Commission Relationships



An overview

Svetla Todorova – Commissioner State Energy Regulatory Commission of Bulgaria

Commission Relationships to Whom?

- Government
- Government agencies
- Parliament
- Regulated utilities

Why Have Relations?

- Executive power
 To ensure that the Commission policy does not conflict with the government policy
- Legislative power
 To ensure that the new legislation does not have negative consequences for the Commission, utilities or consumers
- Utilities
 To ensure fare and transparent process of utility regulation

What and why?

Goals

- Provide and receive information
- Build support
- Perform the obligations

What to achieve with the relations?

- > Inform or educate
- Prevent from negative future actions
- Change behavior
- ➤ Influence policy

Between the Policy and Independence

"Independence" is the key word

- 100% independent from the industry
- 99% independent from the government
- Three indicators for independent Regulator
 - Legally independent body
 - Own budget
 - Issue the regulations

Commission Establishment

- Through a law
 - Specialized law of regulation
 - General law for the regulated industries
- Preliminary decision on the area of regulation is an important issue
- Bulgarian State Energy Regulatory Commission has been established by the Energy and Energy Efficiency Act

Commissioners Appointment

- By the Parliament
- By the Government
- By the Governor (in USA) and confirmed by the Senate
- Bulgarian Commission is appointed and discharged with a resolution of the Council of Ministers and are appointed with an order of the Prime Minister

Communication with the Government

Official communications

- The Commission reports periodically to the Council of Ministers on it's activities
- In Bulgaria the Council of Ministers still adopts some of the documents related to the Commission activities:
 - Organizational Charter
 - Ordinances on licensees, price setting of electricity, heat and natural gas
 - ➤ Tariff of licensing fees

Non official communications

Mainly through the chairman

Government agencies

- Ministry of Energy and Energy Resources
- Energy Efficiency Agency
- Ministry of Labor and Social Policy
- Commission on Protection of Competition
- Ministry of Finance

Ministry of Energy and Energy Resources

Responsibilities

- Develops the Energy Strategy of the Republic of Bulgaria
- Develops programs and strategies for restructuring of the energy sector, including privatization
- Forecasts the overall energy balances of the country of a short, medium and long-term
- Determines the need for construction of new generation capacity
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Ministry of Energy and Energy Resources

Transition Problems

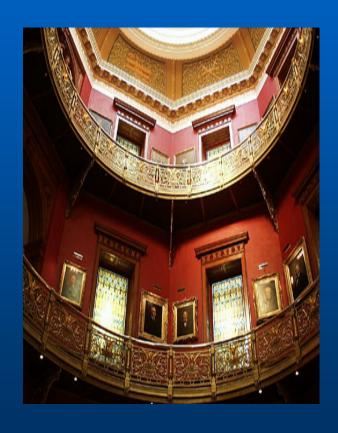
- Unclear definitions of the responsibilities of the Regulator and the Ministry
 - > Overlapping of responsibilities
 - > Missing responsibilities
- Influence on day-to-day activities of the Commission

Communication with the Parliament

Parliamentary Commissions

- Energy Commission
 - The Regulator participates when a new law or amendments in the existing one are under discussions
- Complaints Commission
 - The Regulator answers the questions, put by consumers to the Parliament

The Legislative Liaison in USA



- The day-to-day interaction between the Regulator and the legislature is overseen by the Commission's Legislative Liaison.
- The Legislative Liaison is the primary contact point between the Commission and the Legislature.
- However, individual commissioners and legislators do have contact from time to time.

The Role of the Legislative Liaison

- The function of the Legislative Liaison is similar to that of a lobbyist or a government relations specialist.
- As bills are introduced, the Legislative Liaison quickly reviews them to determine if they pertain to the Commission or the regulated utilities.
- If the Commission has an interest in the bill, it is sent to the appropriate department within the Commission for review and comments.
- Once the comments are returned to the Legislative Liaison, the President of the Commission and senior staff first review the recommendations of the departmental staff.

Coordinating with the Governor's Office

- After a recommendation is determined at the Commission, the Legislative Liaison shares the recommendation with the Governor's office, to ensure that it does not conflict with policy set forth by the Governor.
- Once the Governor's office is made aware of the Commission's recommendations, the Legislative Liaison next communicates with the bill's sponsors. This is especially true in instances where the legislation may have a negative consequence for the Board, utilities, or consumers.



Communication with Regulated Utilities

- Bilateral process of education
- Regulation is different from administration
 - Utility has to have a right to be listen
 - Commission has a right to take decision
 - Utility has to have a right to appeal the decision
- The key word is "transparency" introducing step by step open meetings, published information, public discussions
- Communications are based on written procedures only
- Create an Ethic Code
- Building conditions to eliminate corruption

Conclusions

- The effective relations helps to educate all stakeholders (Commission, Government, Legislators, Utilities)
- It keeps other governmental parties informed
- It raises the responsibility
- It avoids the negative reactions as a result of lack of information, lack of involvement, etc.

Conclusions

- Good relations cannot compensate for badly executed activity
- Good relation is necessary but not sufficient condition for successful regulation

Questions and comments?

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