

**Speech of**  
**H.E. Dr. Mohamed Moussa Omran**  
**Chairman of**  
**Egyptian Electric Utility and Consumer**  
**Protection Regulatory Agency**

**at the**

**OPENING OF THE 13<sup>TH</sup> ANNUAL GENERAL MEETING (AGM) OF  
THE REGIONAL ASSOCIATION OF ENERGY REGULATORS FOR  
EASTERN AND SOUTHERN AFRICA (RAERESA)**

**15<sup>TH</sup> MAY 2024**

**CAIRO  
EGYPT**

**Distinguished Guests,**

**Ladies and Gentlemen,**

At the outset, /I would like to convey the greetings of H.E. Dr. Mohamed Shaker Elmarkabi/ Minister of the Electricity and Renewable Energy of Egypt.

On behalf of the government of Egypt /and indeed on my own behalf, /I would like to welcome you all in Egypt./ It indeed great honoured to host the Thirteenth Annual General Meeting (AGM) of the Regional Association of Energy Regulators for Eastern and Southern Africa/ (RAERESA)/ in Cairo. /

I would also like to express my sincere appreciation to Kenya/ for its leadership role of the RAERESA./

**Chairperson**

**Distinguish Delegates**

Your presence at this meeting, /clearly demonstrates the support your countries have/ for the programmes of the Common Market for Eastern and Southern Africa (COMESA),/ one of which is RAERESA and the determination we all have in ensuring that, /through COMESA,/ we collectively achieve the noble objectives we have set for ourselves/ including the ultimate goal of improving the living standards of our people, through energy. /

## **Distinguished delegates, Ladies and Gentlemen.**

The world is experiencing unprecedented scale of extreme weather events, threatening the very survival and development of humanity. So the Regional and international Organizations should unite and take immediate actions to jointly promote low-carbon development and achieve the goals of the Paris Agreement. This requires stepped-up efforts towards Energy Transition. The global Energy Transition is more than a simple Transition of the energy sector. It is a multi-dimension transformation which encompasses socio-economics, technologies, form of finance, policies and regulations. Such transformation requires dedicated efforts from the Regional and international Organizations with countries around the world.

### **Ladies and Gentlemen**

Investment in Renewable energy projects needs an enabling environment and finance attraction to fund the potential projects, such funds are dependent on the credibility of the institutions developing and implementing RE policy. Here where it comes the great importance of energy regulators all over the world to encourage private sector investment, and in order to address different challenges and risks facing Renewable Energy projects, and to define the most appropriate regulatory frameworks, the incentive schemes, the role of different stakeholders, the financial instruments and how to mobilize such financial and natural resources to attract private investments.

Investments in clean energy infrastructure will need to be scaled up significantly in the coming years to support the broader development, economic and climate agenda. Given strains on public finances, engaging private sector capital will be key.

Several obstacles such as fossil-fuel subsidies, the lack of supportive policies as well as outstanding barriers to international trade and investment – still hamper investment in renewable energy.

A key challenge for host-governments to catalyze investment flows in clean energy is to design and implement clear and predictable domestic policy frameworks.

We can say that “Effective regulation is a key enabler of an improved business environment for private sector,

### **Ladies and Gentlemen**

Countries that managed to transition to better equilibria for their electricity sector, are characterized by better regulatory frameworks (including adequate tariff setting, enforcement of penalties, and appropriate energy dispatching rules), lower generation costs, lower theft ratios, government subsidies, and investment levels that are large enough to guarantee an electricity supply that is commensurate with peak electricity demand.

Many countries have established a Regulatory Authority with the necessary legislation, but there are still critical gaps that need to be addressed the Regional Organizations like RERESSA and international Organizations can take the lead.

**Distinguished delegates,**

## **Ladies and Gentlemen**

From long time ago, \ Egypt's Electricity sector has started its transition to low - carbon electricity sources, \ it relies basically on exploiting renewable energy resources \ and contribute significantly to improve energy efficiency, \ securing electric supply and reducing emissions.

Egypt is rich in renewable energy resources, / especially wind and solar energy. / Now the share of the renewable energy capacity has reached about /20% of the maximum peak load. / In addition, / an integrated sustainable energy strategy for year 2035 was approved, / in which / the share of the renewable energy in the total energy mix / will reach 42% by year 2030. /

## **Ladies and Gentlemen**

### **All success Egypt achieved in electricity sector \ thanks to the regulation**

The Egyptian electricity market is now regulated by the Electricity Law \ and its executive regulations which aim to: \

- ❖ Liberalize the electricity production and distribution market.
- ❖ Encourage private investments in the energy sector.

The Egyptian Electric regulatory Agency is the key actors \ that can enable and facilitate the energy transition \ by overseeing the operation \ and development of the electricity sector \ and ensuring that it meets the public

interest objectives of safety, efficiency, reliability, affordability, and environmental sustainability.

Over the past 3 years, Egypt ERA has created a set of regulations aiming to increase the private sector participation in the electricity sector and diversifying the energy mix in the electricity sector some of this:

✓ **Providing clear and stable regulatory frameworks**

- No New regulations without public consultation this our way of work

**The electricity regulations support promotion of renewable energy in Egypt by:**

✓ **setting ambitious targets and standards for renewable energy share, and energy efficiency.**

- Increase the net-metering limitations from 300 MW up to 1000 MW.
- Announce the self-consumption regulation.
- Issuing the necessary rules and contract forms to allow consumers wishing to convert their electrical energy consumption from renewable sources to purchase their consumption from NAREA.

✓ **announcing various schemes starting by feed-in tariffs, and followed by net metering schemes and self-consumption regulation that make renewable energy more affordable and competitive.**

✓ **Cost calculation and subsidies removal plan.**

- EgyptERA is responsible adopting a cost calculation methodology that help to reflect the true economic cost of the electricity service, that will help the step forward to open the electricity market.
- Announcing new tariff starting January 2024

✓ **digitalization**

- Transform all EgyptERA processes \ to be provided from a digital gate. Under implementation

✓ **Ensuring Consumer Protection and Empowerment**

- Modifying the method of paying consumption insurance from subscribers \ by allowing the insurance to be paid in installments \ for one year **without interest.** \
- Increase the implementation of Competitive neutrality \ between all customers and companies. \

Also, more than 200 permits and licenses were issued for the private sector to participate in generation and distribution activities.

**the recent decrees from Egyptian Electricity Regulatory Authority supporting small scale PV systems**

Periodical book No. 2 for 2024 \ **allowing a Private generation from RE to sell their production to a private consumption in the transmission level, that step is consider a big milestone in the road of the full opening of the electricity market in Egypt.**

What is next is very important also we are preparing the following regulations:

- ❖ Work is currently underway to develop rules for issuing green certificates,

- ❖ **Mini grid**

TOR has been prepared to request consultation services to set targets, rules, regulations, procedures, incentives, and codes for some pioneering projects for various uses in remote and border areas (industrial – agricultural – hydrogen production, mining for Bitcoin...etc.) using modern smart microgrid technology **storage technology**

TOR has been prepared to request consultation services to enhance storage technology in the Egyptian electricity market and to set targets, rules, regulations, procedures, incentives, and codes for some pioneering projects for various uses of storage technology in large and small scale.

- ❖ During the coming period, there is an urgent and necessary need to issue rules for the production, use and transportation of hydrogen, especially the safety regulations.

## **Ladies and Gentlemen**

We need a series of policy interventions in order to enable a transition. Africa's power sector policies and regulations must be sharpened to enhance efficiency to attract investments. And we can start together benefiting from best practices



EgyptERA is ready to act as a learning hub to transfer the Knowledge gained for more than 23 years of experience that could help our peers in the African countries to develop a strong regulation and supporting them in building an economic methodology to calculate the economic cost of the service.

As I conclude my remarks, \ I wish to reiterate the full support of Egypt in all fields of electricity and renewable energy. \

With those remarks, \ I now declare this Thirteenth Annual General Meeting (AGM) of the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) officially open, \ and wish you a successful and fruitful meeting

**Thank you.**