

Sharing a good energy

■ Sharing experience on renewable energies is a key objective

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Learning from each other's experiences and mistakes is always a good thing, but when a project brings together national energy regulators, with the authority to implement changes on their own initiative, the value of such meetings takes on an added dimension. Since 2006, MEDREG has been preparing the ground for an integrated Euro-Mediterranean energy market.

Text by **ENPI Info Centre**

"If this project didn't exist, we'd have to invent it!" insists Alessandro Ortis, President of MEDREG; and the more he talks about the project, the more he comes back to his theme: "When I see what our Association can achieve, as a European taxpayer, I am convinced it is one of the most rewarding investments of EU money possible."

What is the project in question? MEDREG – the Association of Mediterranean Energy Regulators for Electricity and Gas – set up in 2006, and co-funded by the EU since 2008 as a platform to bring together national energy regulators from across the Mediterranean. Why is it so important? The project's 2010-2012 action plan spells it out: "To promote the achievement of a consistent harmonised and investment-friendly regulatory framework aimed at providing the maximum benefits to energy consumers of the Mediterranean region."

"As regulators, our most important mission is customer protection," says the MEDREG President, who is also President of the Italian Regulatory Authority for Electricity and Gas. "Our up-

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■ **Alessandro Ortis**, President of MEDREG: *"If this project didn't exist, we'd have to invent it!"*

stream work is pulled by the need for customer protection." Underlining this priority, the recent MEDREG General Assembly, held in Cyprus, was briefed on the progress of the project's task force on customers, which is drawing up a study on customer protection in the Mediterranean. "This issue is top of the regulatory priorities," says the chairman of the MEDREG ad hoc group on Institutional issues, Mr Eric Dyèvre. "Our study will have an important political and media impact... Our Association can allow the collection of information across the region, providing a snapshot that will be a basis for developing best practice guidelines on customer protection."

"As regulators, our most important mission is customer protection. Our upstream work is pulled by the need for customer protection."

"In spite, or rather because of the sea, we are interconnected and condemned to discuss common issues. Cables and pipelines force us to work together."

Immediate impact

In most projects, such 'exchange of best practices' is a long-term investment that can take years to filter through into concrete change, but in MEDREG, Alessandro Ortis points to its immediate effect: "Each of us have our own power as energy regulators, so we can implement changes on our own initiative," he says, adding: "Each national regulator is a partner on a voluntary basis and we have a very committed participation."

Beyond the obvious benefits of exchanging good practice, however, there is a practical need for cooperation. "In spite, or rather because of the sea, we are interconnected and condemned to discuss common issues," says Ortis. "Cables and pipelines force us to work together."

Ultimately, such strategic considerations again feed into protection of the customer, for whom availability of supply at good prices is the most basic requirement. With energy security one of Europe's top political priorities, the value of MEDREG becomes increasingly apparent: "Our Association brings together energy consumer countries, energy producers (Algeria, Egypt) and countries crucial for transit (Turkey)," says the MEDREG President.

Together with energy security, efficiency and environmental impact are top priorities. "Energy efficiency is both a virtual energy and a virtuous energy," says Ortis: "It is good for the individual consumer's pocket, good for the national balance of trade and good for environmental protection." But he admits that renewable energies still find it hard to compete with fossil fuels due to greater investment costs and dispersion and intermittence of some energy sources.

Exchange of experience

This is where the exchange of experience can prove invaluable: over the years, EU countries have developed a range of instruments to assist renewable energy, from investment support through grants and tax breaks, to operating support through price subsidies and other mechanisms.

To share this experience, another MEDREG ad hoc group is examining how successful promotion mechanisms could be used in non-EU countries. According to a document submitted at the General Assembly, "The EU experience could be a good example in order to select the right mechanisms for each country, according to the particular economic and social situation of the different members."

■ Interconnections force Mediterranean partners to work together on energy issues



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The Association’s President points to the example of a pioneering Italian market based scheme to increase energy efficiency among energy suppliers through tradable ‘white certificates’, which has produced savings almost double those envisaged – “this is something that can be transferred almost directly to other countries,” says Ortis, again underlining the value of the Association he chairs. “We learn from each other’s experiences... There is a lot of cross-fertilisation.”

The project is now being extended by the European Commission for another three years, at a relatively modest cost of €919,200 – an investment that brings value many times over: “You can spend lots of money downstream for a cable, but without the framework of rules that gives it a meaning it’s just a one-off investment,” says Ortis. Over the years, he has seen an evolution in the institutional position of regulators, with regards to their powers and degree of independence, and a marked process of convergence towards EU levels: “Each meeting we hold is delivering an added value,” says Ortis. “There is a positive impact every time we come together.”

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■ The need to protect the customer drives the project’s work



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MEDREG II – Energy regulators

Supports the development of a modern and efficient energy regulatory framework in the Mediterranean Partner Countries and strengthens their cooperation with EU energy regulators

<http://medreg.ipi.it/>

Participating countries

Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Occupied Palestinian Territory, Syria, Tunisia, Turkey

Objectives

The project aims at strengthening cooperation between the EU energy regulators and those of the Mediterranean Partner Countries helping them to develop a modern and efficient regulatory framework. This is important for the setting up of an integrated Euro-Mediterranean energy market. The project "Support to Cooperation between the Euro-Mediterranean Energy Regulators (MEDREG II)" endeavours to facilitate information exchanges and concerted approaches between EU and Partner Countries’ regulators, assist the Mediterranean countries in establishing independent energy regulators, empowering those which already exist, and developing the technical capacities of their staff. This second phase follows up from work started under MED-REG I in 2008-2009.

Timeframe

2010-2012

Budget

€919,200

Find out more

MEDREG II fiche > http://www.enpi-info.eu/mainmed.php?id=304&id_type=10

ENPI Info Centre > [Energy thematic portal](http://www.enpi-info.eu/thememed.php?subject=5) > <http://www.enpi-info.eu/thememed.php?subject=5>

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