

**G20 OUTREACH**  
**ENERGY REGULATORS DIALOGUE**



**ENERGY REGULATORS  
REGIONAL ASSOCIATION**

### ***Framework and Participants***

In the framework of advancing the discussions about energy regulation within the Group of Twenty (G20), the Energy Regulators Regional Association (ERRA) has conducted another Energy Regulators Dialogue event which was envisaged in the 2013 G20 Leaders' Declaration of Saint Petersburg (Para 96) and in the 2013 Kazan Energy Regulators Statement on Sound Regulation and Promoting Investments in Energy Infrastructure.

Being a non-governmental and non-political organization, ERRA unites 31 energy regulators from both G20 and non-G20 countries. The participants of the Energy Regulators Dialogue appreciate ERRA for its efforts aiming to implement the G20 Leaders' Saint Petersburg Declaration and Kazan Energy Regulators Statement on Sound Regulation and Promoting Investments in Energy Infrastructure, as well as for supporting upcoming activities of the G20 Turkish Presidency.

Pursuing their shared objectives in developing and advancing transparent and fair market rules, energy regulators support continuation of the G20 Outreach Energy Regulators Dialogue. Thus ERRA invited energy regulators to participate in the Regulators Dialogue of G20 countries' including the Agency for the Cooperation of Energy Regulators (ACER) as well as a number of relevant international organizations including the Organization for Economic Co-operation and Development (OECD), European Bank for Reconstruction and Development (EBRD) and associations of involved regulators.

The Representatives of Hungarian Energy and Public Utility Regulatory Authority, Federal Tariff Service (FTS of Russia), National Energy Regulator of South Africa (NERSA) and Energy Market Regulatory Authority (EMRA) as well as of Energy Regulators Regional Association (ERRA), Russian Member of the G20 Energy Sustainability Working Group, Ministry of Foreign Affairs and Trade of Hungary, Embassy of the Republic of Turkey in Budapest, European Bank for Reconstruction and Development (EBRD), Organization for Economic Co-operation and Development (OECD) joined the Executive Meeting in Budapest or were involved in the initiative either through written contribution or participation in video conference (Federal Energy Regulatory Commission, USA; Energy Regulatory Commission, Mexico; and Regional Electricity Regulators Association of Southern Africa, RERA) in the framework of G20 Outreach Energy Regulators Dialogue.

Having reviewed and discussed general and specific issues of energy regulation, with regard to electricity markets and other energy markets, where appropriate, the interested energy regulators participating and otherwise involved in the G20 Outreach Energy Regulators Dialogue agreed on the following major conclusions.

## Conclusions

### by Budapest Round of Energy Regulators Dialogue

#### *with regard to enhancing cooperation between energy regulators of G20 countries*

1. The G20 summit is one of the most important and influential fora which deals with key issues, challenges and barriers to global and regional sustainable economic development. As the Kazan Energy Regulators Statement on Sound Regulation and Promoting Investments in Energy Infrastructure stressed, *“energy markets are a significant part of the global economy and adequate effective regulation is an inherent dimension of optimal energy market functioning. Sound regulation leads to more efficient, clear and predictable functioning of the energy sector as well as the global economy as a whole”*. Energy regulators’ participation in discussions that focus on facilitation of global development and growth will contribute significantly to the G20 bodies’ agreement to make common decisions aimed at raising the efficiency of energy markets and consumer protection at global, regional and local levels.
2. Energy regulatory authorities are an integral part of energy architecture. Effective interaction of national regulators, including on-going communication among them and their associations or agencies, is an essential element of trans-border and regional energy markets and infrastructure development. Discussion of global energy architecture under the G20 umbrella is supported by the participants of this meeting and is expected to facilitate advancing of dialogue and interaction between energy regulators of developed and developing economies, as well as other possible forms of professional cooperation.
3. The development of energy regulators and regulatory institutions, the methods and instruments of regulation and the sharing of best practices are on the agenda of such international institutions as WFER, ICER, OECD, as well as of professional regional associations of energy regulators, conferences, other fora and schools of regulation. These platforms for professional exchanges by energy regulators facilitate their reaching common understanding on challenging issues such as the development of energy infrastructure and energy markets so that consumers have reliable, efficient and sustainable energy. However, reaching consensus among regulators is not sufficient for raising efficiency, enhancing transparency and ensuring fairness in energy markets whose organization is highly complicated. The professional voices of regulators, as other (financial, ecological, labor, etc.) essential factors, must be heard by decision makers with regard to issues of global and regional growth.
4. Taking into account the complexity and importance of issues on the G20 countries’ summit agenda which traditionally includes issues of development and raising efficiency of energy markets, energy regulators at their Budapest Round of Energy Regulators Dialogue agreed that it is important:
  - a) to involve G20 countries' energy regulators as well as their professional associations in discussions, within their relative competences, of international energy architecture principles;

- b) to encourage energy regulators to support meeting future investment needs, specifically by providing opportunities to increase energy efficiency, utilize sustainable energy resources and mitigate climate change;
- c) to conduct the G20 Outreach Energy Regulators Dialogue on a regular basis;
- d) to ensure close interaction with existing G20 working groups to fully utilize the experience, knowledge and skills of energy regulators in the process of discussion of future energy architecture by policymakers and decision makers;
- e) to request the ERRA Secretariat to transmit the outcome of the Budapest Round of G20 Outreach Energy Regulators Dialogue to the G20 countries' energy regulators, including the Agency for the Cooperation of Energy Regulators (ACER) as well as a number of relevant international organizations including the Organization for Economic Co-operation and Development (OECD) and associations of involved regulators, the Australian Sherpa and the ESWG.

**National Energy Regulatory Authorities, their associations and other interested organizations will provide necessary support in case the Turkish Presidency asks the Energy Market Regulatory Authority of Turkey (EMRA) to develop a regulatory agenda and organize a meeting within the framework of the G20 Outreach Energy Regulators Dialogue.**