

## CONSULTATION ON INTERCONNECTION INFRASTRUCTURES IN THE MEDITERRANEAN

MEDREG held its first public consultation on the report "Interconnection Infrastructures in the Mediterranean: A Challenging Environment for Investments". The purpose of this exercise has been **to define a shared approach** on the priorities for the Mediterranean energy infrastructure and **elaborate draft recommendations** on how to face the main barriers that hinder investment in the region.

MEDREG discussed the results of the consultation process during a dedicated workshop held on 29 April 2015 in Sharm el Sheikh (Egypt). **48 participants** including the **Energy Charter, RES4MED, Med-TSO, PAM, RCREEE, and Société Générale**, discussed the most urgent steps to be taken to realize sounder infrastructure investments in the Mediterranean region.

As an outcome of the consultation process, MEDREG will discuss the creation of a "**Financial Sounding Board**" composed, on a voluntary basis, of representatives of the banking and investing community, with the aim to provide opinions and advice concerning the impact of regulatory changes on financing decisions.

[www.medreg-regulators.org/Consultations.aspx](http://www.medreg-regulators.org/Consultations.aspx)



## MEDREG FORUM ON ENERGY REGULATION - FIRST EDITION

The first Mediterranean Forum on Energy Regulation (Barcelona, 26 November 2014) was dedicated to "**Regulation & Investments: Solutions for the Mediterranean Region**". It reviewed the current state of thinking on the relationship between energy regulation and investments, identified the main challenges and risks and assessed how they could be addressed both at regional and sub-regional level.

**28 high-level speakers** representatives of all the Mediterranean energy stakeholders discussed the specific role of regulation in supporting investments, together with **50 MEDREG members** and **41 external participants**. The debate focused on the regulatory challenges faced by most Mediterranean countries as a result of rapidly changing consumption patterns in electricity and gas, as well as the appropriate financial mechanisms required to develop networks and generation projects. The discussion showed that an independent and reliable regulatory framework is a precondition for a stable investment-friendly environment and greater prosperity in the region.



[www.medreg-regulators.org/Events/MEDREGForum2014.aspx](http://www.medreg-regulators.org/Events/MEDREGForum2014.aspx)



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# Strategy 2020 ~ 2030

- Promote a greater harmonization of the energy markets and legislations and seek progressive market integration in the Euro-Mediterranean region.
- Foster sustainable development in the energy sector through greater efficiency and integration of energy markets based on secure, safe, cost-effective and environmentally sustainable energy systems.
- Support initiatives of common interest in key areas such as infrastructure investment and development, innovative financing solutions for the Mediterranean area, and research in the field of energy regulation.
- Provide capacity development activities through working groups, training sessions and seminars.
- Foster cooperation, information exchange and assistance among members, providing a permanent discussion framework and cooperation network.

## INSTITUTIONAL ISSUES (INS) WG

The Institutional Issues Working Group has the objective **to enhance closer coordination among MEDREG members through the promotion of the role and competencies of independent energy regulatory authorities**. The INS WG coordinates the dialogue on energy regulation with the European Union, international institutions, regional organisations of regulators and other bodies. The WG also works on the institutional evolution of the association.



The INS WG objective is to guide MEDREG members in the implementation of a common set of principles that should characterize the missions, powers, competences and organisation of independent energy regulators for electricity and gas in charge of market monitoring, network regulation, tariff setting and regulation of natural monopolies.

The INS WG supports other WGs along the process of improving the national legal and regulatory frameworks of Mediterranean countries, taking national specificities into account, in order to facilitate a deeper regional cooperation and energy exchanges.

[www.medreg-regulators.org/Organisation/WorkingGroups/Institutional.aspx](http://www.medreg-regulators.org/Organisation/WorkingGroups/Institutional.aspx)



## ENVIRONMENT, RENEWABLE ENERGY SOURCES AND ENERGY EFFICIENCY (RES) WG

The RES working group **focuses on the legislative and regulatory mechanisms used to promote renewable electricity generation and energy efficiency in the Mediterranean area**. The main long term objectives of the RES WG are the implementation of harmonised regulatory options to promote RES in a cost-effective way and the implementation of advanced distributed generation, grid parity and net metering frameworks in Mediterranean electricity systems.



The Group also works on the cost evaluation of the fulfilment of national RES targets and the assessment of the social impact associated with RES deployment in the region. The various reports evaluate the results of the different promotion mechanisms in the national contexts through success factors, main barriers, as well as the possibility to identify best practices to be adopted by other countries. This work includes an analysis of the main regulatory mechanisms such as: RES integration to the grids, smart metering issues and their impact of costs, as well as environmental protection.

The RES WG works on promoting the exchange of information, know-how among members countries. The benchmarking on the evolution of RES and Energy efficiency in the Mediterranean region is updated every year and published on MEDREG homepage.

[www.medreg-regulators.org/Organisation/WorkingGroups/Renewables.aspx](http://www.medreg-regulators.org/Organisation/WorkingGroups/Renewables.aspx)



## CONSUMERS ISSUES (CUS) WG

The Consumers Issues WG works on **enhancing the protection of household consumers in MEDREG countries**.



That includes surveys and recommendations on energy billing, consumer protection and information. The CUS WG also identifies and promotes best practices in consumer protection, including vulnerable customers and quality of service to final consumers for electricity and gas.

The CUS WG also works on updating the MEDREG recommendations on the minimal requirements to ensure consumer protection in the Mediterranean region, comparing the current procedures on energy billing to final consumers among MEDREG countries.

[www.medreg-regulators.org/Organisation/WorkingGroups/Consumers.aspx](http://www.medreg-regulators.org/Organisation/WorkingGroups/Consumers.aspx)



## GAS WG

The GAS Group **assesses the current status of natural gas and LNG markets in Mediterranean countries, their relevant regulatory frameworks and possible evolutions**.



The WG elaborates Guidelines of Good Practice (GGP) and recommendations that can lead to the development of an integrated, competitive, secure and effective gas market in the region. One of the main objectives is also to identify proper means for increasing member countries' security of supply through an increased diversification of gas sources and routes, as well as the development of liquid markets. The WG also works on monitoring of the transparency of market information and the quality of supply to consumers.

[www.medreg-regulators.org/Organisation/WorkingGroups/Gas.aspx](http://www.medreg-regulators.org/Organisation/WorkingGroups/Gas.aspx)



## ELECTRICITY (ELE) WG

The Electricity Working Group (ELE WG) is in charge of **assessing the current status of electricity markets and regulatory frameworks in MEDREG countries and their possible developments**. The ELE WG has the mission to identify and propose basic requirements that will lead to the harmonization of electricity regulation in the area, developing a competitive, strengthened and running regional electricity market in the Mediterranean region.



One of the main long term objectives of the ELE WG is to monitor the implementation of an integrated electricity market, through information exchange on performance indicators and efficient regulatory frameworks. On a long-term perspective, the group is working to develop a market design model to support the unbundling of the electricity sector, transparency of market information and services, non-discriminatory TPA to infrastructure and services, tariff methodologies, price regulation and the possibility for the establishment of smart grids in MEDREG countries.

MEDREG will support the establishment of Third Party Access to energy infrastructure and stimulate the competition between different national markets and will increase regional integration, as well as security of supply. The ELE WG will assist MEDREG countries in reaching a proper function of the market, which will allow the efficient use of interconnections by allocating transmission capacity in the most efficient way and at market prices, as well as developing an efficient cross border trade.

[www.medreg-regulators.org/Organisation/WorkingGroups/Electricity.aspx](http://www.medreg-regulators.org/Organisation/WorkingGroups/Electricity.aspx)

