

Ministry of Industry and Energy initiated the on the new Energy law which is expected to have real effects on the energy market related to the allocation of supply and distribution which is the main instrument for market liberalization.

The main object of the law is the organization of a competitive market, granting of authorizations and licenses, regulation of the market for energy supply and protection of customers and integration into regional energy markets.

One of the leading law changes related to the functioning of the transmission and distribution systems are how fees will be approved. According to Article 20 of the draft fees charged by operators for access to the network should be transparent and cost-oriented. Production and distribution system transmission and distribution should provide power connections on the principle of non-discrimination and separate accounts to avoid corruption, cross- subsidies and violation of competition.

Article 67 of the draft being discussed with stakeholders provides that “distribution system operator should be legally separate and independent from other activities which have nothing to do with the distribution of electricity, including the supply in terms of shape its lawful “.

Article projects that distribution system operator is part of a vertically integrated company. Also draft-law on Article 63 provides that the distribution system operator (OSSHEE) without discrimination provides service for all applicants who meet the requirements specified in this Law and legal acts while monitors compliance with the requirements and performance standards prescribed by the applicable technical regulations.

The law provides that distribution network is developed on the principles of cost-effective in accordance with urban planning, property rights, environmental protection and human health and the efficient use of energy.

Shared ownership of transmission

According to the draft as from 1 January 2016 the same person or the same persons are not eligible to simultaneously exercise control over a licensee who commits any of the production and supply activities and exercise control or any right next to the transmission system operator or distribution network.

TSO has the right to impose and collect a fee calculated in a communication to the methodology approved in advance by the ERE. TSO has no right to buy and sell energy except to cover losses in the transmission system as given is entitled to exchange or contractual reserves in order to stabilize frequencies within the network, with the neighboring TSOs under the respective agreements .

The draft is expected to be submitted for approval to the Council of Ministers after receiving comments and suggestions and then be sent to Parliament for discussion and approval to possibly enter into force in early 2015 to make way for the adoption of other documents regulation of the energy market as Market Model and Regulatory Statement new energy

tariffs for tariff customers.