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Means, Ends and Challenges in Nordic Electricity Network Regulation

SEMINAR INVITATION

2005-04-22

Nordenergi

SUMICSID AB

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Friday, April 22, 2005
Fortum, Värtahamnen, Hangövägen 19, Stockholm

Program

09.00 ***Welcome and introduction***
Per Agrell, SUMICSID
Kari Koivuranta, NordEnergi/Fortum

09.10 ***How would the networks like to be regulated?***
Kari Koivuranta, Fortum

Aspirations of harmonized network regulation from the firms' perspective. What should be achieved by feasible and further developed regulation models and common principles?

09.30 ***Key success factors of regulation***
Mikko Syrjänen, Gaia

Dr Syrjänen presents findings from an empirical and analytical study on the current Nordic electricity network regulation regimes from a stakeholder perspective. Which are the aspirations and drivers behind the different countries and actors? Convergence, conflicts and key issues are discussed in this talk.

10.30 Coffee break

10.45 ***Quality in regulation or regulation of quality: a national and European perspective***
Misja Mikkers, ENCORE

Mr Mikkers from ENCORE shares Dutch experiences on quality regulation in electricity distribution as an example of regulatory divergence and harmonization. Drivers, limits and challenges for harmonization are addressed.

11.45 ***Panel discussion***
Peter Bogetoft, SUMICSID
Kari Koivuranta, NordEnergi
Misja Mikkers, ENCORE
N N, Energy Market Authority (Finland)

Audience and speakers are invited to an open discussion on the stakeholder perspective of the Nordic and European network regulation. Which are the key issues to address to achieve harmonization? Which are the true barriers?

12.30 Lunch

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About the Speakers

Per Agrell,
SUMICSID

Professor Per J. Agrell, tekn.dr. at the Catholic University of Louvain, Belgium, is a well renowned researcher and expert in the field of regulatory efficiency analysis and managerial economics. As a senior associate of SUMICSID AB since 1995, Agrell has been active in numerous regulation, benchmarking and market design projects for the European Commission, national regulators and utilities in the energy sector. Currently, prof. Agrell is project leader of the NEMESYS study,

Peter Bogetoft,
SUMICSID

Professor Peter Bogetoft, dr. merc., Royal Agricultural University, Denmark has for several years been a leading scholar within efficiency analysis and incentive provision where he initiated the combination of non-parametric methods and agency theory in 1994. Besides numerous international articles and five books on decision making, incentives, and efficiency analysis, Bogetoft has been a senior associate of SUMICSID AB since 1999 and is deeply involved in applied regulation design and analysis projects all over the world.

Kari Koivuranta,
NordEnergi

Mr Kari Koivuranta,, B.Sc. (E.E.), MBA, from Fortum Distribution works currently as regulation expert in Nordic perspective. He has acted over 25 years in electricity distribution companies mostly on planning and business development issues in top management level. The regulatory issues and benchmarking methods have been the major sectors during the recent years. Currently Mr Koivuranta is the Chairman of Nordenergi Working Group Network Regulation.

Misja Mikkers,
ENCORE

Misja Mikkers, MSc is currently doing research at ENCORE (Economics Network for Competition and Regulation) at the University of Amsterdam in his service for the newly installed Health Sector Regulation Authority. Mr Mikkers has been a driving force in the establishment of the Dutch network regulation, devoting particular attention to the development of yardstick and efficiency based regulation instruments.

Mikko Syrjänen,
Gaia Group OY

Dr. Mikko Syrjänen is an expert in operations research and management science. He completed his doctoral studies in 2003, in which he specialized in efficiency and productivity analysis, particularly Data Envelopment Analysis, including target setting and resource allocation based on efficiency analysis. Dr. Syrjänen's experience includes projects in the areas of innovation, education and environmental policy, and electricity distribution.

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The Nordic Efficiency Model for Electricity distribution SYStems (NEMESYS) aims at developing a common regulation model for electricity distribution in the Nordic region (NordPool region). The project contains three major subprojects:

A) Regulatory System Analysis

Based on an established methodology for regulatory approaches, a careful analysis is performed of the interactions implied by the integrated energy market directives and the degrees of freedom in the institutional and industrial setting in the Nordic countries. This phase also includes a forward and outward looking review of regulatory systems, industry performance and the dynamics of industry development and regulation.

B) Regulatory Mechanism Design

Based on the structured methodology in A, the mechanism design subproject develops a regulation framework that addresses the current and future challenges and that has the potential to accommodate the country specific factors in a systematic and objective manner.

C) Efficiency Model Development

In parallel with A and B, the project performs analysis and development of a performance measurement platform that corresponds to the regulatory standards and information requirements. The process includes estimating the data and processing needs and to demonstrate its applicability in the entire region using representative industry data. The model explicitly addresses the horizon, investment and quality dimensions of the service, in addition to operating cost and task complexity.

The NEMESYS project is commissioned by Nordenergi and staffed by SUMICSID AB as project coordinator and EC Group AS, Gaia Group OY, SKM Energy Consulting AS and RR Institute of Applied Economics as project partners.

http://www.nemesys.sumicsid.com