



ERRA Webinar

**IMPACT OF COVID-19
ON THE ENERGY SECTOR**

10th February, 2021



ERRA Webinar: Impact of COVID-19 on the Energy Sector

February 10, 2021

Energy Regulators Regional Association

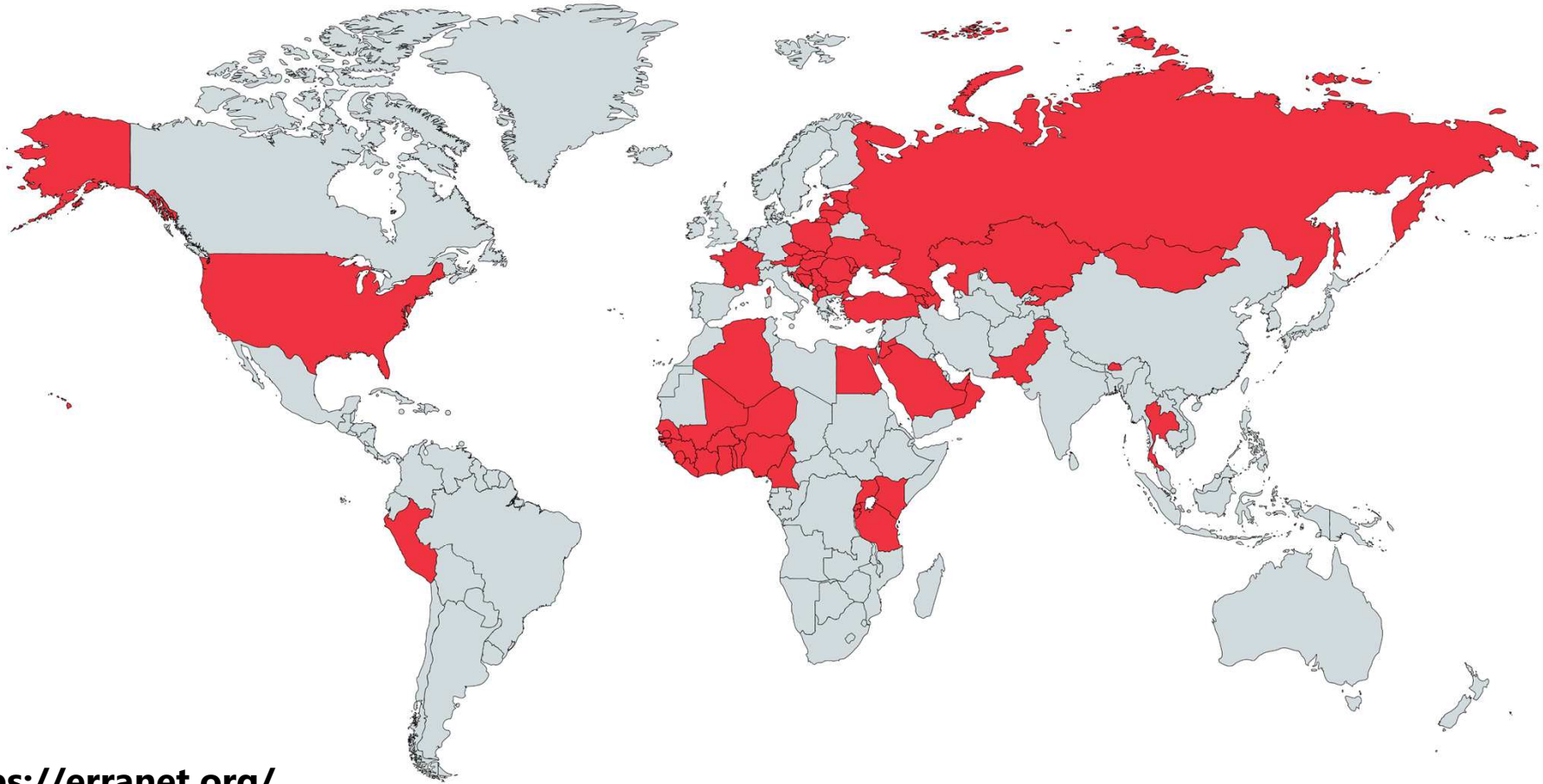
The Energy Regulators Regional Association (ERRA) is a voluntary organization comprising of **independent energy regulatory bodies** primarily from Europe, Asia, Africa, Middle East, South and North America.

Purpose & Objectives

- ✓ To improve national energy regulation in member countries;
- ✓ To foster development of stable energy regulators with autonomy and authority;
- ✓ To improve cooperation among energy regulators;
- ✓ To facilitate the exchange of information, research, training and experience among members and other regulators around the world.

ERRA Members

34 Full Members
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COMMISSION
DE RÉGULATION
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ERRA WEBINAR

10 FEBRUARY 2021

Impact of the COVID19 on the energy sector

Ivan FAUCHEUX

CEER REPORT ON COVID EFFECT

First findings of a report in progress



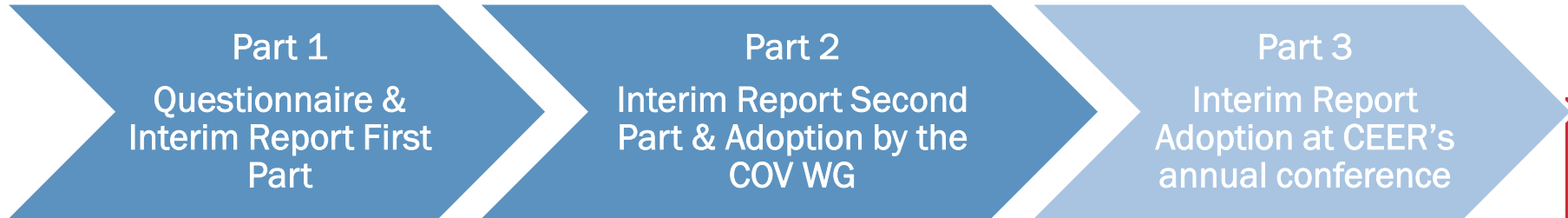
FIRST FINDINGS 1/2

- Suppliers
 - Full extent of the impact not yet clear;
 - Several NRAs reported an increase in unpaid energy bills (link with COVID not established, but likely);
 - Measure taken to support suppliers : staggering and deferral of network tariff bills (in some countries).
- Network operators
 - Some NRAs already anticipated / reported slight decrease in tariff revenue;
 - Delays to network development and smart-meter roll-out due to lockdown measures;
 - Most NRAs have not yet taken any measures to support network operators.
- Consumers
 - Many CEER countries had some form of disconnection moratorium in place

FIRST FINDINGS 2/2

- Among the lessons learned that NRAs reported:
 - Resilience of the energy sector;
 - Ensuring good and swift information flows between all stakeholders;
 - Adapting procedures and deadlines where necessary;
 - Key measure: preventing disconnections of consumers;
 - Sharing the burden more widely within the sector (not only suppliers);
 - Remote operations and digitalisation.

NEXT STEPS





IMPACT ON THE ENERGY SECTOR

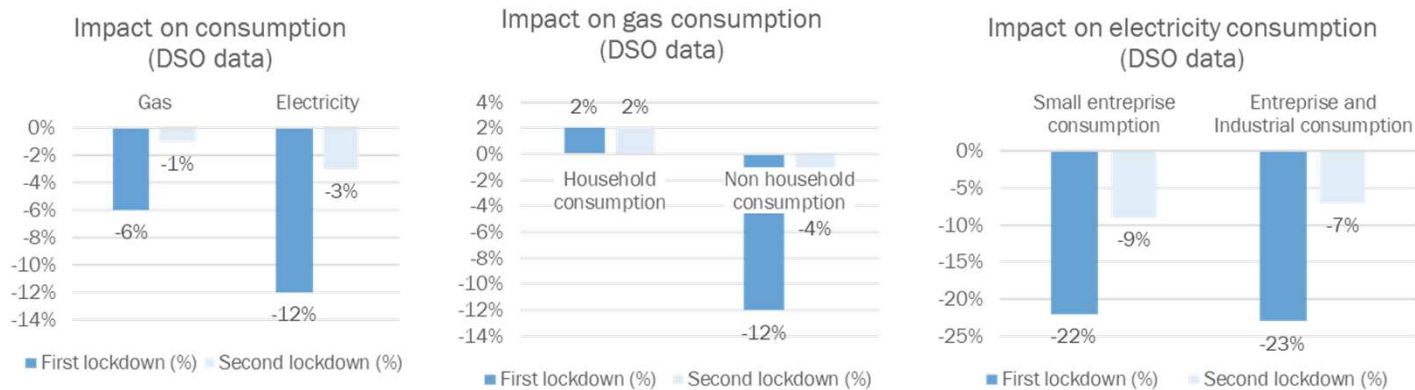
A brief introduction to the debate...



IMPACT ON ENERGY SYSTEM CONSUMPTION

- Both lockdowns (March–May & November) had **impact on consumption** :
 - Non-household consumption falls heavily whereas household consumption increases by a few %
 - Stronger consumption fall during the first lockdown with the total break on industrial and commercial activities
- **TSO data** : during the first lockdown, electricity consumption fell by 15% to 20% and gas consumption fell by 15%. No data yet on the second lockdown.

- **DSO data** :



WHAT ARE THE REAL ISSUES ?

- Short term effects (lock-down direct effects) :
 - Are the impacts on energy global consumption the real problem ?
 - Is the resilience of the energy system sufficient to face brutal consumption changes ?
- Mid term effects
 - Production disorganized (for example, French nuclear power plants are impacted for the next 2 years with production loss ranging from 5 to 13%) : other sectors under pressure...
 - Uncertainty on markets and then price formation affected in the long term ?
 - Oil and gas more affected than electricity (Exxon reported a 22 \$bn loss in 2020 : the biggest loss ever affecting a company...) : a concern ?
- Long term effect
 - The “save our life now or save the planet later” dilemma ? A backward-effect in the energy transition....
 - Economic crises supported by public spending : if the public spending will have to be severely cut-down, will the energy sector be affected (tax, etc...) ?