

EMRA's DUTIES & CASE STUDY: DISCONNECTION-RECONNECTION

Ali Kubilay DEMİR

Energy EXPERT

**2nd Trilateral CEER-ECRB-MEDREG
Workshop 25 June 2019**

Content

- **Electricity Market Overview**
- **Eligible Customer**
- **Case Study: Disconnection-Reconnection**

EMRA



- The sole regulator of the Turkish electricity, natural gas, LPG and fuel markets.
- The architect of the liberalization and regulation of the Turkish energy market
- Established in 2001
- Governed by a 7-member board
- Functions:
 - Issuing secondary legislation
 - Licensing market participants
 - Approving tariffs
 - Monitoring, supervising and auditing markets and market players

Objectives of EMRA

To establish

- *Financially viable*
- *Stable*
- *Transparent*
- *Non-discriminatory*
- *Competitive*

energy markets

... for delivery of

- *Adequately*
- *Efficiently*
- *Continuously*
- *At high quality*
- *At low cost*
- *Environment friendly*

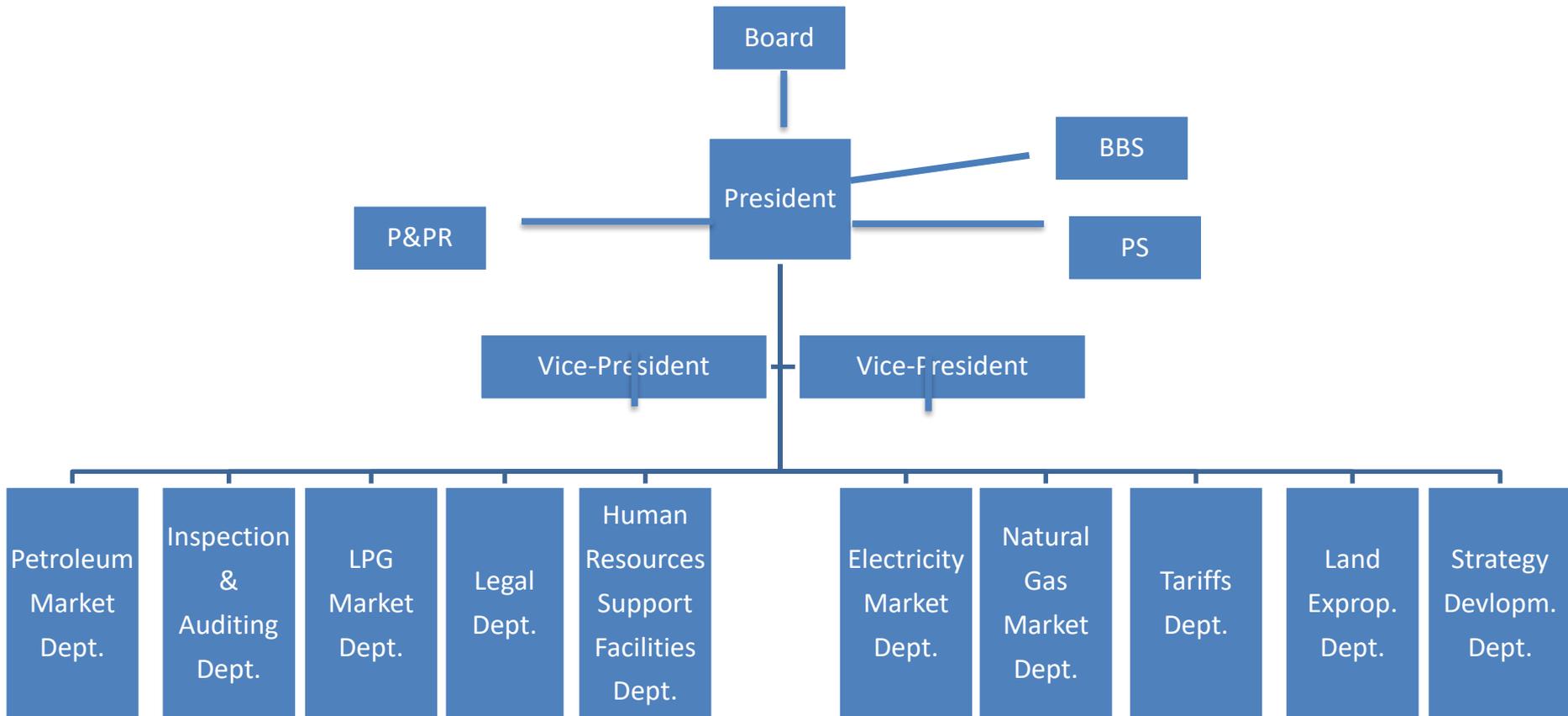
energy



Status of EMRA

- Independent public entity with administrative and financial autonomy.
 - Board members cannot be discharged unless special conditions of the Law require so.
 - EMRA submits an annual report to the Ministry.
- The legal status concerning organizational structure and management is described by the Law.
- The Law 4628 described the legal status concerning organizational structure, management and also electricity market.
- In 2013 Electricity Market Law (No:6446) entered into force in 2013, The Law, 4628 remains as organizational structure, management of EMRA.
- In 2001 Natural Gas Market Law (No.4646) is published and it is followed by Petroleum Market Law (No.5015) and Liquefied Petroleum Market Law (No.5307).

Structure of EMRA



Electricity Market Law

- Electricity Law (No.4628 and also No.6446)
 - set legal framework for the sector,
 - defined
 - the institutional structure,
 - market activities,
 - roles and responsibilities of market players,
 - established EMRA.

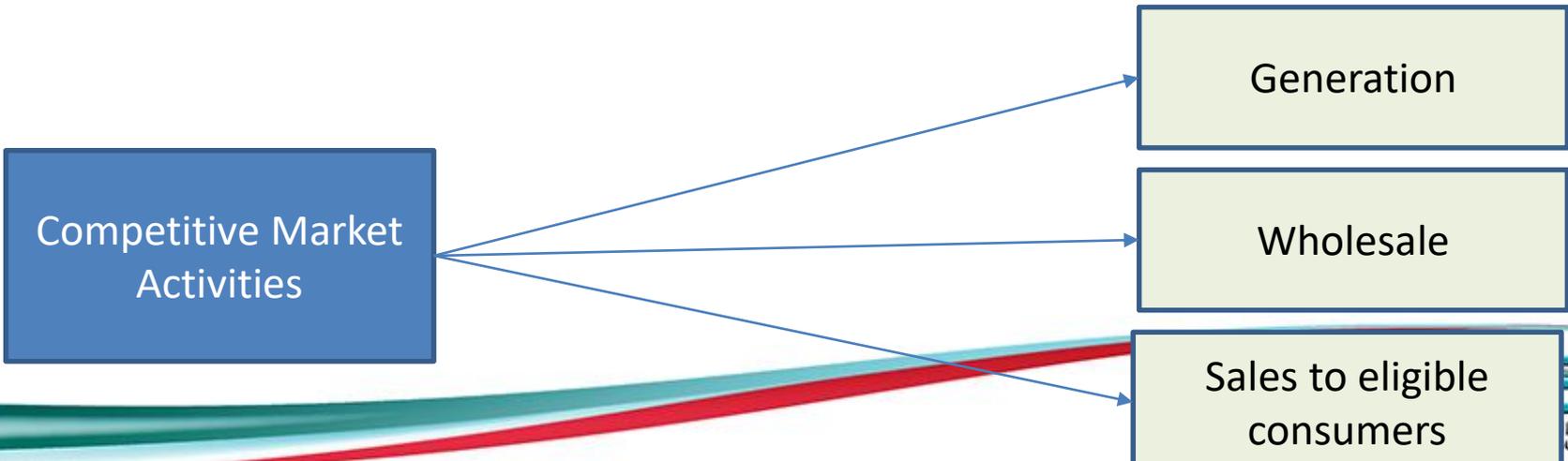
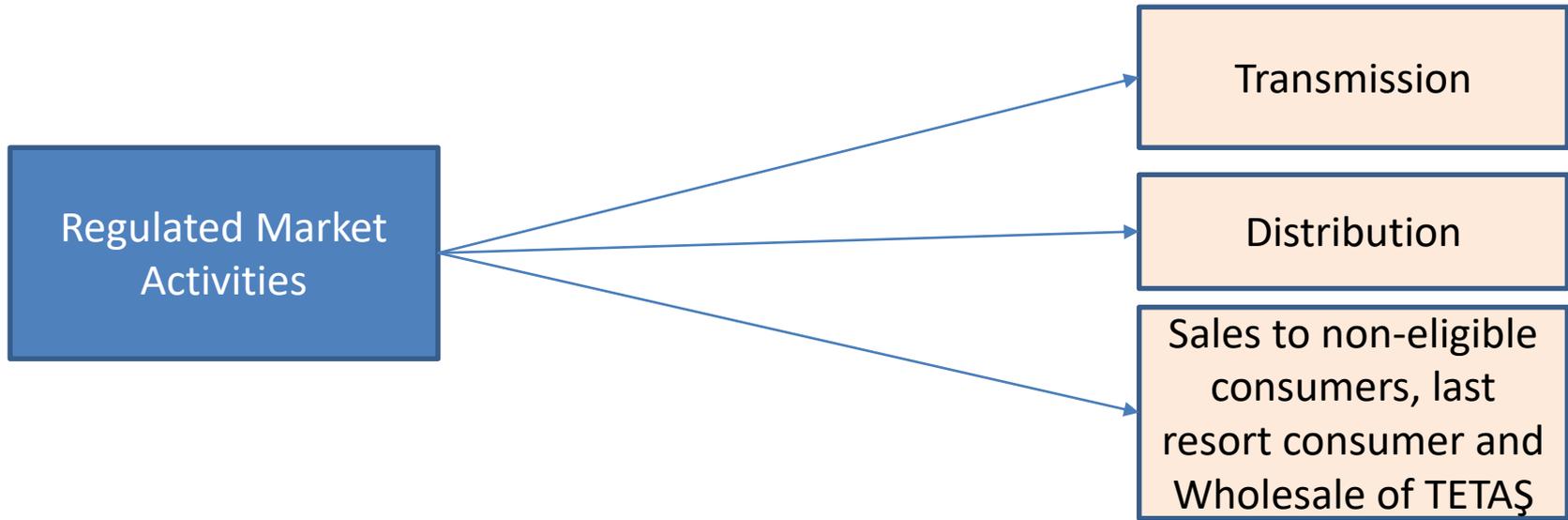
Electricity Market Principles

- **Eligible Consumers**: Consumers with a higher consumption than the eligible consumer limit
- **Network Access**: Regulated third party access
- **Wholesale Market Design**: Bilateral contracts market complemented by day-ahead market, intra-day market, and residual balancing market
- **Tariff**: Network tariffs and sales to captive customers as well as tariffs for last resort customers are regulated.
- **Licensing**: All market activities must be licensed by EMRA with some exemptions.
- **RES Support Mechanism**: Feed in tariffs depending on technology. Also an extra premium for the use of local equipment.
- **Mitigation of market power**: Static precautions in terms of limiting market share; 20% for generation companies and 20% for suppliers.

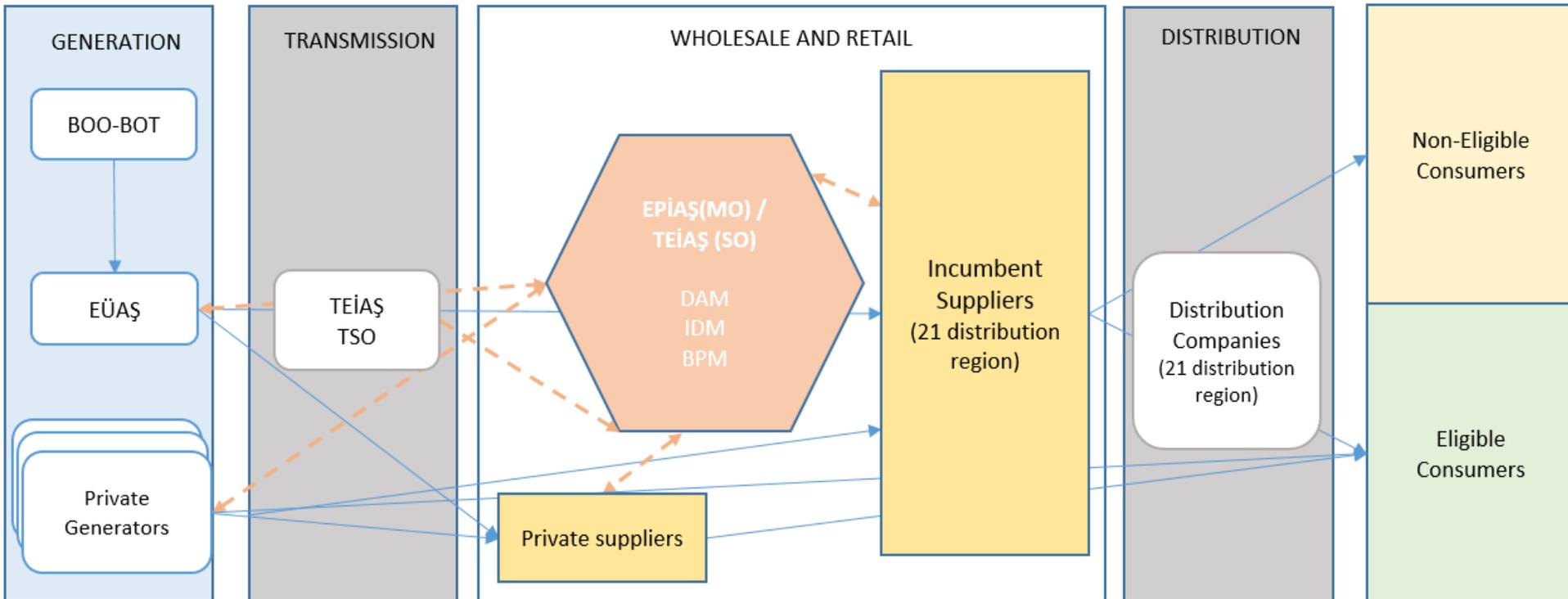
Electricity Market Law

- With the Law, market activities were split into categories,
 - Regulated market activities,
 - Competitive market activities.

Electricity Market Law



Current Market Structure



Electricity Market Overview In 2018

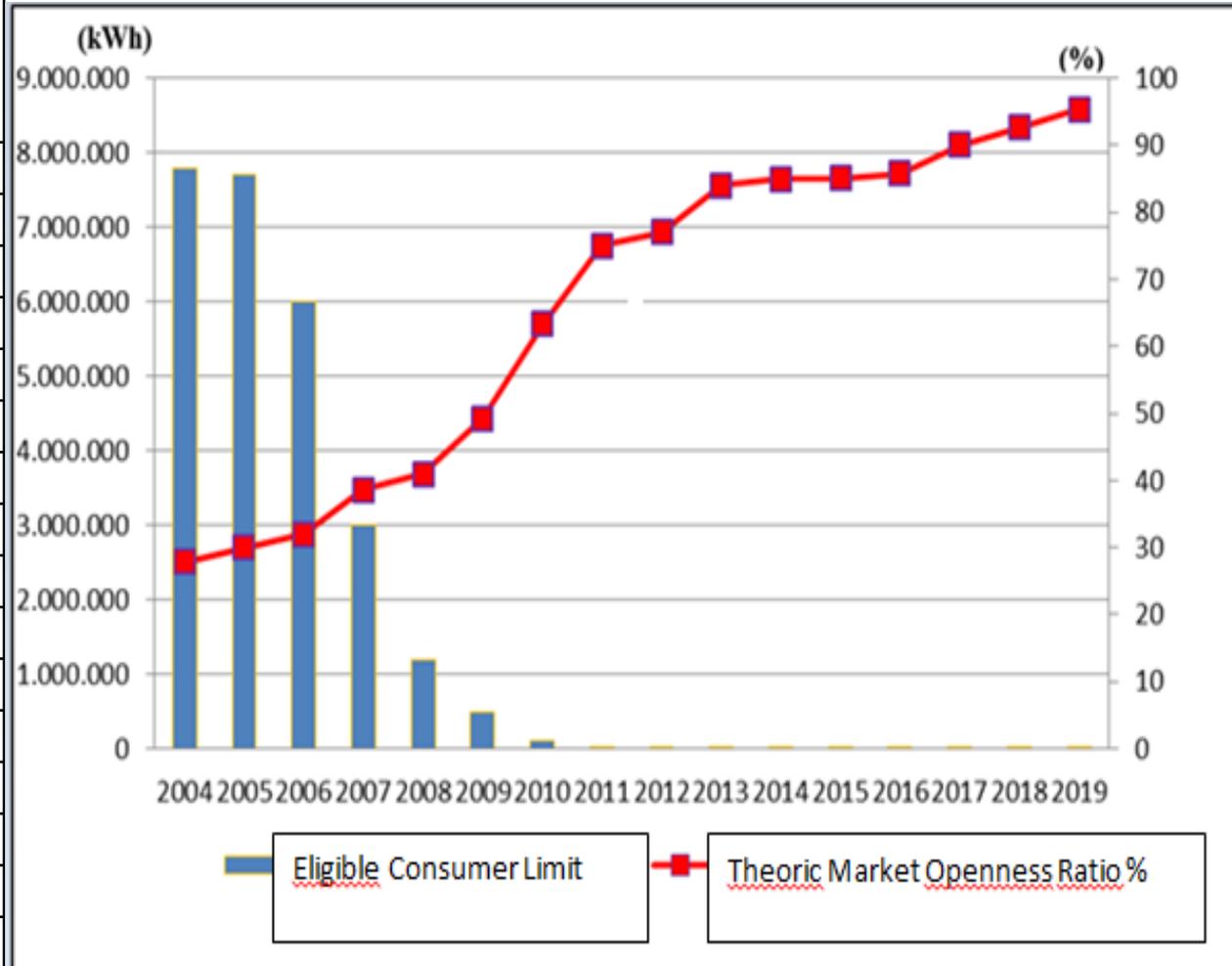
		2018
Licensed Installed Capacity	MWe	83.187,05
Licensed Production	GWh	295.442,15
Peak Demant	MW	46.160
Low Demant	MW	18.212
Unlicensed Production	GWh	8.212,41
Unlicensed Installed Capacity	MWe	5.310,57
Actual Consumption	GWh	302.772,30
Invoiced Consumption	MWh	233.610,03
Number of Consumers	Piece	43.653.910
Import	GWh	2.466,01
Export	GWh	3.073,60
Weighted Average PTF	TL/MWh	233,101
Weighted Average SMF	TL/MWh	234,436
Number of DSO	Piece	21
Number of Incumbent Supplier	Piece	21
Number of Supplier	Piece	193

Who is Eligible Consumer?

- Consumers who,
 - has higher consumption than eligible consumer limit which is determined by Board for every year,
 - has connection to transmission grid,
 - carries on bussiness in the Industrial Site Zones,are eligible consumer and they can choose their supplier.
- In 2018, the eligible consumer limit was set at 1.600 kWh.

Who is eligible consumer?

Years	Eligible Consumer Limit (kWh)	Theoric Market Openness Rate (%)
2004	7.800.000	27,8
2005	7.700.000	30
2006	6.000.000	32
2007	3.000.000	38,6
2008	1.200.000	41
2009	480.000	49,2
2010	100.000	63,3
2011	30.000	75
2012	25.000	77
2013	5.000	84
2014	4.500	85
2015	4.000	85,04
2016	3.600	85,8
2017	2.400	90
2018	2.000	92,6
2019	1.600	95,4



What Do We Do to Protect Consumers?

- In the law 4628; EMRA is to determine the pricing principles to be applied in the sale of electricity to non-eligible consumers taking into account the market needs.
- By the end of January of each year, identify the reductions in the limits on the definition of eligible consumers and publish new limits.
- To make the necessary arrangements in order to provide reliable, high-quality, uninterrupted and low-cost electrical energy services to consumers.
- To carry out the works related to the regulation of the electricity market given to the Authority by this Law and other laws, to establish competition conditions, to protect consumer rights and to examine consumer complaints, to carry out all kinds of licenses, certificates, permits and certifications.

Law 6446

- In the law 6446 it is defined that;
 - The Authority **shall take the necessary measures** in case of termination or cancellation of licenses **in order to protect consumers** and prevent market activities.
 - All measures shall be taken by the Authority in order to **protect the consumers and prevent the services from failing** until the determination of another legal entity as the last source supplier instead of the authorized supply company whose license is terminated.

Duties of Our Consumer Group

- Market activities of companies operating within the scope of the license and monitoring their transactions in terms of consumer rights, reviewing and reporting when necessary, to notify the Audit Department if necessary.
- Preparing drafts of agreements subject to regulated planning and legislation.
- Ensuring service quality in the market, setting standards and to carry out studies aimed at ensuring the effectiveness of market.
- Regarding the regulation and supervision of the relevant fields in the market to carry out studies, research and analysis.

Case Study: Disconnection-Reconnection

- DSO's can cut electricity energy in these conditions;
 - a) No electricity is consumed by terminating the bilateral agreement or retail agreement due to the evacuation of the place of use.
 - b) There is no bilateral agreement and retail agreement.
 - c) As a result of the detection of illegal electricity and the use of illegal electricity and irregular electricity, its obligations have not been fulfilled.
 - d) Debts not paid on time.
- Electricity **can't be cut off** due to the debts of consumers in bilateral agreements. However, even if the supplier change has been realized, the electricity may be cut off due to the debts of real or legal persons receiving electricity and/or capacity from the supply company in charge through **regulated tariffs**.

Case Study: Disconnection-Reconnection

- After the complaints receiving from about disconnection-reconnection especially about not informing about disconnection from unpaid debts, we changed the legislation at 30 May 2018.
- In case the consumer does not pay for the electricity bill by the deadline, the incumbent supplier shall notify the consumer in writing of the second payment term of at least 5 working days. The incumbent supplier must notify the consumer using at least one of the permanent data registers (sms, e-mail,etc.) together with the written notification.
- In the second notification, it is stated that if the payment obligation is not fulfilled within the specified period, the electricity will be cut off. The DSO can't disconnect electricity if the place of use which has not been notified **in writing and with at least one of the permanent data registers.**
- The issues related to **this legislation can be applied to consumers who are last resort or non-eligible consumers.**

Thank you for your attention!

E-mail: ademir@epdk.org.tr

www.emra.org.tr