



# International Experience on Energy Tariff Reforms



**Workshop: International Experience on Energy Tariff Reforms**

April 19, 2023 | Tashkent, Uzbekistan

# About

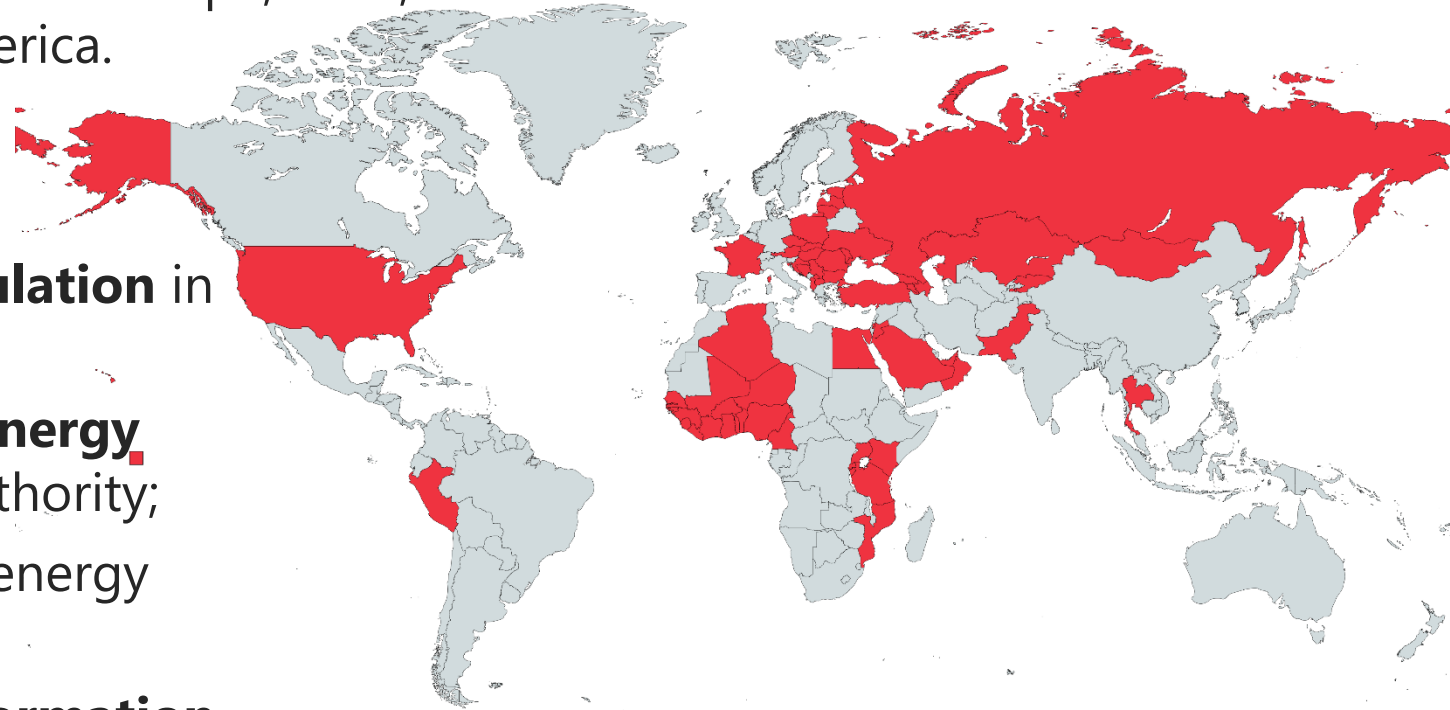


## ENERGY REGULATORS REGIONAL ASSOCIATION

The Energy Regulators Regional Association (ERRA) is a voluntary organization comprising of **48 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.



# The tariff reform process (1/3)

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- In most jurisdiction the regulatory reform started in the 90s
- The reforms were motivated by the need to improve sector efficiency compared to the centralized model and increase private sector participation to support sector development
- Reforms were characterized by:
  - Unbundling vertically-integrated utilities, introducing competition
  - Privatizing segments of the supply chain to increase private sector participation
  - Introducing economic regulation

# The tariff reform process (2/3)

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- Adverse effects of subsidies:
  - Inefficient and unsustainable use of energy
  - Unsustainable fiscal accounts
  - price distortions of products in the economy
  - prevention of competitiveness from subsidized sectors
  - inefficient operation of subsidized utilities
  - prevention of other technologies from competing at the wholesale level on an equal setting as the subsidized sector

# The tariff reform process (3/3)

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- Removing subsidies:
  - Restructuring the sector (unbundling natural monopolies from potentially-competitive segments of supply)
  - Studying the cost of service and mapping out subsidies
    - Subsidies to cover the cost of service
    - Subsidies to cover opportunity cost of fuel
    - Cross-subsidies?
    - Defining subsidy phase-out plan
  - Designing targeted vulnerable-customer support schemes
  - Communicating effectively with the public to help understand the objectives of the reform process

# Today's objectives

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- Review examples of international best practice in tariff reform
- Three core pillars of the tariff-reform process:
  - Tariff restructuring and cost recovery
  - Social impact of tariff reform
  - Effective communication tools to inform stakeholders about the objectives of the tariff reform process

# Agenda

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## Introduction

*Moderator: Ardian Berisha, Regulatory Specialist, ERRA*

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|-------|---------|---|
| 09:30 | 15 mins | <b>Opening Remarks</b> <ul style="list-style-type: none"><li>• <i>Jurabek Mirzamahmudov, Minister of Energy, Uzbekistan</i></li><li>• <i>World Bank Uzbekistan Management</i></li></ul> |
| 09:45 | 15 mins | <b>Introduction to the program</b> <ul style="list-style-type: none"><li>• <i>Ardian Berisha, Moderator</i></li></ul>   |
| 10:00 | 25 mins | <b>Uzbekistan country presentation</b> <ul style="list-style-type: none"><li>• <i>Representative of the Government of Uzbekistan</i></li></ul>  |

# Agenda

## Energy subsidy reform: International good practices

10:25	20 mins	<b>Case Study of Egypt</b> <ul style="list-style-type: none"><li>• <i>Sherif Zoheir, Head of Central department for Electricity Market, Egyptian Electric Regulatory Agency (EgyptERA)</i></li></ul>
10:45	20 mins	<b>Case Study of India (Online)</b> <ul style="list-style-type: none"><li>• <i>Rajasekhar Devaguptapu, Fellow, Centre for Social and Economic Progress, India</i></li></ul>
11:05	20 mins	<b>Case Study of Latvia</b> <ul style="list-style-type: none"><li>• <i>Rota Snuka, Commissioner, Public Utilities Commission (PUC), Latvia</i></li></ul>
11:25	25 mins	Q&A
11:50	20 mins	Coffee break



# Agenda

## Energy subsidy reform: International good practices

12:10	20 mins	<b>Case Study of Vietnam (Online)</b> <ul style="list-style-type: none"><li><i>William Derbyshire, Director, Economic Consulting Associates (ECA)</i></li></ul>
12:30	20 mins	<b>Case Study of Azerbaijan</b> <ul style="list-style-type: none"><li><i>Shahin Maharramli, Head of Tariff Sector, Division of Economic Analysis, Tariff and Statistics, Azerbaijan Energy Regulatory Agency (AERA)</i></li></ul>
12:50	20 mins	<b>Case Study of Georgia</b> <ul style="list-style-type: none"><li><i>Givi Sanikidze, Head of Tariff and Economic Analysis Department, Georgian National Energy and Water Supply Regulatory Commission (GNERC)</i></li></ul>
13:10	20 mins	<b>Case Study of Türkiye</b> <ul style="list-style-type: none"><li><i>Mehmet Ali Kölmek, Head of Tariffs Department, Energy Market Regulatory Authority (EMRA), Türkiye</i></li></ul>
13:30	25 mins	Q&A

# Agenda

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## Lessons learned and next steps

13:55	20 mins	<b>Summary of the subsidy reform process, lessons learned, recommendations for Uzbekistan</b> <ul style="list-style-type: none"><li>• <i>Ardian Berisha, Moderator</i></li><li>• <i>Maksudjon Safarov, Senior Energy Specialist, World Bank</i></li></ul>
14:15	15 mins	<b>Closing Remarks</b> <ul style="list-style-type: none"><li>• <i>Sudeshna Ghosh Banerjee, Practice Manager for Europe and Central Asia Energy, World Bank</i></li><li>• <i>Jurabek Mirzamahmudov, Minister of Energy, Uzbekistan</i></li></ul>
14:30		Program ends & Lunch

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**THANK YOU  
FOR YOUR ATTENTION!**

**Ardian Berisha**  
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