3rd MEDREG Presidents’ Workshop
The Role of a Coherent Regulation in Promoting Energy Transition in the Mediterranean Region
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Rhodes, Greece

Workshop Report

Kindly hosted by our Greek member
ABSTRACT

MEDREG's 3rd Presidents' Workshop titled "The Role of a Coherent Regulation in Promoting Energy Transition in the Mediterranean Region" brought together High-level representatives from the national regulatory authorities of the Mediterranean region to discuss the crucial role of regulatory frameworks in driving the energy transition within the Mediterranean region. The workshop aimed to facilitate an exchange of ideas, best practices, and lessons learned, focusing on the need for a coherent regulatory approach to accelerate the adoption of sustainable energy solutions and enhance regional collaboration.

The workshop featured a panel discussion, where the participants explored topics such as renewable energy integration, energy efficiency, cross-border interconnections, and regulatory harmonisation. The workshop was concluded with a closed-door roundtable featuring the presidents and the chairmen of the regulatory authorities.

This report provides an overview of the workshop proceedings, key insights, and recommendations that emerged from the discussions, aiming to contribute to the ongoing dialogue on promoting sustainable energy transition in the Mediterranean.

DISCLAIMER

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ABOUT MEDREG

MEDREG, the Association of Mediterranean Energy Regulators, brings together 28 regulators from 23 countries, spanning the European Union, the Balkans, and the MENA region.

Mediterranean regulators work together to promote greater harmonization of the regional energy markets and legislations, seeking progressive market integration in the Euro-Mediterranean region. Through constant cooperation and information exchange among the members, MEDREG aims to foster consumer rights, energy efficiency, infrastructure investment and development, based on secure, safe, cost-effective, and environmentally sustainable energy systems. MEDREG acts as a platform providing information exchange and assistance to its members as well as capacity development activities through webinars, training sessions, and workshops. The MEDREG Secretariat is in Milan, Italy. For more information, visit www.medreg-regulators.org

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Introduction

The Third Presidents’ Workshop on the Role of Coherent Regulation in Promoting Energy Transition in the Mediterranean Region brought together energy regulators, policymakers, and experts to address the pressing need for harmonised regulation in the Mediterranean region. As the world faces the challenges of climate change, the Mediterranean region’s strategic geographical position presents an opportunity for it to become a leader in the global transition to a carbon-neutral energy system. This workshop, hosted by the Greek Regulatory Authority for Energy, Waste and Water (RAE), aimed to explore the impact of coherent and compatible regulation in creating a functioning energy market in the Mediterranean region.

The workshop began with a welcome address from MEDREG President and President of the Moroccan National Energy Regulatory Authority (ANRE) Mr. Abdellatif Bardach, who discussed numerous topics among which was the importance of the independence of the regulators and the potential it would bring the national energy markets. Mr. Bardach further welcomed Ms. Cristina Lobillo Borrero, Director at the Directorate-General for Energy – European Commission (DG ENER), Ms. Milou Beerepoot, Project Manager at the Directorate-General for Neighbourhood and Enlargement Negotiations – European Commission (DG NEAR), HE. Dr. Walid Fayad, Lebanese Minister of Energy and Water, Mr. George Chrysochoides, Authorized Councillor of Tourism Development – seaplane port – cruise – coastal navigation and transports of Dodecanese, and Mr. Stefanos Drakos, Deputy Mayor of Rhodes, whom each provided a short welcome address. The speakers collectively emphasised the significance of the Mediterranean region, not only from a cultural perspective but also in terms of the global energy transition.

The addresses given by the esteemed guests acknowledged the priority of having a coherent and compatible regulation to ensure interoperability and integration in the region’s diverse geopolitical, economic, and regulatory structures. Participants were encouraged to engage in stimulating exchanges, fostering reflection, and understanding the role of regulation in shaping a functional Mediterranean energy market.

A keynote speech was delivered by Associate Professor Athanasios Dagoumas, President of the Greek Regulatory Authority for Energy, Waste and Water (RAE). Mr. Dagoumas, a prominent figure in the energy sector in Greece and the European continent set the stage for the discussions ahead. The keynote speaker shed light on the current challenges and
opportunities faced by the Mediterranean region in its pursuit of a sustainable energy future. The speech underlined the importance of collaboration and coordination among stakeholders to overcome obstacles and promote the effective implementation of a coherent regulatory framework.

Panel: The Impact of a Coherent and Compatible Regulation in Creating a Functioning Energy Market

Moderating the first session, the President of the Board of the Energy Regulatory Agency of Montenegro (REGAGEN) and Vice President of MEDREG, Mr. Branislav Prelevic, delved into the impact of coherent regulation on the development of a well-functioning Mediterranean energy market. The session took the form of a panel discussion. The panellists, who were represented from across the region (Kindly find their biographies in the Annex), examined various aspects, including bottlenecks, challenges, successful projects, and best practices. Through their insights, participants gained a deeper understanding of the key factors driving or hindering the establishment of an efficient and integrated energy market in the region.

Ms. Emmanuelle Wargon emphasised the weight of independence, and transparency, and highlighted the severity of the impartiality of the regulator, underscoring the need for decisions to be made on unbiased grounds. She also stressed the importance of considering the impact on the electricity network when discussing gas infrastructure, as this can have implications for lowering prices and enhancing supply security. Ms. Wargon lastly identified that Interconnections between countries is a key factor in achieving these goals and establishing said concrete interconnections among Mediterranean countries can facilitate the practicality of unifying and harmonising the market.

Ms. Maya Melikidze agreed with Ms. Wargon’s words on the importance of an independent regulator in the electricity market, stressing the challenge that the regulators must overcome to convince the policymakers to embrace a free market approach. In that regard, Ms. Milikidze stated that Georgia’s liberalisation process will begin on July 1, 2023, with pricing based on demand, need, and supply. Understanding consumer perspectives, ensuring stable cross-border trade infrastructure, harmonising legal aspects, involving the private sector while regulating monopolies, considering risk hedging in tariff calculations, monitoring for fair market rules, and promoting the use of renewable energy sources are all key factors in creating a stable and efficient market for all participants.
Mr. Pedro Verdelho believes that the energy transition process is now a reality, and in the coming years, our energy systems could undergo significant transformations compared to the current system. Over the past two decades, progress has been made in decommissioning coal and focusing on the supply side of the energy equation. However, the demand side has been slower to adapt. This lack of balance poses a threat to the predictability of energy resources. One of the challenges with renewables is their production of energy at times when it may not be in high demand, making flexibility crucial. Identifying areas where flexibility can be achieved is paramount. In Mr. Verdelho's view, three key dimensions have been crucially addressed in the past to enable access to flexibility. The first is the energy global economy. The second dimension centres around Demand Response. Lastly, energy system integration, with an emphasis on efficiency, constitutes the third dimension.

Meanwhile, Mr. Luis Jesús Sánchez De Tembleque stressed the importance of strong regulators in global capital markets. He highlighted the distinction between energy policy and energy regulation, with policy focusing on defining the energy mix and regulation ensuring efficient and cost-effective measures for consumers. European energy policy has evolved over time, establishing a legal framework. Mr. De Tembleque finalised his words by saying that adaptable regulation is necessary to address technological advancements and societal demands, and energy regulators must stay informed about the current state of the industry.

Mr. Karem Mahmoud highlighted the significance of harmonised regulations in the energy market. He began by identifying the key issues, with the energy transition being at the forefront. Coherent regulations play a crucial role in attracting investments by providing certainty. However, certain geopolitical events and regulatory uncertainties have hindered the adoption of technologies that would benefit the energy transition. Mr. Mahmoud stated that collaboration among stakeholders is necessary to improve the investment climate. To establish a coherent regulatory framework in the Mediterranean region, stakeholders should focus on enabling interconnections to address the security of supply while ensuring that energy markets operate smoothly. Mr. Mahmoud concluded by saying that despite the challenges faced by the energy market, it is essential to build a sustainable market that offers favourable prices.
Conclusion & Way Forward

MEDREG, as a leading platform for regulatory cooperation in the Mediterranean region, plays a pivotal role in advancing the energy transition agenda. Through workshops like the 3rd MEDREG Presidents' Workshop, MEDREG provides a valuable space for policymakers, regulators, and experts to exchange knowledge, collaborate, and develop coherent regulatory approaches. The impact of such workshops is substantial, as they facilitate the identification of challenges and the sharing of best practices.

Moving forward, it is crucial for MEDREG to continue its efforts in promoting regulatory stability, transparency, and compatibility across the Mediterranean region. The workshop highlighted the need for further harmonisation of regulatory frameworks to foster a functioning energy market and enable the effective integration of renewable energy sources, to enable a smooth energy transition. MEDREG will actively support its members in implementing these recommendations by providing technical assistance and tailoring capacity-building programs. Furthermore, MEDREG will continue to streamline regional cooperation and coordination among its members. This includes adopting partnerships and sharing experiences on successful regulatory practices, encouraging cross-border energy trade, and jointly addressing common challenges.

In conclusion, the 3rd MEDREG Presidents' Workshop provided valuable insights and recommendations for promoting a coherent and compatible regulatory framework in the Mediterranean energy sector. MEDREG's role in supporting its members, facilitating assistance, and motivating regulatory harmonisation is instrumental in achieving a successful regional energy transition. By continuing to foster dialogue and by providing the adequate platform for interchange, MEDREG can contribute to the development of sustainable, secure, and efficient energy systems in the Mediterranean region.
ANNEX: Panellists’ Biographies

**Ms. Emmanuelle WARGON** is the President, of the French Energy Regulatory Commission (CRE) and a strong advocate for environmental protection and sustainable development. Before her duty at CRE, **Ms. Wargon** held the position of Secretary of State to the Minister of the Ecological and Inclusive Transition (2018-2020) and then Minister Delegate for Housing (2020-2022).

**Ms. Maia MELIKIDZE** is the Chairperson of Energy Regulators Regional Associations (ERRA) and Commissioner at the Georgian National Energy and Water Supply Regulatory Commission (GNERC) since 2017. **Ms. Melikidze** is an expert in energy regulation and renewable energy with more than 15 years of experience in the energy sector.

**Mr. Pedro VERDELHO** President of the Board of Energy Services Regulatory Authority of Portugal (ERSE) and chairman of MEDREG’s Renewable Energy Working Group (RES WG). He has over 20 years of experience in the energy sector. Verdelho is a highly respected figure in the energy sector. He is known for his expertise in regulation, renewable energy, and the environment. He is also a strong advocate for sustainable energy policies.
**Mr. Luis Jesús Sánchez de Tembleque** is Executive Secretary of the Ibero-American Association of Energy Regulatory Entities (ARIAE). He is Head of the consumer protection department at the National Commission of Markets and Competition (CNMC). He has been the Director of Electric Energy and Deputy Director of Special Regimes at the National Energy Commission (CNE). Furthermore, **Mr. de Tembleque** was chairman of MEDREG’s Renewable Energy Working Group (RES WG).

**Mr. Karem MAHMOUD** Executive Chairman of the Egyptian Gas Regulatory Authority (GasReg) and MEDREG GAS WG Chair. Mr. Mahmoud has over 25 years of experience in the oil and gas industry, with a focus on regulation and the development of the Egyptian gas market.
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