



EDISON ELECTRIC
INSTITUTE

A powerful partner in a competitive world

International Affiliate Membership: Electricity Regulatory Authority of Albania

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Edison Electric Institute

- Trade association for investor-owned electric utilities in the United States
- Political, economic, social, environmental advocates on federal and state level
- Develops and implements programs and tools that assist utilities build and maintain competitive position
 - ◆ Financial
 - ◆ Management
 - ◆ Technical
 - ◆ Regulatory

International Members

- Over 50 utilities in 22 countries
- International membership open to all types of ownership (government, municipal, investor-owned, hybrid)
- Actively reaching out to EU Accession and EU Candidate Countries

European Members

- E.On
- Endesa
- Iberdrola
- Union Fenosa
- RED
- Verbund
- MVM
- RAO UES
- EVN AG
- Statnett
- Electricite de France
- ESB (Ireland)
- Centrica
- Scottish & Southern
- Scottish Power
- United Utilities
- Powergen
- National PowerGrid
- SeeBoard
- International Power

Membership Discussions

- Nuon
- Eneco
- Enel
- Edison Italy
- Enemalta
- RWE
- Vattenfall
- Fortum
- Suez Electrabel
- Cyprus Elec Auth
- PSE
- CEZ
- Eesti Energia
- Lietuvos
- Latvenergo
- ELES (Slovenia)
- Slovenske
Elektrarne
- HEP
- Electrica

International Members

- North America
 - ◆ Majority of Canadian Utilities
 - ◆ CFE (Mexico)
- South America
 - ◆ Utilities in Brazil, Venezuela, Chile and the Caribbean
- Asia
 - ◆ Majority of Japanese Utilities
 - ◆ Korean Electric Power Co
- Africa

Why?

- International members join, renew and take active roles in EEI:
 - ◆ “Lessons Learned” from the billions of dollars that US companies have invested in utility management, finance, operations, technology and market liberalization
 - ◆ Access to International Financial Conferences to build and maintain investor confidence

Why?

- Technology and Knowledge Transfer
- Establish connections with US utilities
- Avoid the mistakes of US utilities, direct investment and change in proven-technologies and applications
- Build and maintain competitive position

Membership

- Annual dues based on:
 - ◆ Electricity Revenues
 - ◆ Total MWH Produced
 - ◆ Electricity Customers
- Minimum dues \$2,500
- Maximum dues \$75,000

Membership

- Members report that their dues are a solid, proven investment
- Greatly assists in making investment and policy decisions
- Avoids the mistakes and errors of others
- Excellent preparation in dealing with consultants, advisors and bankers

EU Accession and Candidate Country Program

- Dues Adjustment Program
 - ◆ Reduction of dues for 3-4 years
 - ◆ Full membership rights
 - ◆ Aggressive integration into EEI products and services
 - ★ Financial
 - ★ Market Liberalization
 - ★ Technological and Operations
 - ★ Management

Investors Require Certainty

- Tariff Reform:
 - ◆ Move to cost recovery
 - ◆ Avoid cross subsidies
 - ◆ Improves energy efficiency and attracts investment
 - ◆ Affordability

Challenges

- Creating a competitive market structure as possible by ensuring that transmission between regions is not limited
- Tariffs that are cost-reflective, ensuring an efficient market and the attractiveness to investors

Challenges

- Strong and credible legislative and regulatory frameworks:
 - ◆ well received by market players
 - ◆ underpin electricity markets and inspire sector investor confidence
- Credible, transparent, predictable and efficient administration of market rules by effective regulatory body

Some Investment Requirements

- Separate Regulator
- Full Tariff Setting Power
- Redress
- Fixed-Term Appointments
- Industry Funding
- Transparency
- Published tariff methodology
- Price cap regulation

Albania's Competitive Position

Residential Price (US c/kWh)

- Russia: 09
- Croatia: 9.8
- Czech Republic: 6.0
- Estonia: 4.9
- Hungary: 6.8
- Latvia: 5.6
- Lithuania: 5.3
- Poland: 7.8
- Romania: 5.2
- Slovak Republic: 6.0
- Slovenia: 6.4
- *Average: 6.0*

Albania's Competitive Position

Industrial Price (US c/kWh)

- Russia: 1.6
- Croatia: 6.7
- Czech Republic: 4.3
- Estonia: 4.1
- Hungary: 5.7
- Latvia: 5.2
- Lithuania: 3.8
- Poland: 4.5
- Romania: 4.8
- Slovak Republic: 4.2
- Slovenia: 7.0
- *Average: 3.8*

Albania's Competitive Position

Cash Collections (%)

- Russia: 97%
- Croatia: 100%
- Czech Republic: NA
- Estonia: 97.1%
- Hungary: 90%
- Latvia: 99.5%
- Lithuania: 91.1%
- Poland: 97%
- Romania: 62%
- Slovak Republic: 100%
- Slovenia: 99%
- CIS: 60%

Albania's Competitive Position

Commercial Losses (%)

- Russia: 3%
- Croatia: NA
- Czech Republic: NA
- Estonia: 1.1%
- Hungary: NA
- Latvia: NA
- Lithuania: NA
- Poland: NA
- Romania: 2%
- Slovak Republic: 7.6%
- Slovenia: NA
- CIS: 19%

Albania has Great Opportunities and Challenges

- Energy Strategy:
 - ◆ Reduction dependence on hydro
 - ◆ Developing alternative sources
 - ◆ Full liberalization of energy tariffs
 - ◆ Integration into regional power market
- Accelerating energy sector reform is crucial to resolving energy situation

EEI Response: Here to Help You

- EEI membership would provide tools and knowledge that would help it meets goals and objectives
- Membership provides proven tools that build competitive position
- EU Candidate Country Membership Program available to Albania

First Steps

- Temporary access to EEI *Members' Only* Website:
 - ◆ www.eei.org
 - ◆ Userid: global
 - ◆ Password: power
- Invitation to attend EEI's 39th Annual Financial Conference in California, October 24th-27th

Contact

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