

ENERGY REGULATORY COMMISSION
OF THE REPUBLIC OF MACEDONIA



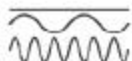
Energy Regulatory Commission of the Republic of Macedonia

**Partnership Program
(ERC, R. Macedonia – PSB, Vermont)
Skopje, March 20-26, 2004**

3/5/2004

Partnership Program

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ENERGY REGULATORY COMMISSION
OF THE REPUBLIC OF MACEDONIA



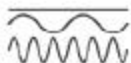
Energy Regulatory Commission of the Republic of Macedonia

- Law
- Members, appointment, mandate
- Tasks
- Organization (interior)

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ENERGY REGULATORY COMMISSION
OF THE REPUBLIC OF MACEDONIA



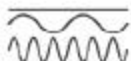
- WITH THE LAW FOR CHANGE AND SUPPLEMENTATION OF THE LAW ON ENERGY IN DECEMBER 2002, THE ENERGY REGULATORY COMMISSION OF THE REPUBLIC OF MACEDONIA WAS ESTABLISHED.
 - THE MEMBERS OF THE ERC WERE APPOINTED ON 23.07.2003.
 - ERC PRACTICALLY STARTED WITH OPERATION ON 1.1.2004.

- THE ENERGY REGULATORY COMMISSION IS ESTABLISH:
 - TO PROVIDE SAFE AND SECURE POWER SUPPLY TO THE CONSUMERS IN THE REPUBLIC OF MACEDONIA,
 - TO ENSURE COMPETITIVE MARKET OF ENERGY ON PRINCIPLES OF OBJECTIVITY, TRANSPARENCY AND NON-DISCRIMINATION
 - TO ENSURE PROTECTION OF THE ENVIRONMENT AND NATURE.

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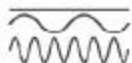


- THE REGULATORY COMMISSION IS A LEGAL ENTITY AND IT IS INDEPENDENT IN ITS OPERATION. THE INDEPENDENCY IS GARANTED BY:
 - THE PROCEDURE FOR ELECTION OF THE MEMEBERS;
 - THE PROCEDURE FOR DECISION MAKING (FINAL AND EXECUTIVE) WITHOUT PRIOR REQUEST FOR APPROVAL FROM OTHER BODIES (INSTITUTIONS);
 - CERTAIN ACTS OF THE REGULATORY COMMISSION CAN BE APPEALED TO THE COMMISSION FOR APPEALS IN THE ENERGY DOMAIN;
 - MEANS OF FINANCING (OWN FINANCING – WITHOUT USING THE STATE BUDGET)
 - SUBMIT ANNUAL REPORT ON THE OPERATION TO THE PARLIAMENT AND GOVERMENT

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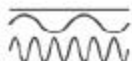
MANDATE AND CRITERIA FOR APPOINTING THE MEMEBERS OF THE ENERGY REGULATORY COMMISSION

- THE MEMBERS AND THE PRESIDENT OF THE REGULATORY COMMISSION (WHO IS ONE OF THE MEMBERS) ON PROPOSAL OF THE GOVERNMENT OF REPUBLIC OF MACEDONIA ARE APPOINTED AND DISMISSED BY THE PARLIAMENT OF REPUBLIC OF MACEDONIA.
- THE ENERGY REGULATORY COMMISSION IS COMPOSED OF FIVE MEMBERS.
- THE MANDATE FOR EACH MEMBER OF THE ENERGY REGULATORY COMMISSION IS FIVE YEARS AND THE MEMBERS CAN BE ON THAT POSITION ONLY FOR TWO MANDATES
- THE MANDATE OF THE FIRST COMPOSITION OF THE REGULATORY COMMISSION IS :
 - FOR ONE MEMBER – ONE YEAR
 - FOR ONE MEMBER – TWO YEAR
 - FOR ONE MEMBER – THREE YEAR
 - FOR ONE MEMBER – FOUR YEAR
 - FOR ONE MEMBER – FIVE YEAR

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ENERGY REGULATORY COMMISSION
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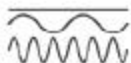


- THE MANDATE FOR EACH MEMBER OF THE REGULATORY COMMISSION MAY BE EXTENDED FOR MAXIMUM FIVE YEARS.
- FOR A MEMBER OF THE REGULATORY COMMISSION CAN BE APPOINTED PERSON, CITIZEN OF REPUBLIC OF MACEDONIA, WHO FULFILLS THE FOLLOWING CONDITIONS:
 - TO HAVE UNIVERSITY DEGREE AND TO BE EXPERT IN THE FIELD OF ENERGY,
 - TO HAVE AT LEAST TEN YEARS OF WORKING EXPERIENCE IN THE AREA IN WHICH IS APPOINTED TO
 - TO HAVE RECOMMENDATION OF AT LEAST THREE PERSONS, QUALIFIED EXPERTS Ph. D.S WITH MINIMUM FIVE YEARS WORKING EXPERIENCE AND/OR GENERAL MENAGERS IN ENERGY COMPANIES.

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ENERGY REGULATORY COMMISSION
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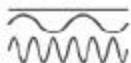
Tasks of the Energy Regulatory Commission

- PRESCRIBES THE CONDITIONS FOR SUPPLY OF DIFFERENT TYPES OF ENERGY,
- PRESCRIBES THE METHODOLOGY FOR THE FIXING OF PRICES OF DIFFERENT TYPES OF ENERGY
- PRESCRIBES THE TARIFF SYSTEMS FOR THE DIFFERENT TYPES OF ENERGY,
- MAKES DECISIONS ON THE PRICES OF DIFFERENT TYPES OF ENERGY, ACCORDING TO THE METHODOLOGY OF PRICE FIXING, TARIFF SYSTEMS FOR DIFFERENT TYPES OF ENERGY AND OTHER REGULATIONS,
- ISSUES, CHANGES, TAKES AWAY AND MONITORS THE ENFORCEMENT OF THE LICENCES FOR PERFORMING OF SEPARATE ACTIVITIES IN THE ENERGY DOMAIN,
- PRESCRIBES THE RULES FOR CONNECTING TO THE POWER SUPPLY NETWORKS,
- PROPOSES INITIATIVES FOR ADOPTION OF LAWS AND OTHER REGULATIONS IN THE ENERGY DOMAIN,
- PARTICIPATES IN THE SETTLEMENT OF DISPUTES AND PROPOSES MEASURES REGARDING THE DISPUTE,
- SUBMITS PROPOSALS FOR TAKING OF MEASURES TO THE COMPETENT AUTHORITIES, WITHIN THE SCOPE OF THEIR COMPETENCIES.

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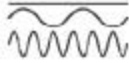
Financing of The Energy Regulatory Commission

- THE WORK OF THE ENERGY REGULATORY COMMISSION IS FINANCED BY OWN FUNDS .
- FUNDS ARE PROVIDED BY THE COLLECTION OF FEES FROM THE TOTAL INCOME OF THE COMPANIES PERFORMING ENERGY ACTIVITIES AND FROM THE PAYMENT OF FEES FOR ISSUED LICENSES.
- EVERY YEAR THE ENERGY REGULATORY COMMISSION PREPARES AND SUBMITS BUDGET FOR APPROVAL TO THE PARLIAMENT OF RM.

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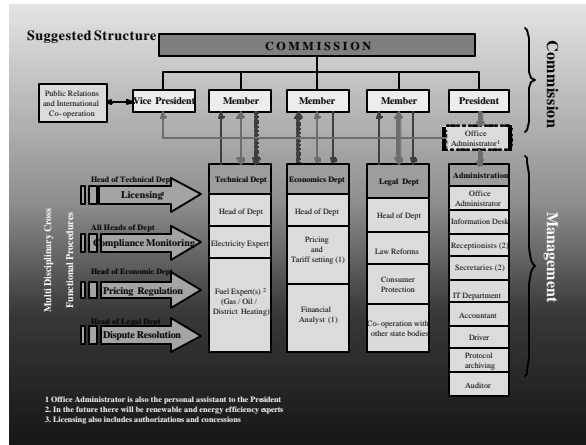
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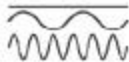
Organization (interior)



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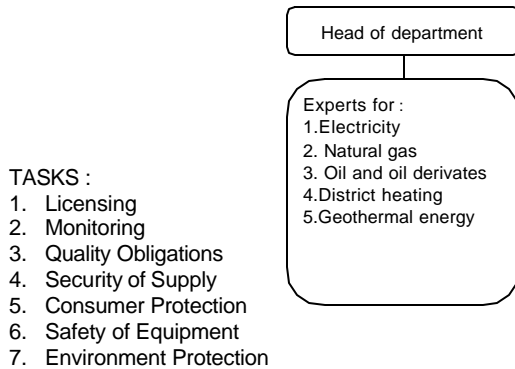
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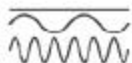
TECHNICAL DEPARTMENT



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ENERGY REGULATORY COMMISSION
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ECONOMICS DEPARTMENT

Head of department

Economist – experts:
-Price and tariffs
-Finance analytics

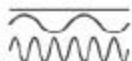
TASKS :

1. Price Regulation
2. Methodology for establishment of prices
3. Economic / Financial Reporting
4. Protection of competition energy market
5. Licensing
6. Monitoring
7. Consumer Protection

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ENERGY REGULATORY COMMISSION
OF THE REPUBLIC OF MACEDONIA



LEGAL DEPARTMENT

Head of Department

Law experts

TASKS :

1. Preparation and drafting of secondary legislation
2. Preparation of licenses
3. Monitoring
4. Dispute settlement
5. Consumer Protection
6. Environment Protection
7. Quality of Service

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