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# Joint Webinar Series on Implications of the Global Pandemic on Tariff Design and Utility Finances

## Webinar I: Regulatory Tariff Considerations due to the Pandemic

June 10<sup>th</sup>, 2020

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## MR. BROCK BIERMAN

### ASSISTANT ADMINISTRATOR, BUREAU FOR EUROPE AND EURASIA, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Brock Bierman was sworn in on January 8, 2018 as Assistant Administrator for USAID's Bureau for Europe and Eurasia. Mr. Bierman brings considerable experience to the Bureau from previous leadership positions with the Rhode Island House of Representatives, USAID, FEMA, Department of the Interior, and the private sector, as well as extensive knowledge of the region.

From 2002-2007, he served as Chief of Staff in USAID's Bureau for Europe and Eurasia, where he helped implement strategic priorities for the Bureau and provided oversight of conflict mitigation, democracy, health, and trade initiatives within the region. Throughout his career in public service, Mr. Bierman has demonstrated a commitment to expanding transformative development across Eastern Europe and Eurasia.



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Groebel



Vice Chairman Attila  
Nyikos



Chairman  
Willie L. Phillips



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## **DR. ANNEGRET GROEBEL**

### **PRESIDENT, CEER; BNETZA, GERMANY**

Dr. Annegret Groebel was elected President of the Council of European Energy Regulators (CEER) in January 2019, having previously served as CEER Vice President since 2012. She also chairs CEER's Digitalization Steering Group and the Market Integrity and Transparency Working Group of CEER and of the EU Agency for the Cooperation of Energy Regulators (ACER). She is a member of the ACER Board of Regulators representing the German Regulatory Authority (BNetzA) at the ACER Board of Regulator plenary meetings.

Dr Groebel has been Head of Section 'International Co-ordination' in the German Regulatory Authority for Telecommunications and Post (BNetzA) since 2001. She also holds key positions at the Independent Regulators Group (IRG, a group of European National Telecommunications Regulatory Authorities created in 1997) since 2001 and was appointed IRG Coordinator from 2004 until 2008. She is also actively involved in the work of the European Regulators Group (ERG) and of the Body of European Regulators for Electronic Communications (BEREC) as well as in the European Regulators Group for Postal Services (ERGP).

She has an excellent knowledge of the European regulatory framework for electronic communications and its implementation as well as the regulatory framework for the internal energy market. She has experience in advising public authorities on regulatory reform and sector specific regulation.



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## **Regulatory Tariff Considerations due to the Pandemic**

**Annegret Groebel, CEER-President**  
**Joint webinar, June 10, 2020**

Fostering energy markets,  
empowering **consumers**.

## Measures taken during the crisis

- Governmental emergency decisions all over Europe implied immediate measures
  - Regulators (and service providers) switching to home office and web services only;
  - No contacts with externals/consumers



Picture: Lukas Dostal / Austrian Power Grid AG (APG Control Centre)



© imago Steinach

→ DSO/ TSOs/Generators activated (pandemic) emergency plans to ensure the security of supply (e.g. no contacts between working shifts)  
Authorities supporting with permits to ensure access to grids not blocked



## Observations during the crisis

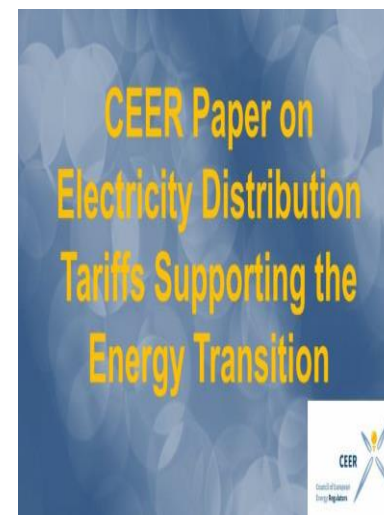
- Wholesale prices dropped because of a drop in demand
- Crisis shows that diversification, integration, and sustainability of energy production is important as RES “took over” and increased its share in prod.
- Positive effect on climate goals – more RES usage reduced CO2 emissions
- The transition towards a “clean energy system” is being pushed ahead
- Regulators are adopting agile “dynamic regulation” to support the energy transition and to adapt swiftly to developments without forgetting predictability
- Regulatory principles worked well and Europe’s energy system remains stable and strong based on the internal energy market legislation in place
- The economic recovery in Europe will be and must be supported by the EU Commission’s Green Deal aim of a carbon neutral Europe by 2050



## CEER Paper on Distribution Tariffs (1/2)

CEER concludes:

- No one-size-fits-all tariff model in Europe
- For cost-reflective tariffs, the cost structure of the networks in the short term (losses and congestion costs) and over the long term (infrastructure costs) are important.
- The tariff structure can be further differentiated e.g. by time (static or dynamic), location, and interruptibility.
- The procurement of flexibility and dynamic tariffs can both incentivize network-beneficial customer behavior, but must be carefully considered if applied simultaneously.
- National Regulatory Authorities (NRAs) should consider if increased decentralized generation (DG) requires the introduction or increase of tariffs for production, without the network charges discriminating between production connected at the transmission and distribution level.



<https://www.ceer.eu/1928>





## CEER Paper on Distribution Tariffs (2/2)

CEER concludes:

- Smart distribution tariffs should balance the network cost and ensure consumers have smart technologies and are able to react to the signals.
- Distribution tariffs for customers with energy storage facilities should reflect the use of the network in terms of both energy withdrawal and injection. Avoid any double charging for storage facilities!
- CEER calls for NRAs to review the current tariff structures to identify how they can be improved e.g. to create stronger incentives for efficient usage of the grid or to take into account Electric Vehicle (EV) charging.
- The report provides guidance on what aspects to keep in mind as well as topics for further thinking.
- CEER will look at long term effects of COVID-19 emergency measures and analyze the regulatory implications to ensure a smooth return to the (new) normal





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## **DR. ATTILA NYIKOS**

### **VICE CHAIRMAN, ERRA; VICE-PRESIDENT FOR INTERNATIONAL AFFAIRS HUNGARIAN ENERGY AND PUBLIC UTILITY REGULATORY AUTHORITY (HEA)**

Dr. Attila Nyikos serves as Vice Chairman of Energy Regulators Regional Association (ERRA) since May 2016. Since July 2013, he is also the Vice-President for International Affairs of the Hungarian Energy and Public Utility Regulatory Authority. Previously, he has worked as the Head of International and Legal Department (2010-12) after Hungary's Red Sludge Spill and then the Head of Department for International Affairs (2012-2013) at the National Directorate General for Disaster Management under the Ministry of the Interior. He also served as the legal commissioner / supervisor of the National Directorate General for Disaster Management delegated to the Hungarian Aluminum Production and Trade Zrt. from 2010-2011.

From 1998-2002, Dr. Nyikos served as the Second Secretary to the Permanent Representation of Hungary to the United Nations and as an international lawyer in the International Law Department of the Hungarian Ministry of Affairs. Dr. Nyikos graduated from the faculty of Law and Political Science at Eötvös Loránd University and studied International Environment Law at University of Geneva.



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## **MR. WILLIE L. PHILLIPS**

### **CHAIRMAN, PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA, NARUC**

Chairman Willie L. Phillips was appointed to the Public Service Commission of the District of Columbia (PSC) by Mayor Vincent Gray in 2014 and reappointed by Mayor Bowser to serve as Chairman in 2018. Chairman Phillips is an experienced regulatory attorney combining over a decade of legal expertise in private practice and as in-house counsel. He has an extensive background in the areas of public utility regulation, bulk power system reliability, and corporate governance.

Chairman Phillips is an active member of the National Association of Regulatory Utility Commissioners (NARUC) where he currently serves on the NARUC Board of Directors, as Vice Chair of the Subcommittee on Supplier and Workforce Diversity, and a member of the Electricity Committee. He is Second Vice President of the Mid-Atlantic Conference of Regulatory Utility Commissioners (MACRUC), a member of the Advisory Council to the Electric Power Research Institute (EPRI), Harvard Electricity Policy Group, Keystone Policy Center Energy Board, Energy Bar Association, Dentons Smart Cities & Communities Think Tank, and the American Association of Blacks in Energy. He also serves on the Board of Directors of the Organization of PJM States, Inc. (OPSI) and the Living Classrooms Foundation of the National Capital Region.



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# Q&A SESSION



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