In 2018, MEDREG published its Mediterranean Energy Regulatory Outlook, a major report that informs about the status of energy regulation in the Mediterranean Basin.

This booklet provides a summary of the report’s main findings and trends as well as some fact sheets about MEDREG members’ regulatory status, features and powers. A short conclusion for each of the regulatory authority is also proposed as a take away point.

This pedagogical publication aims at enabling MEDREG’s members, external partners and energy stakeholders to find out at a glance about the state of play of energy regulation in the Mediterranean countries.
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OVERVIEW OF THE REPORT

What is it about?

The Energy Regulatory Outlook provides a picture of the existing energy regulatory frameworks in the Mediterranean region. Based on a questionnaire answered in 2017 by 20 Mediterranean energy regulatory authorities—all members of MEDREG—the report highlights important aspects of national regulatory frameworks comprehended in the light of the following good regulatory principles defined by MEDREG in 2014:

- Independence
- Competences
- Internal organisation
- Enforcement
- Transparency
- Accountability

Objectives

By assessing the current situation of each regulator and identifying scope for improvement, MEDREG aims to contribute to the development of a more independent and solid governance model.

MAIN FINDINGS AND TRENDS

Mediterranean National Regulatory Authorities (NRAs) have comparable and satisfactory levels of independence

- Almost all MEDREG members are distinct and functionally independent from any other public and private entity;
- Almost all are autonomous in carrying out regulatory tasks;
- Conflicts of interest are prohibited and prevented in nearly every NRA;
- Almost every regulatory body is financed by its own resources.
The large majority of NRAs support full opening in the electricity market and, where possible, the gas market

- With the exception of Israel, Malta, and Turkey, there are national timetables for the full opening of the electricity and gas markets in all Mediterranean countries;
- All regulatory authorities cooperate with anti-trust authorities so as to establish or maintain the competitive environment.

![Figure 2: Regulated Sectors]

The level of competence is overall satisfying and growing, but it varies from country to country

- The vast majority of NRAs have the power to fix and approve tariffs, although there are some differences among the MEDREG members and some have room to improve their competences or clarify their role;
- Not all NRAs are responsible for dispute settlement between industry and customers, and some NRAs may be entrusted with more powers in terms of dispute resolution;
- Every NRA sets or approves rules regarding the management and allocation of interconnection capacity;
- Most regulators are responsible for monitoring operators’ performances;
- Most have the power to sanction sector participants; however, the extent of this power widely differs;
- The regulator’s decisions are binding on every NRA;
- Every NRA is responsible for customer protection, although the level of responsibility differs, especially in terms of addressing vulnerable consumers’ needs;
- The large majority of NRAs have the power to take decisions regarding their internal organisation, and most of them decide on human resource policy;
- Most NRAs publish information on their activities and make it available to stakeholders through publication of an annual report and the regular use of consultations;
- The majority are under the obligation to report to another public body, such as the government, ministry, or parliament.

Next steps

- MEDREG will fine-tune and programme its actions besides developing recommendations for the improvement of regulatory approaches in the region;
- Member regulators will be able to compare their situation in detail to that of their neighbours;
- This report will be shared with and used by the Union for the Mediterranean (UfM) Regional Electricity Market (REM) Platform, and contribute to the identification of the regulatory gaps and challenges in the region.
Fact sheets on MEDREG’s National Regulatory Authorities
ERE
Albanian Electricity Regulatory Authority

STATUS
• ERE is an independent public entity established by law in 1995, and regulates electricity and natural gas sectors in Albania.

INDEPENDENCE
• ERE has access to information from the licensees,
• Conflicts of interest are prohibited;
• It possesses its own resources that come from regulatory fees and the license application fees;
• It has full autonomy on the implementation of its budget;
• It determines and approves a regulatory fee to be paid by the licensees;
• ERE’s decisions are binding and can be appealed in courts.

COMPETENCES
• ERE approves and monitors the rules on the quality of supply and the security of network performance developed by the transmission and distribution system operators:
  • It controls the progressive market opening and monitors the market;
  • It approves and publishes the transmission, distribution, universal service or other applicable public service tariffs and their methodologies;
  • It determines, reviews, monitors and issues the licenses and can solve disputes and impose a fine on the licensees for infractions;
  • It has extensive technical competence related to access to cross-border infrastructure, capacity allocation, and security of supply;
  • It cooperates with competition authorities and with the Ministry for Energy and other governmental institutions;
  • Issues regarding vulnerable consumers are addressed by the government in consultation with ERE.

INTERNAL ORGANISATION
• ERE decides its internal organisation, while its human resource policy is approved by the Parliament;
• It consists of 32 staff members, including the Board, which is composed of its Chair and four members;
• Its annual budget is around € 1,250 million.

ENFORCEMENT
• In case of non-compliance, ERE may impose sanctions on the sector participants;
• It may publish comparative reports demonstrating the insufficient performance of the network operators.

TRANSPARENCY AND ACCOUNTABILITY
• All decisions taken by ERE are published in the Albanian Official Gazette, and its mission, duties, organisation chart and reports are published on its website;
• It conducts public hearings and written consultations;
• It submits an annual report on the energy sector situation and ERE’s activities to the Albanian Parliament.

ERE has extensive competence in licensing procedures and is well integrated with the other public bodies. Although the regulator does not yet establish rules regarding the allocation costs resulting from the unbundling process, it will acquire this competence once the relevant provisions of the EU directives are implemented.

TAKE AWAY POINTS
ALGERIA

CREASE

Electricity and Gas Regulation Commission

**STATUS**
- CREG is an independent body set up by law in 2002.
- It regulates and controls the electricity and gas sectors in Algeria.
- It elaborates on regulations autonomously.

**INDEPENDENCE**
- CREG is financially independent, and funded through license fees and fares collected from end consumers.
- In practice, it is not fully politically independent as it manages its resources under the supervision of the government.

**COMPETENCES**
- CREG sets the electricity transmission and distribution tariffs according to a methodology set by decree, and is involved in setting connection tariffs.
- It ensures that tariffs are cost reflective and non-discriminatory.
- It issues licenses to new power plants, and reviews and monitors the compliance of licensees.
- It resolves disputes between operators and between consumers and energy operators.
- It can undertake investigation.
- It contributes to the development of the regulations.
- It is responsible for consumer protection and informs them of their rights.
- It manages complaints.
- However, the market is not yet open, and CREG has no role in the prevention of abusive practices.
- It has neither the power to intervene nor to sanction the operators.

**INTERNAL ORGANISATION**
- CREG decides on its internal organisation and human resource policy.
- It consists of 76 members of staff.
- There is no formal code of ethics in place.

**ENFORCEMENT**
- Although it has the legal power to sanction energy sector participants, this competence has not yet been implemented, and in practice, CREG has limited enforcing powers.

**TRANSPARENCY AND ACCOUNTABILITY**
- Information on the regulator’s missions, duties, organisation chart and reports is available on CREG’s website in Arabic, French and English.
- A communications strategy is defined.
- It is under no legal obligation to consult energy stakeholders for final decisions.
- CREG issues annual reports.

**TAKE AWAY POINTS**
- CREG should be given more structured independence by the government and be allowed to intervene in the market in order to enforce regulation. In particular, it would be beneficial if CREG is allowed to sanction operators that do not comply with regulations, and be entrusted with the monitoring of the consumers’ condition.
SERC
State Electricity Regulatory Commission

STATUS
- SERC is an independent institution established by law in 2003.
- It regulates electricity, transmission, system operation and international trade at the national level, as well as the generation, distribution and supply of electricity in the Brčko District of Bosnia and Herzegovina.

INDEPENDENCE
- SERC is independent from political influence, as guaranteed in its statute.
- Conflicts of interest are strictly prohibited.
- It is financially independent with its financial resources coming from license fees.
- Its decisions are enforceable and appealable in courts.

COMPETENCES
- SERC monitors medium- and long-term supply and demand balance, expected future demand and envisaged additional capacity.
- It also monitors the level of maintenance of the networks and quality of supply.
- However, it does not participate in the implementation of measures to cover peak demand and to address shortfalls of suppliers, nor does it organise, monitor or control the tendering procedure for new capacity, infrastructure or investment.
- It prepared and adopted the market opening process, including the timeframe.
- The electricity market is fully open since 2015, and SERC approves and monitors the unbundling of transmission assets.
- It approves, monitors and enforces tariffs and tariff methodologies for transmission and regulation of ancillary services.
- It issues, modifies, suspends and revokes licenses, and monitors and enforces compliance with license requirements.
- It is responsible for resolution of disputes among system users.
- Finally, SERC ensures consumer protection through fair and non-discriminatory treatment, high-quality services, competition and the prevention of anti-competitive activity.

INTERNAL ORGANISATION
- SERC comprises 19 members of staff, including three commissioners, who are bound by a code of ethics.
- Its annual budget amounts to approximately € 1.1 million.

ENFORCEMENT
- SERC may suspend and revoke a licence.
- SERC does not have other sanction powers, although it can constrain the regulated parties.

TRANSPARENCY AND ACCOUNTABILITY
- SERC publishes annual reports.
- It issues special publications and regularly updates its web pages to keep the public informed.
- It organises public consultation on draft rules prior to adopting them.
- SERC sessions are open to the public.

TAKE AWAY POINTS
SERC is well equipped with technical competences and has a considerable array of regulatory powers. However, the regulator could benefit from greater sanctioning powers.
STATUS

- HERA is an independent institution created in 2004;
- It regulates electricity, natural gas, and district heating.

INDEPENDENCE

- HERA is separate and functionally independent from other public and private entities;
- Conflicts of interest are prohibited and can lead to dismissal;
- It is financed by fees for performing the regulation of energy activities and fees for issuing licences and defines its budget autonomously;
- Its decisions are binding and appealable.

COMPETENCES

- HERA has access to information from energy sector participants;
- It monitors the security and quality of supply of the electricity market and quality of supply of the gas market;
- In the gas and electricity sector, HERA evaluates, analyses and approves planned investments;
- The electricity and gas markets are fully open since 2008;
- For the electricity, an independent transmission operator model is in place. In the gas sector, although the certification process is still ongoing, the TSO is organised by the ownership unbundling model;
- HERA monitors and detects abusive practices in the wholesale markets and cooperates with the Croatian Competition Agency;
- It enacts the tariff methodologies, among others, for electricity and gas transmission and distribution networks, and defines the tariffs according to the methodology;
- In the gas sector, HERA implements incentive based regulation for tariff methodologies since 2014;
- It issues licenses for performing energy activities and can revoke them;
- It approves standards on the quality of service;
- It applies customer protection measures.

INTERNAL ORGANISATION

- HERA consists of 68 staff members who are recruited through an open competition;
- It has a budget of around €3 million, and decides on its own human resources policy.

TRANSPARENCY AND ACCOUNTABILITY

- All decisions taken by HERA are published on the regulator’s website;
- It conducts public hearings and written consultations;
- It issues annual reports and is accountable to the parliament.

TAKE AWAY POINTS

HERA is an empowered regulator with a comprehensive set of competences.
STATUS

- CERA was established by law in 2003.
- It regulates electricity, natural gas and renewable energy sources.

INDEPENDENCE

- CERA is legally and functionally independent from any other public or private entity.
- It formulates regulations autonomously.
- It is financially independent.
- Conflicts of interest are strictly prohibited and may result in a dismissal.
- It manages its own finances, mainly through license fees, and has the authority to execute its own budget.

COMPETENCES

- It can demand any information from energy companies and license holders.
- It can conduct investigations into the activities and operation of the supervised legal entities.
- It monitors the operation of all sectors in the energy market, in particular concerning the security of supply.
- It monitors the efficiency of the wholesale and retail market, ensuring transparent and efficient competition.
- It determines and/or approves tariff methodologies for connection and access to national networks, ancillary services, access to cross-border infrastructure, including capacity allocation and congestion management.
- It grants, amends and revokes licenses and has sanction powers.
- The TSO is legally unbundled and is presented as a separate entity with its own name, logo and website, although all the Cyprus TSO’s employees come from a single vertically integrated utility.
- It monitors the performance of the TSO and the DSO, and acts as a Dispute Resolution Authority.
- It approves the investment program of the TSO and monitors its implementation.
- It ensures a high level of consumer protection including that of vulnerable customers.

INTERNAL ORGANISATION

- A code of ethics in place.
- CERA comprises 19 staff members.

ENFORCEMENT

- CERA is competent to issue binding regulatory decisions appealable in courts, as well as impose administrative fines and sanctions.

TRANSPARENCY AND ACCOUNTABILITY

- CERA is accountable to the President of the Republic of Cyprus for the performance of its duties.
- It publishes an annual report.
- It displays the energy legislation, its internal organisation, activities and regulatory decisions on its website.
- It conducts public consultations on important issues and proposed regulatory measures.
- It presents its activities in conferences and other public events.

TAKE AWAY POINTS

CERA is a full independent, transparent and empowered regulator whose competences and independence are guaranteed by law. It has extensive competences which ensure an efficient and competitive operation of the Cypriot energy market as well as protection of consumers with enforceable decisions and sanction powers.

Like its EU counterparts, CERA complies with MEDREG’s good regulatory principles, although it would benefit from an increased number of staff.
STATUS
- Established in 2000, EgyptERA became an independent entity in 2015, and is in-charge of regulating the electricity market.

INDEPENDENCE
- EgyptERA’s missions, powers and autonomy were strengthened by a 2015 law and improved as a result of a twinning project led by the Greek and Italian regulatory authorities;
- A proposal on the adoption of a Code of Ethics has been recently submitted to EgyptERA’s Board to guarantee the staff’s impartiality and prevent conflicts of interest;
- It executes its own budget autonomously, which is made of mixed financial resources, including public budget, licensing and permit fees and fees for services provided to energy stakeholders;
- It is audited by an independent third party;
- It applies a clear recruitment procedure, although EgyptERA’s Board members are appointed by the Prime Minister, with some of them being related to the Energy Ministry;
- Its budget is prepared and approved by the Parliament.

COMPETENCES
- It can access all necessary information from the regulated entities;
- It sets the tariff methodology, subject to governmental approval, and calculates the tariffs;
- It approves network access and connection but is not competent to approve or adopt cross-border capacity allocation rules;
- It monitors the market:
  - it approves market rules and launches reparatory measures and amendments;
  - it is currently mainly devoted to assessing the existence of the required conditions to allow market opening, with particular reference to competition on the supply side of the market;
  - it observes the compliance of the licensees with the terms and conditions of their licences;
- It grants all permissions and licenses to establish, manage, operate and maintain electricity production, distribution and supply activities;
- It ensures electricity consumer protection through a complaint management system and initiatives aimed at increasing consumer awareness, while vulnerable consumers are subsidised;
- A procedure for dispute settlement is in place but is meant to be improved and aligned to the EU best practices;
- It is involved in the different phases of the unbundling process required by law.

INTERNAL ORGANISATION
- EgyptERA comprises 80 staff members;
- It decides on its main structure and recruits its own staff following procedures set by the Egyptian governmental bodies.

ENFORCEMENT
- EgyptERA issues decisions and regulatory measures as well as imposes sanctions and penalties on supervised entities, ranging from fines to aggravated imprisonment;
- Its decisions are binding and appealable.

TRANSPARENCY AND ACCOUNTABILITY
- EgyptERA disseminates information on its regulations and rules to inform electricity actors and customers about their rights and duties;
- It publishes information about its internal organisation, missions, duties and reports on its website and through annual reports, newsletters, flyers, publications, social media and smart services programs such as mobile applications;
- It organises public consultations, public hearings and other meetings, although the law does not provide for compulsory consultation process.

TAKE AWAY POINTS
EgyptERA is a regulator tasked with several responsibilities related to the liberalisation of the electricity market. However, its independence from the political power could be reinforced and its accountability towards stakeholders should be better established.
**STATUS**

- CRE is an independent administrative authority established by law in 2000.
- It regulates the French electricity and gas networks and the French electricity and gas markets.

**INDEPENDENCE**

- CRE is legally and functionally independent from any other public or private entity.
- Conflicts of interest are strictly prohibited and can lead to the dismissal of Board members.
- It is funded through the national budget and audited annually by the French Court of Auditors.
- It prepares its own budget before presenting it to the Economy Ministry and acquiring Parliament’s approval.

**COMPETENCES**

- CRE has full access to financial and technical information from sector participants, which is stored in an IT system that allows regular data monitoring.
- It analyses the consistency between network development plans and the 10-year plan, and approves the plans submitted by the electricity and gas system operators.
- The French electricity and gas markets are fully open since 2007.
- CRE monitors the wholesale electricity and natural gas markets to ensure fair prices and prohibit market abuse.
- It cooperates with the financial, competition, and antitrust authorities.
- It sets the methodology for the transmission and distribution tariffs, as well as for the balancing and ancillary services, and it can include performance-based components in the tariffs.
- It approves the conditions for access to cross-border infrastructures and is involved in setting the connection fee.
- CRE plays an active role in unbundling and enjoys significant powers to ensure the independence of network operators.
- It has extensive technical competences, such as the ability to set or approve rules for the management and allocation of interconnection capacity; issue secondary legislation such as grid codes; ensure that transmission and distribution operators correct any congestion difficulties and grant exemptions for third party access for new investment.
- It informs consumers about their rights through a dedicated website and ensures that they have access to their consumption data.

**INTERNAL ORGANISATION**

- CRE decides on its internal organisation and its human resource policy.
- It has 149 members of staff who are bound by a code of ethics.

**ENFORCEMENT**

- CRE’s decisions are binding but can be appealed in the administrative court and tribunals.
- It has the power to sanction the sector participants who breach the regulation related to the access and use of public electricity grids and natural gas networks, through a special Committee for Settling Disputes and Sanctions (“CoRDIS”) established by law in 2006.
- It may impose temporary prohibition of network access and penalties.
- It can publish comparative reports that demonstrate insufficient performance by the network operators.
- It has the power to ask transmission and distribution system operators, if necessary, to modify their terms and conditions, including tariffs and methodologies.

**TRANSPARENCY AND ACCOUNTABILITY**

- CRE publishes information about its missions, duties, organisation and reports on its website.
- All its decisions are made public.
- Mandatory public consultations are organised for important decisions (i.e. tariff setting).
- It issues annual reports and has reporting obligations towards the government and parliament.

**TAKE AWAY POINTS**

CRE is a fully independent, transparent and empowered regulator whose competences and independence are guaranteed by law. It has extensive competences, enabling it to ensure the efficient and competitive operation of the French energy market as well as the protection of consumer with enforceable decisions and sanction powers.

Like its European counterparts, CRE complies with MEDREG’s good regulatory principles and has a very satisfactory level of empowerment.
STATUS
• RAE is an independent administrative body responsible for regulating, monitoring and supervising the Greek energy market comprising of electricity, gas, renewable energy sources and oil;
• It was established by law in 1999 and reinforced in its administrative and financial independence in 2011.

INDEPENDENCE
• RAE's board members are independent and impartial and strictly avoid any conflicts of interest, facing disciplinary liability otherwise;
• It possesses its own financial resources that are attached to the budget of the Ministry of Energy and Environment, and is subject to an independent auditing.

COMPETENCES
• RAE monitors the operation of all sectors of the energy market (Electricity, Natural Gas, Oil Products, Renewable Energy Sources, Cogeneration of Electricity and Heat, etc.);
• It collects and processes the information from energy companies;
• It submits opinions on presidential decrees and proposes legislative regulation in matters related to its mission to the Hellenic Parliament and the Minister;
• It issues market codes and regulations;
• It monitors the security of energy supply;
• It grants, amends or revokes licenses and monitors the licensees’ compliance with their obligations;
• It considers, amends and evaluates the development plans prepared by the Transmission System Operators and is responsible for certification and unbundling regulations;
• It monitors the time needed to connect users, effect repairs and provide services to users;
• It decides on the methodology used to calculate the prices of non-competitive activities;
• It supervises the application of consumer protection measures and examines customer complaints related to regulation;
• It cooperates with the competition authority on cases of market dominance, predatory and anticompetitive behaviour;
• It adopts, monitors and supervises the application of interconnection access rules, capacity allocation, release and congestion management mechanisms, and balancing services.

INTERNAL ORGANISATION
• RAE is supported by its secretariat in administrative and technical matters;
• It has 142 members of staff.

ENFORCEMENT
• RAE issues enforceable decisions which can be challenged before RAE or before the national court and council;
• It settles disputes between persons engaged in energy activity and between customers and energy undertakings through a permanent arbitration tribunal established at RAE;
• It is competent to conduct investigation to detect infringements of the regulatory framework and impose penalties in case of breach of obligations;
• It can withdraw licenses in the event of systematic and repeated infringement.

TRANSPARENCY AND ACCOUNTABILITY
• RAE presents annual reports to the Greek Parliament and Minister for Energy and Environment;
• Its website is constantly updated with the existing energy legislation, RAE’s internal organisation, actions and activities and the relevant regulatory decisions;
• It conducts public consultations on proposed regulatory measures and other issues, and communicates current developments of the energy sector through conferences and events.

TAKE AWAY POINTS
RAE is a fully independent, transparent and empowered regulator whose competences and independence are guaranteed by law. It has extensive competences which allow it to ensure the efficient and competitive operation of the Greek energy market as well as the protection of consumers through enforceable decisions and sanction powers.
Like its EU counterparts, RAE complies with MEDREG’s good regulatory principles and has a very satisfactory level of empowerment.
PUA
Public Utilities Authority - Electricity

STATUS
- PUA was established as a public body by law in 1996.
- Along with the other bodies, it is responsible for making, amending or assisting with regulatory decisions.

INDEPENDENCE
- PUA was established as an independent authority, separate from the government, in terms of budget and staff.
- PUA is overall only partially independent: It does not receive instructions from the government or other public or private entities when carrying out its regulatory tasks, but operates within the government and ministerial policy.
- Conflicts of interest are prohibited.
- PUA must submit the National Development Plans, Draft Budget, Annual Work Plan and its annual report to the government for approval.
- PUA’s budget forms part of the national budget and is subject to government’s approval and is audited annually.
- PUA’s decisions are appealable before the Supreme Court and do not always remain in effect pending appeal.

COMPETENCES
- PUA has extensive powers to monitor and ensure security and quality of supply and current and future demand balance in the national market.
- It has full access to financial and technical information from sector participants.
- It is completely autonomous in setting tariffs, including balancing and ancillary services, access to cross-border infrastructure and connection fees.
- It has the power to include performance-based components in the tariff methodology and can penalise the Israel Electric Corporation for non-performance according to certain standards.
- As there is no open market but only a sole supplier, tariffs for the supply of electricity to end consumers are also regulated and set by PUA.
- It reviews the national development plans and provides an opinion to the government.
- It participates in the implementation of measures to cover peak demand and is entrusted with the responsibility to address any shortfalls from one or more suppliers.
- It organises and monitors tendering procedures for new infrastructures.
- The Israeli energy market is not open to competition, with one sole state-owned integrated electric utility generating, transmitting and distributing all electricity to customers in the country.
- PUA cooperates with the competition and antitrust authorities and has a role in prohibiting abusive practices and in detecting and investigating market manipulation practices.
- It grants and monitors licenses for power production.
- There is no dispute settlement body established within PUA, and it only collects complaints from parties against a transmission or distribution system operator.
- It has no direct role in unbundling but may establish guidelines on the unbundling of accounts and rules regarding the allocation of costs from the unbundling process.
- PUA informs consumers about their rights, manages complaints and imposes sanctions to grid operators delaying connections and repairs.
- It addresses the needs of vulnerable consumers.

INTERNAL ORGANISATION
- PUA decides on its internal organisation and human resource policy.
- It has 72 staff members.

ENFORCEMENT
- PUA has some limited enforcing powers while it cannot sanction license holders for breaching terms and conditions of their license, it is responsible for imposing fines on providers who do not meet the service quality standards.
- It assesses the performance of operators and has the powers to publish reports demonstrating insufficient performance and to revise tariffs or reduce rates of return.
- Sanctioning powers and enforcement mechanisms have not yet been employed.

TRANSPARENCY AND ACCOUNTABILITY
- PUA publishes on its website its decisions and information related to licensing, tariffs and market monitoring data.
- However, information on its mission, duties, powers and reports is limited.
- It carries out public consultation with stakeholders on draft decisions.
- It issues annual reports presented to the Parliament.

TAKE AWAY POINTS
PUA would benefit from greater financial independence from the government as well as from more autonomy in assessing and proposing regulations. The regulator has limited enforcing powers, which should be expanded, especially considering that the Israeli market is not yet open to competition.
ARERA

Italian Regulatory Authority for Energy, Networks and Environment

STATUS

- ARERA is an independent body, which was established by law in 1995 for the purposes of protecting consumer interests and promoting competition, efficiency and distribution of services with adequate levels of quality, through regulatory and control activities. Initially, the authority’s scope of action was limited to electricity and natural gas, but was extended to regulate and control district heating, cooling, and water infrastructures and services and, more recently, waste management;
- It formulates regulations autonomously.

INDEPENDENCE

- A code of conduct applies to all staff members;
- Conflicts of interest are prohibited, with dismissal and fines incurred in case of non-compliance;
- Its decisions are binding and appealable before tribunals and courts;
- Its recruitment process for hiring staff members is public and open;
- It is funded through annual contributions paid by the service providers, and is regularly controlled by external auditors.

COMPETENCES

- ARERA has full mandatory access to financial and technical information from sector participants, which is stored in a database;
- For the energy sectors, ARERA establishes the tariffs for the use of infrastructures, and guarantees equal access to operators;
- It prepares and updates the tariff method for determining the fees for both the integrated water service and the integrated waste service, and approves the tariffs prepared by the competent bodies;
- It defines the criteria for determining the users’ fee for connection to the district heating network and the procedures for exercising the right to “disconnection”;
- It encourages investments in infrastructure, with particular emphasis on adequacy, efficiency and safety;
- It monitors the quality and level of maintenance of the networks and quality of supply, defines indicators and standard, and can impose fines and penalties;
- Italy’s natural electricity and gas market are completely liberalised;
- ARERA monitors the wholesale and retail markets and reports to the Italian Antitrust Authority about any suspected infringements of law by the energy companies;
- It fixes transmission and distribution networks’ tariffs, balancing and ancillary services, access to cross-border infrastructures and connection fees, and can penalise a non-performing service;
- It makes observations and recommendations to the government and parliament with regard to licenses or authorisations;
- It settles disputes among consumers and regulated operators;
- ARERA guarantees an uninterrupted energy supply to consumers, periodically checking the quality and efficiency of the services;
- It monitors energy prices and raises consumer awareness;
- It addresses the concerns of vulnerable consumers by implementing government measures.

INTERNAL ORGANISATION

- ARERA autonomously decides on its own procedures and internal organisation;
- ARERA employs 219 staff members and has a budget of around €100 million per year.

ENFORCEMENT

- ARERA can sanction operators with fines and penalties in case of a non-compliance with the regulation;
- It publishes a comparative table of operator’s performances.

TRANSPARENCY AND ACCOUNTABILITY

- ARERA also plays an advisory role to the Parliament and the government to which it can submit reports and proposals; each year it presents an annual report on the state of services and the activities carried out;
- It also publishes information on its internal organisation, objectives and processes on its website;
- It conducts extensive public consultations and public hearings and widely communicates with the public.

TAKE AWAY POINTS

ARERA is an independent and empowered regulatory authority with extensive technical competences and enforcement capacities, which allow it to impose sanctions on market players in fully open electricity and gas markets.

Like its MEDREG European counterparts, ARERA complies with MEDREG’s good regulatory principles.
STATUS

• EMRC is a distinct governmental body established by law in 2014.
• It regulates electricity, gas, mining and nuclear resources, as well as renewable energy, oil, petroleum and oil shale in Jordan.

INDEPENDENCE

• EMRC is a separated entity, which acts independently, although it is directly related to the Prime Minister;
• Some of its decisions must be submitted for governmental approval in areas such as tariff methodology, security of supply, national development plans, draft budget and the annual work plan;
• The members of “the Council of Commissioners”, which manages and supervises the regulator, are appointed by the government;
• Conflicts of interest are prohibited, and staff members are recruited via open call;
• EMRC is financially independent, funded by license fees and fines, which are set autonomously;
• It manages its annual budget autonomously and submits it for external audits;
• Its decisions are binding and appealable in the court.

COMPETENCES

• It monitors the generation, network development, and maintenance, and actively covers peak demand;
• EMRC is currently taking necessary actions towards unbundling;
  • It monitors the progression of the single buyer model in a competitive electricity market and reports each year on the potential for competition to the minister;
  • It is also working on the procedures for approving the electricity transmission codes;
  • It determines the methodologies for calculating tariffs for electricity licensed services and sets the tariffs according to it;
  • It grants permits and licenses to construct, own or operate an undertaking or in any way engage in the business of generation, transmission, system operation, supply or distribution;
  • EMRC has access to information of the licenses;
  • It settles disputes between licensees and between consumers involving matters of electric power connection and supply, quality of service, and tariffs;
  • It participates in developing the technical standard of the sector’s appliances and facilities;
  • It protects the interests of consumers by informing them of their rights, managing their complaints, and monitoring the quality of the services provided to them;
  • It supports vulnerable consumers by offering them specific tariffs.

INTERNAL ORGANISATION

• EMRC is autonomous when it comes to deciding its internal organisation, number of staff, and its human resources policy;
• It has a binding code of ethics in place;
• EMRC employs 370 employees;
• It has an annual budget of around €6.7 million.

ENFORCEMENT

• EMRC verifies the licensees’ compliance with their obligations;
• In case of unsolved and persistent non-compliance by the licensee, it has the power to impose amendments in the license’s terms and conditions and to cancel it.

TRANSPARENCY AND ACCOUNTABILITY

• EMRC issues annual reports;
• It maintains and regularly updates its website in Arabic and English, with information on the energy sector, tariffs, regulatory decisions and other documents;
• It conducts public consultations like hearings, written consultations, workshops, etc.

TAKE AWAY POINTS

The scope of energy sources regulated by EMRC is large and was further expanded in 2017 with the addition of oil, gas, petroleum and oil shale. EMRC could benefit from a greater autonomy with regard to its decision-making process and composition of its “Council of Commissioners” for which the government’s involvement is still required. However, EMRC enjoys financial independence and has strong powers in terms of dispute settlement and consumer protection. It plays an important role in ensuring the unbundling process and the transition towards a liberalised energy market open to competition in Jordan. Finally, it is fully transparent and accountable.
REWS was established by law in 2015 for the regulation of energy and water services in Malta.

REWS is an independent entity separated from other public bodies:
- Conflicts of interest are prohibited, although staff members and commissioners can have interests in regulated entities or can be charged for political activities;
- It possesses its own financial resources which are derived from license fees, and manages them autonomously;
- It submits its budget for the government’s approval, and is annually reviewed by external auditors.

REWS has full access to financial and technical information from sector participants and utilities:
- It monitors medium- and long-term supply and demand balance, expected future demand and envisaged additional capacity, as well as quality and level of maintenance of the networks and quality of supply;
- It does not participate in tender processes for new infrastructures;
- It has an advisory role of commenting on proposals related to opening the markets;
- It prohibits abusive practices that affect wholesale energy markets and investigates market manipulation practices in coordination with the Maltese antitrust authority;
- It sets guidelines for compliance review and for reporting obligations, and can impose the obligation to modify accounting practices wherever there is insufficient unbundling;
- REWS fixes methodologies for transmission and distribution network tariffs, methodologies for balancing and ancillary services, and access to cross-border infrastructures;
- It issues licenses, determines terms and conditions, reviews and monitors compliance;
- It settles disputes between industry and customers and between industry operators;
- It has a wide range of technical competences related to the management and allocation of interconnection capacity;
- It actively promotes and protects consumer interests, particularly vulnerable consumers, especially with respect to the prices charged for, and the quality and variety of the services.

REWS decides on its internal organisation and its human resource policy:
- It employs 41 staff members;
- It has a yearly budget of €2.6 million;
- No specific code of conduct is in place, but REWS staff must comply with the Public Service Management Code.

REWS’s website contains all relevant information on the regulator, such as its mission, decision, calls for tender offers, reports on activities, authorisations, licenses and permits;
- It undertakes public consultation when preparing its positions and actions.

REWS is a functional and financially independent regulator, with clear roles and responsibilities, although its Commissioners could benefit from greater independence with regard to their appointment and possibly allowed political functions. It possess a wide range of technical competence along with enforceable powers.
STATUS

- REGAGEN was established in 2004 as per the Energy law, which was approved in June 2003;
- It is a legally distinct and functionally independent institution with public authorisations, responsible for electricity and gas market regulation in Montenegro, and since February 2018, for water supply and waste water management regulation.

INDEPENDENCE

- Conflicts of interest are prohibited;
- REGAGEN is funded from license fees and charges for dispute resolution;
- Its annual budget is adopted by the Parliament, while the Ministry has no influence on it;
- A state auditor supervises its budget implementation.

COMPETENCES

- REGAGEN has full access to financial and technical information from market participants and utilities;
- It sets the minimum quality of supply standards;
- It detects and investigates market manipulation practice which affects wholesale energy markets;
- National timetables for a fully open electricity and natural gas market are in place;
- REGAGEN sets methodologies for prices, and terms and conditions for the use of electricity transmission and distribution systems, use of gas storage systems, gas facilities, ancillary and balancing services for electricity and gas transmission systems;
- It issues, modifies, monitors and revokes licenses for energy, gas and water activities;
- It settles complaints mainly relating to denial of access, connection consent and suspension of delivery of electricity or gas;
- It resolves disputes between energy undertakings or between energy undertakings and users;
- Regarding unbundling, it does not have any specific competence;
- As for technical competences, it approves the management and allocation of interconnection capacity, as well as operational and planning standards, quality of service standards and congestion management rules, but does not have the power to enforce sanctions in cases of violations of these service standards;
- REGAGEN can only approve secondary legislation;
- It promotes competition and protection for final customers;
- It has the power to monitor the time given to the sector participants to make connections and repairs.

INTERNAL ORGANISATION

- REGAGEN decides on its own internal organisation and human resource policy;
- It has 33 employees, including the president, two members of the Board, an executive director and a deputy executive director, who are bound by a code of ethics and who take decisions;
- It has an annual budget of around € 1.5 million.

ENFORCEMENT

- REGAGEN’s decisions are binding and appealable in courts. They remain in effect pending appeal;
- REGAGEN does not have the power to sanction sector participants.

TRANSPARENCY AND ACCOUNTABILITY

- REGAGEN provides information on its website about its missions, duties, reports, licensing, tariffs, and so on, and conducts public consultations on draft decisions;
- It issues an annual report, which is presented before the Parliament.

TAKE AWAY POINTS

REGAGEN is a fully independent, transparent and accountable regulator, with extensive technical competence. Its role could be more prominent with respect to the unbundling process and opening of the market. Its ability to enforce its decisions and sanction breaches and noncompliance with its regulatory decisions could also be strengthened.
ANRE, the National Authority for the Regulation of the Electricity Sector, was established by law in 2016, and is set to assume direct responsibilities for the Moroccan electricity sector in 2018. Until ANRE becomes functional, the Government of Morocco is responsible for the electricity sector. As ANRE is anticipated to take over the regulation of the energy sector shortly, the competences and structure listed below are based on its constitute law.

### Independence
- ANRE is an independent administrative authority.
- Conflicts of interest are prohibited and may incur dismissal.
- It shall be financially autonomous with own resources acquired from transmission and distribution operators’ contribution, grants, penalties and contribution paid by disputing parties.
- ANRE’s annual budget is subject to its Board’s approval and will be submitted to an external audit.
- Its decisions are appealable in court.

### Competences
- ANRE shall ensure the smooth functioning of the free electricity market and will regulate the access of self-producers to the national electricity grid.
- Currently, the state-owned, vertically integrated, incumbent Office National de l’Electricité et de l’Eau Potable (ONEE) owns the complete transmission network and much of the distribution network; it is also the main retail supplier. It has not been unbundled and performs the functions of energy production, importation, supply, transmission and distribution.
- ONEE can give concessions to private operators and has signed 10 long-term PPAs with Independent Power Producers.
- Although ANRE is responsible for both the approval of the rules related to ONEE’s unbundling of accounts and for the approval of transmission and distribution tariffs, its level of access to the financial and technical information of ONEE and the ministry is unclear.
- ANRE shall approve the rules regarding access and tariffs for the electricity transmission system, including interconnections, indicators quantifying the quality of electricity supply, the electricity grid code and the multiannual investment plans related to infrastructure.
- It shall provide an opinion for the authorisation of new power plants and direct transmission lines.
- Until ANRE assumes responsibility, bundled electricity tariffs are determined by ministerial decree.
- The law provides for a Dispute Settlement Committee to operate as a separate body within the regulator to resolve all disputes, including disputes on access to interconnection points.
- ANRE may also propose draft legislative and regulatory texts related to the electricity sector and issue an opinion regarding the price of energy to be sold to consumers.
- ANRE has no competence on consumer protection nor for vulnerable customers.

### Internal Organisation
- Its board is composed of a president appointed according to the law, and 9 members appointed either by decree, by the President of the Parliament or by the President of the Chamber of Advisers, based on the applicant’s competence. It decides on its own organizational structure and staff.
- ANRE will be staffed by officials seconded from other administrative authorities and by contractors for specific missions.

### Enforcement
- ANRE will carry out on-the-spot checks to ensure the supervised entities’ compliance with the laws and regulations, but its enforcing powers appear unclear.

### Transparency and Accountability
- ANRE must issue an annual report debated in front of the Parliament and published in the Official Bulletin together with the tariff for the use of the national electricity grid.
- It must also present the tariffs for the use of the medium-voltage power grids and its opinions on disputes settlement issues.

### Take Away Points
Although not yet fully operational, ANRE has been assigned a range of clear competence by law to unbundle and open the Moroccan electricity market to competition and regulate its access and tariffs. The establishment of an independent regulatory entity is a major step towards energy market development. However, some aspects of its prerogatives would benefit from greater clarity, such as its ability to enforce its decisions to regulated entities and its capacity to access information. In addition, improvements could be made in terms of transparency and accountability, as no website or public consultation has been envisaged so far. Finally, the future regulator has so far no foreseen competence to protect consumers.
PALESTINE
PERC
Palestinian Electricity Regulatory Council

STATUS
- PERC was established by law in 2009.
- It regulates and monitors all activities of the electricity sector, including the production, transportation, distribution and consumption of electricity in Palestine.

INDEPENDENCE
- PERC is financially and administratively independent:
- It must submit to governmental approval the tariff methodology, opinions on security of supply issues, national development plans and its draft budget.
- It is currently funded through annual subsidy paid by the Ministry of finance; however PERC asked to amend the law to directly receive licensing fees;
- Its decision are binding and appealable.

COMPETENCES
- PERC has full access to financial and technical information from sector participants and utilities;
- It is not fully competent on quality and level of maintenance of the networks nor on quality of supply. However, it defines indicators and standard and may impose fines and penalties;
- It monitors the activities of electricity generation, transmission, distribution and selling;
- It sets the conditions to ensure fair competition and works on preventing monopoly in the generation and distribution activities;
- As for market opening and market monitoring, the West Bank and Gaza Strip are currently divided into four concession areas, which are managed by regulated electricity companies and municipalities that distribute electricity to specific geographical areas;
- PERC recommends the issuance of the licenses, issues new connection fees, ensures the compliance of licensees with their license’s terms and conditions and the maintenance of technical standards;
- It reviews and monitors the application of electricity tariffs and sends information about the recommended tariff to the Energy Authority, who is responsible for the decisions on the tariff;
- It resolves disputes between distribution companies and customers, and between energy utilities themselves;
- It ensures consumer protection by resolving complaints and disputes among all electricity stakeholders.

INTERNAL ORGANISATION
- PERC decides on its internal organisation and its human resource policy.

ENFORCEMENT
- PERC uses key performance indicators and draws recommendations for the acceptance, denial, renewal and withdrawal of licenses;
- However, it has only a monitoring and advisory role and cannot enforce its decisions on regulated entities due to a lack of strong penalty system in place.

TRANSPARENCY AND ACCOUNTABILITY
- PERC’s decisions and policies are published and shared with stakeholders for discussion before a final decision is taken;
- It issues an annual report, which is distributed widely to stakeholders and sends quarterly reports on its activities and achievements to the Energy Authority.

TAKE AWAY POINTS
PERC is a distinct and transparent administrative regulator whose political independence could be strengthened with regard to tariff decisions. As for technical competences related to security of supply, tariffs, and licences, PERC possesses mainly monitoring and advisory powers, while it is fully in charge of dispute settlements from market stakeholders and effectively protects consumer interests. PERC would benefit from a reinforcement of its power to take binding regulatory decisions, which should be enforceable on the regulated market players.
PORTUGAL

ERSE

Energy Services Regulatory Authority

STATUS

- ERSE is a distinct public corporate body set up by law in 1995, which regulates the electricity, natural gas and electric mobility sectors in Portugal;
- In parallel, the Directorate General for Energy and Geology (DGEG) ensures the registration and licensing on the one hand, while the government determines the costs of general economic interest (CIEG) associated with energy policy costs and which are added to the grid access tariffs defined by ERSE.

INDEPENDENCE

- ERSE has administrative, financial, and functional independence. It is not subject to governmental supervision or oversight when performing its duties;
- It must submit its budget, annual work plan and annual activities report for government approval, while the government also approves the energy system's national development plans;
- Conflicts of interest are prohibited;
- ERSE has its own resources, which arise mainly from the network access rate charged to electricity and natural gas customers;
- Its decisions are binding and appealable in the court.

COMPETENCES

- ERSE has access to relevant information from all sector participants;
- In terms of effective functioning of the electricity system and competition, ERSE monitors the medium- and long-term supply/demand balance on the national market, the expected future demand and envisaged additional capacity, and quality and level of maintenance of the networks;
- Both national electricity and gas markets are fully opened to competition, and ERSE actively cooperates with the competition authorities;
- ERSE fixes and approves the methodologies used to establish transmission and distribution networks’ tariffs (which may include performance-based components), as well as the tariffs themselves. ERSE also determines the methodologies related to balancing and ancillary services, access to cross-border infrastructure and capacity management, and is involved in setting the grid connection fees;
- It also establishes tariffs for the LNG (liquefied natural gas) terminal and for underground storage of natural gas;
- ERSE settles disputes between industry and customers, and between industry actors;
- It has extensive technical competences in areas of interconnection capacity, congestion difficulties, exemptions for third party access to new investments, market rules and grid codes, and setting of quality of service standards and congestion management rules;
- Regarding network development plans, ERSE issues a non-binding opinion addressed to the government;
- ERSE has extensive powers with regard to quality of supply and consumer rights, notably for protecting consumer rights and interests; it monitors compliance with public service obligations and all other legal requirements, guarantees economic and financial balance of the activities of the regulated companies, promotes competition in the energy markets between all their players by inspecting consumer complaints and promoting arbitration for the settlement of disputes;
- In terms of vulnerable customers, it implements the government’s measures and provides them information on their rights.

INTERNAL ORGANISATION

- ERSE decides on its internal organisation and its human resource policy;
- It comprises 74 members of staff who are bound by a code of ethics;
- Its annual budget is around €9.8 million.

ENFORCEMENT

- ERSE can impose penalties on sector participants and apply other enforcement mechanisms;
- It also publishes regular reports on quality of service provided by network operators.

TRANSPARENCY

AND ACCOUNTABILITY

- ERSE publishes its statutes, regulatory decisions and other announcements;
- It organises public consultations prior to taking regulatory decisions;
- It publishes annual reports which are presented before the parliament and the government and maintains an updated website.

TAKE AWAY POINTS

ERSE is an independent and empowered regulatory authority with extensive technical competences and enforcement capacity to impose sanctions on market players in fully open electricity and gas markets. Like its MEDREG European counterparts, ERSE complies with MEDREG’s good regulatory principles.
STATUS

- Set up in 1999, AGEN-RS is an autonomous body that monitors, directs, and controls electricity and natural gas, heating, and other energy gases in Slovenia.

INDEPENDENCE

- AGEN-RS is a distinct and functionally independent entity;
- The regulator is run by a Director who is nominated by the Parliament following an open competition and upon the proposal of the Energy Agency Council;
- Conflicts of interest are prohibited;
- AGEN-RS’s budget and work programme are submitted to the Parliament for approval and its accounts are audited;
- It possesses its own financial resources that are derived from the gas and electricity transmission tariffs;
- All decisions taken by the regulator are binding and can be appealed in the Ministry.

COMPETENCES

- AGEN-RS has full access to the financial and technical information from energy sector participants;
- With regard to security of supply, it monitors medium- and long-term supply and demand balance, expected future demand and envisaged additional capacity, and deals with cover peak demand and suppliers’ shortfalls;
- Slovenian electricity and natural gas markets are fully open since 2007. Consumers can choose their suppliers, although much remains under full state ownership;
- The regulator actively cooperates with the competition authorities;
- It issues the methodology for network tariffs, balancing and ancillary services, and for access to cross-border infrastructure, besides managing congestions and setting the network prices;
- It is also involved in setting the grid connection fees;
- AGEN-RS manages disputes and complaints between industry actors and between industry actors and consumers;
- It has extensive technical competence in areas of interconnection capacity and market rules;
- AGEN-RS has extensive powers with regard to the quality of supply, and protects consumer rights.

INTERNAL ORGANISATION

- AGEN-RS decides on its internal organisation and its human resource policy;
- It employs 60 members of staff and has an annual budget of around €3.3 million.

ENFORCEMENT

- AGEN-RS can sanction sector participants and impose additional penalties.

TRANSPARENCY AND ACCOUNTABILITY

- The regulator conducts public consultations before taking regulatory decisions, and keeps market stakeholders updated on tariffs and data on market monitoring;
- It is accountable to the Slovenian Parliament, issues annual reports and puts up its decisions on its website.

TAKE AWAY POINTS

AGEN-RS is a fully independent, transparent and empowered regulator. It ensures the efficient and competitive operation of the Slovenian energy market as well as the protection of consumers with enforceable decisions and sanction powers. Like its MEDREG European counterparts, AGEN-RS complies with MEDREG’s good regulatory principles.
STATUS
- CNMC is an autonomous public entity established in 2013.
- It is responsible for the enforcement of the competition law and regulates electricity and natural gas markets, among other sectors.

INDEPENDENCE
- CNMC is legally and functionally independent from the government, public administration and market players.
- Conflicts of interest are prohibited.
- CNMC’s budget forms part of the state budget and must be presented to the Ministry of Finance and approved by the Parliament.
- It is subject to inspection and auditing.
- Its decision are binding and appealable in courts.

COMPETENCES
- CNMC has full access to the financial and technical information of sector participants.
- Concerning security of supply, it monitors medium- and long-term supply and demand balance, expected future demand and envisaged additional capacity, as well as quality and level of maintenance of the networks and quality of supply; it also deals with cover peak demand and suppliers’ shortfalls and provides opinion on development plans.
- It investigates and detects market manipulation practices that affect the wholesale energy market; collects information on market dominance and cooperates with anti-trust authorities.
- CNMC is not authorised to fix tariffs nor methodology; it only advises the Ministry of Energy, which takes the regulatory decisions.
- CNMC settles disputes among energy utilities regarding grid access, third-party access and cross-border issues; however, it does not resolve consumers’ disputes.
- It draws up guidelines for compliance review and for reporting obligations regarding the unbundling process. It can mandate changes in accounting practices where it finds that the sector participants are not sufficiently unbundled.
- In terms of technical competences, CNMC sets and approves rules regarding the management and allocation of interconnection capacity; issues secondary legislation related to market rules, grid codes, and other technical rules; it ensures that transmission and distribution operators correct any congestion difficulties.
- As for consumer protection, it ensures compliance with the rules related to switching supplier, access to consumption data and energy prices, and it identifies deficient service providers besides proposing corrective measures.
- CNMC monitors the time given to the sector participants to make connections and repairs.
- It does not address the needs of vulnerable consumers, which falls under the Energy Ministry’s responsibility.

INTERNAL ORGANISATION
- CNMC decides on its internal organisation and its human resource policy.
- It comprises 500 members of staff who are bound by a code of ethics.
- Its annual budget is around €60 million.

ENFORCEMENT
- CNMC has the power to sanction sector participants in case of law infringement and can also impose compensation and temporary prohibition of professional activities and network access in addition to license revocation.

TRANSPARENCY AND ACCOUNTABILITY
- CNMC is an open and transparent institution: All its provisions, decisions, agreements, reports, action plans and reports on activities are published electronically on its website.
- It presents its annual report before the Parliament, and presents an impact assessment of its action plans and the results obtained every three years.

TAKE AWAY POINTS
CNMC is an independent and empowered regulatory authority with extensive technical competences and enforcement capacity to impose sanctions on market players in fully open electricity and gas markets. However, its regulatory prerogatives could be enhanced in the areas of tariff methodology and settling of consumer disputes.
 STATUS

- There is no single law that lays out the functions of different bodies within the Government of Tunisia or which describes the market framework. Instead, many different decrees and laws have shaped the current structure of Tunisia’s electricity sector;
- The energy sector is monitored by the Ministry of Energy, Mines and Renewable Energies, which supervises STEG—the vertically integrated Tunisian company for the production, transport and distribution of electricity and gas;
- To perform its duties, the Ministry collaborates with three public bodies, which undertake tasks commonly carried out by an energy regulator: One prepares and implements the legal and regulatory framework related to energy conservation, energy efficiency and renewable energy while the other two suggest and define the conditions and procedure, respectively, for granting electricity concessions to Independent Power Producers (IPPs).

 INDEPENDENCE

- There is no independent energy regulator in Tunisia;
- The public bodies indirectly involved in the regulation of the energy sector are legally, financially and functionally dependent of the Ministry: They are either part of the Ministry, supervised by it or operate with its participation and are funded through the state budget.

 COMPETENCES

- The Ministry collects energy related information: it is not clear however if it has access to financial information from STEG or other sector participants;
- Tunisia’s power sector is well developed, and nearly the entire population has access to the national electricity grid. However, the power sector does not possess generation capacity in reserve and is susceptible to blackouts;
- The direct competences of the Ministry in the context of security and quality of supply are unclear. It may be inferred that the Ministry ensures long-term security of supply through its development of energy projects and promotion of the use of new energy sources, energy savings, and through renewable energies;
- With the exception of IPPs in renewable energy technologies, the energy sector is not open to competition and remains controlled by STEG.
- In terms of technical competences:
  - The Ministry approves bundled electricity tariffs for consumers following STEG’s proposal, and participates in the selection of concessionaires through its affiliated bodies;
  - It has authority in the areas of energy efficiency and RES;
- Although arbitration and dispute resolution venues are in place, the existence of specific mechanisms for arbitration between STEG and possible private developers are unclear.
- Energy subsidies are in place, although there is no explicit definition of a vulnerable customer;
- Substantial efforts are being made to reform energy subsidies and achieve a balance between cost reflectivity requirements and protection of those in need.

 ENFORCEMENT

- The enforcement powers of the Ministry are limited.

 TRANSPARENCY AND ACCOUNTABILITY

- On-line information about the Ministry’s energy public bodies is limited, but there is information available on upstream production and electricity generation;
- There does not seem to be a process for consultations;
- STEG maintains a website dedicated to residential consumers that offers information about their electricity bills, methods of payment and allows for the submission of complaints;
- Calculation of tariffs and subsidies would benefit from greater transparency.

 TAKE AWAY POINTS

Tunisia is one of the last Mediterranean countries to not have established an independent and distinct energy regulator. In a market almost exclusively dominated and controlled by a single undertaking (STEG), its regulatory competences are limited. Looking forward, Tunisia should adopt structural, legal and regulatory reforms to unbundle its energy market and open it to competition in order to meet its growing energy demand and align its market model with its Mediterranean neighbours.
EMRA
Energy Market Regulatory Authority

STATUS
- EMRA is an administratively and financially autonomous authority established by law in 2001;
- It regulates the electricity and gas markets in Turkey.

INDEPENDENCE
- EMRA takes decisions autonomously;
- Conflicts of interest are prohibited;
- It has its own financial resources that are derived from license and certificate fees, market participation fees, and fines;
- Its budget is subject to parliamentary approval and is audited;
- Its decisions are binding and appealable in courts.

COMPETENCES
- EMRA has full access to the financial and technical information of its licensees;
- With regard to the security of supply, it monitors medium- and long-term supply and demand balance, and network maintenance, and deals with peak demand and congestion management;
- The natural gas market is fully open since 2012, except for household consumers;
- The electricity market has the legal foundation to be up to 90% open since 2017;
- EMRA monitors the wholesale and retail markets and actively cooperates with competition authorities;
- It sets out the methodologies to establish transmission and distribution networks tariffs and define the tariffs accordingly;
- It grants, amends and revokes licenses for market activities;
- It settles disputes among the legal entities, and between legal entities and consumers;
- It establishes guidelines and rules on the monitoring of unbundling of the market activities and players;
- It has extensive technical competences in areas of interconnection capacity, congestion difficulties, third-party access to new investments, market rules and grid codes;
- It also runs consumer awareness campaigns;

INTERNAL ORGANISATION
- EMRA decides on its internal organisation and its human resource policy;
- It employs 482 members of staff who are bound by a code of ethics;
- Its annual budget is around €60 million.

ENFORCEMENT
- In case of violations, EMRA can sanction sector participants and apply enforcement mechanisms such as temporary prohibition of network access, license revocation, fines.

TRANSPARENCY AND ACCOUNTABILITY
- EMRA’s statutes, its regulatory decisions and other announcements are published;
- It issues regular sector reports as well as annual activity reports;
- It is accountable to the Energy Ministry.

TAKE AWAY POINTS
EMRA is an empowered energy regulator, with strong and effective competences. It has authority over the market-regulated entities with binding decisions, and the power to sanction non-compliant market participants. It protects consumers, and is fully transparent and accountable. It will play a pivotal role in the opening of the electricity market.
CREDIT

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