



TRAINING ON INFRASTRUCTURE INVESTMENTS, NETWORK REMUNERATION, AND TARIFFS

MEDREG OFFICES

VIA LAZZARETTO, 3, 20124, MILAN

18-19-20 OCTOBER 2022



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CONCEPT

Multiple facets are crucial to advance the energy sector and to push forward the energy transition agenda. Some of the main factors affecting them are the infrastructure, network remuneration, and tariffs that reflect well the costs of production and the needs of the consumers. To provide further information on these 3 pillars, MEDREG is organizing this training with speakers from different backgrounds that can best fit the highlighted subjects.

Investing in the infrastructure of power and gas systems should consider all the advancements that are happening in the global energy markets. Energy transition is entailing a lot of incorporation of distributed generation through renewable energy as well as demand side management options which lead to a different development of the infrastructure. These differences should be considered in the investments that will be implemented in the coming future as they will affect the nature of the infrastructure itself. The power grid for example will be like an interactive web which manages power flows in all directions, which is the opposite of current infrastructure that usually deliver the power from the production sites to the end consumer in a monodirectional flow of energy. The accelerated technology change, demand side management opportunities, decentralized energy production along with many other innovations will not only help enhancing the energy structure but will present new challenges in terms of load management, congestion, cybersecurity, and other facets.

It is also important to keep an eye on the network requirements such as remuneration calculation methodologies for transmission and distribution of electricity services, and transport, storage, and distribution requirements in the gas sector. Incentive regulation can play a major role in developing the network requirements if it was set in a way to enhance the network and push it to follow the state-of-the-art developments and to be able to provide the ancillary services that are forecasted to increase in the coming future. It can be used as an incentive in case the companies will be updating the network further than expected but within the necessities of the grid, or as a penalty if the companies do not respect certain minimum requirements that are requested by the regulators. Additionally, as RES projects are under development worldwide, the requirements to connect them to the grids should be regularly updated to follow any breakthrough in the sector.

Tariffs are an essential component in energy transition as poorly designed tariff schemes will have a big effect on the stakeholders and might seclude a part of them if not well planned. Currently, most of the southern neighbourhood of the Mediterranean relies on subsidies for both the electricity and gas sectors. A first step would be to study the possibility of alleviating these subsidies which will help the countries reduce their expenses. However, while alleviating the subsidies, tariffs should be calculated in a way to be fair and cost-based with all stakeholders and protect the vulnerable consumers. In addition, with the potential advancements in smart grids, wheeling tariffs should also be considered so the DSOs and TSOs will still be able to provide the services in case any market reached self-sufficiency.

This training will tackle the three main pillars giving each one a complete day of lectures and discussions. The first day stresses the importance of infrastructure by discussing transmission and distribution investments and how they should be made to maximise the return of decarbonization. Losses also have a very important role in the developing infrastructure especially with the ongoing trend for distributed generation. The second day, network remuneration will be highlighted by tackling subjects such as the methodologies to calculate remunerations for the electricity and gas transmission, transport, and distribution, as well as the requirements to connect small and large-scale renewable energy projects to the grid. Day three focuses on the tariffs by discussing the alleviation of subsidies and setting cost-reflective

tariffs while taking into consideration the wheeling tariffs that will have a different structure in smart grids.

Agenda

TUESDAY, 18 OCTOBER – 10:00 | 15:30

10:00-10:30

INTRODUCTORY REMARKS

Mr. Hasan Ozkoc (Moderator)
Director of the MEDREG Secretariat

10:30-11:30

1. PLANNING OF GAS TRANSMISSION AND DISTRIBUTION INVESTMENTS IN THE ERA OF DECARBONIZATION

(45' + 15' discussion)

Mr. Nicola Battilana
Head of Investment and Assets Planning, SNAM

11:30-11:45

COFFEE BREAK

11:45-12:45

2. THE ROLE OF THE MEDITERRANEAN REGION IN EUROPEAN GAS SUPPLY SECURITY

(45' + 15' discussion)

Mr. Bruno Castellano
Senior Energy Analyst, OME

12:45-13:30

LUNCH

13:30-14:30

3. THE ROLE OF DISTRIBUTION GRIDS IN THE ENERGY TRANSITION: REGULATORY TRENDS

(45' + 15' discussion)

Ms. Valeria D'Ettore
Senior Analyst, Market Strategy and Regulatory Analysis, Enel Grids

14:30-15:30

4. GROUP WORK EXERCISE

WEDNESDAY, 19 OCTOBER – 10:00 | 15:30

10:00-11:00

5. REQUIREMENTS FOR THE CONNECTION OF SMALL AND MEDIUM-SCALE RES PROJETS TO THE GRID

(45' + 15' discussion)

Mr. Konstantinos Perrakis

Coordinator, Electricity Networks, RAE, Greece

11:00-11:30

COFFEE BREAK

11:30-12:30

6. METHODOLOGIES TO CALCULATE REMUNERATIONS FOR THE GAS TRANSPORT AND DISTRIBUTION: FOCUS ON SECURITY AND FLEXIBILITY

(45' + 15' discussion)

Mr. Mehmet Kurkcu

Group Head of Foreign Relations, EMRA, Turkey

12:30-13:30

LUNCH

13:30-14:30

7. METHODOLOGIES TO CALCULATE REMUNERATIONS FOR THE ELECTRICITY TRANSMISSION AND DISTRIBUTION: FOCUS ON TRANSPARENCY AND NON-DISCRIMINATION

(45' + 15' discussion)

Mr. Paulo Paulino

Economist, ERSE, Portugal

14:30-15:30

8. GROUP WORK EXERCISE

THURSDAY, 20 OCTOBER – 10:00 | 16:00

10:00-11:00

9. HOW TO REMUNERATE THE DIFFERENT COMPONENTS OF TARIFFS

(45' + 15' discussion)

Mr. Konstantin Petrov

Head of Section Policy and Regulation, DNV

11:00-11:30

COFFEE BREAK

11:30-12:30

10. REDUCTION OF SUBSIDIES IN THE DESIGN OF ELECTRICITY TARIFFS

(45' + 15' discussion)

Mr. Sherif Mohamed Zoheir

Head of The Central Department of Electricity Market, EgyptERA, Egypt

12:30-13:30

LUNCH

13:30-14:30

11. MARKET ACCESS FOR DEMAND-RESPONSE MEASURES

(45' + 15' discussion)

Mr. Andrea Galliani

*Deputy Director of the Wholesale Markets and Environmental Sustainability
Department, ARERA, Italy*

Mr. Andrea Rosazza

Officer, ARERA, Italy

14:30-15:30

12. GROUP WORK EXERCISE PRESENTATIONS

15:30-16:00

CONCLUSIONS AND AWARD OF CERTIFICATES

Mr. Hasan Ozkoc (Moderator)

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