

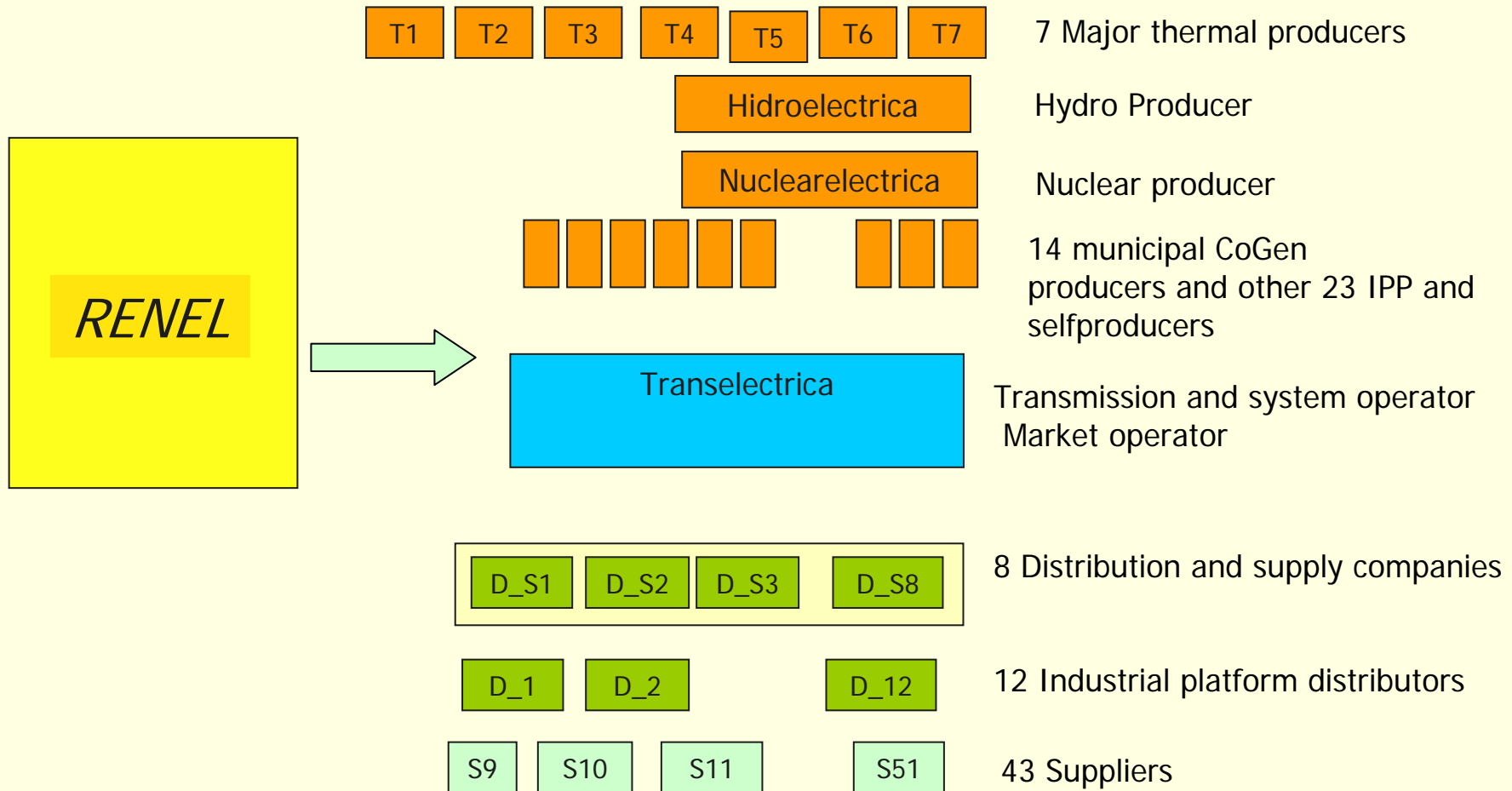
PUBLIC INVOLVEMENT PUBLIC OUTREACH

**LUSINE CARACASIAN
HEAD OF PUBLIC RELATION AND COOPERATION OFFICE**

KEY PRINCIPLES OF THE ROMANIAN ENERGY POLICY

- creating an electricity market based on transparency, fairness and non-discrimination;
- establishing a regulator to regulate monopolies (where they remain), and to foster competition;
- unbundling the activities of generation, transmission, distribution and supply;
- gradual introduction of competition in generation and supply;
- licensing the new market participants;
- non-discriminatory, regulated access for third parties to the electricity network

FROM AN INTEGRATED MONOPOLY TO A COMPETITIVE ELECTRICITY MARKET



ANRE - public institution under the co-ordination of the Prime Minister

Mission - to create and implement fair and independent regulations to ensure an efficient, transparent and stable functioning of the electricity and heat sector and markets while protecting the interests of consumers

Appointment Power - President and Vice President of ANRE are appointed by the Prime Minister for 5 years, upon proposal of the Minister. The Commissioners are appointed for 5 years by the Minister.

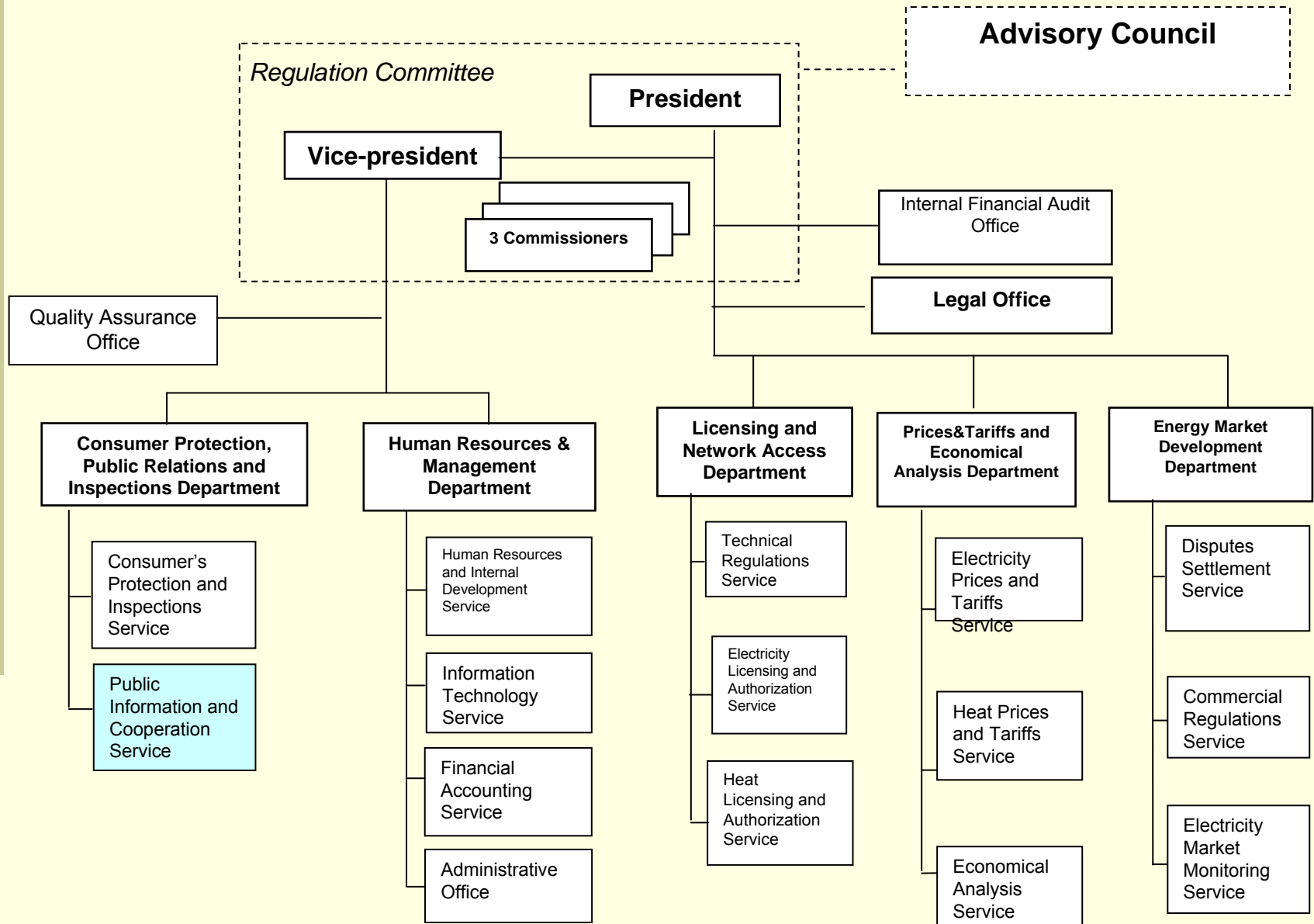
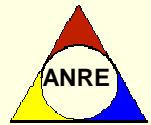
Financing - sources outside the state budget covered from license and authorization fees and contributions paid by sector companies.

THE MAIN SECTOR REGULATIONS ISSUED BY ANRE

- Wholesale Electricity Market Commercial Code
- Network Codes (Grid Code, Distribution Code)
- Metering Codes
- Technical and commercial regulations
- Tariffs methodologies
- Authorizations and licenses
- Rules regarding the connection to the networks

based on the Romanian legislation and the Aquis Communautaire for the electricity sector provisions

Romanian Energy Regulatory Authority



ANRE Public Information major functions

Media/press relations

Preparation of press releases and agendas for public meetings

Preparation of press conferences

Production of the annual report, other reports and publications

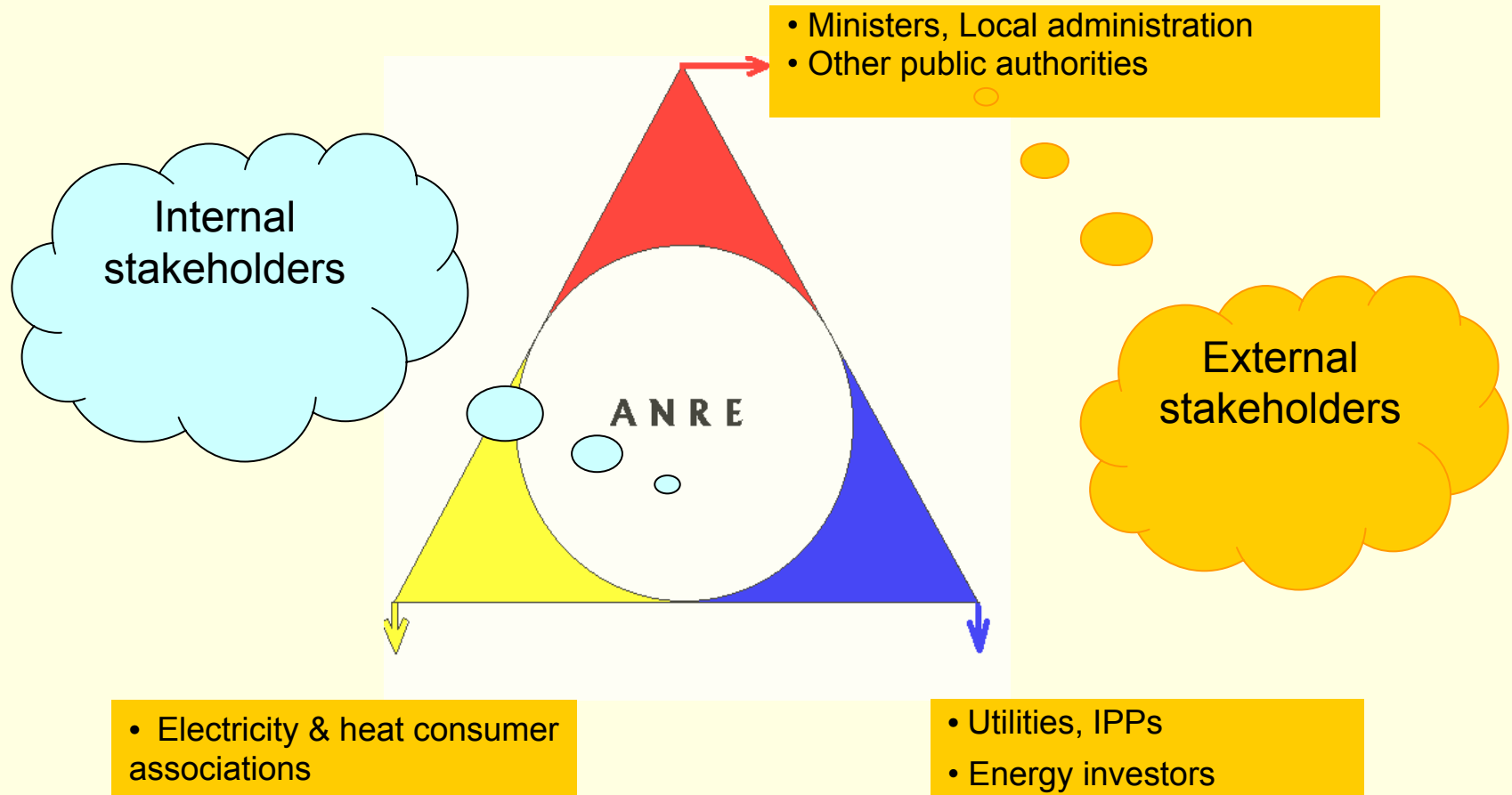
Response to general information inquiries, to written request of information observing the provision of the Freedom of Information Act (Law 544/2002)

A daily clipping service, a weekly internal newsletter

Maintenance of information on the authority WEB site

Ensure the liaison with other governmental authorities and public institutions, regional and international organizations

Main ANRE's stakeholders



ANRE - Communication with the internal stakeholders

- Regular meetings of the Regulatory Committee
- Informative meetings in departments
- Weekly informative bulletin for ANRE's staff concerning important ANRE's action during the week - new decisions and orders, public hearings, meetings with utilities, investors, new regulation projects under the public discussion, documents to be discussed in the Advisory Council's meetings, workshops, activities carry on by national and international organizations etc.
- Daily press review – intranet e-mail on the important titles from the main Romanian newspapers regarding energy sector

External stakeholders interests

The interest of the external stakeholders are definitely in conflict with each other:

- **consumers** - *high quality energy supply and low energy prices at the same time,*
- **investors** - *less regulatory control (less supply-quality measures) and high end-user prices,*
- **politicians** - *satisfied customers and satisfied investors as well at the same time*

Obs.: politicians are not interested in the daily regulatory routine work, but they would like to have power influencing regulatory decisions

Importance of the Public Involvement

- “**Good governance**”: regulatory decisions might be controversial and the public has the right to be heard and to expect the Regulator to be open and responsive
- Regulator’s actions are **more likely to be accepted** and supported by public if it had an active role in shaping the decision, even they do not always agree with the outcome of that process
- The early and meaningful participation **can save resources** in the long run by avoiding delays and law suits based on public opposition

Benchmarks of the Public Involvement (1)

- **Keeping** the public **informed** on continuous basis
- Creating a **dialogue** that provides for **feedback**
- **Establishing trust and credibility** in the Regulator through openness and honesty
- **Planning** (if possible!) the public participation activities ahead of time, allowing flexibility for changing interest levels
- Periodically **evaluating the effectiveness** of the public involvement
- Giving the public the **possibility to express comments** and opinions before decisions are made
- In making those decisions, due account shall be taken of the **results of the public participation**

Benchmarks of the Public Involvement (2)

- Having examined the comments and opinions expressed by the public, the Regulator makes reasonable efforts **to inform** the public about the **decisions** taken and the **reasons** and considerations upon which those decisions are based

- Involving the public during all the **stages** of the regulatory process:
 - Assessment
 - Decision-making
 - Implementation

Effective Public Involvement (1)

- Enables the public to express, and the decision-maker (Regulator) to take account of opinions and concerns which maybe relevant to those decisions
 - ▶ thereby increase the **accountability** and **transparency** of the decision making process and **contributing to public awareness**

The advantages of a “transparent” image:

- consumer confidence
- investor confidence
- stability, continuity and predictability in decisions
- fairness

The transparency reduces the chance for corruption.

Effective Public Involvement (2)

- Actions to be taken by the Regulator
 - Get the public involved **early** in the decision-making process
 - Ensure that public meetings/hearings allow public's **concerns** to be **adequately addressed**
 - Clearly explain how public **input** will be used
 - Give public **adequate explanations** if their input is rejected
 - **Re-double efforts** to involve the public in Regulator's decision making process if needed

Public Involvement - Transparency (1)

The public participation is a key-issue for measuring the transparency of the Regulator

The major means to ensure the involvement of the public:

- Public hearing sessions
- Public discussions, roundtable meetings, focus groups
- Open meetings (some of them at least)
- Press releases, Press conferences
- Web-site
- Consultative bodies
- Newsletters, brochures
- Answering to petitions/requests
- Giving access to the regulatory files (except: confidential data/classified information)

Public Involvement and the Regulatory Process

- Every decision (license, tariff, complaints) has a variety of possible outcomes
- It is not enough that a decision to be “correct” but has to be seen by the public as the result of a fair and open process
- Characteristics of the regulatory process vis-à-vis public involvement:
 - Open
 - Transparent
 - Timely
 - Consistent

ANRE - Decision-making process (1)

- The Law (Electricity Law and Law on the transparency in the public administration) requires **public notice** and **gives the opportunity for the public to be heard**
- **Annual program for issuing regulations** is published on the web-site
- A **“proposed” regulation** (draft) is published on the web-site and in a central newspaper with 30 days before to be submitted for the approval to the Regulatory Committee

ANRE - Decision-making process (2)

- The regulation draft (commercial regulation, framework contract, tariffs, codes, technical rules) is accompanied by a **report for approval**, containing the legal grounds, the necessity for issuing, the comments received etc)
- ANRE seeks **comments**
- If asked, ANRE holds a **public meeting** before deciding and adopting the binding decision
- Media can participate in the public meetings
- All the participants can express their **own point of view**

ANRE - Decision-making process (3)

- The meetings are **recorded**
- The minutes is posted on the notice board and web-site
- The meeting has only **consultative role**, only the Regulator has the power and the responsibility to make the decision
- The decision for the approval of the regulation gives the **legal reasons** and the report summarize the **discussions** and reflect the **principles** applied
- ANRE must **explain** why it has adopted the particular rule and why it did or did not accepted all of the comments made

ANRE - Decision-making process (4)

- The decision is **final and binding** but it can be appealed. The Court has to take into consideration the facts as found by the Regulator and gives “deference” to the decision concerning the law
- If this **transparency** procedure is not respected, any interested/affected party can ask to the Court its annulment
 - ▶ procedural reasons
 - ▶ fines against the Regulator

ANRE - Public Involvement

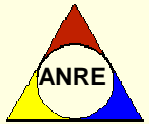
- Goal – **to ensure the confidence** in fair, stable, predictable and credible regulatory process
- Ways to attend the goal - **to develop effective relationships** with many different audiences or publics
 - ▶ employees, members, customers, local communities, shareholders, other institutions

Audience messages (1)

- the public information must be tailored to the specific level of the target audience (of the targets)
- The terms, the concepts used in materials, documents (called: *messages*) must be chosen to be easy to understand by the recipient (must be tailored):
 - materials should be correct but on the other hand less complex => simplified messages could be understood by the target audience, target recipient
 - the way of communication can not be uniform; it should be selected based on the target and based on the content of message

Audience messages (2)

- The messages of the organisation should be in harmony with each other (non-contradiction), should demonstrate the principle of the “single voice” → unity of style, coherence, specific identity reflecting from the organisation,
- Unique co-ordination, harmonisation, “supervision” of the public information materials issued, including presentations for various events (conferences, exhibitions etc.) are very useful (LOGO, format, colour,..)



ANRE audience

Who are the different ANRE audiences?

What are the key messages that each audience wants to hear?

What are the optimal channels of information through which to communicated these messages?

No.	Audience	Key Message	Optimal channel
1	Media	Public Concerns/Transparency of ANRE/Timely information/Education	Press releases, Press conferences, ANRE WEB site, Media training
2	Government	ANRE: trust worthily and credible	Reports, Annual report, memos, proposals, information packets
3	The General Public	Prices fairness	Media, Meetings with consumers associations, Consultation Council meetings
4	Business Investors/ Banks	ANRE's role/Rules of the game/New opportunities for profit/Security of the electricity market	Official National Gazette/Meetings/informational packets/ANRE WEB site
5	Producers, TSO, DSOs, Suppliers	ANRE's role/Rules of the game	ANRE Discussion Papers, Official National Gazette, Meetings, Annual reports, Brochures
6	Producers/ suppliers asking for licenses or authorizations	Main steps to obtain the license /authorization	Meetings, ANRE WEB site
7	Industrial consumers (eligible ones)	Price security/Fairness of the rules/Rules of the game/ANRE will preserve a good "business environment"	Meetings, Dispute resolutions, Brochures, ANRE WEB site, Focus groups

No.	Audience	Key Message	Optimal channel
8	Electricity & heat consumer associations	Information on activities developed by ANRE, involvement in the decision process	Meetings (contracts, electricity tariffs, pre-contractual disputes, other regulations issued) Invitation to the public hearings for granting Licences & Authorisations organized by ANRE ANRE's site – www.anre.ro Booklets concerning electricity tariffs, special guide for eligible customers Answers to the consumer's questions
9	Electricians and firms interested in authorization	Main steps to obtain the authorization	Meetings, ANRE WEB site
10	International organizations	ANRE is truly independent	Brochures, ANRE WEB site

Communication channels (1)

Brochures – are prepared as is useful and provide brief, accurate information that is targeted to one group of energy users. Requires inputs from ANRE's departments, the Public information persons being the coordinator of the project.

Examples:

- General information about ANRE
- ANRE's independence
- A guide for eligible consumers
- A brochure for investors (restructuring process of the sector, main legislation, main regulations issued, tariffs for electricity and heat)
- 5 years ANRE anniversary
- A leaflet published in collaboration with Electrica and comprising the electricity tariffs for captive consumers was permanently updated to reflect each tariff modification and disseminated through commercial centres of the distribution and supply companies throughout the country.

Communication channels (2)

Annual reports

Summary

Mission. ANRE objectives in 2003

2003 Context. Performance Indicators

Programmes developed in compliance with ANRE objectives

Regulations issued

A. Licenses, authorisations, permits

B. Commercial regulations. Resolution of disputes

C. Prices and tariffs

D. Technical Regulations

Guidance and control

International Co-operation Programmes

Public Information and Public Relations

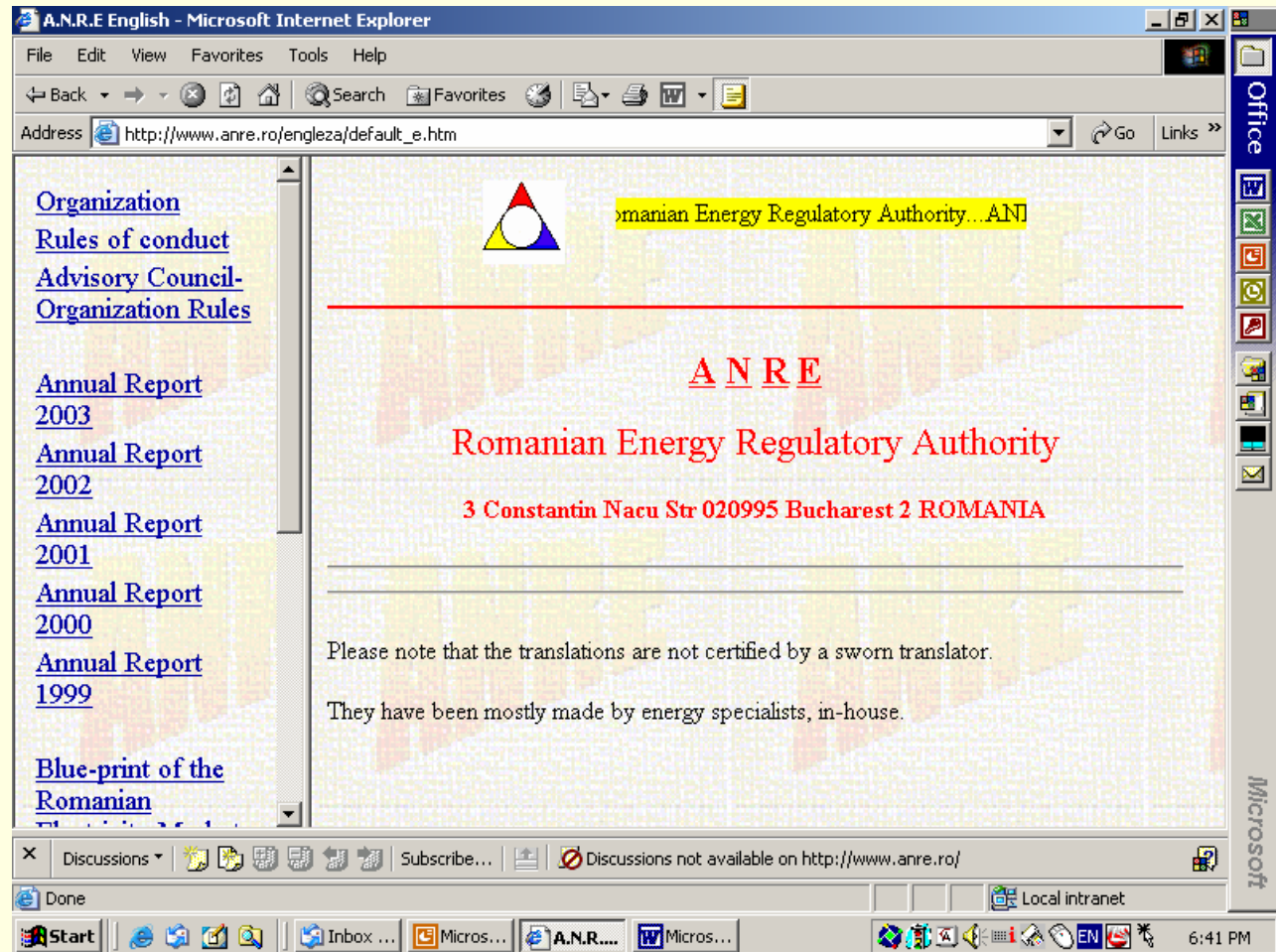
Institutional strengthening and development

Important regulations in progress

Communication channels (3)

ANRE WEB site

Prices and Tariffs, Commercial Regulations and Discussion Documents were the most visited sections during year 2003.



Communication channels (4)

An e-mail address, **info@anre.ro** was created at the beginning of year 2003 to enable direct communication with the public (FOIA Act)

Public information

requests

received in 2003

1	Total no. of public information requests received	41
2	Total no. of administrative complaints received	0
3	No. of requests favourably resolved	41
4	No. of working days necessary (on average) for sending an answer	6
5	No. of requests addressed by: a) mail	13
	b) electronic mail	28
6	No. of requests addressed by natural persons	28
7	No. of requests addressed by legal persons	13
8	No. of requests dismissed, depending on reason:	0
9	Total no. of public information requests, on domains:	
	electricity	33
	heat	7
	other	1

Communication channels (5)

ANRE interactions with the media

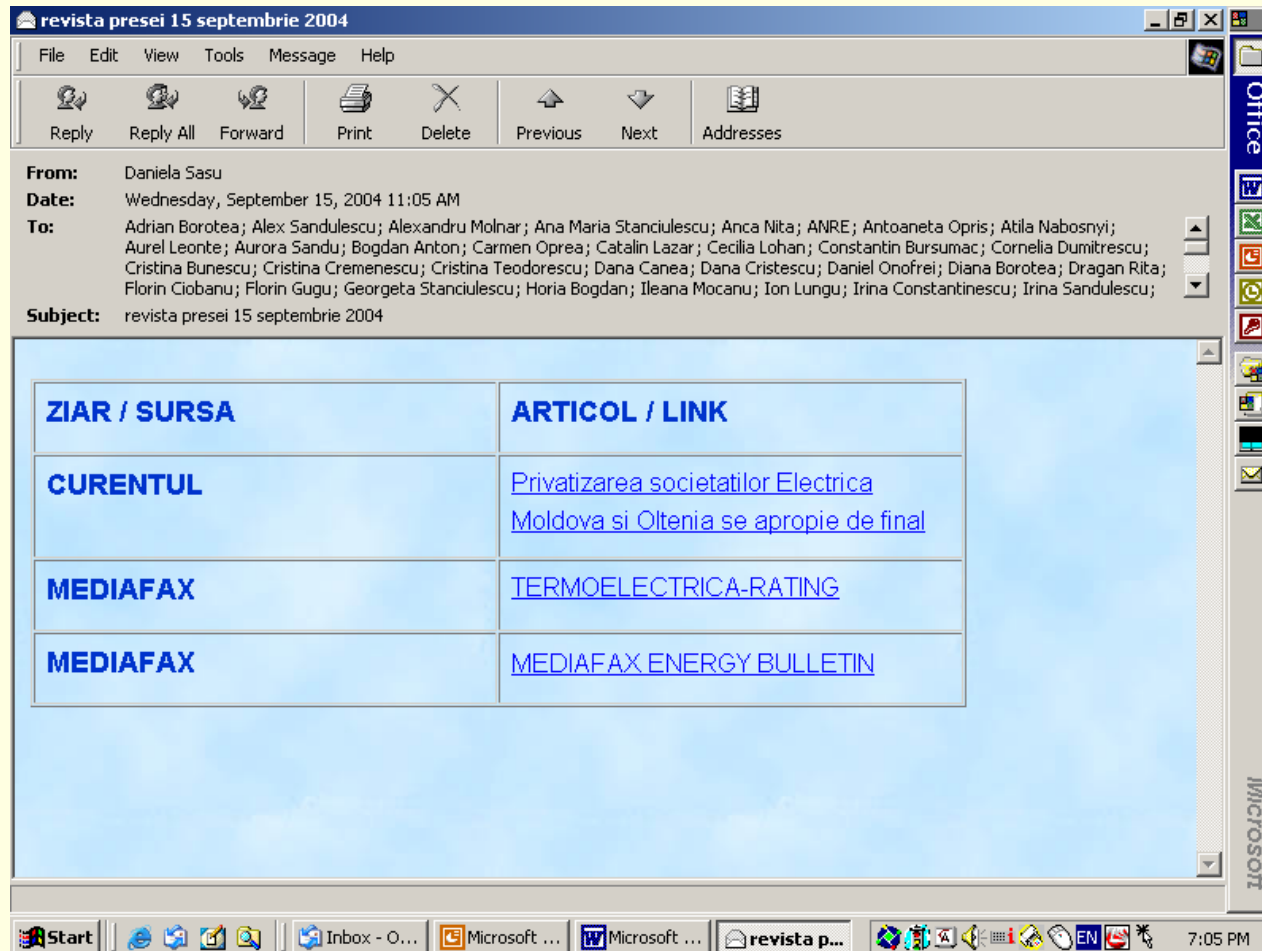
In dealing with the press, it is critical that information is timely, brief and clear.

Processes for dealing with the media include:

- Press releases and press packets, organization of press conferences
- Media training – an educated media will help to build an educated public on important issues
- Reaction to the media (pro-active, ex-post)
- Media monitoring

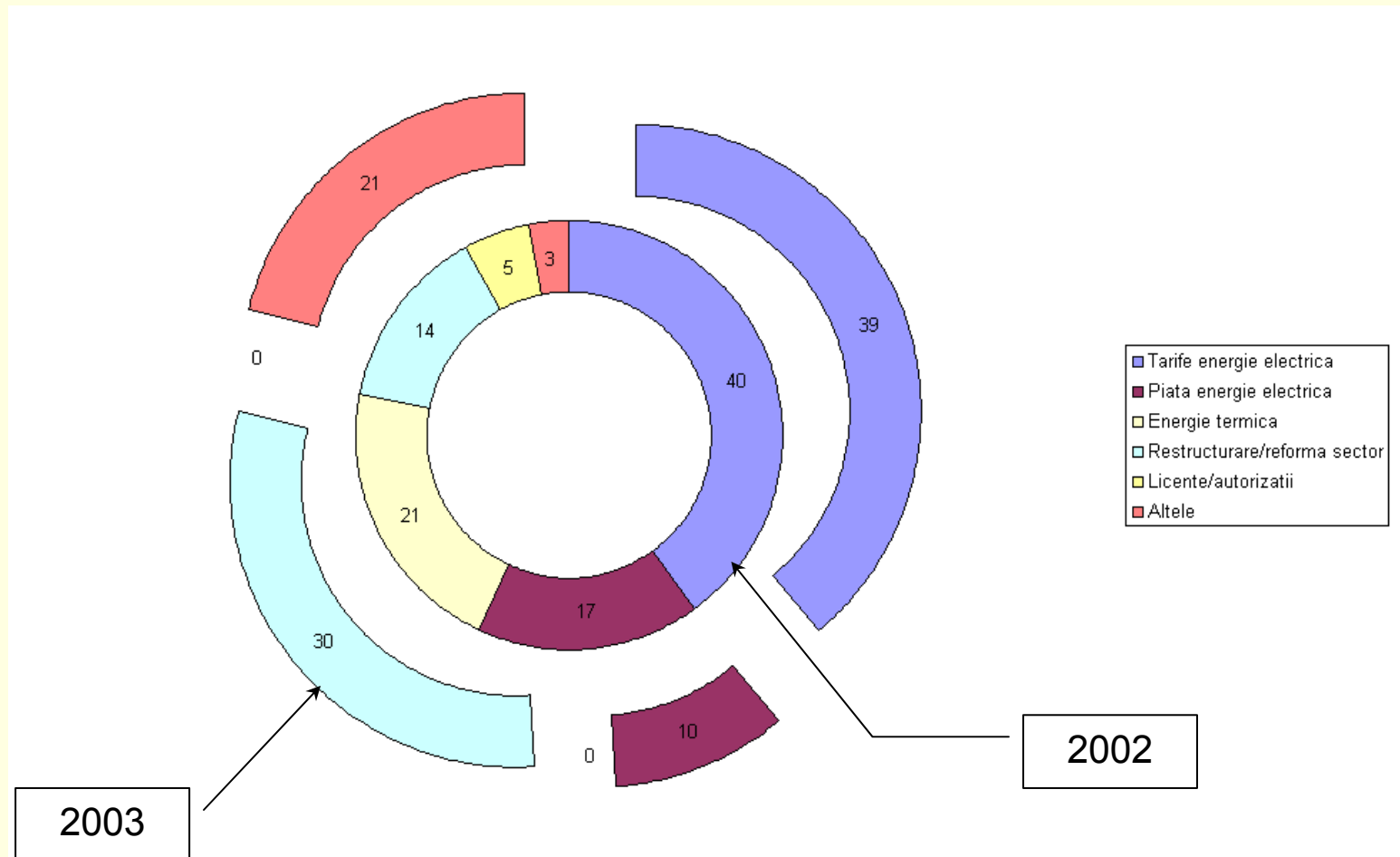
Communication channels (6)

Daily press review



Communication channels (7)

Subjects of the press articles concerning ANRE activity



Communication channels (8)

Focus Groups

- conducted by the President or another Director General
- organized with peoples representing a similar category (eligible consumers, industrial consumers, utilities etc.)
- discussions are focused on specific topics of interest

Consumer Affairs - Role of the regulator

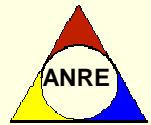
- License conditions relating to customer service
 - Obligations on suppliers to offer terms
 - Compliance with Codes
 - Performance standards and penalties for failure to meet standards
- Contract terms (fair and reasonable)
- Complaint procedures - customers' right of appeal
- Informal consultation
 - Customer representatives and customer committees
 - Large customer organizations and trade associations
 - Government departments
 - Political representatives
 - Seminars and meetings
- Formal consultation
 - Draft Licenses
 - Consultative papers

Consumer Affairs - ANRE inspection and control office

- Day to day handling of customers complaints regarding activities in the energy sector
- Control activity - The control envisages verification of the compliance with the license conditions, conclusion and unfolding of contracts, tariff practice, costs covering, and veracity of complaints.

Complaints received in 2003

1	Total number of complaints	80
2	Complaints solved in the favour of the claimant	80
3	Case processing time (average) to answer the complaints	14
4	Complaints submitted via : a) letter	77
	b) email message	3
5	Complaints submitted by natural persons	56
6	Complaints submitted by sector companies	24
7	Complaints concerning:	
	- electricity sector	72
	- heat sector	8



THANK YOU!