

Kingdom of Morocco



anrc

الهيئة الوطنية لضبط الكهرباء
المملكة المغربية | المملكة العربية السعودية
NATIONAL ELECTRICITY REGULATORY AUTHORITY

ANNUAL REPORT 2021





**HIS MAJESTY KING MOHAMMED VI
MAY GOD ASSIST HIM**

“... In this regard, we insist on the necessity to endow the electricity and the energy sector as a whole with an efficient organization operating in observance of good governance rules in order to offer investors new opportunities, with all the requisite visibility. It is, likewise, imperative to speed up the process of adopting all the necessary regulatory texts in this field. In parallel, it is important to consolidate Morocco’s key regional role in the energy field, by providing the sector with all the necessary means to raise the challenges it faces and thus facilitate its integration into the Euro-Mediterranean energy market ... notably through strengthening electricity interconnections with neighboring countries and establishing major infrastructures necessary to achieve regional integration, with, first and foremost, the Mediterranean Electricity loop.”

Excerpt from the speech of His Majesty King Mohammed VI, May God Assist Him, to the attendees of the first national energy forum, held on the 6th March 2009.



Pursuant to the lofty guidelines of His Majesty King Mohammed VI, May God Assist Him, Morocco adopted, back in 2009, an energy strategy based on renewable energies, the development of energy efficiency, and the strengthening of regional integration.

In the framework of the implementation of this strategy, Law no. 48-15, enacted by Dahir (or, Royal Decree) no. 1-16-60, dated 17 of Shaabane A.H 1337 (corresponding to 24th May 2016) established the National Electricity Regulatory Authority (ANRE). The creation of this institution comes in implementation of Article 159 of the Constitution, as revised in 2011, which stipulates that “the law may create, if necessary, other regulatory and good governance authorities, in addition to the ones referred to by the aforesaid Constitution. In accordance with the provisions of Law no. 48-15, ANRE presents its first annual activity report for the year 2021.

Ever since His Majesty King Mohammed VI granted me the distinct honor of appointing me at the head of this institution in August 2018, I applied myself, from the outset, to set the prerequisites of a strong regulator by endowing the institution with the necessary resources, and thereafter, to put in place the necessary tools for an effective regulation of one of the country’s most strategic sectors.

After the Board members were appointed on the 10th August 2020, and Law no. 48-15 became effective, on the 22nd April 2021 in conformity with Article 59 thereof, we undertook the crucial task of deploying the first tools of regulation without taking any abrupt measures that would risk putting the actors in the electricity sector, and more particularly the system operators, in front of a wholly new structure without any prior adaptation period. This approach, which is both proactive and progressive, is apt to facilitate the smooth evolution towards an appropriate and effective regulation.

We also sought to accompany this approach by launching wide consultations with all the actors in the sector so as to take into account their concerns and constraints.

The first results of this approach are positive: (i) the Grid Code of the Electricity Transmission Network has been approved, which guarantees access to, and use of this network under objective and non-discriminatory conditions; (ii) the bases for an accounting unbundling of the historical operator’s activities are laid down in order to facilitate the elaboration of a detailed document, by the Transmission System Operator (TSO), bearing on the definition of perimeters, the principles underlying accounting charges, and the rules pertaining to financial relations between the different activities, all in order to allow ANRE to ascertain the absence of discrimination, cross-subsidy, or distortion of competition, and (iii) the major principles to prevent any discriminatory practice, notably transparency and independence, have been transmitted to be taken into account during the elaboration of the Code of Good Conduct that the Operator will have to submit to ANRE, in compliance with the provisions of Law no. 48-15.

“

... ANRE will continue to develop its principles of action: transparency in decision-taking and responsiveness, in order to lay the bases of a strong and independent regulator, necessary for the harmonious development of a sector as strategic as the electricity sector.

”

Thus, even if much remains to be done in the years to come, a major stride has been made: Today, a private investor has a clear framework to access and use the electric transmission network, which is a major step forward. Tomorrow, he will know the cost that he will have to incur. The objective set for next year will be: to dissociate the accounting of the electricity transmission activity from the other activities undertaken by the historic operator and then to define the pricing method for access and use of the network.

Whether on a regional or international level, ANRE has favored an open approach dovetailed, on the one hand with the relations that it has established with its European and African peers, and on the other hand, with the initiatives that it has developed with international regulatory entities. In this regard, ANRE has been elected Vice-President of the Mediterranean Energy Regulators’ Association (MEDREG) and has joined, on the sidelines of COP26, a score of worldwide regulators, in the initiative dubbed, “the Regulatory Energy Transition Accelerator (RETA)”. Moreover, ANRE has largely contributed to the reflections and studies conducted by MEDREG’s working groups on future-gear topics such as: storage, hydrogen ... etc. It has thus been able to promote the vision and defend the interests of Morocco in fundamental matters relating to energy transition.

It is in line with this mindset that ANRE will continue to develop its action principles: transparency in decision-making and responsiveness in order to lay the bases of a strong and independent regulator, which is necessary to the harmonious development of the electricity sector, avowedly strategic. These principles will also be indispensable to us as we strive to adapt to the evolutions that are likely to affect our missions, mainly those put to the fore by the New Development Model, the reform of the legal framework, the market or new technologies.

Last but not least, any effective fulfillment of ANRE’s devolved missions is tributary on the adoption of the regulatory texts provided for by the various laws pertaining to the liberalization of the electricity sector and to its regulation.

Abdellatif Bardach
President of ANRE

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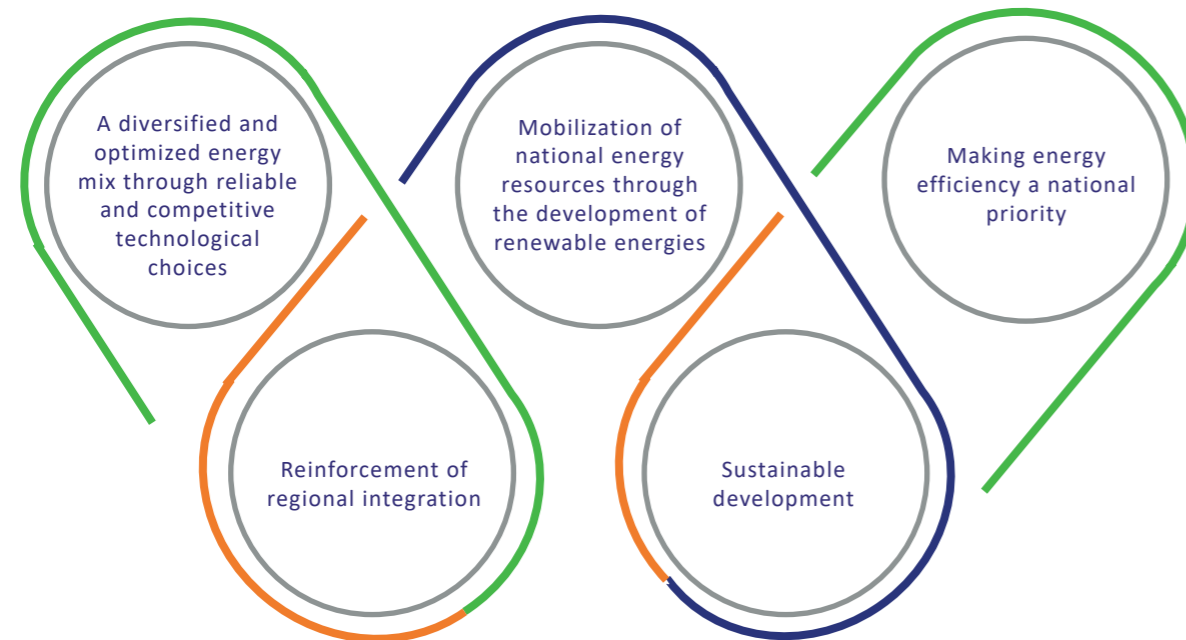
The Electricity Sector In Morocco



1. A clear strategic vision

Under the leadership of His Majesty King Mohammed VI, May God Assist Him, Morocco launched a national energy strategy in 2009, which has four fundamental objectives and revolves around five strategic guidelines, namely :

5 STRATEGIC GUIDELINES



4 FUNDAMENTAL OBJECTIVES



This strategy, which comprises short, medium, and long-term programs with clear and precise objectives, has been implemented through a range of legislative, regulatory, and institutional reforms.

On the strength of this vision, Morocco has launched several renewable energy programs, whose “integrated” approach was designed to develop a clean industrial cluster and to shore up research and development, in addition to producing electricity.

Today, this model has enabled Morocco to generate clean and competitive energy, to achieve an increasingly improving level of industrial integration, and to develop competencies that are able to face future challenges which will be posed by the energy transition.

This strategy has been further entrenched by the various initiatives and projects launched by His Majesty the King, which, since 2009, have enabled Morocco to make impressive strides on the path of energy transition and also to honor its international commitments in matters of climate change mitigation and adaptation. Today, Morocco stands out among the leading countries in the world.

2. An operational legal framework

Before enumerating the main legislative and institutional reforms in the electricity sector, it would be fitting to go back in time to the origin and main historical stages of these reforms.

The history of the development of the power sector suggests that most electricity markets in the world, first, take the form of vertically-integrated monopolies, considering the undeniable advantages procured by this model. In fact, thanks to the integration of the production, transmission, and distribution processes, this model makes it possible to achieve considerable and large-scale economies of scale and offers the concerned countries the possibility of making colossal and coordinated investments. Thereafter, a progressive liberalization movement has affected the electricity sector, much as it has previously affected transportation, telecommunications, and many other sectors.

Starting from the 1980’s, the tendency consisted in opening all the segments of the electricity value-chain to competition and thus to the regulation of natural monopoly activities, particularly electricity transmission and distribution.

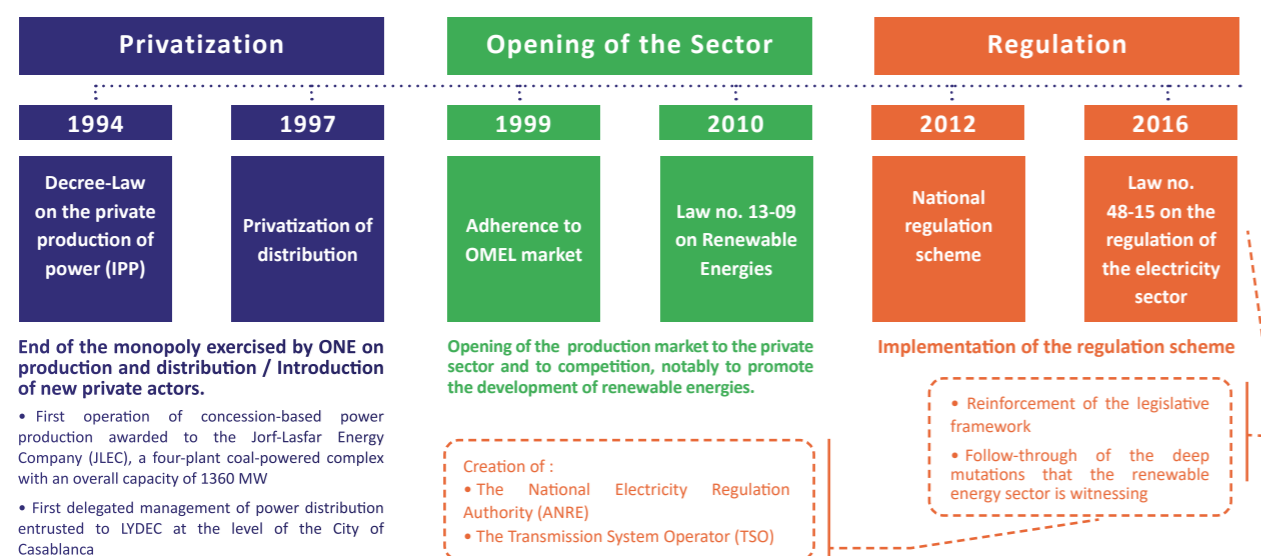
This new approach to market liberalization, which first appeared in some pioneering countries, such as the United Kingdom, Norway, and Chile, aimed to question the monopolistic and integrated dimension of the electricity sector. This liberalization was motivated by political and economic considerations, namely: the inefficiency of vertically-integrated companies, lack of visibility in terms of costs per business activity, and the development of renewable energies.

Transition towards liberalization has required the implementation of a set of measures aimed at separating activities open to competition, namely production, from the other monopolistic activities, mainly transmission and distribution. This separation has been accompanied by the establishment of autonomous and independent regulatory bodies, whose principal objective was to monitor and regulate monopoly activities in the market.

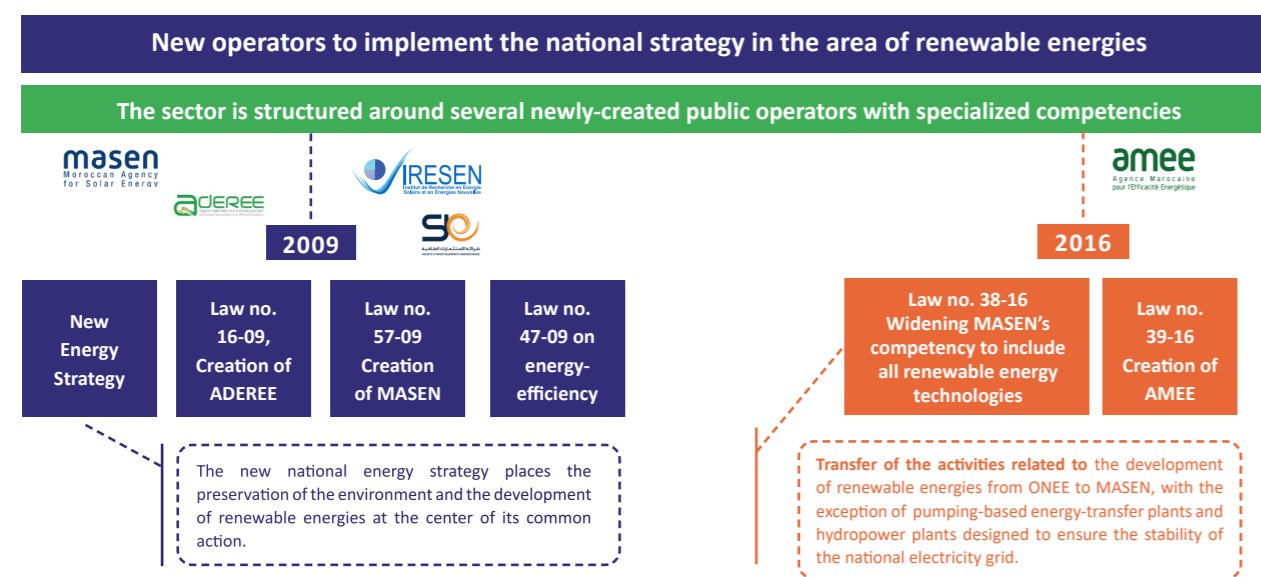
Morocco has been no exception to the rule. On August 5, 1963, the National Electricity Office (ONE) was set up pursuant to Dahir no. 1-63-226 and was assigned the mission of serving as the sole producer and transporter of electricity on the Kingdom’s national territory. The electricity distribution activity was shared between the Office and local agencies (Régies) answerable to local collectivities. This phase, which lasted from 1963 to 1994, has made it possible to establish a robust electricity system, nevertheless, the country’s development prospects called for much more important investments in order to meet the need for a widespread and access to electricity and to meet the ever-growing requirements of the national economy.

It was also necessary to mitigate, as much as possible, the burden which weighed on public finances, on account of the size of investments made in that regard. This explains why, starting from 1994, Morocco introduced concession-based production of power by private operators, in the framework of contracts with purchase guarantees (or, Independent Power Producer—IPP).

Thenceforth, the electricity sector has steadily evolved towards promoting the participation of the private sector in electricity production and distribution activities. Programs have been developed with specific objectives and targeted legislative and institutional measures have been undertaken for the purpose of promoting the participation of the private sector in the production of renewable energies, as illustrated by the diagrams below:



Legislative reforms bearing on the opening of the electricity market



Institutional Reforms of the Electricity Sector

Law no. 13-09 relative to renewable energies

In order to promote the development of the renewable energies sector in Morocco, Law no. 13-09 on renewable energies was promulgated by Dahir no. 1-10-16, dated 26 Safar AH 1431 (corresponding to February 11, 2010). According to its presentation note, Law no. 13-09 has the following objectives:

- the promotion of energy production from renewable sources, its marketing, and its exportation;
- the enhancement of the competitiveness of the national economy, notably by fostering the decarbonation of industrial activities, namely those destined for international markets;
- the development of a clean national industry capable of seizing the opportunities offered by the energy transition, both at national and international levels.

Among the modalities selected for the implementation of the present law, mention should be made of the following:

- Subjection of renewable energies production facilities to an authorization or a declaration regime;
- The right given to a private investor to produce electricity from renewable energy sources to sell it to a consumer or a group of consumers connected to the national medium voltage (MV), high voltage (HV), and very high voltage (VHV) electric network, in the framework of an agreement;

In order to achieve these objectives, this law sets a legal framework for the construction and operation of renewable energy sources powerplants, by individual or legal entities, whether public or private. The law also specifies the general principles that they must follow, as well as the applicable legal regime, including marketing and exportation.

In this regard, a draft-amendment to Law no.

13-09 is being examined. It aims to improve the legislative and regulatory framework governing the business of renewable energy project's development by the private sector, while guaranteeing the security and the viability of the national electricity system and the equilibrium between its various components.

Similarly, several regulatory texts were being finalized at the closing of 2021. Cases in point include the ministerial decree (Arrêté) concerning the areas for solar energy development and the ministerial decree relative to distribution networks capacities for renewable energy integration.

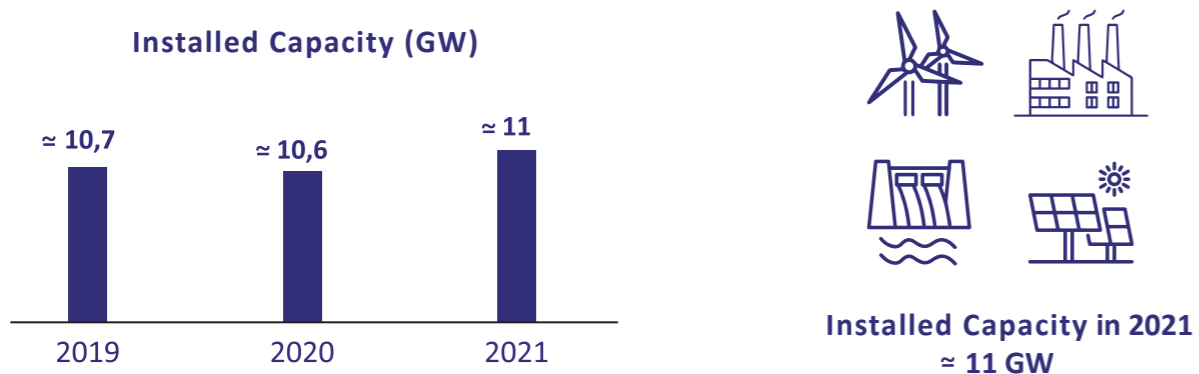
Law no. 48-15 relative to regulation

Law no. 48-15 on the regulation of the electricity sector and the creation of ANRE has been elaborated to specify the missions and obligations of the TSO and the distribution system operators (DSOs), to establish ANRE and grant it the power and the modalities to carry out its missions of regulation of the national electricity sector.

In addition to these two flagship pieces of legislation marking the remarkable evolution of the Moroccan electricity sector, several texts are being finalized or have already obtained Government approval. This is the case for the bill no. 82-21 on auto-production of electrical energy for the purpose of auto-consumption, whatever the source of production, the nature of the grid in which it is injected, and the capacity of the installation used, while ensuring the security and safety of the national electricity system and guaranteeing transparency and non-discrimination between all stakeholders.

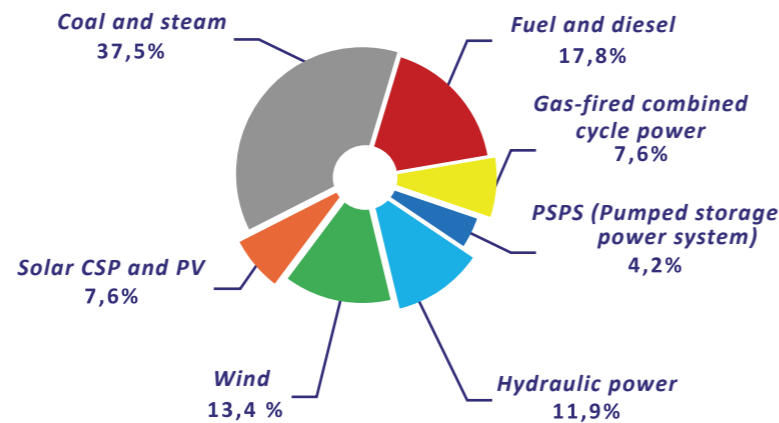
3. The Moroccan Electricity Market

3.1 Electricity production



The total installed capacity in 2021 increased by 116 MW, thanks to the introduction of new renewable sources, namely, the Oualidia Wind Farm (36 MW), the Zagora and Missouri Solar Farms (2x40 MW). This year has also seen the re-operation of a fuel power plant in Kenitra (3x 75 MW).

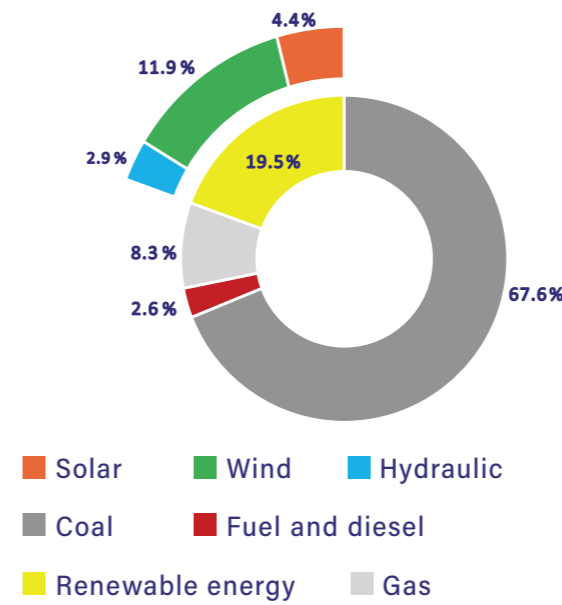
Breakdown of installed capacity by energy source, end of 2021



As far as electricity production is concerned, coal fired powerplants remain preponderant, with production attaining 67.8% of the overall national production. To this is added the production of power on the basis of fuel and diesel, with 2.6%, and that of gas accounting for 8.3%. The share of thermal energy in total production accounted for more than 78% in 2021.

As for the share of renewable energies, it came close to 19.5 of the energy mix in 2021. Imports originating from the Morocco-Spain and the Morocco-Algeria interconnection lines contributed to the tune of a total percentage of 1.6% of all the energy injected by the end of 2021. The composition of electricity production by source of energy is, therefore, as follows:

Breakdown of electricity production by energy source, end of 2021

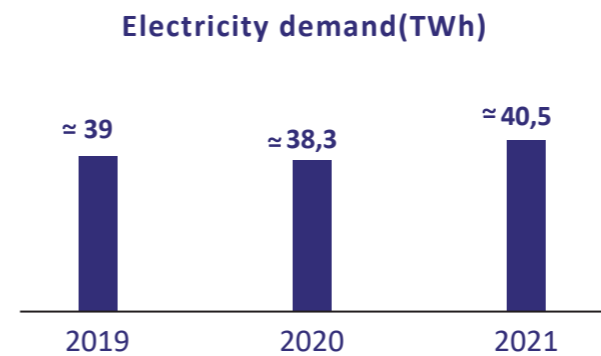


- Hydropower production (including PSPS) registered in 2021 was of 1212,65 GWh, compared to 1290,08 GWh in 2020, contributing by 2.9% to the volume of energy injected at the level of the national transmission network;

- The production of wind energy in 2021 stood at 5024,3 GWh, contributing thus by 11.9% to the volume injected into the national transmission network;

- The production of solar energy in 2021 added up to 1802,27 GWh contributing by 4.4% to the volume of energy injected into the national transmission network.

3.1 Electricity Demand



Electricity demand in 2021 added up to roughly 40,5 TWh

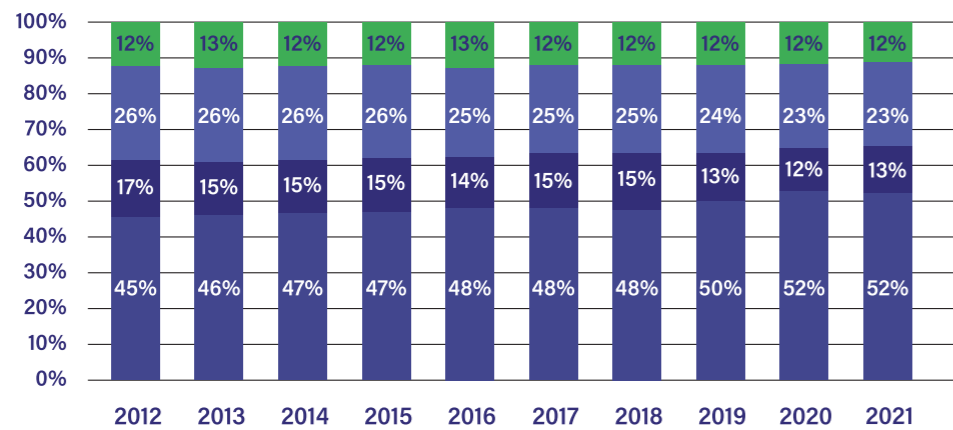
The total electricity required in 2021 rose by roughly +6%, compared to 2020 and by +4.3% compared to 2019.

The energy called attained its maximal value at 133.74 GWh on July 12, 2021, with a variation of 6% compared to 2020. Similarly, the maximal power called reached 6710 MW on the same day, which represents an annual variation of 4.2%, compared with the one registered back in 2020.

In what concerns national demand, as represented by transmission grid supplies, it registered a 5.8% increase, compared to the year 2020.

Concerning the market share of the national electricity distribution, as mentioned in the diagram below, the predominance of ONEE distribution has been reinforced compared to pre-Covid years.

Evolution of the distribution market share (2012-2021)

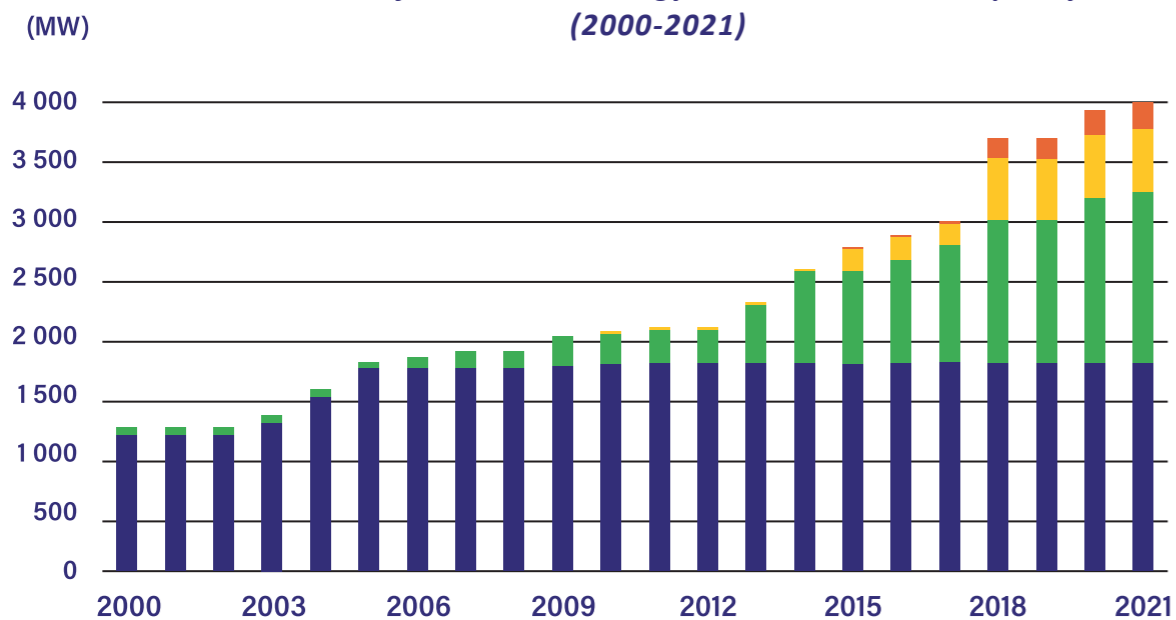


■ ONEE Distribution ■ Major Clients' Accounts ■ Private Distributors ■ Agencies

3.3 Renewable Energies

Installed capacity from renewable energy sources witnessed an increase in the last decades, moving up from 1221 MW in 2000 to 4067 MW in 2021. Compared to last year, the national electricity mix saw the introduction of three renewable energy facilities: a 36 MW Wind farm in Oualidia and two photovoltaic plants in Zagora and Missouri, each with an installed capacity of 40 MW.

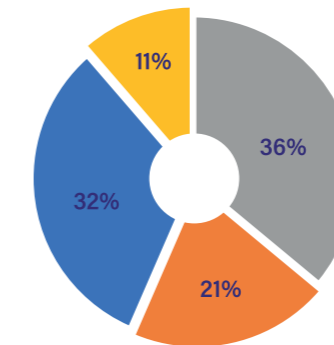
Evolution of Renewable Energy Sources Installed Capacity (2000-2021)



■ Classic dams and PSPS ■ Wind farms ■ Thermal Solar (CSP) ■ Photovoltaic solar (PV)

In terms of production, electricity produced from renewable energy sources injected into the national transmission network in 2021 was of 7972,8 GWh, compared to 7278,7 GWh in 2020. This accounts for a +9.5% annual variation. The breakdown of installed capacity of renewable energy sources by technology is represented as follows:

Breakdown of Renewables Energies Installed Capacity (MW)



■ Wind ■ Solar
■ Hydraulic ■ STEP

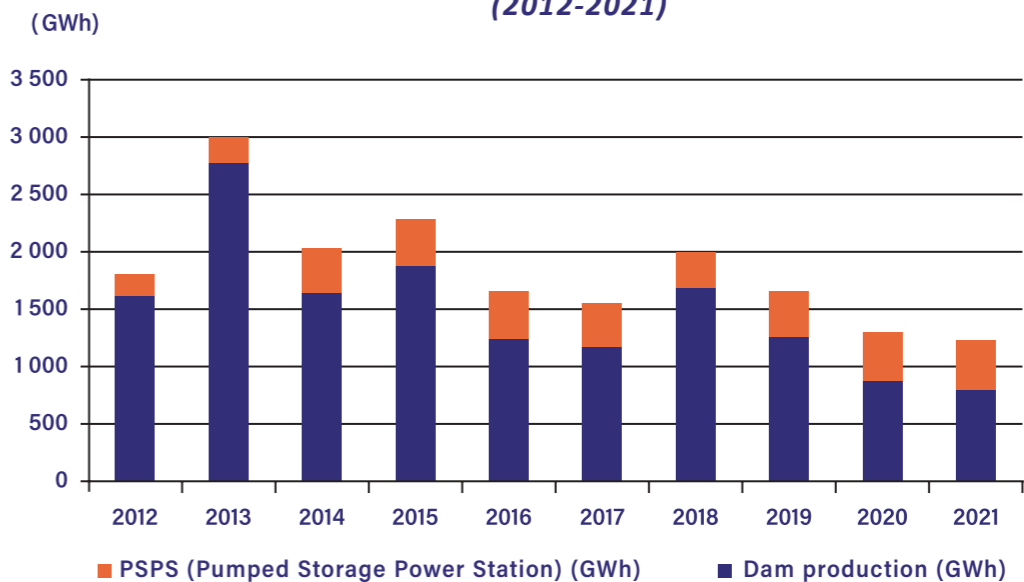
Electricity produced from renewable energy sources represented 19.1% in 2021, compared to 18.5% in 2020, of the overall energy injected into the national transmission grid.

3.3.1 Hydropower

Hydropower plants consist of dams and pumped storage power stations (STEP). With the exception of the STEP which operational in 2005 with an installed capacity of 464MW, the capacity of dams attained roughly 1306 MW installed capacity, representing 11.9% of the energy mix by the end of 2021.

The year 2021 saw a hydropower production of 818 GWh, 5.8% less than in 2020. Its contribution to the national production attained 2.9%. As shown in the diagram below, hydropower production has not ceased to decrease over the last ten years.

Evolution of Hydropower Production (2012-2021)



■ PSPS (Pumped Storage Power Station) (GWh) ■ Dam production (GWh)

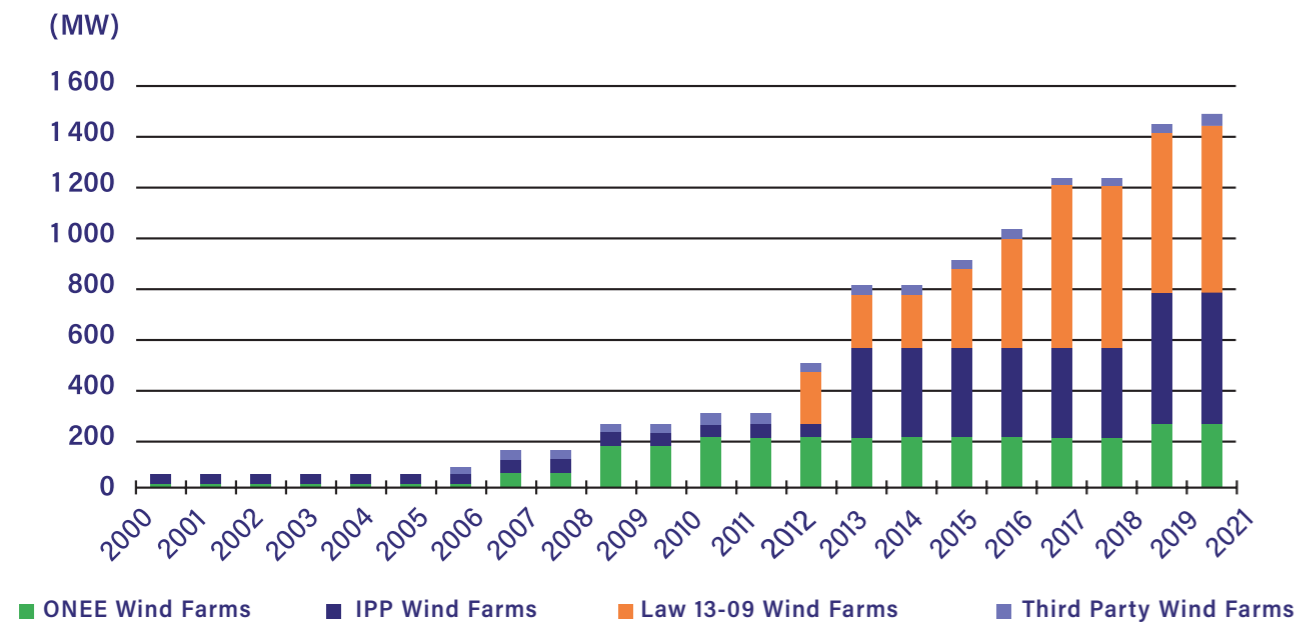
3.3.2 Wind Energy

The development of wind energy has seen a remarkable evolution, mainly after the launching of renewable energies development market, which is governed by Law no 13-09. Wind energy installed capacity attained 1466 MW in 2021, representing 13.4% of the total installed capacity. The table below features the breakdown of wind energy production as follows:

Framework of Wind Energy Production	Installed capacity in MW	Production in GWh	Rate of injection into the transmission network in %
Production governed by law 13-09	663	2643,8	6,1
Production by ONEE	255	606,76	1,5
Production by IPP	511	1773,73	4,2
Auto-production	37	-	-

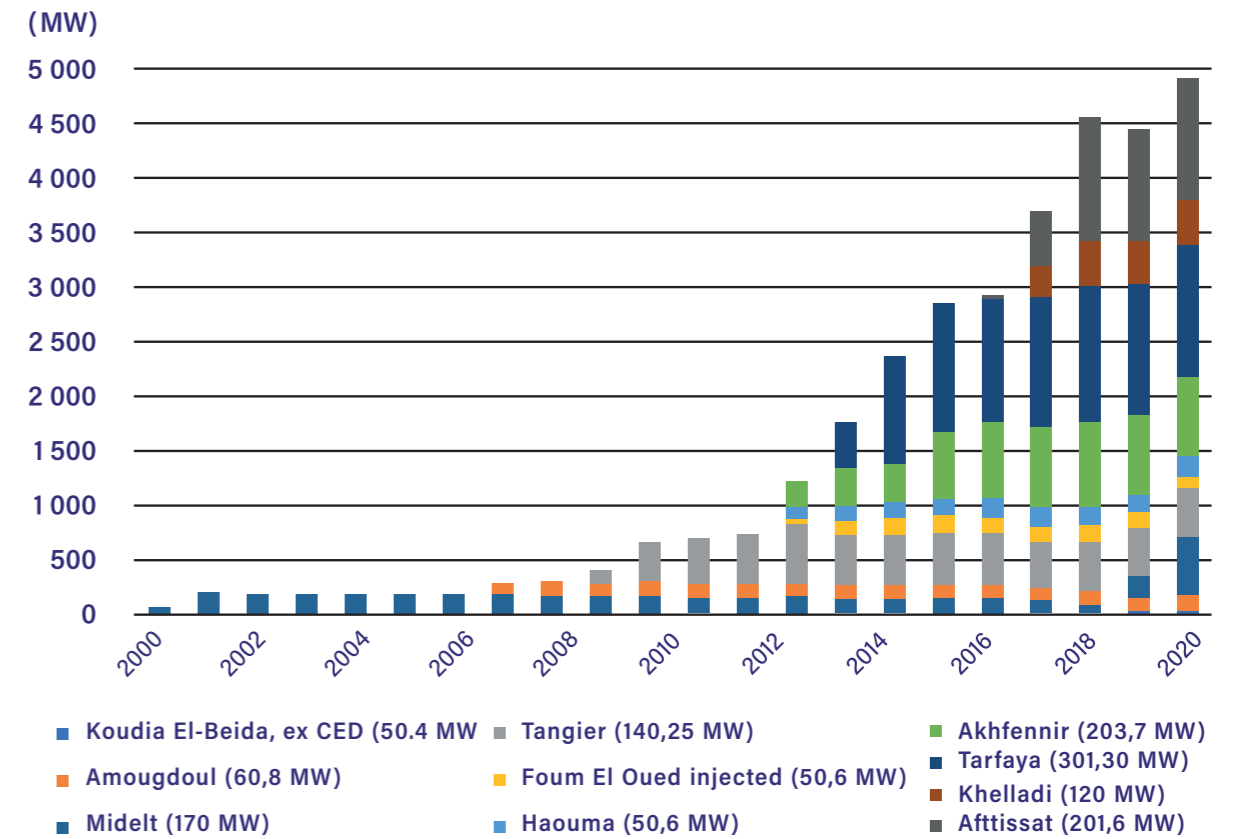
Wind energy production under the framework of Law no 13-09, had a significant share in total wind energy production in 2021, representing 52% of the overall wind energy injected into the national transmission grid. The graph below features the evolution in wind-sourced installed capacity since 2000.

Evolution of installed Wind Capacity by framework (2000-2021)



In terms of the contribution to the total injected energy, wind energy procured roughly 12% in 2021.

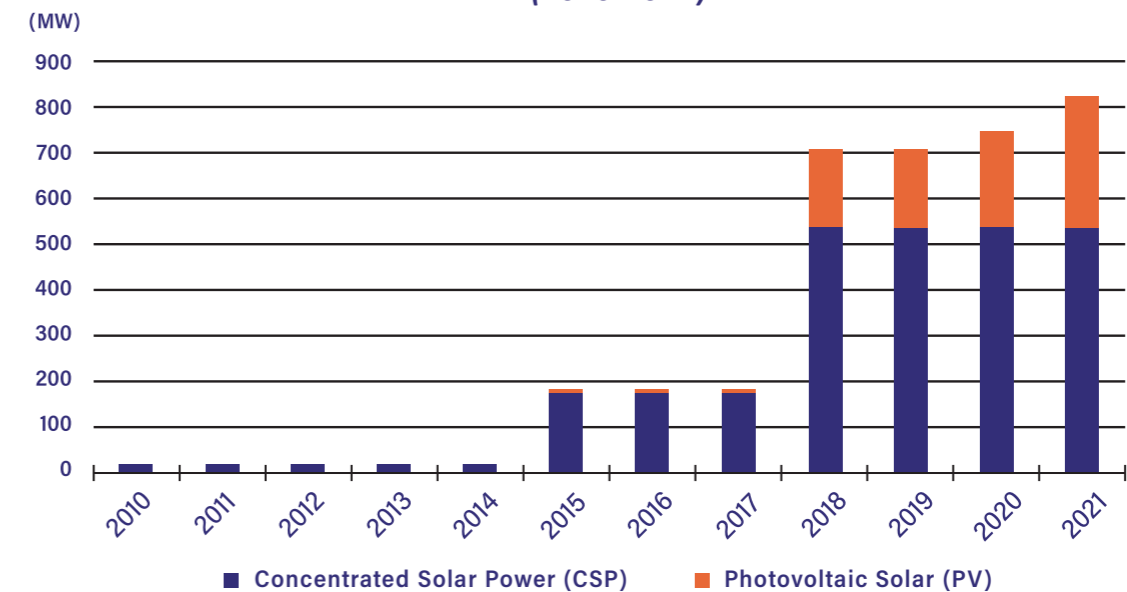
Evolution of the production of wind energy injected into the transmission grid (2000-2021)



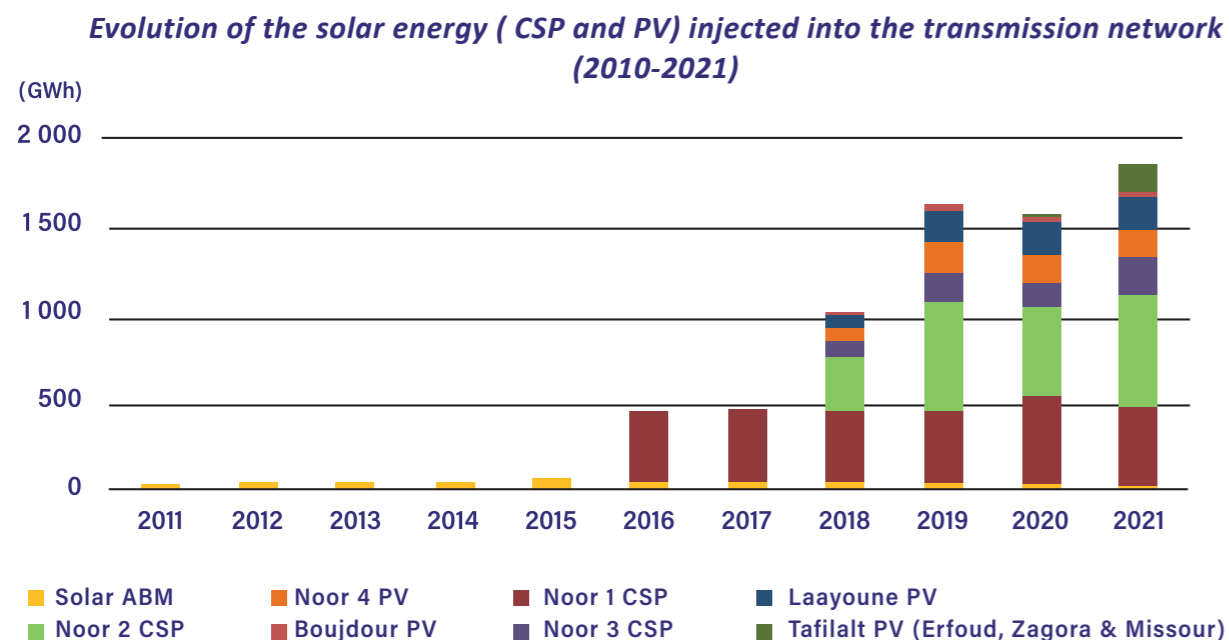
3.3.3 Solar Energy

The installed capacity of solar energy sources increased from 20 MW installed in the Ain Beni Mathar plant in 2010 to a total of 831 MW in 2021, thanks to the solar projects developed by MASEN (namely: Noor 1, Noor 2, Noor 3, Noor 4, PV Laayoune and PV Boujdour) and to those developed by ONEE in Assa, Erfoud, Zagora, and Missouri.

Evolution of Solar Capacity by Technology CSP and PV (2010-2021)



In 2021, installed solar capacity accounted for 7.6% of the total installed capacity and 20.4% of the renewable-energy power mix. The latter can be broken down as follows: 13.3% of concentrated solar power and 7.2% of photovoltaic origin.



Regarding production, solar projects injected close to 1802 GWh into the national electric grid in 2021. Their contribution to the total energy injected was 4.4% in 2021, as against 3.9% in 2020.

3.4 Physical electrical energy exchanges with Spain and Algeria

The Moroccan transmission grid is connected with its neighbors by means of two interconnections, the Morocco-Spain interconnection and the Morocco-Algeria interconnection. These interconnections contribute to the Kingdom's demand-supply balance.

In 2021, exchanges through these interconnections registered total imports of 688 GWh, which represented 1.6% of the total electricity injected into the national transmission grid. As for exports, they registered a volume amounting to 851 GWh.

During the last decades, the balance of electricity exchanges was mainly dominated by the interconnection with Spain (IME) with a share of 94% on average. In 2021, as in 2019, the national electric grid satisfied the national demand by its own means, which resulted in a reduction in cross-border electricity exchanges.

4. Regulation of the electricity sector, an essential lever of the energy transition in Morocco

Today, it is widely acknowledged that no energy transition may be entirely successful without a sustained involvement of the private sector, all along the value chain segments where it is possible to engage competition. The volume of investment required and the necessity of fostering competition to obtain the best service at the best price mandate the mobilization of private investments.

To this end, it is essential for the business environment of the electricity sector to be attractive. The State has a key role to play at this level. Its intervention may take different forms, one of which consists in creating an independent regulatory authority for the sector.

As a matter of fact, the essential goal of regulation, regardless of the sector concerned, is to prevent natural monopoly from taking advantage of its power to impose prices that are disproportionate to the costs, to the detriment of the users of its services. In fact, economic theory and practices worldwide, suggest that monopolies –especially when they are public and free to set the prices and impose them on their clients—tend to inflate the income they derive from their business activities. Besides, they are generally not inclined to rationalize their spending.

Monopolies may even treat their clients differently, by favoring some over the others or by privileging their own activities when they are in competition with private-sector companies on certain segments. The monopolies in question are, as previously indicated, natural monopolies. They should normally be at the service of all users, catering to their needs without any discrimination and without resorting to abuse in price-setting or making use of legal and technical prescriptions so as to unduly benefit monopoly services.

A strong, independent, and well-equipped regulator is the only entity capable of ensuring effective regulation in this situation. Which applies perfectly to the national electricity sector. It should, nevertheless, be pointed out that while regulation tends to contain the excesses of natural monopolies, it is not intended to break them or to prevent them from harnessing sufficient means to produce quality services at reasonable prices. This process should take into account the interests of the end-users of its services, whether they be residential consumers or economic operators. Quite the contrary, in the electricity sector, the transmission and distribution networks are the indispensable tools that must always be maintained and developed so that they may meet production expansion requirements and guarantee on-going supply to all clients. Regulation also contributes to the enhancement of the trust vested in it by different stakeholders and facilitates the smooth running of the entire sector.

**ANRE: Vision, Missions, and Governance
for a High-performance and Sustainable
Electricity Sector**



II. ANRE: Vision, Missions, and Governance for a High-performance and Sustainable Electricity Sector

1. Vision

Under the enlightened leadership of His Majesty King Mohammed VI, May God Assist Him, the Kingdom of Morocco has engaged over the past two decades in a process of modernization of the electricity sector aiming to reinforce its energy security while taking into account the challenges of climate change and the proactive approach to sustainable development adopted by the revised Constitution in 2011.

The dynamics has led to the improvement of the indicators of the national electricity system, notably through an enhanced grid performance, improved quality of electricity, more generalized access to the electricity service, and steady opening to competition. It has also necessitated the establishment of an appropriate and independent regulation framework, capable of accompanying the development of this strategic sector for the benefit of the country.

Thus, ANRE was set up to impulse and accompany these evolutions, as well as to guarantee the good functioning of the national electricity sector for the benefit of all stakeholders in the said sector.

Aware of the importance of the electricity sector, as a key and strategic sector, ANRE has chosen a vision which makes this institution the guarantor of accessible, equitable, and sustainable energy.

Through this vision, ANRE asserts its determination to pursue the efforts of the sector's modernization so as to get "the actors converged around a common and shared objective, one that is based on accessible, equitable, and sustainable energy."

2. Missions

ANRE is a legal entity governed by public law and endowed with financial autonomy. It was established by virtue of law no. 48-15 on the regulation of the electricity sector and the creation of ANRE. It has its own prerogatives which enable it to:

- **Ensure** equal access to the national electricity transmission grid and to the electricity distribution grids;
- **Set** the tariff for the use of the national electricity transmission grid and the tariffs for the use of the electric distribution grids;
- **Approve** the rules and access tariffs to interconnections;
- **Arbitrate** disputes between the users of the transmission grid or the distribution grids and the concerned operators;
- **Sanction** in case of proven infringements;
- **Accompany** the implementation of the national energy transition.

3. Governance

The governing bodies of ANRE, according to Law 48-15, consist of:

- The Board ;
- The President;
- The Dispute Settlement Committee.

Brief biographical notes pertaining to the President and the Board members, as well as those of the Chairman of the Dispute-settlement Committee and its members are presented in the appendix.

The Board

Appointment

The nine members of the Councils are chosen as follows:

- Three members are appointed by the Head of the Government;
- Three members are nominated by the President of the House of Representatives;
- Three members are nominated by the President of the House of Councilors.

They are appointed for a six-year mandate, renewable once only and they shall exercise their duties on a full-time basis.

Duties

The Board is granted the powers and prerogatives necessary to carry out its duties. It notably defines ANRE's general policy and handles all the questions pertaining to the smooth running of the electricity sector, in line with the missions devolving to ANRE.

Board Activities

	First Session of ANRE's Board meeting held in Rabat
October 2020	<ul style="list-style-type: none"> • Approval of ANRE management regulatory referential, including the Council's bylaws; • Appointment of two members to the Dispute-settlement Committee; • Approval of the budgets pertaining to fiscal years 2018, 2019, 2020 and the provisional draft-budget of 2021.
	Second Session of ANRE's Board meeting held in Rabat
December 2020	<ul style="list-style-type: none"> • Appointment of three ANRE directors; • Appointment of a Certified Public Accountant; • Examination of the progress made in the 2021-2025 Strategic Road-map.
	Third Session of ANRE's Board meeting held in Rabat
June 2021	<ul style="list-style-type: none"> • Study of the impact of the New Development Model on ANRE's strategy; • Evaluation of the progress made in the work undertaken by the technical, legal, and economic committees instituted within ANRE Board.
	Fourth Session of ANRE's Board meeting held in Rabat
Août 2021	<ul style="list-style-type: none"> • Appointment of the Director of Access to Electricity Grids; • Examination of the draft amendment to Law no. 48-15; • Examination and approval of ANRE's annual account audits for fiscal years 2018, 2019, and 2020 presented by the certified public accountant.

	Fifth Session of ANRE's Board meeting held in Laayoune
November 2021	<ul style="list-style-type: none"> • Approval of the scoping principles applied to the account-unbundling operation of the TSO, in compliance with the provisions of Article 53 of Law no 48-15; • Examination of the draft –grid code of the national electricity transmission grid, as developed by the TSO; • Approval of the scoping principles of the code of good practice, submitted to ANRE for advice, in conformity with the provisions of Article 13 of Law 48-15.
December 2021	Sixth Session of ANRE's Board meeting held in Rabat
	<ul style="list-style-type: none"> • Approval of the Code governing the national electricity transmission grid.
January 2022	Seventh Session of ANRE's Board meeting held in Rabat
	<ul style="list-style-type: none"> • Approval of the initial programming of ANRE budget for fiscal year 2022.

The President

Appointment

The President of ANRE was appointed by His Majesty King Mohammed VI (May God Assist Him). During the Ministerial Council held on August 20, 2018.

Duties

The President runs and manages ANRE. To this end, his main duties are as follows:

- Chairing the Board;
- Taking care of the day-to-day management of ANRE and seeing to the proper functioning of its governing bodies;
- Imposing sanctions, with the assent of the Dispute-settlement Committee.

The Dispute-settlement Committee

Appointment

The Dispute-settlement Committee (DSC) consists of three members who are appointed as follows:

- A magistrate appointed by the High Judicial Council, who chairs the Committee;
- Two members appointed by ANRE's Board.

Duties

The Dispute-settlement Committee is empowered, in compliance with Articles 29 and 30 of Law 48-15, to settle the differences that may arise between the various actors in the sector.

These differences may relate to connection, access to or use of the concerned electricity grid, or of the interconnections, notably in case of denial of connection, or denial of access to the concerned electricity grid, or again, in case of disagreement on the conclusion, interpretation, or performance of the agreements concluded by the operators of the networks and the users of those networks.

Activities of the Dispute-settlement Committee:

	First Meeting of ANRE's DSC held in Rabat
September 2021	<ul style="list-style-type: none"> • Hearings of private operators in the electricity sector.
	Second Meeting of ANRE's DSC held in Rabat
	<ul style="list-style-type: none"> • Discussion of the DSC draft bylaws.
	Third Meeting of ANRE's DSC held in Rabat
October 2021	<ul style="list-style-type: none"> • Examination of the proposals made by DSC Chairman relative to the Committee's bylaws (powers, procedures governing the management of disputes ...).
	Fourth Meeting of ANRE's DSC held in Rabat
	<ul style="list-style-type: none"> • Discussion of the proposals relative to the bylaws (time-limits, review procedures ...).
	Fifth Meeting of ANRE's DSC held in Rabat
November 2021	<ul style="list-style-type: none"> • Approval of the final modified version of the draft bylaws governing the DSC.
	Sixth Meeting of ANRE's DSC held in Rabat
	<ul style="list-style-type: none"> • Examination of amendment proposals of Law no 48-15 pertaining to the functioning of the DSC.

4. The Strategic 2021-2025 Road Map

To fulfill its missions efficiently, ANRE drew up a strategic road-map covering the period spanning 2021-2025. This road map, which was approved on December 28, 2020 during the second session of the Board meeting, is mainly centered on the following:

- Operationalization of ANRE, through the recruitment of qualified teams and the establishment of a high-performance information system;
- Contribution to the development of an efficient electricity market, by ensuring transparent and equitable rules of access and establishing grid access and use tariff that valorize investments and fosters innovation;
- Monitoring the security of electricity supply, though, amongst others, the approval and follow up of the TSO and DSOs investment programs;
- Contribution to the safety and the stability of the national electricity system;
- The promotion of ANRE's visibility, nationally, and its radiance at the regional and international levels.

5. Key milestones in ANRE's operationalization process

The key milestones which have marked ANRE's operationalization process may be summed up as follows:

May 2016	<ul style="list-style-type: none"> Institution of ANRE by virtue of Law no. 48-15.
August 2018	<ul style="list-style-type: none"> Appointment of ANRE's President by His Majesty the King (May Allah lend him support).
October 2018	<ul style="list-style-type: none"> Appointment of the Dispute-settlement Committee Chairman.
November 2018	<ul style="list-style-type: none"> ANRE's adherence to the Mediterranean Association of Energy Regulators, MEDREG.
November 2019	<ul style="list-style-type: none"> Publication of Decree no 2-19-873 setting the allowances granted to the Board and the the Dispute-settlement Committee members.
December 2019	<ul style="list-style-type: none"> ANRE's adherence to the french speaking network of energy Regulators, RegulaE.Fr.
August 2020	<ul style="list-style-type: none"> Appointment of ANRE Board members.
October 2020	<ul style="list-style-type: none"> Holding of the first session of ANRE Board meeting in Rabat (adoption of ANRE's regulatory management referential, including the Board's bylaws and appointment of the two members of the Dispute-settlement Committee.
November 2020	<ul style="list-style-type: none"> Election of ANRE's President to the post of Vice-President of MEDREG Association. Establishment of ANRE's technical, economic, and legal committees within the Board.
December 2020	<ul style="list-style-type: none"> Holding of the second session of ANRE Board meeting in Rabat (Appointment of ANRE's executives by the Board).
January 2021	<ul style="list-style-type: none"> Signature of a cooperation agreement between ANRE and ARE of the Democratic Republic of Congo.
April 2021	<ul style="list-style-type: none"> Date of legal effect, after 6 months, according to Article 56 of Law no. 48-15.
June 2021	<ul style="list-style-type: none"> Holding of the third session of ANRE Board meeting in Rabat.
July 2021	<ul style="list-style-type: none"> Meeting, together with ONEE, for the launch of the projects provided for by Law no. 48-15. Launch and unfolding of the hearings given to institutional actors and private operators in the electricity sector.
October 2021	<ul style="list-style-type: none"> Meeting for the presentation of the draft- Grid Code of the national electricity transmission grid to private operators. Establishment of the milestones of a cooperation agreement with the Nigerian Electricity Regulation Commission (NERC). Holding of the fifth session of ANRE Board meeting in Laayoune.
November 2021	<ul style="list-style-type: none"> Participation of ANRE in the COP26. Meeting with the British energy regulator, Ofgem. ANRE joins more than 20 regulators in the initiative dubbed, "The Regulatory Energy Transition Accelerator- RETA". Publication of the draft- Grid Code of the national electricity transmission grid, as drawn up by TSO on ANRE's web portal for public consultation.
December 2021	<ul style="list-style-type: none"> Holding of the sixth session of ANRE Board meeting in Rabat. Final approval and publication of the final version of the Grid Code of the national electricity transmission grid on ANRE's web site.

6. Actions in the field

Several site visits have been undertaken in order to gather more and accurate information about the national electricity sector and to launch discussions about actions to take in order to promote its regulation.

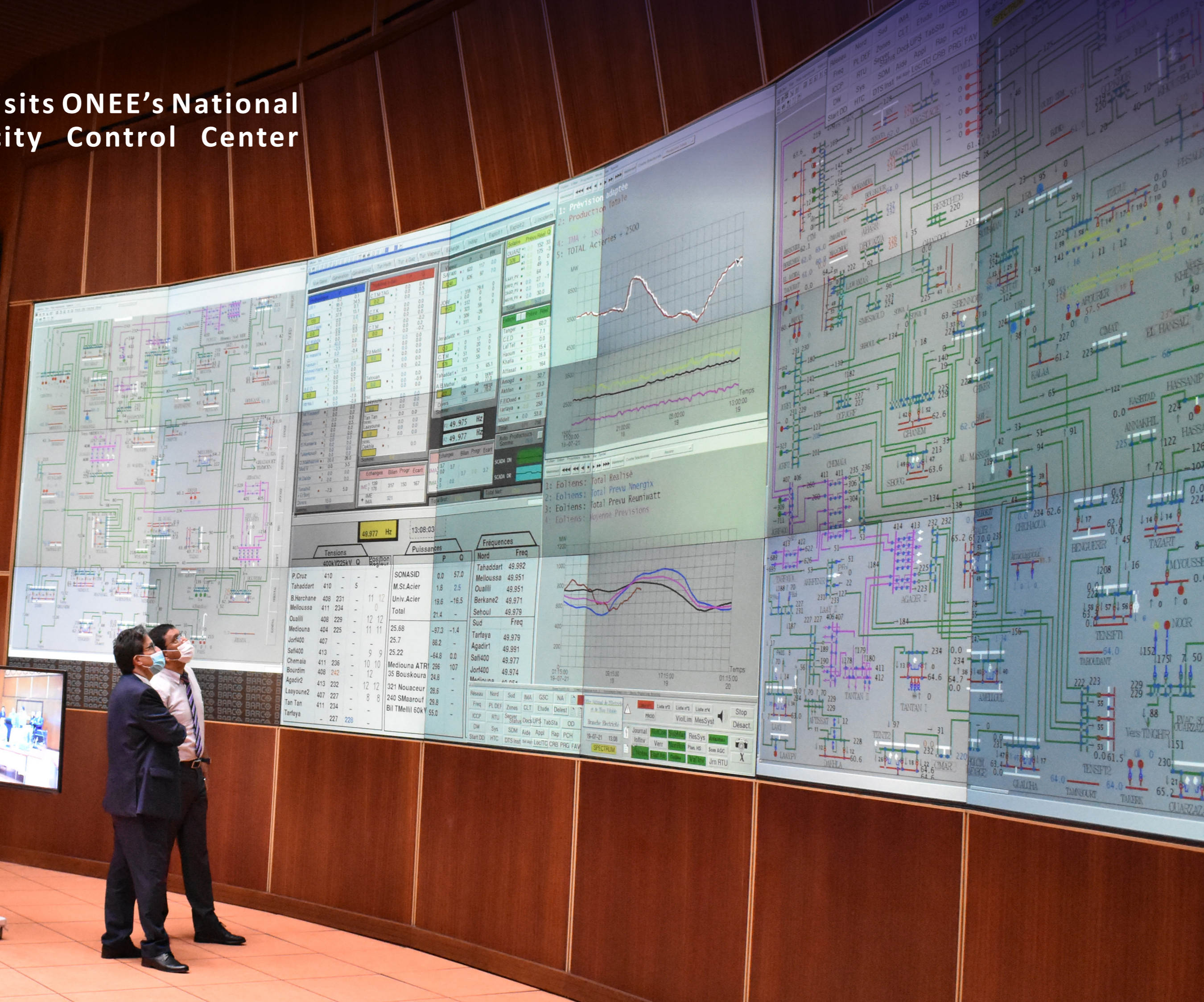
6.1 ANRE visits ONEE's National Dispatching Center



On the 19th July 2021, ANRE visited ONEE's national electricity control center in Casablanca to visualize from near the center for the control of the entire national electric system in real time.

During this visit, ANRE and ONEE engaged in an extensive discussion about the technical aspects directly affecting the dispatching activity and which has direct connection with regulation and ANRE's activities.

ANRE visits ONEE's National Electricity Control Center



6.2 ANRE visits the major energy projects in the south of the Kingdom (Guelmim-Oued Noun, Laayoune-Sakia El-Hamra and Dakhla-Oued Ed-Dahab)

On November 8-15, 2021, an important ANRE delegation paid field visits to the major energy working sites in the Guelmim-Oued Noun, Laayoune-Sakia El-Hamra and Dakhla-Oued Ed-Dahab Regions.

The visit, which coincided with the celebration of the 46th Anniversary of the Green March, aimed to see on site the great efforts made by the Kingdom in the electricity sector to achieve the New Development Model in the Southern Provinces, launched in 2015 by His Majesty King Mohammed VI, may God Assist Him. The purpose was, at the same time, to inquire about the progress of the flagship projects carried out in the field of energy in the Moroccan Sahara.



ANRE's Board availed itself of the occasion of the commemoration of the Glorious Green March, to hold its fifth Board meeting session in Laayoune, during which the Board members discussed a number of essential subjects related to the regulation of the electricity sector. These were, specifically, the grid code of the national transmission network; accounting unbundling of the activities of the National Electricity and Drinking Water Office, and the guiding principles of the codes of good conduct of the TSO and the DSOs.

During this visit, ANRE held a series of meetings with the authorities in the Wilayas (Governorates) of Laayoune-Sakia El-Hamra and Dakhla-Oued Ed-Dahab and various actors in this sector. In the province of Laayoune, the delegation visited Noor Laayoune I Power Station—chalked to generate 80 MW, and serving the Dcheira rural commune.



In the same province, the delegation visited the 400/225 kV transforming station in the Hagounia Commune.

The members of the delegation also visited the Akhfennir wind energy park, located 220 kilometers north of Laayoune, with an installed capacity of 200 MW. A visit to the Tarfaya wind energy park, with an installed capacity of 301MW.

Similarly, the members of the delegation visited the 225/60 kV transforming station and the diesel-powered heating plant located in Dakhla. It should be noted that the city of Dakhla has recently been connected to the national electricity transmission grid.



All of these projects, which have a positive impact on the development of the Southern regions, aim to strengthen the security of energy supply, meet ever-growing demand, develop the potential of renewable energy, improve the quality of services provided to clients, as well as shoring up the economic and social development of these provinces.



ANRE visits the major energy projects in the Moroccan Sahara



Regulation Projects in the Electricity Sector



III. Regulation Projects in the Electricity Sector

1. An approach that privileges effectiveness in consultation

From the outset, ANRE adopted an approach based on consultation. The latter allows all the actors not only to voice their expectations and constraints, but also to become aware of the necessity of preserving the smooth progress and the visibility of the system in its entirety.

It is normal and even wholesome for divergences to surface during the consultations between the various actors, whose interests diverge at times. In this case, it is the duty of the regulator to bridge the gap in points of view, as far as possible, and if the need should arise, to arbitrate, taking into account the higher interests of the Kingdom, as well as the regulatory missions devolving to it. Driven by this mind-set, ANRE has met with the representatives of the various public and private actors in the sector, as is illustrated below.

1.1 Meeting with ONEE

At the initiative of ANRE, and following the official correspondence sent by ANRE to ONEE upon entry into force of Law no. 48-15 on the 22nd April 2021, a meeting to officially launch the various regulation projects was held on the 6th July 2021 at the authority's headquarters in Rabat, with an ONEE delegation, headed by its General Director, Mr. Abderrahim El-Hafidi.



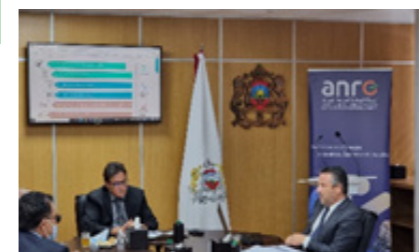
ONEE is one of the first actors directly concerned by the priority projects on which ANRE is currently focused in a bid to speed up their realization. The projects in question include, notably: the accounting unbundling between the transmission activity and the other activities undertaken by ONEE, tariff setting for the use of the grids, and the approval of the grid code pertaining to the national electricity transmission grid.



At the end of this meeting ANRE's President and ONEE's General Director agreed to combine their efforts to make headway progress on the various priority projects. To this end, emphasis has been laid on the necessity of setting up a joint ANRE-ONEE working team.

1.2 Hearings of private and institutional operators

In the framework of the participatory and proactive approach adopted by ANRE to bring together all the stakeholders around strong regulation that is favorable to private investments in the electricity sector. The hearings were held with private and institutional operators who shared their experiences and offered their feedback regarding the sector.



Date: September 14, 2021
Operator: TAQA Morocco
Represented by: Mr. Abdelmajid Iraqui Houssaini, PCEO of TAQA Morocco



Date: September 20, 2021
Operator: Enel Green Power Morocco
Represented by: Mrs. Paula Cristina RIVEROS PEREZ, Country Manager of Enel Green Power, Morocco



Date: September 23, 2021
Operator: ACWA POWER Morocco
Represented by: Mr. Badis Derradji, General Director of Acwa Power, Morocco



Date: September 21, 2021
Operator: The Energy Federation
Represented by: Mr. Mohamed El-Amrani, Secretary General of the Federation



Date: September 23, 2021
Operator: NAREVA
Represented by: Mr. Said El-Hadi, Chairman and CEO of NAREVA



Date: October 25, 2021
Operator: EDF Morocco
Represented by: Mr. Nawfal El-Fadil, General Director, Morocco



Date: September 27, 2021
Operator: VOLTALIA
Represented by: Mr. Sebastien ROBERT, General Director of VOLTALIA



Date: October 27, 2021
Operator: MASEN
Represented by: Mr. Tarik Hamane, Development Managing Director at MASEN



Date: September 28, 2021
Operators: Green of Africa & Compagnie Marocaine des Energies
Represented by: Mr. Ahmed Nakkouch, CEO of GOA and Hassan Nadir, CEO of CME



Date: October 7, 2021
Operator: Ministry of Interior
Represented by: Mr. Mustapha El-Habti, Governor and Director in charge of Local Public Networks



Date: October 21, 2021
Operator: ENGIE SERVICES MOROCCO
Represented by: Mr. Philippe MIQUEL, CEO of ENGIE SERVICES MOROCCO

These hearings focused mainly on the difficulties encountered by private investors in the development of their projects, with reference to the following themes: the Grid Code, more precisely, network access and connection rules, System Services, quality indicators, and tariffs setting.

It emerged from the hearings held that the various stakeholders expect much from ANRE. They particularly welcome the initiative taken by the regulator to engage in mutual consultations with all the actors in the sector and request that all subjects of interests should be addressed in depth for an efficient and effective development of the national electricity sector. One request that came up almost systematically in all the interventions was the to put in place, as quickly as possible, a Grid Code that is clear, transparent, and non-discriminatory.

Investors consider that this grid code will play an important role in enhancing the attractiveness of our country to investments in energy area and encouraging Moroccan investors to avail themselves of the enormous opportunities that our country holds out. Visibility, which should be fostered by this code, is indeed of paramount importance to the development of renewable energies, and by the same token, to the energy transition in Morocco.

During these hearings, the participants highlighted the pressing need to set the tariffs for the use of grids, including System Services. They also maintained that the tariffs be reasonable and predictable. Finally, ANRE has reiterated its commitment to work together in order to ensure the success of the energy transition process and that of its sine qua non condition: effective regulation.

2. Access to the transmission grid

2.1 The issues related to the conditions of access to the transmission grid

The first issue in defining the conditions of access to the transmission grid consists in the necessity of guaranteeing transparent, non-discriminatory, and reasonable conditions to all users. Every attempt should be made to ensure that all users know their rights and obligations in advance, as well as the technical prescriptions to which they will be subjected in their relations with the TSO. In order for the competition to be fair, along all the segments of the value-chain that are open to competition, it is necessary that the users be treated on equal footing.

Another challenge consists in fostering predictability, as this enables existing or potential investors to plan their investments and to have data that allows them to draw up credible business plans.

There exists another essential matter: enhanced collaboration between the various actors in the system for the purpose of coordinating their actions to ensure that the system operates smoothly and harmoniously. Finally, an equally important challenge consists in guaranteeing the integrity, reliability, and security of the transmission grid so as to satisfy the requirements related to the growth of the renewable energy share in the national energy mix. Not only should the grid be able to accommodate the additional renewable generation, but grid operators (TSO and DSO) must also acquire the means to cope with the intermittent nature of this type of energy. The robustness of the grid is a crucial condition for the success of any national energy transition.

2.2 Achievements

For the purpose of fulfilling its mission, which resides in ensuring egalitarian access to the national electricity transmission grid to all users, ANRE has been called upon to approve the Code of the National Electricity Transmission Grid, as drawn up by the Operator of the Transmission Grid (ONEE), in compliance with Article 11 of Law no. 48-15.

In a non-discriminatory way, this Grid Code sets the technical prescriptions concerning conditions of connection and access to the national electricity transmission grid, including interconnections, as well as the rules relative to its utilization.

ANRE's proactive and participatory approach

As soon as Law no 48-15 became effective on April 22, 2021, and in line with its 2021-2025 strategic roadmap, ANRE contacted the Operator of the national electricity transmission grid (ONEE) to speed up the implementation of the different provisions of the said law, notably through the elaboration of a grid code for the national electricity transmission grid.

To speed up the process of approval of the grid code, ANRE adopted a participatory approach, consisting in the organization of hearings and exchange sessions with the various actors of the electricity sector. The purpose of these sessions was to understand and gather their expectations and their views about their lived experiences.

Technical, legal, and financial examination of the draft Grid Code by ANRE's internal committees

As part of ANRE's remit, the Board's technical, legal and economic committees have meticulously examined the draft code of the national electricity transmission grid, which was submitted to ANRE by the TSO on 26th October 2021, in strict observance of the legislative and regulatory provisions in force.

Several theme workshops were likewise held with TSO's teams to speed up the works relative to this project and to finalize the grid code. The code aims to set down, in a non-discriminatory manner, the technical prescriptions pertaining to the transmission grid, notably:

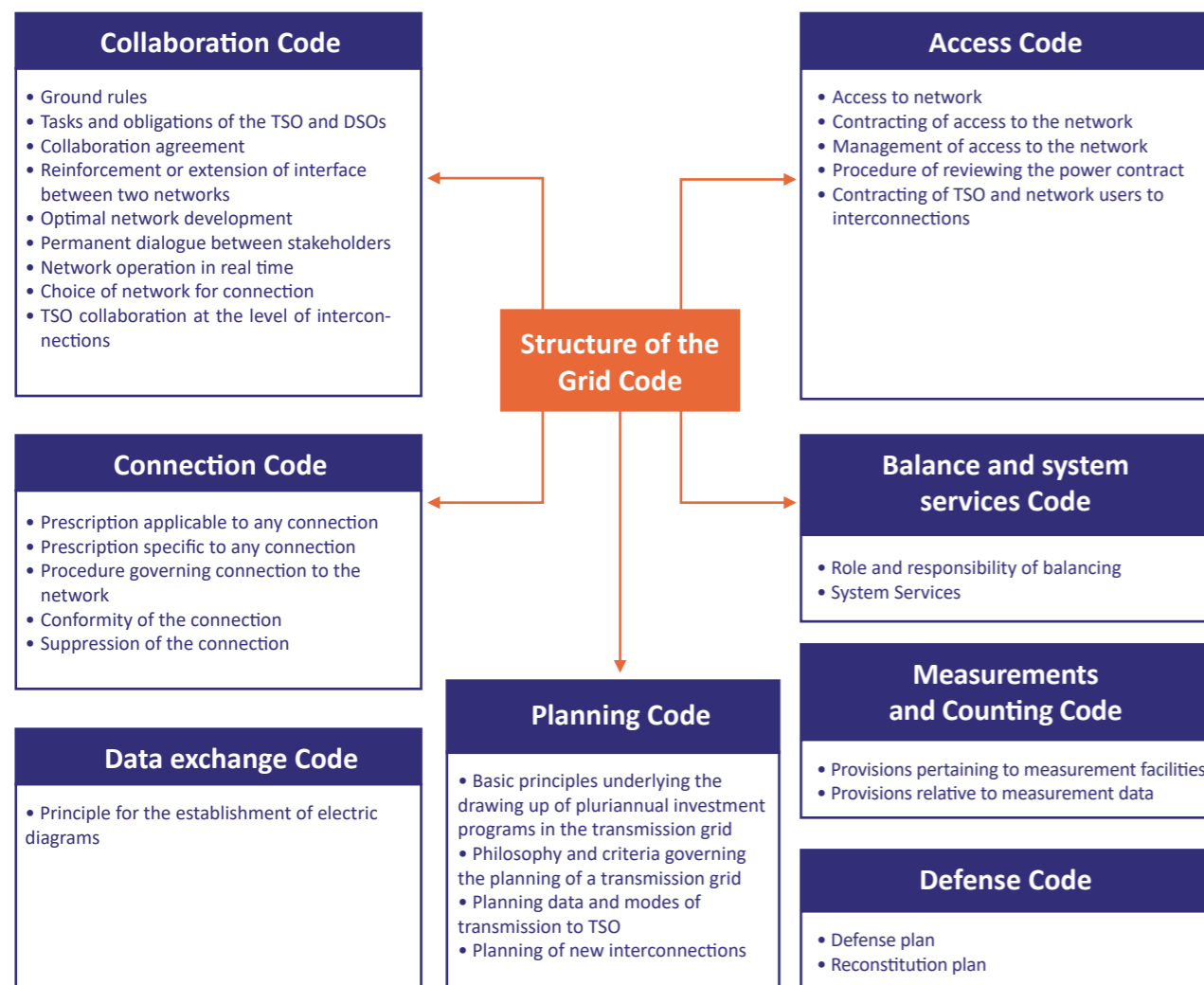
- The minimal technical prescriptions concerning the conditions of connection and access to the transmission grid, including the interconnections;
- The rules concerning the planning and operation of the transmission grid;
- The modes of data exchange and collaboration between TSO and all network users.

Aside from its first chapter, which deals with the general principles applying to the different theme codes and its last chapter, which relates to the final provisions, the grid code also covers the following codes:

- **The planning code** which covers general elements such as the exchange of data, planning criteria and methodology with a view to establishing the transmission blueprint;
- **The connection code** which principally covers the general and specific prescriptions related to connection to the transmission grid, as well as other procedural elements, such as the realization, utilization, maintenance, conformity, and suppression of the connection;
- **The access code** which describes the elements which must be incorporated into the grid access agreement. It also deals with the modes of establishing access agreements

to be concluded with TSO and sets the rules relative to interruptions of access, suspension of access, as well as access to interconnections;

- **Balance and system service code** which covers the principles pertaining to the operation of the system. This code comprises the coordination of production units, sets the responsibilities and the processes related to the system services and determines the general principles underlying compensation for grid losses, as well as TSO's intervention measures;
- **Measurement and counting code** which is based on the rules detailed at the level of the provisions relative to installations and to measurement data;
- **Defense code** covers the major principles related to de-ballasting/load-shedding and the safeguarding of the electric network;
- **Collaboration code** which determines the specific modalities between the TSO and the users of the network. This code may constitute a referential for the exchange of the required data between TSO and DSOs;
- **Data-exchange code** which contains the list of data which must be furnished by network users to the TSO for the operation and the control of the system and also details the principles for establishing electric diagrams.



Thanks to its technical, financial, and regulatory expertise, ANRE has made sure that the norms and standards of integration into the electricity system meet the expectations of all stakeholders. It did so by seeking to find an equilibrium among network operators and users, in terms of offering a reliable service, meeting the needs of consumers in terms of a reasonable price, and fulfilling the requirements of the society, in terms of a sustainable future.

ANRE likewise made sure that the requirements outlined in the said Code are not more specific than necessary so as to avoid oversized equipment and reduced effectiveness, but sufficiently specific to keep up the reliability of the system.

ANRE has taken into consideration all the pertinent suggestions made by grid users during the aforementioned hearings, which relate, in essence, to connection, access, equilibrium, and System Services «services système».

Besides, ANRE has seen to it that the modalities of collaboration between TSO and DSOs are specified at the level of the Grid Code. It has also ensured that they constitute a referential framework addressing data-exchanges and coordination that are geared towards optimized operation of the national electric system.

Aware of the beneficial impacts of interconnections on the TSO and grid users,

ANRE has undertaken to distribute chapters per theme and to deal with the modalities governing interconnections.

Presentation of the draft grid code to users

As part of the participatory approach adopted by ANRE to ensure approval of the grid code, and pursuant to the hearings which had taken place previously in order to tackle themes that are of concern to network users, a presentation and exchange session with network users was held on 28th October 2021, two days only after the official reception of the draft grid code from the TSO.



Publication of the draft Grid Code on ANRE's website for opinion

Additionally, ANRE submitted to the aforementioned actors the draft Grid Code for further remarks, via its publication on its website over a period of time spanning from 15th November to 28th November 2021—a period which was further extended to 3rd December 2021, in response to a request made by the actors in the sector. Overall, ANRE received 323 comments and questions about the contents of the said Grid Code.

Approval and publication of the national electricity transmission grid code

Following the conclusions emanating from the examination made by ANRE's teams and the feedback provided by grid users, some exchanges took place with the TSO, regarding the modifications brought by ANRE, for the purpose of undertaking a final joint review of the said draft grid code, prior to its submission to the Authority's Board for approval.

Thus, and in the framework of this process, the Board, convened on 20th December 2021, unanimously approved the national electricity transmission grid code. And the latter was subsequently published on ANRE's website. It is chalked to be enforced starting from 3rd January 2022.

3. Accounting unbundling

3.1. The challenges related to accounting unbundling

The accounting unbundling of the electricity transmission activity from all the other business activities of ONEE is one of the priority projects of ANRE. It has not only launched the process but is intent on accelerating its realization, in close consultations with ONEE. This is a fundamental prerequisite for a steady opening of the electricity market, and the process is undertaken in strict observance of electricity supply security requirements.

The main stake of such unbundling is to establish the first milestone on the pathway of TSO's independence from ONEE, which should materialize, in due course, by way of the creation of a legal entity, endowed with corporate personality that is distinct from ONEE, as provided for by Article 53 of law 48-15. It is universally acknowledged that no effective regulation would be credible without TSO enjoying genuine independence from the historic operators.

The other challenge is that, without accounting unbundling, it would not be possible to define the tariffs for access to the transmission grid, given that pricing must take into account, inter alia, network costs, in addition to its future development costs.

Another major stake is that accounting unbundling is based on physical separation and the fact of possessing precise data base on TSO's patrimony should facilitate future investment planning. It should be mentioned, in this respect, that ANRE has the mission of approving the pluriannual investment program that the TSO should submit to it.

Article 53 referred to in law no. 48-15 stipulates that: "on a transitory basis, ONEE shall keep, in its overall accounting, separate accounts pertaining, respectively, to the electricity transmission business and to the entirety of its other business lines. And these accounts shall be communicated to ANRE.

"To implement the accounting unbundling provided for in the preceding paragraph, ONEE draws up and submits the following to ANRE for approval:

- The respective activity perimeters are linked to the production, the transmission, and the distribution of electricity, and if the need should arise, the other business activities undertaken by ONEE;

- The rules of settlement applicable to assets and liabilities items, as well as of the expenditure and income items, among the aforesaid perimeters;
- The principles determining financial relations among account-separated business activities."

3.2 Achievements

Aside from the meeting designed to launch the accounting unbundling process, which was held together with ONEE in July, 2021, ANRE organized several inhouse workshops in order to define the right approach to follow in order to undertake the accounting unbundling project and to prepare for the meetings to be held with ONEE.

The workshops, which were held at ANRE premises, centered on a range of themes outlined in a guideline note. The latter was intended for the preparatory meetings held ahead of the actual discussions between ANRE and ONEE.

At the end of the aforementioned workshops, ANRE's Board has decided to formulate recommendations to be addressed to ONEE, for the purpose of (i) aligning the process bearing on the definition of the perimeters of various business activities, as indicated in Article 53 mentioned above and (ii) determining the account item assignment, as well as the principles to be applied to the financial relations between account-separated business activities. The recommendations which crystallized into a resolution made by the Board on 9th November 2021, are as follows:

- The goal sought by the accounting unbundling relative to the electricity transmission activity in relation to the other activities undertaken by ONEE is to reflect a faithful image of the patrimony, the financial situation, and the income accruing from separate businesses, as though these business activities were exercised by entities that were legally separated and economically independent. The separate accounts must be drawn up according to rules and principles that do not allow for any discrimination or cross subsidies between business activities;



- The accounting perimeters of separated activities must reflect the physical perimeters of the electricity transmission activity as well as those of other business activities. The definition of these perimeters must comprise a summary definition of the business activity. This definition should present clear-cut borderlines between business activities. And these borderlines must fulfill objective functional criteria and be identical for all users;
- Direct item assignment is the basic principle underlying the separation of the items in the income and expenditures account. The elements of this account, which are indirectly attached to an activity, must be broken down by applying an appropriate and objective distribution key;

- Intangible and tangible assets used by several activities must be allocated to the business activity that is the main user thereof. Billing for a service by the main business-activity using the assets, based on the internal transfer price between business activities, must be reported vis-à-vis the other activities.

- The balance sheets of separated business activities must present the financial liabilities in a way that is broken down between equity capital and long-term and short-term financial debts. When the assignment of some items of the financial liabilities may not be done, either directly or indirectly, a distribution of equity capital and financial debts should be made within each business activity. This distribution should take into account the respective requirements of the different separated activities in capital assets and the level of risk pertaining to them;



- The internal transfers prices applied to transaction between separated accounts bearing on a product, service, or equipment goods must match the prices applied in full competition. These prices should correspond to the prices which would normally apply to the same products, services, and equipment goods transferred among unrelated and totally independent entities;

- The separated accounts must be subject to a financial audit undertaken by a certified public accountant registered with the CPAs Association 'Ordre des experts comptable' in Morocco. The modality related to the choice of the expert, the scope of his task, and the schedule for the conduct of the audit will be set by ANRE.

3.3 Next stages

After the approval by ANRE's Board of the recommendations concerning the guiding principles for the accounting unbundling, it is expected that ONEE would draw up a detailed document which implements these recommendations for the purpose of achieving effective accounting unbundling. This document, called "the accounting allocation plan," should incorporate, in a detailed manner and according to a methodical approach, the definition of the

4. TSO's Code of Good Conduct

By virtue of Article 13 of law 48-15, ANRE approves TSO's Code of good conduct, which gathers together measures of internal organization, aimed at guaranteeing TSO's operational independence and at preventing the risks of discriminatory practices, in matters of connection and access to the national electricity transmission grid and to interconnections. The code of good conduct must guarantee equal treatment to different users placed in the same situation. This document should be drawn up by ONEE and submitted to ANRE for approval.

perimeters of different business activities, the rules of assignment/settlement applicable to the various accounting items, and the principles governing the financial relations between the various accounting-separating business activities.

The "Accounting Allocation Plan" should be presented by ONEE to ANRE for approval before the Office can begin the process of preparing the separated accounts and submitting them to ANRE. These accounts should center on fiscal year 2021, in comparison with 2020, and should be transmitted to ANRE on a date that is the closest to the year 2022.

Nevertheless, and within the spirit of mutual consultations and collaboration, which has been highlighted several times in this report and in connection with all the files which have been treated, ANRE has proposed to ONEE to continue to work together on the elaboration of the "account allocation plan" in order to accelerate the process of finalizing this document as soon as possible.

Given the importance of endowing TSO with good conduct code rapidly, as a necessary addition to the recently-approved grid code, and bearing in mind ANRE's proactive and participatory approach, ANRE has proposed a number of recommendations designed to facilitate the preparation of the code in question by ONEE. Better still, ANRE has suggested to ONEE to work in tandem, in the framework of a joint working team, in order to rapidly move towards the finalization of the code.

Accordingly, ANRE's Board made a resolution on 9th November 2021 respecting the recommendations below, on the basis of the best world practices, in terms of good conduct codes relative to access to the national electric network:

- **TSO's operational independence:** from the interests of the vertically-integrated company, ONEE. This should enable TSO to act in a neutral manner in relation to all network users and to be equipped with the human, technical, and financial resources guaranteed by ONEE, such as would allow it to fulfill its missions.

- **Non-discrimination:** TSO abstains from any discriminatory practice between users of the national electricity transmission grid and gives them identical, egalitarian, and fair treatment and service. In this respect, it prohibits itself from favoring specific users of the transmission grid to the detriment of the others. Commitment to non-discrimination concerns all TSO's activities intended for the users of the transmission grid: (i) it notably covers the connection and/or access to the transmission grid, its utilization, and dispatching of electricity and (ii) it concerns not only the technical conditions of projects' realization, but also the contractual, commercial, and financial conditions pertaining to actual implementation.

- **Objectivity and transparency:** TSO provides services and adopts procedures and practices (i) on the basis of the legal and regulatory referential in force; (ii) on the basis of commonly accepted technical and/or economic standards. The TSO communicates to the users of the transmission grid and to ANRE all information deemed useful to help them carry out their business activities.

- **Confidentiality:** TSO pledges to keep confidential all sensitive economic, commercial, industrial, financial, and technical information that is entrusted with them by the users of the national electricity transmission grid. Any information is deemed

"sensitive" when its communication and/or divulgation is likely to infringe upon (i) the principle of non-discrimination and (ii) the rules of fair competition.

- **The crafting of a pluriannual (5year) program:** for the development of the electricity transmission grid. In implementation of Article 3 of law 48-15, TSO shall develop a five-year program of investment in the national electricity transmission grid and interconnections, taking into account the investments dedicated to the electricity production activity.

This program should provide a clear visibility of the transmission infrastructures to develop or adjust in a time-frame of five years. The program must be submitted to ANRE for approval.

The TSO will be called upon to comply with the obligation to respect the investment program, foremost, in terms of the cost and the implementation schedule.



IV. Functioning of ANRE

1. Annual Budget

ANRE's expenses for the year 2021 added up to 28.42 million Dirhams which are distributed as follows:

- 17.68 million Dirhams for staff salaries, social security contribution, Board members' and Dispute Settlement members' indemnities;
- 7.0 million Dirhams for equipment and miscellaneous expenses including expenses related to the administrative building and to its maintenance, insurance, transportation, the car fleet, and event-organization;
- As for investment expenses, they amounted to 3.74 million Dirhams which have principally served to realize renovation and maintenance of ANRE's administrative building, the acquisition of equipment, and the conduct of study/research.

The evolution of ANRE's expenses since the appointment of its President is provided in a table appended to the report.

2. Human Resources

In compliance with the provisions of Article 50 of law no. 48-15, ANRE is endowed with public employees on secondment from administrations and with staff recruited by the Authority itself, in conformity with its personnel regulations. This is done for the purpose of allowing it to discharge its duties and exercise its prerogatives. To this end, several actions have been undertaken to endow this institution with the requisite skills and expertise (through recruitment, mobilization, follow-through, training, capacity-building, etc.).

The human at the center of all decisions ...

In view of the strategic importance of its missions, ANRE has organized a targeted recruitment campaign designed to endow it with adequate profiles for various positions and to allow it to set up operational teams.

ANRE has also established an effective follow-through policy centered on the enhancement and adaptation of the skills of its staff, in a bid to align them with the evolutions in the electricity sector.

2.1 In the wake of the pandemics

The Covid-19 health crisis pushed ANRE to accelerate the transformation at the level of the human resources, through the adoption of a management policy that is both agile and adapted to the situation.

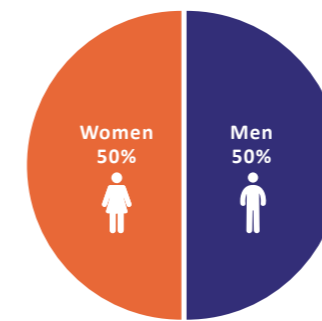
From the outset, ANRE was able not only to adapt but also to make the pandemic situation a factor of strength by adopting new methods of work to fully carry out its tasks notably by privileging telecommuting, communication, proactivity, and follow-through on a day-to-day basis.

ANRE adopted an HR strategy centered on health, safety, and well-being of its staff, by relying on a fluid circulation of information pertaining the different sanitary measures, the elaboration of regulatory and awareness-raising mechanism, and the implementation of an effective process aimed at promoting and supervising remote working.

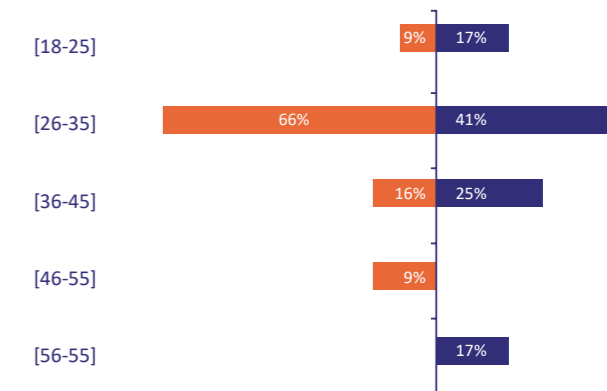
2.2 Overall breakdown of staff

In 2021, ANRE had 25 staff members on its operational team. By observing the terms of parity in the process of recruiting the operational team, Authority staff is made up roughly of 50% of men and 50% of women. The average age of all staff is 35 years old.

Breakdown of staff by gender

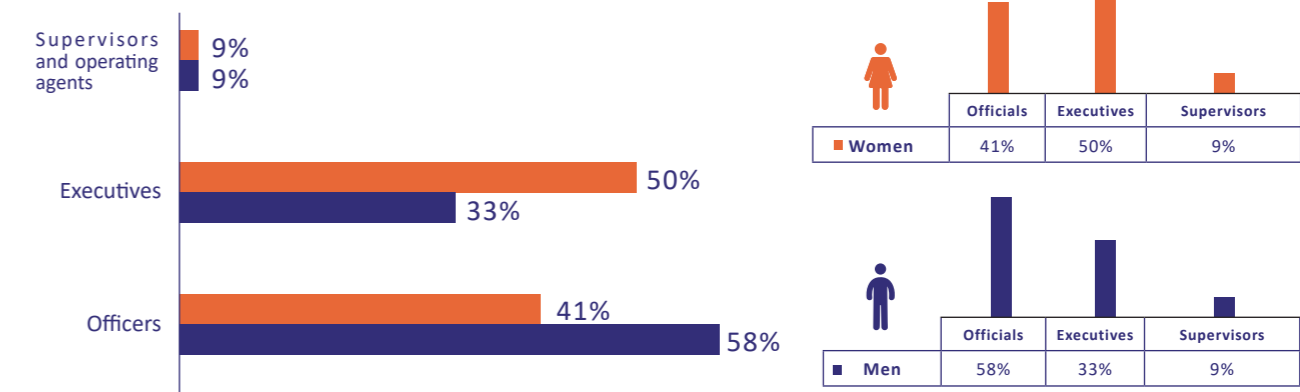


Age pyramid per gender

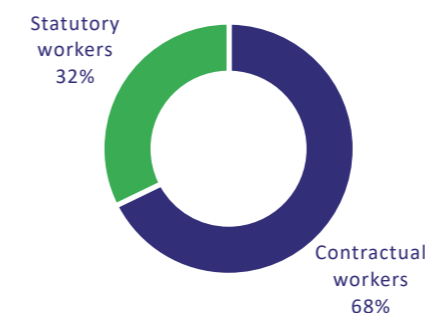


ANRE's staff consists of more than 50% of officials, of whom half are on secondment. Besides, 68% of staff members are contractual and 32% are statutory employees.

Breakdown per function



Breakdown per type of contract



Regulatory tasks necessitate high profiles with several years of experience and proven technical, legal, and financial qualifications. ANRE has recommended recruitment by way of a contractual mode so as to meet its own requirements and to carry out its tasks successfully.

2.3. Training

ANRE has adopted a continuous training and capacity-building policy. This permanent dynamic allows the continuous adaptation of skills to the mission of regulation in order to fully support the authority's activities.

ANRE's staff has benefited from two training courses during the year 2021. The first training is on the fundamental regulatory principles of energy, including the electricity and gas sectors. The second training concerns the mechanisms of energy markets, network regulation and investment incentives.

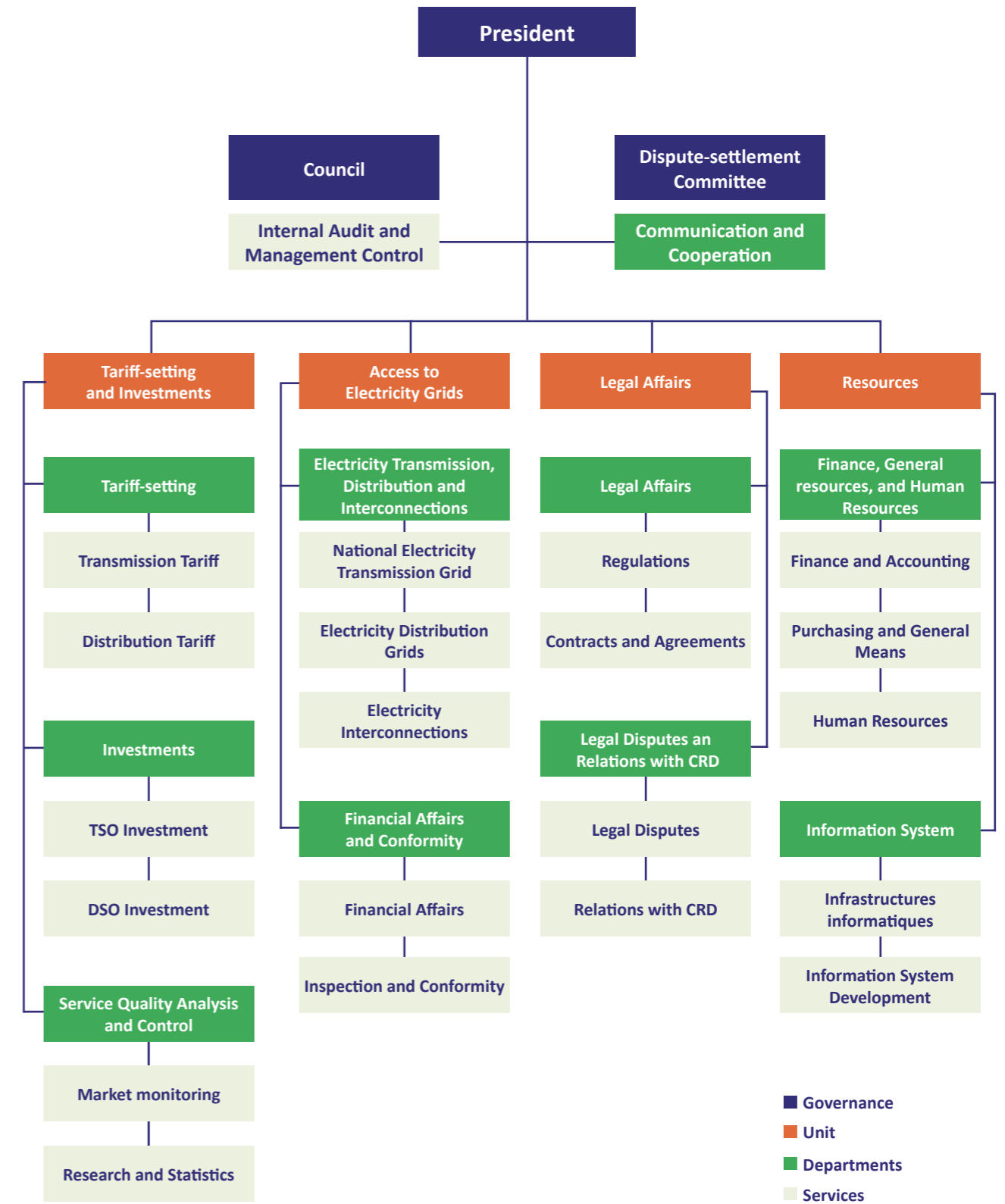
2.4 Staff Regulations

ANRE is endowed with Staff regulations that sets out the rights and obligations of the staff, as well as the conditions of recruitment and remuneration. The Staff regulations were approved by ANRE's Board on 21st October 2020.

2.5 ANRE's Organization chart

The elaboration of the organization chart was one of the first steps of the operationalization of ANRE. The organization chart is based on three key axes:

- The presidency axis comprises these entities: internal audit and management control, communication and cooperation. These are strategic departments reporting directly to the President;
- The business axis is made up of the tariff and investment unit; access to electricity grids unit; and legal affairs direction. These units head up ANRE's intervention perimeters;
- The support axis: consists of HR management, financial affairs, and information system.



3. Information system

In the framework of the implementation of ANRE's strategic road map, considerable efforts have been made to set up an information system with functions designed to follow through the Authority's core main and support activities.

Following an in-depth study of its needs, ANRE has deemed it necessary to initiate two main IS projects, covering the support and the core business of its organization. More explicitly, these are:

- The Strategic Information System (SIS), which is intended to directly support ANRE in its tasks, notably via real-time access to the Kingdom's energy related data;
- The Computer Information System (SII), which is designed to directly support ANRE's internal organization, through information tools related to such aspects as the financial, human capital, and general means. A structured internal network has already been created to ensure the good functioning of ANRE's various internal structures.

3.1 Strategic Information System

ANRE is keen on setting up a strategic information system (SIS) to collect, process, and analyze the numerical data related to ANRE's core business and the key figures in the energy sector, as provided by partners in real time. The SIS deliverable is not intended for the Authority solely; it will constitute the basis for the publication of data in the interest of all electric sector actors.

ANRE has initiated the implementation of its complete SIS allowing a rigorous follow-up of the evolution of the electricity sector and putting reliable real-time information about the entire electricity grid at the disposal of the staff concerned within ANRE, in order to help in the decision-taking process in matters of electricity.

More specifically, SIS will, notably, take care of the following:

- Collecting and consolidating data related to the Kingdom's electricity sector in real time;
- Setting up a dashboard of indicators;
- Establishing a strategic monitoring system.

ANRE is also looking to complete the ongoing study which would be necessary to the elaboration of the SIS and the laying of its foundation. The building of the information system should be stretched over the few years to come.

During the execution of this project, notably during the phase of needs collection and design stage, the project management will be called up to collaborate closely with the various actors in the electricity sector.



3.2 Computer Information System (SII)

ANRE had to design an optimal organization of the information flow pertaining to the authority. For this reason, the Authority has deemed it necessary to build a solid infrastructure which responds to internal requirements, while aligning with the best standards and practices, at the national and international scales, in terms of information system management.

SII covers the management of the operations of the departments of finance, general ways and means, and human capital within the Resources Unit. The said system would allow the aforementioned Unit to carry out its duties and tasks within an agile framework, which is

further supported by high performance digital tools. With reference to the organization chart and the draft financial and accounting management manual, ANRE has started the process of elaborating the terms of reference pertaining to this project, which would allow the definition of system implementation perimeters.

4. Visibility-enhancement actions

Ever since its establishment, ANRE has centered all of its communication actions on strengthening the cohesion of its internal team and sharing relevant information on its missions, actions, and achievements for its external target audiences.

The entire ANRE team has been involved in the formulation, development, and transmission of the axis which has oriented the editorial and graphic line of its written, digital, and event-related communication.

The added value of such a process is not necessarily the release of the annual communication plan, but in the process itself. "Return to the basics" is a golden lesson engendered by the Covid-19 crisis.

4.1 Inhouse communication at the pace of digital acceleration

Observation

Digital lessons learned from the pandemics : putting the human factor at the center of digitalization

Aware of the strategic role played by its men and women, ANRE places its human capital at the center of its priorities and spares no effort to motivate its staff and foster their loyalty, by relying on internal communication that is both personalized and adapted to their needs.

This digital communication strategy is thus to be considered as a large vision, tied to objectives and to key and measurable performance indicators. It is integrated into the overall ANRE's communication strategy, of which it is the virtual sword arm.

There are certain measures that ANRE has taken to follow this new dynamic. The first one is to be able to learn about the best digital practices and actions in order to take the necessary time and ensure a quality digital services while inciting ANRE's team to adhere.

Concept

ANRE's digital showcase: a focal point of an innovative digital strategy

The idea was to make ANRE's headquarters progressively a digital showcase. Its main feature is that all the screens broadcast in real time the information related to the internal matters of ANRE in addition to all the external news coming from social media, web and all other supports.

Thus, ANRE's headquarters is considered as the box, the internal experience and the external information is considered the product to be promoted which will, therefore, be visually superimposed on the window made up of all the screens and mobile digital supports at the level of ANRE's headquarters.

From now on, ANRE's headquarters is not only an internal digital showcase essential for the exchange, the development and the loyalty of its teams but also a place of promotion and brand awareness among its visitors (Investors, public and private partners, press, media...). These targets will be, by default, ambassadors of the brand at all levels.

• **Overview:** on a 2D scale model



• **Overview:** on a photo






4.2 External communication at the pace of the projects provided for by law no 48-15

• VISIBILITY ACTION 1: COMMUNICATING VIA A COMPLETE GRAPHIC CHART

ANRE grants great importance to its visibility. It has adopted a visual identity that conveys attractive and reassuring values.

The central element of ANRE's graphic chart is the regulation switch

-  Modeling of the "E" character, resembling the switch regulator in an orange color, expressing thereby ANRE's core business, to wit, the regulation of the electricity market.
-  "E" the initial letter in the word "electricity" reflects ANRE's business sector, considering its future evolution also. Note also the reference to "Energy".
-  70-degree-rotation of the switch slightly towards the top confers on it the shape of a satellite. It thus expresses its calling towards opening onto world, notably the renewable energy market (ER) in green.

• VISIBILITY ACTION 2: COMMUNICATING VIA A WEBSITE

ANRE's website (www.anre.ma) is an indispensable tool for the success of its missions. It offers investors, partners, and experts in the sector information that is useful to their prospective works.



• VISIBILITY ACTION 3: COMMUNICATION VIA ITS PARTICIPATION IN PARTNERS' ACTIVITIES

ANRE has made promotional efforts at the national, regional, and international levels, through its constructive participation in the activities undertaken by its national partners. This has enabled it to establish a good-will based relation, which it intends to foster overtime, on an on-going basis.



November 19, 2018
Skhirate, Morocco

ANRE participated in the 14th Edition of the Energy Conference on the theme: "Energy Transition: What Regional Geostrategy by 2050?"



February 18, 2020
Casablanca, Morocco

ANRE participates in the 4th Edition of the Industry morning session on the theme: "Energy-efficiency at the Service of Industrial Competitiveness."

It should be noted that the next encounters and activities, engaged into by ANRE with its partners, will depend on the improvement of the fluctuating sanitary conditions, due to the Covid-19 pandemics. However, to ensure strong visibility and better re-channeling towards its website, ANRE plans to launch its social network channel, on You Tube, Twitter, and LinkedIn.

5. Actions undertaken to open onto the world

Aware of the highly advantageous geographical position of Morocco, at the crossroad of Africa and Europe, and of the importance of getting the Authority to open up to the world, ANRE has opted for a Euro-Mediterranean and African cooperation strategy in line with the Kingdom's strategic orientations.

The objective is to initiate and shore up international cooperation in order to serve the electricity sector regulation and to enhance the radiance of our country worldwide, while putting to the fore the experience that ANRE has been able to accumulate since its establishment.

Only enhanced international and regional cooperation would allow the exchange and development of a powerful network in the area of electricity regulation. This explains why ANRE grants particular attention to international cooperation and partnership development.

In a bid to significantly reinforce this network, ANRE fosters multilateral cooperation actions with regional and international organizations, as well as bilateral cooperation actions with brotherly and friendly countries.

North-South Cooperation at the
rhythm of Euro-Mediterranean
energy transition



5.1 North-South cooperation at the rhythm of Euro-Mediterranean energy transition

A few months only after the appointment of its President, ANRE took the first steps towards fruitful multilateral cooperation, by joining the Mediterranean Energy Regulators Association (MEDREG) and the French-speaking Network of Energy Regulators (RegulaE.Fr).

MEDREG: THE MEDITERRANEAN ENERGY REGULATORS ASSOCIATION



MEDREG is a regional organization founded in 2007, which gathers together 27 regulators from the 22 countries of the Mediterranean basin. Its secretariat is based in Milan (Italy).



Source: MEDREG' Secretariat, Map featuring MEDREG member countries

MEDREG member countries work together to harmonize energy markets, with the ambitious aim of integrating them within a single regional Euro-Mediterranean market.

MEDREG is structured around five working teams: electricity, gas, renewable energy, consumers, and institutional entities. The idea is to facilitate the exchange of good practices with respect to the themes that are necessary to the development of member-regulators' skills.

Today, ANRE plays a key role within MEDREG Association, wherein it has held the post of Vice-Presidency since November 2020. This did not come about by chance; the trust vested in the Authority, via its President, has been patiently acquired as a result of its permanent and constructive participation in all the activities organized by the Association. It has also been earned by its unflinching commitment to shore up the leading role played by Morocco within the Mediterranean Basin.



Review of the flagship cooperation activities with MEDREG:



November 29, 2018
Istanbul, Turkey

The Moroccan regulator joins MEDREG's Board on the occasion of its 26th General Assembly.



February 25, 2019
Milan, Italy

ANRE explores synergies with the Mediterranean regulators to integrate renewable energy sources into its electricity market.



July 10-11, 2019
Lisbon, Portugal

ANRE reinforces its cooperation with the regulator of the energy sector ERSE in Portugal.



September 19, 2019
Brussels, Belgium

Morocco presents its regulator during a press conference on the support granted by MEDREG to energy regulation reforms undertaken in the Southern part of the Mediterranean.



October 25, 2019
Rabat, Morocco

The MEDREG Secretariat visits Rabat to reinforce collaboration with the Moroccan regulator.



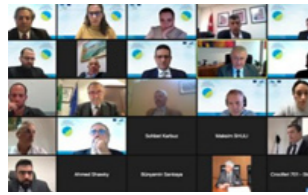
December 10, 2019
Rome, Italy

Energy regulators exchange views at the highest level in order to raise the challenges attendant upon the growing role of gas and renewable energies in the Mediterranean region.



November 3, 2021
Glasgow, Great-Britain

On the sideline of the COP26, ANRE's President was received by his British peer, Mr. Martin Cave, Ofgem's President, for the purpose of initiating bilateral cooperation.



November 3, 2021

Video-conference

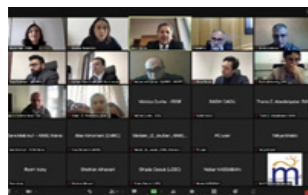
ANRE participates in the 1st Edition of the workshop on hydrogen, organized by MEDREG.



November 21, 2021

Antalya, Turkey

The Moroccan regulator, during his presentation, in the 11th Edition of the Turkish Energy Summit.



December 16, 2021

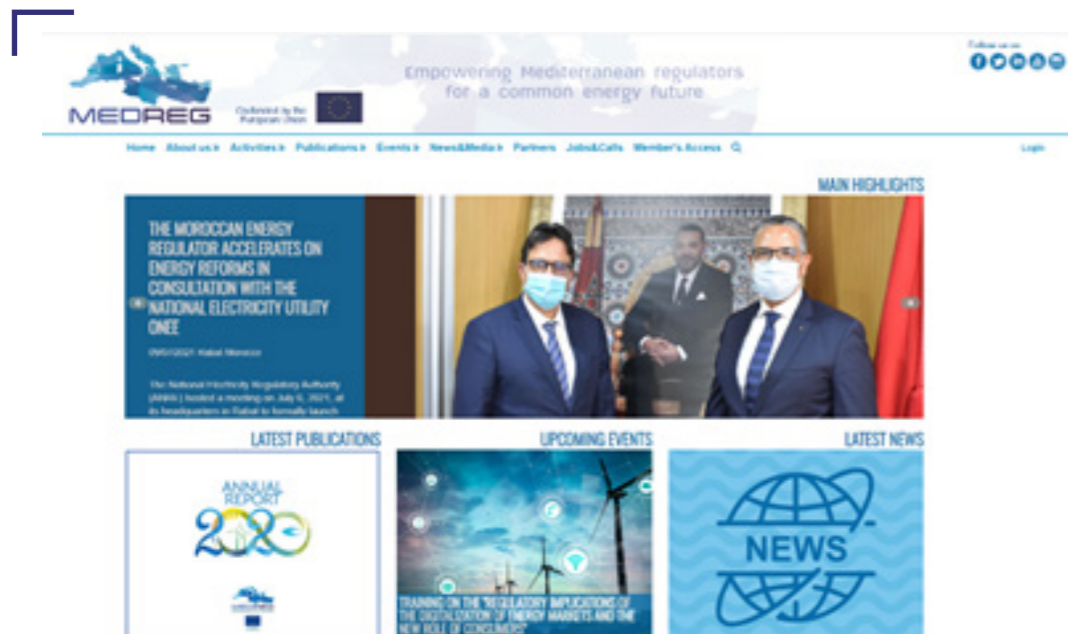
Videoconference

ANRE participates in the workshop organized by MEDREG to share the Moroccan experience in the area of energy transition.



2019 Annual Report—MEDREG

Flagship visibility actions in partnership with MEDREG



Web site <http://www.medreg-regulators.org/07/12/2021>

REGULAE.FR: FRENCH-SPEAKING ENERGY REGULATORS' NETWORK

The French-speaking energy regulators' network was set up in Paris on the 28th November 2016, at the initiative of Belgian (CREG), French (CRE), Ivorian (ANRE-CI), and Quebecois (Régie de l'énergie) regulators.

This network, which gathers together 28 energy regulation authorities from Africa, Europe, the Americas, and Asia-Pacific, aims to share information and good practices in the area of energy regulation. It also promotes technical cooperation among regulators and facilitates participation in international training programs.

ANRE joined the French-speaking energy regulators' network at the beginning of 2019. Thanks to its multilateral involvement in the RegulaE.Fr network, ANRE has succeeded in initiating bilateral partnership projects with its French, Senegalese, Ivorian, and Congolese counterparts.



December 08, 2020

Videoconference

ANRE participates in the RegulaE.Fr virtual workshop on third-party access to electricity transmission and distribution networks.

MEDREG has been following up on ANRE's activities through since its establishment, with regard to different aspects, notably its international visibility, by sharing its current events and its activities via the Association's different communication channels, whether they be on-line or off-line.



November 30, 2021
Paris, France

ANRE taking part, via video-conference, in RegulaE.Fr. workshop no 9, on the role played by the regulator in the emergence and the promotion of renewable energies.



December 1st, 2021
Paris, France

ANRE participates in the General Assembly of RegulaE. Fr.

Worldwide Initiative to Accelerate the Energy Transition (RETA)

Aware of the rapidly evolving global energy sector, owing, among other things, to a sought-after integration of renewable energies, ANRE deemed it useful to ensure on-going watch of that evolution, as early as its own operationalization stage. It did so mainly through the exchange and sharing of ideas and good practices in this field. Launched by the British regulator, OFGEM, in collaboration with the International Energy Agency, the International Agency of Renewable Energies, and the World Bank, RETA, or the Regulatory Energy Transition Accelerator strives to connect regulators from the world over so as to support their mobilization in favor of effective, swift, and equitable decarbonation of their energy systems.

This initiative fosters cooperation between regulators so as to engage States and get them to develop, update, and make determined contributions to energy transition at the national level, by highlighting the lessons learned from sectors which have witnessed marked and genuine changes.

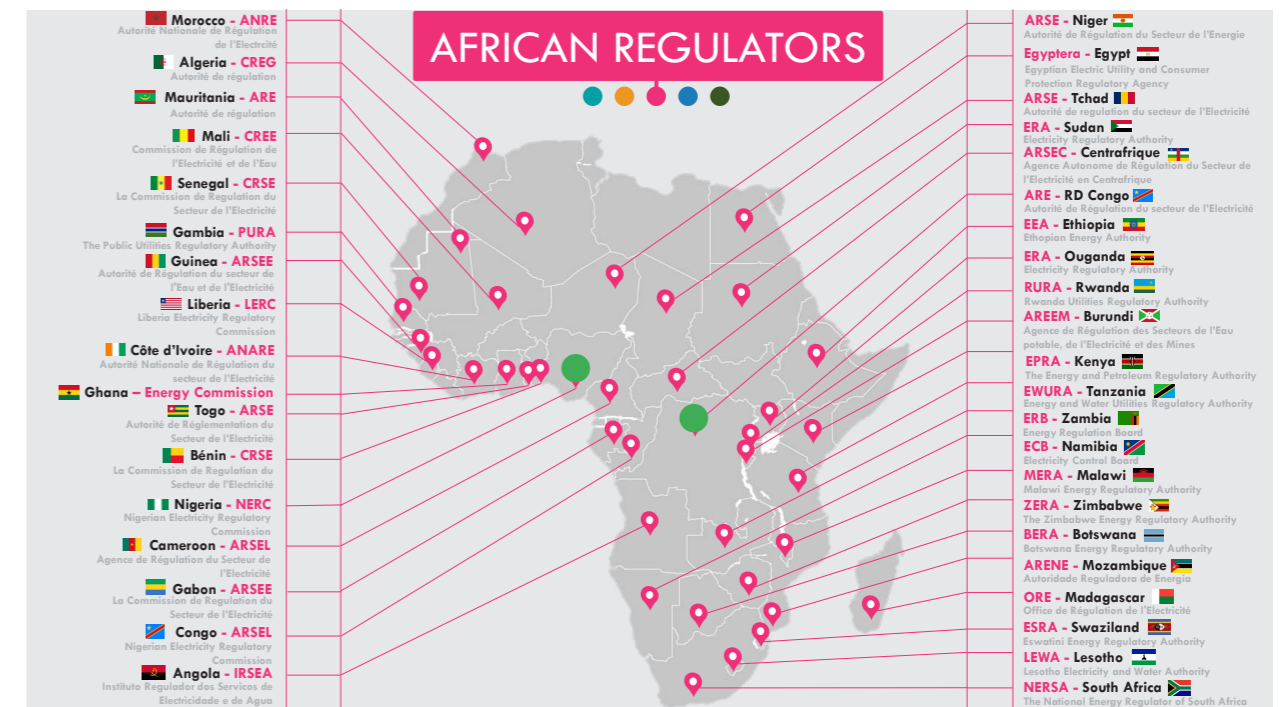
Having taken part in the initiative, ANRE has vowed to develop it further and extend it to the other countries in the Mediterranean basin, taking advantage of the role it plays, in the capacity of Vice-president, of MEDREG, the Mediterranean Energy Regulators Association. This has allowed the Authority to integrate several countries in this initiative.

Aside from the Moroccan regulator, the launch of RETA on November 3, 2021, saw the participation of 45 international energy regulators, notably: AER (Australia), Ofreg (Caiman Islands); EGYPTERIA (Egypt), FCCC (Fiji Islands), CRE (France), GNERC (Georgia), BNetzA (Germany), ARERA (Italy), NERSA (South Africa), California PUC (United States), Hawaii PUC (United States), and URA (Vanuatu).

5.2 South-South Cooperation at the rhythm of a potential African progress

In step with the Kingdom's strategic orientations and its ambition to radiate across Africa, ANRE endeavors to shore up multi-faceted South-South cooperation, notably with African countries, which hold a tremendous energy potential, as well as promising cooperation opportunities. Indeed, to release their development potential, several countries on the continent have already started the liberalization process of their electricity markets, through the institution of independent and transparent regulators in order to fully respond to their populations' energy requirements.

In this respect, and thanks to its multilateral presence in the French-speaking network of energy regulators, RegulaE.Fr, ANRE has succeeded in establishing and fostering a privileged and friendly relation with its African counterparts.



ANRE made a benchmark of African regulators, taking into account indicators linked to electricity, peak, and installed capacity in each country. Once published, this map would serve as a reference for investors, allowing them to closely visualize the Continent's regalian frame.

In this connection, ANRE, started the year 2021, by signing a bilateral cooperation with the electricity sector regulation Authority (ARE) in the Democratic Republic of Congo.

South-South Cooperation at the rhythm of a potential African progress





For the purpose of promoting an exchange of information, experiences, and good practices with its peer in the Democratic Republic of Congo, a cooperation agreement was signed in Rabat, on January 21, 2021.

ANRE, thereafter, established the basis for a cooperation agreement with the Nigerian Electricity Regulation Commission (NERC) in Rabat on October 6, 2021, in the framework of their missions as regulators of the electricity sector.



Through the aforementioned partnership projects, as through future North-South and South-South cooperation projects, ANRE seeks to significantly enhance its cooperation, by developing bilateral relations with brotherly and friendly countries, like Portugal, Senegal, and Côte d'Ivoire and multilateral relations with regional and international organizations such as MEDREG, RegulaE.fr, ERERA (or, ECOWAS Regional Electricity Regulatory Authority) and AEREF (Arab Electricity Regulators Forum). It should be noted, however, that any future meetings and activities will depend on the improvement of the fluctuating health conditions, induced by the Covid-19 pandemics.

All the efforts deployed by ANRE ever since the appointment of its President in August 2018, are part of a targeted strategy in the area of international cooperation which ANRE has adopted for its own successful operationalization, according to commonly-accepted international standards, through the sharing of the best international practices in matters of regulation.

APPENDICES

Appendix 1:
Brief biographical notes about the members of the Board and the members of the Dispute-settlement Committee



Abdellatif Bardach

Mr. Abdellatif Bardach was appointed by His Majesty King Mohammed VI (May God lend him support) on August 20, 2018, as President of ANRE. With advanced training in electronics, he has accumulated 32 years of experience at ONEE, where he held several positions, notably, Central Production Manager, Central Transmission Manager, Manager in charge of the development, implementation, and supervision of ONEE's projects abroad, and Manager in charge of the implementation of very high voltage network projects. He has also held different positions within several professional organizations. More recently, since November 2020, he is Vice-President of MEDREG.



Mohamed Mahroug

Mr. Mohamed Mahroug was appointed by the Head of the Government as Board member of ANRE on August 10, 2020. An economist with a 36 years experience in the area of finance. He has held several positions, notably chargé de mission (or, project manager) at the Office of Head of Government; exceptionally-ranked finance inspector at the General Finance Inspectorate, deputy director of the treasury and foreign finances, and administrator, representing Morocco, Tunisia, and Togo, at the Administrative Board of the African Development Bank in Tunisia.



Driss Chater

Mr. Driss Chater was appointed by the Head of the Government as Board member of ANRE on August 10, 2020. With training in law, he has roughly 50 years of experience in the legal field. He has held several positions, notably Associate Professor at the Faculty of Law in Fez; President of the Order of Lawyers in Fez; and President of the Moroccan Bar Association. Internationally, he has been elected as President of the Union of International Attorneys (UIA) in Miami, USA and then in Macao. He has also been elected Honorary President of UIA and permanent member of the UIA Presidency Council. He has been decorated by His Majesty King Mohammed VI (May God lend him support).



Mohamed Bernannou

Mr. Mohamed Bernannou was appointed by the Head of the Government as Board member of ANRE on August 10, 2020. He earned a general engineering degree from Ecole des Mines in Paris in 2000 and earned a Master's degree in economics and corporate strategy from Paris-Dauphine University, France, in 2007. In 2009 he completed a Master's Degree in Public Administration from Pont Paris Tech. He spent ten years in consulting in various areas: Information systems, telecommunications, rail-tracking, strategy, etc for the Ministry of Finance, the French Rail Network, OLAF (CE) ... in 2010 he joined MASEN as director of the development plan pertaining to the Ouarzazate-based solar complex and director of sustainable development (2011). In 2015, he was appointed General Manager of the Solar Cluster in the Moroccan Climate Innovation Center MCICI), which was set up by the World Bank.



Mustafa Ajjab

Mr. Mustafa Ajjab was appointed member of ANRE Board by the President of the House of Representatives on August 10, 2020. He earned a Licence (B.A equivalent) in economics at Mohamed I University in Oujda in 1982. He has served as a lawyer at the Tetouan bar for more than 30 years. He was elected to the municipal Board of Chefchaouen city and to the vice-presidency of its Board for two successive mandates (2003-2009) and (2009-2015), serving for 12 years in that capacity.



Sghir Baali

Mr. Sghir Baali was appointed member of ANRE Board by the President of the House of Representatives on August 10, 2020. He received his training in agricultural-economic engineering and acquired 35 years of experience in such fields as agronomy, agricultural-economics, and the sociology of rural development. Besides, he has 31 years of experience in associative action, in the capacity of an official within UNIM, an engineering organization. And since 2006, he has served within a national association called "ASEET," (or, Water and Energy for All Association)—an entity where he has also served as President since 2016. He has held several positions: Principal Chief Engineer at ONCA; Regional Director of the Agricultural Board in the Chaouia-Ouadigha Region and Regional Inspector at the MAPM General Inspectorate in the same aforementioned region.



Ahmed El Mehdi Mezouari

Mr. Ahmed El-Mehdi Mezouari was appointed member of ANRE Board by the President of the House of Representatives on August 10, 2020. He was trained in law and became a researcher in governance. He was a former MP at the House of Representatives, where he served as Vice-President of the Finances and Economic Affairs' Commission. He is a member of the UNESCO's MOST Commission. He likewise held several positions, including, inter alia, the President and Founder of the National Youth and Democracy Institute (INJD), during the period spanning 2006-2012, and a member of the IMF's Parliamentarians Network.



Ahmed Touhami

Mr. Ahmed Touhami was appointed member of ANRE Board by the President of the House of Councilors on August 10, 2020. He received his Doctorat d'Etat (Ph.D. equivalent) in law from the University of Bordeaux I (Paris). He has 40-year teaching experience in higher education, teaching criminal law and business law at FSJES-Agdal, Mohammed V University, as well as in other professional training institutions. He served as Head of the Department of Private Law and Director of Doctoral Studies in Law and Economic for three terms. He also has a 10-year expertise in Human Rights within the Consultative Board on Human Rights. He served two mandates as MP at the House of Representatives, where he held the following positions: Chairman of the Interior Commission; Chairman of the Infrastructures, Energy, Mining and Environment Commission; a Parliamentary Group Leader, and Rapporteur of the Reform of Parliamentary Bylaws. In the same vein, he accumulated five communal service mandates, serving as the President of the Communal Board of the City of Fnideq and two other regional mandates at the Regional Board of Tangier, Tetouan, and Al-Hoceima.



Mohamed Baddir

Mr. Mohamed Baddir was appointed member of ANRE Board by the President of the House of Councilors on August 10, 2020. Trained in economics, he has more than 39-year experience in the field. He has held several positions, notably: that of consultant of the two Houses of Parliament, that of member of the cabinet of the President of Upper House, that of director of sector-based and economic study and research at the Central Guarantee Fund and service-chief in charge of budgetary studies, within the Treasury and External Finances Directorate at the Ministry of Finance.

**Appendix 2:
Evolution of ANRE Spending (2018-2021)
(In Million Dirhams)**



Khalid Hennioui

Mr. Khalid Hennioui was appointed member of ANRE Board by the President of the House of Councilors on August 10, 2020. He graduated with a State-certified degree in engineers from the Polytechnic Institute, with the award of an M.Sc. (concentration: power plants). He also earned a Ph.D. in electrical engineering. He formerly served as an assistant professor at the State Technical University. He is likewise an expert in renewable energies with thirty-year experience in the field. He spent most of his career within ONEE, where he held several official positions and steered a number of large-scale projects, more particularly the development, operation and maintenance of hydraulic powered plants, solar plants, wind farms, notably in what was Morocco's 1st experimental wind farm. Known as the Abdelkhalek Torres park, the 3.5 MW park was the largest wind park in Africa when it was inaugurated by His Majesty the King, back in 2009.



Essaid Saadaoui

Mr. Essaid Saadaoui, Chamber President at Court of Cassation (or, Supreme Court of Appeal), was appointed as Chairman of the Dispute-settlement Committee at ANRE on December 5, 2018 by the Higher Board of Judicial Power. The appointment came in compliance with the provisions of law no. 48-15.



Hassan Merrouni

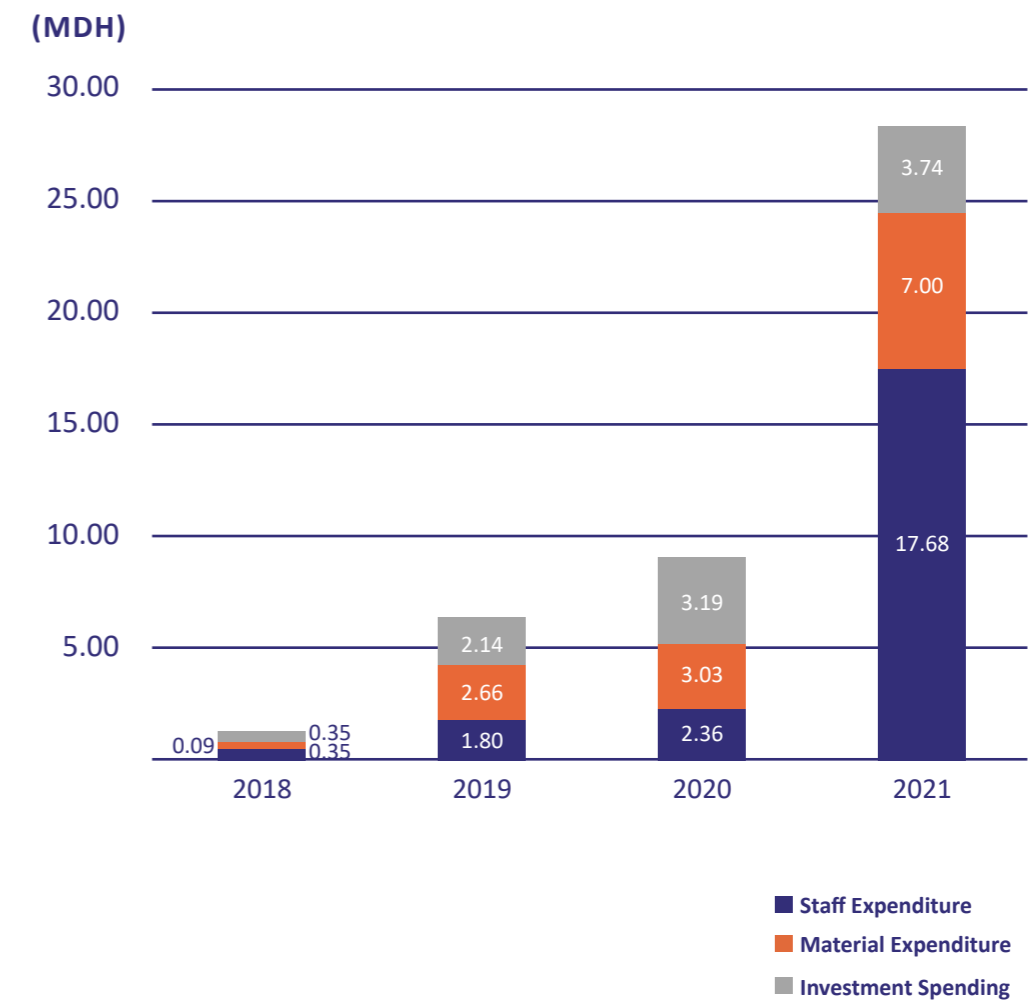
Mr. Hassan Merrouni was appointed by ANRE Board as member of the Dispute-settlement Committee on October 21, 2020. Trained in public law, he has roughly 20 years of experience in the legal sphere. He has spent a considerable part of his career offering legal consulting services to first-grade administrations, notably, as legal adviser at the Government's General Secretariat and also at the Ministry of Energy, Mining, and Sustainable Development, in the same capacity.



Ahmed Moujib

Mr. Ahmed Moujib was appointed by ANRE Board as member of the Dispute-settlement Committee on October 21, 2020. Having received his training in public law, he has 19 years of experience in the legal area. As a lawyer at the Casablanca bar, he has served as a legal consultant at ONE's legal division and service chief at ONEE's litigious affairs service.

In MDHS	2018	2019	2020	2021
Personnel expenditure	0,35	1,80	2,36	17,68
Material expenditure	0,09	2,66	3,03	7,00
Investment spending	0,35	2,14	3,91	3,74
Total	0,80	6,60	9,29	28,42



Appendix 3:

Law no. 48-15 relative to the Regulation of Electricity and the Creation of the National Electricity Regulation Authority

This version translated into English is not official. The official version exists in Arabic and French as published in the Official Bulletin No. 6480, Shaoual 2, 1437 (corresponding to July 7, 2016)

Law no. 48-15

Relative to the regulation of the electricity sector and to the creation of the National Electricity Regulation Authority

Chapter One

Definitions

Article One

Within the meaning assigned by the present law, (the following) should be taken to mean:

- The National Electricity Regulation Authority: The National Electricity Regulation Authority created by virtue of Chapter II of the present Law and hereinafter referred to as “ANRE”;
- Consumer: any natural person or moral entity buying electrical energy for the purpose of consuming it exclusively for their own use;
- Electricity distributor: a communal public service, consisting in the channeling of the electric energy purchased by the power distribution network operator via the distribution network for the purpose of supplying it to the consumers;
- Free-market of electric energy: the market in which any electricity supplier may, in conformity with the legislation and regulations in force, notably Law no. 13-09 relative to renewable energies and the texts pertaining to its implementation, market electric energy within Morocco and/or export it abroad.
- Electricity supplier: any natural person or moral entity that produces or buys electricity for the purpose of re-selling it, either partially or totally;
- Additional Electric energy: electric energy supplied in a contractual framework to the users of the network concerned, in the framework of an electric energy free market, in order to compensate for any interruption in the supply of electric energy;

- Operator of the national electricity transmission network: the moral entity responsible for the operation, maintenance, and development of the national electricity transmission network and, if the need should arise, of its interconnections with the electricity transmission networks of foreign countries;
- Operator of the electricity distribution network: any moral entity, governed either by public or private law, tasked, in compliance with the legislation and regulations in force, with providing a public service that consists in distributing electric energy, within its perimeter of distribution, aside from the other tasks that are assigned to it;
- Electric energy production: the operation of an installation designed to produce electric energy;
- Electric energy transmission: the operation of the national electricity transmission network consisting of aerial lines, underground cables, international interconnection links, transformer substations, as well as accessory equipment, such as control, command, and measurement equipment which serves to dispatch electric energy, all the way from the production sites or interconnection stations in neighboring countries to points of connection of consumers that are directly connected to the transmission or supply network, or feeding stations— source of electricity distribution networks— with the exception of connection facilities in electricity generation installations based on renewable energy sources which are directly connected to the medium voltage electricity distribution network;
- User of the national electricity transmission network: any natural person or moral entity feeding the national electricity transmission network or being served by the said network, in the framework of the electric energy free market. The users of the said network are notably the producers of electric energy referred to in the 2nd b and in 8th Para. of Article 2 in Dahir (or Decree) no. 1-63-226, dated 14 Rabii I, A.H 1383 (corresponding to August 5, 1963), bearing on the creation of the National Electricity Office, as has been modified and supplemented, the producers of electric energy, in conformity with the provisions of the aforementioned Law no. 13-09, and the consumers or consumer groupings, to whom this electric energy is marketed, in implementation of the provisions of the aforementioned law;
- User of the medium voltage electricity distribution network: any natural person or moral entity feeding the medium-voltage electricity distribution network or being served by the said network in the framework of the electric energy free market. The users of the said network are notably the producers of electric energy on the basis of renewable energy, in implementation of the provisions of the aforementioned law no. 13-09 and the consumers or consumer groupings to whom this electric energy is marketed, in implementation of the provisions of the aforementioned law.

Chapter II
Tasks of the Operator of the National Electricity Transmission Grid and the Operators of the Electricity Distribution Network

Article 2

Aside from the tasks assigned to him by the provisions of the aforementioned law no. 13-09, the operator of the national electricity transmission grid carries out his tasks, in conformity with the provisions of the present law and the terms of the Specifications, as approved by regulatory means.

The operator of the national electricity transmission grid is responsible for the operation, maintenance, and development of the national electricity transmission grid and, if the need should arise, of its interconnections with the electricity transmission networks in foreign countries.

Similarly, he is tasked with:

- Managing the flows of electric energy on the national electricity transmission grid;
- Ensuring a real time equilibrium between production capacities and consumption requirements, by resorting to the available production capacities and taking into account the exchanges with the other interconnected networks;
- Seeing to the security of the national electricity transmission grid, its stability, its reliability, and its effectiveness.

The operator of the national electricity transmission grid shall abstain from any discrimination against the users of the said network. He shall also preserve the confidentiality of any commercial information that he may gain, on the occasion of the accomplishment of the tasks he is assigned.

The competent administration submits the Specifications mentioned in the first paragraph above to ANRE for opinion. ANRE shall have two months, from the date of referral, to submit its opinion. If ANRE does not submit any opinion within the time-period set, the Specifications will be considered as having raised no observations on its part.

Article 3

The operator of the national electricity transmission grid shall draw up a pluri-annual investment program in the national electricity transmission grid and the interconnections, covering the five years to come, taking into account the investments provided for in the area of production capacity.

Every operator of the electricity distribution network shall, on a yearly basis, communicate to ANRE the pluriannual investment program, provided for in the electrical business activities, planned for the five years to come, as duly approved by its deliberative body.

Pluriannual programs may be adjusted to take into account, as the case may be, of

new circumstances likely to have a significant incidence on the network concerned, during the five years under consideration.

The pluriannual investment program in the national electricity transmission network and in its interconnections, as well as any modification brought to it, shall be submitted to ANRE for the purpose of approval.

ANRE shall have two months from the date of referral to give its feedback on the aforesaid program. At the expiry of the time-period set, the silence of ANRE should be considered as tacit approval.

ANRE shall follow up on the implementation of the aforementioned pluriannual programs and shall give an account of it in the annual report referred to in Article 45 below.

Article 4

Concurrently with the referral by the operator of the national electricity transmission network to the administration for a technical view, concerning the provisional authorization, as provided for by Article 10 of the aforementioned Law no. 13-09, the administration shall refer to ANRE in order to get its view regarding the said provisional authorization. ANRE, after consultation with the operator of the national electricity transmission grid, will communicate its view to the administration within a period of time not exceeding one month, starting from the referral date.

The operator of the national electricity transmission grid shall refer to ANRE for its opinion concerning the application for an authorization to construct and make use of direct transmission lines, as provided for in Article 28 of the aforementioned Law no. 13-09. ANRE shall communicate its opinion to the operator of the national electricity transmission grid, within a time period not exceeding a month starting from the date of referral. If ANRE does not issue its opinion within the aforesaid time-period, it will be supposed to have issued a favorable opinion.

Any decision taken by the competent administration, in conformity with the provisions of Article 10 and 28 of the aforementioned Law no13-09 must be justified; it shall be notified to the interested party and accompanied by the opinion issued by ANRE or bearing a notification of what an opinion may be considered as favorable, on account of the expiry of the time-period set for ANRE to convey its opinion.

Article 5

Every operator of the national electricity distribution grid shall be responsible, within his own perimeter of distribution, for the operation, maintenance, and development of the electricity distribution network, in compliance with the Specifications.

The operator of the national electricity distribution grid shall abstain from any discrimination between the user of the medium voltage electricity distribution network. They shall also see to the preservation of the confidentiality of sensitive business information of which they may have gained knowledge during the execution of the tasks assigned to them.

Chapter III

Resources of the Operator of the National Electricity Transmission Grid and of the Operator of the Electricity Distribution Networks

Article 6

The resources of the operator of the national electricity transmission grid come from the receipt of:

- The tariff applied to access to interconnections;
- The tariff applied to the use of the national electricity transmission grid;
- Remuneration collected in return for the provision of other services rendered to the users of the national electricity transmission grid;
- Any other revenue received in conformity with the legislation and regulations in force.

Article 7

In return for the use of the medium voltage electricity distribution network, the operator of the electricity distribution network receives:

- A remuneration calculated on the basis of the tariff applied to the use of medium voltage electricity distribution network;
- A remuneration for any other services rendered to the users of the medium voltage electricity distribution network.

Chapter IX

Access to the Networks

Right of access to the national electricity transmission grid and to the medium voltage electricity distribution network is guaranteed to the users of the said networks.

The modalities of access to the aforementioned networks are set by means of agreements concluded between, on the one hand, the operator of the national electricity transmission grid or the operator of the national electricity distribution network concerned, and on the other hand, the users of the said networks. These agreements provide, notably, for the validity period of the agreement, the technical terms of connection to the network concerned, and the commercial terms of the electricity energy transmission by the operator of the network concerned. A copy of these agreements is addressed, without delay, to ANRE by the operator of the national electricity transmission grid or by the operator of the electricity distribution network concerned.

Similarly, a copy of any concession agreement, as defined in Article 28 of the aforementioned Law no 13-09 is addressed, without delay, to ANRE by the operator of the national electricity transmission grid.

Any refusal by the operator of the national electricity transmission grid, or, as the case may be, the operator of the electricity distribution network concerned to conclude an access to the network agreement must be justified and concurrently notified to the requester and to ANRE. The reasons for the refusal must be well-founded and must not have any discriminatory nature.

The provisions of the fourth paragraph of the present article apply to any refusal on the part of the operator of the national electricity transmission grid to conclude a concession agreement, as defined by Article 28 of the aforementioned Law no. 13-09. All disputes must be referred to ANRE.

Article 9

Right of access to interconnections with foreign countries' electricity transmission grids is guaranteed by the operator of the national electricity transmission grid to the users of the said grid, within the limits of the technical capacities available in these interconnections. A copy of any agreement concluded in this regard must be notified to ANRE by the operator of the national electricity transmission grid.

The provisions of the fourth paragraph of article 8 above apply to any refusal on the part of the operator of the national electricity transmission grid to authorize access to the said interconnections.

All disputes must be referred to ANRE.

If need be, and in consultation with the operator of the interconnection in the foreign country concerned, the operator of the national electricity transmission operator shall propose to ANRE, for the purpose of approval, the rules and access tariff to the interconnection concerned, as established in a non-discriminatory manner.

Article 10

To compensate for any interruption in the supply of electricity power generated on the basis of renewable energy sources or to remedy any intermittence of this energy, the consumer connected to the national electricity transmission grid may resort to the National Electricity and Drinking Water Office to avail himself of any additional electric energy as necessary to meet his needs.

The additional electric energy requirements of the consumer connected to the medium voltage electricity distribution network shall be taken care of by the operator of the electricity distribution network concerned.

Any additional electric energy is supplied within a contractual framework. The tariff applicable to the supply of this energy and the modes of its calculation are set by way of regulatory means. A copy of the contracts concluded to this end shall be transmitted to ANRE.

Article 11

The operator of the national electricity transmission grid shall elaborate a national electricity transmission network code setting, in a non-discriminatory manner, the technical prescriptions concerning the conditions of connection and access to the national electricity transmission grid, including the interconnections, as well as the rules governing the use of the said grid.

Prior to its actual implementation, the national electricity transmission grid code shall be submitted to ANRE for approval. ANRE shall have two months from the date of referral to give its feedback. At the expiry of the time-period set, the code is considered as having been approved by ANRE.

The code pertaining to the national electricity transmission grid shall be published by ANRE by any means appropriate.

The following shall be set by means of regulation:

- The technical prescriptions relative to the conditions of connection and access to medium voltage electricity distribution networks;
- The rules concerning the use of medium voltage electricity distribution networks.

Chapter IX

Access to the Networks

Right of access to the national electricity transmission grid and to the medium voltage electricity distribution network is guaranteed to the users of the said networks.

The modalities of access to the aforementioned networks are set by means of agreements concluded between, on the one hand, the operator of the national electricity transmission grid or the operator of the national electricity distribution network concerned, and on the other hand, the users of the said networks. These agreements provide, notably, for the validity period of the agreement, the technical terms of connection to the network concerned, and the commercial terms of the electricity energy transmission by the operator of the network concerned. A copy of these agreements is addressed, without delay, to ANRE by the operator of the national electricity transmission grid or by the operator of the electricity distribution network concerned.

Similarly, a copy of any concession agreement, as defined in Article 28 of the aforementioned Law no 13-09 is addressed, without delay, to ANRE by the operator of the national electricity transmission grid.

Any refusal by the operator of the national electricity transmission grid, or, as the case may be, the operator of the electricity distribution network concerned to conclude an access to the network agreement must be justified and concurrently notified to the requester and to ANRE. The reasons for the refusal must be well-founded and must not have any discriminatory nature.

The provisions of the fourth paragraph of the present article apply to any refusal on the part of the operator of the national electricity transmission grid to conclude a concession agreement, as defined by Article 28 of the aforementioned Law no. 13-09. All disputes must be referred to ANRE.

Article 9

Right of access to interconnections with foreign countries' electricity transmission grids is guaranteed by the operator of the national electricity transmission grid to the users of the said grid, within the limits of the technical capacities available in these interconnections. A copy of any agreement concluded in this regard must be notified to ANRE by the operator of the national electricity transmission grid.

The provisions of the fourth paragraph of article 8 above apply to any refusal on the part of the operator of the national electricity transmission grid to authorize access to the said interconnections.

All disputes must be referred to ANRE.

If need be, and in consultation with the operator of the interconnection in the foreign country concerned, the operator of the national electricity transmission operator shall propose to ANRE, for the purpose of approval, the rules and access tariff to the interconnection concerned, as established in a non-discriminatory manner.

Article 10

To compensate for any interruption in the supply of electricity power generated on the basis of renewable energy sources or to remedy any intermittence of this energy, the consumer connected to the national electricity transmission grid may resort to the National Electricity and Drinking Water Office to avail himself of any additional electric energy as necessary to meet his needs.

The additional electric energy requirements of the consumer connected to the medium voltage electricity distribution network shall be taken care of by the operator of the electricity distribution network concerned.

Any additional electric energy is supplied within a contractual framework. The tariff applicable to the supply of this energy and the modes of its calculation are set by way of regulatory means. A copy of the contracts concluded to this end shall be transmitted to ANRE.

Article 11

The operator of the national electricity transmission grid shall elaborate a national electricity transmission network code setting, in a non-discriminatory manner, the technical prescriptions concerning the conditions of connection and access to the national electricity transmission grid, including the interconnections, as well as the rules governing the use of the said grid.

Prior to its actual implementation, the national electricity transmission grid code shall be submitted to ANRE for approval. ANRE shall have two months from the date of referral to give its feedback. At the expiry of the time-period set, the code is considered as having been approved by ANRE.

The code pertaining to the national electricity transmission grid shall be published by ANRE by any means appropriate.

The following shall be set by means of regulation:

- The technical prescriptions relative to the conditions of connection and access to medium voltage electricity distribution networks;
- The rules concerning the use of medium voltage electricity distribution networks.

Article 12

The operator of the national electricity transmission grid shall elaborate the quality indicators which the national electricity transmission grid must meet, in terms of security, reliability, and efficiency. These indicators shall be approved by ANRE, prior to their actual implementation.

The operators of the electricity distribution networks shall elaborate the quality indicators for the medium voltage electricity distribution network in terms of security, reliability, and efficiency. These indicators shall be communicated to ANRE.

ANRE will give an account of the performance indicators, as mentioned above, in its annual activity report.

Article 13

A code of good conduct relative to the management of the national electricity transmission grid shall be drawn up by the operator of the national electricity transmission grid and submitted to ANRE for approval. The said code must include all the measures designed to guarantee the independence of the operator of the national electricity transmission grid and to prevent any discriminatory practices, regarding access to the national electricity transmission grid and to interconnections.

In consultation with the operators of the electricity distribution networks, ANRE shall draw up a code of good conduct relative to the management of medium voltage electricity distribution network. The said code must include all the measures designed to prevent any discriminatory practices regarding access to medium voltage electricity distribution grids.

ANRE shall follow up on the respect of the code of good conduct, as provided for above, and shall give an account of this in its annual activity report.

Chapter V

Pricing

Article 14

Notwithstanding the provisions of Law no. 104-12 relative to the freedom of prices and competition, the tariffs for using the national electricity transmission grid and the tariffs for using the medium voltage electricity distribution networks are set by ANRE, according to the modalities which are laid down by the present chapter.

Article 15

The tariff for the use of the national electricity transmission grid by the users of the said grid is set by ANRE, after consultation with the operator of the national electricity transmission grid.

The following are taken into account in the setting of tariffs for the use of the national electricity transmission grid:

- The costs linked to the control, operation, maintenance, development, and renewal of the national electricity transmission grid. These costs include capital charges, including fair remuneration of the capitals invested and operating expenses, including the expenses related to the management of network flows.
- The contribution referred to in A-1st Para of Article 39 below;
- Stranded costs, as the case may be.

Article 16

Subject to the provisions of Article 55 of the present Law, the tariffs for the use of medium voltage electricity distribution networks are set by ANRE, after consultation with the operator of the electricity distribution network concerned.

The provisions of the last Paragraph of Article 15 below apply to the tariffs for the use of the medium voltage electricity distribution networks.

CHAPTER II NATIONAL ELECTRICITY REGULATION AUTHORITY Chapter One The legal Status and Tasks of ANRE

Article 17

An entity under the name “National Electricity Regulation Authority” is hereby established, as a legal entity governed by public law, endowed with financial autonomy and governed by the provisions of the present law and the texts adopted for its implementation.

Article 18

ANRE ensures the good functioning of the free market of electricity and regulates the access of auto-producers to the national electricity transmission grid.

To this end, it:

- Approves the perimeters, the rules of allocation/settlement, and the principles determining the financial terms between the unbundled accounting activities referred to in Article 53 below;
- Approves the code of the national electricity transmission grid, in conformity with the provisions of Article 11 below;

- Approves the pluriannual investment program drawn up by the national electricity transmission grid and follows up on its implementation, in compliance with the provisions of Article 3 above;

- Approves the rules and the tariff of access to interconnections, in conformity with the provisions of Article 9 above;

- Approves the quality indicators which the national electricity transmission grid must meet, in conformity with the provisions of Article 12 above;

- Approves the code of good conduct and follows on its respect, pursuant to the provisions of Article 13 above;

- Sets the tariff for the use of the national electricity transmission grid, in compliance with the provisions of Article 15 above;

- Sets the tariff for the use of the medium voltage electricity distribution network, in conformity with the provisions of Articles 16 and 55 of the present law;

- Gives its opinion on the draft Specifications drawn up by the operator of the national electricity transmission grid, in conformity with the provisions of Article 2 above;

- Gives—pursuant to the provisions of Article 4 above—its opinion on provisional authorization applications and applications for authorization bearing on the realization and utilization of direct transmission lines, as provided for, respectively, by Articles 8 and 28 of the aforementioned Law no 13-09.

Article 19

In addition to the tasks devolving to it by virtue of Article 18 above, ANRE:

- Gives its opinion, upon a request from the Government, on draft legislative and regulatory texts pertaining to the missions assigned to it;

- May, at its own initiative or at the request of the Government, propose to the latter, legislative and regulatory texts in relation to the electricity sector;

- May conduct any study on the electricity sector and undertake to publish any information designed to enlighten the actors of the electricity sector, including the consumers, by any means appropriate;

- May, in case of need, be referred to for advice on the subject of sales' tariffs for electric energy by the administration empowered, by the regulations in force, to set sales' tariffs.

Article 20

For the purpose of accomplishing the missions assigned to it, ANRE is empowered to request, in conformity with the present law, from the persons subject to its control, notably the operator of the national electricity transmission grid, the operators of electricity distribution networks, the users of the national electricity transmission grid, and the users of medium voltage electricity distribution networks to communicate any documents and information to it;

To this end, ANRE has sworn agents at its disposal.

The controls undertaken give rise, after the collection of the responses provided by the interested parties regarding the observations formulated, to the drawing up of minutes and reports, as the case may be. A copy thereof is served to the interested parties.

Chapter II Organization and Functioning of ANRE

Article 22

The bodies of ANRE are:

1. The Council;
2. The President;
3. The Dispute-settlement Committee.

Article 23

The members of the Dispute-settlement Committee exercise their function in all independence and impartiality. They receive allowances as determined by decree.

Article 24

The members of the Dispute-settlement Committee are bound by professional confidentiality subject to the imposition of sanctions provided for by Article 446 of the Criminal Code.

Section One—Of the Council

Article 25

Beside the President, who is appointed in conformity with the legislation in force, ANRE's Board is made up of the following:

1. Three members who are appointed by decree, the first being chosen on account of his legal expertise, the second on account of his financial expertise, and the third on account of his expertise in the area of energy;
2. Three members are nominated by the President of the House of Representative, on account of the expertise in legal, economic, or energy areas;

3. Three members are nominated by the President of the House of Councilors, on account of the expertise in legal, economic, or energy areas;

The members of the Council, including the President, are appointed for a six-year mandate, renewable once only.

The members of the Board exercise their functions on a full-time basis. The functions of the Board members are incompatible with any elective office, any public employment, or holding, whether direct or indirect, of any company operating in the energy sector.

The Board members may not be revoked unless they have been found guilty of serious misconduct during the exercise of their duties or when they find themselves in one of the incompatibility cases referred to in paragraph four of the present article. The revocation of the member concerned is declared, according to modalities which are laid down in ANRE's bylaws, in the same forms as in their appointment.

A member, who is appointed in replacement of a member that has resigned, has been revoked, or has died, will complete the mandate of the member whom he has replaced.

Article 26

The Board is vested with all the powers and authorities necessary to the administration of ANRE.

To this end, the Council:

- Determines ANRE's general policy;
- Approves ANRE's bylaws;
- Approves, upon proposal of the President, the organization chart of ANRE which determines organizational structures and specifies their authorities;
- Approves, upon proposal of the President, the status, the general remuneration scheme, as well as the retirement and social security scheme for ANRE staff;
- Nominates two members of the Dispute-settlement Committee, in compliance with the provisions of Article 29 below;
- Nominates, upon proposal of the President, ANRE's directors;
- Approves ANRE's annual budget and the modifications that may be brought to it during the fiscal year;
- Determines ANRE's summary statements;

- Decides on the acquisition, sale, and exchange of properties;
- Appoints the certified public accountant who is tasked with auditing ANRE's annual accounts, examines the report drawn up by the certified public accountant, and decides on the observations that have been formulated;
- Approves ANRE's annual activity reports;
- Sets the contribution rate referred to at A-1st Para. of Article 39 below;
- Sets the contribution amount referred to in Article 37 below;
- Approves the regulations which lay down the rules and modes governing the award of ANRE's contracts, subject to the observance of the principles provided for by the regulations relative to public contracts.

The Board may, if the need should arise, require ANRE President to carry out a thorough investigation into facts and deeds pertaining to the missions devolving to ANRE.

Article 27

The Board shall meet, when convened by the President or upon the request of five of its members, as often as the circumstances so warrant and, at least, twice a year. The Board deliberates validly when at least seven of its members, including the President, are present. The decisions of the Board are taken by majority vote of the members present. In case of a tie, the President will have the casting vote. The Board may invite to its meetings, in an advisory capacity, any person whose opinion it deems useful.

The operating procedures of the Board are determined by ANRE's bylaws.

Section II—Of the President Article 28

The President oversees and manages ANRE.

To this end, he:

- Presides over the Council, convenes it, and fixes the agenda of its sessions;
- Carries out the deliberations of the Board and takes all the measures necessary to this end;
- Refers to the Dispute-settlement Committee, in conformity with the provisions of Article 31 below;
- Pronounces, according to the opinion given by the Dispute-settlement Committee, the sanctions that are provided for by the present law;

- Represents ANRE vis-à-vis third parties;
- Represents ANRE in a court of justice and may take any legal action aimed to defend the interests of ANRE;
- Proposes to the Board the organizational chart which features the organizational structure of ANRE and their powers;
- Proposes to the Board the status, the general remuneration scheme, as well as the retirement and social security scheme for ANRE staff;
- Proposes to the Board the nomination of directors, recruits and appoints staff in the other ranks and employment, in conformity with ANRE's organization chart and according to the conditions set by its staff regulations;
- Prepares the draft annual budget and the modifications likely to be brought to it during the fiscal year;
- Approves any agreement concluded by ANRE;
- Undertakes any acquisition, alienation or exchange of properties, as approved by the Council;
- Prepares ANRE's annual draft activity report which he submits to the Board for approval.

The President may, under his own responsibility, delegate part of his powers and duties to the personnel placed under his authority.

Section III—Of the Dispute-settlement Committee Article 29

The Dispute-settlement Committee consists of the following members:

1. A magistrate appointed by the Higher Board of Judicial Power, serving as Chairman;
2. Two members appointed in their individual capacity by ANRE, on account of their expertise in the legal field.

The members referred to in the preceding Para. are appointed for a three-year period, renewable once only.

The following are incompatible with membership of the Dispute-settlement Committee:

1. The functions of Board member;
2. The exercise of an elected mandate;
3. The holding, whether direct or indirect, of any stakes in a company operating in the energy sector.

The members of the Dispute-settlement Committee may not be revoked unless they have been found guilty of serious misconduct during the exercise of their duties or when they find themselves in one of the incompatibility cases referred to in paragraph three of the present article. The revocation of the member concerned is declared, according to modalities which are laid down in ANRE's bylaws, in the same forms as in their appointment.

A member, who is appointed in replacement of a member that has resigned, has been revoked, or has died, will complete the mandate of the member whom he has replaced.

Article 30

The Dispute-settlement Committee has jurisdiction to deal with disputes between the operator of the national electricity transmission grid and a user of the national electricity transmission grid or between the operator of an electricity distribution network and a user of medium voltage electricity distribution network. These disputes may relate to the connection to, access or use of the electricity network concerned or interconnections, notably in case of denial of connection or access to the electricity network concerned or in case of disagreement on the conclusion, interpretation, or performance of the agreements referred to in Article 8 below.

Article 31

The Dispute-settlement Committee may be approached by ANRE President, at the request of the Council, by the governmental authority in charge of energy, by any user of the electricity grid, or by any other interested person.

Article 32

The Dispute-settlement Committee issues a statement of grievances to the respondent, according to the modalities set by ANRE bylaws.

The respondent has one month from the date of receipt of the notification to transmit to the Chairman of the Dispute-settlement Committee their written observations regarding the grievances which have been notified to them.

The Dispute-settlement Committee undertake an inquiry into the facts submitted to it and ensures that an adversarial procedure allowing the parties concerned to present their defense has been respected during the inquiry. The Committee may convene and hear any person(s) whose testimony is deemed useful.

Following the inquiry into the facts wherewith it has been presented, and within a two-month period of time, starting from the referral date, the Dispute-settlement Committee delivers its opinion. In case of necessity, this time period may be extended by two months.

Article 33

The Dispute-settlement Committee shall meet when its chairperson convenes it and deliberate validly when two of its members, at least, are present. The assent of the Committee is attained by the majority of the votes cast by the members present. In case of a tie, the Chairperson will have the casting vote.

Article 34

The assents emanating from the Dispute-settlement Committee are justified and submitted to the President.

In view of the assents referred to in the preceding paragraph, ANRE President pronounces, by way of decisions, the required sanctions, in conformity with the provisions of Article 36 below. These decisions are notified to the interested parties.

Article 35

The mode of operation of the Dispute-settlement Committee are determined by ANRE bylaws.

Article 36

When the Dispute-settlement Committee, which is approached, in conformity with the provisions of Article 31 above, notices any of the breaches mentioned below, after having expedited an inquiry, as the case may be, it shall send summons to the defaulting party and demand that they be remedied withing time limits that it defines:

- Breach of a legislative or regulatory provision relative to the connection or to access to the electric grid or to its utilization committed by a user of the electricity network, by the operator of the national electricity transmission grid or by a operator of the electric distribution grid;
- Refusal to communicate to ANRE the data provided for by Article 20 above;
- Inobservance of the terms contained in the agreements referred to in Article 8 of the present law;
- Non-compliance with the rules of valuation, perimeters or the principles determining the financial relations between unbundled accounting business activities referred to in Article 53 below.

If the interested party does not comply with the summons within the time-limits set, ANRE President declares, with the assent of the Dispute-settlement Committee, one of the sanctions listed below against it:

- In what concerns the users of the electricity grid solely, a temporary interdiction of access to very high voltage, high voltage, medium voltage electric grid or to interconnections for a time-period not exceeding one year;

- In any case, if the breach does not constitute a criminal offense, a fine is levied whose amount is proportional to the gravity of the breach and to the scope of the damage caused, to the situation of the interested party, and to the advantages derived therefrom. The fine may not exceed 3% of the turnover, exclusive of taxes, of the last financial year, related to the volume of energy injected into or obtained by the users from the electricity grid, in the framework of the electric energy free market. For want of business activity which would permit the determination of the aforementioned ceiling, the amount of the fine may not exceed one million (1,000,000) Dirhams.

- In case of a repetition of the offense, the fine will be set, after a formal summons has been sent to the interested party in compliance with the provisions of the present article, at 5% of the turnover, exclusive of taxes, of the last financial year, related to the volume of energy injected into or obtained by the users from the electric grid, in the framework of the electric energy free market. For want of business activity which would permit the determination of the aforementioned ceiling, the amount of the fine is set at one million five hundred thousand (1,500,000) Dirhams.

Within the meaning assigned to the present article, a person in a state of repeated offense is one who, after having been fined for a previous breach, commits another one within the twelve (12) months which follow the date at which the decision ordering the fine becomes definitive.

Article 37

The parties having approached the President in order to submit a dispute to the Dispute-settlement Committee must pay off a contribution to ANRE. The amount of this contribution is set by ANRE within the limit of threshold determined by way of regulations.

Article 38

ANRE shall put at the disposal of the Dispute-settlement Committee all the means necessary to the performance of its duties.

Chapter III Financial and Accounting Organization Article 39

ANRE budget comprises:

A/ - Receipts

1. A contribution that is proportional to the sums collected by the operator of national electricity transmission grid and by the operators of the electricity distribution grid, respectively, under the tariff for the use of the national electricity transmission grid and the tariff for the use of the medium voltage electricity distribution grids. The rate of this distribution is set by ANRE within the limits of a threshold defined by regulation;
2. Budgetary allocations made by the State, as the case may be;
3. The proceeds of the fines provided for by the present law;
4. The proceeds of the contribution provided for by Article 37 below;
5. Donations and bequests;
6. Sundry receipts and proceeds collected in conformity with the legislation and regulations in force.

B/ Spending

1. Operating expenditure;
2. Investment spending;
3. Any other spending related to the tasks assigned to ANRE.

Article 40

The President is the authorizing officer of ANRE's budget receipts and spending. He may institute sub-authorizing officers, in conformity with the regulations pertaining to public accounting.

Article 41

ANRE keeps its accounting in compliance with law no 9-88 relative to the accounting obligations of merchants, enacted by Dahir (or, Royal Decree) no. 1-92-138, dated 30 Jumadah II, A.H 1413 (corresponding to December 25, 1992), as it has been modified. ANRE's accounting exercise begins on January 1st and end on December 31st of each year.

ANRE's summary statements are approved by the Board on May 31st of each year, at the latest.

Article 42

ANRE's cash surpluses shall be deposited with the General Treasury of the Kingdom.

Article 43

The recovery of ANRE's receivables is made in conformity with the legislation relative to the recovery of public receivables.

Chapter IV Control of ANRE Article 44

The legislative provisions relative to State financial control over public companies and other bodies are not applicable to ANRE.

Article 45

ANRE draws an annual report on its business activities, which is then debated in Parliament.

Article 46

An accountant seconded to ANRE, by virtue of the governmental authority in charge of finance, assumes the duties devolving to a public accountant by the laws and regulations in force, with the President.

The execution of ANRE budget is subject to the monitoring of the Court of Auditors.

Article 47

ANRE must endow itself with an internal audit structure in charge of monitoring the observance by its various services, of the norms and procedures applicable to its business activities.

This structure gives an account of its activities in an annual report which it submits to the Council.

Article 48

ANRE's accounts are submitted to an annual audit completed under the responsibility of a certified public accountant, in conformity with the legislation in force.

The audit report is communicated to the Council.

The certified public accountant is appointed for a three (3) year period, renewable once only.

Article 49

ANRS's decisions may be amenable to action for annulment before the Rabat Administrative Court.

Chapter V ANRE's Personnel Article 50

To fulfill the tasks assigned to it by the present law, ANRE is endowed with public employees from administrations on secondment and staff recruited by the Authority itself, in conformity with its Staff Regulations.

ANRE may have recourse, within the framework of a standard contract established by the Council, to contract workers to fulfill specific tasks for a period of time not exceeding two years, renewable once only.

Chapter III Miscellaneous and Transitory Provisions Article 51

The operator of the national electricity transmission grid and the operators of the electricity distribution grids must take all the necessary measures to guarantee the protection of the information systems pertaining to the aforementioned grids.

Article 52

The following shall be published in the "Official Gazette":

- The tariff for the use of the national electricity transmission grid referred to in Article 15 above;
- The tariff for the use of the medium-voltage electricity distribution grids referred to in Article 16 above;
- The assents referred to in Article 32 above;
- ANRE's annual business report, which is referred to it Article 45 above.

Article 53

Pending the time when the management of the national electricity transmission grid is entrusted with an entity enjoying a legal personality that is distinct for the National Electricity and Drinking Water Office, the latter shall, on a transitory basis, keep in their overall accounting separate and unbundled accounts pertaining, respectively to the electricity transmission business and to the entirety of its other business lines. And these accounts are communicated to ANRE.

To implement the accounting unbundling provided for in the preceding paragraph, the National Electricity and Drinking Water Office draws up and submits the following to ANRE for approval:

- The respective activity perimeters linked to the production, transmission, and distribution of electric power, and if the need should arise, the other business activities undertaken by the National Electricity and Drinking Water Office;
- The rules of assignment of the assets and liabilities items, as well as of the expenditure and income items, among the aforesaid perimeters;
- The principles determining financial relations among account-separated business activities.

Article 54

The operator of the national electricity transmission grid shall, for a transitional period, take care of the management of the power purchase agreements contracted by the National Electricity and Drinking Water Office and electric energy producers, established on the national territory or through interconnections.

The transitional period referred to in the preceding paragraph shall be set by legislation.

Article 55

As a transitional measure and pending the implementation of the necessary mechanisms for the calculation of the tariffs for use of medium voltage electricity distribution networks, each operator of the electricity distribution network is required, for a period of time spanning ten years, starting from the enforceability date of the present law, to communicate to ANRE the keys to distribution permitting the calculation of the portions attributable, respectively, to the medium voltage electricity distribution network, to common expenses, to investments, and to operation in the overall expenses.

Notwithstanding the provisions of Article 16 of the present law, the tariffs for use of medium-voltage electricity distribution network shall be set by ANRE, during the aforementioned period, on the basis of the elements provided for in the preceding paragraph.

Each operator of the electricity distribution network shall communicate their official accounts to ANRE.

Article 56

In conformity with the provisions of Article 5 of law 20-13, relative to the Competition Council, ANRE will refer to the Competition Board for advice, if it considers that the rules of assignment, the perimeters and the principles underlying the financial relations referred to in Article 53 above may give rise to discrimination, cross-subsidy, or distortion of competition.

Article 57

Until the publication of the tariffs for use of the national electricity transmission grid in the Official Gazette, the tariffs applicable to use of the national electricity transmission grid, as provided for by the agreements concluded by the National Electricity and Drinking Water Office and the users of the electricity grid concerned, will remain in force, as a transitional measure.

Article 58

Until the publication of the tariffs for use of the medium voltage electricity distribution networks in the Official Gazette, the tariffs applicable to utilization of the medium voltage electricity distribution grids, as provided for, as the case may be, by the agreements concluded by the operators of the electricity distribution networks concerned and the users of the electric network, will remain in force, as a transitional measure.

Article 59

The present law shall become effective six months starting from the date ANRE's bodies take office. Nevertheless, the articles relative to the creation of ANRE become effective starting from the date the said law is published in the Official Gazette.

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