

# EXCLUSIVE INTERVIEW



**ICMA:** How has ERRA’s mission adapted over time to address today’s evolving energy challenges?

**Ms. Andrijana:** ERRA’s mission is to support the strengthening and improvement of the regulatory frameworks of its member organizations. As the energy sector undergoes change—both due to sector reforms and the energy transition—ERRA’s support to its members is also shifting to improve the enabling environment for investments, accommodating the transition by adopting regulatory frameworks that provide certainty while mitigating market distortions. This approach is reflected in the working groups of our committees and also in our training and educational programs. For instance, we have now established an Energy Transition Committee and organized 6 training sessions on this topic in the last two years alone. Sector reform and the introduction of efficient markets remain a priority for our members, and this is now complemented by investment incentives to accommodate the energy transition, both in the form of new capacities and grid infrastructure.

**ICMA:** What key milestones define ERRA’s success in advancing energy regulation, and what are your current priorities for the Association?

**Ms. Andrijana:** ERRA was established in 2000 with a mandate to improve energy regulation, foster the development of stable energy regulatory bodies, and ultimately contribute indirectly to the integration of energy markets. Twenty-four years later, we can confidently say that we have fulfilled the founding mission and achieved far more. The success of ERRA has attracted an increasing membership of regulators from five continents, who use this unique platform to exchange knowledge on best regulatory practices.

ERRA recently held its 21st Annual Conference, the Energy Regulators Forum (ERF), in Bangkok, Thailand, hosted by the Energy Regulatory Commission (ERC) of Thailand. The conference took place in parallel with the Future Energy Asia Exhibition and Summit, Asia’s leading energy transition platform, which attracted more than 21,000 attendees from across the region. One of the major highlights of the conference was the significant interest from the ASEAN region, particularly from energy regulators in Malaysia, Singapore, Myanmar, the Philippines, and Indonesia, which has greatly expanded ERRA’s outreach in Southeast Asia.

**Ms. Andrijana Nelkova-Chuchuk**  
Chair, Energy Regulators Regional Association (ERRA)



“ERRA was established in 2000 with a mandate to improve energy regulation, foster the development of stable energy regulatory bodies, and ultimately contribute indirectly to the integration of energy markets. Twenty-four years later, we can confidently say that we have fulfilled the founding mission and achieved far more”

The conference convened energy regulatory leaders, ERRA partners, and other industry representatives to engage in strategic dialogue on policy and regulatory developments. The main priority for the association remains to bring together energy regulators from around the world to share best practices, support the strengthening and improvement of energy regulation, and chart a way forward for the energy transition.

**ICMA: Capacity building is crucial for regulatory effectiveness. What key training programs or workshops does ERRA offer to help member countries improve their regulatory expertise?**

**Ms. Andrijana:** In order to improve the regulatory expertise of member regulators, ERRA provides introductory-level educational programs, such as the Power and Natural Gas System Basics training courses for non-engineers and ERRA's pioneering Summer School series for junior employees of both member and non-member organizations on the introduction to energy regulation.

While the majority of ERRA's training programs focus on the gas, electricity, water, and renewables sectors and are aimed at intermediate and high-intermediate regulatory staff, we also offer in-depth courses for advanced-level experts to enhance their understanding of specific topics, such as ERRA's training course on the principles of Economic Regulation and Electricity Tariffs. Additionally, every year, ERRA organizes workshops and seminars for senior-level regulators and utility executives, providing an exclusive platform for capacity-building and discussions on relevant regulatory policy objectives. ERRA also consistently updates its members and the public about upcoming training programs through its website.

**ICMA: What are the most pressing regulatory challenges faced by Pakistan's power sector today, and how can ERRA assist in building a more resilient and effective regulatory framework?**

**Ms. Andrijana:** In ERRA's 2023 edition of the Activity Report, an exclusive interview was featured with Mr. Sajid Akram, ERRA Presidium Member and Additional Director General of the National Electric Power Regulatory Authority (NEPRA) of Pakistan. Mr. Akram outlined those issues related to competitive trading bilateral markets (after its launch), wheeling charges, price increases, affordability challenges, and opportunities for energy transition remain significant policy and regulatory concerns. According to him, ERRA can be extremely helpful on all the aforementioned topics, as most of ERRA's members are already operating in relatively mature energy markets and have diversified and allocated risks along with their associated costs to different players in the power sector. Addressing the challenges posed by energy transition and exploring potential solutions is also the primary focus of ERRA's Energy Transition Committee. Additionally, ERRA's comprehensive online library, which brings together resources on various regulatory issues — including technical issue papers, benchmarking reports, sector

“

Energy regulators play a crucial role in balancing the interests of suppliers and customers by developing methodologies, frameworks, and rules to ensure the sustainable functioning of the sector, continuous energy supply, and the protection of consumer interests

”

analysis, and podcasts produced by ERRA and its partner organizations — can be very useful for NEPRA in coping with both current and upcoming challenges. ERRA Online Library is available on link: <https://erranet.org/erranet-online-library/>. For details on scope of Energy Transition Committee work, please access: <https://erranet.org/member-activities/energy-transition-committee/>

**ICMA: How does ERRA's collaborative mission provide tangible benefits to member countries, especially those experiencing energy crises like Pakistan?**

**Ms. Andrijana:** Energy regulators play a crucial role in balancing the interests of suppliers and customers by developing methodologies, frameworks, and rules to ensure the sustainable functioning of the sector, continuous energy supply, and the protection of consumer interests. Through various activities, most notably the work of technical committees, ERRA has assisted many of its members in gaining more substantive knowledge on key functions such as licensing, tariff setting, and later, in developing more complex regulatory reforms and market tools. Another way we support our members is through ERRA trainings, which provide a unique opportunity to learn from leading professionals in the field, including regulators, system operators, consultants, and independent experts.

**ICMA: How does ERRA collaborate with National Electric Power Regulatory Authority (NEPRA) to advance energy regulation in Pakistan?**

**Ms. Andrijana:** ERRA not only provides access to a diverse knowledge base but also offers an opportunity to learn from the examples and experiences of other member regulators with well-established regulatory frameworks and reform processes. In his interview for the ERRA Activity Report 2023, Mr. Akram noted that NEPRA always encourages its professionals to utilize and contribute to ERRA's research activities, which refine and mature its existing regulatory functions. He also mentioned that NEPRA's first exposure to electricity markets came through ERRA's platform when its delegation visited the Energy Market Regulatory Authority (EMRA) of Türkiye. This exposure subsequently enabled NEPRA to undertake a member-to-member project with the Public Utilities Commission (PUC) of Latvia, enhancing its core knowledge to complete all its regulations related to competitive trading in bilateral markets.

**ICMA: How is ERRA guiding regulators in the transition to sustainable and renewable energy sources?**

**Ms. Andrijana:** ERRA is supporting regulators in the transition to sustainable and renewable energy sources through its Committees and Research Publications. For instance, following the COP29 Azerbaijan summit, and with assistance from the Regulatory Assistance Project (RAP), ERRA recently developed and published the study Navigating Power Grid Scarcity in the Age of Renewable Energy – Policy and Regulatory Context and Tools. The study highlights that grid scarcity in countries with advanced renewable energy integration phases is a significant barrier to a successful energy transition. It also provides insights into how ERRA regulators perceive grid scarcity and offers policy and regulatory tools to address this challenge effectively. The report is available on the ERRA website at the following link: <https://erranet.org/2024-grid-paper>

**ICMA: How does ERRA help members adapt their regulatory frameworks to digital and technological advancements?**

**Ms. Andrijana:** The energy transition is driving paradigm shifts in how energy sectors are developed and operated, particularly impacting the power sector. This shift is marked by the integration of more intermittent Renewable Energy Sources (RES) and increased demand from electrified heating and transport. According to IEA forecasts, over two-thirds of global electricity will be generated by variable RES, such as wind and solar, by 2040. Meanwhile, electricity consumption is projected to rise by more than 77% by 2050.

These dynamics necessitate adjustments to regulatory frameworks, including enhancing predictability to attract investments in generation and networks, streamlining procedures to expedite investments, and encouraging flexibility to accommodate production variability. ERRA facilitates discussions on these challenges, sharing best practices across its geographically diverse membership base, with insights reflected in internal meetings and capacity-building events.

**ICMA: With the energy market’s growing complexity, how is ERRA evolving its strategies to stay ahead?**

**Ms. Andrijana:** ERRA initially established two standing committees for its members, as outlined in its constitution: the Licensing Committee and the Tariff-Setting Committee. However, with the progression of the energy transition and ongoing energy sector reforms, it became increasingly evident that members required broader discussions on topics such as the energy transition, the future role of gas, and balancing the need for greater investment with market-driven efficiency.

To address these evolving needs, ERRA introduced additional committees and working groups focused on the economic regulation of electricity, natural gas, customer protection, and energy transition. Furthermore, recognizing

“ NEPRA's first exposure to electricity markets came through ERRA's platform when its delegation visited the Energy Market Regulatory Authority (EMRA) of Türkiye. This exposure subsequently enabled NEPRA to undertake a member-to-member project with the Public Utilities Commission (PUC) of Latvia, enhancing its core knowledge to complete all its regulations related to competitive trading in bilateral markets ”

the interconnected nature of these issues, ERRA organizes joint committee meetings to foster holistic discussions. For example, renewable energy transitions often necessitate long-term contracts for investment, but such contracts can distort organized markets without proper price signals. In these cases, the Energy Transition Committee and the Economic Regulation of Electricity Committee collaborate to evaluate the benefits and challenges of various support schemes, balancing price stability and market compatibility.

**ICMA: Looking ahead, what is your vision for ERRA's role in shaping the future of global energy regulation? What strategic initiatives are being planned to enhance the association’s impact?**

**Ms. Andrijana:** To enhance its impact, the association is committed to expanding its outreach through conferences, workshops, and various educational events. Over the years, the association has adapted to address a wide range of region-specific topics and successfully implemented a system to prioritize these issues globally across diverse regulatory environments. This evolution has prompted the development of tailored educational programs for specific regions, including Central and Southeast Asia, the Gulf, the Caucasus, as well as Western, Eastern, and Southern Europe.

To further strengthen and advance regulatory frameworks—particularly in support of an efficient, reliable, and sustainable energy transition—ERRA will intensify its capacity-building initiatives. These projects aim to enable regulators from different countries and regions to share their diverse experiences and insights, fostering the adoption of best regulatory practices worldwide.

*The Editorial Board thanks Ms. Andrijana Nelkova-Chuchuk, Chair, Energy Regulators Regional Association (ERRA) for sparing from his precious time to give exclusive interview for Chartered Management Accountant Journal.*