



Interconnection Infrastructures in the Mediterranean: A Challenging Environment for Investments

MEDREG Public Consultation

Questionnaire

Ref: Med15-CON1-1
11.02.2015

Interested stakeholders are kindly asked to *fill this questionnaire online by 18 March 2015.*

Respondent information (all fields are mandatory):

- * Full name of the contact person:
- * Contact e-mail address:
- * Contact phone number:
- * Name of the organization:
- * Type of organization (multiple choice is possible):
 - Governmental agency
 - International institution
 - Industry - Producer
 - Industry - Supplier
 - Industry - Transmission System Operators
 - Consumer organization
 - Financial institution
 - Consultant

- Academic
 - Think-tank
 - Non-governmental organization
 - Other (please, specify in the comment box)
- * **Main tasks of the organization:**
- * **Address of the organization's website:**

List of questions for consultation

Q1) Some Mediterranean energy countries have an unclear institutional architecture at national level. Regulators, TSOs, operators and other actors sometimes do not display a relevant distinction of roles at national level. Conflicts of interest occur, heavily affecting the credibility of countries face to foreign investors.

Do you agree that clarifying the legal and regulatory framework represents the priority for the Mediterranean region? Do you consider any other specific institutional/administrative obstacles to be tackled at national and/or regional level?

Q2) The development of innovative financing mechanisms will be critical for the successful implementation of new infrastructures. As the estimated financing needs of the Mediterranean region will be probably higher than the potential contribution of public funding, the key challenge will be to identify what conditions are necessary to attract investments from International Financial Institutions (IFIs) and the private sector for new infrastructure projects.

What is your view on the national and regional conditions that should make regional energy infrastructure projects attractive to private and IFIs investors?

Q3) Mediterranean investments in electricity infrastructure are mostly programmed in the short (0-5 years) and medium (5-10 years) term, rather than in the long term (more than 10 years). It seems difficult to forecast electricity interconnection needs in the longer run.

MEDREG would welcome views from stakeholders on the main technical, economic and political reasons that determine this preference for short and medium term planning, based on specific examples.

Q4) Newly founded gas resources in the Eastern Mediterranean offshores are a game changer for gas trade in the region. New countries will become gas producers. On the medium run this can have an impact on infrastructure investments in the region.

Beyond the responsibilities of governments to deal with the geopolitical aspects of the future exploration of gas fields, do you think that the regulators concerned could be a facilitator in the process?

Q5) Several Mediterranean electricity projects have difficulties in successfully passing the financial step and getting to the construction phase. On the contrary, gas projects frequently face geopolitical issues that may undermine the viability of new trade routes.

In your opinion, are these issues correctly considered in the design of national investment plans for the energy sector? Do you agree that regulators should have a more active role in validating and monitoring national infrastructure investment plans?

Q6) In the view of MEDREG regulators barriers to energy investments can be classified according to the following priority list:

- 1) Insufficient market demand
- 2) Lack of internal reforms
- 3) Lack of coordination and cooperation
- 3 *ex-aequo*) Political instability and lack of a clear institutional framework
- 4) Lack of interest in interconnection projects
- 5) Technical barriers
- 6) Financial feasibility of the project
- 7) Regulatory and/or legal obstacles

Do you agree with the order given in this priority list? If not, how would you amend it?

Q7)

- 1) The majority of existing electricity and gas infrastructures have been built for security of supply needs. Today, infrastructure investments are also driven by market forces and face

regional competition. Public policy decisions are therefore decisive to trigger and secure investments.

2) The absence of a formal legal framework implies that all stakeholders have to engage now to establish deeper legal and regulatory harmonization. Stronger cooperation among the EU, Middle East and North Africa countries is a precondition to establish a regional energy market with a sound investment climate.

3) Power systems will be deeply impacted by technology innovation and regulators should put in place a solid knowledge in order to transfer efficiency gains to final consumers (e.g., smart grids). Generated distribution could represent an important part of future investments in RES.

Do you agree with the abovementioned principles?

Q8) Before considering new infrastructure investments, MEDREG Southern regulators should consider a better use of existing ones, as most interconnectors are underused.

Do you agree with this statement? Could you refer to specific examples to develop your answer?

Q9) Cooperation between regulators and TSOs is important to develop an investment-friendly regulatory framework and ensure that the needed infrastructure projects are realized. MEDREG and Med-TSO took first steps to deepen their cooperation in 2013. MEDREG also supports the establishment of an organization of Mediterranean gas TSOs.

What issues should be discussed in priority between regulators and TSOs?

Q10) *Do you think that additional aspects pertaining to investments in the Mediterranean energy infrastructure and to associated barriers should be included in the MEDREG report?*

MEDREG invites all interested stakeholders to participate in the public consultation which closes on 18 March 2015.

The results of the consultation will be presented at a workshop with stakeholders, which will take on 29 April 2015 in Sharm El-Sheik (Egypt). Following this workshop, MEDREG will elaborate the final conclusions of the report, aiming at publishing them by mid-2015.

You are kindly invited to attend the workshop on the results of this consultation (Sharm El-Sheik, 29 April 2015). Please confirm whether you will participate:

Yes (indicate the number of persons attending)

No