



ECONOMIC COMMUNITY OF WEST AFRICAN STATES
ECOWAS REGIONAL ELECTRICITY REGULATORY AUTHORITY

**FORUM ON REGIONAL REGULATION OF THE ELECTRICITY
SECTOR OF ECOWAS**

MEETING SUMMARY

Introduction

The first Forum on Regulation of the Electricity Sector of ECOWAS was organized from 9 to 10 November 2010, at the M-Plaza Hotel in Accra, Ghana. Over one hundred (100) participants from ministries in charge of energy, national regulatory bodies of the energy sector of ECOWAS member countries, electricity utilities, and regional and international organizations and institutions.

The objectives of the meeting include:

- A. Official launching of the ECOWAS Regional Electricity Regulatory Authority (ERERA);
- B. Disseminate the outcomes of activities carried out during the preparatory phase of the project;
- C. Pave the way for cooperation between ERERA and partner institutions

A. OPENING CEREMONY

The forum was opened at 9 a.m. and was chaired by:

- Mr. Joseph AMAKYI, Director of Cabinet of the Minister of Energy
- Mr. Celestin TALAKI, Commissioner in charge of Infrastructure, ECOWAS Commission

Representing respectively:

- Dr. Joe Oteng-Adjei, Ing. Minister of Energy of Ghana
- H.E James Victor GBEHO, President of ECOWAS Commission.

Four statements were made at the opening ceremony:

1. El Hadj Ibrahima Thiam, Chairman of ERERA
2. Mr. Bruno Leclerc, Representative of Agence Française de Développement (AFD)
3. Mr. Célestin Talaki, ECOWAS Commissioner for Infrastructure
4. Mr. Joseph Amakyi,, Representative of the Ministry of Energy if Ghana

B. SUMMARY OF PROCEEDINGS

The meeting was organized in six sessions on the following topics:

1. Electricity Regulation Issues
2. Regulation and development of the regional electricity market
3. Pilot regional regulation activities
4. Cooperation between ERERA and regional institutions
5. ERERA activity programme
6. Evaluation of the Forum

1. Regulation of the electricity sector

This session outlined the beginnings of the regional regulation project and the principles guiding its organization, the need for regulation and country experiences.

The session further detailed the process leading to the establishment of ERERA and the principles guiding its organization, namely:

- independence of the Board: Its members are permanent and appointed for a single five-year term;
- An institution that will evolve in line with the development of the regional market (Three-member board supported by a light technical team and administrative staff);
- Three consultative committees comprising national regulators, operators and representatives of consumers to be set up, as a participatory process, although national administrations are already represented at meetings of the ministers of energy;
- Technical audit every three years to assess regulation requirements, in line with market development.

The regulators of Ghana and Senegal also made presentations on the status of national and regional regulation, the challenges and prospects for cooperation with the regional regulator.



2. Regulation and development of the regional electricity market

An example of how the European market is built was presented. The principles for its implementation were outlined, namely, i.e.:

- An European regulator in each member State;
- Independent transmission and distribution systems operators;
- Access to regulated grid with tariff that does not depend on distance;
- Bilateral contracts and non-compulsory electricity exchanges;
- Managing congestions, based on market mechanisms;
- Compensation mechanism between TSOs for international transits.

A regional market should be built through gradual integration of national markets. Furthermore, technical relations between electricity sector stakeholders should be set forth in a regional and national grid codes.

To ensure real time system equilibrium and reliable operations, the TSO buys auxiliary services from producers for frequency and voltage control and Black Start units.

The second presentation was on the West African Power Pool (WAPP) - its structure, network and prospects. Interactions between ERERA and the WAPP General Secretariat were outlined. A close collaboration between these two structures is vital for integrated development of the electricity sector in the ECOWAS region.

3. Pilot regional regulation activities

The presentation dealt with assistance to SOGEM with a view to improving power pooling among OMVS member States and assistance to Malian and Senegalese authorities to set up limited third party access to the power transmission grid.

4. Cooperation between ERERA and regional institutions

Risk that ERERA's responsibilities will conflict or overlap with those of other institutions with similar responsibilities was considered. ERERA, which regulates cross border electricity exchanges, has authority to regulate, settle conflicts and impose sanctions.

The scope of intervention of ERERA may conflict with those of UEMOA and OHADA institutions, sub-regional organizations (OMVS, OMVG), national institutions (national regulators) or even ECOWAS institutions. This has to do with sectoral issues or competition rights.



Consultation mechanisms have been introduced into regulatory texts and have also been put into practice to institute dialogue among various organizations. This cooperation could be deepened by signing agreements between regional institutions belonging to different jurisdictions.

5. ERERA activity programmes

A progress report was made on the establishment of ERERA. Its medium-term activities and methods of operation were also outlined. These activities concern:

- Assistance to ECOWAS Commission for the formulation of a regional energy policy;
- The review and analysis of the contracts of existing exchanges of electricity for their harmonization and for the proposal of best practices;
- The support to the organization of the national and regional markets, and assistance to ECOWAS Commission in the drafting of the directives necessary for this purpose;
- Assistance to the States engaged in the establishment of a national regulatory body;
- Drafting of the directives for the relations between the national regulators and ERERA, and for the issuance of licenses at the regional level and monitoring of the regional electricity market.
- Capacity building through studies and exchange programmes.

6. Recommendations

(See document joint in appendix)

Done in Accra, on November 10, 2010

