

FEATURES OF ENERGY PROCLAMATION



PREPARED FOR

**USAID/NARUC/ ETHIOPIA BILATERAL PARTNERSHIP
EXCHANGE**

1ST PARTNERSHIP EXCHANGE

WORKSHOP

ETHIOPIAN ENERGY AUTHORITY

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Energy Proclamation No. 810/2013

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- Enacted on November 19, 2013
- Proclaimed on January 27, 2014
- Repealed Electricity Proclamation No. 86/1997
- Contained the regulatory frameworks for:
 - ✓ “economic regulation”
 - ✓ energy efficiency & conservation
 - ✓ competency certification
 - ✓ delegation

Objectives of the Authority

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The objectives of the Authority are:

- promote competitiveness in the energy sector
- ensure efficient, reliable, fair, economical, and safe electricity supply
- promote energy efficiency and conservation

Structure and Board

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- Follow two-tier management structure
 - ✓ at the apex there is a Board responsible for the overall direction based on the powers and duties of the Authority
 - ✓ At the middle there is one Director General and as may be appropriate one D/Director General for the day to day functions of the Authority based on the powers and duties of the Authority and general directions of the Board

Structure and Board – cont'd

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- Powers and duties of the Board
 - ✓ Review tariff proposals in relation to the national grid and submit to government for approval
 - ✓ Approve off-national-grid tariffs determination guidelines, national energy efficiency & conservation strategy and program
 - ✓ Approve model power purchase and service agreements

Structure and Board – cont'd

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- Powers and duties of the Board – cont'd
 - ✓ Approve directives of the Authority
 - ✓ Ensure the timely collection of the fund and its proper utilization
 - ✓ Approve the selection of the trust agent and grants of loans from the fund

Powers & Duties of the Authority

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- Issue and renew license and certificate of competency
- supervise the operations of Licensees and holders of certificates of competency
- Review national grid related tariff submitted to it by a licensee and submit its recommendation to the government for approval
- Issue and regulate the implementation of guidelines for the determination of off-national-grid tariffs
- Formulate long-term, medium-term, and short-term energy efficiency and conservation strategy and program at national and sectoral levels

Powers & Duties of the Authority– cont'd

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- Promote energy efficiency and conservation at national and sectoral levels
- Issue energy audit code, energy efficiency standards code, energy efficiency labeling code, grid code, customers' service code, technical inspection code, quality service standard code, building electrical installation code, technical standard code and other codes
- Approve electric power purchase and network service agreements cooperate with training institutions and regional and international forums for promoting energy efficiency and conservation, energy development and power trade
- Establish energy efficiency testing laboratories and issue and implement testing procedures
- Promote and coordinate energy efficiency and conservation research, development and demonstration and technology transfer activities

Powers & Duties of the Authority– cont'd

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- Hear, investigate and, when necessary, mediate or arbitrate disputes between parties with complaint over any matter required to be regulated under the Proclamation
- Collect, analyze, organize and disseminate information relating to energy efficiency and conservation
- Collect fees for the issuance and renewal of licenses and certificates of competency and for other services it renders and the revenues of the Fund
- where necessary, delegate its powers and duties to the appropriate regional executive organs and provide them with capacity building support
- Accountable to Ministry of Water, Irrigation and Energy

Energy efficiency & conservation

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- Energy efficiency is utilizing efficient technologies
- Energy conservation is behavioral change, e.g.
 - ✓ reducing the amount of energy consumed,
 - ✓ economical and rational use
- Three areas of regulation
 - ✓ industries
 - ✓ buildings
 - ✓ electrical equipments & appliances

Energy efficiency & conservation – cont'd

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- Main regulatory instruments
 - ✓ minimum energy performance standard
 - ✓ energy efficiency labeling
 - ✓ energy audit
 - ✓ voluntary agreement
 - ✓ formulating long-term, medium-term and short-term energy efficiency strategy & program at national and sectoral level

Energy efficiency & conservation – cont'd

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- Additional regulatory instruments
 - ✓ promoting energy efficiency research, development & demonstration
 - ✓ laboratory testing for energy performance
 - ✓ mandatory energy saving
 - ✓ installation of energy efficient & conserving equipment
 - ✓ reporting

Energy efficiency & conservation – cont'd

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- Energy efficiency & conservation implementing organs
 - ✓ Authority
 - ✓ energy efficiency and conservation contracting or consultancy services (ESCO)
 - ✓ energy management unit

Energy efficiency & conservation – cont'd

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- Energy efficiency & conservation fund
 - ✓ the purpose is for providing loan and financial support to person involved in energy efficiency & conservation activity
 - ✓ Kept and collected *via* trust agent, i.e. financial institution
- Source of the fund
 - ✓ government budget
 - ✓ loan
 - ✓ grant
 - ✓ infraction from energy inefficient electrical equipments & appliances, buildings and industries
 - ✓ incomes from other source

Electricity tariff setting

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- Licensees submit tariff request to the Authority
- Authority study grid related tariff and submit recommendation to government for approval & approve off-national-grid tariff
- Authority implement approved tariff
- Tariff methodologies and procedures are provided *via* regulation and directives (codes)

Certificate of competency

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- It is a document issued by the Authority that certify the competency of any person to engage in electrical work
- Electrical work is defined as electrical design, installation, maintenance, testing, inspection, contracting or consultancy, electromechanical activity or any other electric related business

Certificate of competency – cont'd

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- Certificate of competency may be issued for individual or firm and subject to renewal annually
- Certificate of competency holder, prior to commencement of business, shall get license

Regulatory delegation

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- The Authority is a federal regulatory organ
- The mandates of the Authority are vast that need to be implemented at both federal and states level
- Only relevant state government organs may be delegated by the Authority, e.g. energy bureaus

Regulatory delegation – cont'd

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- Authority is responsible for arranging and providing capacity building for both bureaus and staffs
- Delegation shall be based on merit & with various designed forms like cooperation, partnership
- Delegation never exonerate Authority's responsibility

Dispute resolution

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- The Authority hear customer's complain for:
 - ✓ noncompliance related to electricity services or
 - ✓ energy efficiency and conservation activities by a licensee

- the customer, prior to complaining to the Authority, need to exhausted all complaint hearing procedures arranged by the licensee

Dispute resolution – cont'd

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- In resolving the disputes the Authority need proper investigation and may utilize, as appropriate:
 - ✓ Amicable resolution
 - ✓ Mediation
 - ✓ Arbitration
- The decision of the Authority is final and binding

Penalty

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- It is part of the regulatory instrument
- Two types:
 - ✓ those undertaken by Authority for non-compliance of performance standards and / or conditions by licensees and holders of competency certificate, e.g. fine penalty, suspension, revocation, refusal to renew license or competency certificate

Penalty – cont'd

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- Two types:
 - ✓ criminal offence as provided under PART SEVEN of the Proclamation like:
 - ✓ working without having license
 - ✓ certificate of competency related offences
 - ✓ damage to electrical plants
 - ✓ abstracting electrical energy
 - ✓ energy related offences, etc
- police and regular courts undertake the investigation and adjudication of criminal offences, respectively



THANK YOU