NARUC International: Programs with Results

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NARUC Winter Committee Meetings
Feb. 15, 2015
International Team

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I. Energy Regulatory & Security Program in Europe and Eurasia (Eurasia) – with the Office of Energy & Infrastructure, Bureau for Europe & Eurasia
   a. Black Sea Regional
   b. Bosnia & Herzegovina
   c. Georgia
   d. Kosovo
   e. Moldova
   f. Ukraine
| FY 14 Results | - Principles of Regulation for the Promotion of Energy Efficiency in the Black Sea Region  
- A value proposition on joint collaboration between Black Sea regulators and TSOs on defining cost-benefit analysis for infrastructure projects of regional value; collaborative modeling work to understand intersection of regulatory policy inputs and network planning |
| FY 15 Targets | - Regulatory analysis and national application of principles and approaches recommended in *Regulatory Principles on Energy Efficiency* (FY14) and *Regulatory Principles on Cross-Border Trade and Market Integration* (FY13)  
- Deeper sub-regional work on transposing cross-border trade principles (regulatory guidelines on capacity allocations and calculations) and market developments in national energy sectors  
- Regional market modeling activities to build regulatory capacity in cost inputs for transmission investments |
## Bosnia & Herzegovina Results

| FY 14 Results          | - State regulator (SERC) adopted 3 regulatory documents that facilitate effective provision of balancing market services essential for the country’s electricity market that opened fully on Jan 1, 2015.  
|                       | - Two federal regulators drafted in total 5 regulatory documents and presented for public/stakeholder consultation. The documents relate to distribution system operator unbundling, choosing suppliers freely, measuring quality of supply and others |

| FY 15 Targets          | - Guide regulators to adopt the regulatory documents that were drafted in FY14  
|                       | - NARUC will continue working with one of federal regulators (FERC) on network and metering codes. |
Georgia Results

**FY 14 Results**
- Adopted electricity and natural gas tariff methodologies
- Reviewed draft USoA (Chart of Accounts)
- Developed deeper regulatory coordination between Georgia and Turkey to conduct joint analyses of the Georgian grid code to comply with Turkish market environment
- Institutionalized sessions for energy journalists

**FY 15 Targets**
- Improve companies’ data reporting processes and create a reliable database of companies’ financial and technical histories to guide regulatory review of rates and investment plans.
- Assist GNERC to develop a regulatory framework for a Competitive Electricity Market Model (GEMM-2015) and related Electricity Trade Mechanism (ETM)
## Kosovo Results

### FY 14 Results
- Improved pricing regulations for generation, transmission, distribution and retail supply
- Integrated regulatory model for calculation of utilities’ maximum allowed revenues (MARs)
- Integrated regulatory and utility approaches to energy balance as a critical data input

### FY 15 Targets
- Fine-tuning the tariff challenges and addressing recommendations from the FY14 tariff Consultancies including revisions to regulatory pricing rules
- Developing internal communication strategies to strengthen relationship with utilities and government; developing consumer outreach programs to educate on energy general public on energy use, supply and reliability
Moldova Results

| FY 14 Results | - Draft Law on the Promotion of Energy from Renewable Sources, prepared by ANRE and passed in the first reading in Parliament in July 2014  
|               | - Select Maine PUC approaches transposed in draft Regulation on principles of planning, approval and execution of investments, draft Market Rules, Regulation on quality of service for transmission and distribution activities  
|               | - Approved new Ethics Code for ANRE staff  
|               | - Launched a new website, improving the accessibility and transparency of its information to consumers and the utility industry. |

| FY 15 Targets | - Further improve regulatory procedures to support renewable energy development and integration  
|              | - Review market liberalization issues in light of network unbundling requirements  
|              | - Finalize the Regulation on principles of planning, approval and execution of investments |
## Ukraine Results

### FY 14 Results
- Adopted Law on the Basic Principles of the Electricity Market Functioning as part of the "European package" to facilitate Ukraine’s implementation of the EU Directives on market competition and liberalization
- Prepared and/or approved several by-laws to govern effective and independent oversight of the liberalized market

### FY 15 Targets
- Prepare draft Retail Electricity Market Rules (Analyze the U.S. path toward energy market liberalization to allow NEURC to apply relevant approaches in its own regulatory process)
- Prepare a Draft Procedure for handling consumer complaints
- Assist NEURC in natural gas market and tariff issues
II. Enhancing Sustainable Utility Regulation (ENSURE) – with the Bureau for Economic Growth, Education & Environment (E3)

a. Mexico
b. Tariff Risk Mitigation Training & Game
c. Power Africa
   1. East Africa Regional
   2. Ethiopia
   3. Nigeria
   4. Tanzania
# Mexico Results

## FY 14 Results
- Launched partnership between NARUC, Mexico’s Energy Regulatory Commission (CRE) and the Public Utility Commission of Texas
- Incorporated recommendations into the proposed reform legislation expanding CRE’s role in electricity regulation specifically in regards to renewable energy, electricity market reform and the tariff setting process

## FY 15 Targets
- Assist CRE in implementing a functioning renewable energy credits scheme
- Guide CRE in designing rates for electricity distribution
- Strengthen CRE’s technical and legal regulatory instruments for power plant interconnection
## Tariff Risk Mitigation

### Training & Game

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<thead>
<tr>
<th>Structure</th>
<th>Goals</th>
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<tr>
<td>▪ Interactive Simulation mixed with Presentations and Discussions</td>
<td>▪ Enhance Principles of Calculating Cost-Reflective Tariffs in Participating Countries</td>
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III. Support Utility Reform and Governance (SURGe) Program with the Bureau of Energy Resources

a. Lower Mekong Valley Initiative (LMI)
   - Postponed in 2014 due to political issues in the region, plans to re-engage in 2015

b. Southern Africa
   - IPP/PPA assistance under consideration for 2015
### Other International Activities

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<th>International Confederation of Energy Regulators</th>
<th>Working Groups:</th>
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<tr>
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<td>1. Opening and Integration of Regional Markets</td>
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<td>2. Technological Change and Renewables</td>
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<td>3. Small Consumers</td>
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<td>4. Regulatory Best Practices</td>
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<td>(chaired by NARUC – Com. John Betkoski)</td>
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<td>+ Women in Energy (WIE)</td>
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Thank you

To participating
State Commissioners and Commission Staff!