

Most Mediterranean regulators are independent and empowered entities supporting the opening of energy markets

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MEDREG's* new report, "Mediterranean Energy Regulatory Outlook 2017," reveals that almost all Mediterranean regulators are independent entities working to support the opening of the energy markets and mandated to define tariffs, issue binding decisions and sanction sector participants.

Based on data collected from 20 Mediterranean energy regulatory authorities and ministries, the Energy Regulatory Outlook presents the status of energy regulation in the Mediterranean Basin and provides a complete overview of how the national energy sectors are ruled, ranging from independent entities to governmental bodies.

The analysis shows that all regulators set or approve rules regarding the management and allocation of interconnection capacity and that they are all responsible for customer protection. However, the report indicates that in some countries the role and competences of the regulator could benefit from clarification and improvement in terms of tariff definition, dispute settlement between industry and customers and the protection of vulnerable consumers.

In a recorded [interview](#), Nicolò di Gaetano, Chairman of MEDREG's Institutional Working Group who led the drafting of the report, stated:

"It is the first time that we have a complete overview of the energy regulatory frameworks in the Mediterranean. The importance of a strong, transparent and stable regulation is now widely understood as well as the need to improve it as a way to attract investment, foster competition and protect consumers, providing them an affordable and secure energy supply. This report identifies the gaps of regulatory frameworks that MEDREG will seek to address in order to converge towards a Mediterranean energy community."

This snapshot of Mediterranean energy regulation indicates that overall, Mediterranean national regulatory authorities have comparable and satisfactory levels of independence, both functional and financial, which guarantee regulatory stability and neutrality and avoid situations in which the decisions of the regulator are constantly modified or subject to undue external influence.

Almost every regulator is charged with supporting the full opening of the electricity and, where possible, gas markets, cooperating with competition and anti-trust authorities. With the exception of Israel, Malta and Turkey, there are national timetables for the full opening of the electricity and gas markets in all Mediterranean countries. The outlook also highlights that most regulators are responsible for monitoring operators' performance and have the power to sanction market entities, although the extent of this power differs widely.

Finally, the report notes satisfactory levels of transparency and accountability across the large majority of regulators, through the publication of annual reports and the regular use of public consultations.

This assessment of the current situation of each MEDREG member will enable identification of areas for improvement and will provide a basis for MEDREG's forthcoming support activities for individual members during 2018 and 2019, thus contributing to the development of a more independent and solid governance model of regulation.

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***MEDREG** is the Association of Mediterranean Energy Regulators, which brings together 25 regulators from 21 countries, spanning the European Union (EU), the Balkans and North Africa. Mediterranean regulators work together to promote greater compatibility of the regional energy markets and legislation, seeking progressive market integration in the Euro-Mediterranean basin. Through constant cooperation and information exchange among members, MEDREG aims at fostering consumer rights, energy efficiency, infrastructure investment and development, based on secure, safe, cost-effective and environmentally sustainable energy systems. MEDREG acts as a platform providing information exchange and assistance to its members as well as capacity development activities through webinars, training sessions and workshops as well as personalised hands-on initiatives. The MEDREG Secretariat is located in Milan, Italy. For more information, visit www.medreg-regulators.org

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For further information, interviews and related material please contact:

Daphné Lacroix
MEDREG Communication Officer
Tel: (+39) 026 55 65 553
Mob: (+39) 389 69 11 797
dlacroix@medreg-regulators.org

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