

The establishment of a methodology for setting the terms and conditions for financing, definition and identification of public service obligations for electricity and gas

MEDREG Training for the Algerian
Electricity Regulator CREG



MEDREG



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15-16 October 2019 Algiers, Algeria

Radisson Blu Hotel, Algiers Hydra
Lotissement Moutchachou, Algiers, 16043



A G E N D A

CONTEXT

The mission of the Algerian energy regulator CREG relating to the performance of public service obligations, particularly in electricity and gas distribution, is to ensure that the provisions of the Algerian law are properly implemented. In this context, the objectives to be fulfilled by imposing public service for the distribution of electricity and gas are defined as follows:

- Provide energy supply to non-eligible customers ensuring fairness, continuity and non-discrimination of selling prices;
- Ensure, in the context of equal treatment, third party access to (and connection) of distributors, eligible customers and electricity generators to the transmission networks;
- Meet the energy needs of previously identified categories of household consumers and disadvantaged regions to ensure greater social cohesion and contribute to greater solidarity;
- Provide, on as-needed basis, energy assistance to eligible producers or consumers connected to the networks;
- Ensure the supply of energy to any eligible customer if the latter does not find a supplier under acceptable economic or technical conditions.

It is also expected that any public service obligation will result in remuneration by the State, after the opinion of CREG, in particular in the following cases:

- Additional costs of production and distribution activities in particular regions;
- Additional costs resulting from power supply and purchase contracts imposed by the State to reach household consumers in disadvantaged regions;
- Investments in favor of specific consumers (such as vulnerable ones);
- Constraints identified by the regulator.

CREG's mission is also to:

- Monitor and evaluate the performance of undertakings to which public service obligations have been imposed;
- Determine the administrative penalties for non-compliance with the rules or standards and/or the compensation payable to the consumer;
- Establish a possible model for calculation of the costs related to provision of public service obligations and to transition costs.

In view of the above, CREG intends to launch activities related to the identification of public service obligations for the electricity and gas sectors and to propose a management model for ensuring those services to the public authorities. This training is expected to provide assistance to CREG to support the drawing of a methodology for determining the financing, definition and identification of public service obligations for electricity and gas.

The various forms of subsidies granted by the State to operators are detailed in agreements established between the Ministries of Energy and Finance and the operators concerned (producers, managers of networks throughout the electricity and gas transmission and distribution chain). CREG's aim is to change this situation by integrating the aid mechanisms (state or otherwise) into the regulatory process provided by the regulations.

In this context, the purpose of this training is twofold. On the one hand, the training aims at providing information on the design and imposition of public service obligations as well as activities, procedures, methods and instruments for taking over the tasks related to the monitoring and evaluation of the execution of the public electricity and gas services, in particular on the role and responsibility of the various actors involved (public authorities, regulator, producers, network operators, etc.). On the other hand, this training will provide information on the methods and practices used in the countries of the Mediterranean shore and how they could be adapted to the Algerian case, focusing on the acquisition of the necessary methodological tools.

AGENDA

Tuesday, 15 October 2019	
08.30-09.00	Registration
09.00 - 09.30	<p>Opening address and introduction of participants</p> <p>Introduction to MEDREG and training participants</p> <p>MEDREG Secretariat and CREG Representative</p> <p>Introduction to the training</p> <p>Mr. Bram Delvaux <u>Senior Research Fellow</u> at the Institute of Energy and Environmental Law - Faculty of Law - KU Leuven University & <u>Attorney at the Bar of Brussels</u> with Eubelius</p>
09.30 - 10.45	<p>1. Definition of public service obligations of general economic interest in the energy sector</p> <p>(45' + 30' discussion)</p> <p>Mr. Bram Delvaux <u>Senior Research Fellow</u> at the Institute of Energy and Environmental Law - Faculty of Law - KU Leuven University & <u>Attorney at the Bar of Brussels</u> with Eubelius</p>
10.45 - 11.15	Coffee break and group photo
11.15 - 12.30	<p>2. How to calculate compensation for public service obligations</p> <p>(45' + 30' discussion)</p> <p>Ms. Evangelia Gkatzou <u>Director, Consumers Protection & Environment and Retail Markets</u></p> <p>Greek Regulatory Authority for Energy RAE</p>
12.30 - 13.30	Lunch Break
13.30 - 14.45	<p>3. How to monitor and evaluate the performance of public service obligations in retail market</p> <p>(45' + 30' discussion)</p> <p>Ms Elsa Águas <u>Markets and Consumers Department</u></p> <p>Portuguese Energy Regulator ERSE</p>
14.45 - 15.15	Coffee break
15.15 - 17.00	<p>Group Work</p> <p>Mr. Bram Delvaux <u>Senior Research Fellow</u> at the Institute of Energy and Environmental Law - Faculty of Law - KU Leuven University & <u>Attorney at the Bar of Brussels</u> with Eubelius</p>

Wednesday, 16 October 2019	
09.00 - 09.30	<p>Keynote Speech - Public service obligations as a tool to empower and protect consumers: monitoring the EU experience</p> <p>Mr. Bart Vereecke <u>Team Leader Market Monitoring</u> - Gas Department European Union Agency for the Cooperation of Energy regulators (ACER)</p>
09.30 - 10.45	<p>4. Methodology to determine the calculation of losses and costs (45' + 30' discussion)</p> <p>Ms. Valeria Contin <u>Wholesale Market Department</u> Italian Regulatory Authority for Energy, Networks and Environment ARERA</p>
10.45 - 11.15	Coffee break
11.15 - 12.30	<p>5. Between market and regulation, the French experience of PSO and the role of the regulator (45' + 30' discussion)</p> <p>Romain Charvet <u>Analyst - European & International Affairs and Cooperation</u> French Energy Regulator CRE</p>
12.30 - 13.30	Lunch Break
13.30 - 14.45	<p>6. Managing public service obligations: NRAs internal organization and relationship with relevant external actors (45' + 30' discussion)</p> <p>Ms. Rozeta Karova <u>Senior Energy Lawyer</u> Energy Community Secretariat</p>
14.45 - 15.15	Coffee break
15.15 - 16.45	<p>Group Work:</p> <p>Mr. Bram Delvaux <u>Senior Research Fellow</u> at the Institute of Energy and Environmental Law - Faculty of Law - KU Leuven University & <u>Attorney at the Bar of Brussels</u> with Eubelius</p>
16.45 - 17.30	Group presentations
17.30 - 18.00	Evaluation and farewell



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