

Monday February 25, 11:00 a.m.

- Structure of the Nicaraguan Energy Institute
  - Mr. Enrique Kuan, General Director of Electricity - INE

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INSTITUTO NICARAGÜENSE DE ENERGÍA

## Structure of the Nicaraguan Energy Institute

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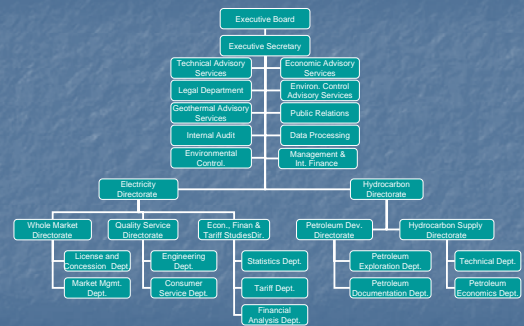
## Creation of the Nicaraguan Energy Institute

- **Law No. 271, INE Law Reform, published in the official daily La Gaceta No. 63 of 1 April 1998.**
  - Establishes INE's regulatory functions in the electricity and hydrocarbon subsectors.
  - Establishes the procedure for electing the members of the Executive Board, who are chosen from a list of three persons proposed by the President of the Republic.

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## 2005 Organizational Chart



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## Development of the Nicaraguan Energy Institute

- **Law No. 465, LIE and Organic Law Reform, published in the official daily La Gaceta No. 168 of 27 August 2004:**
  - The Organic Law reform fundamentally establishes INE's obligation to set up branches in the country's departments.
  - The members of the Executive Board are elected from a list of three persons proposed by the President of the Republic and National Assembly.

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## Executive Board

- Made up of three members.
- 10 years of professional experience in the energy sector.
- Elected by 60% of the National Assembly representatives, who also appoint the Chairman of the Executive Board.
- 6-year term.

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## Executive Board

- The powers of the Executive Board are established by law, the most relevant being:
  - Approval of electricity rates and hydrocarbon derivative prices.
  - Decision-making regarding licenses, concessions or contracts in the electricity and hydrocarbon subsectors.
  - Rulings on appeals against resolutions issued by INE officials.
  - Oversight regarding compliance of INE's functions.

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## Executive Board

- The Executive Board requires information for decision-making from the different directorates that form part of INE's technical team.
- Resolutions are adopted by a majority of votes.
- Resolutions affecting groups of consumers or market agents are published in the official daily and notices are delivered.

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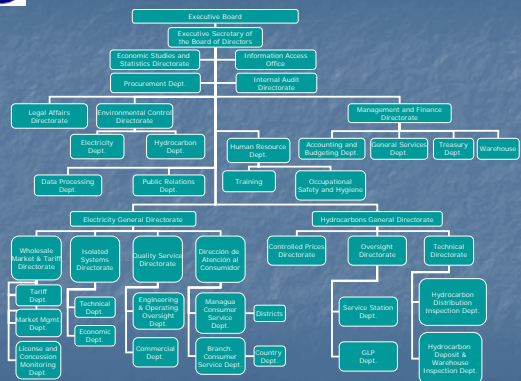
## President

- Full-time position.
- Linked directly to INE's technical working group.
- Maximum administrative authority.
- Meets with directors on a weekly basis to coordinate work.
- INE's legal representative in all judicial, extrajudicial and administrative matters.
- Liaisons with other government institutions and economic actors.

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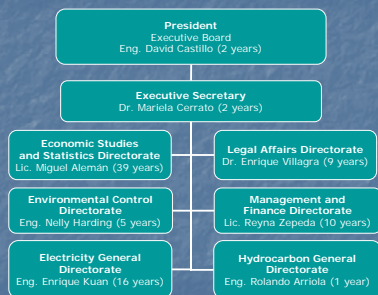
## 2008 Organizational Chart



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## Executive Structure



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## Growth of the Nicaraguan Energy Institute

- 14 offices operate in 11 of the country's 15 departments and one of two Autonomous Regions.
- 75 analysts and field inspectors serve electricity consumers.
- 11 persons are responsible for oversight and inspection tasks in the hydrocarbon sector.

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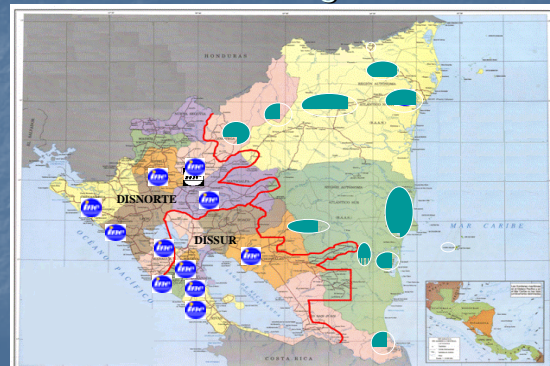


## Growth of the Nicaraguan Energy Institute

- The opening of new offices and accessibility to consumers required an increase in staff in the legal department, from 3 to 12 lawyers and public notaries. Training is also provided to 21 law students.

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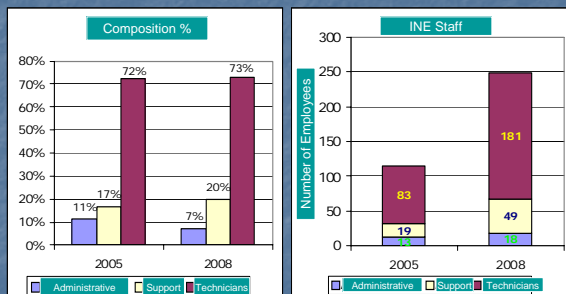
## Coverage



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## INE Staff



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## INE's Open Regulatory Policy

- Price adjustment formulas have been published for gas and electricity.
- Petroleum liquefied gas prices and weights are audited.
- Audits of metering equipment and street lighting system are adequately coordinated with consumer defense groups.
- Tariff schedules and regulations are consulted with consumers, economic groups and the government.

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## Environmental Responsibility

- Environmental performance by all agents involved in the electricity and hydrocarbon subsectors is monitored and supervised.
- Support is provided to the Ministry of the Environment and Natural Resources in all matters relating to the energy sector.

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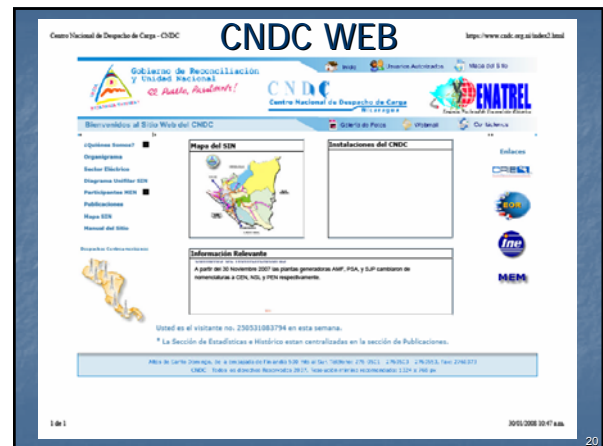


## Information Management and Transparency

- Commercial information collected by INE is confidential, except for contract prices that are shifted to electricity tariffs.
- Technical information is public.
- Main legal information, sector data and actions taken by regulator are posted on INE's web page.
- Electricity and power rates are published by the National Load Dispatch Center (CNDC) on its web page.

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## Inter-institutional Relations

- In the performance of its functions, INE has relationships with:
  - National Assembly
  - Ministry of Energy and Mines (MEM)
  - Ministry of the Environment and Natural Resources (MARENA)
  - Ministry of Development, Industry and Trade (MIFIC)
  - Ministry of Transportation and Infrastructure
  - Ministry of Finance and Public Credit
  - Ministry of Government
  - Attorney General's Office
  - Public Prosecutor's Office

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## Central American Integration

- The Framework Agreement for the Central American Electricity Market was signed in 1996. It is regulated by the Regional Electricity Interconnection Commission of Central America (CRIE), where the six countries of the region are represented by their National Regulators.

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## Cooperation and Exchange

Latin American Energy Organization (OLADE)

Economic Commission for Latin America (CEPAL)

Latin American Association of Energy Regulators (ARIAE)

Association of Electricity Regulators of Central America (ACERCA)

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