

ENERGY AND WATER SERVICES REGULATORY COMMISSION
OF THE REPUBLIC OF NORTH MACEDONIA



RECENT DEVELOPMENTS

Natasha Veljanovska
Member of ERC

43rd ECRB Meeting

9 October 2019, 10:30-17:00

Premises of the Greek Regulatory Authority (132 Pireos Street, Athens)



IMPLEMENTATION OF THE ENERGY LAW

- Within one-year from the adoption of the Energy Law, ERC has developed comprehensive set of secondary legislation within the timeframe set in the Energy Law and has managed to adopt 31 bylaws (issued 24 bylaws and approved 7 bylaws), which was very challenging considering the short deadlines and the complexity.
- The bylaws were prepared with support of the Energy Community Secretariat and USAID.
- ERC actively executed its duties and have shown capacity to design the energy market implementing the Energy Community acquis. Especially this was done with the electricity acquis, regarding the unbundling of the transmission system operator; legal, functional and operational unbundling of the distribution system operator; market opening; universal supplier and price regulation.

SECONDARY LEGISLATION

- From the period of May 2019 - October 2019, ERC has adopted or approved:
 - ✓ Rulebook on the manner and conditions for determining the regulated maximum revenue and regulated average tariffs for transmission of electricity, organization and management of the electricity market and distribution of electricity, adopted on 10th of May 2019 (Official Gazette of RNM, no. 95/19 and 103/19)
 - ✓ Tariff system for transmission of electricity and for electricity market, adopted on 10th of May 2019 (Official Gazette of RNM, no. 95/19 and 103/19)
 - ✓ Tariff system for distribution of electricity for consumers connected to the distribution system of Elektrodistribucija DOOEL Skopje, adopted on 10th of May 2019 (Official Gazette of RNM, no. 95/19)
 - ✓ Rulebook on preferential producers using feed-in tariff, adopted on 6th of June 2019 (Official Gazette of RNM, no. 116/19)
 - ✓ Natural Gas Market Rules, adopted on 18th of June 2019 (Official Gazette of RNM, no. 126/19)
 - ✓ Electricity Balancing Rules, approved by the ERC on 28th of June 2019 (Official Gazette of RNM, no. 179/19)
 - ✓ Rulebook on monitoring the functioning of the energy markets, adopted on 4th of July 2019 (Official Gazette of RNM, no. 138/19)
 - ✓ Grid Code for distribution of electricity, approved by the ERC on 30th of August 2019 (Official Gazette of RNM, no. 191/19).

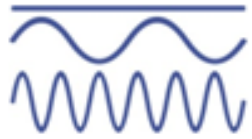
ELECTRICITY TSO CERTIFICATION

- From 1st of August 2018, Ministry of Transport and Communication is owner and in charge of the electricity TSO (JSC MEPSO), while previously it was the Government.
- A Preliminary Decision on Certification of the Electricity Transmission System Operator was adopted by the ERC and submitted for an opinion to the Energy Community Secretariat on 27th of March 2019.
- The Energy Community Secretariat issued and published its positive Opinion on 17th of June 2019.
- On 15th of August 2019, ERC adopted the Decision for Certification and Appointment of the Electricity Transmission System Operator of the Republic of North Macedonia (“Official Gazette of the Republic of North Macedonia” no. 175/19).

- In line with the new Energy Law in October 2018 a new company as a subsidiary MEMO DOOEL Skopje was established by a JSC MEPSO (TSO).
- In September 2019 ERC issued a license for Electricity Market Operator to the new company MEMO DOOEL Skopje. Previously, the Electricity Market Operator was within the JSC MEPSO (TSO). The new Electricity Market Operator started with operation from 1st of October 2019.

UNIVERSAL SUPPLIER

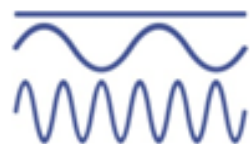
- The public tender and the electronic auction for the supplier of electricity that has the obligation to provide universal service (universal supplier) to households and small consumers at market prices for a period of five years, has been finished in March 2019.
- In May 2019 ERC issued a license for electricity supply with obligations for universal supplier and the supplier for last resort to the new company EVN HOME DOO Skopje.
- EVN HOME DOO Skopje started with the supply as a Universal Supplier and Supplier for Last Resort from 1st of July 2019. With this, Republic of North Macedonia was the first Contracting Party of the Energy Community to successfully hold a tender and to select universal supplier and a supplier of last resort in a competitive procedure.



- Enlarged authorizations in the energy sector given to ERC by Energy Law in 2018, Authorizations given to ERC regarding the regulation of the water services given by the Law on Setting Water Services Prices in 2016, New authorizations that shall be given to ERC regarding the regulation of the waste given by the proposed changes of the Law on Waste Management, envisaged at the end of 2019.
- One new member of ERC was appointed by the Parliament in August 2019.
- The Annual Report for 2018 was prepared and published.
- ERC prepared new organizational structure.
- ERC continued with the implementation of the joint project with NARUC, supported by USAID, for developing Price Comparison Tool (PCT).
- ERC signed a 2-year contract with the Faculty of Electrical Engineering and Information Technologies from Skopje to upgrade ERC market monitoring software with new features, as well implementation of the adapted version of REMIT for the Energy Community Contracting parties.
- ERC joined USAID/NARUC initiative for the region of Southeast Europe, which is aimed to strengthen NRAs capacities for adequate treatment of cybersecurity issues in the energy sector. Draft Cyber Security Strategy for the Electricity Power Sector in the Republic of North Macedonia, Action Plan and Recommendations were prepared.

INTERNATIONAL ACTIVITIES

- ERC actively participates in the activities of the following international bodies:
 - ✓ Energy Community Regulatory Board (ECRB) as a full member since 2006, and its working groups for Electricity, Natural Gas, Consumers and Retail Markets and REMIT,
 - ✓ Council of European Energy Regulators (CEER) as an Observer since June 2012, and its working groups,
 - ✓ Energy Regulators Regional Association (ERRA) as a full member since May 2004, and its General Assembly, Committee for Licenses and Competition, Committee for Tariffs and Prices and the Working Group for Customers and Retail Market,
 - ✓ European Water Regulators (WAREG), as a full member since February 2018, and
 - ✓ Balkan Advisory Forum, as a full member since September 2018.
- On 30th of July 2019 ERC submitted an application to be considered by ACER in order to participate in the work of ACER working groups.
- Also, ERC is involved in the accession process of the Republic of North Macedonia in the European Union and with its activities made a significant contribution to the fulfilment of the obligations.



ENERGY AND WATER SERVICES REGULATORY COMMISSION
OF THE REPUBLIC OF NORTH MACEDONIA



THANK YOU FOR YOUR ATTENTION!



Natasha Veljanovska
Member of ERC

e-mail: natasha.veljanovska@erc.org.mk

URL: www.erc.org.mk

43rd ECRB Meeting

9 October 2019, 10:30-17:00

Premises of the Greek Regulatory Authority (132 Pireos Street, Athens)

