



**Prospects for Common Nordic  
Electricity Distribution Regulation**  
**SEMINAR INVITATION**

**02-11-2005**

**Nordenergi**  
**SUMICSID AB**

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Wednesday, November 2, 2005

Hotel Airport Cumulus, Helsinki-Vantaa, Finland

Program

- 11.30 Lunch
- 12.15 **Opening**  
Juha Naukkarinen Chair of Nordenergi  
Nordenergi view on regulatory harmonization.
- 12.30 **Diverging regulation = diverging preferences?**  
Mikko Syrjänen, Ph.D, Gaia Group  
Results from a four-country stakeholder survey on DSO regulation.
- 13.00 **Regulatory dynamics in the Nordic energy sector**  
Prof. Peter Bogetoft, SUMICSID  
Insights from a study on new regulatory systems for DSO incentives
- 13.30 **Concepts and ideas of a future pan-Nordic DSO regulation**  
Prof. Per Agrell, SUMICSID  
Introduction to the NEMESYS proposal for regulatory harmonization
- 14.00 Discussion
- 14.30 Coffee Break
- 15.00 **Comments on the proposal**  
Prof. Jean-Michel Glachant, University Paris XI  
Discussion by chairman of the SESSA project.
- 15.45 **Harmonization: Regulators view**  
Thor Erik Grammeltvedt, Norwegian Water Resources and Energy Directorate  
A personal opinion on the proposal
- 16.45 **Panel discussion**  
Chair: Harry Viheriävaara  
Participants: Prof. Glachant (Univ Paris XI), Ketil Grasto Røn (Hafslund), Prof. Agrell (SUMICSID), Thor Erik Grammeltvedt (NVE).
- 17.15 **Conclusions and closing**

## About the Speakers

**Juha  
Naukkarinen,  
Nordenergi**

Juha Naukkarinen, cand.juris (Helsinki university) and MBA (Helsinki School of Business), chairman of Nordenergi 2005-2007, Managing Director of the Association of Finnish Energy Industries (Energiateollisuus ry) was the president of Sener (Finnish Electricity Association from 1995 to 2005. Prior activities include leading positions in private healthcare management, tourism and civil service (department of justice). Mr Naukkarinen serves on the board of several companies.

**Mikko Syrjänen,  
Gaia Group**

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.

**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.

**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,

**Jean-Michel  
Glachant,  
University Paris XI**

Professor Jean-Michel Glachant, PhD is head of the Economics Department at University Paris XI, long-term director of the New Institutional Economics research center at Sorbonne. Extensively involved in research projects on utility privatization and regulation, electricity markets and competitive restructuring. Member of the Economic Advisory Committee for the French energy regulator, coordinator of the EU funded project SESSA on European electricity reforms, and currently scientific expert for the electricity sector enquiry of the DG COMP. He is a founding member of the new *European Energy Institute*. Some recent books are *Competition in European Electricity Markets. A Cross-country Comparison*, Edward Elgar, 2003 and *The Economics of Contracts. Theories and Applications*, Cambridge University Press, 2002.

# nemesys

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>