



“International Regulatory Cooperation: The European approach”

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1. First steps

Building on past experiences

- **At the beginning of the decade, the CEER has developed international cooperation activities with both national regulators and regulatory associations worldwide**
- **These activities were aimed at exchanging information on regulatory practices, benchmarking and institutional building:**
 - The New Member States Initiative (NMS WG)
 - The South East Europe Energy Regulation Initiative (SEEER WG)
 - The cooperation with Euromed regulators
 - The EU-US round tables, with NARUC-National Association of Regulatory Utility Commissioners
 - The relations with ERRA (Energy Regulators Regional Association)
 - The promotion of the World Forum on Energy Regulation (WFER) and the establishment of the International Energy Regulation Network (IERN)

Defining international priorities

- However, halfway to 2010, experience has proved that there was a need for better coordination and monitoring of international cooperation initiatives led by European regulators
- Therefore, task forces were set up to draft a paper summarising the current situation and proposing improvements: the “Concept Paper on Training and International Cooperation”, presented to the CEER General Assembly in July 2006
- Finally, the CEER decided that for consistency reasons to take into account European Commission’s priorities in the light of the major changes introduced into the EU’s external policy in 2006

2. The International Cooperation Strategy of CEER

Introducing the ISG Working Group

- **In December 2006, the CEER General Assembly decided to set up a Working Group dealing with international cooperation issues: the International Strategy Group (ISG)**
- **According to the CEER's 2007 Work Programme, the ISG has among its duties:**
 - to review the overall CEER international cooperation strategy (ISG-1);
 - to establish proposals for the priority tasks and actions attached to each geographic area (ISG-2);
 - to maintain relations with DG RELEX and DG TREN on international issues and generally represent CEER on notably international dimension (ISG-3);
 - to develop a suitable training policy for CEER (ISG-4).

Objectives of the ISG Working Group

- **The main objectives of a European regulators' international strategy are the following:**
 - **developing international cooperation activities** in a coordinated and meaningful way, in accordance with well-defined priorities
 - **identifying the most effective means to promote a “European Regulatory Model” abroad**, particularly in areas where bilateral commercial relations are important
 - **maintaining a dialogue on best practices** with other mature regulatory systems
 - **adapting continuously the strategy** in keeping with the evolution of conditions and priorities
- **International cooperation activities at regulatory level should be undertaken in close coordination with the development of an EU international energy policy**

The 3 priority axes of the ISG (1)

1. Supporting the EU policy with regard to security of supply:

- the European regulatory authorities shall assist the European institutions in further developing policies with important gas producers and/or transit countries
- the first axis involves: Russia, Ukraine and Moldova, Algeria, the countries of the “Baku initiative”, other ERRA members, “Euromed” countries

2. Supporting the implementation of the EU energy *acquis*:

- the EU and the European regulatory authorities shall cooperate with the regulators of these countries towards greater consistency or even harmonisation between the development of energy regulation in EU countries and in candidate/potential candidate for accession, as well as Energy Community countries
- the second axis also includes Switzerland

The 3 priority axes of the ISG (2)

3. Structuring the dialogue between the European regulatory authorities and other regulators in order to share experiences and good practices:

- the third priority axis would involve NARUC, FERC, as well as ARIAE (Iberian-American regulators association)
- further contacts could be established with other regional regulatory associations such as the African regulators forum (AFUR) in order to set up institutional cooperation
- collaboration with inter-governmental organisations and multilateral financial institutions will also be developed (International Energy Agency, European Investment Bank, European Bank for Reconstruction and Development, World Bank...)

3. Major regional and bilateral initiatives

Promoting Euro-Mediterranean regulation

- **The Mediterranean Working Group on Electricity and Natural Gas Regulation, initiated by the Italian regulatory authority (AEEG), was created in Rome in May 2006**
 - MEDREG is composed of the main representatives of regulatory authorities or ministries of countries where an independent regulatory authority has not yet been established
 - 4 Ad-Hoc Working Groups (AG) have been launched in 2007: Electricity AG; Natural Gas AG; Renewables, Environment and Sustainability AG; Institutional issues AG
- **The main objective of MEDREG is to promote a stable, harmonised regulatory framework in the EU-Mediterranean energy market, providing the maximum benefits to energy consumers in both regions**
 - MEDREG is supported by the European Commission, the Italian Ministry of Economic Development, the Rome Euro-Mediterranean Energy Platform (REMPEP) and CEER

Fostering cooperation in Central Asia

- **The INOGATE Programme is a regional energy programme funded by the EU's TACIS Programme**
 - INOGATE aims at creating opportunities for energy cooperation and networking in the framework of the “Baku Initiative” between the EU, the littoral States of the Black and Caspian Seas and their neighbouring countries
- **CEER was invited to participate actively in the cooperation process, notably through INOGATE training programs**
- **Representatives of CEER shall attend meetings and conferences and make presentations on various issues:**
 - market convergence
 - energy regulatory authorities
 - harmonization of codes and standards
 - ...

Bilateral cooperation through twinning (1)

- **Twinning is the main instrument for institutional cooperation to integrate the EU *acquis***, and a prerequisite to the participation in EU Agencies and programmes
- **The main characteristic of this cooperation instrument:**
 - **demand driven:** need to identify the particular projects
 - **bilateral**, not “tailor-made”: there may only be one proposal to participate in this projects by member State at a time
 - **differentiated management of funds** depending on the region: project selection by the EC (SEE) or by the contracting authorities (Euromed)
 - **value added:** there must be a real exchange of expertise
- **Ongoing twinning projects to date:**
 - Morocco, Lebanon, Jordan, Tunisia and Egypt
 - Ukraine, Moldova and Azerbaijan

Bilateral cooperation through twinning (2)

- **Focus on the twinning project with NERC (National Energy Regulatory Commission of Ukraine):**
 - **title: “Regulatory and Legal Capacity Strengthening of Energy Regulation”**
 - **twinning consortium: AEEG (IT), E-Control (AT) and ERÚ (CZ)**
 - **total duration: 22 months / opening Workshop: May 2007**
 - **financial frame: €1,1 million**
- **The project consists of six main components:**
 1. Selected assistance on the institutional strengthening of NERC
 2. Review and harmonisation of EU Energy legislation
 3. Multi-year incentive-based regulation and benchmarking
 4. Development of a quality of service regulation programme
 5. Selected support in monitoring of the wholesale electricity market
 6. Selected support in the unbundling process



Thank you for your attention!

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