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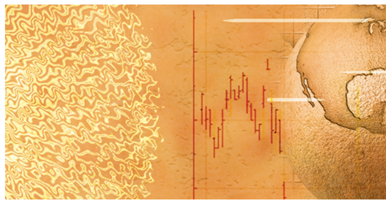
Global Energy Regulation



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Ofgem Reconsiders Networks Merger Policy

Ofgem has suspended its energy network merger policy, pending a review of the policy that will conclude in the summer. Ofgem indicated that it will consider any mergers proposed in the meantime on a case-by-case basis. Ofgem said that a review is necessary due to the major changes in ownership structure that have occurred since the existing policy came into force in 2002.
Ofgem website, 02/02/10

Ofgem Outlines Models For Power Market Reform

Ofgem has published the conclusions of "Project Discovery", in which it outlined proposals to reform the British electricity market with the aim of ensuring security of supply and achieving environmental objectives over the next decade. Ofgem put forward a range of options for further consultation, including improving market signals, for example by placing a floor on the CO2 price, placing new capacity obligations on suppliers or the system operator, and holding generation capacity tenders. Other options include more structural reforms, ranging from a centralised renewables market through to introducing a central buyer of energy, whereby one entity would coordinate all future generation investments.
Ofgem website, 03/02/10

New Green Electricity Tariff Certification Scheme Launched

A new certification scheme that implements Ofgem's Green Supply Guidelines has been launched. The scheme will allow suppliers offering green electricity tariffs to display a label that certifies their tariff as having genuine environmental benefits. The scheme will be run by Ofgem and a panel of experts.
Ofgem website, 09/02/10; Green Energy Scheme website, undated

Ofgem Plans to Consult On Time Limit To Inform Consumers Of Tariff Increases

Ofgem has announced its intention to consult on options to amend the statutory time limit for energy suppliers to inform customers of price increases. Suppliers' licences currently allow them up to 65 days to notify a customer following a price increase. Where suppliers notify customers after the event, suppliers must also make it clear that they have the right to switch supplier and avoid any backdated increase. Ofgem committed to review this licence condition in its 2009 Energy Retail Market Probe.

Ofgem website, 15/02/10

Ofgem Outlines Proposals To Boost Wholesale Power Liquidity

Ofgem has outlined proposals to increase liquidity in the British wholesale power market, as it believes low levels of liquidity and a lack of transparency regarding wholesale electricity costs act as a barrier to entry. The options include an obligation requiring large generators to offer reasonable terms to small/independent suppliers, licence obligations on the "Big 6" companies to sell electricity in defined products via bids and offers submitted to a Market Making Agent, mandatory power auctions, and restrictions on the extent to which the large vertically integrated utilities may supply their own retail business.

Ofgem website, 22/02/10

Austria

Ministries Set New Feed-In Tariffs For Renewables

The Ministry of Environment, the Economics Ministry and the Ministry of Social Affairs have agreed on new feed-in tariffs for green electricity in the new Green Electricity Ordinance (Ökostromverordnung). Wind power will be remunerated at €0.097/kWh. The feed-in tariff for solar power is between €0.20/kWh and 0.38/kWh depending on plant size and location. Biogas will get between €0.13/kWh and €0.185/kWh depending on plant size and a bonus of €0.02/kWh will be paid for plants that use waste heat. The remuneration for biomass will vary between €0.10/kWh and €0.1498/kWh depending on plant size.

Lebensministerium webpage, 02/02/10

E-Control Sets Pre-Tax WACC Of 7.025% For Existing Assets

E-Control, the Austrian energy regulator, has published the calculation of the weighted average cost of capital (WACC) to be applied from 1 January 2010 for existing assets in 2008. E-Control set the pre-tax WACC at 7.025%, assuming a pre-tax cost of debt of 4.95%, a pre-tax cost of equity of 10.138% and a 60:40 gearing ratio. For investments in the years 2009-2013, network companies will receive an additional incentive return of 1.05%, which replaces the previous Volume-Cost-factor. According to E-Control, this rule ensures that network operators receive additional returns only for actual network investments, but not for increases in the volume of sales.

E-Control website, 10/02/10

Belgium

Regulator Publishes L-Gas Market Study

The Belgian energy regulator, the Commission de Régulation de l'Electricité et du Gaz (CREG), has published its study on the "Development of a competitive regional market for natural gas with a low calorific value". This study indicates that reforms carried out in the Netherlands in relation to the merger of the L-gas and H-gas market could "offer a response" to the supply of L gas in Belgium. CREG said that choices had to be made on a long term strategy regarding the availability of sufficient capacity on the transmission system and therefore called for a coordinated approach between the Dutch, Belgian and French transmission networks (GTS, FLUXYS and GRTgaz).

Commission De Régulation De L'Electricité et Du Gaz website, 04/02/10

Regulator Decides Electricity Interconnector Auction Rules

The Belgian energy regulator, the Commission de Régulation de l'Electricité et du Gaz (CREG), has published its decision on Elia's new proposal for the auction rules to allocate long-term capacity on the electricity system interconnectors with France and the Netherlands. With the exception of two articles, CREG approved the new harmonised auction rules of the European Centre-West region. CREG took this decision in consultation with other regulators of the European Centre-West region. The two articles that were not approved relate to the conditions of suspension and compensation in the case of a reduction in capacity by the transmission network. CREG has asked Elia to submit without delay a new proposal for these articles.

Commission de Régulation de l'Electricité et du Gaz website, 04/02/10

Regulator Decides On Electricity Intra-Day Interconnector Rules

The Belgian energy regulator, the Commission de Régulation de l'Electricité et du Gaz (CREG), has published its decision on Elia's new proposal for allocating intra-day capacity on interconnectors with France and the Netherlands within the market coupling framework of the European Centre-West region. CREG approved the proposed rules with the exception of four articles relating to the conditions of suspension and the pro-rata allocation mechanism. CREG has asked Elia to submit without delay a new proposal for these articles.

Commission de Régulation de l'Electricité et du Gaz website, 04/02/10

Transmission Tariffs Updated For Changes In Levies

Elia will have to adjust its transmission tariffs to reflect changes in levies from 1 January 2010, including the federal contribution (cotisation fédérale), the levy for green certificates, the levy for connections of renewables (Flanders only), the levy for the financing of measures to promote the rational use of energy (Flanders only), the levy for using public space (Wallonia only) and the levy for using the road network (Brussels only). CREG has no jurisdiction over these levies, but merely noted that they would in turn lead to adjustments at the distribution level.

Commission de Régulation de l'Electricité et du Gaz website, 04/02/10

Parliament Abolishes Separate Tariffs For Gas Transit

On 11 February 2010 the Belgian parliament approved a law that removes the distinction between tariffs for gas transport and tariffs for gas transit. The law modifies the law of 12 April 1965 on the transport of gas and other products through pipelines.

La Chambre des Représentants website, 12/02/10; belga, 12/02/10

Regulator Approves Electricity Imbalance Settlement Rules

The Belgian energy regulator, the Commission de Régulation de l'Electricité et du Gaz (CREG), has officially approved and published the rules for remuneration of imbalances as proposed by Elia, the electricity transmission system operator, for the year 2010. The decision is available on the CREG website in the "Electricity Publications" section.

CREG website, 17/02/10

Regulator Approves Fluxys' Gas Connection Contract Proposal

The Belgian energy regulator, the Commission de Régulation de l'Electricité et du Gaz (CREG), has published its decision of 21 January to approve Fluxys' modified proposal for a standard connection contract on the "Gas Publications" section of its website. CREG had previously decided to approve Fluxys' proposals on condition that Fluxys would organise information sessions to inform consumers of the rights and obligations included in the contract and that Fluxys would revise the section explaining its obligations and liability in case of malpractice by shippers. CREG has also defined situations in which the standard contract will be re-evaluated and, where necessary, amended.

CREG website, 17/02/10

Bulgaria

Bulgarian Electricity Distributors Plan Price Rises

Bulgarian electricity distribution network operators plan to request an increase in tariffs of between 5% and 10% from 1 July 2010, according to the Chairman of the State Energy and Water Regulatory Commission (SEWRC). EVN Bulgaria plans to request an increase of 2-3%, CEZ Bulgaria 9% and E.ON Bulgaria 5-10%.

Bulgarian News Agency, 25/02/10; Dnevnik.bg website, 01/03/10

European Union

Commission Approves TenneT's Acquisition Of E.ON's Transmission Grid

The European Commission has cleared the acquisition of Transpower Stromübertragung (TPS) by Dutch state-owned transmission grid operator TenneT. TPS is a subsidiary of E.ON, in charge of the operation of over 10,000 km of high voltage electricity lines. Through this deal, E.ON seeks to fulfil its commitment to the European Commission to unbundle and divest its transmission business.

Europolitics Energy, 10/02/10; International Oil Daily, 08/02/10

France

Regulator Approves Connection Charges Of Électricité De Strasbourg Réseaux

The French energy regulator, the Commission de Régulation de l'Énergie (CRE), has approved the price list for connections to the distribution network of Électricité de Strasbourg Réseaux (ESR). The CRE said that the new connection charges extended the use of simplified cost formulae, which increased the transparency of the billing system. The new charges become effective on 4 May 2010.

Commission de Régulation de l'Énergie website, 04/02/10

Regulator Approves Separate Accounting Procedures Of GDF SUEZ

The French energy regulator, the Commission de Régulation de l'Énergie (CRE), has approved the principles proposed by GDF Suez for keeping separate accounts for customers on regulated tariffs and for those on market tariffs. According to Article 8 of Law No. 2003-8 of 3 January 2003 any company active in the gas sector must set up separate accounts for its supply activities to final consumers who have exercised their right to choose on the one hand and final consumers that have not exercised that option on the other hand. CRE is responsible for assuring that the unbundling principles are correctly applied. CRE has now approved these principles, although it said that the accounts should also show the cost of financing each activity when the company applies for a tariff revision.

Commission de Régulation de l'Énergie website, 11/02/10

Regulator Decides On "A" Factor Used To Allocate Capacities On Gas Transmission-Distribution Connections

The French energy regulator, the CRE, has published its decisions on the "A" factor applicable from 1 April 2010. The current gas transmission tariffs rely on a system of "normalised" capacity bookings at the connection points between the gas transmission and distribution networks, in order to guarantee the supply to distribution networks in the case of cold peaks. The "A" factor is used in calculating the firm annual "normalised" capacity allocated to each shipper by the transmission system operators.

Commission de Régulation de l'Énergie website, 11/02/10

Regulator Defines Criteria To Assess Smart Metering

The French energy regulator, CRE, has spelled out a set of criteria it will use to assess a trial of smart metering system "Linky" rolled out by ERDF, the French DSO. The trial will start in March 2010 and covers about 300,000 meters. CRE said its assessment was necessary (but not sufficient) to decide on a large scale deployment of smart meters. The trial period will come to an end on 31 March 2011.

Commission de Régulation de l'Énergie website, 11/02/10

Regulator Allows Retroactive Correction Of Metering Errors

The committee of dispute settlement and sanctions (CoRDiS) of the French energy regulator has ruled that the French gas distribution network operator GrDF had the right to rectify the errors that affected its imbalance account (CED) over the period from June 2007 to 2009. The CED allows the periodic reconciliation between customers' estimated consumption volumes and their actual consumption, so that each supplier can settle the exact amounts consumed by their clients. Problems in GrDF's information system OMEGA led to errors, which GrDF started to rectify in consultation with the suppliers and the regulator. One supplier, Altergaz, objected to any retroactive claims and appealed to the CoRDiS. On 22 January CoRDiS rejected Altergaz's appeal.

Commission de Régulation de l'Énergie website, 15/02/10

Germany

Regulator Forces Network Operators To Repay Euro 2 Billion

The German networks regulator, the Bundesnetzagentur (BNetzA), has announced it will force gas and electricity network operators to repay over €2,000 million in excessive network access fees they collected from customers in 2005 and 2006. The network operators will be required to lower their network tariffs in future years, as the BNetzA will reduce their allowed revenues to pay back the excessive profits. The BNetzA will give gas network operators until 2017 to complete the repayments, and electricity network operators until 2018.

Süddeutsche Zeitung website, 04/02/10; Allgemeine Zeitung website, 05/02/10

Regulator Prepares To Reorganise Capacity Management In Gas Sector

The German networks regulator, the Bundesnetzagentur (BNetzA), has started proceedings to reorganise the management of gas capacity. The BNetzA said that at the moment an appreciable part of demand for firm capacity could not be met and that this acted as an entry barrier for new competitors. At present, shippers still had to state the points at which their gas enters and exits a market area. According to the BNetzA, these entry and exit points would be integrated to the greatest possible extent in the future, making it easier for shippers to sell their gas in the directly adjacent market. The BNetzA also said it would make determinations on rules for auctioning capacity, on the precise definition of capacity rights, and arrangements for returning unused capacity to the day-ahead market.

Bundesnetzagentur website, 10/02/10

Competition Watchdog Investigates Wingas

The German competition watchdog, the Bundeskartellamt (BKartA), has launched an investigation into natural gas supplier Wingas on suspicion that it is forcing industrial customers into contracts that prevent them from reselling surplus gas.

Financial Times Deutschland website, 17/02/10;
Dow Jones Deutschland website, 18/02/10

Competition Watchdog Approves Acquisition Of Thüga By Integra Energie

The German competition watchdog, the Bundeskartellamt (BKartA), has approved the acquisition of Thüga by Integra Energie. Thüga is currently owned by energy utility E.ON Ruhrgas. The decision was made in November 2009, but has only now been published on the website of the BKartA. The BKartA found that the sale of Thüga would not lead to an increase in market dominance in the electricity and gas markets; instead the sale would lead to a reduction in the vertical integration of E.ON. The BKartA said it was likely that the sale would have a positive influence on competition.

Bundeskartellamt website, 22/02/10

New Rules For The Sale Of Renewable Energy Takes Effect

The German regulator's implementing ordinance on the Equalisation Mechanism Ordinance (AusglMechV) took effect on 27 February 2010.
The implementing ordinance sets the rules for the sale of electricity for which tariffs are payable under the Renewable Energies Law (EEG). The BNetzA said that the implementing ordinance would make the sale of electricity on the exchange transparent and cost-effective. The AusglMechV became effective on 1 January 2010 and requires transmission system operators (TSOs) to sell to the energy exchange all the electricity they purchase from renewable sources.

Bundesnetzagentur website, 26/02/10

Italy

New Rules To Enhance Incentives To Renewable Energy Sources.

The Italian energy regulator published new rules intended to incentivise intermittent generation (including wind and solar) by increasing the efficiency of grid operations. Under the new rules, the Gestore dei Servizi Energetici (GSE) can receive real-time data on production from intermittent generation in order to improve estimates of production by plants below 10 MVA. Wind plants will be compensated if Terna orders them to decrease output, based on the wind speed at the plant in the hours when the plant is required to decrease production, using a model that simulates wind generation, instead of historical production data.

Aeeg website, 17/02/10

Netherlands

NMa Publishes Draft Method Decision On Fourth Regulatory Period For Gas DNOs

On 5 February, NMa published a draft Method Decision for gas distribution network operators (DNOs) for the fourth regulatory period (2011-2013). The draft Method Decision continues the regulatory framework set out in the third regulatory period (2008-2010), but is expanded to include regulation of tariffs for gas connections. Interested parties can consult the draft Method Decision on the Energiekamer website and submit their views to NMa until 19 March.

Energiekamer website, 05/02/10

NMa Publishes Vision On Framework For Network Regulation

NMa has published a Vision document on its website to evaluate the regulatory framework for electricity and gas networks in recent years. According to NMa board member Jaap de Keijzer, the current regulatory framework is very successful because it has led to lower tariffs but maintained the reliability of service. In the Vision document, NMa emphasises the need for a stable regulatory regime, “to provide network companies and investors with a guarantee that they can earn back their investments and to ensure consumers that network tariffs will stay cost-based”, according to De Keijzer. NMa also says that it intends to increase the flexibility of the regime in terms of dealing with company-specific circumstances, for instance in the area of “exceptional investments”. The Vision document is available for review on the Energiekamer website.

Energiekamer website, 05/02/10

NMa Publishes BritNed Draft Acces Rules

The Dutch Competition Authority, NMa, has published the auction rules for the BritNed interconnector between Britain and the Netherlands. The publication follows the application by BritNed to NMa and Ofgem, the British energy regulator, for approval of the auction mechanism and the provision of information. While official approval is pending “formal perusal” of an additional document by NMa, interested parties can already consult the Draft Acces Rules on the website of Energiekamer, the Dutch energy regulator.

Energiekamer website, 25/02/10

Russia

Prime Minister Threatens Genco Owners

Prime Minister Putin criticized the Russian private investors for failing to comply with their obligations to invest in generation. The prime minister personally named a number of Russian tycoons controlling the generation companies OGK-1, TGK-2, TGK-4 and Integrated Energy Systems, accusing them of waste, improper and inefficient usage of investment funds and threatening them with fines. The prime minister stressed that the companies failing to meet the deadlines for commissioning new generation capacity will not benefit from access to the new long-term capacity market.

AK&M, ITARR-TASS, PRIME-TASS, 24/02/10

Government Approves The Long-Term Capacity Market Rules

After a two-year delay the government approved the new long term capacity market rules, which are meant to provide generation companies with a return on investment. The new market could start operations from 1 January 2011 if long-term capacity auctions in 2010 are arranged to set the capacity price. The state hydro and nuclear generators and investors who sign Capacity Supply Agreements will have preferential treatment. The market rules also envisage long-term capacity price caps, which have yet to be determined.

AK&M, 24/02/10; Kommestant 25/02/10

Spain

Competition Commission Extends Investigation To The Electricity Companies' Association For Alleged Anticompetitive Practices

The Spanish National Competition Commission (CNC) has decided to include the Spanish Electricity Companies' Association (UNESA) in an ongoing investigation on five electricity distributors for anticompetitive practices. On June 2009, the CNC opened an investigation into the distributors for allegedly interrupting remote access to customers' data required for changing supplier. In addition, the competition authority inspected UNESA's offices in November 2009 in order to find evidence of anticompetitive behaviour. Now the CNC has included UNESA in the investigation and has decided to analyse the existence of a coordination strategy between the companies to hinder supplier switching. The companies claim that the interruption was required to adapt their IT systems to new regulatory requirements on information access coming into force at that time.

National Competition Commission website, 04/02/10

Supreme Court Invalidates A Fine Imposed By The Competition Authority On Electricity Generators

The Spanish Supreme Court has declared invalid a €2.7 million (US$3.7 million) fine imposed on three electricity generators in 2004 by the National Competition Commission (CNC). The CNC had fined the companies for abuse of dominant position for allegedly removing generation capacity from the day-ahead market in 2001 and presenting offers in excess of costs in the TSO-administered mechanism for the resolution of transmission constraints. However, the Court concluded that generators were not intending to influence prices, but were merely reacting to the prevailing market rules, which required them to submit one single offer for operating under very different regimes, with very different costs. The Court also considered that the CNC had not reliably proven that the offers were in excess of costs. In addition, the Court indicated that in a liberalised market, competitive pressures mean that attempts to exercise market power would be futile.

EFE, 08/02/10; Cinco Días, 08/02/10

The Government Approves Legislation To Increase The Use Of Domestic Coal In Electricity Generation

The government has approved a Royal Decree that sets an annual quota for electricity generation using domestic coal, despite unfavourable reports by the energy regulator and the competition authority on the draft legislation.

The government claimed that the plants were not competitive in the wholesale market and that therefore they had to be subsidised to ensure they continue operating and ensure security of supply. Ten plants that use domestic coal will receive a fixed price (set on yearly basis) for their production until 2014. A new non-market mechanism will be put in place to make room for generation with domestic coal, whereby the output of the plants with the higher CO2 emission rates will be displaced first. Plants which are constrained-off will be entitled to compensation for lost profit by reference to regulated costs. The government reported that the Royal Decree was approved prior to receiving the European Commission’s consent, in order to give the TSO time to put the new scheme in place.

EFE, 17/02/10; Cinco Días, 17/02/10, 12/02/10; IM Energía, 15/02/10; Spanish government website, 12/02/10

Switzerland

Decrease Of Remuneration For Solar Power

UVEK, the Federal Department of Environment, Transport, Energy and Communications, has decreased the feed-in tariff for solar power (KEV) by 18%. According to the Swiss energy office (BFE) the reason for the adjustment was the sharp fall in market prices for photovoltaic modules and the planned annual reduction in the feed-in tariffs foreseen by the Energy Ordinance (EnV). UVEK also decided to switch the measurement of solar power to net feed-in, i.e. own consumption would have to be deducted at the metering point and would no longer be taken into account in the remuneration. The changes will take effect retroactively from 1 January 2010.

Bundesamt für Energie website, 04/02/10

Turkey

EPDK Issues Licenses For Hydro Generation

EPDK, the Turkish energy regulator, has issued power production licenses to five hydro plant projects and one cogeneration unit. Amongst the recipients of the licenses is the 200 MW Konaktepe Dam project, developed by a subsidiary of the Turkish construction group Soyak International. Other recipients of production licenses are small hydro projects from various owners with capacities ranging from 1.5 to 8.7 MW, and a 14.25 MW gas-fired cogeneration unit for Atakas Metalurji at its Dortyol plant.

Platts Energy in East Europe via Dow Jones Factiva, 12/02/10

North American News

US

Michigan PSC Designates Zones For Wind Development

In response to 2008 state legislation, Michigan's Public Service Commission (PSC) designated two areas of the state as "Wind Energy Resource Zones". The PSC will expedite permits for transmission upgrades for wind development in these zones. It is estimated that between US$510 and US$740 million worth of infrastructure upgrades are needed before massive wind development can occur. The initiative aims to help the state meet a requirement to produce 10% of its power from renewable sources by 2015.

Global Power Report, 04/02/10; Electric Utility Week, 01/02/10

Group Of Utilities Urges Senate Not To Give FERC Supreme Authority On Grid Planning

A group of nearly thirty US energy companies, including utilities, rural cooperatives and a solar developer, sent a letter to Senate leaders, urging them to rethink the powers that would be given to the Federal Energy Regulatory Commission (FERC) under Bill S.1462. The energy bill, which is backed by Senate Democrats and the Obama administration, would give FERC supreme authority in creating a national power grid that would support renewable power development. Under this role, FERC would be authorized to approve a transmission plan even if it were inconsistent with state or regional transmission investment plans. Those in opposition to the bill argue that FERC will impose long and inefficient multi-state transmission lines and unfair cost-allocation rates upon customers.

Greenwire, 10/02/10; Megawatt Daily, 11/02/10

Northwestern States To Meet All New Electricity Demand without Coal

The Northwest Power and Conservation Council has adopted an energy plan for its member states of Washington, Oregon, Idaho, and Montana that requires the region to meet 85% of new electricity demand through efficiency and conservation and the remaining 15% through renewable energy and gas-fired generation. The goal is expected to reduce greenhouse gas emissions by roughly 17 million tons per year and create 47,000 new jobs in the region over a period of 20 years. The Council guides the region's largest electricity supplier, the Bonneville Power Administration and its 147 member utilities, but not investor-owned utilities.

Electric Power Daily, 12/02/10; Associated Press, 10/02/10

Regulators OK US$16.2M Rate Increase For Missouri Gas Energy

The Missouri Public Service Commission has approved a US$16.2 million rate increase for natural gas customers of Missouri Gas Energy. As part of the rate approval, Missouri Gas Energy must spend at least US$1.5 million a year on new energy efficiency programs. The Commission reduced MGE's authorized return on equity to 10% from 10.5% granted in 2007.

Associated Press Newswires, 12/02/10; Missouri Public Service Commission website, **http://www.psc.mo.gov/press-releases/natural-gas/pr-10-14x** *(visited 01/03/10).*

Wind Industry And Westar At Odds Over Who Is To Pay For Regulation Services

Westar Energy Inc., the largest transmission operator and investor-owned utility in Kansas, filed a proposal with the Federal Energy Regulatory Commission (FERC) to make wind generators responsible for the cost of "regulation services", i.e., reserves required to provide sufficient back-up capacity to cover intermittent wind generation. Westar argues that currently all of the costs of frequency control are being absorbed by its customers. The wind industry, led by the American Wind Energy Association, filed a protest with FERC, citing exaggerated figures from Westar and a failure on Westar's behalf in implementing ways to reduce the cost of regulation services.

Energy Washington Week, 24/02/10; **www.awea.org**, *16/02/10*

EPA Faces 17 Lawsuits Against Greenhouse Gases Finding

Three states -- Texas, Alabama, and Virginia -- and multiple business and industry groups have filed a total of 17 lawsuits in the US Court of Appeals for the District of Columbia against the finding of the Environmental Protection Agency (EPA) in December 2009 that greenhouse gases endanger public health and welfare. The suits claim a variety of reasons for rejecting the finding, including faulty scientific methods to evaluate global climate change impacts on human health and harm to business. The EPA's findings could trigger regulations for all sources of greenhouse gases, including power plants, automobiles and heavy industries.

Platts Commodity News, 16/02/10; Austin American-Statesman, 17/02/10

California PUC Approves Peak Day Pricing And Time-of-Use Rates

The California Public Utilities Commission has approved new dynamic pricing rate structures for PG&E's non-residential customers. Beginning 1 May 2010, large commercial and industrial customers will pay different rates for electricity depending on the time of day, and rates will further increase during peak times on the hottest days of the year. These customers may choose to opt out of peak-day pricing in favor of a standard time-of-use rate. Peak-day pricing will become the default tariff for small and medium commercial and industrial customers on 1 November 2011. On 1 February 2011, peak-day pricing will become the default tariff for large agricultural customers.

Renew Grid, 26/02/10; Electric Energy Online, 26/02/10

Central & South American News

Brazil

Electricity Distributor Fined US$5.2 Million For Service Disruptions

The Brazilian regulator for electricity, ANEEL, has fined electricity distribution company Light S.A. for disruptions in service that occurred in Rio de Janeiro between November 2009 and January 2010. The fine amounts to approximately US$5.2 million. The company has ten days to challenge the regulator's decision. An official investigation found maintenance and operational failures, as well as other deficiencies in the company's facilities that led the authority to conclude that the disruptions in service were attributable to the company.

AE Brazil Newswire, 25/02/10; Agence France Presse, 25/02/10; O Estado de São Paulo, 26/02/10

Peru

Regulator Awards Projects In Country's First Renewables Tender

The Peruvian regulator for energy and mining, OSINERGMIN, awarded a total of 411 MW of capacity in the country's first tender for energy from renewable sources. Selected projects are entitled to receive a compensation equal to the amount they bid (in US$ per MWh) for a period of 20 years. The largest share of capacity, 161 MW, was awarded to small hydro projects, with bid amounts ranging from US$50 to US$70 per MWh. Wind projects for 142 MW will receive between US$65 and US$87 per MWh. Solar projects amounting in total to 80 MW will receive between US$215 and US$225 per MWh. The remaining 27 MW were awarded to biomass projects whose promoters bid between US$52 and US$110 per MWh.

ADP News, 15/02/10; Business News Americas, 15/02/10

Asia Pacific News

Australia

ICRC Releases Draft Report On Feed-In Tariff Premium Rate

The Independent Competition and Regulatory Commission (ICRC) released its draft report on feed-in tariff premiums for the years 2010 to 2011 on 4 February. This draft report recommends that the premium rate for electricity supplied by compliant renewable energy generators to the distribution network be reduced to AU$0.37 (US$0.33) per kilowatt hour of electricity generated. Currently, individuals receive AU$0.50 (US$0.45) per kilowatt hour of electricity generated. Submissions are being called for and close on 4 March 2010.

ABC News, 05/02/10; ICRC website, 04/02/10

AER Releases Draft Decision On Jemena's Access Arrangement Proposal

The draft decision on the access arrangement proposed by Jemena Gas Networks Ltd (Jemena) for 1 July 2010 to 30 June 2015 has been released by the Australian Energy Regulator (AER). The draft calls for Jemena to alter its proposed access arrangement for the New South Wales Gas Networks. In its draft decision the AER considered both the restructuring of reference tariffs for demand customers and an increase in the level of network charges. The AER has given Jemena until 19 March to submit a revised proposal.
AER website, 10/02/10

Demand Strong For Solar Flagships Program

The Australian Government's Solar Flagships program indicates strong commitment to solar innovation within the industry, with the receipt of 52 applications to construct solar power stations. The applications included a range of different technologies, such as thin film and concentrating photovoltaic and solar thermal troughs, towers and dishes. The program's aim is to provide 400 MW of solar generation capacity through two solar projects.
Minister for Resources and Energy media release, 24/02/10

Draft Rule Determination For First Gas Rule Change Request Released

The Australian Energy Market Commission (AEMC) released its draft Rule Determination for the first requested change in the gas rules. The request, which came from the Australian Energy Market Operator (AEMO) in November 2009, was for new tie-breaking provisions for equally beneficial controllable withdrawal bids. AEMC has decided not to make the proposed rule change as it believes the proposed Rule is not likely to aid the success of the National Gas Objective (NGO). The AEMC is now requesting submissions by 8 April 2010.
AEMC website, 25/02/10

Enhanced Renewable Energy Target Scheme

Changes will be made to the Renewable Energy Target scheme in order to give increased assurance to the renewable energy industry. The Renewable Energy Target outlines that, by the year 2020, at least 20% of Australia's energy will come from renewable sources. The scheme has been enhanced by establishing two separate parts: the Small-scale Renewable Energy Scheme (SRES) and the Large-scale Renewable Energy Target (LRET). Included in the LRET are large-scale renewable energy projects such as wind farms, commercial solar and geothermal. The SRES will comprise small-scale technologies such as solar panels and solar hot water systems.
Minister for Climate Change and Water press release, 26/02/10

New Zealand

Kahili Gas Field For Sale

Gerry Brownlee, the Minister for Energy and Resources, has opened the bidding for a block offer over the Kahili gas field in Taranaki. Included in the sale is 5.99 square kilometres, the Kahili-1B well, a gas facility and a pipeline at Kahili wellhead. The block offer is set to close on 3 May.

Minister of Energy and Resources press release, 10/02/10

Distribution Pricing Principles And Information Disclosure Guidelines Released

The Electricity Commission released its final paper on pricing principles and information disclosure guidelines. These guidelines take into account three consultations that followed the release of the draft on 5 June 2009. Included in the final paper are changes to pricing principles and information disclosure, which are intended to assist electricity distributors.

Electricity Commission website, 01/03/10

China

Government Issues New Rules For Offshore Wind Power

The Chinese government has issued new rules for offshore wind farms connecting to the national grid. The new rules give a greater role to regional regulators in the planning, allocation of sea space and verification of building standards. The regulations also include new environmental constraints designed to protect wildlife and the oceanic environment.

Xinhua News Agency, 10/02/10

India

Regional Regulator Holds Public Hearing On Electricity Charges

The Tamil Nadu Electricity Regulatory Commission (TNERC) is holding a public hearing to review the electricity tariffs for commercial and large domestic customers. The Tamil Nadu Electricity Board (TNEB) has argued that the price rises are inevitable as a result of large financial losses. TNERC has invited the public to submit their views by 25 March.

Times of India, 01/02/10; The Hindu, 27/02/10;

Government Unveils New Support For Solar Energy

The Indian federal government has announced new measures to support solar energy in its latest budget. The Ministry of New and Renewable Energy will administer an enlarged national green energy fund, designed to support the National Solar Mission (NSM)—a series of feed-in tariffs designed to ensure 20 GW of solar capacity is installed on the network by 2020. The measures affect plants already in the planning process, with the Central Electricity Regulatory Commission (CERC) agreeing to extend the subsidies to four new projects in Haryana state alone this month.

Financial Express (India), 06/02/10; **timesofindia.indiatimes.com***, 27/02/10*

High Court Overrules Gas Regulator

The Petroleum and Natural Gas Regulatory Board has postponed its tender for licences to lay three trunk pipelines after a court ruling. The High Court judgement on 21 January stated that the regulator does not have the right to grant authorisation for the expansion of city or local gas networks without notification from the government. The regulator's timetable for the submission of bids has been extended until the end of May, to allow time for the relevant governmental permissions.

Business Standard, 15/02/10; Indian Business Insight, 15/02/10

Philippines

ERC Sets Out Rights To Choose Electricity Supplier

The Energy Regulatory Commission (ERC) plans to allow bulk users of electricity to choose their electricity supplier. Five hundred electricity customers of the Manila Electricity Company are expected to apply for the right to change. The programme will take effect from March 2010.

Manila Standard, 19/02/10; Philippine Star, 19/02/10

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