

*This Workshop is prepared for the Ministry of Energy  
of the Republic of Azerbaijan*

# Workshop on Power Market Reforms based on the New Electricity Law of Azerbaijan

*(in-person event in Baku and online event for participants from  
the Nakhchivan Autonomous Republic)*

**Baku, Azerbaijan, 12-14 March 2024**



## Concept note

This capacity-building executive training event aims to help decision-makers and technical experts in Azerbaijan to successfully pursue power market reforms in their country. In particular, this specialised training will support power sector stakeholders in Azerbaijan to pursue efficient implementation of the new Electricity Law, which came into force on 1 January 2024. The training will present the experience of power market reform in a select group of benchmark countries and assess how European as well as international experience can be incorporated into Azerbaijan's reform process. More specifically, the training workshop aims to present the European experience related to the implementation of the Third Energy Package, independent regulators, cross-border cooperation, an open and fair retail market, transparent and efficient market rules and unbundling to support the implementation of the new Electricity Law of the Republic of Azerbaijan.

### Overall objectives:

to support the Ministry of Energy of Azerbaijan and other related stakeholders in the implementation of the power trade reform and unbundling processes as mandated by the new Electricity Law. This objective will be delivered through the format of the training, which will include expert presentations, roundtable discussions and interactive discussions with the participants.

### Specific objectives

1. To enhance participants' understanding of the broader context of European power market reforms and how these reforms were implemented in selected EU and/or non-EU countries;
2. To illustrate lessons learned from unbundling and power market rules development/ evolution in order to ensure the efficient implementation of the new Electricity Law of Azerbaijan;
3. To speak the same language, to bridge gaps and to use common terminology within power market reform processes as envisaged by the new Electricity Law;
4. To improve the knowledge and capacity of the officials of power companies involved in the implementation, development and promotion of power market reform in Azerbaijan.

## **Agenda**

### **1<sup>st</sup> day (12 March):** Core prerequisites for the Electricity Law of Azerbaijan

| <i>Time</i> | <i>Topic</i>  | <i>Speaker</i>   |
|-------------|---|--|
| 9:00-9:10   | Welcoming remarks   | Samir Veliyev, Deputy-minister, MoE  |
| 9:10-9:30   | Introduction to the Workshop  | Ibrahim Aghayev (IA) Lead of the Market Rules project<br>Alasgar Hasanov (AH), Lead of the Unbundling project<br>Asya Chalabova (ACH), Project Director & Legal Expert / ACE UK<br>Jan Haizmann (JH) / Team Leader & Legal Expert; |
| 9:30 -9:50  | Main conclusions from Legal and Regulatory Review of the Republic of Azerbaijan                   | Asya Chalabova (ACH) / Project Director & Legal Expert / ACE UK  |
| 09:50-10:10 | Targeted Models for Phase I-III of the Electricity Law  | Oleksandr Antonenko (OA) / Deputy Team Leader & Energy Economist   |
| 10:10-10:30 | <i>Questions and Answers</i>  | Moderator: Marat Terterov  |
| 10:30-11:00 | <i>Coffee break</i>   |  |
| 11:30-12:10 | EU Electricity Market Reform  | Vidmantas Jankauskas (VJ) / International Power Regulatory Expert – Unbundling (online)  |
| 12:10-12:50 | Implementation of Market reforms in selected EU MS and non-EU countries                           | Plamen Popov (PAP), International Power Market Expert  |
| 12:50-13:20 | <i>Questions and Answers</i>  | Moderator: Marat Terterov  |
| 13:20-14:20 | <i>Lunch</i>  |  |
| 14:20-15:00 | Turkish Market Liberalisation, Take aways   | Jan Haizmann (JH) / Team Leader & Legal Expert;  |
| 15:00-15:40 | Economic Optimization of Electricity Production by Azerenerji                                     | Valeh Nasibov (VN) / Power Sector Regulatory Specialist  |
| 15:40-16:20 | Economic Optimization of Electricity Production   | Mikheil Tavberidze (MTV) / International Power Regulatory Expert - Market Rules  |
| 16:20-16:50 | <i>Questions and Answers</i>  | Moderator: Marat Terterov  |
| 16:50-17:20 | <i>Coffee break</i>   |  |
| 17:20-17:50 | “Problems that may arise in the development of generation capacities under liberal market         | Tahir Jafarov (TJ), Power Sector Expert  |
| 17:50-18:30 | Action Plan on the Implementation of the Electricity Law – deadlines and responsible stakeholders | Ibrahim Aghayev (IA) Lead of the Market Rules project<br>Alasgar Hasanov (AH), Lead of the Unbundling project  |
| 18:30-19:00 | <i>Questions and Answers</i>  | Moderator: Marat Terterov  |

### **2<sup>nd</sup> day (13 March):** Unbundling - EU and non-EU experience and lessons learned

| <i>Time</i> | <i>Topic</i> | <i>Speaker</i> |
|-------------|--------------|----------------|
|-------------|--------------|----------------|

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|-------------|--|---|
| 9:00-9:45   | Separation and licencing of Generation, Transmission, Distribution and Supply activities | Vidmantas Jankauskas (VJ) / International Power Regulatory Expert – Unbundling (online) |
| 09:45-10:30 | Transmission System Operator (TSO) and markets for system services                       | Plamen Popov (PAP), International Power Market Expert                                   |
| 10:30-11:00 | <i>Questions and Answers</i>   | <i>Moderator: Marat Terterov</i>  |
| 11:00-11:30 | <i>Coffee break</i>  |   |
| 11:30-12:15 | Services of network companies (TSO/DSO), wholesale and retail market rules               | Mikheil Tavberidze (MTV) / International Power Regulatory Expert - Market Rules         |
| 12:15-12:30 | <i>Questions and Answers</i>   | <i>Moderator: Marat Terterov</i>  |
| 12:30-13:30 | <i>Lunch</i>   |   |
| 13:30-15:30 | Practical examples of power sector unbundling in selected EU and non-EU countries        | VJ (online), PP, MT, other online speakers  |
| 15:30-17:30 | Round table on Market liberalisation and power sector unbundling in Azerbaijan           | PAP, MTV, MoE, AERA, AREA, Azerenerji, Azerishig and Nakhchivan AR State Energy Service |

**3<sup>rd</sup> day (14 March):** Market Rules – EU and non-EU experience and lessons learned

| <i>Time</i> | <i>Topic</i>  | <i>Speaker</i>  |
|-------------|---|---|
| 9:00-09:45  | Functioning of Wholesale Market – Creation of efficiencies              | Jan Haizmann (JH) / Team Leader & Legal Expert  |
| 09:45-10:30 | Power Market Operator and Power Exchange                                | Plamen Popov (PAP), International Power Market Expert                                   |
| 10:30-11:00 | <i>Questions and Answers</i>  | <i>Moderator: Marat Terterov</i>  |
| 11:00-11:30 | <i>Coffee break</i>   |   |
| 11:30-12:15 | Single buyer model - transition to Power Market opening                 | Mikheil Tavberidze (MTV) / International Power Regulatory Expert - Market Rules         |
| 12:15-12:30 | <i>Questions and Answers</i>  | <i>Moderator: Marat Terterov</i>  |
| 12:30-13:30 | <i>Lunch</i>  |   |
| 13:30-15:30 | Practical examples of Power Markets in selected EU and non-EU countries | VJ (online), PP, MT, other online speakers  |
| 15:30-17:30 | Round Table on Market Rules in Azerbaijan                               | PAP, MTV, MoE, AERA, AREA, Azerenerji, Azerishig and Nakhchivan AR State Energy Service |