

CHALLENGING ASPECTS OF LEGAL REGULATION OF THE COORDINATION OF PUBLIC AND CORPORATE ADMINISTRATION MEASURES IN ENERGY SAVING AND RAISING ENERGY EFFICIENCY IN THE POWER GRID COMPLEX

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The modern modernization of the fuel and energy complex across the globe is focused on the development of the use of renewable energy sources as well as energy saving and raising energy efficiency. Unfortunately, the level of energy intensity of production in the Russian Federation lags behind the one of the world's leaders by several times (from 1.2 to 4). The Energy Strategy of the Russian Federation until 2035 approved by Order of the Government of the Russian Federation No. 1523-p of June 9, 2020, stipulates that, among the the key measures for the development of energy saving and raising energy efficiency, there are the improvement of the regulatory framework as well as the updating of the existing and the introduction of new energy management systems in accordance with the requirements of ISO 50001:2018 standard. At the same time, the tasks in this area cannot be fully accomplished without coordination of actions of government authorities and corporate governance bodies.

This article analyzes the legal framework for energy management as a modern method of corporate governance in the energy saving sector on the example of Interregional Distribution Grid Company of Center, PJSC, and brings forward proposals for the development of legal regulation in the field of energy saving and raising energy efficiency in territorial grid companies at the level of the constituent entities of the Russian Federation.

Keywords: energy law, energy legislation, energy efficiency, energy management system, corporate governance, power grid complex.

In recent years, the tendencies of the world economy are strongly tied to raising energy efficiency and energy saving in the use of energy and fuel resources, thus, the reduction of energy resource consumption, production prime cost and ensuring a decrease in the energy intensity of the economy are pressing issues of the global economy.

V.V. Romanova correctly refers legal regulation of public relations in the field of energy saving and energy efficiency to the tasks of the energy law and order as the most important mechanism for fulfilling the necessary conditions for ensuring energy security. [1]

Raising of energy efficiency is secured by a set of measures, which include management (such as improving the management system), other organizational, technical, information, marketing and investment measures.

The improvement of the management system stipulates a chain of consecutive actions that are implemented in close cooperation with government authorities and under their direct control.

The State Report on the Status of Energy Saving and Raising Energy Efficiency in the Russian Federation 2020 prepared by the Ministry of Economic Development of the Russian Federation (hereinafter referred to as the «Ministry of Economic Development of Russia») points out that the current rate of increase in the energy efficiency of the economy in Russia are behind the world's average rates, therefore, the Ministry of Economic Development of Russia developed a set of measures ensuring 30% decrease of the energy intensity of GDP by 2030. [2] The Ministry of Economic Development of the Russian Federation mentions the lack of organization and coordination among the obstacles to raising energy efficiency in the Russian Federation.

In this regard, it becomes clear that it is impossible to carry out an effective state policy in the field of energy saving and energy efficiency without the development of corporate management of companies.

In the study of the challenging aspects of legal regulation for the use of energy saving technologies, V.V. Romanova notes the expediency of applying corporate legal regulation [3]. V.V. Romanova gives an example that the institution of antimonopoly compliance is used in order to ensure compliance with the requirements of antimonopoly laws and rightly indicates that the use of energy saving, energy efficient technologies in relation to energy resources is an equally important task. [4] In her publication, V.V. Romanova words a proposal for the need to develop a concept of compliance in the field of energy saving and raising energy efficiency, on the feasibility of supplementing the energy law with the appropriate provisions, on the development of corporate regulatory acts to ensure compliance with the legal requirements in the field of energy saving and raising energy efficiency. [5]

The Energy Strategy of the Russian Federation until 2035 approved by Order of the Government of the Russian Federation No. 1523-p of June 9, 2020 (hereinafter referred to as the «Energy Strategy») established that technological saving is hindered by shortage of investments and insufficient efficiency of state policy measures aimed at investment mobilization.

As a result, the Energy Strategy establishes the task of updating the existing and the introduction of new energy management systems in accordance with the requirements of ISO 50001:2018 standard as one of the key measures that should ensure fulfilment of the tasks of developing energy saving and raising energy efficiency.

The concepts of corporate governance and energy management are directly related, since energy management is a separate part of corporate governance.

As there are no definitions of these concepts in the law, the very concept of corporate governance is viewed based on the systemic interpretation of bylaws and legal publications. So, corporate governance is understood as a set of management methods to exercise control over the activities of a corporation. [6]

Energy management is understood as a set of management methods to raise energy efficiency.

That is, energy management is a separate part of corporate governance that implements the programs of energy saving and raising energy efficiency.

Thus, noting the renewal and the introduction of new energy management systems in the Energy Strategy, the role of this part is not questioned and there is established the task of the need to improve a certain part of corporate governance of the organizations of the fuel and energy complex (hereinafter referred to as the «FEC»).

The analysis is based on the actions of the state holding Rosseti, PJSC, and subsidiaries and affiliates of Rosseti, PJSC, aimed at the implementation of energy saving and energy efficiency raising measures in the implementation of energy management on the example of Interregional Distribution Grid Company of Center, PJSC, as well as government control measures in this area.

These companies were taken for analysis due to the fact that the Ministry of Energy of Russia, the Federal Property Management Agency and the Ministry of Economic Development of Russia have an opportunity to influence the activities of these companies directly through representation in management bodies and not only via of regulatory mechanisms.

The powers of the mentioned authorities are established by Article 6 of Federal Law No. 261-Φ3 of November 23, 2009 On Energy Saving and Raising Energy Efficiency and on Amendment of Separate Legal Acts of the Russian Federation (hereinafter referred to as «FL No. 261-Φ3»). These powers include the development and implementation of federal programs in the field of energy saving and raising energy efficiency, as well as the coordination of energy saving and energy efficiency measures and control over their implementation by state-owned companies.

Thus, Decree of the Government of the Russian Federation No. 321 of April 15, 2014,

On the Approval of the Energy Development Government Program of the Russian Federation approved the passport of the Energy Saving and Raising Energy Efficiency subprogram of the Energy Development Government Program of the Russian Federation aimed at the improvement of the management system and the development of the institutional environment as a complex of legal, organizational and management conditions that should serve as an incentive to implement initiatives and measures in the field of energy saving and raising energy efficiency.

One of the systematic ways to achieve the set goals and objectives is more active implementation of energy management according to ISO 50001 standard embracing the world's best experience.

The structure of the standard itself is built on the Plan — Do — Check — Act principle and implements energy management through daily organizational activities.

The first step of the named standard is energy planning, where it is necessary either to appoint a responsible person or to create a working group that will deal with energy management.

The successful experience of introducing energy management in companies of the European Union [7] shows that a structured energy management system forms a unified structure for energy saving and energy efficiency management, which will contain the development and implementation of energy saving programs, as well as training and motivation of personnel, work with contractors and the energy resource accounting systems, i.e., it explicitly represents a corporate governance subsystem.

In fact, energy management in a company ties together the strategic corporate goals in the field of energy saving and raising energy efficiency, as well as energy audits, personnel training and the implementation of an activity automation system.

Effectiveness of operation of organizations that have implemented an energy management system in accordance with the requirements

of ISO 50001:2011 international standard can reach 98%-100%.

The example of the implementation of energy management in Interregional Distribution Grid Company of Center, PJSC, was recognized as successful, and the energy management system was highly assessed based on the results of energy audit. [8]

Thus, the energy policy of this company was approved by order of Interregional Distribution Grid Company of Center, PJSC, No. 625-IIA of December 31, 2019. This policy states that the company has developed and implemented an Energy Management System in accordance with ISO 50001:2018 international standard [9].

The corporate governance structure of Interregional Distribution Grid Company of Center, PJSC, includes the First Deputy Chief Executive Officer, the Chief Engineer, who is a representative of the company's top executives in energy management, i.e., energy management in the company is an integral part of its governance for the direct solution of energy saving tasks.

The work in this direction carried out by Interregional Distribution Grid Company of Center, PJSC, is noted in the annual energy efficiency ratings of power grid companies formed by the Ministry of Energy of Russia. The reviewed rating serves not only as a tool for monitoring of energy efficiency indicators, but also aims at encouraging companies of the electric grid complex to invest resources in energy saving.

It should be noted that power grid companies can act as a party to long-term goal setting agreements and investment programs stipulating requirements for reducing the unit electricity and heat energy supply costs as well as reducing the share of electricity losses in power grids. [10]

Referring to the rating, it should be mentioned that Interregional Distribution Grid Company of Center, PJSC, is the sure first in the reduction of losses in grids in its group of power grid companies taking into account the electricity supply in the volume of 5 thousand to 10 million kWh.

In addition, the Ministry of Energy of Russia is cooperating with Interregional Distribution Grid Company of Center, PJSC, to develop the state policy in the field of energy saving and raising energy efficiency through the preparation of packages of regulatory acts and by-laws, directly interacts with Interregional Distribution Grid Company of Center, PJSC, on the development of new methodological solutions within the framework of the implementation of pilot projects and the application of the best international management practice. [11]

Considering the above, it becomes clear that the public administration and the corporate governance of power grid companies with government participation are operating side-by-side and joint efforts in the solution of their tasks. State authorities set the development vector for companies through rule making and also apply non-regulatory methods, including the above mentioned energy efficiency rating of power grid companies.

The rating allows the grid companies to evaluate their own results in the field of energy saving and to view more successful «colleagues» in this area.

At the same time, the dynamics of raising energy efficiency in the Russian Federation is still lagging behind as compared to the global values as has already been noted in the State Report on Energy Saving and Raising Energy Efficiency 2020 prepared by the Ministry of Economic Development.

One more measure of coordination of state and corporate governance is the creation of the Comprehensive Action Plan to Raise Energy Efficiency of the Economy of the Russian Federation in accordance with Clause 3.4 in 2018.

The said working group includes representatives of the Ministry of Economic Development of Russia and the executive bodies of the constituent entities of the Russian Federation dealing with energy saving issues, and its tasks include coordinating the activities within the comprehensive action plan to raise energy efficiency of the economy of the Russian Federation.

Unfortunately, at the regional level, energy efficiency activities are either underfunded or not included in the financing program at all. Consequently, it has negative impact on legal regulation at the level of constituent entities, as well as on the information, analytical and expert support.

The introduction of energy management in companies and the consolidation of ener-

gy managers in the corporate management block, the adoption of independent regulatory acts by the constituent entities of the Russian Federation will create conditions for the powerful development of energy saving and raising energy efficiency in the electric power industry of the Russian Federation. ■

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