



STATE ENERGY REGULATORY COMMISSION

SERC SESSION AGENDA & DECISION MAKING PROCESS

**Eng. Aneliya Ilieva,
Secretary General,
State Energy Regulatory Commission**

March 1 – 5, 2004

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- SERC is a standing body, tasked with the regulation of activities in the energy sector, as provided for in the Bulgarian Energy Act from December 9, 2003
- Commission Decisions on matters falling within its competency are taken at Commission sessions
- SERC internal organization, session agenda and decision-making process are governed by the *Rules of Organization and Procedure of the Commission and its Administration* – approved by the Government in 2002, will soon be reviewed to comply with the new Energy Act.

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SERC deals with cases initiated by written applications for:

- Issuance, amendment, extension, suspension or withdrawal of licenses for activities, which, according to the Energy Act, are subject to licensing
- Approval of prices

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- Approval of General Terms of contracts for sale of power, heat and natural gas
- Written petitions for approval of transactions with assets, by means of which the licensed activity is exercised

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- Formal compliance of each application is checked by staff counsels at SERC Legal Division within 14 days from the date of filing
- When any discrepancies are found in the application/petition and/or the attached documents, the applicant/petitioner is notified to remedy the defects within seven days

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- In case applicant fails to remove the discrepancies in due time, the application is not considered by the Commission and goes to archive
- If application is admissible, SERC Chairman initiates formal case and appoints a Reporting Officer

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- Per the present *SERC Rules of Organization and Procedure*, only Commissioners may be Reporting Officers
- The new *Rules of Organization and Procedure* will enable SERC professional staff to act as Reporting Officers along with Commissioners

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Case Handling:

- SERC Chairman assigns to a Working Group to investigate the circumstances relevant to each case
- Within the three-month period established by the Energy Act, the Reporting Officer submits to the Chairman a Case Report and Draft Decision to be discussed at the Commission session

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- The Commission rules on the case by a substantiated Decision. SERC Decisions may be *individual* or *general administrative acts*. Commission Decisions are first deliberated and then put to vote on a show of hands. To be approved, a Decision needs the affirmative vote of at least four Commissioners.

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SERC Sessions:

The Energy Act authorizes the Commission to hold closed or open sessions:

The following types of applications are discussed at open sessions:

- Issuance, amendment or termination of licenses
- Approval of prices proposed by energy enterprises

In certain circumstances the Energy Act authorizes the Commission to take its Decision at an open session, attended only by Commissioners and the parties to the case (a closed-door meeting)

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- Open sessions may be attended by Commissioners, the parties to the case and interested individuals/entities, including the media
- In exercising the rest of its powers vested by the Energy Act, the Commission takes its Decisions at closed (*in camera*) sessions attended only by Commissioners
- Minutes are taken at each session, including the list of attendees, deliberations on each agenda item and the Decisions taken.

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Case Decisions

- Where all legal and factual aspects of the case have been clarified, the Chairman appoints (i) a date for the closed session, at which SERC will decide the case and (ii) date and time of the open meeting, at which the Decision will be formally announced to the applicant. Applicant's authorized representative(s) must attend the open session.

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- Where the circumstances are not fully and comprehensively clarified from legal and/or factual side, the case is remanded to the Reporting Officer with specific instructions, and the closed session is held once all case-relevant circumstances are clarified
- An open session, of which the Principal Secretary notifies the applicant in writing, is held within seven days after the closed meeting, in order to deliver the Decision

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Public notification obligations of Energy Companies:

- Publish the prices and tariffs approved by SERC Decision in one national and one local newspaper
- Publish the General Terms for sale of natural gas, power and heat, as approved by the Commission, in one national and one local newspaper

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Transparency in the Regulator's activity

- All Commission Decisions published on SERC website
- The Commission maintains an electronic register of all licenses/permits issued, amended or terminated

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- Twice a year, the Commission publishes newsletters containing Decisions, SERC annual reports, etc. The bulletins are posted on the Commission's website, circulated to interested organizations in the industry and delivered to journalists.

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- Meetings with media representatives are held to highlight important regulatory issues of the energy sector
- The Commission provides written or verbal information to entities/individuals upon their request, subject to the Public Information Access Act

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SERC organizes public input hearings with interested parties, governmental authorities, energy companies and industry associations, in order to discuss:

- Drafts of regulatory documents under the Energy Act
- Energy issues of public importance

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The first public consultation took place on January 22, 2004 to discuss the Draft Ordinance on Electricity Prices

- Organized as a roundtable, the discussion was attended by representatives of the Ministry of Energy, the Commission on Protection of Competition, the Trade&Consumer Protection Commission, BIBA, labor unions in sector, the Bulgarian Industrial Association, the Bulgarian Chamber of Commerce and Industry, energy companies, USAID, the World Bank and the media

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The discussion...





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Outputs from the first public consultation

- The Commission received and reviewed about fifty different opinions and recommendations
- Some of these were reflected in the Draft Ordinance before submitting it for Government approval
- The Ordinance on Electricity Prices was adopted by the Council of ministers on February 12, 2004.

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Thank you for your attention!