

FOR IMMEDIATE RELEASE

Egyptian and Portuguese regulators debate challenges and solutions for natural gas market liberalisation

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In the context of its key role to support energy regulatory authorities in the Southern Mediterranean, MEDREG facilitated the organisation of a technical study visit between the newly established Egyptian gas regulatory authority (GasReg), and Portugal's regulatory authority (ERSE), to address regulatory experiences regarding liberalisation of gas markets. The study visit was financed by the European Commission, under an instrument called Technical Assistance and Information Exchange (TAIEX).

Composed of the Executive Chairman, Mr. Karem Mahmoud, and three colleagues, the GasReg delegation learnt from ERSE experts about Portugal's experience in opening up its gas markets, focusing on the handling of legacy contracts, the opportunities to align market liberalisation with price reform, the eligibility of consumers and the practical implementation of the liberalisation process.

Welcoming his Egyptian peers, Mr. Alexandre Santos, MEDREG President and ERSE Board Member, stated:

“Following the two previous technical workshops organised by MEDREG for GasReg, this study visit is an invaluable occasion to exchange experiences in person. The gas sector is relatively young in Portugal, so we are pleased to share our recent knowhow with GasReg as a way to support the liberalisation of its gas market.”

GasReg and ERSE colleagues held lively and concrete discussions on how the Egyptian market can evolve towards a liberalised and cost-effective framework, exchanging in particular on the elements that should be considered when developing a tariff methodology for non-discriminatory network access.

After the workshop, Mr. Karem Mahmoud declared:

“This sharing of experience has made us more equipped to accompany and sustain the transition towards an open and efficient gas market. Thanks to the rich exchange we had with ERSE today, we know the pitfalls to avoid and some key principles to follow for a smooth liberalisation of our gas market in Egypt.”

Established two months ago, the independent regulator GasReg has been entrusted with the approval of a new gas facilities code, a tariff calculation methodology, rules on Third Party Access and follow-up and monitoring of gas actors' licenses. As a new entity, GasReg also faces many challenges related to the introduction of cost-reflective tariffs, the monitoring of the quality of services and the establishment of the regulator's credibility.

MEDREG will continue to support GasReg and its Southern shore members in reforming their energy market with the aim of attracting investments, protecting and offering more choice to consumers as well as facilitating the integration of renewable energy.

MEDREG is now working on supporting another study visit for the Israeli gas regulator (NGA), which is currently opening its household gas market and would like to examine the procedures followed by other regulators who have faced the same transition. The Spanish and Turkish regulators, CNMC and EMRA, have offered to host a technical discussion with Israeli colleagues in May 2018.

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MEDREG is the Association of Mediterranean Energy Regulators, which brings together 25 regulators from 21 countries, spanning the European Union (EU), the Balkans and North Africa. Mediterranean regulators work together to promote greater compatibility of the regional energy markets and legislation, seeking progressive market integration in the Euro-Mediterranean basin. Through constant cooperation and information exchange among members, MEDREG aims at fostering consumer rights, energy efficiency, infrastructure investment and development, based on secure, safe, cost-effective and environmentally sustainable energy systems. MEDREG acts as a platform providing information exchange and assistance to its members as well as capacity development activities through webinars, training sessions and workshops as well as personalised hands-on initiatives. The MEDREG Secretariat is located in Milan, Italy. For more information, visit www.medreg-regulators.org

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ERSE (Entidade Reguladora dos Serviços Energéticos) is the Energy Services Regulatory Authority in Portugal. It regulates the electricity, the natural gas and electric mobility sectors in Portugal. It is a member of MEDREG.

GasReg is the Egyptian Gas Regulator established in February 2018. It regulates the gas sector in Egypt and is a MEDREG member.

TAIEX is the Technical Assistance and Information Exchange instrument of the European Commission. It supports public administrations with regard to the approximation, application and enforcement of EU legislation as well as facilitating the sharing of EU best practices. It is available to candidate countries and potential candidates, acceding countries, as well as to countries involved in the European Neighbourhood Policy and to Russia.

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