

Forward Work Program for 2022

Consultation copy



Table of Content

orward	
Consultation:	5
Purpose of Forward Work Programme:	6
Context & Content of 2022 Forward Work Programme:	. 7
2022 Work Priorities:	. 8



Forward

The Authority for Public Services Regulation (the Authority) is responsible for regulating the electricity, water, wastewater and natural gas transmission sectors in the Sultanate of Oman.

In accordance with the principles of best regulatory practice and as required in accordance with the legislative framework under which the Authority operates the Authority publishes a Forward Work Programme before the commencement of each Financial Year (1 January to 31 December) setting out the principal areas of work for the coming year.

This document presents the Authority's draft 2022 Forward Work Programme and invites interested Persons to submit comments or objections on the proposed programme to the following address by 30th December 2021:

(Mohammed Al Siyabi, Senior Strategic Development Specialist)

Authority for Public Services Regulation

PO Box 954, Postal Code 133

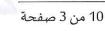
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All responses to the consultation will be acknowledged within thirty days of receipt as required.





Further information about the Authority, electricity and water regulation and structure is available for review on the Authority's website: www.apsr.om

Statutory Functions and Duties:

The Authority assumes a range of statutory functions and duties stipulated in the Electricity Sector Regulation and Privatization Law No (78/2004). Further, the Authority has been mandated to regulate natural gas transmission, water and wastewater sectors in accordance with Royal Decrees (78/2020) and (131/2020). The key functions under the Authority's mandate are to:

- ensure the efficiency of the economic, safe operation and investments of licensees.
- ensure the security and availability of the regulated services.
- ensure the financial and technical ability of licensees (efficiently, and the companies' ability to finance their activities.
- protect the safety of the public and staff.
- encourage fair competition, transparency and ensuring non-discrimination.
- protect the interests of the customers; including elderlies, disabled or chronically ill patients and those of limited income.

The Authority is also subject to important governance duties including a duty to not discriminate against or unduly prefer any Person; to act consistently, treating like cases alike and, in particular, to ensure, so far as it is appropriate, that all Licenses and Exemptions for the same Regulated Activities are granted in substantially the same form; a duty to minimise, insofar as it is able to do so, the regulatory burden on licence holders and exemption holders; and to give written reasons for its decisions.





All of the Authority's work, including that envisaged in the 2022 Forward Work Programme, must be conducted in accordance with these statutory duties.

In alignment with Oman vision 2040 and the tenth five-year plan, the Authority has set out its five-year's strategic plan (2021-2025) to be linked with the themes of the economy, development and sustainable environment as set out in the vision.

Consultation:

The Authority wishes to consult on the draft 2022 Forward Work Programme and invites interested Persons to submit comments and objections by 30th December 2021. The Authority intends to acknowledge all comments and objections received in response to this consultation within thirty days of receipt as described above.





Purpose of Forward Work Programme:

The Authority's Forward Work Programme serves a number of purposes:

- 1- Publication of each Forward Work Programme provides notice to Persons who may be affected by the programme, thereby affording them the opportunity to comment on what is proposed.
- 2- The Forward Work Programme is an important determinant of the Authority's costs (and licensees' fees) and as such is an important input in the development of the Authority's budget; and
- 3- Publication of a Forward Work Programme reinforces transparency and accountability by allowing interested Persons, such as sector policy maker (Government), licensees and investors and customers and their representatives, to ensure work planned for each subsequent year is appropriate and aligned with the Authority's statutory functions and duties and with Government policy guidance.

Each FWP identifies a number of work streams the Authority proposes to undertake in the following year. The Authority may need, during the year, to reprioritize its works, so that it can effectively respond to unforeseen events and conditions. Therefore, it may work on certain tasks that were not included in the FWP; as well as, it may not be able to implement other listed tasks.





Context & Content of 2022 Forward Work Programme:

The 2022 Forward Work Programme is the seventeenth programme published by the Authority since the establishment.

The work items identified in the 2022 Forward Work Programme are in addition to work undertaken by the Authority in the normal course of business.

The Forward Work Programme for 2022 is based on the following themes:

- Contribution towards implementing initiative in line with Vision 2040 requirements.
- Ongoing work streams / activities, such as the Procurement and transmission price controls of water and electricity sectors, customer service standards and market liberalisation initiatives;
- Continuation and implementation of regulatory frameworks related to water and wastewater sectors.





2022 Work Priorities:

The draft Forward Work Programme includes a number of 'high priority' areas of work:

First: Priorities: -

HP1:

Propose a policy to reinforce the In-Country Value in regulated sectors and work to implement it. The ICV requirements can be met through the regulatory role the Authority can play to support and empower the private sector and SMEs.

HP2:

Develop and empower Omani talents through human resources development programs to enhance their capacities; as well as working on succession and Omanization programs, in accordance with Oman vision 2040 and the tenth five-year plan.

HP3:

Prepare initial study to enable digital transformation in the regulated sectors. This can be achieved through applications of the Fourth Industrial Revolution technologies.

Second: Electricity Sector:

General Policy:

Electricity
Sector 1:

Carry out the duties to establish the Energy Efficiency Centre and follow up the implementation of energy efficiency initiatives by providing policy recommendations.

Price Control Mechanism:

Electricity
Sector 2:

Undertake price control reviews of Oman Electricity
Transmission Company and Oman Power and Water





Procurement Company. Additionally, the Authority will conclude the technical performance review against the current price control of Oman Electricity Transmission Company.

Market Liberalisation:

Electricity

Finalization of the electricity spot market operational

Sector 3:

frameworks and efficiency assessment.

Electricity

Approve the Direct Sale of electricity Regulatory Framework

Sector 4:

(bilateral sales of electricity).

Oman Vision 2040 Priorities: Regulatory Governance Quality:

Electricity

Sector 5:

Working with concern entities to approve regulatory framework and coordinate the issuance and the implementation of cyber security policy; in addition, to monitor compliance of the licensees.

Electricity Sector 6:

Monitor the compliance of distribution companies with regards to implementation of the National Smart Metering Transformation Project.

Third: Water Sector:

Water Sector 1:

Develop the regulatory frameworks for the sector in order to ensure the compliance of the water and waste water companies with technical and economic aspects. Moreover, health, safety and environment of assessment of licensees will be conducted.





Third: Natural Gas Transmission Sector:

Natural

Sector 1:

Develop the regulatory frameworks to ensure the compliance of OQ-

Transmission

Gas Networks (OQGN) with technical and economic aspects.

Furthermore, the Authority is required to execute further tasks; such as investigate blackouts and sudden incidents, carry out the required studies related to public services tariffs and other policies.

Authority for Public Services Regulation

November 2021

