



II MEETING BETWEEN IBERO-AMERICAN (ARIAE) AND EUROPEAN (CEER) ENERGY REGULATORS Madrid, 8 April 2010.

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Final Conclusions

A second roundtable between EU and Ibero-american energy regulators took place on 8 April 2010 in Madrid in the context of the Spanish Presidency of the EU Council. The Spanish Secretary of State for Energy opened the event inviting all regulators to submit their ideas to the EU-LA-Caribbean Forum on renewable energy and energy efficiency next April 29th in Berlin and to the EU-LATAM Summit on May 18th in Madrid. Tackling Climate Change is key on the political agenda and the Spanish Presidency called on energy regulators to actively contribute in this context, where energy is intimately linked to climate change. Periodic roundtables between Ibero-american and EU energy regulators were suggested aiming to promote further exchange of regulatory experiences on both sides of the Atlantic.

After the presentations of different introductory communications about the issues addressed by the three programmed sessions, and the subsequent debate, the Ibero-american energy regulators of ARIAE and the European energy regulators of CEER state and publish the following conclusions:

On energy regulation and security of supply:

Reaching an acceptable level of security of supply relies on the availability of appropriate levels of capacity in electricity and gas interconnectors and on the necessary development of infrastructures that allows an effective and efficient cross-border trade of energy. This is a necessary presumption to achieve greater regional integration of energy markets while taking into account the national specificities, to create the political and institutional channels for the implementation of more efficient wholesale market models and interconnections management procedures, and to ensure a more secure and efficient functioning of national energy systems.

Competences and powers of national regulatory authorities have to be strengthened and harmonized to respond to the new challenges with regard to the balancing of supply and demand and proper reserves and the expected deployment of new low-carbon technologies. Market-oriented regulation is the best guarantee in achieving well functioning energy markets although additional safeguards may be necessary regarding the preservation of the security of supply of energy to avoid any threats to public order and public security.

On energy regulation and climate change:

The contribution by energy regulation to combat Climate Change relies on promoting a generation mix that facilitates a sustainable development, and the integration of generation technologies from renewable energy sources and low level of carbon emissions. Improving and reinforcing networks and the integration of “smart” technologies for operating and managing the energy demand appear as key elements to reach higher levels of energy efficiency and savings.

It is of utmost importance the promotion of multi-lateral debates and information exchanges aiming to facilitate the creation of regional energy markets and the coordination of different public policies in the energy sectors and economic national situations.

In this, international collaboration will increasingly be important and energy regulators welcome in particular the establishment of the International Confederation of Energy Regulators (ICER), the three yearly cycle of World Energy Fora, and the Round Table of energy regulators organized in the context of the G-20.

National energy regulators could play a major role in providing better cost-effective analysis of regulatory schemes to tackle climate change in the interest of all consumers. In this context, national energy regulators have to independently advise national governments.

On energy regulation and supply to consumers:

Energy regulation must pursue a competitive and transparent functioning of retail markets, delivering a reliable, affordable and quality supply for the benefit of all consumers. Governments and national regulators must pay special attention to the more impoverished consumers, facilitating energy supply taking into account their incomes and under proper continuity conditions. Accessibility to new and more advanced energy technologies have to be extended to population centers that require non-conventional solutions because of their geographic isolation, in which renewable and indigenous energies may be exploited.

Smart grids, and in particular smart meters, will allow consumers to actively participate in the market while enhancing the benefits of competition in retail markets. In this regard, training consumers on new smart equipments will be also crucial.

The design of regulatory frameworks has to comply with the objectives of security of supply, sustainable development, action against climate change and promotion of competitiveness in the different energy markets.