

ERRA's Interim Review on Policy Responses to the Ongoing Energy Crisis

Summary

Purpose:

The purpose of the Review was to take note of ERRA Member Organizations' (MO) policy and regulatory responses related to the ongoing energy crisis and to provide a snapshot analysis of the Q4 2022 status of the energy sectors in the surveyed countries, implications on energy supply costs and measures undertaken or under consideration at the wholesale market level. The analysis was conducted based on interviews with a representative group of member regulators.

Countries included (chronological order):

1. Hungary – Oct 6, 2022
2. Latvia – Oct 12
3. Thailand – Oct 17
4. France – Oct 19
5. Austria – Oct 21
6. Pakistan – Nov 4
7. Nigeria – Nov 7
8. Türkiye – Nov 14
9. Poland – No 17
10. USA – provided in writing on Nov 23 on technical/data type of questions only

The above-listed countries were selected carefully in order to include a wide representation of regions of ERRA and so that all focal aspects can be addressed. Therefore, the participating countries differ from each other in the following terms: accessibility of supply chains, availability of local energy resources/import dependency, geographical location, size and structure of the energy market etc.

Final outcome:

The review was based on interviews conducted via Zoom calls with technical staff and decision makers of the selected regulators. The answers allowed for compiling a presentation that was given to the audience during the ERRA High-Level Consultation on Energy Crises on December 5, 2022 and constituted material for further discussions that followed.

Questions:

1. Technical/data type of questions

- Information on the increase in the cost of supply (please convert to indicated units and currency)
 - Electricity – wholesale day-ahead market: monthly average (EUR/MWh);
 - Gas – wholesale day-ahead market: monthly average, if possible (EUR/MWh);
 - Other relevant commodities;
 - EU Member States: European Union Allowance – EUA futures Dec 2022 (EUR/T);
 - Exchange rate (if not converted to EUR).
- Data on the price rally: maximum and minimum prices in the period of March – September with data comparability (please convert to indicated units and currency)
 - Electricity – wholesale day-ahead market: daily avg. minimum, daily avg. maximum (EUR/MWh);

- Gas – wholesale day-ahead market: daily avg. minimum, daily avg. maximum (EUR/MWh).
- Observed market structure changes: to what extent are national monopolies regaining ground and competition is in decline? How can this process be turned around once prices stabilize?
 - % market share of top 3 participants 2019-2020-2021-2022 – power (preferably data for August each year);
 - % market share of top 3 participants 2019-2020-2021-2022 – gas (preferably data for - August each year).
- % of natural gas imported by source (monthly data for 2022 March-September; export as negative);
- % of electricity imported (monthly data for 2022 March-September; export as negative).

2. Questions on regulation and national policies

- What is their exact role of regulators in the crisis management and how is it limited/expanded by the government? Cooperation? Conflicts?
 - What measure is the regulator typically considering?
 - What measures is the government typically undertaking?
- What are the security of supply implications of the crisis?
 - Do you expect outages (load-shedding) to happen over the winter?
 - Are there plans in place to schedule/prioritize (load-shedding) outages?
- To what extent is the wholesale market deregulated?
- What about liquidity of the traders?

3. Questions on longer-term implications

- Implications on energy transition policies: did projects speed up? Obstacles?
 - Is there an increased investor interest for non-solicited independent power projects?
 - Is there a measure of the size of such interest?
 - How are existing (pipeline) projects being affected?
- What will be the implications on the market in the short run (within 12 months)? Where do they see their markets in Sept 2023?
- Any discussions on new national market design?
- Any other mid-term (2-3 years) considerations