

COVID-19 changed the world, the people, and style of work

*The impact of COVID-19 on energy
sector in Armenia*

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The Public Services Regulatory Commission of RA in the conditions of restrictions arisen by COVID-19 continued its daily work aimed at:

- ▶ ensuring uninterrupted, reliable energy supply to consumers,
- ▶ balancing the interests of consumers and suppliers.

At different stages of the restrictions, 40-65% of the PSRC staff start telework, in such conditions even the PSRC work was not underperformed.

New style of work for PSRC -new challenges.

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At the start of the first phase of COVID-19 restrictions, Public Services Regulatory Commission of RA announced that, given the emergency situation declared in Armenia due to the spread of coronavirus (COVID-19), measures to protect, maintain and improve the population, including Relevant regulations and restrictions on free movement of the population, in cooperation with of the responsible body (named Parek) recognized the situation as a force majeure till the end of the declared state of emergency which is hindering the fulfillment of the obligation to pay for electricity, natural gas and drinking water. In such conditions, the supply companies, according to the relevant agreements concluded with the consumers, are not entitled to interrupt the electricity, gas and drinking water supply of the residents in case of nonpayment by consumers. At the same time, the PSRC informed that the above-mentioned does not release the consumers from the obligation to pay for the electricity, natural gas and drinking water supplied to them.

Then, taking into account:

- ▶ the targeted decisions of the Government of the Republic of Armenia about neutralizing the economic and social consequences of the Coronavirus, which have significantly reduced the issue of nonpayment by socially vulnerable customers,
- ▶ fact that some restrictions, announced by the responsible body, for some of types of activities have been removed and
- ▶ even in the conditions of movement restrictions, resident consumers are mainly provided with the opportunity to make payments, in particular, there are a lot of online payment systems, there is a payment terminal in almost every trade market, many bank branches operate normally, in each community is at least one post-office

Public Services Regulatory Commission of the Republic of Armenia reviewed the reasons of declaring force majeure totally recognized for all resident-customers and force majeure was abolished on April 22, 2020.

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At the same time, PSRC RA announced that the elimination of force majeure does not restrict the consumer's right in case of non-payment in each concrete case to apply to the supplier with relevant justification for considering force majeure and in accordance with the contract of supply ask do not interrupt supply of services.

The mentioned process was under the control of the PSRC RA.

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By the 3 decisions of Government of RA about measures of neutralization of coronavirus's economic and social impact, consumers were provided with compensation for electricity, gas and water consumption which was calculated taking into account the volumes of consumption of resident companies. In particular, resident consumers, whose consumptions for February 2020 amounted to:

1) for natural gas consumption up to 10 000 AMD,

2) for electricity consumption up to 5000 AMD,

received compensation equal to 50% payment for natural gas and electricity and

1) for natural gas consumption, 10 001 - 30 000 AMD including.

2) for electricity consumption 5,001 - 10,000 AMD including

received compensation equal to 30% payment for natural gas and electricity.

1) for natural gas consumption, 30 001 - 40 000 AMD including.

2) for electricity consumption 10,001 - 25,000 AMD including

3) for water consumption up to 3000 AMD including

received compensation equal to 30% payment for natural gas, electricity and water, but for nongasificated communities compensation equal to 50% payment for electricity.

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Due to the above-mentioned operative work of the PSRC RA on a daily basis and above-mentioned support programs, the percentage of collectability in the energy-system of RA was not lower than percentage of collectability in the previous year and on an annual basis was 100%.

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As for the impact of COVID-19 on the main investment programs and economic activities in the energy sector, it should be noted that although the reforms in the energy sector of the Republic of Armenia continued, some works were postponed. Particularly,

- the main difficulties are related to postpones of arrivals of specialists from abroad to equip the stations.

Re-equipment postponed works were planned

- 1) in one of the HPPs of CJSC "ContourGlobal Hydrocascade" with American capital, works were moved to 2021,
- 2) at the newly built thermal power plant of CJSC "Armpower" with Italian capital.

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- ▶ *The testing of market management program within the framework of works toward electricity market liberalization of the RA was partially postponed until 2021.*
- ▶ *The highest impact was on the terms of construction of solar power plants, which are developing rapidly in Armenia.*

Taking into account the increase needs in financial resources and increasing “cost” of such resources for investors, the deadline of setting tariffs with current regulations (until 31.12.2021) for electricity supplied from solar power plants received licenses for construction and production within the limits set by the PSRC is considering postponing for 10 months until 31.10.2022.

- ▶ *As to already producing electricity solar power plants there were no reductions in financial flows due to COVID-19.*

Thank you

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