

# The Future of Electric Utilities in Latin America

Joisa Dutra\*, Vivian Figer\*\*

## Introduction

Throughout the 1990's Latin American countries (LACs) undertook a series of reforms in the energy sector. In general, they were motivated by the poor performance of a public model where the State was the monopolist supplier of electricity services. The lack of separation between the roles of investor, policy maker, regulator and monopolist resulted in political abuse and poor performance of state-owned enterprises (SOEs), which accumulated huge financial deficits.

The reforms were sought to help reduce fiscal imbalances and improve efficiency through the opening for the private sector investments. However, years later the drop of private investment due to external shocks was exacerbated when government reaction to the shocks showed it lack of commitment and made the flaws in implementation due to lack of good institutional and economic governance obvious<sup>1</sup>.

Now, almost 30 years after the reforms were announced, LACs' growth in energy supply is still not expected to meet the rising demand according to the World Energy report<sup>2</sup>. Latin American countries are still dealing with institutional failures and lack of good governance. Infrastructure limitations (human rights and environmental concerns in Brazil and Argentina, domestic terrorism in Colombia are some examples for lower investments in infrastructure in LACs) and climate changes add to the scenario.

In Brazil, the recent ruling of a case that had been ongoing for the past three years has some of the features that exemplifies all those institutional weaknesses: after a 20% discount in tariffs mandated by a presidential decree (MP 579/2012), a severe drought led the govern-

ment to increase the operation of thermo electric plants to secure supply against the recommendation of the National System Operator (ONS). In order to avoid the unpopular increase in tariffs to consumers the government mandated costs to be shared among all suppliers in the system to incur in this cost. After three years of litigations and various injunctions to allocate the cost, the TRF-1 ruled for two associations of electricity producers (APINE and ABRAGEL).

## Setting the scene: the energy mix in Latin America and the role of the actors

Latin America's power matrix is dominated by hydropower, which generates around 65% of the total electricity. But in recent years the capacity of expansion of hydropower plants, especially with large reservoirs, has started to slip, as these infrastructures became less popular. Environmental and social concerns help explain this trend. Although some countries had turned to natural gas (Brazil, Mexico and Argentina), the supply is still lower than demand, and they have to import Liquefied Natural Gas (LNG), which have a volatile price and supply is uncertain (Bolivia) in the longer term. The institutional weakness is obviously common to the sector. In Brazil, the lack of coordination between state (in charge of distribution regulation) and federal regulatory bodies, coupled with a dominant position of a national oil company that is also a quasi-monopolist in the natural gas market, further inhibits investment in E&P of a resource that is crucial to assure security of supply in a context of increasing penetration of intermittent renewables.

The industry was established based on utilities as the main

\* Director of the Center for Infrastructure at Getulio Vargas Foundation. email: Joisa.Dutra@fgv.br

\*\*Researcher at the Center for Regulation and Infrastructure at Getulio Vargas Foundation. email: vivian.figer@gmail.com

1 For more information see Millán (2006) and Balza, Gimenez and Mercado (2013).

2 World Energy Council (2013).

suppliers of electricity services to end users. However, technological innovation is enabling the creation and proliferation of a range of Distributed Energy Resources (DER) – distributed energy generation (DG), distributed energy storage (DS), electric vehicles (EV) and Demand Response (DR). New Information Communication Technologies (ICTs) increase the efficiency and precision on data collected on usage and operation of the whole power system, allowing for more sophisticated and effective Demand Response (DR) options. Innovation allows for multi-directional power flows across distribution networks, enabling the development of micro grids and on-site DG.

Distributed Energy Systems resulting from the combination of DERs and ICTs are expected to cause disruptive changes to the power industry (although it is still not clear which ones). For sure the decentralization that characterizes the higher penetration of DER is strike conflict with the economies of the scale inherent to the networks that are the essence of the development of the industry as we know it. Those changes, in turn, enable new business models, which will evolve alongside the adoption of new technologies. Regulatory and policy conditions, reshaping the energy sector landscape. These new business models, that mean the way through which investors recoup the invested resources, have to shelter a great degree of decentralization followed by the diffusion of DGs and DSs.

The technological innovation and diffusion of DERs bring new actors into the market. Each actor's part in the supply chain of electricity services will also change, especially those in the distribution and retail sectors, since consumers become increasingly able to store, produce, and sell energy. Some DESs may also be operated by traditional utilities. Other players may operate DESs, providing services to end users and/or other stakeholders. The traditional utility must also cope with the new changes in technology, regulation and markets. They face the challenge of transforming the threat posed by new DESs into an opportunity.

The executive power must play an active (leadership) role in orchestrating the interaction of multiple government agencies from all spheres and various sectors to delineate an energy policy embedded in clear policy goals. In this regard energy policy must be aligned with environmental, tax, land use, transport, social and other policies. The rules that will be set within this context must acknowledge all stakeholders as strategic players. The challenge is exacerbated by the pace in which technology innovation is taking place and the whole energy system is endogenously changing. A dynamic framework for assessing priorities and recommendations, and acting on them to provide a sound regulatory and competitive environment must be drawn.

As DER penetrate the network and (traditional) end-users are endowed with the ability to control their consumption and become suppliers to the utilities. The latter however are still responsible to maintain reliability of supply and provide the network structure for the system, with an increase in the operation complexity.

### **The potential for innovation: the role of regulators and policy makers**

This points to the need to revisit the compensation patterns, changing from an approach in which the compensation is related to the electricity flow through the network to another that values the security of supply (a form of insurance) provided by the condition of remaining connected.

It is imperative that regulators are prepared for the transformative changes to come. It is policy-makers role to provide a set of incentive compatible rules so that new business models that create the most value may succeed. The traditional tariff design (volumetric basis) no longer reflects the incurred cost of each player and should be designed to promote the correct price signals and cost-recovery mechanisms. The traditional toolkit from regulators developed in the 20th century is not able to align incentives in an environment in which resources are valuable and must be consumed wisely.

Regulators need to allow revenues of electric distribution utilities to align with incentives for the integration of DERs and DESs. Put it “simply”, get (and allow for) the prices right. The correct allocation of costs is one of the main challenges in regulated environments, and becomes more complex in a dynamic setting.

In addition to the traditional long term approach and decisions required in this industry, the potential impact of new technologies may also have longer-term effects. Reforms must result from an integrated view of short, intermediate, and long-term objectives involving various actors and sectors. It is important that contracts are enforceable. When institutions are not strong enough the government must find a way to assure time consistency.

Policy makers must then seek to set dynamic rules so that utilities and other stakeholders can succeed in its market (re)positioning, benefiting all stakeholders and promoting the continuously sustained development of the energy sector. Up to recently regulators had to keep pace with some technological changes providing incentives for economic efficiency in a more static environment, where the role of the utilities was clearly defined and fixed. They could be

responsive to those changes.

The innovations taking place pose a greater challenge to regulators, since they may cause profound changes in an unknown pace in which the new business models that will arise are still uncertain. And more importantly, they are a function of the incentives and signals that regulators will provide. It is clear that the equilibrium that will emerge from the strategic interaction of all players will depend on the nature and amount of uncertainty of the system. Political and economic stability and reliability of the judicial system are essential to reduce the amount of uncertainty and effectiveness of an energy policy.

Whereas in developed countries all those changes occur and are thought within a solid institutional environment, in Latin America the challenge is to harness the technological innovations and review the whole regulatory and energy policy within a scenario of higher political, economic and judicial instability, which brings higher uncertainty for all players. Although this fragility of the overall environment poses a threat to a successful comprehensive reform, the need to adapt to all the changes in course is urgent. After the failure to construct new hydroelectric plants following environmental protests and lack of investments in addition to climate changes that exposed that deliverability is no longer secured the need for integrating new renewable sources became eminent.

Non-Conventional Renewable Energy (NCRE) is expected to play a more prominent role in the proliferation of DESs in Latin America. Solar, wind and biomass output and the hydro resource complement to each other seasonally, conditioned by the region in LACs<sup>3</sup>. Those complementarities reduce the impact of their intermittent characteristic. Note that an efficient development and adoption of NCREs should take into account the availability of those resources within the region and the complementarity between them. The decrease in levelized costs of renewables, specially wind and solar energy will also help fostering the propagation of NCRE<sup>4</sup>. Given these clear positive conditions, regulation must also adapt to allow investments in a cleaner renewable generation mix.

Until recently, the integration of intermittent resources in Latin America (mainly wind and solar) didn't bring much complexity for the operation of the system, given the storage capacity of its hydro plants. However, the difficulties in building new hydro plants with storage capacity associated with climate changes (El Niño/La Niña) had reduced the supply reliability of the system (such as the severe droughts in 2001) and this is likely to boost the adoption of new DERs. The increase of the share of NCRE associated with reduced storage capacity of the system will

increase the complexity of operation. Smart grids are technical resources that may help utilities and other operators to adapt to the penetration of NCRE. A well-design regulation is crucial to encourage the adoption of new technologies and the construction of smart grids. Developed countries that have a capacity-constrained power system can provide important lessons.

Recent regulatory trends are evidence of incentives to a higher penetration of DG. The Brazilian electric energy regulatory agency (ANEEL) had first established general guidelines for the adoption and DEG, defining pricing and access rules (RN482/2012). Upon its adoption, RN482 was followed-up and further improved culminating in the approval of resolution 687 in 2015.

The distribution companies are responsible for granting access (given the rules defined by RN482/2012 and 687/2015), for gathering the data, and installing and maintaining the meters (minigrids connection costs are incurred by the end-user(s) of the electricity service). A positive difference between energy generated and consumed can be credited to abate consumption in the following two months. There is a very important incentive implicit in this rule; consumers are paid almost the full retail price (in present value) for the energy exported into the system, which distorts price signals, creating cross-subsidies in favor of users of the grids, among other negative effects of price distortions<sup>5</sup>. The same rules for billing remote usage (virtual net metering) of the grids further exacerbate the distortions (there are different taxes and subsidies in different regions).

The huge volumes of data that can potentially be collected with the adoption of ICTs can increase information flows and prepare the system for adopting a range of demand response options. The combination of DR with ICTs will provide incentives for voluntary rationing if more granular prices are set and consumers are able and encouraged to use the information and make smart decisions about their energy consumption. However, consumer engagement will still be a theoretical assumption if the problem of electricity loss is not addressed in LACs. According to an IDB study, electricity losses in LACs were 17% in 2007-2011 compared to 6 and 8 percent in high-income countries of the OECD. The lack of a systematic monitoring in these countries is also a threat for efficiency and financial sustainability of the power sector.

## Conclusion

The complex interaction of various strategic players in a

<sup>3</sup> For more information see Batlle (2014).

<sup>4</sup> IRENA.

<sup>5</sup> For more information see Brown and Bunyan (2014).

complex system as the electric networks associated with the additional uncertainty regarding how the ICTs and DERs will evolve together with the new business models requires an immense effort. It challenges the executive office as the leader of an integrated task force that must work together and aligned in defining policy goals and strategies. In addition to stakeholders, academia and think tanks must engage to provide valuable inputs in designing an optimal policy scheme.

It may sound unrealistic at a first glance that Latin American countries should set as a priority for the energy sector to level the playing field for the adoption of ICTs and DERs that will increase the operation complexity in a region that is already coping to provide the right signals and incentives for stakeholders in a static environment. However, the urgency for a novel institutional approach to address climate change, security in supply and lack of investments is an opportunity for the countries, since they already need a comprehensive assessment of the current Energy System in Latin America's countries. And that is the starting point of any reform set to succeed.

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# Social Impact Bonds for Youth Employment in Morelia, Mexico: A New Approach to an Old Problem

Irina Alberro\*, Doreen Vorndran\*\*

Abstract - Social Impact Bonds have received attention across the world and in Mexico. In order to address the challenges that youth faces, the municipality of Morelia has decided to explore this innovative mechanism of financing social development.

## What is a Social Impact Bond (SIB)?

Social Impact Bonds are financial instruments that involve an association in which foundations and impact investors assume the risk to finance a solution to a social problem (Levey, et al. 2015). In that sense, the Government does not assume the risk of proving a new policy and only pays for success. The British organization Social Finance implemented the first SIB in 2010 to work with Young offenders coming out of prison in order to achieve their social reintegration. That SIB turned out to be very successful given that it reduced reincidence and it implied savings for the British government. The savings allowed the British government to pay the principal to investor plus a return on investment. SIBs are important financial innovation tools to the international aid system and development, because they seek to reward successful social in-

terventions (Pay for Results) and consequently encourage public and private money used for social improvement of the community to be used effectively and efficiently.

A basic model for a SIB implies that the government hires the provision of social services through a private sector intermediary. The government makes payments to investors according to the achievements. An independent evaluator measures achievements using rigorous methodologies. If the intermediary fails to achieve the minimum target the government does not make the agreed payment.

The broker obtains funds to finance operating costs through private investment funds, foundations and non-governmental organizations, which provide capital upfront in exchange for a percentage of the payments that the government will make. Similarly, the broker uses these



Figure 1: Operational Scheme of SIB  
Source: Prepared with data from FOMIN and SF

\* Irina Alberro. Currently Consultant at Henderson&Alberro. She is a specialist in financial inclusion, social development and evaluation. She holds a PHD in Political Science from Northwestern University, US. Email: irina.alberro@hendersonalberro.com

\*\* Doreen Vorndran, Director of Strengthening Local Government at the Escuela de Gobierno y Transformación Pública del Tecnológico de Monterrey and participating consultant/researcher in the project of Social Impact Bonds in Morelia, email: doreen.vorndran@itesm.mx



funds to hire service providers to deliver the interventions required to meet performance goals (Azemati, et al., 2013). It is then expected that the SIB will lead to a more efficient investment of public resources and contribute to improvements in the living conditions of the group targeted for the intervention.

### When is it worth using a Social Impact Bond?

It is important to analyze when a SIB is worth implementing; the structure involved in a SIB is highly complex and thus should be used when the situation really requires it. For instance, a SIB can be considered when the prevailing policy has important constraints and does not achieve its' purpose and is expensive compared to other possible options. It is also worth exploring a SIB whenever there are policy alternatives offered by non-governmental actors and with proven results. In most cases these Payments for Success (PFS) interventions cannot scale-up due to the operator's lack of resources and thus bringing investors to the table can prove very effective.

What makes recent PFS initiatives distinctive is that they are focused not simply on creating additional financial incentives for contractors to produce better outcomes, but more broadly on overcoming the wide set of barriers that are hindering the pace of social innovation. For sure, these barriers include a lack of performance focus and outcome measurement, but they also include political constraints that prevent government from investing in prevention, the inability of nonprofits to access the capital needed to expand operations, and insufficient capacity to develop rapid and rigorous evidence about what works. In some of these new models, the amount of performance risk shifted from taxpayers to those on the hook for producing the outcomes is much greater than under traditional performance contracts, requiring the participation of socially-minded investors to make the projects feasible (Azemati et al.)

### When is a Social Impact Bond feasible?

There are several criteria that have to be met in order to determine if a SIB is feasible:

1) **Clearly identifiable and traceable beneficiaries for the intervention.** The targeted population has to be identifiable along the whole program, which can in many cases last for several years. It is fundamental to be able to evaluate the beneficiaries' conditions and the performance of the program throughout the years.

2) **Robust measureable results metrics.** A rigorous impact evaluation is very important in these cases given that it defines payments from governments to investors and determines what success looks like.

3) **Programs with rigorous impact evaluation.** Providers of social services should have evaluations about their interventions and prove successful results. In that area that are still a lot of work to be done to professionalize non-governmental-organizations that are not accustomed to this kind of requirements.

4) **Priority topic for investors.** In order to be able to obtain the initial investment, the problem that the SIB wishes to address has to be considered as a priority for the social the impact investor community, as well as other more traditional financial entities.

5) **Priority topic for governments.** Governments need to be involved to increase the probability of success of a SIB so it becomes vital for the bond that the problem to be tackled is considered relevant and significant.

6) **Effective cost benefit program.** SIBs need to imply savings for governments and ultimately taxpayers. The idea is to have a better, proven and cheaper intervention. The returns to investors will then come from the savings that the bond has allowed. In many situations the business case for the SIB can address preventive actions, rather than remedial.

### The evidence of employability Bonds

More than 10 SIB on employment for Young people in the world have taken place, mainly in the UK. One of the most successful SIBs took place in London to address young people with high risk of unemployment and school dropout. An investment of £900,000 targeted 950 young persons. The SIB began in January 2012 with a 3-year duration and a return on annual investment of 3% at the end of the program.

The department of work and pensions developed proxy metrics to measure the increase and sustainability of future employment. Metrics included attendance and school performance, behavioral changes, improvement in abilities, learning of skills and employment. The Department of work and pensions established payments for each percent increase obtained and declared at the end of the project that they had saved £40,000 per student.

Overall the results were quite successful. Among them, 91% of the young that participated in the program have

a job or are in an employment training, 85% improved their behavior and scholar attendance, 72% reached good grades in standardized tests, 21% obtained a job through the organization ThinkForward who was in charge of the intervention and finally 24% got admitted to higher education.

### The issue in Morelia and the case for a SIB

The city of Morelia is the capital of Michoacán, a federal state of Mexico which has been in the international headlines because of the problems of organized crime and violence for the last 15 years: Human heads dumped at public places, grenade attacks, armed self-defense groups claiming to liberate their communities from organized crime, public video revelations about the infiltration of organized crime in the local public administration. Meanwhile atrocities of executions, murder, kidnappings and forced disappearances of persons continue.

In response to the unfolding security crisis, the federal government in coordination with the military set up a special commission which has coordinated police operations and social and economic programs throughout Michoacán with considerate progress. These efforts contributed to the significant decline of the intentional homicide rate in Morelia, Michoacán's capital which dropped from 27.3 per 100,000 inhabitants in 2013 to 19.8 in 2015.

Other incidences of violence and crime have also been in decline. According to the Consejo Ciudadano de Seguridad Pública y Justicia Penal, in 2012 Morelia was leading national crime statistics on extortion and kidnapping. Three years later, it appears that Morelia is recovering from those situations (Figure 2).

Figure 2: Crime reports in Morelia (2000 – 2015)

	2000	2006	2013	2015
Crime reported to the authority	8,376	12,076	13,662	10,676
Burglary and robbery	3,468	6,634	7,910	6,116
Injuries	1,350	1,210	1,150	1,364
Intentional homicide	33	77	199	152
Extortion	25	25	85	6
Kidnapping	17	54	96	7

Source: Elaborated with data of Morelia Como Vamos and Secretariado Ejecutivo del Sistema Nacional de Seguridad Pública (2016)

According to official data, the most affected population group by the violence has been young men between 15 to 39 years old. Over the past 10 years, an average of 34.7% of young men between 15 to 29 years were deprived of

their life by homicide (Figure 3).



Figure 3: Homicide registered in Morelia (2005-2015)

Source: Prepared with data for INEGI (2016)

Besides the public safety crisis, Morelia has undergone significant urban governance transformations and has faced economic development setbacks, which have especially impacted its youth. Between 1975 until 2000 the surface of the city has been growing 91.6% (Alvarez 2011). The population has been doubled from 353,055 in 1980 to 729,279 in 2010 (INEGI 1980, 2010). The age group of 15 to 29 years old has increased about 35.2% over the past 25 years. This added social and economic pressure on the city.

From 2002 to 2013 Morelia suffered a severe economic downturn which has impacted in employment opportunities and the business community. Based on Mexican Statistics Office' macroeconomic data, the total value added of Morelia's economy crashed from 29 billion pesos in 2003 to 14.22 billion pesos in 2011. With regard to the labor market, only 51.4% of the economically active people has a formal fulltime job. The unemployment rate increased from 4.2% (2005) to 5.19% (2016) (INEGI, 2016). According to national estimations by INEGI, the unemployment rate of youth between 15 and 19 years and those between 20 to 24 years has been around 8.6% and 8.3%, respectively. INEGI also estimates that 68.1% of the young people in Mexico works in the informal sector – exposed to minimum wages, lack of social security and labor exploitation.

Besides all those vulnerabilities, we identified in a recent study that youth of Morelia is eager to have their own commercial ventures. 8 in 10 young people would like to have their own business in the future. They consider that they have the ideas and skills to do so. We also asked for the motives of starting their own business. On one hand they referred to the necessity of an extra income and difficulties to find a job. On the other hand they emphasize their need to be independent and search for opportunities to apply

their skills and knowledge. With regard to their vocational orientation, more than 23.1% of the interviewed young people would like to be a trained professional with an undergraduate degree (Vorndran, 2016).

## Outlook

The Mayor of Morelia, Alfonso Martínez Alcazar, has set out employment and young people as a priority of its administration. Aware of the federal, state and local budget restraints he has approached national experts and Tec de Monterrey's School of Government to explore new mechanisms of financing social development based on concrete results. After an initial capacity building of his cabinet members about SIB and analyzing its pros and cons, his administration decided to proceed with the development of an initial concept about youth and employment in order to study the feasibility of an SIB.

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## Management of Urban Infrastructures *A Massive Open Online Course by EPFL - MIR - IGLUS*

In recent years, online courses have emerged as a game changer in the educational landscape. Massive Open Online Courses (MOOCs), covering a wide variety of subject matters, are now available to practitioners, as well as academics, and continue to attract increasingly large audiences via online education platforms such as Coursera and EdX. These online courses enable learners to choose from a diverse array of subjects and to freely explore those that are most interesting to them at their own pace. The combination of the flexibility associated with online education and the high quality of courses offered by world-class universities, have turned MOOCs into an appealing learning reference for many. As a result, these courses have become particularly invaluable to those practitioners who have limited time and tight schedules restricting them from attending conventional training programs, but still feel the need to stay up to date with the cutting edge knowledge in their fields.

As of February 2016, the Chair Management of Network Industries (MIR), is offering a free online course on the [Management of Urban Infrastructures](#) as one of the products of a global action research initiative relating to the Innovative Governance of Large Urban Systems, called [IGLUS](#). This free, and on-demand, course covers the basic principles of the management of urban Infrastructures and illustrates these principles through a deeper investigation of two of the most important urban infrastructures- the urban energy and transportation sectors.

In this online course we, at EPFL, have worked with a series of our partners in the [IGLUS project](#), namely the World Bank, The Veolia Environment group, Swiss Post, City-Canton of Geneva, Boston Consulting Group, and City University of New York. By providing a combination of inputs from both academia and industry experts, we have tried to give a balanced overview of the basic principles of urban infrastructure management and to also illustrate how practitioners make use of these principles in the real-world.

In less than 2 months, about 4000 learners had enrolled in the course and the feedback from this large audience is quite promising ([Click here to see the feedback](#)). The online learning forum associated with this course provides us with a unique opportunity to host discussions and hear a range of diverse perspectives on the managerial issues raised in the course. People attending the course represent more than 90 different nationalities, and the debates centered around the course materials reflect this diversity and are in themselves an immense learning opportunity, both for us and our learners. You can find more information about free registration in this course by [visiting the IGLUS webpage at: http://iglus.org/mooc](http://iglus.org/mooc)

We are currently planning the second part of the course that is set to go online Spring 2017. The second part of the course will have a more keen focus on the Management of Urban Infrastructures in presence of disruptive innovations introduced by the ICT sector; which can be labeled as Management of Smart Urban Infrastructures.

Online courses that cover managerial, regulatory and governance issues in different network industries are becoming increasingly more prevalent. So, as of this issue of NIQ we will introduce a new section that closely follows the world of online education and reviews the currently available, and the upcoming, MOOCs that might be useful for academics and practitioners active in the field of Network Industries.

If you would like to write a review about a MOOC and publish it in an upcoming issue of NIQ, please send an email to [mohamad.razaghi@epfl.ch](mailto:mohamad.razaghi@epfl.ch).



## The Transport Area of the Florence School of Regulation

The Florence School of Regulation (FSR) has been created in 2004 as a partnership between the European University Institute (EUI) and the Council of the European Energy Regulators (CEER). Since then, the Florence School of Regulation has expanded from Energy regulation to Telecommunications and Media (2009), Transport (2010) and Water (2014).

The Transport Area of the Florence School of Regulation (FSR Transport) is concerned with the regulation of all the transport modes and transport markets (including the relationship among them). It currently focuses on regulation and regulatory policies in railways, air transport, urban public transport, intermodal transport, as well as postal and delivery services.

The aim of FSR Transport is:

- to freely discuss topics of concern to regulated firms, regulators and the European Commission by way of stakeholder workshops;
- to involve all the relevant stakeholders in such discussions; and
- to actively contribute to the evolution of European regulatory policy by way of research.

The core activity of FSR Transport is the organization of policy events, where representatives of the European Commission, regulatory authorities, operators, other stakeholders, as well as academics in the field meet to shape regulatory policy in matters of European transport.

The results of FSR Transport's activities are disseminated by way of policy briefs, working papers and academic publications. All FSR Transport materials are open source and available on the FSR Transport webpage, as they aim to involve professors, young academics and practitioners to become part of a unique open platform for applied research.

To learn more visit our website: [www.florence-school.eu](http://www.florence-school.eu) or contact us at [FSR.Transport@eui.eu](mailto:FSR.Transport@eui.eu).

## Highlight



### Latest event: 5th Conference on the Regulation of Infrastructures

Continuing the successful format, the 5th Conference on the Regulation of Infrastructures is taking place on Friday, 24th June and brings together all research areas of the Florence School of Regulation to discuss current challenges in the regulation of the Infrastructure Industries.

## FSR-Transport events Spring 2016:

Date	Title
29 February 2016	4th Florence Intermodal Forum
9 March 2016	Executive Seminar at the World ATM Congress in Madrid
2 May 2016	12th Florence Rail Forum
3 May 2016	Executive Seminar: ERA and the Digitalization of Railways
23 June 2016	Book Presentation: Routledge Companion to Network Industries
24 June 2016	5th Conference on the Regulation of Infrastructures

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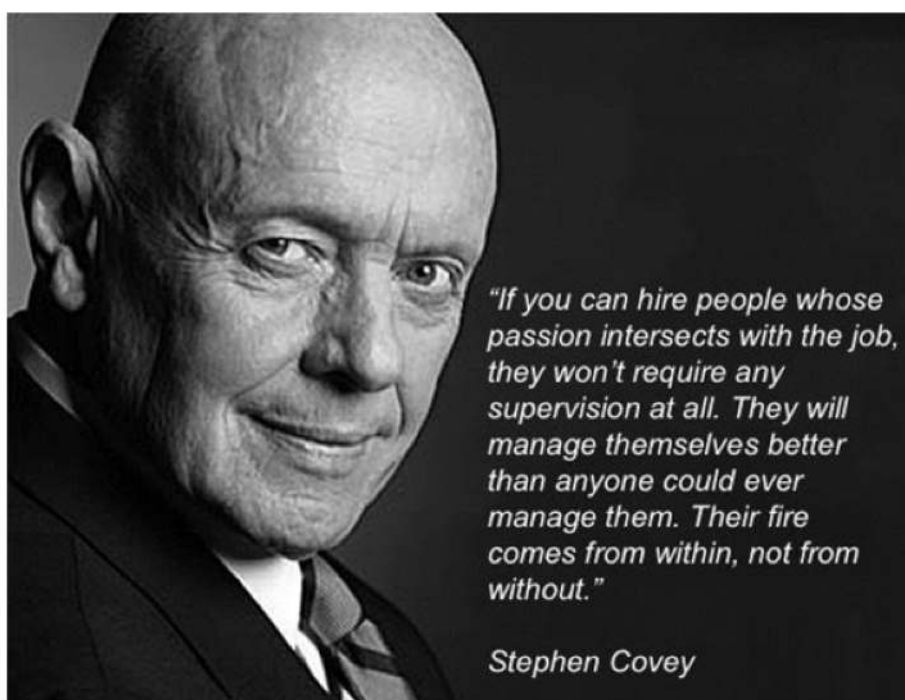
The Florence School of Regulation – Transport Area (FSR Transport) is hiring: we are looking for a research associate to join the team based in Florence, Italy.

The post holder will contribute to the core activities of the Area (organization of policy events, publications and writing in the field of rail, air and urban transport). The post holder will be responsible for the expansion of the Area's activities in other transport modes. The post holder will report to the FSR Transport Area Director and Coordinator.

Main tasks include:

- Draft and edit briefs, reports, summaries and papers for workshops.
- Organize workshops (content definition) with logistic support provided by the Conference Unit.
- Perform analytical and research tasks.
- Develop the network and communication channels of FSR Transport.
- Provide further assistance and perform additional tasks as required.

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### Special issue on: Network Industries in Latin America

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Miguel Angel Montoya Bayardo, Tecnologico de Monterrey, Guadalajara

#### Abstract

The network industries in Latin America (from Mexico to Chile) are undergoing substantial changes, marked in particular by their liberalization but also their privatization. Similarly, the re-regulation of the network industries' sectors is gradually being institutionalized following European, American, but also endogenous approaches. Overall, however, the de- and re-regulation of the network industries in Latin America follows no clear model and results are mixed, at best. This special issue of Utilities Policy aims at shedding light at the de- and the re-regulation practices in the different network industries and in the different Latin American countries, notably Mexico, Brazil, Colombia, Peru, Argentina, Chile and others. This special issue is especially dedicated to critically analyzing these practices, along with the policies that have inspired them.

#### Topics Covered

- Description and critical assessment of the different network industries' de- and re-regulation policies and practices in Latin America, notably Mexico, Brazil, Colombia, Peru, Argentina and Chile
- Sectors covered: telecommunications, postal services, electricity, gas, air transport, rail transport, road transport, urban public transport, water and wastewater
- Comparative studies across sectors and countries are particularly welcome

#### Notes for Prospective Authors

All papers must be submitted through the Utilities Policy website: <http://ees.elsevier.com/juip/>. Make sure to upload your paper to the special Issue "Latin America".

Submitted papers can be in early draft versions, but should not have been previously published nor be currently under consideration for publication elsewhere. All papers will be selected through a peer-review process. For more information, please see the Author Guidelines page. The authors of the selected papers will be invited to either a conference in Guadalajara, Mexico, on November 21st, 2016 or a conference in Rio de Janeiro, Brazil, on November 23rd, 2016, during which their papers will be presented and critically discussed before a final submission to the special issue.

#### Important Dates

- Draft paper due on 30 September, 2016
- Notification of acceptance to the Conference on 15 October, 2016
- Conference in Guadalajara, Mexico, on 21 November, 2016 or in Rio de Janeiro, Brazil, on 23 November 2016
- Submission of revised paper on 31 January, 2017 Notification of acceptance on 15 April, 2017 Publication date: August to September 2017



# networkindustries

## quarterly

**Network Industries Quarterly, Vol. 18, issue 3, 2016 (September) “The challenges of digitalization and the use of data”**

### **Presentation of the next issue**

The de- and re-regulation of the different network industries is an ongoing process at national and global levels. As this process unfolds, ever new phenomena emerge. Yet, the question about the right mixture between market, economic, technical and social regulation remains wide open in all the network industries. The question becomes even more challenging when looking at recent infrastructure development as triggered by their pervasive digitalization. Not only are the different infrastructures transformed by their digitalization – e.g., digital transport, smart energy, etc. – calling for new approaches to regulating them, but moreover does digitalization become a phenomenon in its own right. The European Commission actually sees digitalization as a means to accelerate integration, to tear down regulatory walls and to move from 28 national markets to a single one. Consequently, digitalization and especially its implications in terms of privacy and security also require regulatory attention.

The next issue of the Network Industries Quarterly (NIQ) will be dedicated to some of the best papers presented at the 5th Conference on the Regulation of Infrastructures, which is organized by the Florence School of Regulation in June 2016. Selected academics and practitioners have been invited to Florence to discuss the latest developments in the regulation of different network industries, namely transport, energy, telecoms and water distribution. Both the Conference and the next issue of the NIQ have a special focus on digitalization and the role of data, and they build on the long lasting experience of all the Area directors of the Florence School of Regulation.

### **More information**

If you are interested in learning more about the “5th Conference on the Regulation of Infrastructures: The challenges of digitalization and the use of data” and the next issue of the Network Industries Quarterly, please send an email to Ms. Nadia Bert at [FSR.Transport@eui.eu](mailto:FSR.Transport@eui.eu).



## OPEN CALL FOR PAPERS

Implementation of the liberalization process has brought various challenges to incumbent firms operating in sectors such as air transport, telecommunications, energy, postal services, water and railways, as well as to new entrants, to regulators and to the public authorities.

Therefore, the Network Industries Quarterly is aimed at covering research findings regarding these challenges, to monitor the emerging trends, as well as to analyze the strategic implications of these changes in terms of regulation, risks management, governance and innovation in all, but also across, the different regulated sectors.

The Network Industries Quarterly, published by the Chair MIR (Management of Network Industry, EPFL) in collaboration with the Transport Area of the Florence School of Regulation (European University Institute), is an open access journal funded in 1998 and, since then, directed by Prof Matthias Finger.

## ARTICLE PREPARATION

The Network Industries Quarterly is a multidisciplinary international publication. Each issue is coordinated by a guest editor, who chooses four to six different articles all related to the topic chosen. Articles must be high-quality, written in clear, plain language. They should be original papers that will contribute to furthering the knowledge base of network industries policy matters. Articles can refer to theories and, when appropriate, deduce practical applications. Additionally, they can make policy recommendations and deduce management implications.

Detailed guidelines on how to submit the articles and coordinate the issue will be provided to the selected guest editor.

## ADDITIONAL INFORMATION

### MORE INFORMATION

- [network-industries.org](http://network-industries.org)
- [mir.epfl.ch](mailto:mir.epfl.ch)
- [florence-school.eu](http://florence-school.eu)

### QUESTIONS / COMMENTS?

**Nadia Bert**, Managing Editor:  
[nadia.bert@eui.eu](mailto:nadia.bert@eui.eu)  
**Mohamad Razaghi**, Publication  
Editor: [mohamad.razaghi@epfl.ch](mailto:mohamad.razaghi@epfl.ch)

Published four times a year, the **Network Industries Quarterly** contains short analytical articles about postal, telecommunications, energy, water, transportation and network industries in general. It provides original analysis, information and opinions on current issues. Articles address a broad readership made of university researchers, policy makers, infrastructure operators and businessmen. Opinions are the sole responsibility of the author(s). Contact [fsr.transport@eui.eu](mailto:fsr.transport@eui.eu) to subscribe. Subscription is free.



## SUBJECTS

*Vol. 17 - No. 4 (2015)*

Local utilities and public services in Europe: challenges and opportunities

*Vol 17 - No 3 (2015)*

Regulating of Infrastructure Industries in emerging countries

*Vol 17 - No 2 (2015)*

Urban Energy Transition

*Vol 17 - No 1 (2015)*

Network Industries in Eurasia

*Vol 16 - No 4 (2014)*

Business Groups in Network Industries

*Vol 16 - No 3 (2014)*

Corporate governance of public utilities

*Vol 16 - No 2 (2014)*

Regulating Railways

*Vol 16 - No 1 (2014)*

Consumer Involvement in Network Industries' Regulation