



# ACTIVITY REPORT 2014

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# CHAIRMAN LETTER

Dear Members and Colleagues:

I feel honoured that I had the privilege to lead and represent our organisation in 2014 and to be part of another exciting year of ERRA. I feel obliged to my predecessors, to all the previous chairmen of ERRA who laid the solid foundations of this Association.

If I would need to sum up last year briefly, I would use the following three words: turbulence, innovation and values.



2014 was another turbulent year for most of us in many terms. It was a volatile year for markets, in particular for energy markets and it was exceptionally unpredictable from policy and international political perspectives. And we - as energy regulators - are very much exposed when these changes happen on national, regional or even on international levels. Many of our member organisations are facing new tasks and challenges and they are under immense pressure to perform better and better with tighter and tighter annual budgets.

At the same time, I believe that our association and our member organisations sent the right signals to these changes and adaptation to the new circumstances has been successful. I am proud that in spite of the volatile environment surrounding us, we hold tight to our earlier defined values such as cooperation, collegiality, professionalism and resistance to political pressure.

We pursued the strategy approved by our members in 2013 and focused on improving ERRA's services and institutional improvement while placing special emphasis on creating partnerships with international organisations such as the International Renewable Energy Agency (IRENA) and others. I am particularly content with ERRA's new products and services such as ERRA's initiatives in water utility regulation and ERRA's new research project called RAAC. I was extremely happy to be able to sign collaboration agreements established with new partner organisations and to experience ERRA's increasing presence on so-called emerging markets.

We will not lose focus of the earlier approved strategy in 2015. On the contrary, we will do our best to fulfill the earlier defined mission "to strengthen and to improve regulatory framework and regulatory cooperation" and "to be a reference point for regulatory practices". In this spirit you will see many new innovative programs and products of ERRA in the coming months.

I believe that ERRA represents a robust community with distinct values and this strong bond is the foundation of every success we have made. This is why we see new members joining our association and this is the reason why our educational and professional events attract large number of participants.

This is the work that energizes me and my fellow presidium members and we jointly look forward to the challenges and success of the months ahead of us. I am deeply grateful for all of our members and colleagues for bringing ERRA here. I trust that you share my excitement about our joint future in this community.

A handwritten signature in blue ink, reading "Alparslan Bayraktar".

Alparslan Bayraktar  
Chairman  
Energy Regulators Regional Association (ERRA)

# ENERGY REGULATORS REGIONAL ASSOCIATION

The Energy Regulators Regional Association (ERRA) is a voluntary organization comprised of independent energy regulatory bodies primarily from the Central European and Eurasian region, with Affiliates from Africa, Asia the Middle East and the USA. The Association's main objective is to increase exchange of information and experience among its members and to expand access to energy regulatory experience around the world.

The Founding Members identified the purpose of ERRA as follows:

- to improve national energy regulation in member countries,
- to foster development of stable energy regulators with autonomy and authority and to improve cooperation among energy regulators.
- to increase communication and the exchange of information, research and experience among members and increase access to energy regulatory information and experience around the world and promote opportunities for training.

*„ERRA  
is not only a platform for  
sharing experiences but it is a  
global environment for networking.“*

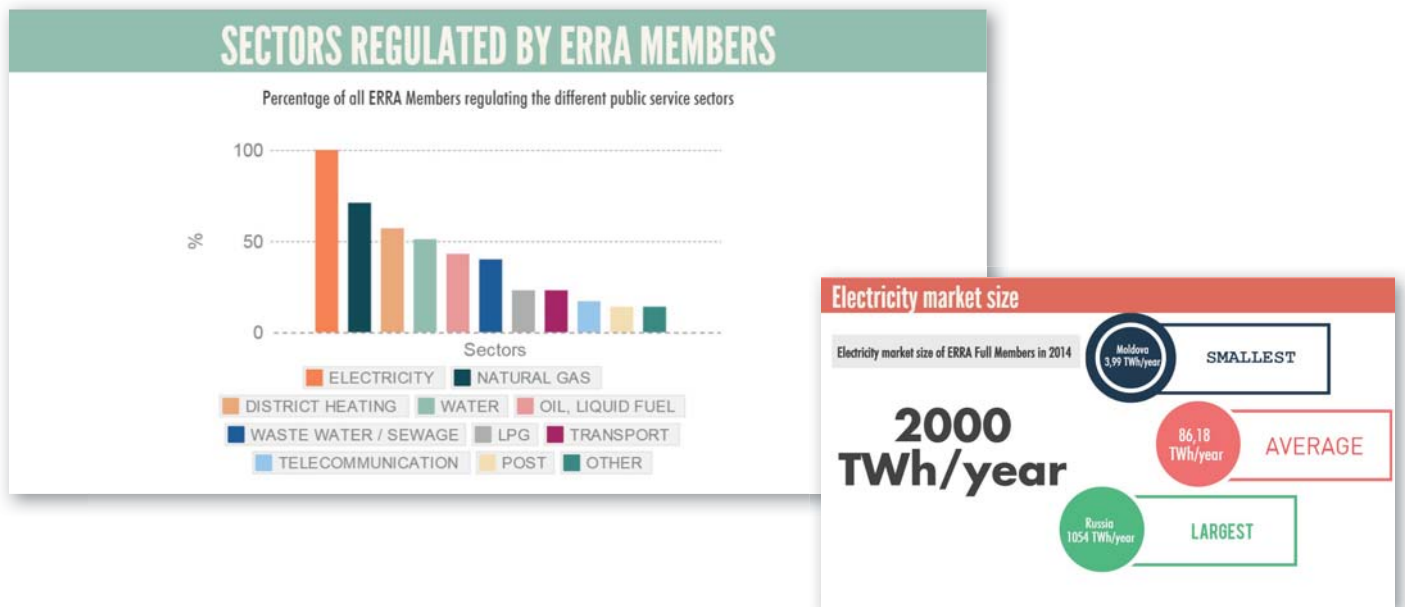
Mr. Hasan Köktas, Former President of the  
Energy Market Regulatory Authority of  
Turkey

## ERRA MEMBER COUNTRIES

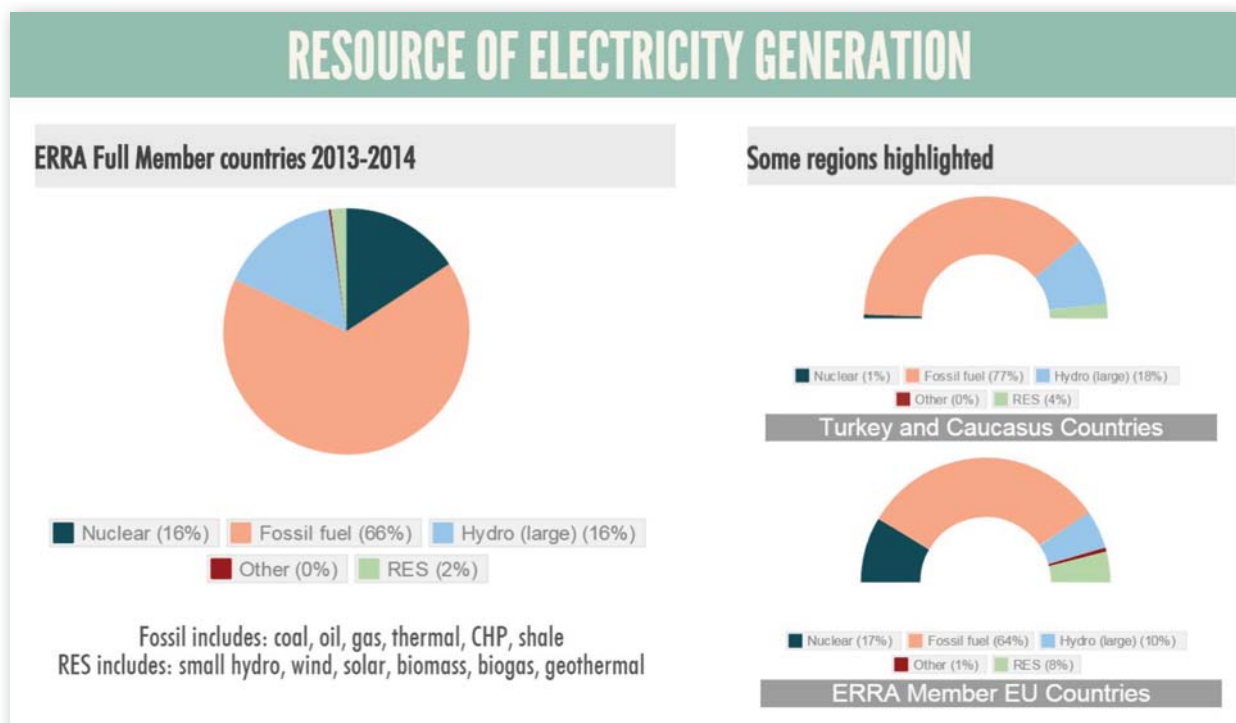


For more information please visit: [www.erranet.org](http://www.erranet.org)

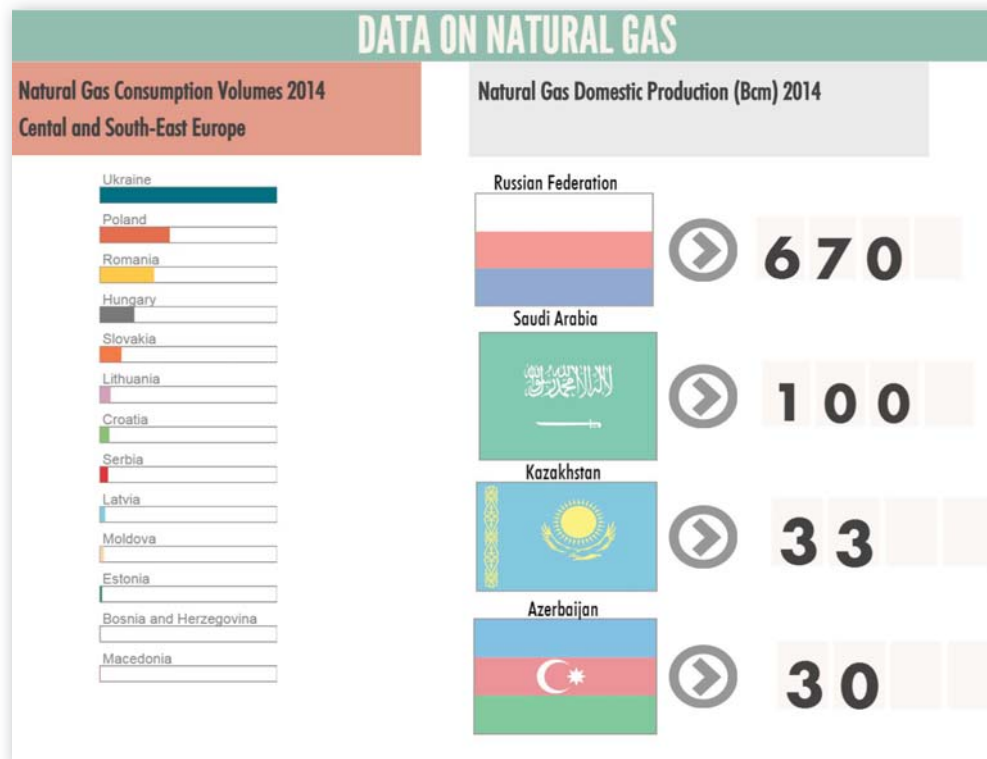
# MEMBERS' DATA COLLECTION



ERRA strives to collect various information and statistical data from its member organisations on an annual basis. The prime data project of ERRA is the collection of electricity and natural gas tariff information on a biannual basis. The project serves as an excellent benchmarking tool for members and it can illustrate current trends in various regions covered by the Association. The data go back to 1998 so there is quite a historic database available for visitors.



# MEMBERS' DATA COLLECTION

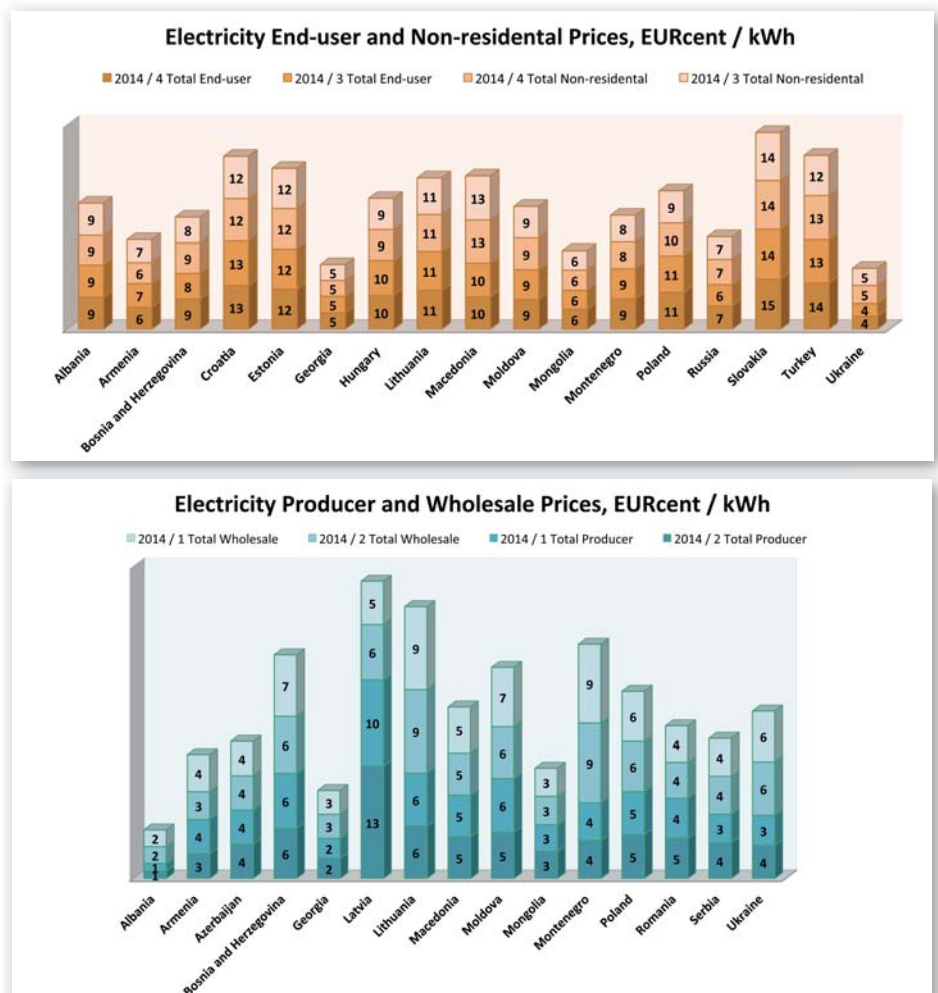


## TARIFF DATABASE SUMMARY FOR 2014

ERRA continued to collect tariff data of member countries during 2014. The 2014 trends for selected countries can be summarized as below;

### In the electricity market:

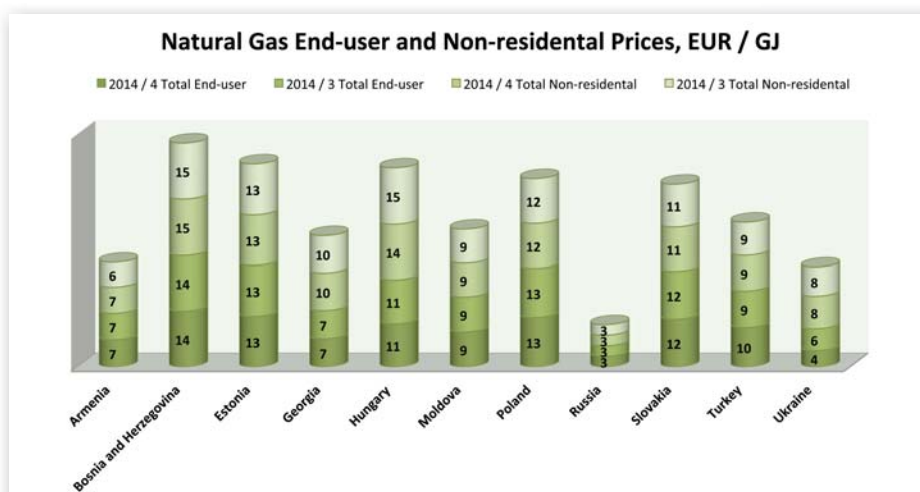
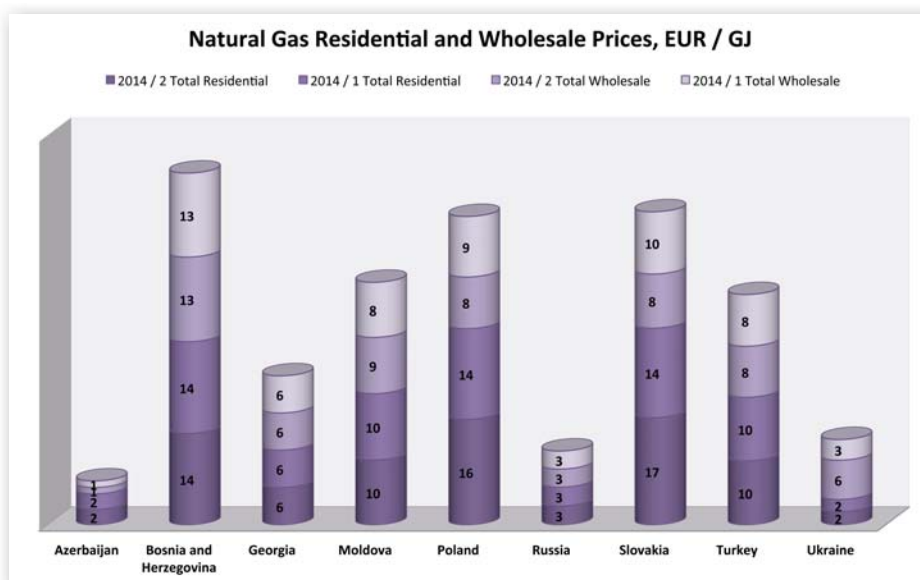
- Ukraine stands out with significant increase in all four analyzed tariff categories: electricity end user and non-residential prices 30%, residential electricity prices 39%, wholesale electricity prices 28% and electricity producer prices 38%.
- In the case of electricity end user prices the most significant decrease was in Mongolia in the value of 21% while in the case of non-residential and residential electricity prices the decrease was the sharpest in Kyrgyzstan - 47% and 25%.
- When speaking about wholesale electricity and electricity producer prices the most sizeable decrease was in Latvia with 25% and 38%.



# MEMBERS' DATA COLLECTION

## In the natural gas market:

- For natural gas end user prices the most measurable increase was in Georgia and it was 18% while the largest decrease was in Turkey in the value of 11%.
- For non-residential natural gas prices the most significant increase was in Russia - 14%; on the other hand, the biggest decrease occurred in Turkey and Armenia with 11%.
- For residential natural gas prices Ukraine again stands out with an increase of 21%. On the other side of the trend we see Turkey again with an 11% price fall.
- For natural gas whole sale prices the most measurable increase -14% - is in Russia. On the other hand, Turkey stands out with an 11% fall in the prices.



## Important note:

All local currencies were converted to Euro and the results are interpreted in Euro base currency. Missing data of member countries were not interpreted.

prepared by: Mustafa Yilmaz, Energy Expert, Energy Market Regulatory Authority (EMRA), Turkey



# MEMBERS' DATA COLLECTION

## ERRA DATABASE ON MONITORING ELECTRICITY WHOLESALE MARKETS

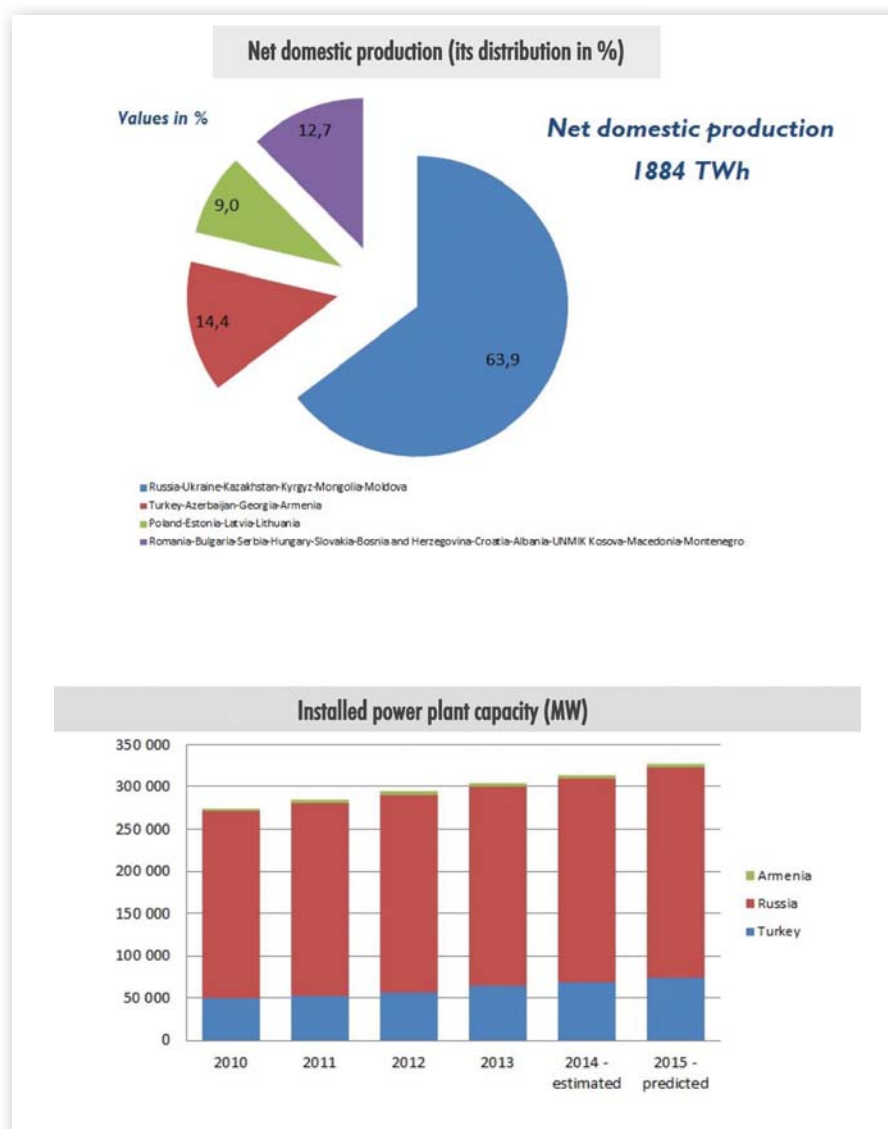
ERRA Licensing & Competition Committee operates a database on monitoring wholesale markets. The data collection is historic, it contains data as of 2008.

The main purpose of operating such database is

- to inform regulators about the wholesale tendencies of market conditions in the region,
- to keep reliable data on specific subjects, collect simplified and limited number of information focusing on facts and short term prediction,
- to propose future data collection for the evaluation of regional and national capacity balance, energy flows and price of energy components influencing market conditions to know what the near future holds for ERRA members.

The data collected from member countries includes - among others - installed capacity and its distribution in terms of fuels and sources, net generation and consumption, foreign trade values, market prices, tariffs for households and non-households. The analysis based on the submitted data is presented in the ERRA Licensing and Competition Committee meetings and is further discussed.

Prepared by:  
Dr. Mustafa Gozen,  
Head of Group for Market Monitoring and Legislation  
Energy Market Regulatory Authority  
Turkey





# COMMITTEES AND WORKING GROUP

In the work of the committees there is a historical evolution of topics that members have chosen to examine. As the energy market restructuring widened, the competition oriented and sustainable solutions got preference in the ERRA countries and the regulators have matured, the focus has expanded beyond basic tenets of regulation to new and emerging topics.

In 2014 the **ERRA Customers and Retail Markets Working Group** started its work reflecting the consumer focused orientation of ERRA members. As per the mandate of the working group, member regulators will analyse topics such as the growing and changing role of energy regulators in protecting consumer interests, non-payment and affordability issues, metering and payment, consumer choices on retail markets, consumer education, measuring supply quality, smart metering and universal service.

## ERRA CUSTOMERS AND RETAIL MARKETS WORKING GROUP - TOPICS DISCUSSED IN 2014

- Daily Regulatory Issues of Customer/Consumer Protection
- Benchmark Analysis on Complaint Handling Procedures in ERRA Countries
- Benchmark Analysis on Dispute Settlement Practice in ERRA Countries
- Typical Content of Business Conduct Rules of DSOs and Regulated Tariff Suppliers and the Approval Process
- Identifying and Supporting Vulnerable (Low-Income)
- Roundtable Discussion on the Preconditions which Ensure that Consumers Benefit from the Market Liberalization

## ERRA LICENSING/COMPETITION COMMITTEE - TOPICS DISCUSSED IN 2014

- Analysis of existing regulatory measures to improve the investment attractiveness of the electricity sector in the countries of ERRA
- Integration of capacity mechanism to the present ("energy only") market model: Problems and recommendations
- Import and export activities under capacity market model: Methodology, challenges, and recommendations
- Transformation of market structures of vertically integrated system to a fully liberalized market
- Inovative projects to make clean, renewable sources more easily integrated to the electricity system

# COMMITTEES AND WORKING GROUP

Reasons and potential consequences of the regulated end-user price reduction (electricity, gas and district heating)-Hungarian experience

Model of the wholesale and retail electricity markets in the Russian Federation

## ERRA TARIFF/PRICING COMMITTEE - TOPICS DISCUSSED IN 2014

Regulatory measures supporting national and cross-border network investment (potential tools provided by EU regulation)

Supporting network development through network tariff setting (RAB determination)

Cost calculation during pricing

Potential market designs for concentrated gas markets

Principles and practices of regulated and/or free market price of different consumer classes during transient market building process

Obligatory purchase price' setting of combined heat and power generators

Special network tariff setting aspects of small distribution systems

*„Within  
the ERRA Committees we  
have the opportunity to learn about  
the practices of advanced countries  
and from ERRA member countries; to hear  
thematic reports which is a significant help  
and support for us.”*

Mr. Nugzar Beridze, Director, Georgian Energy  
and Water Regulatory  
Commission

# INVESTMENT CONFERENCES

## LOCATION OF ERRA INVESTMENT CONFERENCES (2002-2015)



The 13th Energy Investment and Regulation Conference was another successful high level event organised by ERRA between 27-28 October 2014 in Baku, Azerbaijan.

## DURING THE 5 CAREFULLY DESIGNED PLENARY SESSIONS DELEGATES COULD HEAR THOUGHT-PROVOKING IDEAS AND HANDS-ON INFORMATION ON:

- Energy Industry in Azerbaijan.
- Security of Energy Supply.
- Challenges of Renewable Penetration.
- Water Utility Regulation - as a new task for multi-sector utility regulators.
- Empowering Customers in Energy Markets.

The Conference presentations are available at: <http://www.erranet.org/InvestmentConferences/2014/Presentations>

## MAIN MESSAGES OF THE SESSIONS INCLUDED:

- The speakers strongly emphasized the benefits of regional market integrations towards participating markets such as increase in level of reliability, in power quality, flexibility to cover peak demand, decrease in necessary reserve capacity and increase in renewable integration into national systems.
- Why and how regulatory instability could limit the appetite of foreign investors and affect operation of ongoing projects.
- Energy and water sectors are very much interdependent and we need coordinated approach to strike a sustainable balance.
- Addressing the renewable penetration challenge is much easier if we combine our efforts in a regional fashion, highlighting the importance of cooperation in both technical and regulatory level.
- How and why a "healthy market price signal" is the key to increasing competition and hence achieving consumer empowerment together with conservation and/or efficiency goals.

### THE CONFERENCE IN NUMBERS:

**240** participants   **33** countries   **5** sessions  
**31** presentations   **45** speakers  
over **400** Tweets   **21** live polls

### FOR THE FIRST TIME IN ERRA HISTORY:

- Regulatory Research Award giving ceremony
- Session on Water Regulation
- Live Audience participation

# TECHNICAL MEETINGS

ERRA's members engage in high level technical discussions in committees, working groups and other internal meetings. These exchanges result in meaningful suggestions for altering regulatory practices, impacting national and regional energy markets. It is through this interaction and development of trust among regulators that solutions are jointly explored that may be implemented in diverse legal systems. The variations in legal systems and the different energy sources, market structures and operational models in member countries means the exchange of ideas is essential, even if they do not implement a uniform standard.

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In 2014 ERRA started to organise ad hoc workshops that center around certain topics of energy regulation and where participation is not restricted to registered members of the technical committees and working groups. These workshops covered the topics of *Water Utility Regulation and Tariffs*, *Performance Standards* and *Third Party Access on Gas Markets*.

*„When  
I come to ERRA meetings  
I expect the very best in speakers,  
topics and the dialogue afterwards.“*

Ms. Colette Honorable,  
Former President of NARUC

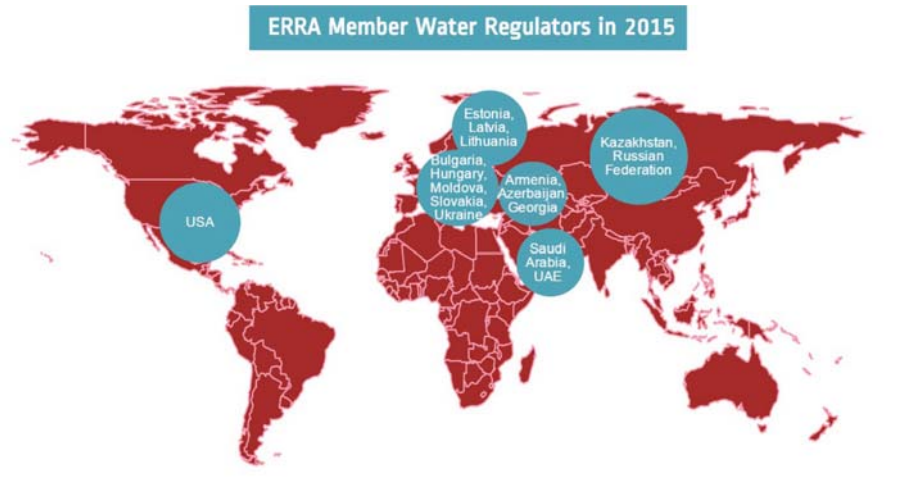
Total number of participants: **556**  
Total number of speakers: **129**  
Total number of topics: **68**



# WATER INITIATIVE

Privatisation, modernization and setting higher quality standards are affecting not only the energy but the water sector as well. In many of our member countries large investments and infrastructure upgrading are taking place (often with significant external financial support) along with massive industry consolidation and these need to be matched with proper regulatory oversight. Consequently, many utilities suffer from chronic problems such as poor performance, service quality and most importantly low tariff structures which do not recover costs. Regulation of the water sector has a steadily growing importance in the ERRA region due to the need for a stable environment in the provision of water services.

The growing importance is highlighted by the increased interest and readiness of international donor organisations to offer various funding mechanisms and ear-marked projects to the water sector, in particular to water regulators.



Water regulatory topics are often overlapping with energy regulatory tasks, especially in the field of tariffication and licensing such as subsidies to low income consumers, incentive tariff system, improving cost recovery etc. The regulatory experience accumulated in the field of energy can result in improving water sector regulation and improving cost recovery of the industry. ERRA can play the prime role of bridging these two network services in the interest of all the stakeholders in these sectors with the aim to disseminate available regulatory practices and to contribute to the capacity development of water regulatory staff.

ERRA is experiencing a **growing tendency among ERRA member regulators** to assume water regulatory tasks as part of their multi-sectoral regulatory activities. While in 2008 only 35% of member organisations were responsible for water regulation to date 50% of full members are responsible for this sector.



Please visit ERRA website dedicated to our Water Initiative: <http://erranet.org/Water>

# TRAINING COURSES

A key pillar to implementing effective energy regulation is the ongoing education of energy commissioners and their staff. Over the past years, ERRA has developed a range of course offerings, from introductory courses to advanced regulatory techniques. The majority of ERRA's course instructors are current or former regulators, creating a strong link between applied knowledge and the theoretical concepts that guide regulation. ERRA educates participants through a variety of methods, including group exercises, mock simulations, participant case studies, on-site visits and self-testing; providing them a foundation to adapt regulatory procedures to their own national legal and regulatory frameworks.

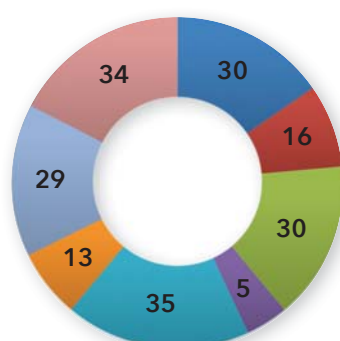
## COURSES IMPLEMENTED IN 2014

- Price Regulation and Tariffs (February, Hungary)
- ERRA/MEDREG Training Course: Renewable Energy Sources (March, Hungary)
- Energy Regulation in Emerging Countries (April, UAE)
- 7th Seminar for newly appointed Commissioners and Chairmen (April, UAE)
- Summer School: Introduction to Energy Regulation (June, Hungary)
- Principles of Electricity Markets (June, Hungary)
- Principles of Natural Gas Market Regulation (September, Hungary)
- Educational Workshop: Balancing Electricity Markets and Ancillary Services (December, Hungary)

*„ERRA training courses are of very high quality and value.“*

His Excellency, Dr. Abdullah Al-Shehri,  
Governor, Electricity and Co-generation  
Regulatory Authority of  
Saudi Arabia

## ERRA TRAINING STATISTICS (2014)

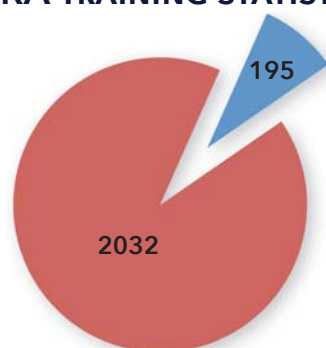


- Price Regulation and Tariffs
- ERRA/MEDREG Training Course: Renewable Energy Sources
- Energy Regulation in Emerging Countries
- 7th Seminar for newly appointed Commissioners and Chairmen
- Summer School: Introduction to Energy Regulation
- Principles of Electricity Markets
- Principles of Natural Gas Market Regulation
- Educational Workshop: Balancing Electricity Markets and Ancillary Services

8 training courses organised

Number of participants: **195**

## ERRA TRAINING STATISTICS (2002-2014)



- Number of Participants of the ERRA Trainings (2014)
- Number of Participants of the ERRA Trainings (2002 - 2014)



ERRA Certified Energy Regulator (CER) is supposed to acknowledge those ERRA training participants who have successfully participated in minimum three training programs organized by ERRA.

The total number of CER diploms issued is: **25**

For more information and current training calendar please visit: <http://www.erranet.org/Training>



# E-LIBRARY AND PUBLICATIONS

The ERRA website is central to the distribution of materials and promotion of interaction among ERRA members. The use of the internet is essential for bringing the geographically distant membership together to provide them both new information and the resources developed over ERRA's past years.

## NUMBER OF PUBLICATIONS

UPLOADED IN 2014: 505

**LATEST PUBLICATION HIGHLIGHTS:**

2015	 <b>MEMBER PROFILES:</b> Key data on the energy industry of ERRA Member countries
2014	 <b>LIQUIDITY AND TRANSPARENCY OF THE WHOLESALE ELECTRICITY MARKET: The Duty to Trade on a Power Exchange:</b> Winner of the ERRA Award 2014, by Phd hab. Mariusz Swora - prof. Jacek Kaminski, Poland
2014	 <b>SUPPLY QUALITY REGULATION IN THE ENERGY INDUSTRY:</b> Hungarian case study with European outlook by Alexandra Mozsolics, HEA, Hungary

**AVAILABLE AT:** <http://www.erranet.org/Library/>

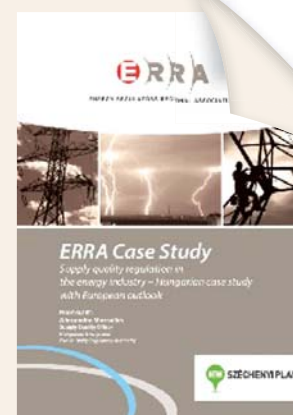
## CASE STUDY

By Alexandra Mozsolics, Hungarian Energy and Public Utility Regulatory Authority (HEA):  
**Supply quality regulation in the energy industry - Hungarian case study with European outlook**

### Abstract:

Customers are highly sensitive to service quality and therefore they expect to get an appropriate level of quality in exchange for the paid bills. The objective of the case study is to share the experiences of a country that have already implemented service quality regulation with other regulators. The Hungarian regulator devotes special attention to the quality of service delivered to final customers of electricity and natural gas networks, what is confirmed by its history of quality regulation dating back to the late 90's, only a couple of years after the foundation of the organization.

The case study addresses the three major aspects of electricity quality, namely continuity of supply, commercial quality and voltage quality and provides a brief insight into the quality requirements applied for gas distribution and supply. In addition to general advices on how to introduce a new regulation, some practical information related to handling of exceptional events as well as to carrying out on-site audits is also included in the book. Separate chapters are devoted to the satisfaction survey, which serves as a feedback on the appropriateness of the regulation by reflecting the opinion of the customers and to a special type of quality standards, the so-called Guaranteed standards, which have been set to guarantee a level of service that is reasonable to expect companies to deliver in all cases. In the final chapter the horizon of quality regulation further widens and the reader receives a short summary of the most important indicators and regulation methods applied by the Hungarian regulator for quality regulation of transmission systems.



## PUBLICATIONS FROM PARTNER ORGANISATIONS

- KPMG: **Central and Eastern European Shale Gas Outlook**
- National Renewable Energy Laboratory: **Overview of Variable Renewable Energy Regulatory Issues: A Clean Energy Regulators Initiative Report**
- IRENA: **REthinking Energy**
- Regional Centre for Energy Policy Research (REKK): **Smart Grid in the Danube Region Countries. An Assessment Report**
- National Renewable Energy Laboratory: **The Evolving Role of the Power Sector Regulator**
- Regional Centre for Energy Policy Research (REKK): **Issue Paper: The Potential Use of the Flexibility Mechanisms of the RES Directive in the Danube Region**



# E-LIBRARY AND PUBLICATIONS

## GLOSSARY

- *Glossary of Terms on Renewable Energy*

*Renewable Energy Glossary:* The Glossary of terms on renewable energy was compiled for the purposes of the IRENA Renewable Energy Training Week. The glossary gathers important terms on renewable energy using several sources, glossaries. It includes 205 entries.

- *Glossary of Terms on Water Utility Regulation*

*Water Glossary:* The Glossary of terms on water regulation was compiled for the purposes of the pioneer ERRA Training: Introduction to Water Utility Regulation held in February 2015. It includes 94 entries on a wide scale from economical to technical terms frequently used in the water and sewage sector, and offers additional online glossaries for further studies.



For more information please visit: <http://www.erranet.org/Library/Search>

## POOL OF EXPERTS

Pool of experts is a database of ERRA member regulators who are available for consultancy-type of services to their fellow regulators. The service is only available to member organisations.

### THE POOL OF EXPERTS IN NUMBERS CURRENTLY:

- **30** registered experts
- from **14** countries
- **1-18** years as regulator experience
- Industry experience: Gas; Electricity; District heating; Water
- Main field of expertise: EU Energy Acquis; Competition; Licensing; Legal Work; Market Monitoring; Network Access; Renewable Energy Sources; Electricity and Natural Gas Supply (legal aspects); Tariffication
- English language speakers: **25**
- Russian language speakers: **8**

For more information please visit (for ERRA Members only): <http://erranet.org/experts>

# ERRA REGULATORY RESEARCH AWARD



The ERRA Regulatory Research Award was established in 2014 in order to expand energy regulatory research and analysis and contribute to improve regulatory practices among ERRA energy regulators; to encourage cross-disciplinary and joint research among legal, financial, engineering and accounting experts within and outside the regulatory authorities.

During the 13th ERRA Energy Investment and Regulation Conference in Baku, the **ERRA Regulatory Research Award 2014** was ceremonally handed over to the **Winners - Phd hab. Mariusz Swora** (present), Faculty of Law and Administration, Jagiellonian University, Krakow, Poland and **prof. Jacek Kaminski**, Mineral and Energy Economy Research Institute, Polish Academy of Sciences, Krakow, Poland for their Winning Paper: *„Liquidity and Transparency of the Wholesale Electricity Market: The Duty to Trade on a Power Exchange”*.

## Abstract:

The paper discusses an energy regulation instrument that was introduced in the power sector in order to reduce inefficient in-group electricity trading that was a source of soaring electricity prices. The remedy was especially tailored to correct the market failure that occurred in the Polish power market as a result of both: (i) the termination of Long Term Contracts and (ii) the governmentally steered consolidation of the power sector that also involved vertical integration. Several behavioural and structural instruments are considered and the reasoning supporting selection of the most appropriate one is given. The outcomes of qualitative analysis confirm that the remedy applied, namely the introduction of the duty to trade on a power exchange (PX) into the Polish Energy Law, was a successful market reform. The research carried out in this paper contributes to scientific knowledge on regulatory and policy issues and the solutions adopted can be applied to other power markets facing similar problems as electricity markets are liberalised and the problem of liquidity and transparency of the wholesale power market is at stake. Although such a solution to problems mentioned above may not refer only to the European Union member states, it is worth notice that the duty to trade on the power exchange is currently discussed as a regulatory measure that may be used against dominant gas companies (within the concept of so called Energy Union). We strongly believe that our paper gives arguments that may be useful in a discussion on a wholesale energy markets both in the EU and non-EU countries.

The Winner Paper is available and can be downloaded from the ERRA website:  
<http://www.erranet.org/OtherActivities/Award#12>



# INTERNATIONAL COOPERATION

ERRA strives to put special attention to international cooperation and to partnership with institutions of common interest. Close ties between ERRA and the **National Association of Regulatory Utility Commissioners (NARUC)** and the **Council of European Energy Regulators (CEER)** reflect a key to the successful sharing of experiences and enables ERRA member regulators to learn regulatory procedures from well-established markets. ERRA Chairman Alparslan Bayraktar participated in the **EU-US Energy Regulators Roundtable** organized by NARUC in May 2014 with the aim to further develop the cooperation and exchange of information between the three organisations.

ERRA maintained its membership in the **International Confederation of Energy Regulators (ICER)** and took an active role on the Steering Committee of ICER in developing the **6<sup>th</sup> World Forum on Energy Regulation** organized in Istanbul in 2015.

ERRA is proud to be a lead initiator of the **High-level Meetings of Associations of Emerging Regions**. In 2014 the meeting was hosted by the Regional Energy Regulators Association of Southern Africa (RERA) in Johannesburg and ERRA was able to contribute to the meeting with the experience of member regulators.

Cooperation is important with not only partner associations and organisations but also with **individual member regulators**. In this spirit the ERRA Chairman strives to be available for introductory meetings with newly appointed chairmen and presidents of member organisations in order to exchange ideas about the purpose of cooperation and to learn the needs and expectations of member organisations. Similar meeting took place in 2014 with the newly appointed chair persons of the Polish and Georgian regulatory agencies.



ERRA was happy to be invited to organize a training course for member regulators of the **Mediterranean Energy Regulators (MEDREG)** on *"Economic and Technical Aspects of the Deployment of Renewable Energy Sources"* in March 2014. In addition, MEDREG and ERRA jointly organized a technical workshop on *"Forefront Topics of Natural Gas Regulation focusing on tariffication, performance standards and third party access"*.

Cooperation with the **Energy Community** was ongoing in 2014 and ERRA was able to benefit from the accumulated experiences of the Customers/Retail Markets Working Group of the Energy Community, when establishing its own similar Working Group. The newly established ERRA Working Group on Customer and Retail Markets is looking for guidance from its peer regulators within the Energy Community in its future work. In addition, ERRA and the Energy Community launched a joint project on assessing the independence of their member regulators in late 2014 and preliminary results of the project are expected in mid 2015.

In September 2014 ERRA undertook an important role by organizing the **G20 Outreach Energy Regulators' Dialogue** at ERRA's Headquarters. The objective was to follow up on the G20 Saint Petersburg commitment and to encourage interested energy regulators, especially of G20 members, to continue the dialogue. In this regard, ERRA was in collaboration with the Energy Market Regulatory Authority of Turkey (EMRA) towards developing this dialogue further, so that related G20 institutions would benefit during their studies on energy and investments during Turkey's presidency of G20 Countries.

Another milestone in ERRA's international relations was the signing of a **Memorandum of Understanding with the International Renewable Energy Agency (IRENA)** about collaboration in promoting effective regulatory regimes for integrated resource planning and for capacity building to accelerate the deployment of renewable power connected to power grids around the globe. In the framework of this cooperation ERRA is to develop capacity building programs for specific regions.

In order to support ERRA's initiatives in water utility regulation, the Association established contacts with the Danube Water Program of the **World Bank** and with the **International Water Association (IWA)**. These working contacts allow ERRA to rely on the long standing expertise of these organisations when it comes to internal meetings and/or educational programs.

An important case study of ERRA, *"Supply Quality Regulation in the Energy Industry"* was published through co-funding received from the **Danube Region Strategy** project of the European Commission.

# NEXT STEPS

ERRA will pursue the action plan set by the association's strategic plan in 2013. In line with the strategy ERRA will put more emphasis on its internal work, its technical committees and its member base. In 2015 the Association strives to offer new programs that will allow the engagement of individual member organization in bilateral or joint projects. These programs will vary from exchange projects to twinning programs, from internship to secondee positions. In addition, more attention will be given to institutional capacity building and to the availability of increased human capacity which will result in ad hoc regulatory advice and consultation to member organisations.

ERRA will continue to promote research through its Regulatory Research Award project.

International and strategic relations will continue to play an important role for the Association and we will seek ways for joint projects and studies with old and new partner organisations.

ERRA will work hard to extend effective regulatory practices while accounting for local differences. The flexibility offered to members should remain the same in using those regulatory practices – at a pace and style – that reflects the demands of their own national markets. This process is what has enabled ERRA to grow and to attract new members.





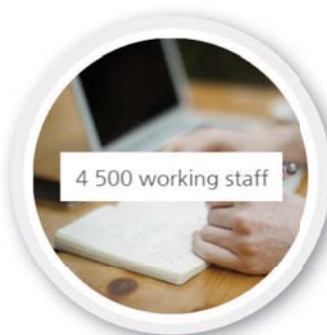


43 Million km<sup>2</sup>

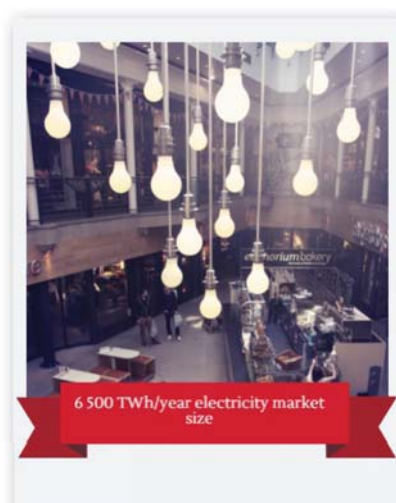
## ERRA IN NUMBERS



1.1 Billion citizens



4 500 working staff



6 500 TWh/year electricity market size

### ERRA Secretariat

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