

Legal update

Recent news in the energy sector

April 2018

New regulation for energy self-generation

On February 26, 2018 the Energy and Gas Regulation Commission (CREG) issued Resolution No. 030, which regulates certain technical and commercial aspects in order to allow the integration of small-scale energy self-generators (known as AGPE in Spanish) to the National Interconnected System, which were pending development under the provisions of Law 1715 of 2014 and Decree 348 of 2017.

Among other aspects, the Resolution points out the way of integration of the AGPEs to the local power distribution systems, establishing the mechanisms of surplus energy delivery to: (i) energy traders that belong to the regulated market, (ii) energy generators that allot this energy to non-regulated users or (iii) energy traders who are integrated as network operators.

Likewise, the Resolution sets forth the energy thresholds that can be delivered to the energy network per hour and determines the mechanisms for the recognition of surplus energy produced by the corresponding self-generator, depending on its installed capacity and whether or not it uses non-conventional and renewable energy sources.

On the other hand, it establishes a new digital platform with a double purpose. First, to ensure that the AGPEs have access to adequate and sufficient information on the conditions and state of the networks that make up the National Interconnected System, as well as the potential connection points. Second, as a mechanism for AGPEs to process connection requests in a expedite way. Moreover, the AGPEs that wish to participate in this new scheme must comply with the technical requirements set forth in the Resolution, fill out a special connection request form and register in the aforementioned digital platform, which is pending development by the CREG

From the AGPEs standpoint, this regulation will encourage greater participation of users in the country's energy system, allowing the development of business models to involve energy generation in their day to day operation. In addition, it provides mechanisms that facilitate the periodic payment of surplus energy, so that the balances in favor of the self-generator are remunerated in a simple and efficient way.

On the other hand, the new regulation implies a significant advance in the management of energy in the national energy system, including the systematization of information regarding the energy demand and the user's information management so they can generate and use energy efficiently.

Please do not hesitate to contact us if you have questions or comments on the document. With pleasure we will be attentive to discuss and review the topics that they consider appropriate.

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