

IV ARIAE-CEER Meeting

Cancún, Mexico, February 26 and 27 2013

Conclusions

For the first time since the launch the bilateral meetings in 2008, the roundtable of the European and Ibero-American energy regulators was hosted by a Latin American energy regulatory authority. Senior representatives from ANEEL (Brazil), CNE (Spain), CNEE (Guatemala), CRE (France), CRE (Mexico), CREG (Colombia), CRIE (Central American Electric Interconnection Commission), ERSE (Portugal), Ofgem (United Kingdom), OSINERGMIN (Peru), URSEA (Uruguay), SIE (Dominican Republic), Costa Rica (ARESEP), Ecuador (CONELEC) and El Salvador (SIGET) welcomed this new opportunity to discuss recent regulatory developments and share experience on responses to the challenges facing them.

The roundtable focused on four main topics: the implementation's challenges of Europe's Third Energy Package; the latest regulatory developments in the Ibero-American region; the innovative models implemented by European energy regulators in support of infrastructure development; and Latin-American regulators contribution to infrastructure and capacity development.

Pursuant to their discussion, participants have agreed on the following conclusions.

While energy competitiveness, climate change and security of supply concerns are given an increasingly prominent place on the political agenda, CEER and ARIAE see their responsibilities evolving at an accelerating pace.

Regulators must address a growing number of new issues, while taking care with the same diligence of their traditional responsibilities. In order to maintain confidence in the way they discharge their duties, energy regulators' autonomy should be safeguarded. European and Ibero-American regulators also reiterated their commitment to deepening experience and good practices exchanges, through the International Confederation of Energy Regulators and regional summits.

Market integration is an ongoing and deepening process, which requires increasing collaborative efforts from energy regulators.

European regulators are actively supporting the Agency for the Cooperation of Energy Regulators (ACER), which has received specific cross-border and monitoring duties to ensure the compatibility of national regulatory frameworks and promote a transparent and well-functioning energy market. The Regional Electric Interconnection Commission

(CRIE) in Central America further illustrates the pivotal role of binding arrangements to attract investment, promote competition and achieve efficiency gains.

Massive investments are needed in order to ensure the timely and efficient delivery of modern and sustainable energy infrastructures, while ensuring an adequate quality and security for end-users.

Anticipating technological changes and promoting innovation are key aspects to ensure that customers ultimately benefit from the transformation of our energy systems. The new performance-based RIIO Model (Revenue = Incentives + Innovation + Outputs) implemented in the United Kingdom in order to promote both investment and efficiency of transmission systems serves as a case study in this regard. CEER and ARIAE members also discussed their role in balancing short and long-term interests in the context of growing shares of intermittent renewable energy into electric systems and in the light of the North-American shale gas phenomenon.

Energy consumer welfare is at the core of Ibero-American and European regulators.

ARIAE and CEER members underlined that customers' awareness of energy markets' transformation challenges and opportunities is key in order to achieve competitive, efficient and fair energy markets. By ensuring that consumers are provided with adequate and accurate information, regulators can facilitate their active participation into the market, notably through distributed generation, energy efficiency measures and smart metering.