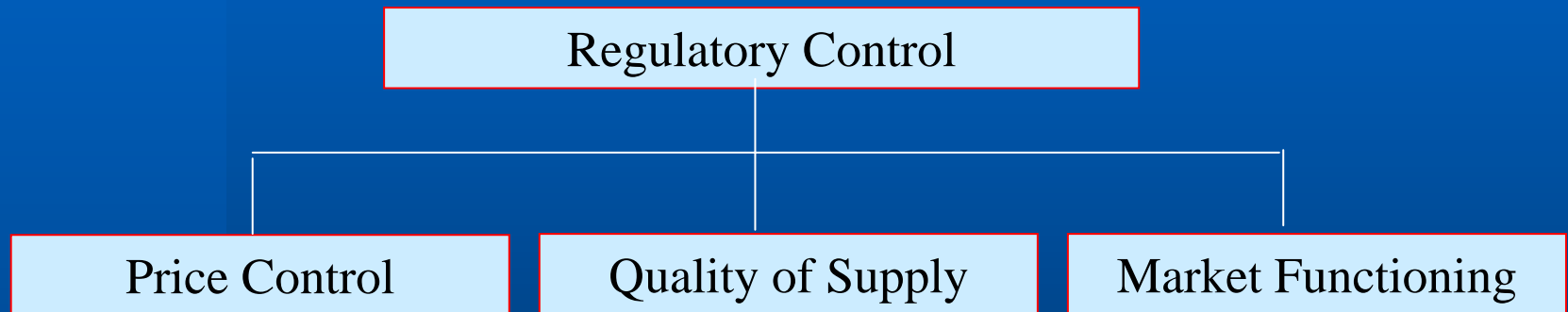




Stakeholders Concerns and Balancing Interests

Svetla Todorova – Commissioner
State Energy and Water Regulatory Commission, Bulgaria

Regulatory Control



Stakeholders

- Consumers
- Utilities
- Government
- Local authorities
- Environmental groups

What stakeholders want?

Consumers

- Universal service
- Low and stable prices
- Reliable service
- High quality of service
- High quality of energy
- Low-income customers protection
- Industry efficiency
- Environmental protection
- Choice

What stakeholders want?

Utilities

- High profit (mainly private owned)
- Light regulation (all)
- Investment
 - to maintain and develop assets or
 - to earn more
- Revenue collection
 - High quality of life
 - Social programs
 - Direct subsidies from the budget

What stakeholders want?

Government

- Consumers satisfaction (stable social environment)
- Minimum state budget support
- State economy development
 - Competitive industry prices
 - Energy efficiency
 - High life standard
- Strong regulation

What stakeholders want?

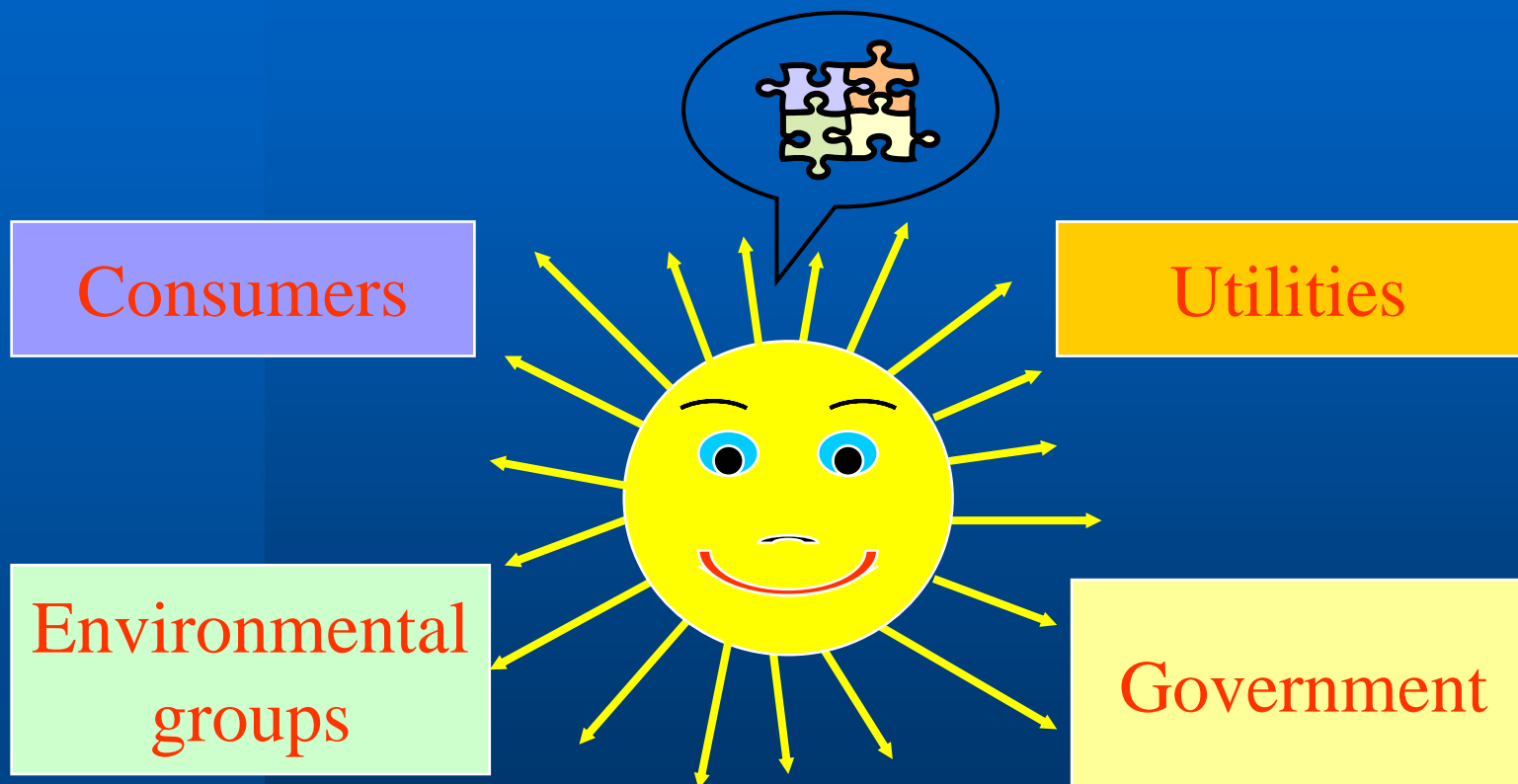
Environmental groups

- Environmentally oriented energy sector
- Supply diversity
 - Hydro → Environmentally oriented?
 - Windmill → Environmentally oriented?
 - Nuclear → Environmentally oriented?
 - Solar → How much cost?
 - Biomass → How much cost?
- Energy efficiency

Environmentally oriented?

How much cost?

All parties satisfaction?



What Regulator?

- Legitimate
- Independent
- Accountable
- Credible

Regulatory discretion

Legitimacy

- Commission established by Law
- Commissioners appointment by Government or Parliament
- Clear responsibility (avoid overlapping with other governmental institutions)

Independence

➤ Commission's Independence

- Right to issue regulations
- Right to approve prices
- Self financing through licensing fees
- Commissioners' term in office longer than the Government one
- Staggered terms
- Removal during the term - under special conditions specified by Law

Independence

➤ Decisional Independence

- Commissioners are similar to judges
 - Limited discussions about pending cases
 - Limited influence on decisions about those cases
- Decisions must be made on evidence
- Decisions are subject to judicial review only

Accountability

- Rights and duties set in Law
- Periodical report to the Government/Parliament
- Courts review appealed decisions
- Code of ethics that requires Commissioners to:
 - have no financial interest in regulated entities
 - accept no gifts or payments from regulated entities
 - limit other activities
 - limit employment by regulated entities following term

Credibility

- Quasi-legislative decision-making
 - Public participation in open meetings
 - Public presentation on decision items
 - Commission deliberation
 - Opportunity for public to comment
 - Regulatory staff act as an independent party before the Commission
 - All documentation available to public
 - Physical access
 - Website
 - Protection of confidential information
 - Complaint mediation

Good Regulator Creation



Contact

Svetla Todorova
Member of the Commission
State Energy and Water Commission
8-10 Dondukov Blvd.
1000 Sofia
Bulgaria

stodorova@dker.bg