

ERRA MEMBERS' NEWSLETTER

2024/2



His Excellency Sheikh Dr. Mansoor Al Hinai, Chairman of the Authority for Public Services Regulation (APSR), Oman

Dear Your Excellency Chairman Al Hinai, thank you for accepting our invitation for the Autumn 2024 Newsletter interview. ERRA and its members are impatiently waiting for the 22nd Annual Conference to take place on May 5-6, 2025 in Muscat, Oman. What is APSR's expectation towards the first ERRA Conference in the GCC region and how does the conference resonate with the APSR's goals towards the energy transition?

With great pleasure and enthusiasm, Oman and APSR are looking forward to hosting the GCC region's first ERRA Conference. We extend a warm welcome and invitation to all esteemed members of ERRA towards this event. The event is expected to support achieving our shared goals and work towards a mutually beneficial better and brighter future. The event will also provide networking opportunities to inspire and connect the participants.

APSR expects the conference to provide opportunities for exchange of

ideas, contemporary global knowledge and regional best practices in electricity regulation. With the global call for net-zero carbon emissions, Oman is positioned to be a key player in the journey towards a carbon-neutral world. The event will create a platform to discuss the challenges and opportunities of this complex journey of energy transition, including requirements for the policy and regulatory frameworks.

APSR reported that in 2023, over 225,000 smart meters were installed in Oman, which is a significant advancement towards grid efficiency. What is the current share of already installed smart meters in the country and what role did the APSR play in this development?

As of August 2024, the country has reached 55% deployment of smart and prepaid meters (820K). This is expected to reach 70% by the end of 2024. The initiative is expected to support overall grid efficiency, system planning and reduce system losses.

As the Regulator, APSR is playing its role by overseeing the efficient implementation of the project and providing support in terms of adequate regulatory allowances in the price control.

What are the plans for the upcoming years and how will APSR be facilitating further development of the smart meters? What are the main drivers and challenges for the smart meters' deployment in Oman?

The project is in progress and expected to be completed by the end of 2025. We have already overcome the project's initial phase challenges like system deployment, meter specifications and procurement, and operational and deployment team development. We are positive about

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the targeted outcome. The key drivers of this project are supporting system planning, enhancing efficiency and provide data to facilitate further market liberalization.

What are the current KPI targets and how are they defined by the APSR to ensure efficiency and transparency between the regulator, stakeholders and the customers? Are the KPI targets set by the regulator or by the government?

For the Licensees, APSR sets the targets, KPIs and Incentive/Penalty mechanisms with regular reporting requirements to ensure efficiency and transparency, in price Control Review (PCR) Mechanism.

As for APSR, it sets self-targets in the forward-looking program for the ongoing initiatives and programs in line with Oman Vision 2040 and other strategic needs of the country.

Please define some of the regulatory priorities for the next 2-3 years in Oman. Are there any current challenges that the regulator is facing and moving forward how can they be addressed?

- Meeting the growing demand.
- Bring planning up to date for energy transition: Oman has already set the energy transition targets for 2030 and 2040.

Enhance grid planning with increased coordination across the power system and economy and long-term scenario development involving all stakeholders to manage uncertainty and achieve climate goals.

- Build a skilled workforce: Develop a pipeline of skilled workers, integrate digital skills into curricula, and manage automation impacts through reskilling and incentivizing on-the-job training to meet the demands of the power industry.
- Ongoing regulatory reforms: BST, DUoS, Transmission Tariffs.
- Actions and steps towards further liberalization and opening of the electricity market, e.g., exploring a limited bypass of the single-buyer model and allowing bilateral trading between generators and suppliers / consumers, options for introducing retail competition in the electricity supply segment, further development of the spot market and so on.

The market for smart EV charging services is growing exponentially and in 2023 the APSR has also managed to issue the Regulation for Electric Vehicle Charging Activities. Could you please elaborate?

The Regulation for Electric Vehicle Charging Activities, issued by the Authority in collaboration with the relevant entities, represents an important regulatory step to support the transformation of Oman's transport sector toward clean and sustainable energy. This regulation is part of ongoing efforts to enhance the electric charging infrastructure. The regulation will contribute to the development of electric vehicle infrastructure, establish legal frameworks for the operation of the electric charging sector, and ensure the creation of a suitable environment that stimulates investment in

developing the electric vehicle market.

Additionally, the Authority has prepared technical requirements guide for connecting electric vehicle charging devices to the electrical grid. These regulations serve economic, environmental, and social objectives, including preparing the market for electric vehicles, charging services, maintenance, and insurance while supporting the transition to clean energy and aligning with the move toward a green economy. From a societal perspective, these regulations define the technical requirements to ensure the safe operation of vehicles and the use of chargers that meet safety standards.

In cooperation with the Ministry of Transport, Communications, and Information Technology, the Authority is part of a national team that includes entities concerned with electric vehicles and charging infrastructure. This team aims to identify policies and programs that support the expansion of electric vehicle charging stations and coordinate with parties interested in installing these stations to ensure appropriate geographic distribution across all governorates of the Sultanate of Oman.

It also supports Oman's aim to achieve net-zero emissions in the transport sector and promotes sustainability by transitioning to clean energy, as electric vehicles are carbon-free and fully reliant on electricity.

Could you please elaborate on what these activities include and how the APSR will be able to implement them in the upcoming years? What are some of the key challenges that might impact the development of this regulation in Oman?

At the Public Services Regulation Authority, we are working to strengthen the Sultanate of Oman's position in alternative energy through partnerships with relevant entities.

Oman has achieved advanced rankings in sustainable energy regulatory indicators in the "Energy Regulation" field, issued by RISE, the World Bank's initiative concerned with national policies and regulatory frameworks for sustainable energy.

Oman ranked first in the "Renewable Energy Regulation" index among GCC countries, first in the Middle East and North Africa, and sixth globally in the same index. Furthermore, Oman secured second place in the "Overall Sustainable Energy Regulation" index among GCC countries, fifth in the Middle East and North Africa, and 38th globally.

View the Regulatory Indicators for Sustainable Energy (RISE) website: <https://rise.esmap.org/country/oman>.

The shift toward renewable energy can significantly contribute to the sustainability of the electricity sector by providing numerous environmental and economic benefits. It helps reduce carbon emissions through renewable energy sources such as solar, wind, and hydropower, which produce significantly lower emissions than fossil fuels, thereby mitigating the impact of climate change and environmental pollution. Moreover, diversifying energy sources will reduce the sector's reliance on fossil fuels by utilizing multiple renewable energy sources. The surplus can be directed to other industries, supporting the national economy and encouraging innovation in electricity generation, creating new economic opportunities, and providing job opportunities in the renewable energy industry. ■

ERE Albania

Important Regulatory Developments

- Mr. Petrit Ahmeti is appointed by the Parliament of Albania as Chairman of the Board of the **Albanian Energy Regulatory Authority (ERE)**.
- Mr. Maksim Shuli is appointed as Member of the Board of Commissioners.
- Mrs. Brunilda Tavani is appointed as Member of the Board of Commissioners.

Internal Projects

- With the new organic structure of our regulator, ERE has taken a big role to empower gender equity in our organization. To this regarding, there have been several promotions in leading positions, such as head of units and director positions which will be represented by women.
- Regarding work schedules, this summer the ERE adopted the CoM decision to practice flexible working hours as long as the staff is physically present from 09:30-15:30 at their work place (Monday to Thursday) and 08:30-13:30 Friday. The remaining hours were up to the staff to decide if they worked before or after these working hours. This flexible schedule was in force July to August.

Policy and regulatory developments in the area of decarbonization and Energy Transition

- ERE, Decision No. 136, date 10.07.2024 for the approval of the general conditions of the "Model contract for support".
- ERE, Decision No. 145 date 19.07.2024 for some additions and changes in the "Regulation for new connections in the

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distribution system", no. 166, dated 10.10.2016. (amended).

- ERE, Decision No. 101 date 27.05.2024 on the approval of "Reserve procedures for the market coupling of the day ahead electricity market Albania - Kosovo".
- ERE, Decision No. 100 date 27.05.2024 for the "Approval of the methodology for the distribution of revenues from electricity congestion between Albania and Kosovo".
- MoU between ERE and RAAEY on potential Market coupling with Greece.
- Regarding the Capacity Allocation and Congestion Management Regulation (CACM), the TSO addressed for ERE's approval the CACM regulation this month, and is under approval process. This regulation transposes The Commission Regulation (EU) 2015/1222 of July 2015 establishing a guideline on capacity allocation and

congestion management, as incorporated and adapted by the Ministerial Council Decision 2022/03/MC-EnC of 15 December 2022 on the incorporation of Regulation (EU) 2019/942, Regulation (EU) 2019/943, Regulation (EU) 2015/1222, Regulation (EU) 2016/1719, Regulation (EU) 2017/2195, Regulation (EU) 2017/2196, Regulation (EU) 2017/ 1485 in the Energy Community acquis, amending Annex 1 of the Energy Community Treaty, and on the amendments of the Ministerial Council Decisions 2021/13/MC-EnC and 2011/02/MC-EnC.

- Price Comparison Tool has been launched and is accessible to all the suppliers, as well to consumers since 15th Mars 2024. Platform is available on ERE website: www.ere.gov.al. ERE followed some trainings with energy's suppliers, in order to give some understanding and instruction on PCT modes of use. The suppliers must publish their offers on the platform. (we are considering to enforce the use of the PCT to all suppliers).
- View ERE Albania Newsletters at: <https://ere.gov.al/en/publication/s/announcements>. ■



PSRC Armenia

Important Regulatory Developments

- According to the **Public Services Regulatory Commission (PSRC)** of Armenia, in 2024, based on changes in inflation and foreign exchange rates, the sale price of electricity delivered from electricity generating plants with a capacity up to 30 MW with the use of renewable energy resources was revised by the Commission's initiative.
- Taking into account the requirements of methodology №32 for the calculation of regulated tariffs in gas supply system dated 01 February 2023, at the initiative of the Commission the tariffs for natural gas transportation (8229.741 drams/thousand cubic meters without VAT), gas supply system operator service provision (24.042 drams/thousand cubic meters without VAT), natural gas distribution (1964.779 drams/thousand cubic meters without VAT) were revised. At the same time, taking into account all the positive and negative factors affecting the regulated tariffs of the gas supply system, there was no need to revise the tariffs for end-consumers.
- According to the Resolution N221-N of the PSRC of RA from July 3, 2024, the distribution network rules of the electricity market of RA were amended. Before the amendment were made, in accordance with the acting rules, in case of planned, emergency interruption of electricity supply and its restoration, in case of each violation of the procedure or deadlines set by the rules, the distributor paid a penalty to the consumer in amount of 50 percent of the average monthly cost of consumed electricity, but not more than 2500 AMD. Taking into account the analyzes carried out as a result of the practical use of the rules and the applications and complains received from consumers during 2023, regarding the aforementioned amendment, an additional monthly limit was applied in order to reduce the amount of planned and emergency interruptions of the electricity supply of consumers' consumption system, and in cases where each of the interruptions exceeds the specified duration twice, the distributor will pay a penalty to the consumer in the amount of 50 percent of the average monthly cost of consumed electricity, but not more than 3500 AMD.
- With the Resolution N335-N of the PSRC of RA from October 9, 2024, the distribution network rules of the electricity market of RA were amended again. According to the ordinal amendment of the electricity market distribution network rules, in case of each violation of the emergency interruption of the consumer's electricity supply within one calendar year, the distributor will pay a monetary penalty to the consumers in the amount of 50 percent of the average monthly cost of consumed electricity, but not more than 10,000 AMD.
- According to the Resolution N222-N of the PSRC of RA on July 3, 2024, the rules of supply and use of natural gas of RA were updated. The amendment of the rules, as a continuous process, is due to the need to improve and modernize supplier-subscriber legal relations, eliminate defects and solve problems that have emerged as a result of the analysis of applications and complaints received by the Commission. In particular, as a result of the amendment of the rules for the supply and use of natural gas:
 - The definition of subscribers with domestic consumption has been clarified;
 - In order to improve the quality of service, it is planned to pay a penalty to subscribers by the supplier ("Gazprom Armenia" CJSC) for not carrying out or incompletely carrying out technical service works;

- ❑ It is planned to introduce electronic information means in order to make the forms of proper notification to the subscribers more operative;
 - ❑ The procedure for the design, construction and adjustment of gas consumption systems was specified, planning to carry out the works based on the technical conditions provided by the supplier;
 - ❑ In order to increase the security of natural gas supply, a mandatory stoppage of gas supply is planned in cases where voluntary changes of projects and gas devices have occurred in the gas consumption system of subscribers and gas supply can be restored only after the mentioned defects have been eliminated.
- According to the Resolutions N136-N and N137-N of the PSRC of RA from May 10, 2024, the rules for the provision of drinking water supply and drainage (wastewater treatment) services of RA and the sample form of the service provision (supplier-resident subscriber) contract of drinking water supply and drainage (wastewater treatment) signed with subscribers were amended. As a result of the mentioned amendments:
 - ❑ A new regulation has been defined for cases where there is more than one demarcation point between the supplier and the subscriber;
 - ❑ The procedures for the access of the supplier's representative to the subscriber's premises, the opening of a registration card for the subscriber, the supplier's notifications to the subscribers and the resolution of disputes, the conclusion, modification and termination of the contract have been clarified;
 - ❑ The mechanism of concluding public contracts (offerta) was inserted;
 - ❑ The procedures for sealing and revising the commercial accounting device with a holographic seal, including the quantities of services provided to the subscriber and the amounts to be paid for them in the settlement document and (or) the document certifying the payment, informing the subscriber about them, paying them by the subscriber, paying a penalty to the subscriber, etc. have been updated.
 - According to the Resolution N336-N of the PSRC of RA from October 9, 2024, the rules for the provision of drinking water supply and drainage (wastewater treatment) services of RA (JMOK) were amended.
 - ❑ According to the rules, the duration of interruption of water supply to a subscriber due to an emergency cases should not exceed 36 hours, and in case of interruption of water supply carried out by main water pipes with a diameter greater than 500 mm, should not exceed 72 hours;
 - ❑ Before the amendments, for the violation of the defined deadlines for the restoration of the water supply interruption, it was foreseen for the supplier ("Veolia Water" CJSC) to pay a penalty to the subscribers in the amount of 50 percent of

the average monthly amount calculated for the provided services, but not more than 2000 drams. In this instance, the problem was that in many cases, in the event of repeated violations of the subscriber's water supply interruption period due to an accident, the current edition of the rules did not provide a change in the amount of the penalty;

- ❑ Therefore, as a result of the amendment of the rules, it was defined that in the case of interruption of water supply to subscribers and its restoration, in case of repeating the violation of the terms set by the rules within one year, the supplier is obliged to pay an additional penalty to the customers in the amount of 50 percent of the average monthly amount calculated for the provided services, but not more than 10,000 AMD.

Internal Projects

PSRC representatives participated in the events organized by the Energy Community, NARUC, EU4Energy, USAID and ERRA in online and offline formats.

Policy and regulatory developments in the area of decarbonization and Energy Transition

- In order to neutralize the problems and possible risks that arose as a result of the operation of the electricity market and during the trade in the market, amendments and additions were made to the trading rules of the electricity wholesale and retail markets, distribution and transmission network rules, which were approved by the resolutions of the PSRC of RA, in particular as a result of the above-mentioned

changes, the following were specified:

- Legal relations for calculating the values of the actually delivered (purchased) electricity (capacity) in emergency situations.
- The procedure for changing and terminating the balancing responsibility status of an Electricity Retail Market trade participant at the initiative of the market operator.
- Electricity trading mechanisms in the regulated component of the direct contract market.
- Legal regulations related to the termination of the supply contract concluded between the supplier and the consumer.
- The procedure for licensing activities in the field of energy, approved by the Resolution No. 374-N of the PSRC of RA on November 1, 2013, has been updated. According to it:
- In order to simplify the current procedure and ensure legal certainty, the licensing process has been revised and more efficient regulations have been developed.
- The requirements submitted to the business plan have been simplified, among other things, the existing repetitions have been eliminated. ■



AERA Azerbaijan

Recent Developments

- According to **Azerbaijan Energy Regulatory Agency (AERA)** decree of the Cabinet of Ministers of the Republic of Azerbaijan dated 25 June 2024, No. 315 on approval of the "Electricity networks rules" were adopted.
- Decree of the Cabinet of Ministers of the Republic of

Azerbaijan dated 25 June 2024, No. 314 on approval of the "Rules of operation of closed distribution networks" were adopted.

- The Decision of the Board of the Ministry of Energy were adopted on:
 1. "Rules for installing electrical devices";
 2. "Rules of safety equipment in the operation of electrical installations";
 3. "Rules of technical operation of electrical installations".
- Decree of the Cabinet of Ministers of the Republic of Azerbaijan dated 2 May 2024, No. 242 on approval of the "List of consumers who do not apply restrictions on the supply of electricity to ensure the stability of the system in case of insufficient power" were adopted.
- Resolution of the Tariff Council of the Republic of Azerbaijan dated 3 May 2024, No. 4 on the "Regulation of payment amounts for the connection service of construction facilities to the electric network" were adopted.
- Resolution of the Cabinet of Ministers of the Republic of Azerbaijan dated 16 May 2024, No. 261 on approval of "Dimensions of power grid protection zones and requirements for carrying out economic work in those areas" were adopted.
- The "Electronic Information Handbook of AERA" is developed as part of the "2024 Roadmap for the implementation of improvements and communication in the relevant field related to the "Utilities (electricity)" indicator of the World Bank "Business Ready" report". This initiative aims to enhance transparency, efficiency,

and regulatory clarity within the electricity sector.

- The tariff methodology, which was prepared with the support of the European Bank for Reconstruction and Development (EBRD), is currently in the agreement stage with other government authorities. In the meantime, AERA refers to this methodology when preparing tariff proposals.

Internal Projects

- On September 19, AERA held a seminar for journalists specializing in the energy sector to familiarize them with key legislative terms and new regulations. The event featured presentations on Azerbaijan's electricity sector and transition to green energy, as well as connecting buildings to electricity and gas distribution grids, followed by discussions and a Q&A session.
- Between May 1-May 31, 2024, public speaking training for the staff was conducted as part of the collaboration between AERA and the Television and Radio Academy of the Azerbaijan Television and Radio Broadcasting Closed Joint-Stock Company (AzTV).

Policy and regulatory developments in the area of decarbonization and Energy Transition

- The "Road Map for 2024 on Stimulating the circulation of environmentally clean and safe vehicles and improving infrastructure" was adopted by the Commission for Business Environment and International Ratings of the Republic of Azerbaijan. As part of this roadmap, a study of the current situation and international experience regarding the regulation of electric vehicle charging services in the country

was conducted, and relevant proposals were prepared and presented, including suggestions on organizing preferential electricity sales at Electric Vehicle Charging Stations. ■



FERK Bosnia and Herzegovina

Important Regulatory Developments

- In line with the commitments prescribed in the new set of energy laws, the **Regulatory Commission for Energy in Federation of Bosnia and Herzegovina (FERK)** has completed the adoption of new and amending of existing bylaws by the prescribed deadlines. New rules and regulations, including methodologies for determining tariffs for usage of distribution system and closed distribution system, methodology on connection fee and new general conditions for electricity supply and delivery, rules on quality of supply and new rulebook for licensing in the oil sector are prepared and adopted.
- On 28 June 2024 FERK has approved the proposal of public supply prices by JP Elektroprivreda BIH d.d. – Sarajevo. New public supply prices are in effect from 1 August 2024. The average increase for all categories and groups of consumption using public supply is 9.3 %.

Internal Projects

FERK has been actively engaged in the Working Group for Public Relations of USAID EPA Project. The Project has finished in September 2024. The one of the most important outcomes of the project is [Glossary – Energy for all](#). ■



HERA Croatia

Important Regulatory Developments

● Electricity

On 13 June 2024 on Croatian EU borders with Slovenia and Hungary together with other SIDC borders new pricing mechanism for intraday cross-zonal capacities is introduced. Implementation of Intra-day auctions (IDAs) represent a key component for completing the European Internal Electricity Market. So far, intraday market has been based only on continuous trading method. IDAs are allocations in the form of implicit auctions where collected orders are matched, and cross-zonal capacity is simultaneously allocated for different bidding zones and consequently clearing prices for each bidding zone are determined. There are three European-wide auctions: at 15:00 (D-1), 22:00 (D-1), and 10:00 (D).

● Gas

□ In May 2024 the **Croatian Energy Regulatory Agency (HERA)** organised a public tender for the selection of gas suppliers under the public service obligation regime for household final customers for the period from 1 October 2024 to 30 September 2027, for all 27 gas distribution areas in Croatia. Following the public tender, on 29 May 2024 HERA issued decisions for selection of gas suppliers under the public service obligation regime. As a result of the tender, as of 1 October 2024 public gas supply in Croatia is performed by 13 gas suppliers, compared to 11 in the previous period. The new 3-year period of the public service obligation

regime represents a further step in the process of gradual deregulation of the Croatian gas market, provided for in the applicable Gas Market Act, and it will benefit all household customers using public service as it resulted in the selection of the most qualified and competitive tenderers as public service suppliers across the distribution areas.

- In March 2023, the Government of Croatia adopted the Decree on eliminating disturbances on the domestic energy market (*Uredba o otklanjanju poremećaja na domaćem tržištu energije*), Official Gazette No. 31/23, 74/23, 107/23, 122/23, 32/24, 104/24) which is in force until 31 March 2025, and which, due to disruptions on the domestic energy market, regulates special measures for gas trade, the manner and conditions of gas price formation, ensuring conditions for the security of gas supply for certain categories of gas buyers, and special conditions for performing energy activities with gas. In accordance with the provisions of the Decree, HERA is obliged to supervise implementation and execution of the activities prescribed by the Decree.

Internal Projects

● Gas

HERA established the gas price comparison tool ([Alat za usporedbu cijena plina](#)), to make it easier for final customers to select a gas supplier, compare gas prices and gas supply conditions, and to make gas supplier contact information more accessible. This

informative application aims to objectively and clearly present a comparison of gas prices and standardised gas offers by individual gas suppliers.

As it is particularly important to make all relevant information available to final customers, HERA informs consumers of their rights and obligations:

- ☐ by regularly publishing information on HERA's official website, informing gas market participants about their rights and obligations, especially in the area of gas supply contracting for end customers;
- ☐ by monitoring information published on energy entities' websites;
- ☐ by responding to consumer inquiries;
- ☐ and via the tariff calculator (iPlin) for consumers supplied under the public service obligation regime.

To this end, HERA undertook several measures and activities, the most important of which were informing gas market participants of their rights and obligations, in particular as regards the contracting of gas supply to final customers, with more detailed information published on the HERA website. ■



Important Regulatory Developments

- **New electricity network tariffs to be adopted for the period 2025-2028.**

The current tariff period will come to an end on July 31, 2025. Throughout the past year the **Energy Regulatory Commission (CRE)** of France has been

preparing the next tariffs by gathering the views of stakeholders through written consultations and thematic workshops attended by up to 200 participants. On October 17, 2024, it launched a new public consultation on the main orientations resulting from this work. CRE estimates that it will be necessary to increase the network tariff by around 10% in 2025. It also considers:

- ☐ Modernizing the peak/off-peak system to encourage consumers to shift their consumption habits to periods when energy is abundant and less costly by gradually introducing summer afternoon off-peak hours from August 2025.
 - ☐ Implementing specific cost billing for users who do not use smart meters.
 - ☐ Strengthening regulatory incentives regarding connections to distribution and transmission networks.
 - ☐ incentivizing the TSO to make greater use of flexible solutions.
- **Ensuring the sound operation of the electricity and gas retail markets**

The crisis has left some consumers losing confidence that the electricity and gas markets are working properly and has revealed the need for greater consumer support and protection. Since the beginning of 2024, CRE has been working on a threefold program:

1. **Ensuring the coherence of offers**

From January 1, 2025, CRE will conduct more systematic checks to ensure that suppliers' supplies are in line with the price commitments

set out in their supply contracts.

2. **Introducing prudential oversight**

CRE has put out for consultation a proposal for prudential rules to ensure that all suppliers observe prudent and responsible risk management practices. CRE expects to adopt them by the end of 2024.

3. **Improving consumer information**

CRE has developed 13 specific measures that now stand as guidelines for voluntary suppliers. Their commitment will enable almost all residential consumers (99%) to better anticipate their bills, benefit from greater price transparency, clearer information at the end of their contract, and reinforced advice.

Internal Projects

- **Launch of a foresight working group on "the integration of small modular reactors (SMRs) into energy systems"**

CRE's Foresight Unit brings together a working group of industry experts, industry players and academics to consider the technology's possible deployment model, particularly in terms of the regulatory and economic framework. The working group will also assess the impact of SMR on the power system. This work will culminate in a report validated by the CRE's Scientific Council and will help define a development framework for the sector and contribute to the potential evolution of the regulator's missions. International contributions are welcome.

- **CRE's director for wholesale markets, Kseniya KHROMOVA, appointed Co-Chair of the REMIT Committee of the Agency for the Cooperation of Energy Regulators (ACER)**

ACER's REMIT Committee steers the work of the operational working groups aiming for a common approach to the implementation of the European regulation concerning the integrity and transparency of the wholesale energy market.

Policy and regulatory developments in the area of decarbonization and Energy Transition

- **CRE's recommendations on the regulatory framework for hydrogen and carbon network and storage infrastructures**

CRE published initial proposals commissioned by the government in Autumn 2023. CRE considers that hydrogen networks have different regulatory needs at local and national levels. For CCUS, it anticipates that regulation may be necessary for certain links in the value chain. Consequently, CRE is proposing recommendations on vertical and horizontal unbundling, third-party access to infrastructure and pricing methods to support the development of this sector. These recommendations could evolve following the development of these fast-changing sectors.

- **CRE's foresight report on CO₂ capture, transport, storage and recovery**

Through 11 recommendations, it proposes to strengthen the support to CCUS by building the social acceptability of projects, organizing the planning and coordination of their implementation, introducing flexible regulation of value chains, providing public support for the

investments essential to their development, and anticipating the economic and technical risks associated with their deployment.



GNERC Georgia

Important Regulatory Developments

- From July 1, Georgia has initiated a transitional model for its electricity market, preserving the existing structure of the wholesale market while introducing new trading opportunities. This transitional phase will continue until July 1, 2025, when further market reforms are planned. Under the new model, participants can engage in day-ahead and hourly electricity trading on daily markets, however with certain restrictions. Importers, exporters, and wholesale suppliers are currently restricted from participating, while large consumers, suppliers, and system operators can only purchase electricity.
- The **Georgian National Energy and Water Supply Regulatory Commission (GNERC)** has amended its electricity sector tariff calculation methodologies. The changes modify Resolution No. 68 of December 15, 2020. Key updates include:
 1. Revised methodology for last alternative supply tariffs.
 2. Changes to service fee calculations for day-ahead and daily electricity market operators.
 3. Modified wholesale public service fee calculation methodology.
 4. Updates to guaranteed capacity fee and electricity production rate calculations.

These amendments aim to refine tariff calculations and enhance regulatory oversight in Georgia's electricity market. The Commission will monitor the implementation of these changes in the coming months.

- The Georgian National Energy and Water Supply Regulatory Commission has approved the metering plan for the accounting system of LLC 'Georgian Amelioration.' According to the plan, the metering of non-core users (ponds, technical water users) covers 2024-2025 years, while the plan for the installation, reconstruction, and metering of balance (continuous) supply points is set for 2025-2035.
- A Memorandum of Cooperation was signed between the Georgian National Energy and Water Supply Regulatory Commission (GNERC) and the Georgian Competition and Consumer Agency (GCCA).

Internal Projects

- Supported by the Georgian National Energy and Water Supply Regulatory Commission and the Energy Training Centre, a six-month mentorship program was conducted to promote women in the energy sector. The program included individual training sessions aimed at enhancing participants' professional development, as well as improving their public speaking, project management, and communication skills.
- To strengthen the role of women in the energy sector, a paid internship program was implemented twice under NARUC's gender equality program, 'Advancing Women Leaders in Energy,' supported by USAID. The internships were conducted in the Electricity, Natural Gas, and Legal Departments of the Regulatory Commission, as well as at the Elizbar Eristavi Energy Training

Centre affiliated with the Commission.

Policy and regulatory developments in the area of decarbonization and Energy Transition

Georgia has introduced changes to its support scheme for renewable energy projects, aiming to expedite operations and attract investments. The new mechanism, developed in collaboration with international financial institutions, involves fixed price support to mitigate commercial risks in energy project implementations. This revised approach is expected to encourage more private investors and developers to engage in renewable energy projects, with the government offering energy projects at fixed prices determined through auctions. Projects that participated in auctions but couldn't be accommodated within capacity quotas now have the option to negotiate directly for fixed price support. The government has also established clear mechanisms and increased guarantees to support qualified developers and investments, with expectations of numerous power plants becoming operational in the coming years. ■

RAAEY Greece

Important Regulatory Developments

Three new innovative digital tools for monitoring the Hellenic wholesale electricity market have been developed by the Regulatory Authority for Energy, Waste and Water (RAAEY) of Greece.

The Regulatory Authority for Waste, Energy and Water (RAAEY) has put into trial three new innovative digital tools related to the "Energy Balance", "The Duck Curve" and "estimated Energy Surplus". More specifically, for each hour of a selected date or time-period of the:

- Day Ahead Market (DAM Schedule),

- Day Ahead and Intraday Markets (Market Schedule),

- Integrated Scheduling Process (ISP Schedule),

Hourly, average and total volumes are reported for the following figures (Energy Mix, The Duck Curve, estimated Energy Surplus).

The digital tools are accessible on the [Authority's Website](#), by selecting in the horizontal menu bar: "Market Monitoring", then "Hellenic Wholesale Electricity Market" and lastly "Statistics of the Hellenic Wholesale Electricity Market"

The direct links for the three new digital tools are the following:

- [Energy Mix](#)
- [The Duck Curve](#),
- [estimated Energy Surplus](#)

The tools are addressed to all energy market players, researchers and analysts who wish to have a more in-depth analysis and knowledge of the functioning of the energy market. ■

MEKH Hungary

Important Regulatory Developments

- **The Hungarian Energy and Public Utility Regulatory Authority (MEKH) has been co-lead NRA of the Electricity Core Region**

From April to September 2024, the Energy Regulatory Authority Working Group of the Core Region, which brings together the electricity systems of 14 EU Member States, was co-led by MEKH and the Austrian authority E-Control. Meetings of the Regulatory Coordination Committee (Core RCC) and Implementation Group (Core IG) together with Core Transmission System Operators were held on 17-18 June 2024 at MEKH headquarters to assess the results and possible directions for improvement of the recently introduced intraday flow-based regional capacity calculation.

More information available at: <https://www.mekh.hu/mekh-coordinates-the-work-of-the-core-regional-energy-regulators-as-co-lead>.

- **MEKH has published the natural gas distribution tariffs for the 2024-2025 Gas Year**

On 9 August 2024 MEKH published the natural gas distribution tariffs to be applied by natural gas distribution companies for the period from 1 October 2024 to 30 September 2025. Regulation of the tariffs does not affect the energy costs of households using natural gas under universal service. The distribution tariffs applicable in the 2024/2025 gas year have not changed significantly compared to the previous gas year.

More information available at: <https://www.mekh.hu/mekh-has-published-the-natural-gas-distribution-tariffs-for-the-2024-2025-gas-year>.

- **MEKH informed the Tariff Councils for waste about its tariff setting activities on 6 August 2024**

The Tariff Councils for waste, which act as a consultative body, met on the 6 August 2024 with the parties involved in the operation of the extended producer responsibility and the mandatory redemption fee schemes.

Members of each Tariff Council are representatives of the producers and waste recovery operators concerned by the product stream (batteries and accumulators, motor vehicles, tyres, textiles), a representative of MOHU Zrt. as the concession company, and persons appointed by the Minister responsible for waste management as well as the President of MEKH. During the meetings, MEKH informed the participants about the principles and rules of its tariff setting activities, the specificities of the national and EU regulatory

environment, and the fee modulation principles applicable to extended producer responsibility and mandatory redemption fees.

More information available at: <https://www.mekh.hu/tariff-councils-met-this-week>.

Internal Projects

● **MEKH celebrated its 30th anniversary**

MEKH has been the regulatory authority for the Hungarian energy and utility sectors since its predecessor, the Hungarian Energy Office, was established in 1994. Initially, MEKH's regulatory tasks covered the activities of monopoly licensees in the natural gas and electricity sectors, and later those of district heating producers. Due to market opening and the emergence of competitive market conditions, the scope of the organisation's supervisory powers has been significantly extended and new sectors have been added. Consistent with EU practice, MEKH has been an independent regulator of the energy and utilities sector since 2013. The Authority performs licensing, supervisory, price regulation and price preparation tasks in the electricity, natural gas, district heating and water utilities sectors, as well as preparing the tariffs for public waste management services. MEKH also acts as a coordinator of the unified national energy statistics and energy efficiency, issues guarantees of origins for electricity, and represents Hungary in international fora of energy regulators.

More information available at: <https://www.mekh.hu/leaders-of-the-european-energy-regulators-meet-in-budapest>.

● **CEER General Assembly and ACER Board of Regulators meetings in Budapest**

Discussions on the current issues of EU electricity market integration projects and the timetable for a study on a future-proof electricity market model were also on the agenda of the two-day meeting of the General Assembly (GA) of the Council of European Energy Regulators (CEER) and the Board of Regulators (BoR) of the Agency for the Cooperation of Energy Regulators (ACER) in Budapest on the 17-18 September 2024. Addressing the participants at the GA meeting, President of MEKH Edit Juhász emphasised that Hungary's participation in regional market integration remains key for security of supply. During the BoR meeting, the leaders of ACER and the energy regulators were informed about the energy policy objectives, initiatives and international highlights of the Hungarian Presidency of the European Union. The Hungarian programme and its energy priorities were presented by Energy Minister Csaba Lantos.

More information available at: <https://www.mekh.hu/leaders-of-the-european-energy-regulators-meet-in-budapest>.

Policy and regulatory developments in the area of decarbonization and Energy Transition

● **Hungarian Renewable Energy Share Rises to Over 15%**

MEKH published on 18 June 2024 its report analysing the period 2010-2022, showing that the overall renewable energy share reached 13.9% by 2020, exceeding the 13% target set by the Directive 2009/28/EC on the promotion of the use of energy from renewable sources (REDI). By 2022, the aggregate share of renewable energy increased further, with renewable energy accounting for 15.2% of total gross final energy consumption in Hungary. The share of renewable

energy in the electricity sector continued to increase in 2022, from 13.7% in 2021 to 15.3%, driven by a further increase in solar PV capacity. The installed capacity of solar PV increased from 2 MW in 2010 to 4,235 MW in 2022, and solar PV capacity grew by almost 40% in both 2021 and 2022. In the heating and cooling sector, there was a clear increase in the share of renewables in 2022, from 17.9% in 2021 to 20.3% in 2022. The use of energy from biogas and solid biomass for heating purposes decreased slightly, but increased for other renewable technologies. In the transport sector, after a significant decrease in the share of renewables in 2021 due to the methodological changes introduced by the new Renewable Energy Directive, the share of renewables increased again in 2022, from 6.2% to 7.8%. Examining the energy mix of total renewable energy use by energy carrier, solid biomass continued to dominate in 2022 (61.4%), with residential solid biomass (firewood) accounting for the largest share of total renewable energy use (44.5%). In addition, it is important to note that the share of solar renewable energy in total renewable energy use increased from 0.2% in 2010 to 14.7%.

More information available at: <https://www.mekh.hu/hungaria-n-renewable-energy-share-rises-to-over-15>. ■



State Department, Kyrgyz Republic

Important Regulatory Developments

According to **Department for Fuel and Energy Complex Regulation under the Ministry of Energy of the Kyrgyz Republic**:

- In accordance with the Medium-Term Tariff Policy of the Kyrgyz Republic for Electricity for 2021-2025, approved by the Resolution

of the Cabinet of Ministers of the Kyrgyz Republic dated September 30, 2021 No 192, it is envisaged to establish tariffs for all groups of consumers until 2025 with annual adjustment to the inflation rate. According to the data provided by the Ministry of Economy and Commerce of the Kyrgyz Republic, the actual inflation rate for 2023 was 10.8%.

Thus, from May 1, 2024, electricity tariffs for all end users were adjusted to the actual inflation rate over the previous year, that is, the increase was 10.8%.

- In accordance with the Medium-Term Tariff Policy of the Kyrgyz Republic for Heat Energy and Hot Water Supply for 2021-2025, approved by the Resolution of the Cabinet of Ministers of the Kyrgyz Republic dated September 30, 2021 No 193, in order to reduce subsidies and gradually achieve self-sufficiency in the energy sector, as well as to introduce a fair approach to tariff setting, a social norm of monthly consumption was introduced for residential premises with a total area of up to 80 m², the tariff for hot water supply is equated to the social norm.

At the same time, for households that exceeded the social norm of monthly consumption, tariffs for heat energy in excess of the norm will be applied at the level of the cost of heat energy for each m² of excess.

Thus, from June 1, 2024, the heat tariff for the population with a total area of up to 80 m² will be 1560.0 KGS/Gcal, which is 312.0 KGS or 25% more than the current tariff. For households with area over 80 m², the tariff for heat energy will be applied at the level of the cost of heat energy for each m² of excess.

- The tariff for hot water supply from June 1, 2024 for households will be 1560.0 soms / Gcal, which is 440.0 soms or 39.3% more than

the current tariff. It should be noted that the tariff for heat energy in the form of hot water is set for heat supply organizations for all groups of consumers individually according to metering devices and based on consumption.

- For the consumer groups "Industry", "Public consumers", "Other consumers", the tariff for heat energy and hot water supply remains at the level of the cost of heat energy.
- Also, from June 1, 2024, the tariff for heat energy in the form of steam for households will be 1560.0 KGS/Gcal, which is 312.0 KGS or 25% more than the current tariff, for the "Industry" group of consumers it remains at the level of the cost of heat energy.

Policy and regulatory developments in the area of decarbonization and Energy Transition

- In accordance with the Decree of the President of the Kyrgyz Republic "On Certain Issues of the Fuel and Energy Complex" dated April 3, 2024 No 89, the Resolution of the Cabinet of Ministers of the Kyrgyz Republic "On the Transfer of Property Complexes of the Branches of the Open Joint Stock Company "Electric Power Plants" CHPP of the city of Bishkek and "Bishkekteploset" of the municipality of Bishkek" dated June 7, 2024 No 303 and the Resolution of the Municipality of Bishkek "On the establishment of a municipal enterprise "Bishkek Thermal Power Plant" dated July 31, 2024 No 133, the municipal enterprises "Bishkek Thermal Power Plant» and "Bishkekteploset" were formed.
- At the same time, in order to implement the Resolution of the Cabinet of Ministers of the Kyrgyz Republic "On the Reorganization of the State Enterprise "Kyrgyzteploenergo" under the

Ministry of Energy of the Kyrgyz Republic" dated July 2, 2024 No 345, measures were taken to reorganize the State Enterprise "Kyrgyzteploenergo" by dividing it and establishing 34 municipal enterprises on the basis of its branches. ■

PUC Latvia

Important Regulatory Developments

- **OECD Second Progress Review of Latvia's Public Utilities Commission (PUC)**

This second progress review evaluates the changes made by Latvia's Public Utilities Commission over the last three years to implement 2016 OECD recommendations, following a first progress review in 2021. The review tracks progress and provides advice on how to increase the effectiveness of regulatory activities and, ultimately, improve outcomes for consumers and the economy. The PUC is the first regulator to have its second progress review, demonstrating efforts to build regulatory excellence.

- **Energy price developments**

According to data gathered by the PUC:

- the weighted average retail electricity price without taxes and system services in 2024 Q2 was 105.48 EUR/MWh for commercial consumers (-19.4% compared to 2023 Q2) and 137.87 EUR/MWh for households (-19.1% compared to 2023 Q2); (See *Figure 1*)
- the weighted average retail gas price without taxes and system services in 2024 Q2 was 41.63 EUR/MWh for commercial consumers (-32.6% compared to 2023 Q2) and 55.3 EUR/MWh for households (-42.9%

compared to 2023 Q2). (See Figure 2)

Internal Projects

- In May 2024, the guidelines for the use of PUC's new visual identity, which had not been changed since 2015, were approved, including an updated PUC logo, redefined colours, fonts and other elements included in the stylebook.
- As every year, in the summer PUC employees had the opportunity to participate in various sports activities. At the end of May, the annual PUC Novus Tournament and Board Game Afternoon took place. From June 1 to August 31,

all employees of the Regulator could take part in the PUC summer challenge by registering all their activities in the disciplines of running, walking and cycling in the online application MapMyRun. In 3 months, 30 participants covered a total of 111,242.6 km in four distances.

- In August 2024, the PUC annual conference took place, the focus this year was on security issues affecting the industries regulated by PUC, and experts from various fields shared their experiences. The conference was opened by the Minister of Climate and Energy Kaspars Melnis. Among the topics covered were challenges in the development of

the energy sector, the impact of geopolitical processes on the costs of public services, aspects of cyber security in the provision of electronic communications, the impact of citizens' habits on global environmental and climate processes, as well as other issues.

Policy and regulatory developments in the area of decarbonization and Energy Transition

- On October 1, 2024, the Cabinet of Ministers approved the draft Climate Law, developed by the Ministry of Climate and Energy (KEM), which aims to ensure Latvia's progress towards limiting climate change. The climate law sets Latvia a target of 17% emissions reductions by 2030 compared to 2005. This target applies to all sectors of the economy - transport, agriculture, industry, energy, waste management. The draft Climate Law brings together in one place all climate policy legal provisions that were previously defined in other laws, as well as introducing new elements that were not regulated before.
- On October 8, the Cabinet of Ministers approved the amendments to the Electricity Market Law developed by the KEM. The purpose of the amendments of the draft law is to strengthen the rights of users and expand their opportunities in the electricity market, to reduce the system costs of electricity distribution system operators in the future, as well as to reduce the administrative burden of operators ■

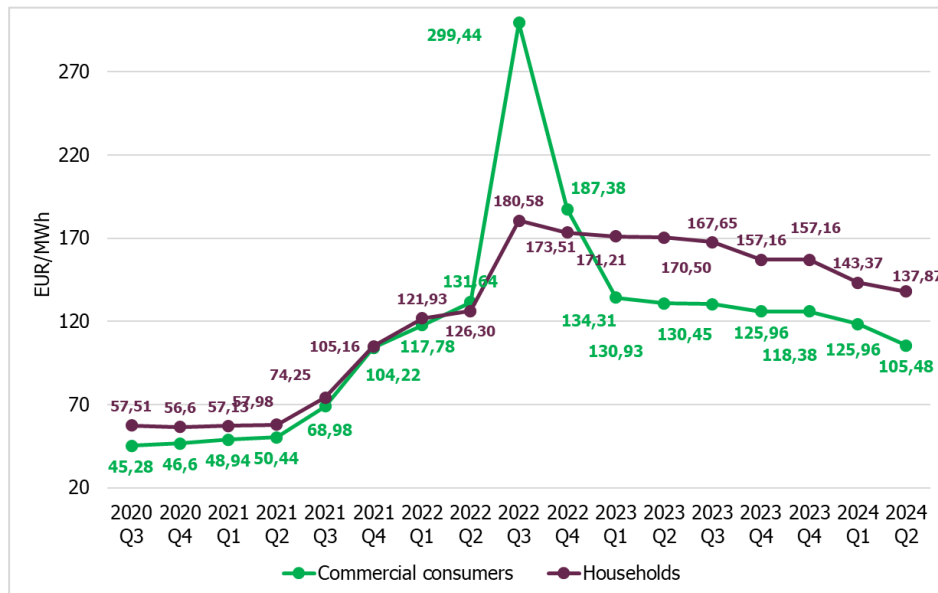


Figure 1. Weighted Average Retail Electricity Prices

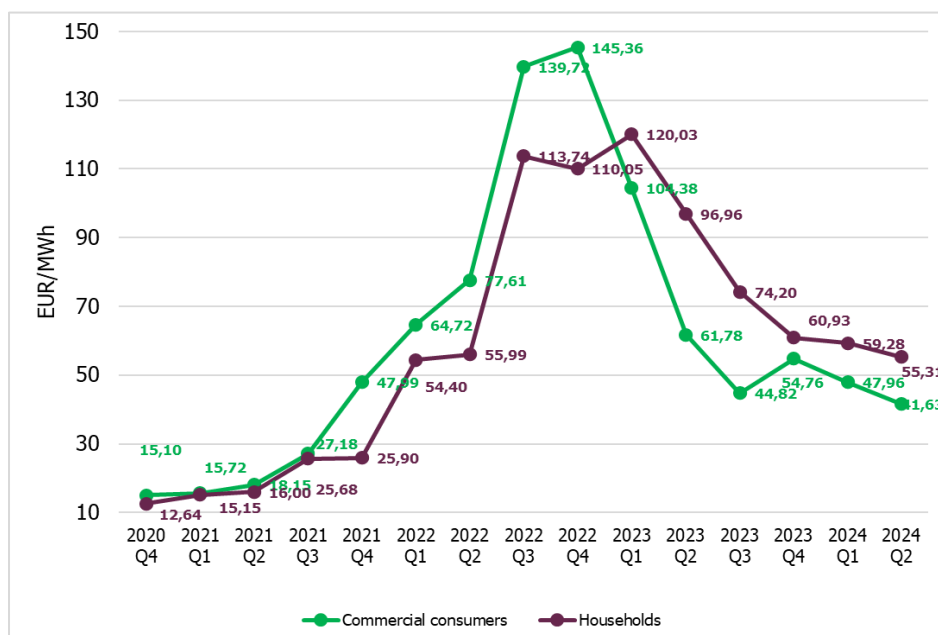


Figure 2. Weighted Average Retail Gas Prices



Important Regulatory Developments

- The **National Energy Regulatory Council (NERC)** of Lithuania having checked whether UAB "Ignitis" established prices in accordance with the

requirements for price and tariff setting and whether individual consumer groups were not discriminated against, found no violations and approved UAB "Ignitis" public electricity tariffs for household consumers for the II half of 2024 and entered into force on 1 July 2024. The main reason for the decrease in electricity tariffs is that in the H2 of 2023, UAB "Ignitis" collected EUR 13 million more in revenues from the supply of electricity than the actual price of electricity. (See Figure 3)

- **NERC set the price cap for AB "Litgrid" transmission service for 2025** at 1.046 ct/kWh, which is 21.3 % lower compared to the price cap set for 2024. The decrease in the price is due to the decrease in technological costs, the use of congestion management revenues to amortise the increase in the transmission tariff caused by written-off assets, the recovery of the excess return on investment for the years 2022-2023 and for the H1 of 2024, as well as the correction of the LRAIC investment level for the years 2022-2023.
- **Baltic NRA's position on the review of the current configuration of the Baltic bidding zones**

NERC, Latvian and Estonian NRAs, considering the agreement reached during the roundtable discussions with market stakeholders on June 14, 2024, to provide a joint conclusion on the way forward following further internal deliberations, acknowledged the importance of optimizing bidding zone configurations to maximize economic efficiency and cross-zonal trading opportunities, while also taking into account network security, market efficiency, stability, and robustness principles. In order to assess alternative bidding zone

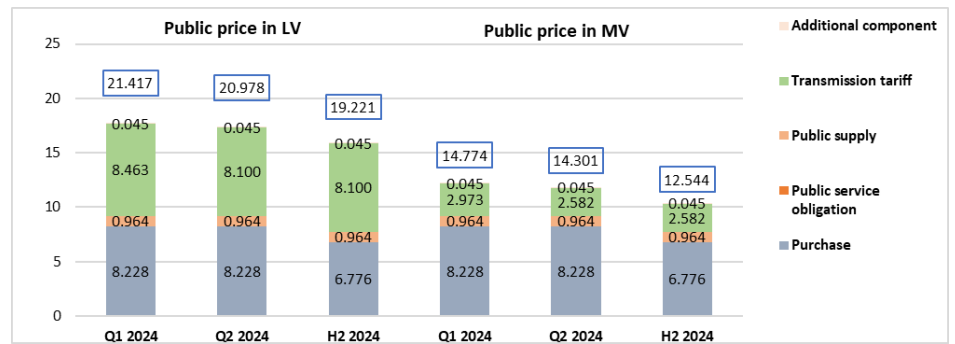


Figure 3. Approved UAB "Ignitis" Public Electricity Tariffs for Household Consumers for the II Half of 2024

configurations, a comprehensive cost/benefit analysis carried out according to scientific standards will be required to evaluate market conditions and the potential impacts. The upcoming synchronization of the Baltic States with the CESA in February 2025 will be the starting point for real-time data collection. Over the course of a year, this data will enable to assess whether a joint study on bidding zones is warranted.

- **NERC has approved methodologies for synchronizing Lithuania's electricity system with the Continental European Network**

Methodologies define the rules determining the volume of frequency containment reserve (FCR), limits on the amount of exchange and sharing zone frequency recovery reserve (FRR) and zone replacement reserve (RR) between synchronous zones. They establish standardized settlement rules for planned energy exchanges due to frequency containment processes, as well as for unplanned exchanges. This aims to ensure reliable power supply, enhance European and national market efficiency, reduce dependence on third-party electricity supplies and improve operational security and frequency stability. The methodologies will take effect with synchronization on February 9, 2025.

- **NERC approved amendments to the Description of the Electricity**

Transfer Reliability and Quality of Service Indicators

These amendments specify the presentation of reliability and service quality metrics, specifying detailed indicators, defining exceptional cases, and outlining reasons for transmission interruptions, while introducing new service quality standards. Key changes include additional indicators for assessing the quality of consumer consultation and compensation timelines. Operators are now required to determine causes of interruptions in transmission and must comply with standards on territorial zoning for electrical installations, as set in the Law on Electricity. After the regulatory period, NERC reviews operators' data to confirm final indicator levels and informs operators in writing. Customer service quality evaluation involves tracking the amount and percentage part of answered calls and response times for repeated email inquiries. The annual report must meet a minimum quality threshold, with repeated email queries kept under 5% of total inquiries that are repeated email queries within 60 days, and with call responses no less than 95%, and the amount of compensation paid out for transmission interruptions.

- **NERC has approved amendments to the Methodology for Setting of State-Regulated Prices within the Natural Gas Sector**

These changes define the process for recalculating natural gas tariffs on a quarterly basis and set

the conditions under which gas companies can use financial derivatives in regulated activities. Changes also include guidelines for companies to notify NERC if gas acquisition cost differences for household tariffs exceed 20% and, if necessary, to submit a revised tariff proposal. Additionally, NERC introduced changes to the Methodology specifying principles of calculation of the natural gas additional component for the security of supply to the natural gas transmission price, providing principles for the valuation of the additional net revenue received.

Internal Projects

From May 1, 2024, Parliament appointed **Mr. Karolis Januševičius** as a new member of the NERC for a five-year term. Meanwhile, on June 5, 2024, **Ms. Jelena Dilienė**, Deputy Chair of NERC, was elected **Chairperson of the ERRA Energy Transition Committee** for the 2024-2026 term.

Policy and regulatory developments in the area of decarbonization and Energy Transition

- NERC coordinated natural gas TSO AB "Amber Grid" ten-year network development plan (2024-2033)

Key changes include an increase in biomethane supply to the transmission system approximately by 1.4 TWh by 2030 (with the potential to reach 2.5 TWh) with this figure expected to rise to around 3.4 TWh by 2040. The plan explores integrating gas and electricity sectors, allowing surplus electricity to be converted into green hydrogen, which could be linepacked and transported via pipelines and later used to generate clean power or heat. The plan also provides €14.7 million in investments to adapt the transmission system for methane-hydrogen mixtures. Additionally, AB "Amber Grid" aims to reduce

environmental impact by 2/3 by 2030 compared to 2019 levels.

- **NERC has adopted amendments to the Procedure for the Organisation of Tenders and the Granting of Permits to Use Parts of the Maritime Area for the Development and Operation of Renewable Energy Power Plants**, in aim to align regulations with recent updates to the Law on Energy from Renewable Sources and to improve clarity and streamline the competition process. Key modifications include extending the registration period from 90 to 120 days, setting development fee requirement at a minimum of 5 million euros, with subsequent bids needing to be at least 5 million euros higher than the previous offer. Also, conditions for competition have been clarified: a competition will now be considered void if no participants register or if no registered participants meet qualification standards, as opposed to the previous requirement of at least two qualified registrants for validity. ■



ANRE Moldova

Important Regulatory Developments

The investments in PVs and wind power plants in the Republic of Moldova saw a sharp increase in the last 3 years.

According to the **National Agency for Energy Regulation (ANRE)** of Moldova the promotion of renewable energy support schemes has boosted the investments in photovoltaic and wind power plants.

The total amount of electricity generated by installations that use renewable sources of energy (except the electricity generated by the hydropower plant "Nodul Hidroenergetic Costești") and benefit from a support scheme or sell electricity at negotiated prices reached - 282, 8 million kWh in 2023, up about 44.1% compared to the previous year. (See **Figure 4**)

The generation capacity of photovoltaic installations increased 2.8 times in 2023, compared to the previous year. This is largely due to the implementation of "net metering" mechanism, as well as the "fixed tariff" support scheme.

The number of final consumers who benefited from the "net metering" mechanism increased 2.4 times in 2023 (compared to 2022), while the electricity deliveries to the grid increased 4.7 times higher compared to 2022 and 13,3 times higher compared to 2021.

The Government allocated 245 MW for the "fixed rate" support scheme, aimed at electricity producers with generation capacities between 10 kW and 4 MW for wind installations and 10 kW to 1 MW for photovoltaic installations.

The maximum capacity quota for photovoltaic power plants mounted on the ground was exhausted in 2022,

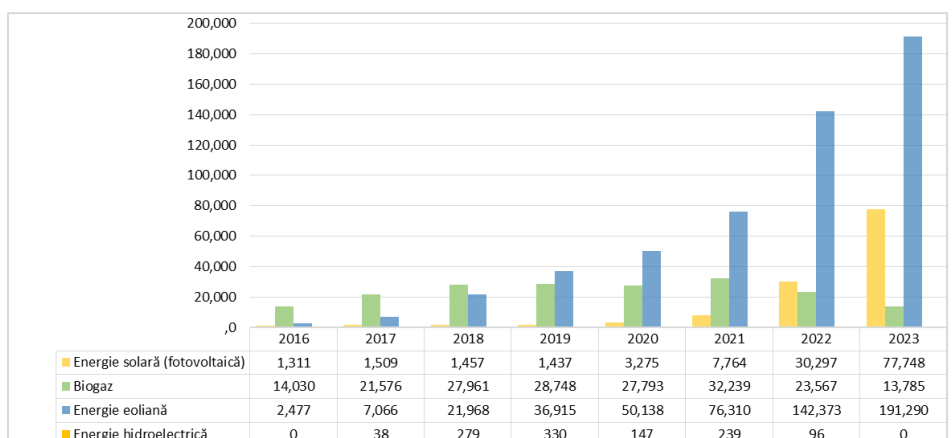


Figure 4. Electricity Production from Renewable Energy Sources, thousand kWh, 2016-2023

after regulatory authority (ANRE) received a record number of applications for the confirmation of the status of eligible producer.

In addition to installations that benefit from these support schemes, the producers have developed electricity generation projects from renewable sources to sell energy at negotiated prices based on bilateral contracts. At the end of 2023, the given capacities reached 109 MW.

Out of the total amount of electricity generated from renewable sources of energy (RES), wind installations have a share of 67.6%, photovoltaic installations 27.5% and biogas 4.9%. (See **Figure 5**)

According to the objectives set in the National Integrated Plan for Energy and Climate 2025-2030 draft, by 2030 Republic of Moldova has engaged in reaching a share of renewable energy of 27% in final energy consumption and reduce greenhouse gas emissions by 68.6% compared to 1990.

In this context, the Government has launched for the first time a tender for the construction of wind and photovoltaic power plants for the "fixed price" support scheme, oriented towards large production capacities (105 MW for wind installations and 60 MW for photovoltaic installations). The deadline for the submission of offers by interested investors is March 31, 2025. ■



North Macedonia

Important Regulatory Developments

According to the **Energy, Water Services and Municipal Waste Management Services Regulatory Commission (ERC)**:

- The Republic of North Macedonia is in a process of developing two new important legal acts: Energy Law and Law on Renewable Energy Resources. The process is led by the new established Ministry for energy, mining and mineral resources. The new

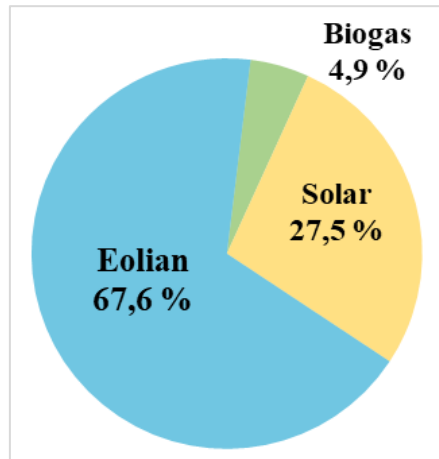


Figure 5. Share of Electricity Generated from RES use in %

Energy Law is in full compliance to the EU Clean Energy Package, adjusted to the Decisions of the Ministerial Council of the Energy Community. The new Energy Law is envisaged to give legal ground to the emerging needs of the national energy market in compliance to the fast-moving global trends in the energy sector. The Law is envisaged to be adopted by the Parliament till the end of 2024. The separate Law on Renewable Energy Resources is in parallel process of preparation and is expected to be adopted till the end of 2024.

One of the many benefits from the new Laws is the expected Market Coupling of the electricity day-ahead market of the Republic of North Macedonia with the electricity markets from neighboring countries, which is under preparation and the process is expected to be accelerated with the new regulation. Regarding gas for the first time there are provisions for Hydrogen and Biogas and enhanced framework for the security of supply.

These changes in regulation are designed to position North Macedonia as a stronger player in the regional energy market while aligning with EU energy and climate goals.

- On 27th of June 2024 ERC extended the license for electricity supply with obligations

for the Universal Supplier and the Supplier of Last Resort until 30th of June 2029.

- As of 1st of January 2024, ERC no longer sets prices for electricity supply to households and small consumers, this obligation is entrusted to the universal supplier with electricity. EVN HOME set the average electricity price for the period of 1st of July to 31st of December 2024 at 4,4427 denars/kWh (72,24 EUR/MWh).
- New tariffs for transmission, distribution and market operation shall be issued by ERC by end of November 2024.
- On 4th of July 2024, ERC adopted the Decision for Certifying and Appointing the Natural Gas System Operator of the Republic of North Macedonia, thus accepting the recommendations of the Energy Community. Following this decision, in every six months, the appointed natural gas system operator of the Republic of North Macedonia shall inform ERC on the activities it has undertaken related to the procedure for separating the function of the market operator in a special undertaking which shall perform the activities related to the organization, efficient functioning, and development of the natural gas organized market.

Internal Projects

- With support from USAID and NARUC, regional Advancing Women Leaders in Energy (AWLE) Initiative Mid-Career Phase II Leadership Training that was held in Skopje in June 24-26, 2024. The aim of the training was to raise awareness of the importance of gender equity in the energy sector and to build a comprehensive skillset that will contribute to women's overall leadership capabilities and strengthen their ability to advocate for their own career advancements.

- ERC in cooperation with NARUC and USAID, in December 2024 will organize a training session on "Unconscious Bias". The training is planned for all employees, and it derives from the ERC Action Plan, developed by members of the Human Resources Working Group in the frame of the NARUC and USAID project.
 - In the Action Plan of ERC, in addition to organizing training on the topic of "Unconscious Bias", the adoption of a "Manual for new employees" is foreseen.
 - ERC of North Macedonia has 1 President and 6 Commissioners and 36 professional and administrative employees. On 3rd of September 2024 new member of ERC has been appointed by the Parliament of the Republic of North Macedonia with mandate of 5 years (due to the expiration of mandate of 5 years of the previous member).
 - Below are the highlights of topics communicated with the ERC stakeholders in the reporting period:
 - ☐ March 2024
 - ⇒ 35% lower heating bills for schools, companies and other institutions, followed by interviews and the press conference.
 - ⇒ The ERC hosted the ERRA online celebration of International Women's Day.
 - ⇒ Monthly report about new power plants from renewable sources.
 - ⇒ Videos about the results of the implementation of the reform block tariffs and the consumption when there are cheap electricity hours.
 - ⇒ Communication training for public relations and collaborations with the USAID.
 - ☐ April 2024
 - ⇒ Information about the ECRB meetings.
 - ⇒ Results from the annual report on decreasing the import of electricity, followed by interviews and the press conference.
 - ☐ May 2024
 - ⇒ Information about ERC colleague and ERRA presidium member Ms. Andrijana Nelkova-Chuchuk becoming ERRA Chairperson.
 - ☐ June 2024
 - ⇒ Press interviews about the demands for the new electricity price.
 - ⇒ Press conferences and announcement of General Assembly of Water regulators.
 - ⇒ Announcement on the regional blackout.
 - ☐ July 2024
 - ⇒ Short video interviews with water regulatory from the General Assembly.
 - ☐ August 2024
 - ⇒ Sharing the photos from the meeting with the director of Energy Community, USAID.
 - ⇒ Press conference about the new prices for district heating.
 - ☐ September 2024
 - ⇒ Communication about the new heating season.
 - ⇒ Sharing journalist stories about important issues from the energy sector.
 - ⇒ Sharing information about the elected Vice-Chairman of the ERRA
 - ⇒ Short video from former presidents of ERC North Macedonia for the 20-year anniversary of the regulator.
 - Highlight videos from the ERC's activities:
 - ☐ [Setting the Electricity Tariff](#)
 - ☐ [20th Anniversary of the ERC North Macedonia](#)
 - ☐ [32nd General Assembly of WAREG in Skopje](#)
- Policy and regulatory developments in the area of decarbonization and Energy Transition**
- North Macedonia is pursuing an ambitious energy transition strategy, focusing on reducing greenhouse gas emissions and ending coal dependency. North Macedonia's strategic priority is to enhance its energy grids, integrate renewable sources, and promote a sustainable economic model that mitigates climate impacts while fostering job creation and economic resilience in former coal-dependent areas. In the previous few years, significant new investments in renewable energy resources in North Macedonia have contributed to a better position of the energy sector in the field of decarbonisation. However, new challenges like grid scarcity and increased balancing needs have incentivised the need for new solutions. Therefore, after the adoption of the new Energy Law and the Law on Renewable Energy Resources, ERC will work on an upgraded regulatory framework in the era of Energy transition.
 - The interest in the construction of new RES plans, particularly PVs continued in the second half of 2024. From May until the end of October 2024, an additional capacity of 189 MW was installed in the grids.
 - From January-October 2024 ERC has issued licenses for 254 new PVs that are already on the network with a capacity of 271 MW. The installed capacity of the PV for the first 9 months has

already increased by 32,4% compared to 2023. ■

NERC Nigeria

Important Regulatory Developments

- **The Nigerian Electricity Regulatory Commission (NERC) transfers regulatory oversight of the electricity market to 7 states**

In compliance with the amended Constitution of the Federal Republic of Nigeria (CFRN) and the Electricity Act 2023 (Amended), the Nigerian Electricity Regulatory Commission (NERC or the Commission) has issued orders to transfer regulatory oversight of the electricity market in seven states from the Commission to the states' regulatory agencies.

Under the new regulatory framework, the Commission retains its pivotal role as the central regulator. It will continue to oversee inter-state/international generation, transmission, supply, trading, and system operations, ensuring stability and continuity in the electricity market.

According to the EA, any state intending to establish and regulate intrastate electricity markets must follow a formal process. This process includes delivering a formal notification of its intent and requesting NERC to transfer regulatory authority over electricity operations in the state to the State Regulator.

Based on this, the governments of Enugu, Ekiti, Ondo, Imo, Oyo, Edo, and Kogi states complied with the conditions precedent in the laws, duly notified NERC, and requested the transfer of regulatory oversight of the intrastate electricity markets in their states.

NERC, in the Orders, made provisions for the respective electricity Distribution

Companies (DisCos) to incorporate subsidiaries to assume responsibilities for intrastate supply and distribution of electricity in the states from the DisCos.

So far, the states' regulatory agencies are Enugu Electricity Regulatory Commission (EERC), Ekiti State Electricity Regulatory Bureau (EERB), Ondo State Electricity Regulatory Bureau (OSERB), Imo State Electricity Regulatory Commission (ISERC), Oyo State Electricity Regulatory Commission (OSERC), Edo State Electricity Regulatory Commission (ESERC), and Kogi State Electricity Regulatory Commission (KSERC).

- **NERC Issues Order to Unbundle TCN, Creates NISO**

The Nigerian Electricity Regulatory Commission (NERC) has issued a new Order establishing the Nigerian Independent System Operator Limited ("NISO"), effective 1 May 2024.

It is to hold and manage all assets and liabilities related to market and system operation on behalf of market participants, consumer groups, or such stakeholders as NERC may specify.

NISO will now carry out all market and system operation-related contractual rights and obligations transferred to it by the Transmission Company of Nigeria (TCN).

Subsequently, the Bureau of Public Enterprise and the Ministry of Finance Incorporated are driving the process for the eventual take-off of the system operator for the Nigeria Electricity Supply Industry. ■

URE Poland

Important Regulatory Developments

- **The Balancing Market (BM)**



According to the **Energy Regulatory Office (URE)** of

Poland the second stage of BM started in June. The process of reforming the Balancing Market has been five years in the making, with the first stage having been implemented on 1 January 2021. The changes introduced at that time included broadening the list of entities that can participate in the balancing market to include RES generators, consumers and electricity storage facilities. The second stage of the Balancing Market reform went live as of June 14.

The second stage of the Balancing Market reform covers:

- Improving the mechanism for real-time energy pricing. It has been achieved mainly through the reduction of the settlements for balancing energy and imbalance to 15 minutes (from one hour). The electricity price will also take into account the valuation of the operating reserve and the costs associated with maintaining the sources that stabilise the system;
- Strengthening the market mechanisms in such a way that its participants are induced, through appropriate price signals, to increase their flexibility and match their production or off-take with the current needs of the electricity system. Among other things, these changes will contribute to better integration of renewables in the system and reduce the number of non-market-driven reductions in RES generation;
- Changing the structure of entities operating on the Balancing Market, as its participants will now be designated as Balancing Service Providers and Balancing Responsible

Entities. In addition, the participation in the BM will be open to entities with a minimum generating capacity of 0.2 MW, whereas until now participants had to have at least 1 MW of capacity. The possibility has also been introduced for smaller market participants to merge into larger groups, participating in the market together;

- ❑ New categories of facilities, Balancing Units and Scheduling Units, as well as new balancing services enabling not only the procurement of electricity but also balancing capacity (Frequency Maintenance Reserve, Frequency Restoration Reserve and Replacement Reserve);
- ❑ The planning process for the operation of the national electricity system and the rules for the notification of commercial and technical data by market participants to the transmission network operator;
- ❑ Introducing rules for the participation of Polish generators in the European platform for the exchange of balancing energy from replacement reserves and the European platform for imbalance netting process to the Balancing Terms, which will enable Poland's participation in these balancing instruments of the EU energy market.

The changes which came into force on 14 June result from the requirements set forth in the EU Electricity Internal Market Regulation and Regulation establishing guidelines for balancing as well as from the Implementation Plan for Electricity Market Reforms developed on the basis of the aforementioned legislation. Poland was required to prepare

the Plan and submit it to the European Commission in connection with the operation of the capacity market in our country.

- **The first report on power storage in Poland prepared by President of URE**



The aim for the report is to present the state of power storage market.

Since 3 July 2021, the storage of electricity in storage facilities with a total installed capacity exceeding 10 MW has been considered a regulated activity subject to a license from the President of URE. According to the Polish Law, an electricity system operator is not allowed to own, build, operate or manage energy storage facilities. However, the legislation indicates the prerequisites that must be met in order to allow an electricity system operator, after obtaining a decision from the President of URE which recognises the power storage facility as a fully integrated component of the grid, to own, build, manage or operate the storage facility in question.

Until 6 May 2024, the President of URE issued five decisions recognising DSOs' electricity storage facilities as fully integrated network elements, and one refusal decision.

Electricity system operators are required to maintain electronic registers of electricity storage facilities connected to their network, forming part of their network or forming part of a generating unit or end-use customer installation connected to their network. Electricity storage facilities with a total installed capacity over 50 KW but not exceeding 10 MW, are subject to disclosure in such a register.

Monitoring by the President of URE shows that electricity storage facilities have been

identified in the registers of the five largest DSOs and the TSO. Overall, they include 12 electricity storage facilities with a total installed capacity of 1,464.5 MW.

The dynamic growth of storage is linked to the operation of the capacity market. The support instrument in the form of standby fees payable to auction winners on the capacity market currently appears to be a key incentive for the development of storage facilities.

The storage facilities are expected to be crucial to ensuring the efficiency of flexibility services.

- **Gas market**



The President of the Energy Regulatory Office reviewed the application of Gas Transmission System Operator Gaz-System and approved incremental capacity project proposals for the border between Poland's and Ukraine's bidding zones. The aforementioned decision is based on Capacity Allocation Mechanism Network Code (CAM NC). The solutions envisaged in the document have been consulted with the Ukrainian regulator – The National Energy and Utilities Regulatory Commission of Ukraine (NEURC). The relevant capacity at the level of 3,095,890 kWh/h/y will be made available to the market as of the 2030/2031 gas year and will be offered in a yearly capacity auction for a period of 15 years.

The decision formed the basis for the auction of incremental capacity at the GAZ-SYSTEM interconnection point, which took place on July 1, 2024. In the annual auction, no amount of abovementioned incremental capacity was booked by any market participant, therefore, the outcome of the economic test was negative on both sides of the interconnection point at Polish-Ukrainian border. According to

Article 22(3) of CAM NC, in case no offer level results in a positive outcome of the economic test, the specific incremental capacity process shall be terminated.

Internal Projects

- **National report of the president of URE** has been published. It is annual in-depth insight into the situation on the Polish electricity and gas market. The report showed that 2023 was a time of dynamic changes in the Polish and European energy sector, related both to the geopolitical situation and the accelerating transition process.

In 2023, the situation on the electricity and energy commodity markets began to stabilise, but throughout the entire previous year the prices of electricity, gas and heat remained significantly higher than before the energy crisis. Therefore, customers were covered by shielding legal solutions, which consisted, among others, in establishing maximum price for energy carriers. The regulator consistently emphasised the need to discuss a return to market mechanisms in the energy sector.

The report is available on URE's website: [Reports Energy Regulatory Office](#).

- **URE's educational campaign on dynamic price contracts, starting in September 2024**

The right (for consumers) to enter into contracts with dynamic electricity prices with any supplier that serves more than 200,000 customers.

The information campaign is addressed to the recipients of the offer and aims to protect recipients against unfair market practices.

It is important for recipients to know that in the dynamic pricing formula:

- ❑ the basic precondition to using the dynamic tariff is that the customer has a remotely-read meter;
- ❑ the price changes every one hour in line with price changes on the Polish Power Exchange (TGE);
- ❑ signing a contract for a dynamic pricing contract is voluntary;
- ❑ does not valid the possibility of using the frozen statutory price for electricity.

URE also reminds of the need to read the offer and contract carefully before signing the documents.

- **Welcome book for new employees.**

Every employee hired at the URE in 2024 receives a welcome packet, which includes a guidebook on the URE and several gadgets with the URE's logo. The guide is helpful in the first days of work and will facilitate adaptation and functioning in the reality of URE office. It contains the most important information about the daily operation in URE, as well as a few words about procedures and forms which all employees use in their daily work.

- **Flooding in Poland**

URE has engaged in an outreach campaign to support those affected by the floods. In cooperation with The Office of Competition and Consumer Protection, the Office of Electronic Communications, the Financial Ombudsman, The Office of Rail Transport and some DSO's, URE provided information on how to deal with problems associated with flooding or its aftermath.

The messages included information, e.g.: on important phone numbers needed in such emergencies, on power outages, on contact points where to report power failures, about the date of restoration of gas supply, on how

to report the need to replace a defective meter.

Policy and regulatory developments in the area of decarbonization and Energy Transition

The assumptions introduced by last year's amendments to the Energy Law Act and RES Act are being implemented. As of January 2024, under the above regulations the President of URE is obliged to maintain following registers:

1. **Citizen energy community (OSE)**

These are entities with legal capacity whose primary purpose is to provide environmental, economic or social benefits to their members, shareholders, associates or the local areas in which they operate. The activity of citizen energy communities is based on the voluntary participation of their members, and is open exclusively to natural persons, local authorities and micro and small entrepreneurs for whom activities in the energy sector are not their core business. So far, no entries to the OSE register were recorded.

2. **Energy clusters**

A cluster is an agreement - a form of contract - entered into in order to strengthen cooperation in the field of electricity management over a large administrative area, covering up to five municipalities or one county. The cooperation includes: generation, storage, demand balancing, trading, distribution - of electricity or fuels. The primary task of the cluster is to develop distributed energy, i.e. energy generated by small units for local use. Last year's amendment to the RES Act introduced a new definition of an energy cluster and

required the President of URE to maintain a Register of such entities (as of January 1, 2024). On September 27, a fourth entity was added to the ongoing Register.

3. Aggregators

An aggregator is a market participant operating in the electricity market and engaged in aggregation. This means the activity of combining the volume of capacity or electricity offered by consumers, electricity generators or electricity storage operators, taking into account the technical capacity of the network to which they are connected, for the purpose of selling electricity, providing system services or flexibility services on the electricity markets.

Each entity that intends to provide aggregation services must apply to the President of URE for entry on the list maintained by URE.

The first entity was added to the list of aggregators on September 9, 2024 and in October and as of the date of sending this newsletter there were four entities registered on this list. ■

ANRE Romania

Important Regulatory Developments

- In June 2024, the **Romanian Energy Regulatory Authority (ANRE)** approved the regulated natural gas distribution tariffs applicable to natural gas consumers benefiting from the distribution service.
- In September 2024, ANRE approved the new Methodologies for setting tariffs for the electricity transmission and distribution service.

Internal Projects

- In July 2024, ANRE attended the FOREN 2024 organized by Romanian National Committee of the World Energy Council (CNR-CME). Also in July, ANRE participated in a working visit to the USA to attend the 9th session of the Romania – USA Strategic Dialogue.
- On July 9, 2024, ANRE celebrated 25 years of activity in an anniversary event held at the Romanian Athenaeum. The event was attended by senior representatives from the Presidential Administration, the Parliament, the Government of Romania, as well as from other institutions with which ANRE has successfully collaborated over time.
- On August 13, 2024, the President of Romania, Mr. Klaus Iohannis, awarded ANRE with the Order of "Industrial and Commercial Merit" in the rank of Knight. This recognition comes in the context of the 25th anniversary of ANRE's activity and underlines the importance of the institution's role in Romania's sustainable economic development.
- ANRE's staff participated in training programs organised by CEER, ERRA, Florence School of Regulation.
- ANRE participates in the Official Internship Program of the Romanian Government. The collaboration within this program represents an essential step in ANRE's approach regarding the identification of qualified resources that meet the requirements for the selection of personnel corresponding to the authority's priorities and mission, at the highest standards.

Policy and regulatory developments in the area of decarbonization and Energy Transition

- ANRE issued Order no. 55/2024, to establish an updated value of the Weighted Average Cost of

Capital (WACC) expressed in real terms before tax of 6.94%, for electricity and natural gas transmission and distribution activities for the fifth regulatory period (2025-2030). When establishing the WACC, ANRE considered an optimal balance between maintaining the interest in carrying out the necessary investments to ensure the quality of electricity and natural gas transmission and distribution services and ensuring a reasonable level of profits for transmission and distribution operators. ANRE has estimated the value of WACC based on the study developed by PwC, and considering the specialized information included in CEER annual reports.

- In July 2024, ANRE approved the methodology for the Contracts for difference – CfD, to support the increase of the share of renewable energy in the total amount of energy produced. The CfDs facilitate the implementation of policy measures in the field of electricity, stimulate the development of new production capacities, and contribute to both increasing renewable energy production and reducing emissions using low-carbon technologies. The funding for the CfDs is constituted by the CfD Counterparty through monthly/quarterly collection of contribution from all suppliers of electricity to end consumers in Romania. ANRE also approved in July 2024 the framework contract for the collection of the CfD contribution between the CfD Counterparty and the CfD contribution payers and the framework contract between the CfD scheme operator and the CfD Counterparty.
- In August 2024, ANRE issued new rules regarding the balancing market. The rules provide the concept of "elastic demand" as a measure to temper imbalance prices. The concept of "elastic demand", used on the European

balancing platform to which all countries in Europe are interconnected, can also be used from now on during periods of operation not connected to the single balancing platform with the application of local rules. This concept allows TSOs to optimize and reduce energy system balancing costs by using alternative offers. During the use of this concept, the TSO communicates the maximum prices it is willing to pay for the selected balancing energy, to the benefit of all participants in the electricity market by reducing balancing costs. Also, the TSO has the obligation to publish the second day after the day of delivery, in a transparent and non-discriminatory manner, the prices of the offers by type of reserves, as well as the marginal prices of the balancing energy selected for each settlement interval. ■



AERS Serbia

Important Regulatory Developments

- **July 4** - On the session held on July 4, 2024, the Council of the Energy Agency of the Republic of Serbia has adopted a decision on the approval of the Distribution System Development Plan for 2023-2032. On the same session, the **Energy Agency of the Republic of Serbia (AERS)** Council has adopted a decision on the approval the Distribution System Investment Plan for 2023-2025 which was submitted to the Agency by the distribution system operator "Elektrodistribucija Srbije" d.o.o. Beograd.
- **July 25** - On the session held on July 25, 2024, the Council of the Energy Agency of the Republic of Serbia has adopted a preliminary Decision on issuing a certificate to the TRANSPORTGAS SRBIJA Novi Sad as to an independent system operator, i.e. that they

have legal basis for the use of the transmission system, they comply with condition for the performance of the transmission system operator activities and that they are independent in terms of management control, i.e. that the control over the transmission system is separated from the control over natural gas, i.e. electricity supplier and producer.

Policy and regulatory developments in the area of decarbonization and Energy Transition

- **May 14** - The European Union supported the implementation of the Phase 2 of the program "Renewable Energy Sources - Development of the Biomass Market" in the Republic of Serbia with 10 million euros in grants. The project will enable heating plants in several local self-government units to switch to using biomass as an energy source, providing their citizens with a secure supply and a healthier environment. The total value of the project is EUR 31.9 million, with the remaining funds provided by a loan from the German Development Bank KfW and a donation from the Federal Republic of Germany.
- **July 10** - The memorandum of understanding in the field of application of nuclear energy development in Serbia was signed on July 10 in the Palace of Serbia between five ministries of the government of the Republic of Serbia and 20 scientific and academic institutions and institutes. Prime Minister Miloš Vučević pointed out after signing the Memorandum that this corrects a mistake made in the 1980s, when the state banned the production of nuclear energy. ■



ÚRSO Slovakia

Important Regulatory Developments

- **Switching made possible any time of the year**
From August 2024, vulnerable electricity and gas customers can switch their energy supplier at any time of the year. Previously, customers could only request their electricity or gas supplier to terminate their contract until 31 March of the year in question, and this change subsequently came into effect only from 01 January of the following year.
- **The Regulatory Office for Network Industries (ÚRSO) of Slovakia amends quality standards more in favour of consumers**
URSO recently amended its decrees on quality standards in the electricity, gas and heating sectors, with changes to be effective from 1 January 2025. The aim is to increase the protection of consumers and to improve the quality of services provided by regulated entities. An example is the restoration of distribution after an unplanned interruption from three hours of the DSO becoming aware of the fault to two hours in electricity and from 24 hours to 16 hours in gas. With regard to inflation, the proposed amendments include increasing the value of some of the coefficients entering into the calculation and also abolishing the 'capping' of compensation payments by setting their maximum amount. The proposed change also reflects the need to address long-term issues related to faulty infrastructure and services provided, which are currently not addressed by the regulated entity as it is financially more beneficial for them to pay the compensation payment. Tightening and extension of quality standards and the modification of the compensation payment mechanism also include the gas and heating sectors. Another change includes suppliers to be obliged to verify

the correctness of the billing within 20 days after the customer requests it (currently 30 days). The changes reflect gradual improvement of the quality of services provided by regulated entities and also the fact that the regulated entities have implemented processes and more modern technologies for monitoring and evaluation of quality standards for faster communication with customers.

- **Gas supply from Azerbaijan**

The discussion and search for a solution for gas supply to Slovakia remains ongoing. The Ministry of Economy discussed gas supply in Azerbaijan. Gas from Azerbaijan can be beneficial for the energy security of Europe and thus also for Slovakia. That is why the Minister of Economy Denisa Sakova discussed the possibilities of expanding the production and subsequent export of gas from this region to Europe. The representatives of Azerbaijan are demonstrating a constructive and responsible approach when seeking a solution for gas supplies to Europe via Ukraine from January 2025.

- **The construction of new nuclear resources has become a high priority in the past period**

Financing of new nuclear sources in OECD and developing countries, readiness of the nuclear supply chain, development of a skilled workforce, and the construction of small modular reactors (SMRs) are topics that are receiving attention. The Roadmaps to New Nuclear negotiations not only contribute significantly to setting the path of nuclear energy, but also send a clear political signal that it is in the strategic interest of pro-nuclear states (including Slovakia) to approach the development of nuclear energy with great responsibility and consistency.

Internal Projects

Following the recent amendment to the energy legislation (since summer 2024), URSO has acquired new powers (including new staff) regarding state oversight in network industries with nationwide coverage. The strengthened state supervision relates mainly to technical inspections and includes regulated entities and electricity, gas and heat market participants.

Policy and regulatory developments in the area of decarbonization and Energy Transition

At the end of July 2024, Slovakia's Ministry of Economy closed the call aimed at supporting **the increase of power system flexibility** in order to **advance higher integration of renewable energy sources (RES)**. Under the call, it was possible to apply for funding from the resources of the Recovery and Resilience Plan of the Slovak Republic for the construction of facilities for the production of hydrogen by electrolysis using RES and for hydrogen storage. A total of 13 applications were submitted by the closing date, with a total amount of funds requested of more than EUR 38 million. All submitted applications and projects are currently under assessment and their evaluation is expected in autumn 2024 and the set allocation for the call is EUR 13.56 million.

The implementation of these projects, together with other projects submitted under the call for support to increase flexibility of the power system for higher integration of RES, such as pumped storage hydropower plants and stationary battery systems, will jointly contribute to achieving the objectives of increasing the flexibility of electricity systems. One of the objectives is to increase the capacity of electricity storage facilities by at least 52 MW.

As part of the Green Households project, the Ministry of Economy together with the Slovak Innovation and Energy Agency (SIEA) supported the **next phase of deployment of**

renewable energy installations by issuing vouchers for all types of supported installations (biomass boilers, heat pumps, solar collectors, photovoltaic panels or wind turbines). In the first weeks of summer 2024 alone, a total of more than 14 200 vouchers have been issued for a total value of more than EUR 40 million. SIEA has so far issued over 7,000 vouchers for photovoltaic panels, over 6,000 vouchers for heat pumps, over 700 vouchers for solar collectors and over 130 vouchers for biomass boilers. ■



EMRA Türkiye

Important Regulatory Developments

- **New Provisions for License Termination and Amendment in Electricity Market Law**

According to the **Energy Market Regulatory Authority (EMRA)** of Türkiye the provisional Article 32 was added to the Electricity Market Law No. 6446 on 02/05/2024. With the Provisional Article 32; if legal entities that wish to terminate their existing production licenses, pre-licenses, license applications within the scope of this Law before the effective date of this article or to amend them by decreasing the installed capacity apply to the Institution within two months following the effective date of this article, their licenses, pre-licenses, license applications will be terminated or amended and the guarantees submitted to the Institution will be partially or completely returned depending on the relevance.

On the other hand, if legal entities that wish to cancel their contracts signed as a result of renewable energy resource area competitions held within the scope of this Law and Law No. 5346 apply to the Ministry within two months following the effective date of this article, the relevant contracts and all rights

and obligations under the contracts will be terminated, and their production licenses, pre-licenses and Associate degree/undergraduate applications are terminated and the guarantees submitted to the Ministry and the Institution are returned.

In this context, as a result of the applications made to the Institution regarding termination and installed capacity reduction, around 5 GW of capacity was given up.

- **Transition from Unlicensed to Licensed Production**

For unlicensed power plants that have benefited from the Renewable Energy Resources Support Mechanism (YEKDEM) for ten years, amendments were published in the Official Gazette on May 2, 2024, allowing them to start operating under license and sell at the market clearing price (on condition that the difference is transferred to YEKDEM if it is higher than the YEKDEM price). The procedures and principles regarding the price and application to be applied for the surplus electricity to be produced in power plants that will continue unlicensed production, not to exceed the market clearing price formed in the electricity market, will be designated by the President.

- **EMRA Updated the Previously Approved Transmission Tariffs and Revenue Caps of Turkish TSO (TEİAŞ) for 2024 in June 2024**

Transmission tariffs include TEİAŞ's revenue requirements for three years (2024-2026) as well as revenue caps for 2024, which are divided into system use and system operation tariffs for both producers and consumers. Revenue cap calculations are based on OPEX, CAPEX, losses in the power transmission system, capacity mechanisms, ancillary

services, zero balance correction amount and R&D budget components. By taking market conditions and financial needs due to implementation of the capacity mechanism into consideration, EMRA decided to update the transmission tariffs and revenue caps of TEİAŞ for 2024. As a result, TEİAŞ's revenue cap for system use was increased to 80.584.645.281 TRY (2.290.345.046,3 EUR) from 75.838.971.560 TRY (2.155.465.377,1 EUR) and for system operation to 27.805.792.932 TRY (790.285.294,1 EUR) from 24.551.466.654 TRY (697.792.114,5 EUR), in total to 108.390.438.213 TRY (3.080.630.340,4 EUR) from 100.390.438.214 TRY (3.065.113.554,7 EUR) based on the EUR/TRY exchange rate of 35,1845 as of the date of the Board Decision (June 27th, 2024).

- **EMRA has made some minor changes to the Operational Expenditures Component of the Tariff Procedure for Natural Gas Distribution Companies for the 2022-2026 Tariff Implementation Period.**

There have been significant increases in insurance premiums due to recent earthquakes and economic developments in our country. Consequently, the method for accounting for insurance expenses has been changed to categorize them as uncontrollable operating expenses (OPEX) in the tariffs.

It is assessed that there is a higher increase in the items related to OPEX compared to the consumer price index (CPI). That's why, the index calculation was made based on minimum wage, fuel, material, vehicle expenses, and exchange rate changes. Tariffs of companies will need to be adjusted to reflect this index instead of the CPI during the tariff implementation

period or at the end of the implementation period.

- **Some Amendments to the Natural Gas Market Law No. 4646 (NGML) in May 2024**

The liquefaction of natural gas has been incorporated into Article 3 of the NGML, defining it as the process of liquefying domestically produced and/or imported natural gas for either export or resale within the country. Additionally, legal entities intending to operate liquefaction facilities for the export or domestic resale of natural gas are required to obtain a license from the Energy Market Regulatory Authority.

In the provision in the NGML "License holders are required to declare to which country and by which means of transport they will export natural gas."; the term "country" has been changed to "countries", allowing export activities to more than one country by granting a single export license.

With an additional provision to NGML, it has become possible to make exceptional regulations for the operation of floating LNG facilities (FSRUs), to provide services in different locations and/or to leave their locations, if necessary, with a decision of EMRA Board.

With the amendment to the law, the concept of "exemption" in energy facilities has been introduced to the Turkish natural gas market. Accordingly, it is aimed to exempt existing storage facilities, capacity increases in existing facilities and newly constructed storage facilities from provisions regarding third party access under certain conditions. With this provision, it is aimed to encourage the financing of new storage investments, ensure supply security and protect the competition in the market.

Internal Projects

● EMRA Organized a Cyber Security Simulation Conference in Energy Sector

2nd Conference of Cyber Security Simulation in Energy Sector has been organized by EMRA in Ankara. EMRA has been acting as the 'Sectoral Cyber Incident Response Team' (SOME) in the energy sector since 2012. In this context, the Authority first carried out a Cyber Defence Simulation on 24-25 May 2022 during which IT officials from the sector participated in cyber security simulations to enhance and develop their competencies. This year, hundreds of participants representing the energy sector convened in Ankara. On Monday, October 7th, EMRA hosted the 'Cyber Defence Simulation in the Energy Sector', which included important studies aimed at strengthening resilience and security against cyberattacks. The event was conducted in a manner consistent with the nature of cybersecurity and was closed to the press.

The conference that took place on the second day of the event brought together important names from the sector at EMRA. The opening ceremony was attended by Alparslan Bayraktar, Minister of Energy and Natural Resources; Mustafa Varank, Chairman of the TBMM Industry, Trade, Energy, Natural Resources, Information and Technology Commission; Mustafa Yılmaz, President of EMRA; and many senior executives from the public and private sectors.

In his speech, EMRA President Mustafa Yılmaz emphasized that cybersecurity has become a national priority, stating: 'Cyberattacks on energy infrastructures not only result in service interruptions or economic losses but also put national security at risk. As EMRA, we are aware of the danger. We are urgently



taking the necessary steps to develop smarter systems and implement more effective measures, and we will continue to do so.'

Yılmaz reminded that the Authority was assigned as the 'Sectoral Cyber Incident Response Team' (SOME) of the energy sector in 2012; "Of course, this duty increases our responsibility not only towards our sector but also our state and nation. Previously, highly skilled individuals could carry out cyberattacks for simple purposes. Now, these attacks are being conducted at the state level as well. As indicated by our President, the means to counteract smart system-based attacks lie in the development and utilization of even smarter systems. We, as EPDK, recognize the danger. We are confident in ourselves and are taking necessary steps urgently to create more intelligent systems and implement more effective measures."

Yılmaz underlined that the way to be successful in cyber security is to always prioritise the principle of domesticity, and said:

"It is clear how significant a risk it poses for us to attempt to secure our data with foreign solutions. To develop more secure software technologies, it is imperative to

collaborate with relevant institutions, and we must certainly leverage our universities and young talents during the software development and testing phases. Therefore, in our R&D efforts, we will establish a focus on national and local software to ensure data and system security, thereby reducing our dependence on external sources and protecting our country's energy sector from potential threats."

Emphasizing their awareness of the significant work still ahead in the sector, Yılmaz stated, 'We are confident that our energy sector will always be in safe hands. This confidence stems from the legal arrangements that the Grand National Assembly will implement in the field of cybersecurity, the support provided by our ministry, and, of course, the efforts of our sector.'

In his speech, Energy and Natural Resources Minister Alparslan Bayraktar stated that efforts to protect critical infrastructures from potential cyber risks are being carried out in a multilayered manner and on a 24/7 basis through the development of domestic and national solutions. He pointed out that a significant budget is allocated to cybersecurity worldwide and that

it is estimated that the global cost of cyber-crimes will reach \$10 trillion by the end of this year. Bayraktar noted, "Our country is steadily advancing towards becoming a leading nation in its region due to its geopolitical position, economic growth over the past 22 years, and technological advancements. This progress, which is also reflected in information and communication technologies, further strengthens our development in economic and social fields. We continue to take effective steps to protect critical infrastructures, such as energy, health, banking, and communication, from potential cyber risks with the domestic and national solutions we have developed."

Bayraktar noted that the responsibility for regulating cybersecurity in the energy sector lies with EMRA, the institution responsible for the regulation and oversight of the sector. He stated that EMRA regularly conducts cybersecurity activities at the sectoral level. Bayraktar emphasized that, similar to cyberattacks, electricity and natural gas disruptions can also occur during natural disasters. He said, "The earthquakes on February 6 last year showed us that it is crucial to restore disruptions in critical infrastructures, such as the energy sector, as promptly as possible, just as with cyberattacks."

Minister Bayraktar added that they will continue to protect energy infrastructures, develop domestic and national cyber security technologies and strengthen the competent human resources in this field.

- **EMRA Organized a Workshop within the Scope of Secondary Legislation Studies on Aggregation Activities**

The legal changes explained a basic definition, duties of an

aggregator as a licensed electricity market player. The introduction of this new market player has led to revisions in multiple regulations. Draft regulations for aggregators have been published and feedback is currently being evaluated by EMRA. EMRA organized a workshop in May to better understand the regulations. Legislative studies regarding the aggregator have been completed and are expected to be published before 2025. ■

NEURC Ukraine

Important Regulatory Developments

- The **National Energy and Utilities Regulatory Commission (NEURC)** of Ukraine has introduced a simplified procedure for connecting generating facilities to the power grid during martial law. The aim of such an action was to overcome the shortage of generating capacity from the beginning of winter 2024. Moreover, in August 2024, NEURC decided to simplify and speed up the procedure for granting derogations from certain requirements of the Transmission System Code to generating facilities.
- The Regulator has successfully adopted the regulatory framework for REMIT implementation. With the regulatory framework now in place, the practical implementation of REMIT has started. As of mid-October, 2,367 wholesale energy market participants have been registered by the Regulator. Additionally, three entities—Electricity TSO, Gas TSO, and the Market Operator—have been certified as administrators of the insider information platform, which has been operational since July of this year. The Regulator has also qualified four entities as RRM:

the electricity and gas TSOs, the Market Operator, and the Energy Exchange.

- NEURC is taking measures to facilitate the smart meters roll-out according to the Concept of Smart Grid Implementation in Ukraine with the aim to promote active participation of consumers in DSM.
- The concept of Active Consumers and Aggregators was introduced in regulatory framework. The first license for an Aggregator was issued.

Internal Projects

- 54 members of NEURC staff completed specialized training on REMIT held by USAID Energy Security Project. On 26th of June the certificate award ceremony took place. Moreover, there was an internship program for NEURC staff on practical issues of REMIT implementation.
- NEURC employees have participated in several events organized by CEER, in particular in regional training on cybersecurity, and in the High-level Conference on Advancing Connectivity.
- Given that the NEURC employees are members of the working groups of Energy Community, they also participated in the relevant meetings, particularly in ECRB meetings.

Policy and regulatory developments in the area of decarbonization and Energy Transition

- On May 30, 2024 NEURC acquired the official status of a member of the Association of Issuing Bodies. Joining the AIB is a prerequisite for trading in guarantees of origin and further recognition of Ukrainian guarantees of origin in EU and Energy Community.
- The process of registering users and generating facilities in the register of guarantees of origin

has begun, and as of early October 2024, more than 900 accounts have been created. Moreover, in October, the first guarantees of origin from RES were issued. ■



NARUC USA

Important Regulatory Developments

- **The National Association of Regulatory Utility Commissioners (NARUC) of USA and NASEO Release Coal to Advanced Nuclear Report and Facilitate Site Visit to Further Enrich Learning Opportunities for State Officials** (May 2024)

NARUC and the National Association of State Energy Officials released a new report, [Coal to Nuclear Repowering: Considerations for State Energy Offices and Public Utility Commissions](#). This report provides State Energy Offices and public utility commissions with essential information about issues involved in converting retired or retiring coal power plant sites to host new nuclear generation resources.

- **New Report Acts as Framework to Improve Interregional Transmission Amidst the Evolving U.S. Electricity Landscape** (July 2024)

NARUC released a new report, [Collaborative Enhancements to Unlock Interregional Transmission](#). This report underscores the importance of enhancements to interregional transmission infrastructure as the United States prepares for significant transformation in its electricity system.

- **Supporting Transparency in the West African Electricity Market** (July 2024)

With funding support from the United States Agency for International Development (USAID) and Power Africa, NARUC has assisted the Economic Community of West African States (ECOWAS) Regional Electricity Regulatory Authority (ERERA) as it works to ensure a harmonized regulatory environment that fosters the development of a sustainable and reliable electricity market. Published in July, these two reports will help to reinforce ERERA's ability to make timely, accurate, and extensive data readily available to all stakeholders within the region ([Transparency Procedure](#) and [Implementation Plan](#)).

- **Moldovan Regulator Makes Strides in Building Trust with the Public, Communicating with Stakeholders, and Responding to Energy Crises** (August 2024)

With support from USAID, NARUC [published the feature story](#), which covers the finalization and approval of the *Communication Strategy of the National Agency for Energy Regulation (ANRE) of the Republic of Moldova for 2024-2027*. By establishing a strategic plan that delivers cohesive messages on the commission's roles, responsibilities, and achievements, ANRE can better convey its value proposition to the public and foster effective collaboration across energy stakeholders that enables a unified approach toward achieving market development goals.

- **New Report Explores Innovative Use Cases for Advanced Nuclear Energy, Offering Key Insights for State Regulators and Energy Offices** (October 2024)

The National Association of Regulatory Utility Commissioners, in partnership with the National Association of State Energy Officials, released a [new report](#), *Energy and Industrial Use Cases for Advanced Nuclear Reactors*. This report offers a comprehensive overview of potential alternative use cases for advanced nuclear energy, highlighting key considerations and critical questions for state utility regulators and State Energy Offices. ■

The Energy Regulators Regional Association (ERRA) is an inter-institutional non-profit organisation unified by the shared goal of its regulatory members to improve energy regulation. ERRA's focus is to bring together effective energy regulators with the necessary autonomy and authority to make positive change. ERRA is widely seen as an example of a highly successful regional association and is recognized as an important international institution in facilitating the advancement of regulatory policy.

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