1. Basic Information
1.1 Title: Development of a Regulatory Information System for the Energy Market Regulatory Authority (EMRA) – Turkey
1.2 Sector: Energy
1.3 Location: The Republic of Turkey, Energy Market Regulatory Authority with the offices located in Ankara

2. Objectives
2.1 Overall Objective
The overall objective is to ensure the efficient operation of the liberalised electricity and gas markets in Turkey in compliance with the EU Acquis

2.2 Project Purpose
The purpose of the project is to develop an integrated Regulatory Information System for EMRA.

2.3 AP and NPAA Priorities

AP Short term priorities:
- Establish a programme for the adoption of the energy acquis, particularly that concerning issues other than the internal energy market.
- Ensure independence and effective functioning of the regulatory authority for the electricity and gas sectors; grant the authority the means to carry out its tasks effectively.
- Ensure the establishment of a competitive internal energy market, in compliance with the electricity and gas directives.

AP Medium term priorities:
- Restructure energy utilities and open up energy markets in conformity with the acquis; further strengthen administrative and regulatory structures.
- Remove restrictions on the cross-border trade in energy.
- Complete alignment of national legislation with the acquis.

NPAA 4.15 (Energy)
II. Comparison of the EU acquis with the corresponding Turkish legislation and the measures to be taken for implementing the necessary amendments and modifications

II.c) Necessary Institutional Changes
"Establishment of the Electricity Market Regulatory Authority"

II.d) Additional Staff and Training Requirements for the Implementation of Amendments and Modifications
"A need shall arise for qualified staff and training, and for institutional changes"
II.e) Necessary Investments
"Infrastructure, hardware and software requirements will arise"

2.4 Contribution to National Development Plan
Turkey has now begun preparation of its first National Development Plan. This is likely to be ready by the end of 2003.

2.5 Cross Border Impact
Not applicable

3. Description
3.1 Background and justification
In response to the macroeconomic developments in Turkey in 2001, and with support from the IMF, the World Bank and other international donors such as the European Union, the Republic of Turkey has embarked at a sweeping programme of economic reforms and restructuring, which fully extends to the energy sector. Regulatory reforms have been recognised as a crucial support for economic recovery in Turkey.

The Turkish Electricity Market Law became effective on 3 March 2001 (Law 4628). The Law concentrates mainly on defining the sector's new structure and the status of the power sector actors, including restructuring and unbundling of utilities. This is closely tied to the Constitutional Amendment of August 1999 (Law 4446), which for the first time explicitly permitted privatisation of state enterprises and assets including energy companies. Whilst the state will retain control over power transmission, generation and distribution activities are to be opened to competition and to private companies (the state will retain ownership of the hydropower generation assets). The law also foresaw establishing the Energy Market Regulatory Authority (EMRA).

The Natural Gas Market Law was enacted on 2 May 2001 (Law 4646). As the Electricity Market Law it also concentrates on defining the new sector structure and the status of the different actors. As part of the law's provisions BOTAS shall undergo restructuring following which transmission operations will be separated from importing and commercial activities.

In summary, the adopted electricity and natural gas market laws include the following key elements:

- An autonomous Energy Market Regulatory Authority, governed by the President of its Board, in charge of overseeing the electricity and gas market;
- A new licensing framework for market participants;
- An energy market based on bilateral contracts between market participants;
- Eligible consumer concept, to ensure freedom for eligible consumers to choose their suppliers;
- A transition mechanism to be implemented over a two year program for the electricity market and one and a half year program for the gas market.

The Board has also determined its priorities regarding EMRA's organisational structure. To this end, core professional staff was selected and since November 2001 the internal administrative procedures of EMRA, including audit, budget and personnel, have been drawn up.
At present, the major part of functions, activities and procedures of EMRA around the liberalised
gas and electricity markets are defined either by the Laws or the Regulations and Communiqués.
The anticipated volume of energy market and regulatory compliance information to be
elaborated by EMRA is quite significant and will increase as far as the number of market actors
increases and the market operation becomes more sophisticated. Some of the functions like
tariffication, monitoring, auditing, licence issuing, communication with market actors, etc. are
absolutely related to the justification of the appropriate role of EMRA in the Turkish and the
broader European energy markets.

EMRA is a young organisation, with a considerable size of approximately 300 employees with a
potential to reach more than 400 in the near future. Its role is to supervise a very competitive
economic sector with significant economic, social and environmental effects at national level. On
the other hand, the structure of the liberalised markets is too complicated requiring elaboration of
high volumes of information necessary for fair decision making and acting in a sensitive,
especially in terms of competition, market.

For the management of these complex and demanding obligations, it is necessary to
develop an appropriate Regulatory Information System (RIS) that will support both
the effective carrying out of EMRA regulatory duties and the collaboration between
EMRA and the energy market actors.

The departments of EMRA which are mainly involved in the RIS development and
operation are the IT, Electricity Market Implementation, Electricity Market Regulation,
Monitoring and Assessment, Natural Gas Market Implementation, Natural Gas
Market Regulation, Monitoring and Assessment, Legal, Audit and Supervision,
Competition and Consumer Rights, Finance and International Relations and EU Co-
ordination.

Requirements for the RIS functionalities are mainly stemming from the duties and
responsibilities set forth by the Electricity and Gas Market Laws and the relevant
regulations and communiqués which define the regulatory framework of the
operation of the electricity and gas markets in Turkey. Additional requirements are
stemming from the practical issues of collaboration and of handling and sharing
information either between members of EMRA personnel or between EMRA and
external energy market actors.

On the basis of the above, major requirements for support from RIS include (Please
refer to Annex 5 for requirements of individual EMRA departments for support from
RIS):

- Setting up and maintaining different types of Registries e.g. for Licensees, for
  External Certified Auditors, etc.
- Support and monitoring of the workflow of different procedures carried out
  within one or among different EMRA departments, e.g. licensing approval
  procedure, tariff approval procedure, etc.
- Electronic management of all documents received by market actors e.g. licensing
  applications, accounting data, etc. or produced internally by the departments e.g.
  different versions of regulations, etc.
- Provision of comprehensive capabilities for document classification, search,
  retrieval and user access rights management.
• On-line reception through the Internet, storage and processing, wherever appropriate, of information submitted by market actors e.g. accounting information, data for tariffs approval, etc.

• Developments of custom processing applications e.g. tariff calculation, demand forecasting, etc.

• Access to documents and knowledge sources, structured or unstructured, available throughout EMRA, on the condition that confidentiality and user access rights issues have been appropriately considered.

• Organisation of communication, either among EMRA Departments or among EMRA and external market actors for the carrying out of discussions on important subjects, e.g. public consultations, for carrying out on-line surveys, etc.

• Providing to EMRA personnel user-friendly means for contributing content to intranet / extranet web pages that could be used for communicating information internally or externally to EMRA.

• Provision for retrieval and processing of information (i.e. yearly consumption and other primary data necessary for the compilation of the report on the development of the energy market) from licensed supply companies in the electricity or the gas markets.

It is obvious that the more Turkey is aligned with the energy acquis the more the focus should be shifted on to administrative and institutional strengthening of energy institutions such as EMRA. In so doing, it will be warranted that sufficient capacity is available to take account of the acquis communautaire in day-to-day regulatory work, and to carry out duties efficiently.

It must be noted that, there is a constant need to follow and incorporate ongoing and prospective amendments and further evolutions in the regulatory framework. This is especially the case of EMRA, because of the recent opening of the energy market, which makes it inevitable, that changes, additions, etc. to the regulatory framework will occur. An additional important requirement for RIS is therefore the capability of being easily expandable and maintainable. On the other hand, its development will provide an important foundation for the more efficient operation of EMRA.

3.2 Linked activities

There are a number of activities supported by the European Commission, the World Bank, USTDA and other donors completed, planned or underway, the results of which need to be taken into account and with which close coordination is pertinent to capitalise on findings, to learn lessons and to avoid any overlapping or work in parallel. Among those linked national and regional activities the following have a direct or indirect link:

EU Activities

• Euro Mediterranean regional project on “Reform of the legal and institutional energy sector framework” financed by MEDA (in progress).

• Euro Mediterranean regional project on “Restructuring of Energy Companies” financed by MEDA (in progress).

• Short-term technical assistance entitled “Assistance to EMRA in drafting secondary gas legislation” under Administrative Cooperation Programme (completed in 2002).
• Short-term technical assistance entitled “Assistance to EMRA in drafting secondary electricity legislation” (completed in 2002).

• Twinning Project entitled “Institutional Strengthening of Energy Market Regulatory Authority” under the EU 2002 Financial Assistance Programme (in progress). It includes a component for management organisation and support to EMRA that should be co-ordinated with this project.

It should be mentioned that Component 1 of this project deals with organisational know how transfer from the twinning organisation to EMRA. Therefore the co-ordination of this activity with the currently proposed project is important.

• South Eastern European Electricity Market. This is an initiative of energy regulators and other electricity market stakeholders from South Eastern European countries in order to create a regional electricity market with an ultimate aim of its full integration to the EU Internal Electricity Market. (in progress)

World Bank Activities

The World Bank is the key institution supporting energy sector reforms in Turkey. The following activities are in progress or have been recently completed:

• National Transmission Grid Project. Financed from IBRD loan in the amount of US$ 270 million. This loan has been now restructured to assist with:

  (i) The establishment of the Turkish Electricity Transmission Company (TEIAS) as the national transmission company and system and market operator (US$ 250 million).

  (ii) Providing funds to the Government to further support the restructuring of trading and the distribution companies regulatory body functions under Energy Sector Reform Programme (US$ 20 million).

The institutional part of the National Transmission Grid Project, for which an amount of US$ 20 million has been earmarked, is now called Energy Sector Reform Programme. This programme coordinated by EMRA will include a number of elements, which are closely linked to the proposed project, namely the following:

- Electricity distribution restructuring: Consultancy services for the formation of companies; load profiling; separation of entity accounts (wires and supply businesses); multi-year tariff profile; performance baselines; regulatory accounts; load profiling and load forecasting systems; training (in progress).

- Technical assistance for the electricity trading company: Consultancy services for regulatory accounts; vesting contracts for sector; establishing power trading function; financial and operational planning model; training (in progress).

- Public information campaign.


- PCU establishment (completed).

- Enhancing Revenue & Tariff Setting Process (in progress).

- Legal advisory services (in progress).
- PPIAF (Public Private Infrastructure Advisory Facility) trust fund grant for Power Sector Reform in Turkey including assistance to the establishment of EMRA, in drafting secondary legislation complementing the Electricity Market Law (completed in 2002).

Other Donor and Organisation Activities
- OECD Study on Regulatory Reform in Turkey (completed in 2002).

3.3 Results
The results of the activities, which are described in section 3.4, are expected to lead to the following results:

- The IT infrastructure required for RIS operation is in place
- RIS is accessible by EMRA staff and external users
- A Workflow System for EMRA regulatory procedures is operational
- Document Management System for EMRA documents is in place
- Specialized applications for the processing of data received through the RIS, in accordance with EMRA’s needs, is in place
- EMRA personnel is capable of using the RIS

3.4 Activities
The development of RIS should be based on hardware and software products providing the basic functionalities required. These software products will be either developed or customised to meet the specific requirements of EMRA departments, which are involved in the regulatory processes. The software to be provided should be available in the Turkish language.

The Tasks to be carried out for the development of RIS are the following:

Task 1: Installation of IT infrastructure and detailed identification of requirements for RIS
The objective of this Task threefold:

- To install the hardware infrastructure required for the operation of RIS.
- To install the software infrastructure required for the operation of RIS. To this purpose, the Consultant will have to install all software components and verify that they are operational in accordance with the specifications set forth in the Terms of Reference. The software components are expected to include at least the following:
  - A Web Portal Component, with document management features, self-service publishing capability (e.g. allowing non-technical users to publish content), collaboration facilities (e.g. discussion groups, collaborative document preparation, etc), user access management, etc. The portal environment component will be required to work seamlessly with the remaining components of RIS.
  - A Workflow Component, which should be Internet-Enabled, i.e. provide the capability of managing tasks through a standard Web browser. It should also provide for a graphical drag and drop process designer, for immediate and deferred execution, generating complete process audit
trails, support for sophisticated business rules, incorporating human decision points and interventions into process execution, managing process exceptions, rewinding and re-executing processes, sending messages to individuals and roles, processing responses from recipients to Workflow Engine, automatic notification forward and response, changing participants in a group role without changing the business process, etc.

- **A Document Management** Component which should handle different types of content including electronic documents, scanned documents, Extended Mark-up Language (XML) files, images, forms, e-mails, etc. It should allow for creation, editing or saving documents within Open Document Management Architecture (ODMA) compliant applications, revision control (i.e. tracking of successive revisions and summarise revision changes), check-in/check-out, (i.e. when a user has a document “checked out” no one else can make changes to the document until it is checked in), extensive security and assignment of user rights (users or user groups are assigned rights enabling them to retrieve, create and/or modify documents), audit trail when and who made changes to documents. It should also provide classification and searching facilities.

- **The Database Engine** and application development and reporting tools required to support the aforementioned components

- **The Operating System Software and client access licences** required for the Database and the Application Servers

  - To provide an up-to-date, detailed and documented definition of the requirements that should be covered through RIS. For this purpose the Consultant is expected to:

    - Collect requirements from all relevant EMRA departments e.g. Natural Gas Market, Electricity Market, Competition and Consumer Rights, Auditing, Legal, International Relations, etc.

    - Create a common reference framework for all information and processing requirements in order to identify overlaps or complementarities, and rationalise and co-ordinate requirements wherever necessary in line with EU best practices.

    - Identify information flows and processes involved for the assessment and processing of data.

    - Identify types of external users of RIS e.g. market licensees, Ministries or other organisations.

    - Identify data and document security requirements e.g. public, confidential, etc, as well as users access rights both for EMRA personnel and for external users that would connect to RIS for providing or obtaining information.

The Consultant will co-ordinate his work on this Task regarding the specification of requirements for RIS with the work which is expected to be carried out within Component 1 of the twinning project “Institutional Strengthening of EMRA”, which includes relevant activities.
Task 2: Setting up of the EMRA Portal

The EMRA Portal should provide the gateway to RIS, both for the EMRA personnel and for external users.

EMRA personnel will use the portal services for:

- Maintaining Internet presence for EMRA.
- Information aggregation purposes.
- Collaboration purposes either among EMRA staff members or EMRA and external users.

External users will use the EMRA portal for entering information, retrieving information and collaborating with EMRA on specific issues, e.g. consultation processes.

Specifically, external users should be able to:

- Register in the site in order to gain access rights for information provision and retrieval of classified information. In the case of market licensees, registration should be foreseen both at a company level and at individual user level, i.e. members of the company personnel who have been authorised for providing information to EMRA. For individuals registration should be required when they provide input to the site, e.g. during a consultation process, during the filing of a complaint, etc.
- Retrieve publicly available information.

The Consultant should set up the necessary software server software configuration and design and implement the overall structure of the portal, considering the specific requirements regarding presentation, content and user access management, e.g. the portal areas designated to different types of market actors and the corresponding user authorisation mechanism.

He should also take care for the integration of the different components of RIS i.e. workflow, document management, database applications, etc., within the portal.

Task 3: Setting up of the Workflow System

The Workflow component will be a central component of RIS since it will serve as the main tool for carrying out the procedures required for fulfilling the regulatory obligations of EMRA.

The Consultant will customise and implement all required EMRA procedures within the workflow component. Specific issues that should be taken into account are:

- Workflow procedures should be possible to be initiated both by EMRA personnel and by external users who have the proper access rights, e.g. when a tariff approval requested is submitted by a market licensee the corresponding workflow process is initiated, etc.
- The design of workflow processes should provide for handling of exceptions and for handling events that may occur during the carrying out of the process, e.g. additional information is provided, etc.

The Workflow Component should be integrated within the portal environment of EMRA.
Task 4: Setting up of the Document Management System

The Consultant will assist EMRA in defining a classification scheme for the different types of documents handled.

He will also set up the document management system in regard with storage space, server configuration, etc. Furthermore, the Consultant will undertake the scanning of up to 30,000 pages of already existing documents from EMRA archive.

The classification of the scanned documents will be used as demo of the adequacy of the document classification scheme.

Task 5: Development of Specialised Processing Applications

EMRA will require specialised applications for processing data received through RIS, e.g. special calculations for tariffs, statistical processing of data, demand forecasting, audit sampling, etc.

The Consultant will implement these Specialised Processing Application cases, which are expected to be specified during Task 1.

Task 6: Support and Additional Services

The Consultant will provide maintenance and support services for a period of one year after the commencement of the full-scale operation of RIS. These maintenance and support services will include updates and new versions of the procured software components, hot line support, and modifications and corrections to RIS software if needed.

The Consultant will also have to specify in his proposal the cost of a yearly maintenance contract after the end of the one-year period mentioned in the previous paragraph.

Task 7: Training in the use of RIS

Training of EMRA personnel in the use of RIS components is of major importance. Training should be delivered in two groups:

- Administrators group (typically the personnel of the IT department) who should take an in depth training so as to be able to maintain RIS and support its users after the end of the project. IT department personnel are also expected to be capable for providing additional training to EMRA users.

- A number of 50 users from EMRA. These users are expected to be divided into 4 groups, each one receiving two trainings courses of 1-week duration each and with one-month interval between the two courses. They should receive adequate training so as to obtain the capability for training the remaining EMRA personnel.

The Consultant will also prepare:

- User’s Manual for using RIS. This manual will be prepared in the Turkish and English language, in 2 versions, for EMRA personnel and for external users respectively.

- Training for Trainers support material to be used for subsequent training activities on RIS that would be undertaken by EMRA personnel.
3.5 Lessons Learnt

The past experience of the Member States emphasises the fact that establishing the necessary regulatory framework towards creating a competitive energy market is inadequate if appropriate implementation cannot be ensured. This means effective functioning of the market under the proper regulation of an independent regulator. The previous OECD study on Regulatory Reform in Turkey, underlined the possible need for the strengthening of “regulatory governance” in Turkey. The report refers to rules for the standards, procedures and principles of market operation that are under the responsibility of EMRA.

The need of a modern Information System, which will support the activities of EMRA is of utmost importance in order to cope with information management and procedural issues of liberalised markets. The provisions of regulations and communiqués should be dealt properly, fairly and efficiently when implemented. Issues regarding tariffication, licensing, monitoring and auditing quality of service, etc. require intensive daily effort and decisions, at the level of regulator, are based on the processing of information coming from market actors, consumers, project financiers, etc. On the other hand, functions like communication within the regulator or with market actors and third parties increase the complexity of the regulator’s activities. The use of Regulatory Information Systems tailored to their specific needs is an action undertaken by many regulatory authorities in Northern America and Europe at the first steps of liberalised market operation. EMRA should follow this tendency and through the increase of its operation efficiency promote the message of energy service upgrading to the whole Turkish energy market.

4. Institutional Framework

The main institution involved in the project is the Energy Market Regulatory Authority.

Energy Market Regulatory Authority

Mr. Cahit AKINCI, Head of International Relations and Coordination with the EU, Energy Market Regulatory Authority, Ziyabey Cad. No. 19, 06520 Balgat. Ankara, Turkey. Tel: (90-312) 287 16 99. Fax: (90-312) 287 88 09. E-mail:cakinci@epdk.org.tr

5. Detailed Budget (thousand €)

<table>
<thead>
<tr>
<th>EU Support</th>
<th>National Cofinancing</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>Service</td>
<td>945,000</td>
<td>945,000</td>
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<tr>
<td>Supply</td>
<td>105,000</td>
<td>35,000</td>
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<tr>
<td>Total</td>
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</table>

Co-financing shall be in the form of joint co-financing.

6. Implementation Arrangements

6.1 Implementing Agency

The Implementing Agency for the proposed project will be the Central Financing and Contracting Unit (CFCU).
Responsibility for the administration related to the procedural aspects of procurement, contracting and accountancy will rest upon the CFCU. The tendering and contracts will be carried out by the CFCU and follow standard DIS rules.

6.2 Twinning
Not applicable

6.3 Contracts
Global Price Service Contract: 945,000 EUR
Supply Contract for Hardware: 140,000 EUR

7. Implementation Schedule

<table>
<thead>
<tr>
<th></th>
<th>Start of tendering</th>
<th>Start of project activities</th>
<th>Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>3rd quarter 2003</td>
<td>1st quarter 2004</td>
<td>1st quarter 2006</td>
</tr>
<tr>
<td>Supply</td>
<td>3rd quarter 2003</td>
<td>1st quarter 2004</td>
<td>2nd quarter 2004</td>
</tr>
</tbody>
</table>

8. Equal Opportunity
Equal opportunity principles and practices ensuring equitable gender participation in the project will be guaranteed. Male and female participation in the project will be based on the relevant standards of the EU and will be assured by official announcements published to recruit staff needed for the project. The main criteria for staff recruitment will be appropriate qualifications and experience in similar projects, not sex or age. Both men and women will have equal opportunities and salaries.

9. Environment
Not applicable

10. Rates of Return
Not applicable

11. Investment Criteria
Not applicable

12. Conditionality and Sequencing
The EU financing to this project is conditional upon:

- national co-financing for the equipment part to be ensured prior to signing of any contracts.

ANNEXES TO THE PROJECT FICHE

1. Logical Framework Matrix in standard format
2. Detailed implementation chart
3. Contracting and Disbursement schedule by quarter for full duration of programme (including disbursement period)
4. List of relevant laws and regulations
5. Requirements of EMRA departments for support from RIS
### LOG-FRAME PLANNING MATRIX FOR

**“Development of a Regulatory Information System for the Energy Market Regulatory Authority – Turkey”**

<table>
<thead>
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<th>Project Number</th>
<th>Total Budget: 1,085,000 €</th>
<th>EU Support: 1,050,000 €</th>
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<tr>
<td><strong>Wider Objective(s)</strong></td>
<td><strong>Indicators of Achievement</strong></td>
<td><strong>Sources of Information</strong></td>
</tr>
</tbody>
</table>
| To ensure the efficient operation of the electricity and gas markets in Turkey in compliance with the EU Acquis | • By 2006, the electricity market is fully functioning within the framework of Electricity Market Law.  
• By end-2006, the natural gas market is functioning within the framework of bilateral contracts.  
• Transmission and distribution tariffs are published and applied in a non-discriminatory, cost reflective manner avoiding cross subsidies by 2004 for electricity and by 2006 for natural gas markets. | • EC benchmarking reports  
• OECD / IEA reports  
• EMRA annual report  
• EMRA website  
• Competition Authority Website and reports  
• TEIAS reports  
• BOTAS reports |
| **Immediate Objective** | **Indicators of Achievement** | **Sources of Information** |
| To develop an integrated Regulatory Information System in EMRA | • RIS is in demo operation within one year from starting the project  
• RIS is fully operational | • EMRA annual report  
• EMRA website |
<table>
<thead>
<tr>
<th>Results</th>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>The IT infrastructure required for RIS operation is in place</td>
<td>• Necessary hardware and software is installed and operational by March 2006</td>
<td>• EMRA annual report • EMRA website</td>
<td></td>
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</tbody>
</table>
| RIS is accessible by EMRA staff and external users | • 80% of EMRA personnel authorized to upload web-content has the capability to use directly the portal facility by March 2006  
• 80% of market actors are registered in one year from start-up of RIS  
• All public consultations are carried out through extranet by 2006  
• All dissemination and awareness material is available in extranet by March 2006 | • EMRA annual report • EMRA website |  |
| A Workflow System for EMRA regulatory procedures is operational | • All defined regulatory procedures are modelled in the RIS by January 2005  
• Reduction of man-time required for licence procedure by end of the project | • EMRA annual report • EMRA website |  |
| Document Management System for EMRA documents is in place | • All incoming documents are being processed by March 2006 | • EMRA annual report • EMRA website |  |
- All significant documents already existing in hard copy up to the start of the RIS operation have been converted to electronic format by March 2006

**Specialized applications for the processing of data received through the RIS,** in accordance with EMRA’s needs, is in place

- All required Specialised Processing Application are developed by 31 January 2005

**EMRA personnel is capable of using the RIS**

- The whole IT Department personnel has been trained as administrators of the RIS by 31 July 2005
- 50 EMRA employees have been trained as trainers by 31 July 2005
- 80% of EMRA personnel has been trained in the use of the RIS by 31 July 2005

<table>
<thead>
<tr>
<th>Activities</th>
<th>Inputs</th>
<th>Conditionality</th>
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</table>
| • Installation of IT infrastructure and detailed identification of requirements for RIS  
• Setting up of the EMRA Portal  
• Setting up of the Workflow System  
• Setting up of the Document Management System | – Service contract  
– Supply contract | • National co-financing for the equipment to be ensured prior to signing of any contracts |
- Development of Specialised Processing Applications
- Support and additional services
- Training in the use of RIS
# ANNEX No 2

## DETAILED IMPLEMENTATION SCHEDULE OF ACTIVITIES

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<th>2003</th>
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<th>2006</th>
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<tr>
<td>1. IT infrastructure</td>
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<td>2. EMRA Portal</td>
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<td>3. Workflow Component</td>
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<td>4. Content Management Comp.</td>
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<td>5. Custom Processing Applications</td>
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<td>6. Support and Additional Services</td>
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<td>7. Training</td>
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<td>Project Execution</td>
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# ANNEX No 3

## COMMITMENT AND DISBURSEMENT SCHEDULE (in €)

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**LIST OF RELEVANT LAWS AND REGULATIONS**

### ELECTRICITY MARKET

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### NATURAL GAS MARKET

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<td>Regulation on Procedures and Principles for Auditing and Pre Inquiries and Investigations in the Natural Gas Market</td>
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<td>Communiqué Regarding the Application of Gross Calorific Value in the Retail Sales of Natural Gas Distribution Companies</td>
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**HUMAN RESOURCES**

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<td>Regulation On Human Resources</td>
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**AUDIT and SUPERVISION**

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ANNEX 5

REQUIREMENTS OF EMRA DEPARTMENTS FOR SUPPORT FROM RIS

In the following an overview of EMRA departments involved in the regulatory processes and the respective requirements are presented, indicating also the complexity of information support needs.

**IT Department**

The main functions of the IT Department currently are:

- Maintain the hardware and software infrastructure of EMRA.
- Support EMRA personnel on IT related issues.
- Develop, to a limited extent, custom applications for supporting IT needs of EMRA departments.

The existing IT infrastructure constitutes a satisfactory starting point for the implementation of RIS. However, addition of certain components should be considered e.g., a dedicated to RIS server hardware, a small number of PCs for EMRA employees, data storage and backup, imaging equipment etc.

**Electricity Market Implementation Department**

In accordance with the duties and responsibilities set forth by the relevant regulations and communiqués, support from RIS should be provided in regard with:

- Development and Maintenance of a Licence Registry.
- Support and monitoring of the workflow for different procedures carried out either within the department or in collaboration with other departments e.g. licensing procedure, etc.
- Electronic management of all documents received by market actors e.g. licensing applications, etc. or produced internally by the department e.g. different versions of regulations, etc.
- Content management capabilities, enabling the Department personnel to manage more efficiently the dissemination of information either internally or externally to EMRA through intranet / extranet applications.
- On-line reception, storage and processing, wherever appropriate, of information received by market actors e.g. accounting information, data for tariffs approval, etc.
- Developments of custom processing applications e.g. tariff calculation, etc.
Electricity Market Regulation, Monitoring and Assessment Department

The Department has already developed several regulations and communiqués. It is anticipated that in the course of the market development and actual implementation of these guidelines, amendments may occur differentiating the required information. In addition new regulations or guidelines should be anticipated in order to cover other regulatory monitoring activities not yet covered, i.e. the communiqué on settlements in the electricity market, the regulation for possible changes in the Eligibility Limits / Thresholds, the regulation for Demand Forecasting, the Balancing and Settlement Code, etc.

RIS should provide for support similar to that identified for the Electricity Market Implementation Department. Of course, the importance of the support functions of RIS might be different, i.e. the capacity for the development of web extranets that could facilitate the establishment of mechanisms of continuous consultation with the electricity market, however the total functionality requirements are expected to be quite similar.

Natural Gas Market Implementation Department

The requirements for support to be provided by RIS are quite similar to those of the respective Electricity Market Department.

The procurement of a tool for the forecasting of natural gas demand should be addressed as an additional requirement, which is specific to the Gas Market Implementation Department needs.

Natural Gas Market Regulation, Monitoring and Assessment Department

The situation in the Gas Market Regulation, Monitoring and Assessment Department seems pretty similar to that of the respective Electricity Department, since they both perform similar functions and are currently at an early stage of development due to timing of the opening of the energy market.

Therefore, requirements from RIS are expected to be similar as well.

Legal Department

Support from the RIS should be provided in regard with:

- Co-ordination of work and information flow with other EMRA departments, especially when a legal position / advice is requested.

- Organisation of documents, background information and other knowledge sources of the Department, so that they are easily searchable and retrievable.

- Access to documents and knowledge sources available throughout EMRA, on the condition that confidentiality and user access rights issues have been appropriately considered.
• Organisation of internal communication, either within the Legal Department itself or with other departments for the carrying out of discussion on important subjects.

• Providing to the Department personnel a user-friendly means for contributing content to intranet / extranet web pages that could be used for communicating information internally or externally to EMRA.

Audit and Supervision Department

The main function of the Department is to conduct audits of the energy market licensees, mainly following requests of the electricity or gas departments. Three types of audits are anticipated: financial, technical and quality of service. The Department plans to outsource the activity of financial and technical auditing of licensees to external certified auditors, and keep for itself the review and monitoring these certified auditors. With regard to quality of service audits, the Department, in collaboration with other EMRA Departments could carry out this activity. The requirements and details of the procedure that should be followed by interested companies for becoming certified auditors are currently under preparation. On the basis of the functions and plans for outsourcing of the Department, support from RIS, should include:

• Access to information held from other departments.

• Safeguarding of the confidentiality of auditing information.

• Monitoring of the certified external and internal auditors and of their activity and respective reports.

Competition and Consumer Rights Department

Main areas of support, which should be provided by RIS to the Department, are:

• Enabling the Department personnel to contribute content to intranet / extranet web pages that could be used for communicating information internally or externally to EMRA, establishing communications channels with consumers and other market actors, conduct short on-line surveys when needed, etc.

• Co-ordination of work and information flow with other EMRA departments.

• Organisation of documents, background information and other knowledge sources of the Department, so that they are easily searchable and retrievable.

• Access to documents and knowledge sources available throughout EMRA, on the condition that confidentiality and user access rights issues have been appropriately taken care of.

• Provision for retrieval and processing of information (i.e. yearly consumption and other primary data necessary for the compilation of the report on the development of the energy market) from licensed supply companies in the electricity or the gas markets.
Finance Department

The main functions of the Department in relation to the regulatory activities of EMRA are to take care for the collection of license fees and of any penalties that may be imposed to market licensees.

Considering the above, RIS should provide for:

- Access to a Licensees Registry, in order to able to follow up the collection of fees.
- Co-ordination with other department for following up collection of penalties that could be imposed.

International Relations and EU Co-ordination Department

The requirements of the Department for support from RIS mainly refer to:

- Co-ordination of work and information flow with other EMRA departments, especially when an advice or opinion about international issues including EU is requested.
- Organisation of documents, background information and other knowledge sources of the Department, so that they are easily searchable and retrievable.
- Organisation of internal communication, either within the Department or with other departments for the carrying out of discussion on important subjects.
- Providing to the Department personnel user-friendly tools for contributing content to intranet / extranet web pages that could be used for communicating information internally or externally to EMRA.

It is obvious that the more Turkey is aligned with the energy *acquis* the more the focus should be shifted on to administrative and institutional strengthening of energy institutions such as EMRA. In so doing it will be warranted that sufficient capacity is available to take account of the *acquis communautaire* in day-to-day regulatory work, and to carry out duties efficiently. Furthermore, there is a constant need to follow and incorporate ongoing and prospective amendments and further evolutions in the regulatory.