



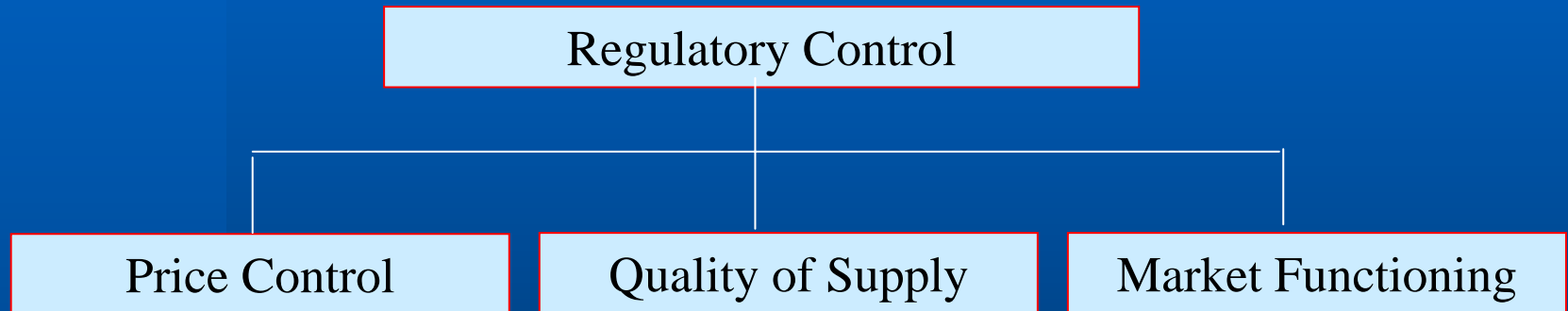
# Stakeholders Concerns and Balancing Interests

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State Energy and Water Regulatory Commission, Bulgaria

# Regulatory Control



# Stakeholders

- Consumers
- Utilities
- Government
- Local authorities
- Environmental groups

# What stakeholders want?

## Consumers

- Universal service
- Low and stable prices
- Reliable service
- High quality of service
- High quality of energy
- Low-income customers protection
- Industry efficiency
- Environmental protection
- Choice

# What stakeholders want?

## Utilities

- High profit (mainly private owned)
- Light regulation (all)
- Investment
  - to maintain and develop assets or
  - to earn more
- Revenue collection
  - High quality of life
  - Social programs
  - Direct subsidies from the budget

# What stakeholders want?

## Government

- Consumers satisfaction (stable social environment)
- Minimum state budget support
- State economy development
  - Competitive industry prices
  - Energy efficiency
  - High life standard
- Strong regulation

# What stakeholders want?

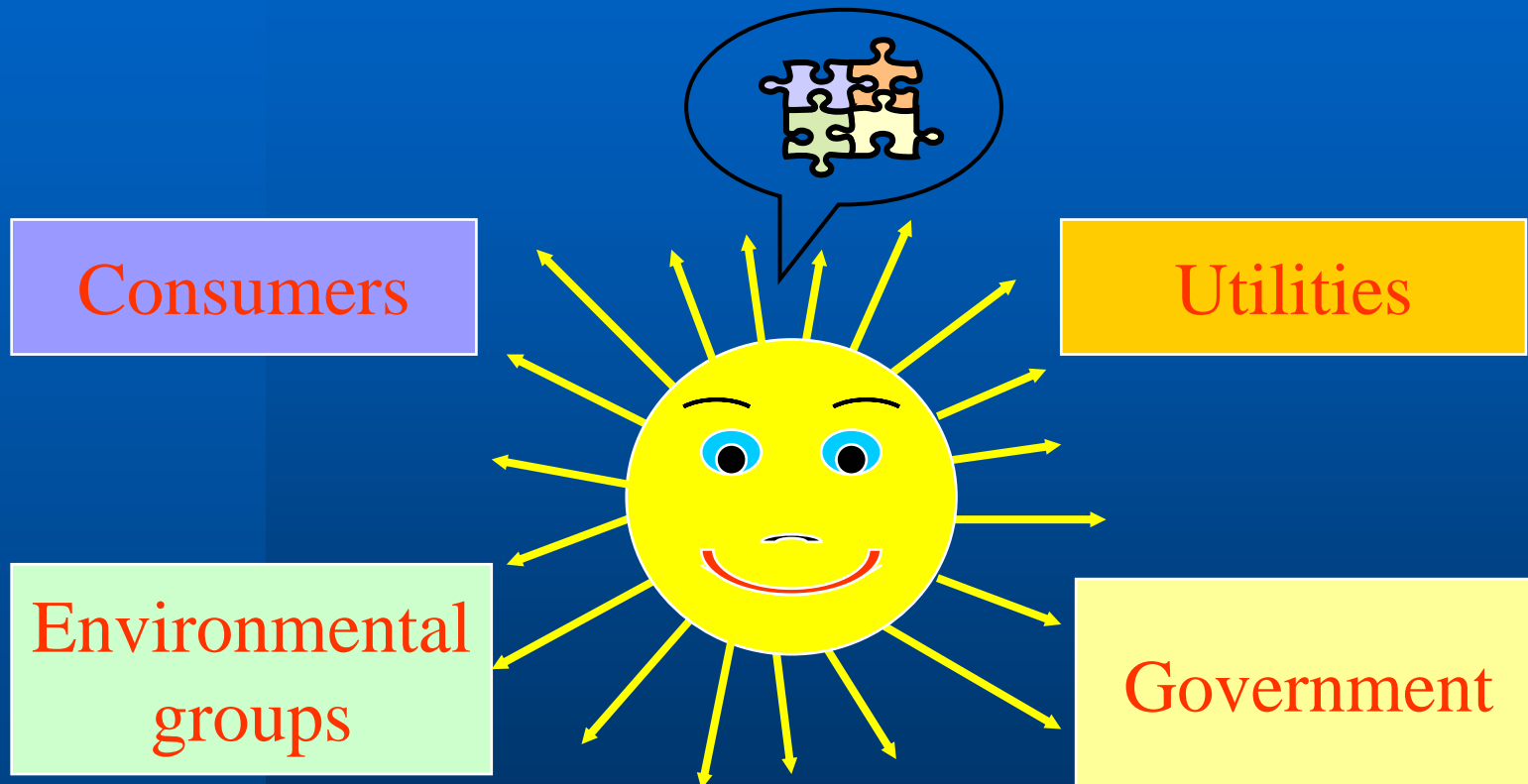
*Environmental  
groups*

- Environmentally oriented energy sector
- Supply diversity
  - Hydro → Environmentally oriented?
  - Windmill → Environmentally oriented?
  - Nuclear → Environmentally oriented?
  - Solar → How much cost?
  - Biomass → How much cost?
- Energy efficiency

Environmentally  
oriented?

How much cost?

# All parties satisfaction?





# What Regulator?

- Legitimate
- Independent
- Accountable
- Credible

Regulatory discretion

# Legitimacy

- Commission established by Law
- Commissioners appointment by Government or Parliament
- Clear responsibility (avoid overlapping with other governmental institutions)

# Independence

## ➤ Commission's Independence

- Right to issue regulations
- Right to approve prices
- Self financing through licensing fees
- Commissioners' term in office longer than the Government one
- Staggered terms
- Removal during the term - under special conditions specified by Law

# Independence

## ➤ Decisional Independence

- Commissioners are similar to judges
  - Limited discussions about pending cases
  - Limited influence on decisions about those cases
- Decisions must be made on evidence
- Decisions are subject to judicial review only

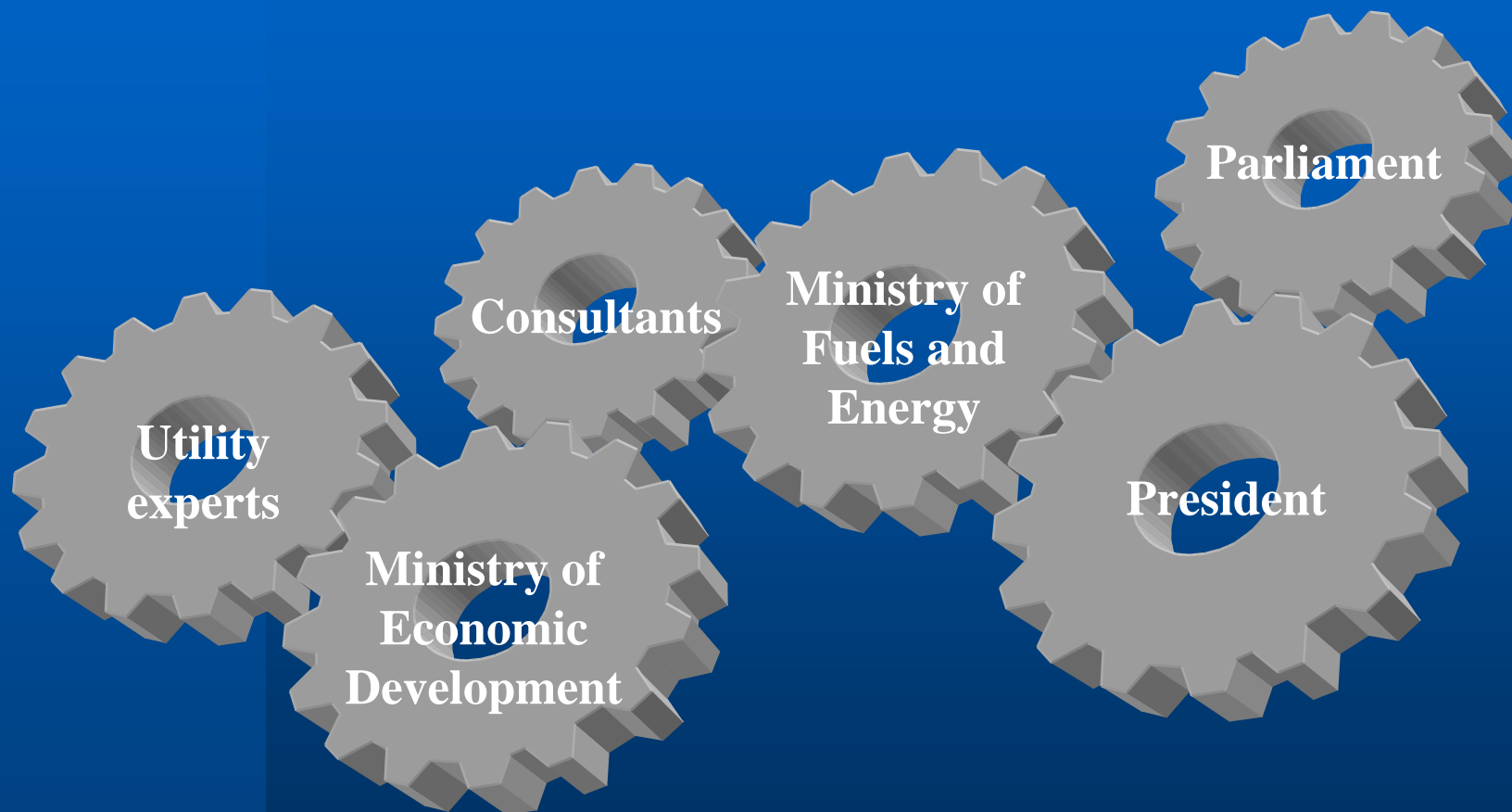
# Accountability

- Rights and duties set in Law
- Periodical report to the Government/Parliament
- Courts review appealed decisions
- Code of ethics that requires Commissioners to:
  - have no financial interest in regulated entities
  - accept no gifts or payments from regulated entities
  - limit other activities
  - limit employment by regulated entities following term

# Credibility

- Quasi-legislative decision-making
  - Public participation in open meetings
    - Public presentation on decision items
    - Commission deliberation
    - Opportunity for public to comment
  - Regulatory staff act as an independent party before the Commission
  - All documentation available to public
    - Physical access
    - Website
    - Protection of confidential information
  - Complaint mediation

# Good Regulator Creation



# Contact

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