



CONFERENCE DAILY

Day 1

Monday, 25 September 2017

HIGHLIGHTS

ERRA's 16th *Energy Investment and Regulation* Conference was opened in Astana on September 25th. The conference, hosted by the Committee on Regulation of Natural Monopolies and Protection of Competition under the Ministry of National Economy of Kazakhstan, is being attended by 150 delegates from 31 countries and focuses on key regulatory issues the energy sector faces in enhancing the energy security of supply while evolving to accommodate production from increasingly diverse energy sources.

Introductory Remarks

The conference was opened by Mart Ots, Chairman of the Energy Regulators Regional Association. Mr. Serik Makashevich Zhumangarin, Vice-Minister of National Economy of Kazakhstan thanked the ERRA Presidium for supporting Kazakhstan's request for hosting this year's conference and emphasized the importance of regional cooperation in harmonizing energy legislation. Mr. Maitiyev, Chairman of the Committee on Regulation of Natural monopolies and Protection of Competition under the Ministry of National Economy of Kazakhstan, also addressed the participants. Mr. Maitiyev noted that the main goal of tariff policy in Kazakhstan is to attract investments in order to reduce losses and improve the quality of service. Mr. Maitiyev highlighted the importance of public consultation in the decision-making process.

Keynote Addresses

Mr. Alexandre Santos, President of the Mediterranean Energy Regulators (MEDREG) and Commissioner of the Portuguese Regulatory Authority (ERSE) was this year's conference keynote speaker. Mr. Santos noted that the member organizations of MEDREG provide very diversified experiences in regulation and these diverse experiences help regulators address sector challenges. Regulatory associations provide an opportunity to foster these discussions which are necessary for jointly addressing diverse concerns.

SESSION I: CURRENT STATUS OF THE ENERGY INDUSTRY IN KAZAKHSTAN

Mr. Attila Nyikos, Vice Chairman of ERRA opened the professional part of the conference. The first panel was moderated by Shigeo Katsu, President of Nazarbayev University and Former Vice President of World Bank for Europe and Central Asia.

Mr. Talgat Abilgazy presented major areas of work on the power sector as well as Kazakhstan's ambitions to reach a 50% RES target by 2030. It was emphasized that integration of intermittent RES capacities poses a major challenge.

Mr. Yerkanat Uakbayevich Temirkhanov, Deputy Director General for Transformation and Development at KazTransGas JSC, spoke about the prospects of gas field development in the Republic of Kazakhstan.

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Mr. Zhandos Demesinovich Nurmaganbetov, General Director of the Financial Settlement Center of Renewable Energy LLP in Kazakhstan emphasized vast RES potentials in Kazakhstan.

Mr. Daulet Akhmetov, Member of the Board of Kazakhstan's Electricity Association, spoke about carbon emission regulation in Kazakhstan and the country's actions to do their part in contributing to global climate goals.

SESSION II: OPPORTUNITIES ON GAS MARKETS AND COMPETITIVENESS OF LNG (Investment, Incentives, Impact on Pipelines, Access, Interoperability)

Andreas Walstad, Editor of EU Policy and Regulation at Interfax Europe, moderated the second session of the conference.

Mr. Walter Boltz, a Senior Adviser, Former Executive Director of E-Control and a Board Member at ERRA's Strategic Advisory Board, remotely provided a presentation on the Future of Gas in Europe including an overview of EU policy discussions about the possible scenarios in the future of gas.

Ms. Gulefsan Demirbas, Head of the Strategy Development Department, at the Energy Market Regulatory Authority (EMRA) provided a presentation on Regulatory Perspectives in Developing LNG Infrastructure. The presentation is the Turkish case study, part of ICER-IGU joint study to identify regulatory best practices in LNG regulation.

Mr. Luis Ignacio Parada, Head of Global Regulatory Services at ENAGAS in Spain, provided a presentation on Investment Security in the LNG Import Infrastructure. Mr. Parada spoke about the context and the purpose of the ICER-IGU cooperation project, with a special focus on the Chilean Quintero example.

ERRA Vice Chairman Attila Nyikos presented ERRA's Regulatory Research Award winning

papers. The Best Paper of 2017, was written by Palma Szolnoki who provided a presentation titled „*Monitoring Natural Gas Balancing Markets: A practical guide for regulators on how the performance of the implemented balancing mechanisms can be assessed*”.

Discussions continued on the second part of Session II. Mr. Eser Ozdil, Secretary General of the Petroleum Platform Association of Turkey, spoke about opportunities on gas markets and the competitiveness of LNG. Mr. Ozdil noted that trends in gas trading suggest that gas is ample. This is a result of more diversified suppliers globally. Furthermore COP 21 and the penetration of RES are also affecting gas trends.

Finally, Mr. Arman Satimov, Advisor to the Chairman of KAZENERGY, provided a presentation on the impact of LNG on the gas markets of Kazakhstan.

EXPO 2017 ASTANA – FUTURE ENERGY

On the last agenda item of the first day of the conference, Ardian Berisha, ERRA's Regulatory Expert, provided an overview of EXPO 2017 which was opened in Astana on June 10 and closed just recently on September 10.

The EXPO's theme was „Future Energy” and it had three subthemes related to *Reducing CO₂ emissions, Living Energy Efficiency and Energy for All*. The EXPO occupied an impressive area of over 174 hectares with the exhibition space taking up to 25 hectares and featured an impressive display of thematic pavilions. The event was participated by over 110 countries and provided a discussion platform over the challenge of ensuring safe and reliable energy supply while reducing CO₂ emissions.