

REPORT on 6th WORKSHOP OF EASTERN PARTNERSHIP ENERGY REGULATORY BODIES

29 May, 2017

During 16-17 of May, under EASTERN PARTNERSHIP PLATFORM 3 „Energy Security“, 6th Workshop of Eastern Partnership Energy Regulatory Bodies took place in Kiev (Ukraine). The workshop focused on **Continuity of Supply and Commercial Quality of Supply from a regulatory perspective**.

The overall aim of the workshop was to share experience and best practice of quality of supplies regulations. Eastern Partnership countries were invited to present their experience with quality of supply activities. Furthermore, Council of European Energy Regulators (CEER) presented the results of its latest benchmarking report¹ on quality of supply, which was published in September 2016.

The following conclusions were made during the workshop:

❖ **CEER representatives Mr. Radovic and Mr. Westermann presented key findings of the benchmarking report:**

In Electricity Sector

- Short interruptions are monitored by a minority of countries;
- Continuity of supply indicators and data collecting procedures should be harmonized to facilitate easy benchmarking;
- Regulators should implement adequate incentive schemes in order to maintain continuity of supply levels or improve them if economically viable;
- Regulating voltage quality includes setting standards and minimum requirements, implementing rewards/penalties, publishing and setting obligations;
- Only a few countries publish statistics based on voltage quality;
- Based on the monitoring of quality indicators, requirements and compensations vary a lot depending on the customer type;
- Commercial quality is mainly focused on the DSO's relationship with customers, but the focus needs to be wider than the DSO's written responses to customers;

In Gas Sector

- Customer information, customer care and activations to the network are key considerations;
- For the future it is recommended to perform regular reviews of national regulations;
- It is recommended to pursue the harmonization of commercial quality indicators to make comparisons more reliable in the future;
- Furthermore a greater protection through guaranteed indicators with automatic compensation for customers should be ensured;
- Availability of indicators for continuity of supply and safety is not uniform across Europe;
- Monitoring should be extended to more countries so that broader comparison is possible;
- Number of parameters in use across Europe are outside of what is allowed by European Committee for Standardization (CEN) standards;

¹ http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Cross-Sectoral/2016

- Making CEN standards binding might contribute to reducing restrictions in cross-border gas flows, but it might prove costly;
- ❖ **Electricity expert of EaP Assistance unit EU4Energy, Ms. Karali** overviewed quality of commercial supply in the Energy Community Countries and based on findings provided with the following recommendations:
 - Existing standards that apply to all customers should be more specific;
 - CQ standards should be created having in mind different entities and different market models;
 - CQ standards should be based on specific and precise definitions;
 - DSOs and suppliers should implement Customer Relationship Management.
- ❖ **Austrian E-Control** – defines main pillars of the high-quality supply, including 1. Continuity of supply („interruption-free“), 2. Technical quality (voltage, frequency, natural gas components), 3. Service quality or customer oriented quality of the performance (response time, billing, and information, advisory). It was noted that for 15 years of liberalization energy tariff was the most important criteria for supplier switching, but now service quality is getting more and more important for consumers.
- ❖ **President of Dixi Group presented a case study on quality of gas supply in Ukraine.** She provided comprehensive overview of issues in the field and recommended the following: commercial quality indicators are the least covered in Ukraine and should be improved; and energy community countries should speed up reforms “visible for consumers.
- ❖ **Representative of DG Energy, European Commission Ms. Marion Schiller-Probst presented about** – Regional Cooperation and risk preparedness as supporting elements for security of supply. She reviewed five mutually supportive and interlinked dimensions of Energy Union and talked about the need of a new legal framework to meet EU’s climate commitments for 2030 and 2050. Ms. Shiller-Probst spoke about conceptual issues of a new electricity market design and importance of regional cooperation in gas and electricity sectors. She underlined the need of common rules for strengthening risk preparedness.
- ❖ During a first day of the workshop each representatives from the Regulatory Bodies and relevant institutions of EaP countries (including Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine) presented the role and main functions of their institutions in the field of quality of supply of electricity and gas and the experience attained.

On the second day of the workshop a field trip to the Metrological Centre of National Joint-Stock Company «Naftogaz of Ukraine» in Boyarka took place.

For more information about the workshop, please visit - <https://ec.europa.eu/energy/en/events/eastern-partnership-platform-energy-security>