



# GENERAL REPORT

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## FIFTH MEETING OF THE CONSULTATIVE COMMITTEES OF REGULATORS AND OPERATORS OF ERERA

Volta Hotel, Akosombo 12<sup>th</sup> and 13<sup>th</sup> May 2015

*Akosombo, May 2015*

## INTRODUCTION

The Fifth Meeting of the Consultative Committees of Regulators and Operators of the ECOWAS Regional Electricity Regulatory Authority (ERERA) was held on 12th and 13th May 2015 at the Volta Hotel, Akosombo in Ghana.

Representatives of the Ministries of Energy, National Regulatory Authorities, power generation, transmission and distribution operators in ECOWAS Member States and a representative of the West African Power Pool (WAPP) participated in the meeting.

The list of participants is attached as Appendix A.

## A. OPENING CEREMONY

The opening ceremony was marked by three speeches, namely the speech of the representative of the Chairman of the Consultative Committee of Regulators, that of the representative of the Chairman of the Consultative Committee of Operators, which was followed by the opening speech of the Chairman of ERERA.

In their speeches, the representatives of the Chairmen of the Consultative Committees of Regulators and Operators, in their area of interest, stressed the importance of the meeting, which was expected to have been held since their election in Banjul in November 2013 during the fourth Meeting of the Consultative Committees of Regulators and Operators.

In his opening speech, the Chairman of ERERA, El Hadj Ibrahima Thiam, welcomed all participants and thanked the Gesellschaft für Internationale Zusammenarbeit (GIZ) whose financial support made possible the holding of the 5th Consultative Committees of Regulators and Operators Meeting. The Chairman of ERERA recalled broadly the actions taken by ERERA for the establishment of regional electricity market and regretted the slowdown in the implementation of the ERERA roadmap due to the health crisis in the region, namely the outbreak of Ebola virus disease that led to the freezing of international meetings within ECOWAS. In conclusion, he wished all participants fruitful deliberations.

## B. AGENDA

The agenda hereby attached as Appendix B, comprises five sessions and was adopted by participants. A moderator was chosen to conduct the proceedings of each session, while two rapporteurs were nominated for the entire meeting. They are:

- Mr. Fousseynou **BAH**, CREE, MALI
- Mr. Anthony **BLEBOO**, Energy Commission, GHANA.

## C. MEETING PROCEEDINGS

At each of the sessions of the meeting, except for the closing session (Session 5), ERERA made a presentation on the topic for the session, followed by discussions after which the Moderator made a summary of recommendations.

### SESSION 1: REVIEW OF THE REGIONAL MARKET RULES (RMR)

*Moderator: Representative of the Chairman of the Consultative Committee of Regulators*

The presentation by ERERA focused on the final draft of the Regional Electricity Market Rules, the history of consultations that led to the final draft and the implications of the approval of the RMR for the Stakeholders of the regional electricity sector. The Regional Market Rules were subjected to several consultations before and during the third and fourth meetings of the Consultative Committees of regulators and operators in Lomé, Togo in May 2013, in Banjul, The Gambia in November 2013. The final draft comprises:

- 7 Chapters as against 9 Chapters in the original version
- 43 Articles as against 72 Articles in the original version
- 0 Appendix as against 9 Appendices in the original version.

This reduction of articles is explained by the fact that Stakeholders had agreed at the Lomé meeting, to focus on the provisions and the development of Phase 1 of the market before defining the specific rules for Phase 2. Hence the rules for Phase 2 have been deleted from the original text.

The implications of the approval of the RMR for the stakeholders of the sector include:

- For ECOWAS Member States, the appointment of a national representative for the regional market
- For ERERA:
  - The development, implementation and dissemination of various bilateral contract templates
  - Implementation of a transmission tariff methodology
- For the System - Market Operator (SMO) to:
  - Develop admission of participants in the regional market procedures and forms
  - Develop procedures for approving contracts
  - Develop a communications procedure;
  - Implement a Metering Code;
- For the operators of the sector to:
  - Declare existing agreements prior to the approval of the RMR
  - Register pre-existing power purchase agreements (PPAs) with the SMO



- Comply with the Metering Code of the WAPP Operations Manual

After ERERA's presentation, discussions focused on confidentiality and on Articles 28 and 11, respectively, relating to "transactions in the regional market during the first phase of the market" and "force majeure".

The final draft of the Regional Market Rules was approved, subject to the following amendments:

- (1) Specify the role and functions of national representatives referred to in Article 25 of the draft RMR;
- (2) Remove the list, citing in detail, the various cases of force majeure and limit the article to a general definition that captures the full meaning of the force majeure.
- (3) Specify, if necessary, in the RMR that the rules (i.e. the RMR) also apply to the energy exchanges between neighbouring countries.
- (4) Ensure that the RMR guarantee the principle of full disclosure on market transactions and that exceptions to this would be to the extent that confidentiality is not opposable to the regional Regulator and will only relate to commercially sensitive information, as is the case in some national markets.

## **SESSION 2: REVIEW OF THE WAPP OPERATIONS MANUAL**

***Moderator: Representative of the Chairman of the Consultative Committee of Operators***

The presentation made by ERERA focused on the review of the WAPP operations manual, which was submitted to it for approval. Prior to this approval, ERERA wished to gather the opinions and recommendations of the Consultative Committees of Regulators and Operators on the report produced by the consultant contracted by ERERA for analysis of the WAPP Operations Manual. The objectives, findings and conclusions of the analysis were presented.

The review of the WAPP Operations Manual undertaken by ERERA has the following main objectives:

- Check whether the Policies (directives) of the Manual are consistent with the ultimate goals of the WAPP
- Determine whether the Manual is applicable during the first phase of the regional electricity market
- Identify the requirements for the applicability of the Manual in WAPP
- Make recommendations for the effective implementation of the WAPP Operations Manual.

The analysis of the rules has led to their prioritization according to: if they are necessary and currently applicable, or they are necessary although not

applicable presently, or finally, if they are applicable only in the long term, taking into account the ultimate goals of the WAPP.

Prioritization of the rules of the Manual policies combined with the prioritization of WAPP objectives gave three sets of rules:

- Rules to be enforced in **immediate priority**
- Rules to be enforced in **next priority**
- Rules to be enforced in the long term in **subsequent stages**.

After the presentation, discussions were opened to gather the opinions of participants. The relevance of the study's findings received a general consensus. Various proposals were however made regarding the implementation methodology of the different prioritized rules.

In concluding the session, participants validated the findings of the report of the review of the WAPP Operation Manual, including the prioritization of the rules and the ultimate objectives of WAPP.

In doing so, it was suggested that all the rules of the Manual be kept, taking care to schedule different deadlines for their enforcement based on the adopted prioritization. Thus, the rules that will apply immediately will be declared mandatory, while those currently considered useful but applicable only under certain conditions to be set up will take only an incentive character while waiting to become mandatory in the medium term. As for the rules that are not yet applicable either immediately or in the medium term, they could be expressly mentioned as long-term objectives.

### **SESSION 3: WORKING GROUPS ON COLLECTION OF ELECTRICITY SECTOR DATA AND REGIONAL REGULATORY ACTIVITIES PLANNING**

***Moderator: ERERA Regulatory Council Member, Economist***

This session resulted in two presentations by ERERA.

Introducing this Session, ERERA's Regulatory Council Member, Economist, insisted that we cannot talk about regulation without the availability of reliable and current data. He urged the participants to respond positively to the objectives of the session, namely the establishment of two working groups: one for the collection of data and the other for consultation on the ERERA's work programme.

The first presentation focused on the data collection tool developed by ERERA, the "Form ERERA-101." The document was covered in detail to enable participants to be familiar with its contents and be better able to fill it as required. The form presented has five (5) sheets. These are:

- Historical statistics of the electricity sector in the concerned country for the last five (5) years;
- Identification of the contributors;



- General information on the basic characteristics of the sector (generation, number of operators, installed capacity, etc.). It is expected that the 2015 version of this sheet will include information on the access rate and retail prices.
- Supply by energy sources (component of the energy mix)
- Reliability of the distribution system (SAIDI and SAIFI).

To demonstrate the use and benefit of these raw data, ERERA presented the data collection compilation tool. Emphasis was put on retail prices, which will complete the 2014 data. Participants were asked to provide information on tariffs to allow this document to become a true benchmarking tool and decision-making support tool for all players in the sector.

After the presentation, participants intervened to share their difficulties in data collection. Among the difficulties noted by the participants were the reliability indicators of the distribution network, SAIFI and SAIDI. To address this problem, Regulators were advised to work in such a way as to make the operators take record of outages in terms of frequency, duration and number of affected customers.

The second presentation of the session was on ERERA's work programme. The work programme is an annual strategic document that sets, before the beginning of the given year, ERERA's priorities for the year. A work programme template was presented to allow participants familiarize themselves with the contents. ERERA intends to consult stakeholders over a period of two months, from October to November 2015.

Following discussions of the presentations in this session, the following recommendations were adopted:

- (1) Form ERERA-101 is validated and participants recognize the changing nature of this data collection tool.
- (2) The principle of establishment of two working groups is approved. ERERA will **formally request** from each institution to appoint members to these two working groups.

#### **SESSION 4: STATUS OF THE IMPLEMENTATION OF THE DIRECTIVE ON THE ORGANIZATION OF THE REGIONAL ELECTRICITY MARKET**

***Moderator: ERERA Regulatory Council Member, Legal***

The fourth session focused on the Directive on the organization of the regional electricity market. In this regard, ERERA's Regulatory Council Member, Legal presented key provisions of the Directive and highlighted the status of provisions for which ERERA is responsible for the execution. The key stakeholders' responsibilities for implementation are as follows:

	<b>ACTION</b>	<b>RESPONSIBILITY</b>
<b>1</b>	▪ Regional Market Design and Market Phases	WAPP & ERERA
<b>2</b>	▪ Regional Transmission Tariff Methodology	WAPP & ERERA
<b>3</b>	▪ Model Bi-lateral Contracts	ERERA
<b>4</b>	▪ Connection and Use of Network Agreement	WAPP & ERERA
<b>5</b>	<ul style="list-style-type: none"> <li>▪ Transmission Network Open Access</li> <li>▪ Amendment of Laws to Provide for Open Access</li> <li>▪ Definition Criteria for Eligible Customers</li> <li>▪ Functional or Cost Unbundling of Generation,</li> <li>▪ Transmission and Distribution Segments</li> </ul>	Member States
<b>6</b>	<ul style="list-style-type: none"> <li>▪ Promotion of Regulatory Governance</li> <li>▪ Tariff Setting and Market monitoring</li> <li>▪ Financial and Human Resources</li> </ul>	Member States

A segment was initiated in which participants of each Country gave a summary presentation of the status of progress of the implementation of the Directive.

In accordance with Articles 11 and 12 of the Directive, it was decided that each Member State should notify ERERA on the provisions or measures adopted to comply with the Directive, or eventually, any difficulties encountered in its implementation. To this end, ERERA will **send a letter** to each Member State.

This notification will allow ERERA to prepare recommendations to the ECOWAS Council of Ministers.

## **SESSION 5: CLOSING**

### ***Moderator: Chairman of ERERA***

The closing session was organized in three parts:

1. Any Other Business
2. Review and adoption of the meeting report
3. Closing Ceremony

Under Any Other Business, was discussed the issue of venue and conditions for hosting the next Regional Regulatory Forum of ERERA. It was agreed that every



effort should be made to maintain the venue of the 2015 Forum in Ouagadougou, Burkina Faso in July 2015. If it would be impossible, an alternative plan - Plan B - was envisaged for holding the Fifth Forum in Abuja, Nigeria in November 2015.

For Review and adoption of the meeting report, the francophone rapporteur presented a draft of the report and participants' observations were collected. The final version in French, and translated into English, will be circulated to participants for comments before being signed by the Chairmen of the Consultative Committees.

#### **D. CLOSING CEREMONY**

The closing ceremony was marked by the statements of:

1. Prof. Honoré BOGLER, Representative of the Chairman of the Consultative Committee of Regulators
2. Mr. Antoine AKEMAKOU, Representative of the Chairman of the Consultative Committee of Operators, and
3. El Hadj Ibrahima THIAM, Chairman of ERERA.

They all expressed appreciation for the convening of the meeting by ERERA and thanked participants for their valuable contributions. They also lauded the efforts of ERERA staff for the successful organization of the meeting.

The Chairman of ERERA closed the meeting by wishing all participants a safe return to their respective destinations.

**Done at Akosombo, 13<sup>th</sup> May 2015**  
**For the meeting**

**M. Fousseynou BAH**  
Rapporteur



**List des annexes:**

- Annex A: List of participants
- Annex B: Agenda as adopted

**Prof. Honoré BOGLER**  
Representative of the Chairman of the  
Consultative Committee of Regulators

