

The Presidents of the Mediterranean Energy Regulators and the Leading Industry Cooperate to Grasp the Energy Complementarities of the Northern and Southern Shores

Selinunte, 12 June 2024

Hosted in the Sicilian archaeological site of Selinunte by the Italian Regulatory Authority for the Energy and Environment (ARERA), the Presidents of energy regulatory authorities, member of MEDREG, gathered for the fourth time with industry leaders and policymakers from across the Mediterranean region to steer reflections and identify winning strategies that incentivise investments in cross border interconnections and energy infrastructures.

The countries bordering the Mediterranean Sea are already linked by an interconnected energy system consisting of electricity grids, natural gas pipelines, and renewable energy projects. However, the evolving geopolitical landscape and the emergence of innovative technologies have reshaped the energy dynamics, placing the North African and Middle Eastern countries at the centre of the Euro-Mediterranean energy flows, and requiring extended cooperation and improved interoperability.

Presenting the Italian Energy Strategy, the Italian Minister of the Environment and Energy Security **H.E. Mr. Gilberto Pichetto Fratin**, indicated that:

“The Mediterranean Sea is gaining an increasingly central role in the global energy scenario. Italy, located at the heart of this area, has all the potential to establish itself as an energy bridge between the North and South, East and West of the Mediterranean Basin.

In a context marked by new international dynamics intertwined with energy security and sustainability, the role of Regulators is crucial. The common goal is to foster energy cooperation among the Mediterranean countries and achieve a socially equitable energy transition that leaves no one behind.”

Opening the workshop, **Mr. Abdellatif Bardach**, President of MEDREG and of the Moroccan Electricity Regulatory Authority ANRE stated:

“Amidst the evolving dynamics of the global energy landscape, today marks an important moment in our commitment to reshaping energy dialogues. As we gather to address both present and future challenges, our focus extends to enhancing interconnected infrastructures and advancing the integration of energy systems in the mediterranean region and beyond. This strategic endeavor aims to cultivate innovative solutions that not only propel us towards a sustainable and decarbonized future but also ensure our adaptability to rapid changes. Emphasizing the importance of regulatory independence is crucial; it guarantees market fairness and transparent decision-making. Each regulator’s role is to tailor these strategies within their own context, sending a powerful, unified message to decision-makers globally. Our discussions are not just about immediate issues but about setting a resilient framework for the generations to come. We are committed to a collective vision that transcends regional boundaries, fostering a robust and fruitful global dialogue.”

For his part, **Mr. Stefano Besseghini**, Permanent Vice President of MEDREG and President of the Italian Regulatory Authority for the Energy and Environment ARERA pointed out that:

“Today’s discussion facilitates the collaboration and mutual understanding among the presidents of the Energy Regulatory Authorities of the Mediterranean region. This cooperation is necessary to adopt a coherent regulatory approach at regional level, which constitutes a prerequisite to attract infrastructure investments and exploit the full potential of renewable energies and LNG of the Mediterranean region, and ultimately, decarbonise the energy sector. Furthermore, Sicily, due to its

history and location, is a crossroads of different cultures and origins and perfectly represents the spirit of MEDREG.”

In order to nourish their exchanges to be held in a close roundtable in the afternoon, the Presidents of the energy regulatory authorities debated with top-level representatives from the Italian firms Eni, Terna and Snam. The latest energy trends of the region were exposed as well as the projects undertaken to further develop the energy market and grasp the opportunities that the region holds in terms of energy production and trade.

Part of the challenges to harvest the energy complementarities between the northern and the southern shores lie in insufficient or aging infrastructure, high investment needs, technical barriers, and divergent policies and regulations.

Addressing these challenges requires concerted efforts from Mediterranean energy stakeholders. This is why energy regulators, TSOs and the energy utility EDF examined the opportunities of cross-border energy trade in the Mediterranean region and considered the presence of isolated systems and the diverse energy networks and regulations. Furthermore, participants explored innovative business models, financing mechanisms, and strategies for renewable energy deployment in these isolated areas.

Providing the EU’s perspective, Stefano Grassi, European Commission Head of Cabinet of the European Commissioner for Energy highlighted that:

“Promoting a wider energy cooperation in the Mediterranean is a strategic priority for the European Union. Today, the Mediterranean is central to Europe’s energy security as we redesign our supply routes and network of partners phasing out Russian fossil fuel imports. And it can become tomorrow’s powerhouse for Europe’s green economy, based on exports of renewable electricity, hydrogen and renewable gases. Aligning the regulatory frameworks between the countries of the two shores, fostering collaboration on infrastructure planning and funding, and creating mutual trust are key ingredients for better regional cooperation. Regulators are key players in this. MEDREG Presidents’ workshop in Selinunte is a very welcome and timely opportunity to take forward the conversation around these issues and open up new avenues for mutually beneficial cooperation between the EU and the Mediterranean partners.”

Enhancing regional cooperation, investing in modern infrastructure, adopting convergent regulations, and promoting sustainable energy practices at regional level emerged as essential steps towards a more resilient and integrated Mediterranean energy market.

This high-level encounter and thought-provoking discussion brought invaluable insights and complementarity to the technical analysis, research and recommendations that MEDREG is developing all year round to guide its members in their regulatory practice. These various initiatives are forging a coherent regulation at regional level leveraging infrastructure investments, cross-border trade, and renewable energy integration just to name a few, laying the ground to turn the Mediterranean region into a sustainable energy hub providing secure, reliable and affordable energy to its citizens.

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MEDREG is the Association of Mediterranean Energy Regulators, which brings together 28 regulators from 23 countries, spanning the European Union (EU), the Balkans and North Africa. Mediterranean regulators work together to promote greater compatibility of the regional energy markets and legislation, seeking progressive market integration in the Euro-Mediterranean basin. Through constant cooperation and information exchange among members, MEDREG aims at fostering consumer rights, energy efficiency, infrastructure investment and development, based on secure, safe, cost-effective and environmentally sustainable energy systems. MEDREG

acts as a platform providing assistance to its members as well as capacity development activities through training sessions and workshops as well as personalised hands-on initiatives. The MEDREG Secretariat is located in Milan, Italy. MEDREG is co-funded by the European Union.

For more information, visit www.medreg-regulators.org

ARERA (the Italian Regulatory Authority for Energy, Networks and Environment) carries out regulatory and supervisory activities in the sectors of electricity, natural gas, water services, waste cycle and district heating. An independent administrative authority that operates to ensure the promotion of competition and efficiency in public utility services and protect the interests of users and consumers.

These functions are performed by balancing operators' economic and financial objectives with general social objectives, for environmental protection and the efficient use of resources. It also provides advisory services to the Government and the Parliament in matters within its competence, also for the purposes of defining, transposing and implementing EU legislation.

The resources for the Authority's operation do not come from the State budget but from a contribution calculated on the revenues of regulated operators.

The Board of ARERA consists in a President and four members appointed by Italian Presidential Decree, after approval by the Council of Ministers of a proposal from the Ministers responsible and with a favourable two-third majority of the members of the competent Parliamentary Committees.

The President and the members remain in office for a non-renewable seven year-term.

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