power in Hungary	Gábor Szörényi, General Secretary of ERRA (former Director of the Hungarian Energy Office)
14:15 – 14:45	Q & A	
14:45 – 15:45	Discussion on regulatory tools supporting competition (some practical advice from the national and international practice)	Moderator: Gábor Szörényi
15:45	Meeting concludes	

Thursday, February 28, 2013

Topic #2: Cross-Border Capacity Calculation and Congestion Management (Gas and Electricity)

	Cross-Border Capacity Calculation and Congestion Management (Gas and Electricity)	
09:00 – 09:45	Development of gas cross-border capacity allocation rules (methods, rules) and responsibilities of TSOs	Zoltán Gellényi, Head of Business Development, FGSZ Natural Gas Transmission Closed Company Limited by Shares (ITO), Hungary
09:45 – 10:00	Q&A	
10:00 – 10:15	Coffee break	
10:15 – 10:45	Development of electricity cross-border capacity allocation rules (methods, rules) and responsibilities of TSOs	Zoltán Gyulay, Head of Market Operation, MAVIR Hungarian Independent Transmission Operator Company (ITO), Hungary
10:45 – 11:00	Q&A	
11:00 – 12:00	Evaluation of the first workshop session	

ATTACHMENT:

DETAILED LIST OF THE ISSUES FOR DISCUSSION for Topic #1 (Tuesday, February 26: from 16:15 to 17:30 and continue on Wednesday, February 27: from 10:00 to 12:00)

1. The Ministry of Justice (MoJ) review and sometimes reject the ANRE' decisions [regulatory acts] (based on the Government decision: No. 1104/ 28 November 1997) – *potential harm of regulatory independence in decision making*
2. There is a special Moldovan Committee, which control/evaluate the special burden on the entrepreneurs. - *This Committee could also limit the independent decision making process of ANRE regarding electricity and gas markets. The relevant legislation shall be analysed and suggestions shall be prepared.*
3. The ANRE's annual budget' approval process in the Parliament and the legal limitations of the size of the budget (0,15% limit) could endanger the operation and the fulfilment of the responsibilities of ANRE, described in the laws and in the Directives. - *The last two years' practice (approving the ANRE budget with substantial delay) could necessitate some changes in the approval process.*
4. "Member States shall guarantee ...the regulatory authority...act independently from any market interest" [Article 39 (4) b) (i)]. *ANRE is functioning at the same building as one of the license-holder has offices (using or hiring premises from one market player). – Recommendation could be prepared*
5. "In carrying out the regulatory tasks... the regulatory authority shall take all reasonable measures....promoting competitive ... internal market." [Article 40 a)] + "...promoting effective competition..." [Article 40 g)]. *The highly concentrated markets (natural gas and electricity; wholesale and retail) could require some regulatory interaction supporting competition and reducing entry barriers: recommendation could be prepared (e.g. SMP concept)*
6. TPA- and market rules are prepared and issued by ANRE. This practice shall be discussed due to the more and more sophisticated, technical cross border capacity calculation/allocation-, congestion management-, day ahead-, balancing- and intraday rules. *The division of responsibilities among ANRE and TSOs could be re-evaluated.*

7. “In carrying out the regulatory tasks... the regulatory authority shall take all reasonable measures....eliminating restrictions on cross-border trade..” [Article 40 c)]. Has ANRE adequate power to do so? *There are existing legislation, and/or government decisions, which limit the actions of ANRE regarding this task. - Recommendation could be prepared*
8. The Article 41 (1) of the gas Directive lists all the duties, in which ANRE has to have authority. *We should identify those duties on that list, in which ANRE has no authorization as present. Recommendation could be prepared on the potential necessary new duties, which should be included in the process of transposition of the 3rd package into national legislation.*
9. The Article 41 (3) a) and (4) c), d) of the gas Directive require, that the regulator shall have power to impose penalties in case of non-compliance. ANRE could identify the non-compliance, but “only” a Court decision could authorize ANRE imposing sanctions. *This limitations shall be analysed and suggest any changes, if necessary.*
10. The Article 41 (4) a) of the gas Directive requires, that the regulator shall have power to issue binding decisions. In case the decision of ANRE appealed by any of the interested parties (license holders, investors, end-users, other stakeholders) the competent Court could suspend the decision of ANRE. *This legal framework shall be analysed and suggest any changes, if necessary.*
11. Some practical advice shall be introduced regarding “close cooperation” with the neighbouring regulators.
12. Some practical advice shall be introduced regarding the coordination of the development of network codes and congestion management rules with the stakeholders and with the neighbouring regulators. The TSOs shall be involved into the discussions during Topic # 2!
13. Some practical advice shall be introduced regarding conditional approval to allow the TSO’s outsourcing some part of the congestion management tasks to a regional “Central Allocation Office (CAO)”.