



International Confederation of Energy Regulators (ICER)

WORK PLAN OF THE VIRTUAL WORKING GROUPS 2012-15

Virtual Working Group 1: The Role of Regulators in the Opening and Integration of Regional Markets

Purpose & Objectives

The Group will focus on the common challenges faced by regional markets integration.

The VWGs' goals are to:

- Provide fellow regulators and policy decision makers with useful lessons and guidelines regarding energy markets integration,
- Offer a forward looking view on specific issues mentioned below,
- Identify the Do's and Don'ts in Regional Market Integration

The Group will base its research on the following main topics:

- Case studies, one for electricity and one for natural gas per Regional Regulatory Association.
- Focus on electricity and gas markets separately and present a single set of conclusions and final recommendations.
- Address the following specific issues:
 - The consequences of the nuclear shut down due to the Fukushima event,
 - The stress large scale incorporation of renewable energy places on the grid,
 - Natural gas, both its increasing importance for electricity generation, as well as the consequences shale gas phenomenon in North America,
 - Investment requirements, both current and projected.

1. Undertake Case Studies

The report will be based on regional case studies regarding regulators experiences both in electricity and gas. Final conclusions and recommendations for both markets will be provided.



The intention is to come up with on-the-field practical knowledge regarding regional market integration including successful as well as difficult or even failed cases, in order to identify a list of do's and don'ts for regulators and for public policy decision makers.

2. Draft final Report.

The final report will make a series of particular, as well as general recommendations, regarding the integration of both electricity and gas regional markets. The issues addressed will include:

- Investment requirements and the collateral required, both current and projected. The expected increase in demand mainly from the developing world, the obsolescence and depreciation of existing infrastructure in the developed countries, and the cost of research, development and implementing the technology to meet the need of the XXI Century economy, require huge investments. There is a major concern among industry analysts about the availability of funds required to meet the needs stated above, thus turning financing into a possible major bottleneck for industry development and market integration.
- Natural gas. Both its increasing importance for electricity generation, as well as the consequences of the shale gas phenomenon in North America. Natural gas has become a favorite fuel for electricity generation, and for industry as a whole, but due to its chemical characteristics, its storage and large scale transportation are costly, thus placing serious price and infrastructure limitations, which bring about significant pressure both on the supply as well as on demand side. The recent shale gas phenomenon in North America has far reaching consequences for the entire region. But large recoverable shale gas reserves are found around the globe, and thanks to recent technological breakthrough.
- The stress large scale incorporation of renewable energy places on the grid and its financing requirements. As environmental concerns and carbon emissions reductions spread, the adoption of so called "green energy" will increase. Due to its intermittent nature, when adopted in large scale, they will pose a significant challenge both in technical and financial terms.
- The consequences of the nuclear face due to the Fukushima event. This particular incident has prompted adverse reactions to nuclear generation that go far beyond Japan, causing a worldwide face down on nuclear energy, from early closures of existing facilities to the cancelation of projected once. As a consequence, demand upon substitutive generation sources is expected to increase.



Based on selected regional case studies and addressing the specific issues stated above, we will present the main obstacles and successes faced in this process, as well as the regulatory, public policy and financial measures and adaptations necessary to develop regional markets.

The first draft on conclusions and recommendations will be worked out during the first work shop based on the first draft of the presented for both the case studies as well as on the specific topics. The final draft proposal will be presented on the second workshop.

Deliverable 1: First draft of the analysis regarding the four specific topics in parallel with the development of the core case studies.

3. Hold a series of Workshops

The Group proposes to hold two workshops.

The first one would be scheduled for mid-2013. By this time RRA's must have turned in a preliminary case study, as well as a first draft on the specific issues provided by each of the responsible teams. Suggested host: Cancún, Mexico

The second one is to be held on April 2014. By this time case studies and special topics must be finalized and so, these issues will not be addressed. We will concentrate on conclusions and recommendations. Suggested host: Madrid, Spain

Deliverable 2
First Workshop: Mid-2013 in Cancún, Mexico
Second Workshop: April 2014, Madrid, Spain

4. Produce Final Report

The final paper will be presented for final comments and approval to all members of the VWG1 3 months before the WFER VI to be held in Turkey in May 2015. All participants will have 1 month to render their final comments.

Deliverable 3
Final document to be presented to ICER 1 month before the WFER VI in May 2015



Virtual Working Group 2: Technology change

Purpose and objectives

Under the umbrella of ICER the Group will explore the potential for a technology shift to take place in energy similar to that which has taken place in the telecom business e.g. in relation to micro grid development and the need to handle energy poverty, or in relation to the possibilities opened up by the widespread introduction of electric vehicles, expansion of renewable electricity production and electricity storage.

1. Undertake a workshop to explore the issue of regulatory uncertainty

The group will collaborate with other relevant international organisations to mount a major workshop with a focus on regulatory uncertainty based on different generation scenarios. The proceedings of the workshop will be recorded as an important input to the work of the Group.

Deliverable 1: A series (at least five) of case studies prepared in collaboration with other international organisations such as GO15 on the uncertainty (in respect of location and size of necessary investments) caused by the introduction of new technologies into the grid including renewable generation and smart technologies. The case studies will be presented at the proposed workshop.

2. Prepare a report on the approach taken to tackle the regulatory challenges posed by the introduction of new technologies into the energy network

The report will contain cases studies on regulatory challenges in relation to new technologies and examples of how regulators in different jurisdictions have sought to tackle them, including in different stages of market development. The case studies will cover both the introduction of new technologies, the effect on existing investments and how the issues are managed in both developed and developing countries.

Deliverable 2: A report will be prepared for publication containing the case studies, developed as necessary, and the key discussion points identified during the workshop.

Deliverable 3: A 'good practice guide' containing good regulatory practices for managing the risks resulting from uncertainty identified as a result of analysing the case studies and from the workshop.



Virtual Working Group 3: Consumer Issues

Purpose and objectives

VWG 3 will focus on the approach taken across the world to providing appropriate levels of protection to electricity and gas consumers. The Group will also examine how consumer empowerment - views of consumers are gathered and reflected in the policy preparation process by regulators.

1. Consumer Protection Frameworks and Consumer Engagement/Empowerment Initiatives

The group will undertake a survey of a number of regulatory jurisdictions to look at the range of frameworks in place to protect the interests of consumers as well as initiatives undertaken to inform and support consumers.

Deliverable 1: An online reference catalogue illustrating the various current frameworks and initiatives along with pertinent contextual information regarding the coinciding markets and legislative frameworks.

2. Experiences in the Implementation of Consumer Protection Frameworks and Engagement/Empowerment Initiatives

Being guided by the examples contained in the reference catalogue the group will identify a sample group of survey respondents that represent a varied cross-section of market scenarios and legislative frameworks. Case studies will be solicited from this group with the intent to inform readers of the selected regulator's implementation experiences, observations and more detailed contextual information regarding its regulatory environment.

Deliverable 2: A compilation of the case studies complete with an overview report intended to identify any common themes, notable distinctive characteristics and general observations with respect to the two separate themes of Consumer Protection Frameworks and Engagement/Empowerment Initiatives.

3. Identification of Good Practices

The group will extract from the case studies a series of good practice examples separated along the two identified themes of Consumer Protection and Consumer



Engagement/Empowerment. The good practices identified will be explained in such a way as to facilitate application in a practical way by national regulatory authorities.

Deliverable 3: A Good Practice Guide featuring practical applications of effective consumer protection frameworks and consumer engagement and empowerment initiatives.



Virtual Working Group 4: Regulatory Best Practices

Purpose & Objectives

The Group will focus on:

- The exchange of regulatory experiences and research.
- The sharing of dedicated training formats/platforms for regulators.
- The exchange and dissemination of best practice examples.
- The promotion of next practices for future regulation.

The Group's goals are to:

- Better capture, organize and communicate beyond RRA secretariat staff and NRA commissioners and staff who are already participating in ICER.
- Ask RRAs and NRAs to inform their members about opportunities offered by ICER or to be added to its newsletter.
- Ensure relevancy for developing and transition economies.
- Coordinate with VWGs 1, 2 and 3 to enhance educational opportunities and the broader dissemination of information.

1. Online Calendar of Events

The online calendar is active and will be updated on a regular basis. It is on the front page of the ICER website in the public area so that non-members can view public activities. Some activities are marked private and are for ICER members only.

Periodic reminders will be sent to WG members to send in their calendar information to the ICER Secretariat for posting to the ICER members' area. The website's automated email notification system provides frequent updates to members who receive notifications of the availability of new information/documents on the ICER website within 24 hours of their being uploaded to the website.

Deliverable 1.1: Continuation of the online Calendar
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2. Regulatory Best Practices & Research Exchange

This is a multi-prong project located on the ICER website.

2.1. Publications Clearinghouse

The publications clearinghouse is on the VWG 4 section of the ICER website and includes submissions from CEER, ERRRA, MEDREG, and NARUC. VWG 4 would like to explore options to have this database include a search function – organized by categories (electricity, gas, customers, transmission, tariffs, etc) to facilitate usability. Thus far, the clearinghouse contains published resource documents (research papers, policy positions, guidelines, benchmarking studies, issue briefs, etc.) prepared directly by each member association or by an outside institution that is endorsed, recommended, or requested by a member association. Therefore, each member association is responsible for ensuring that the documents it submits



are high quality resources that will enhance regulatory knowledge whilst maintaining the neutrality and integrity of ICER.

Periodic reminders will be sent to ICER members by the ICER Secretariat to submit documents (in PDF format) along with the completed submission form. ICER Secretariat staff then uploads the documents and enters information into the search engine parameters.

In addition, each association could post links to affiliated or endorsed databases of regulatory expertise.

Deliverable 2.1: Continued population of the clearinghouse on the ICER members' area

2.2. Training Needs Assessment Report

Develop the Training Needs Assessment Report with additional input from the other RRAs and additional NRAs in order to have a more comprehensive report.

Deliverable 2.2: Seek additional data for the report in 2012 and prepare a final draft by mid-2013.

2.3. Good Practice Guidelines

RRAs could submit these types of reports (either prepared internally and/or through external consulting organizations) as a way to promote the sharing of good regulatory procedures and practices.

3. Regulatory Training Program Database

This database presents the various training programs offered by regulatory associations as “in-house” training programs. It also includes university-based and or private offerings that are formally approved by individual regional associations through their individual approval processes. This ICER webpage includes only those courses that are formally offered by, affiliated with, or endorsed by ICER Members. The ICER Member must nominate/include the course (outside inquiries will be referred to the appropriate RRA for consideration).

It includes the following information:

- type of course (classroom, online, hybrid)
- target participants (junior, mid, senior, and/or commissioner only)
- focus (general regulation vs. technical topics)
- language
- dates & location
- fees (registration and/or estimated lodging/meals)
- where relevant a stamp of regional association's logo by the course if endorsed (indicate if this is in-house training and/or endorsed by ICER member regional association)

A potential longer-term project could be a review and/or certification process under ICER that further develops the 5 stars flagging.



Deliverable 3.2: Continued population of the database
Deliverable 3.3: If appropriate, development of an ICER certification process

4. Short-term Shadow Placements, Twinning and Experts Exchanges

Create a “placement” database that lists energy regulators who are willing to host regulatory staff from other countries.

In addition to regulatory placements, through partnership with affiliated training or research institutions, the database could include opportunities for internships with these institutions/universities. This possibility will be considered jointly with the subgroup working on the coordination with universities, institutes & others engaged in regulatory training & research.

Finally, regular exchanges of information on the cooperation programs regional associations are currently, or plan to, be involved in should be facilitated.

Deliverable 4.1: Continued assessment of regional associations practices regarding the promotion of experts exchanges (one third of ICER members participated in the review as of October 2010)

Deliverable 4.2: Design of an ICER “placement” database and assessment of the cost of implementing it.

Deliverable 4.3: Population of the database / call for applications and possibly the implementation of a first exchange.

Deliverable 4.4: Review of experts’ exchanges programs regional associations are currently / plan to be involved in.

5. Distinguished Scholar Award

Following successful processes in 2010 and 2013, it has been agreed that the Award should be presented again in conjunction with the World Forum on Energy Regulation in 2015.

Deliverable 5.1: Submission of Call for Papers (including details on process and timeline to allow more time for review/selection of papers) to ICER Steering Committee in fall 2012. Winners to be selected approximately 4 months prior to WFER VI to allow time for incorporation as speakers.

6. Dissemination of information to ICER Members and individual NRAs

The ICER Secretariat Staff will continue to publish quarterly newsletters featuring recent products as well as activities of the four virtual working groups and steering committee. It is envisioned that the newsletter could be refocused for external circulation as a way to increase attention to ICER and its work.

In 2012, Group members should work with the secretariats of the regional associations to enlarge the distribution list to as many individuals at NRAs, including commissioners and staff. This will promote the broader understanding of ICER and cross-sharing of research and expertise.

7. Coordination with universities, institutes & others engaged in regulatory



training & research

The Group will develop proposals to enhance collaboration with academic and educational institutions dedicated to training and competence building in the field of regulation. The Group will consider the possibility of setting up a dedicated (informal) structure, such as for example a “Consultative Expert group” of such institutions, in order to promote directly and indirectly a worldwide collaboration among these institutions, to the benefit of all Regulatory institutions.

The Group will develop proposals which will facilitate academic bodies focussing more of regulatory issues through fostering discussions and information sharing. It could be done by appointing a coordinator from a willing academic institution and providing space in (e.g.) the proposed journal for articles of merit or reporting on new research. For academic bodies it would give them easy access to a wide audience of regulators. This could be further coordinated with task 8 below.

Deliverable 7.1: Design the needs and format of the envisaged collaboration Deliverable 7.2: Launch the strategy and collaboration tools

8. ICER Journal on Energy Regulation

The Group will launch an ICER Journal which could include designated sections for articles from a broad range of groups (such as regulators, academic/research organizations, consultants, industry). The Journal will be a mechanism to collect educational information for ICER Members and grant a level of endorsement to the authors who voluntarily contribute articles. The journal would be posted to the ICER website, with articles searchable by keyword. Selected articles could be featured in webinars (per task 9 below).

Deliverable 8.1: Second half 2012: design call for articles, selection process, format,

9. Educational Activities

The Group will organize events (such as webinars, tele-seminars, regional workshops) around specific topics, inviting experts (especially those from within NRAs) to present on technical issues, new regulatory policies, research papers, etc. Webinars could also be organized around selected articles from the ICER Journal on Energy Regulation. Finally, RRAs will examine ways to circulate information on internal, affiliated or interesting webinars that might be useful to the broader ICER community.

10. Women in Energy Initiative

The shared collective goal is the advancement of women working in energy, be it in industry in regulation or at a political level. The short term goal is to examine a range of possible approaches such as: the establishment of a collaborative network of Women in Energy; the use of webinars; sharing the experience of success stories in **ICER Journal on Energy Regulation**, role models, ambassadors, and prizes. The result of this assessment will be an **action programme**.

As a medium term goal, we could develop an **E- Mentoring program** which has clear goals for defined period of time (e.g. for 6-12 months). This could help not only local talent but also in far-reaching corners of the ICER network to benefit from the Women in Energy – ICER initiative.