



Energy
Security
Project

ENERGY OMBUDSMAN IN UKRAINE CONCEPT PAPER

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Agenda - overview

- Why energy ombudsman?
- International experience
 - *typical functions and details concerning the organization*
- Previous approaches to ombudsman in Ukraine
- Risks and sensitivities
- Further steps

WHY OMBUDSMAN IS NECESSARY (1 of 2)?

- NEURC is neither designed, nor organizationally equipped to deal with thousands of disputes from small-scale energy and utility consumers annually
- This distracts part of its resources and focus from efficient energy market monitoring and market abuse prevention
- Transparency in dealing with the disputes is currently lacking

OTHER CONCERNS (2 of 2)

- Ukraine - EU Association Agreement - implementation of the:
 - ✓ Directive 2009/72/EU
 - ✓ Directive 2009/73/EU
 - ✓ EU Directive 2013/111/EU
 - ✓ EU Regulation 524/2013and resultant from these:
- Laws "On Electricity Market," and "On the National Energy and Utilities Regulatory Commission."

INT'L EXPERIENCE WITH CONSUMER OMBUDSMEN

ASPECTS FOCUSED UPON:

- Primary functions fulfilled
- Independence
- Way of Appointment
- Organizational matters

REGIONAL FOCUS:

- EU - focus on CEE part, useful examples only from:
 - ✓ Austria
 - ✓ Germany
 - ✓ France
 - ✓ Poland
 - ✓ UK
- Energy Community (Georgia)
- The US (D.C. and Ohio)
- Australia

WHAT DO CONSUMER OMBUDSMEN DO?

- Deal (free of charge!) with disputes between small-scale consumers* and utilities
- Electricity, gas, district heating, water and sewerage
- Other functions:
 - ✓ Information to consumers, on rights and obligations
 - ✓ Advice to the regulators and governments
 - ✓ Advocates of consumers before the regulators and courts
 - ✓ Initiates legislative changes concerning consumer protection

* A tentative definition – typically means variously defined household and SME consumers

HOW ARE THEY STRUCTURED?

- Ombudsmen act best, when independent, from both the industry participants and from the regulators
- Responsible before parliaments and/or governments
- Budgets are usually tied to the revenues from regulatory charges
- Depending on functions fulfilled – personnel counts between 15 and 35 people

THANK YOU!

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