



# **PUBLIC PARTICIPATION IN REGULATORY PROCESS**

## **Requirements of the European directives, related to the public participation in the regulatory process**

- The directives require the activity of the regulatory body to be transparent, which suggests the availability of effective mechanisms to execute public control on the regulator's activity;
- According to the requirements of the directives one of the main obligations of the regulatory body is related to the publication of information on the performance of the regulatory functions. This awareness is a necessary prerequisite for public participation in the regulatory process;
- European directives envision the minimum of standards, related to the public role in the regulatory process. This minimum of requirements is fully introduced, further developed and specified in details in the Energy Act, as well as in the secondary legislation on its implementation.

## **Legal base for publication of information, related to the implementation of the regulatory functions - Energy Act, Ordinance on Energy Activities Licensing**

- According to Energy Act requirements, SERC publicly announces its policy and the established practice on the implementation of its acts, as well as the justification for their amendment in its bulletin or in another appropriate manner;
- Commission bulletin is issued every 6 months and is published on the web site of the Commission;
- The general administrative acts of the Commission, which set up rules in compliance with the Energy Act, are promulgated in the State Gazette.

## **Legal base for publication of information, related to the implementation of the regulatory functions - Energy Act, Ordinance on Energy Activities Licensing**

- Decisions to issue, change, supplement, withdraw and suspend the licenses, as well as decisions for price endorsement are published in the SERC bulletin;
- SERC maintains public registers for: granted licenses, issued green certificates, transactions with green certificates, issued permits to licensed companies under the Energy Act;
- The registers are kept creating a computer data base and a card-file of the persons and circumstances, subject to entry;
- License register is public. Everybody has the right to look at it and to receive copies or excerpts from it;
- The requests for register excerpts issuing are addressed to the Commission.

## **Public discussion procedure - a prerequisite for public participation in the regulatory process**

- The Energy Act regulates SERC obligation to hold a procedure for public discussion with the stakeholders during the drafting of the general administrative acts, as well as on other issues of public importance for the energy sector development;
- Within the meaning of the Energy Act stakeholders are state bodies, branch organizations, energy enterprises, privileged consumers and consumer organizations, directly related to the developed draft act;
- Media representatives can attend the public discussion besides the stakeholders;
- At a closed session the Commission approves the draft act, for which a public discussion procedure is required under the Energy Act provisions;

## **Public discussion procedure - a prerequisite for public participation in the regulatory process**

- The Commission takes a decision to conduct a public discussion in order to determine: the date, hour and venue of the public discussion, as well as the list of the stakeholders, who will receive an invitation for public discussion participation;
- The public discussion may be attended by people that have not been sent an invitation, but who are stakeholders within the meaning of the Energy Act;
- The decision of the Commission to conduct a public discussion is published on the web site of the Commission and in the mass media publications. The Commission may publish the respective draft act.

## **Public discussion procedure - a prerequisite for public participation in the regulatory process**

- The public discussion is opened by the Commission Chairman, and in his absence - by the Deputy Chairman or another Commission Member, who presents the main principles, embedded in the act draft;
- Minutes and a tape record are kept for each public discussion;
- The discussion of the main principles, embedded in the project, is followed by an announcement of the term for submission of opinions on them;
- SERC revises all submitted opinions from stakeholders and motivates its opinion, publishing the justification on its web site.

## **SERC open sessions - a necessary condition for transparent activity of the regulatory body and for effective public control**

- SERC sessions are open, when applications and requests discussed are related to: granting, amendment, suspension or withdrawal of licenses under the Energy Act, or to endorsement of prices, proposed by the energy enterprises;
- The Commission may take decision to conduct an open session also on other issues, related to its regulatory powers;
- All interested persons and organizations may attend the open session of the Commission;
- Open sessions are attended also by the administrative servants, responsible for the considered claim file;



## **SERC open sessions - necessary condition for transparent activity of the regulatory body and for effective public control**

- On forming a claim file, which is discussed at an open session, the Commission publishes an announcement for that on its web site within 5 days from the forming of the file;
- The announcement contains data on the applicant and the object of application;
- The formed file, which is discussed at an open session, is assigned to the respective director - co-presenter on the file;
- The presenter organizes the investigation on the formed file;
- On a proposal from the co-presenter and with an order of the chairman a working group to conduct the investigation is appointed;
- The presenter regularly informs the chairman and the Commission about the investigation progress on the file assigned to him;

## **SERC open sessions - a necessary condition for transparent activity of the regulatory body and for effective public control**

- The investigation concludes with a written report of the presenter on the file. This report contains the economic and technical circumstances, as well as the legal grounds of the application;
- The report is submitted to the Commission Chairman together with a list of persons, to whom the sending of invitations for the open session is mandatory;
- With a resolution the Chairman allocates the file for discussion at a closed session of the Commission. At this session the working group report is discussed and an open session, as well as the persons, who need to be invited to it, are appointed;
- The report, venue, date and hour for the open session are published on the web site of the Commission within 3 days after the approval of the working group report.

## **SERC open sessions - a necessary condition for transparent activity of the regulatory body and for effective public control**

- A written message about the open session is sent to the party/parties on the file at least 3 days prior to the date of its conducting, accompanied by a copy of the presenter's report on the file;
- The Commission appoints the date for the conducting of an open session to discuss price applications within 2 months, following the check on the application and makes a relevant announcement on its web site, as well as through a mass media release. In this case the Commission publishes the file report together with the announcement;
- File discussion at the open session is verbal;
- The session is led by the Commission Chairman. In his absence it is led by the Deputy Chairman, and in the absence of the Deputy Chairman - by another, explicitly empowered working group member;

## **SERC open sessions - a necessary condition for transparent activity of the regulatory body and for effective public control**

- The session commences with the solution of the preliminary file issues, related to the regularity of the procedure. The failure to appear of any of the parties, that have been properly informed about the session, does not present an obstacle for the file discussion;
- Following the solution of the preliminary issues, related to the regularity of the procedure, the Chairman gives the floor to the presenter on the file to present the report, after which the Commission starts to examine the file in essence;

## **SERC open sessions - a necessary condition for transparent activity of the regulatory body and for effective public control**

- The parties on the file are provided the opportunity for a verbal or written opinion on the submitted report. Commission Members may be asked questions by the parties in accordance with a procedure, established by the chairman. The answers to these questions are entered in a protocol;
- Prior to approaching session closure, the Chairman provides an opportunity to the parties to express final opinion;
- Following the presentation of the opinions of the parties on the file, the Chairman closes the session as clarified with regard to the facts and legal circumstances of the case, announces the day for the closed session to proclaim the Commission decision, as well as the date and hour for the holding of the open session to announce and deliver the decision.

# **Public participation in the price regulation process - Ordinance on Electricity Price Regulation, Ordinance on Natural Gas Price Regulation, Ordinance on Heat Energy Price Regulation**

- The energy enterprises submit applications to the Commission to endorse prices and/or tariffs, or to change existing prices;
- The applications are submitted not later than 4 months, preceding the expiration of the past price period or the enactment of the proposed change of existing prices and/or tariff structures;
- The Commission appoints a date to hold an open session to discuss the price application within 2 months from the completion of the check on the application and announces it on the web site, as well as through a mass media release;

## **Public participation in the price regulation process - Ordinance on Electricity Price Regulation, Ordinance on Natural Gas Price Regulation, Ordinance on Heat Energy Price Regulation**

- With the announcement the Commission publishes the application, accompanied by the file report of the respective official;
- Within 10 days from the date of the open session the Commission holds a closed session to approve the draft decision on the application and takes a decision to conduct public discussion;
- Public discussion procedure starts with an announcement of the draft decision on the web site of the Commission, as well as through a mass media release;

## **Public participation in the price regulation process - Ordinance on Electricity Price Regulation, Ordinance on Natural Gas Price Regulation, Ordinance on Heat Energy Price Regulation**

- Following the completion of the public discussion procedure the Commission adopts a justified decision at a closed session;
- The decision is delivered to the applicant and published on the web site of the Commission, as well as in the Commission bulletin;
- Energy enterprises publish the endorsed prices in one central and one local daily paper within 7 days from the delivery of the decision on their endorsement by the Commission.



# **Practical implementation of the legislative stipulations, regulating the public discussion procedure**

- So far SERC has conducted 5 public discussion procedures for secondary legislation drafts, which according to the law are approved by the Council of Ministers on a proposal of the Commission, drafts of general administrative acts and for other issues of public importance for the energy sector development;
- Public discussion procedures with interested persons are held during the preparation of the drafts for the Ordinance on Electricity Price Regulation, Ordinance on Heat Energy Price Regulation, Ordinance on Natural Gas Price Regulation, Ordinance on Energy activities Licensing, Rules for the terms and procedure to provide access to the electricity transmission and electricity distribution networks, Rules for electricity system management, Rules for electricity distribution systems, Rules for electricity trading, Rules for measuring the electricity quantity, electricity prices, used for household purposes by the population, Indicators for the quality of the electricity, heat and gas supply, Rules for the terms and procedure to provide access to the gas transmission and gas distribution networks, Rules for natural gas trading, Methodology to set the prices for provided access by consumers of the transmitting or distributing enterprise via their own devices and installations to other consumers for the purposes of transformation and transmission of electricity, heat and natural gas transmission, Tariff for the fees, collected by SERC under EA;

## **Practical implementation of the legislative provisions, regulating the public discussion procedure**

- In their capacity of interested persons within the meaning of the Energy Act the public discussions have been attended by representatives of: National Tripartite Cooperation Council, National Power Engineers Federation, Federation «Energetika-Podkrepa», Independent Trade Union of the Energy Sector Employees in Bulgaria, Confederation of Independent Trade Unions in Bulgaria, Labor Confederation «Podkrepa», Bulgarian Employers Association, Bulgarian Industrial Association, Bulgarian Chamber of Commerce and Industry, Commission on Commerce and Consumer Protection, Commission for Protection of Competition, energy companies, Bulgarian Branch Chamber of the Power Engineers, Working Group 14 «Energy» at the Coordination Council on the preparation of the Republic of Bulgaria for its EU accession, MEER, etc.;
- Besides that SERC prepares information on specified issues of public importance, related to the energy sector regulation, for presentation in front of the Energy Commission at the National Assembly. These presentations are attended by journalists.

# Impacts from the public activities of the Commission

- Higher effectivity with regard to consumer interests protection under the natural monopoly conditions;
- Publicity provides an opportunity to create competitive conditions for the activities, which are not a natural monopoly (e.g. Awareness of the consumers with regard to the possibility for supplier selection);
- Public discussions on the prices create public confidence that the prices are fair;
- The Commission receives a feedback on the activity of the energy enterprises and an opportunity to react quickly to achieve a balance between the interests of the energy enterprises and the consumers;
- Commission activity is popularized.



**THANK YOU FOR THE  
ATTENTION**

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