

Balance sheet of performance and charging scheme Lessons learnt from RP1 and RP2

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Shortcomings based on RP1 and RP2 experiences

- Lack of stability and certainty of regulatory environment
- suboptimal risk sharing scheme
- risk shall be borne by the party best able to mitigate/handle it
- unreliable planning assumptions
- lack of over – (RP's) – arching targets
- micromanagement vs (high-level) KPI targets,
- incentives work over RP's, but not among a changing set of rules.

Design



- Who's driving? Lobbying and vetopower of States
- misty (too generous) statements, no real commitment, no common understanding
- mistrust
- forced (pseudo) cooperations (FAB's)
- unprepared stakeholders in supervisory positions

Stakeholders



- Inconsistent political actions with the regulatory framework (scope, time horizon)
- short vs long term goals (eg. capacity crunch and current "solutions")
- lag in targetsetting
- micromanagement
- unsatisfactory communication
- unreliable timing, deadlines
- CBA of the scheme?

Implementation



- Lack of industry-specific knowledge
- information asymmetries
- ECTL vs EC
- instability of professional supporting staff.

Staff/experts



How to improve?



Consistency of political and regulatory goals



Stability and certainty of the regulatory framework + Professional execution



Stable, professional staff understanding the industry



Incentivisation shall be the key, the “how” shall be left to stakeholders