

AD-HOC TECHNICAL ASSISTANCE PROJECT

AHEF No. AZ 14

Project Title

Recommendations based on the best practices of the EU countries with respect to rules and procedures for connection to the grid and connection tariffs

Country (s) Azerbaijan

Timescale for implementation March – July 2011

Beneficiary(s)

Tariff Council of the Republic of Azerbaijan

Main and specific objectives

The **overall objective** of the assignment was to assist the Tariff (price) Council of Azerbaijan in preparing the necessary background on connection to the electricity grid rules and charges based on the EU practice. The **specific objectives** of the assignment were:

- To review relevant EU practices with respect to the rules, conditions and charges for connection of users to the electricity grid;
- To analyse the existing regulations and rules in the country;
- To prepare recommendations regarding the rules and connection tariffs based on the EU experience.

Results achieved

After having analyzed the situation, the SEMISE team of experts came to a number of **conclusions and recommendations** key among which are: (1) the procedure of connection to the grid is not transparent and thus there is a possibility that energy companies might take advantage of their monopoly position (2) the improvement of the procedure of new consumers' connection to the grid requires not only the adoption of the necessary regulatory documents as stipulated in the Decree of the President of May 24, 2010, but also gradual implementation of reforms in the electric power industry and (3) Rules of connection of new consumers to the grid must be developed based on recommendations of European Regulators Group for Electricity and Gas (EREG).

Useful information/ relevant documents

Selected references:

- (1) ERGEG Draft Guidelines of Good Practice on Electricity Grid Connection and Access“, ERGEG, 11 March 2009, Ref. E08-ENM-09-03.
- (2) ERGEG Final report, The lessons to be learned from the large disturbance in the European power system on the 4th of November 2006“, ERGEG, February 2007, Ref. E06-BAG-01-06.
- (3) Distributed generation connection charging within the European Union. Review of current practices, future options and European policy recommendations», Knight, R. C., Montez, J. P., Knecht, F., Bouquet, T., 2005, Project Report, EIE-Project ELEP.

For further information please contact the SEMISE Secretariat in Kiev.

Contact point for further information: Mr. Vidmantas Jankauskas | v.jankauskas@inogate.org