



# NARUC

*Serving the consumer interest  
by seeking to improve the  
quality and effectiveness  
of public utility regulation  
in America.*

## ***NARUC International: Programs with Results***

**Erin Hammel  
Director, International Programs**

**NARUC Winter Committee Meetings  
Feb. 15, 2015**



National  
Association of  
Regulatory  
Utility  
Commissioners

# International Team

Erin Hammel, Director

Martina Schwartz, Deputy Director

Bevan Flansburg, Deputy Director

Jargalan Jambaldorj, Senior Program Officer

Umida Hashimova, Senior Program Officer

Kirsten Verclas, Program Officer

Larcus Pickett, Program Officer

Christopher Burk, Program Officer

Katherine Bennett, Program Officer

Schennel Lashley, Finance Assistant

Christopher Thompson, Logistical Officer



National  
Association of  
Regulatory  
Utility  
Commissioners

# **USAID Cooperative Agreements**

## **I. Energy Regulatory & Security Program in Europe and Eurasia (Eurasia) – with the Office of Energy & Infrastructure, Bureau for Europe & Eurasia**

- a. Black Sea Regional
- b. Bosnia & Herzegovina
- c. Georgia
- d. Kosovo
- e. Moldova
- f. Ukraine



National  
Association of  
Regulatory  
Utility  
Commissioners

# Black Sea Results

## FY 14 Results

- *Principles of Regulation for the Promotion of Energy Efficiency in the Black Sea Region*
- A value proposition on joint collaboration between Black Sea regulators and TSOs on defining cost-benefit analysis for infrastructure projects of regional value; collaborative modeling work to understand intersection of regulatory policy inputs and network planning

## FY 15 Targets

- Regulatory analysis and national application of principles and approaches recommended in *Regulatory Principles on Energy Efficiency* (FY14) and *Regulatory Principles on Cross-Border Trade and Market Integration* (FY13)
- Deeper sub-regional work on transposing cross-border trade principles (regulatory guidelines on capacity allocations and calculations) and market developments in national energy sectors
- Regional market modeling activities to build regulatory capacity in cost inputs for transmission investments



National  
Association of  
Regulatory  
Utility  
Commissioners

# Bosnia & Herzegovina Results

|                      |  |
|----------------------|--|
| <b>FY 14 Results</b> | <ul style="list-style-type: none"><li>-State regulator (SERC) adopted 3 regulatory documents that facilitate effective provision of balancing market services essential for the country's electricity market that opened fully on Jan 1, 2015.</li><li>-Two federal regulators drafted in total 5 regulatory documents and presented for public/stakeholder consultation. The documents relate to distribution system operator unbundling, choosing suppliers freely, measuring quality of supply and others</li></ul> |
| <b>FY 15 Targets</b> | <ul style="list-style-type: none"><li>-Guide regulators to adopt the regulatory documents that were drafted in FY14</li><li>-NARUC will continue working with one of federal regulators (FERC) on network and metering codes.</li></ul>  |



# Georgia Results

## FY 14 Results

- Adopted electricity and natural gas tariff methodologies
- Reviewed draft USoA (Chart of Accounts)
- Developed deeper regulatory coordination between Georgia and Turkey to conduct joint analyses of the Georgian grid code to comply with Turkish market environment
- Institutionalized sessions for energy journalists

## FY 15 Targets

- Improve companies' data reporting processes and create a reliable database of companies' financial and technical histories to guide regulatory review of rates and investment plans.
- Assist GNERC to develop a regulatory framework for a Competitive Electricity Market Model (GEMM-2015) and related Electricity Trade Mechanism (ETM)



# Kosovo Results

## FY 14 Results

- Improved pricing regulations for generation, transmission, distribution and retail supply
- Integrated regulatory model for calculation of utilities' maximum allowed revenues (MARs)
- Integrated regulatory and utility approaches to energy balance as a critical data input

## FY 15 Targets

- Fine-tuning the tariff challenges and addressing recommendations from the FY14 tariff Consultancies including revisions to regulatory pricing rules
- Developing internal communication strategies to strengthen relationship with utilities and government; developing consumer outreach programs to educate on energy general public on energy use, supply and reliability





National  
Association of  
Regulatory  
Utility  
Commissioners

# Moldova Results

## FY 14 Results

- Draft Law on the Promotion of Energy from Renewable Sources, prepared by ANRE and passed in the first reading in Parliament in July 2014
- Select Maine PUC approaches transposed in draft Regulation on principles of planning, approval and execution of investments, draft Market Rules, Regulation on quality of service for transmission and distribution activities
- Approved new Ethics Code for ANRE staff
- Launched a new website, improving the accessibility and transparency of its information to consumers and the utility industry.

## FY 15 Targets

- Further improve regulatory procedures to support renewable energy development and integration
- Review market liberalization issues in light of network unbundling requirements
- Finalize the Regulation on principles of planning, approval and execution of investments





# Ukraine Results

## FY 14 Results

- Adopted Law on the Basic Principles of the Electricity Market Functioning as part of the "European package" to facilitate Ukraine's implementation of the EU Directives on market competition and liberalization
- Prepared and/or approved several by-laws to govern effective and independent oversight of the liberalized market

## FY 15 Targets

- Prepare draft Retail Electricity Market Rules (Analyze the U.S. path toward energy market liberalization to allow NEURC to apply relevant approaches in its own regulatory process)
- Prepare a Draft Procedure for handling consumer complaints
- Assist NEURC in natural gas market and tariff issues



# **USAID Cooperative Agreements**

## **II. Enhancing Sustainable Utility Regulation (ENSURE) – with the Bureau for Economic Growth, Education & Environment (E3)**

- a. Mexico
- b. Tariff Risk Mitigation Training & Game
- c. Power Africa
  - 1. East Africa Regional
  - 2. Ethiopia
  - 3. Nigeria
  - 4. Tanzania



# Mexico Results

## FY 14 Results

- Launched partnership between NARUC, Mexico's Energy Regulatory Commission (CRE) and the Public Utility Commission of Texas
- Incorporated recommendations into the proposed reform legislation expanding CRE's role in electricity regulation specifically in regards to renewable energy, electricity market reform and the tariff setting process

## FY 15 Targets

- Assist CRE in implementing a functioning renewable energy credits scheme
- Guide CRE in designing rates for electricity distribution
- Strengthen CRE's technical and legal regulatory instruments for power plant interconnection



# Tariff Risk Mitigation Training & Game

|                  |  |
|------------------|--|
| <b>Structure</b> | <ul style="list-style-type: none"><li>▪ <b>Hands-On Regulatory Decision-Making Training on Cost-Reflective Tariffs</b></li><li>▪ <b>Interactive Simulation mixed with Presentations and Discussions</b></li><li>▪ <b>Designed Primarily for International Regulators but also Stakeholders</b></li></ul> |
| <b>Goals</b>     | <ul style="list-style-type: none"><li>▪ <b>Strengthen Participating Regulators' Institutional Governance to Support Implementation of Cost-reflective Tariffs</b></li><li>▪ <b>Enhance Principles of Calculating Cost-Reflective Tariffs in Participating Countries</b></li></ul>                        |



# State Department Cooperative Agreement

## III. Support Utility Reform and Governance (SURGe) Program– with the Bureau of Energy Resources

- a. Lower Mekong Valley Initiative (LMI)
  - Postponed in 2014 due to political issues in the region, plans to re-engage in 2015
- b. Southern Africa
  - IPP/PPA assistance under consideration for 2105



# Other International Activities

**International  
Confederation  
of Energy  
Regulators**

**Working Groups:**

- 1. Opening and Integration of Regional Markets**
- 2. Technological Change and Renewables**
- 3. Small Consumers**
- 4. Regulatory Best Practices**  
(chaired by NARUC – Com. John Betkoski)  
+ Women in Energy (WIE)

**World Forum  
on Energy  
Regulation  
(May 2015,  
Istanbul)**



National  
Association of  
Regulatory  
Utility  
Commissioners

# Thank you

To participating  
State Commissioners and Commission Staff !