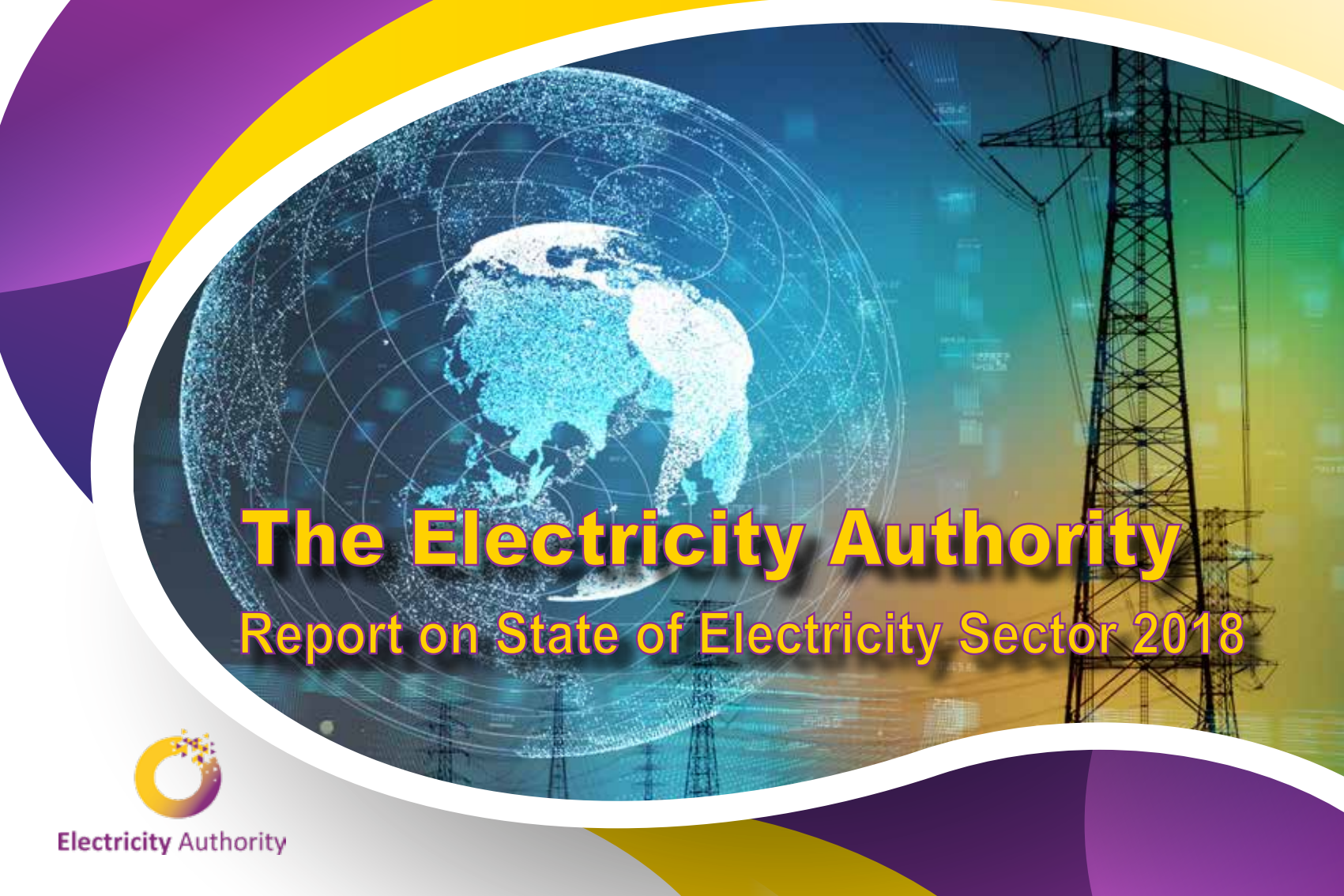


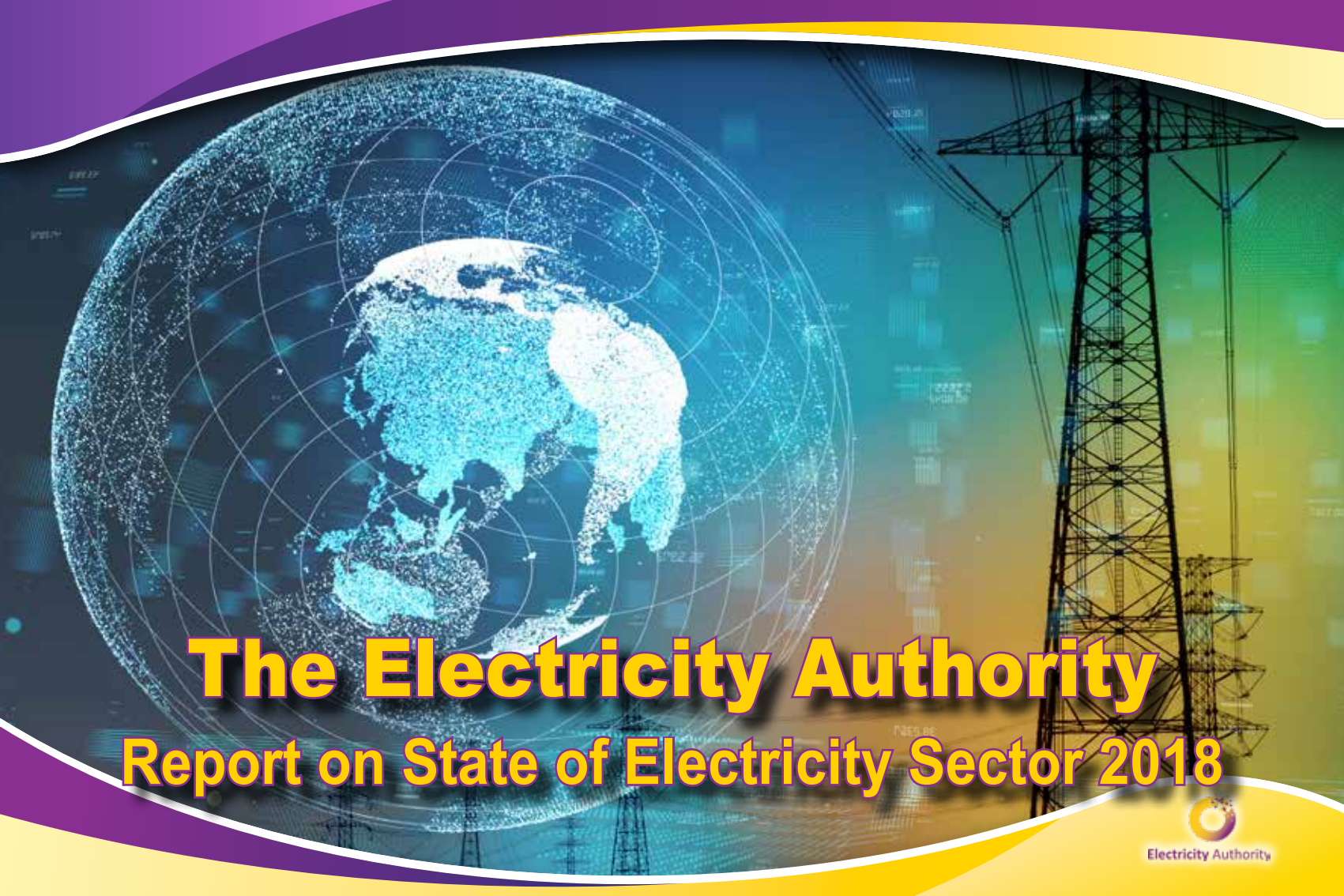


The Electricity Authority

Report on State of Electricity Sector 2018



Electricity Authority



The Electricity Authority

Report on State of Electricity Sector 2018

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The description given in this annual report is not intended to be legally exhaustive. It constitutes neither legal advice, nor expression of a binding position on behalf of the Authority with regard to its policy. Rather, the description is intended to provide readers with a general idea with regard to the functions of the Electricity Authority, provisions of the Electricity Economy Law 1996, etc.

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Words of the Minister of Energy

The year 2018 was a turning point in the electricity market.

Over the year we made significant progress towards transforming the electricity market into a modern, efficient, professional and competitive one; an market that provides an adequate response both to the needs of a modern country and those of private consumers. Simultaneously, we have continued to rapidly reduce the use of polluting coal, from 70% of electricity generation a decade ago to 30% in 2018, thus contributing to the quality of the air we breathe.

After 22 years and seven governments, we have succeeded in accomplishing the unbelievable, by launching a historic reform in the Electric Company; the largest, most comprehensive and most important reform made in any government-owned company in the history of the State of Israel. This in the aim of opening the market to competition in electricity generation, transferring the bulk of generation to business enterprises, canceling the “hand on the switch” situation, rehabilitating the Electric Company financially, and having it focus on improving the transmission and distribution infrastructures.

Simultaneously, we have dramatically increased electricity generation quotas in renewable energies, by up to 10 times more than everything done in this area in Israel until just a few years ago. The number of tenders for solar electricity executed over the past year has increased dramatically, and will enable us to bridge the gap and achieve the 10% objective by the end of 2020. These tenders have led to a significant reduction in solar electricity prices.

In 2018 we even carried out the new regulation of solar roofs on private homes, apartment houses and public buildings. We have permitted consumers interested in doing so to become electricity producers without tenders and bureaucratic obstacles, and we have even enabled them to sell their surplus electricity to the Electric Company.



We still face many challenges in Israel's electricity market; however, there is no doubt that over the past year we have made highly significant progress towards creating an efficient, professional and competitive electricity market, for the benefit of the national market, consumers, and the general public in the State of Israel.

Dr. Yuval Steinitz

Preface

I am pleased to submit for your perusal the Report on the State of the Electricity Market and a summary of the Electricity Authority's activity for the year 2018. This year too, along with the report, on the Authority website, a detailed database has been published, to enable all participants in the market to engage in a professional discussion on its current state and future, with full access to the information.

The report is being published about a year after the government decision on structural change in the electricity market, and it includes an analysis of the expected development of the market at the end of the reform period.

The report gives rise, inter alia, to the following insights:

- ▶ The demand for electricity continues to grow; however, at a slower pace (about 2.1% on average) compared to previous years. Nevertheless, for safety's sake, and with the possibility of quick integration of electric vehicles, we should prepare for a more rapid tariff of growth in demand.
- ▶ The reserve in the electricity market currently provides adequate backup for reliable supply to consumers, Looking forward, in light of the continued trend of growth in demand and expected scrapping of existing assets, there is an apparent need for additional generation capability towards the middle of the next decade. In response to this need, the Authority is preparing to publish a tender for the construction of new private power stations.
- ▶ The government decision on structural change of the market is expected to lead to the establishment of an independent company to manage the system, as well as increasing the market share of the private entrepreneurs in the production sector from just 20% as of now to about 60% in 2025. Opening the supply section to competition is expected to increase the share of the private entrepreneurs in this section, and increase competition between a large number of different private players.

- ▶ The use of coal in generation of electricity currently stands at just 30% of the market's fuel mix, and is expected to decrease over the next decade to only about 17%, due to the Minister of Energy's policy to reduce use of coal as well as the decision to close four coal-powered generation units at the Orot Rabin site.
- ▶ The generation capacity of renewable energy is expected to grow threefold within a period of two years. This policy was implemented through tenders for solar energy, and allocation of designated quotas for small rooftop facilities. As a result, by the end of 2020, the solar generation capacity is expected to enable generation of 10% of consumption in Israel from renewable energy, pursuant to the government decision.
- ▶ As a result of the policy of reducing the use of coal, installation of scrubbers and increase in generation using renewable energy, the scope of emissions in the electricity market has drastically decreased in recent years, despite growth in demand. As a result, already in the middle of the next decade, the electricity market is expected to meet the emissions per capita objective implied by the government's commitment for 2030 (3.85 tons per capita) made towards the Paris Convention. This, out of an overall objective of 7.7 tons per capita set by the government.
- ▶ Recent years have seen moderate growth in the Electric Company's transmission and transformation infrastructures. The scope of these infrastructures is expected to grow by about 10% by 2022, in wake of the grid development plan approved by the ministers of energy and finance. In the coming months, the Authority is expected to expand the plan, in order to include components required for receiving the renewable energy expected to be created in the future.
- ▶ In addition, a moderate increase has occurred in recent years in the distribution network and transformer infrastructures. The Authority, together with the Electric Company, is promoting a plan for development of the distribution grid, inter alia, in order to achieve improvement in the SAIDI index, and enable connection of decentralized generation units with emphasis on renewable energy.



- ▶ The Electric Company has continued the trend of downsizing its regular workforce. In wake of the government decision on reform in the electricity market, an additional downsizing of 2,200 regular employees is expected in the company.
- ▶ The trend of reducing financial leverage has continued over 2018, and leverage now stands at just 71% (as opposed to 83% five years ago). At the end of the reform period, the company's accounting leverage is expected to decrease to about 66%.

The attached report reflects the dedicated, strenuous work performed over 2018 by the Electricity Authority's assembly and the professional team. The report reflects the outcomes of 20 meetings held by the Authority Assembly, in which 97 substantial decisions were made, 15 of which dealt with the reform and regulation of the future structure of the electricity market; 17 decisions dealt with promoting renewable energy in the Israeli market.

To conclude, over 2018, Israel's electricity market has made progress toward ensuring efficiency, competitiveness, and increasing energy security. Looking toward the future, the trends in the market required a great deal of work on implementing the reform in the electricity market, and ensuring achievement of the government's objectives. We shall continue striving to achieve these goals while maintaining transparency and a fruitful dialog with all players in the market.

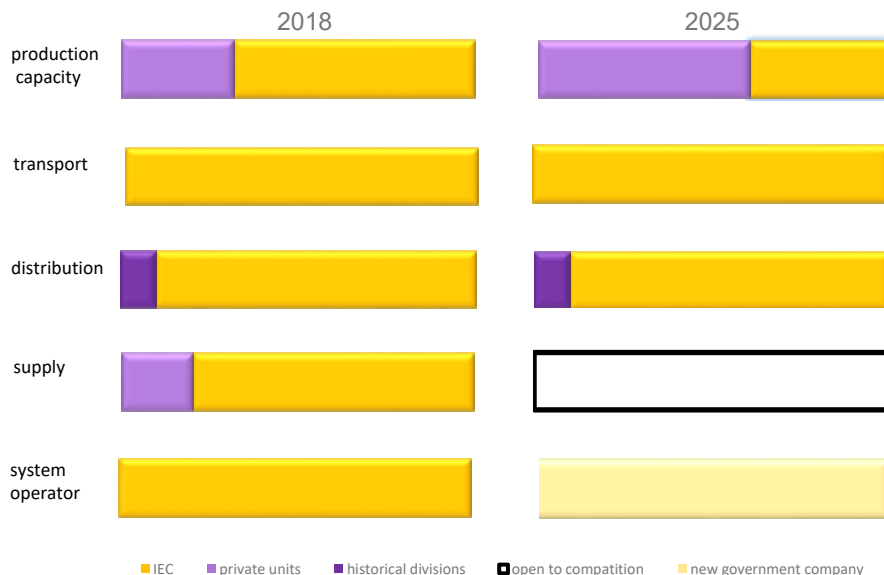
Dr. Assaf Eilat
Chairman of the
Electricity Authority

1

Chapter 1: State of Electricity Market

Structure of the market | growth in demand for electricity

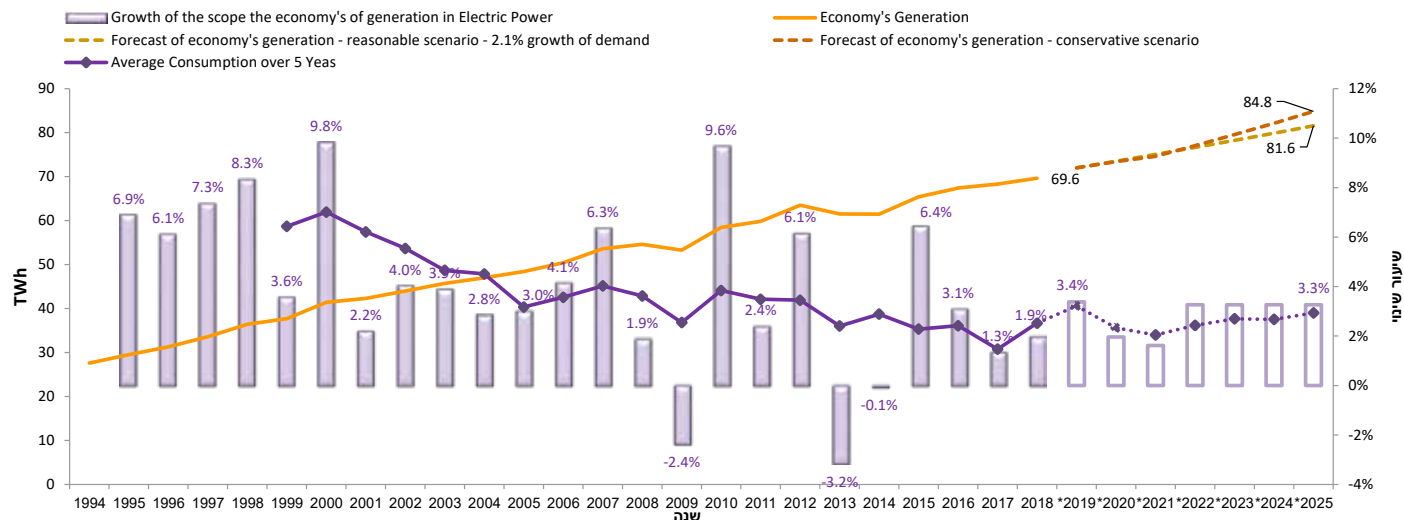
Structure of the Market



In light of the government decision on reform in the electricity market, an independent company shall be established to manage the system. A considerable part of the Electric Company's generation capacity will be privatized, and the supply section will be opened to competition.

The transmission grid and most of the distribution grid will remain a monopoly owned by the Electric Company.

Growth in Demand for Electricity



Over the last five years, demand for electricity has increased by an average of 2%-3% per annum. This tariff of growth reflects a slowing down of growth compared to the tariff of growth of demand in previous years.

Notes:

- * The generation forecast is based on assessments of the Electric Company's chief statistician. The lower range of the forecast expresses the continued trend of growth in recent years, at a constant tariff of 2.1%. The high range of the forecast expresses a high tariff of growth beginning in 2022, inter alia due to the introduction of electric vehicles.

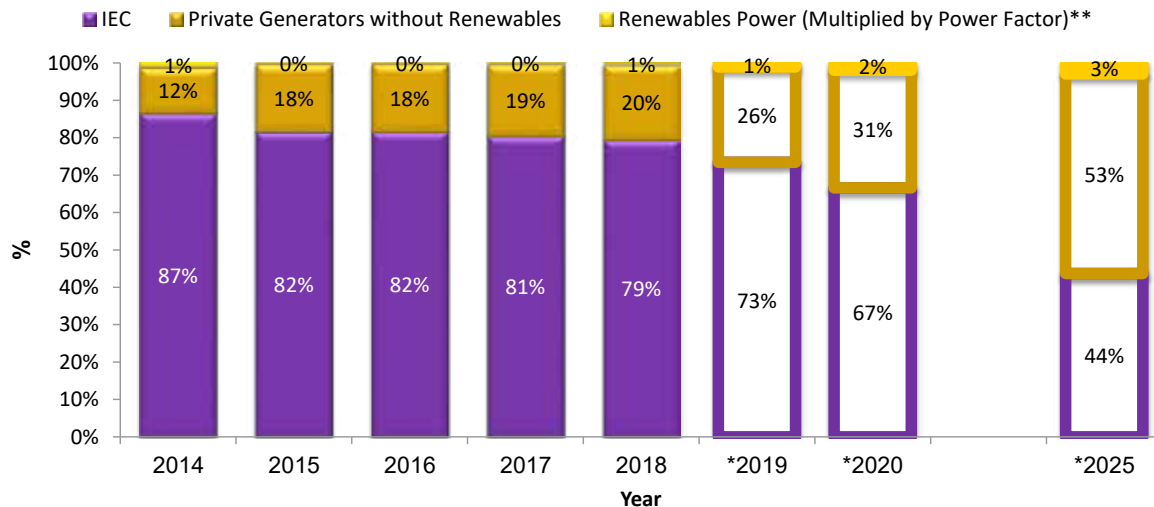


2

Chapter 2: Generation Section

Market shares in the production section – installed capacity; market share in the production section – actual production; installed capacity in market versus peaks in demand; installed capacity in market versus peak demand; installed capacity of the Electric Company; installed capacity in the Electric Company according to type of technology; cumulative installed capacity of private electricity producers; vacant quotas for construction of additional capacity

Market Shares in the Production Section - Installed Capacity



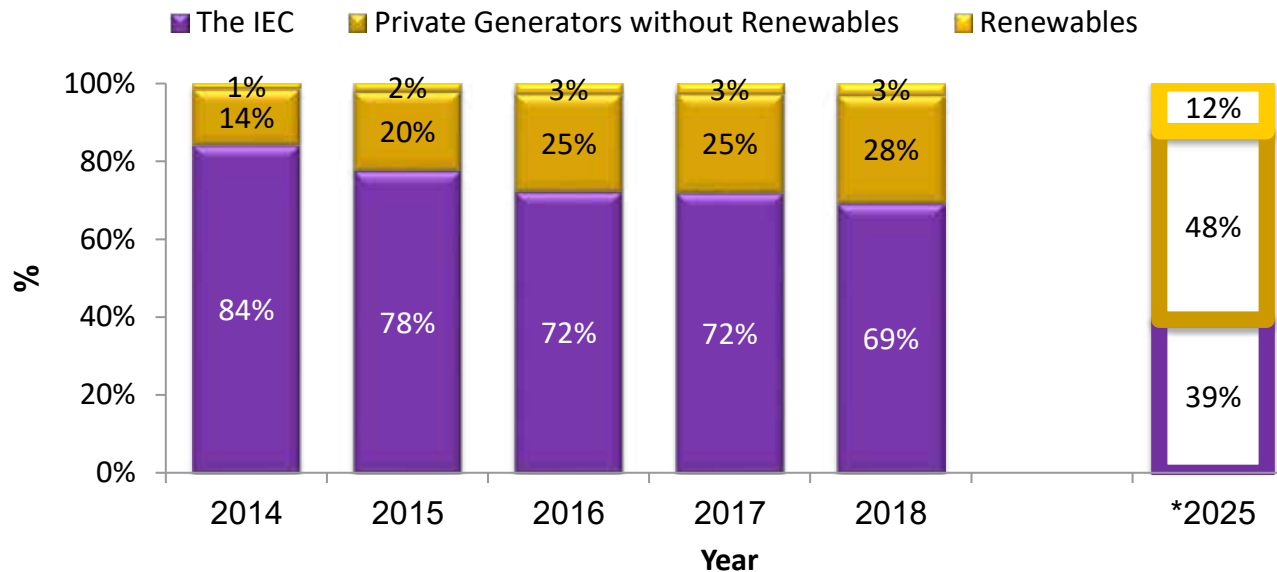
From the year 2019, considerable growth is expected in the share of the private market in the production section, in light of the beginning of sale of Electric Company stations, and construction of new privately owned capacity.

Notes:

* Forecast

** The capacity of renewable energy is multiplied by a power factor of 0.3, up to a total of 3,600 MW, and power factor of zero for any additional capacity beyond that.

Market Share in Generation Section - Actual Generation

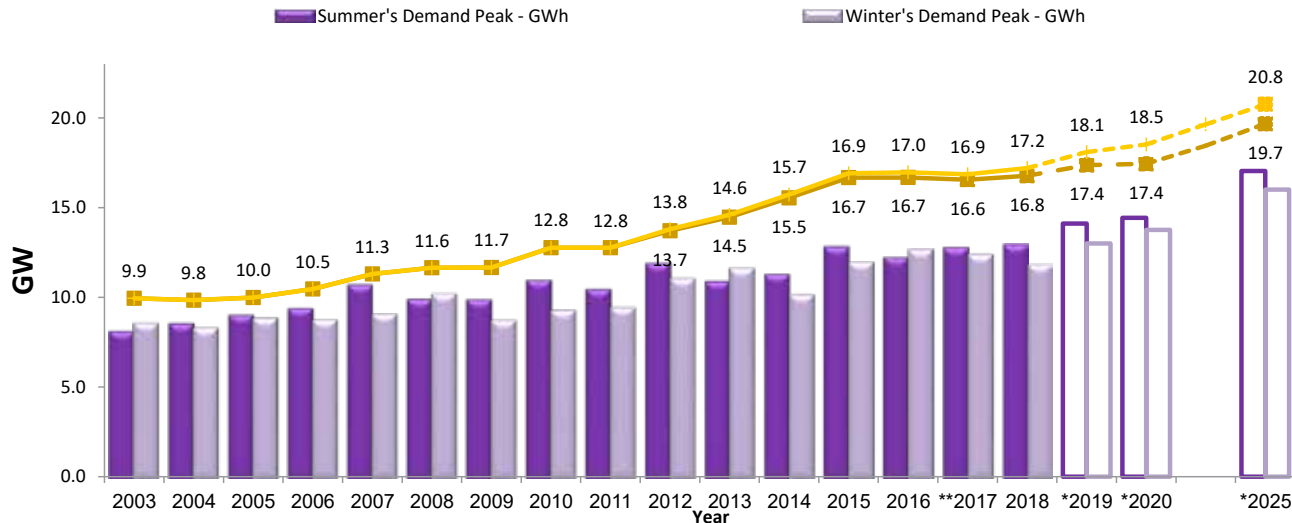


In 2018, IPPs generated over 30% of the electricity in Israel, mainly with natural gas. The IPP share is expected to grow considerably in wake of the reform.

Notes:

* Forecast

Installed Capacity in Economy Versus Peak Demand

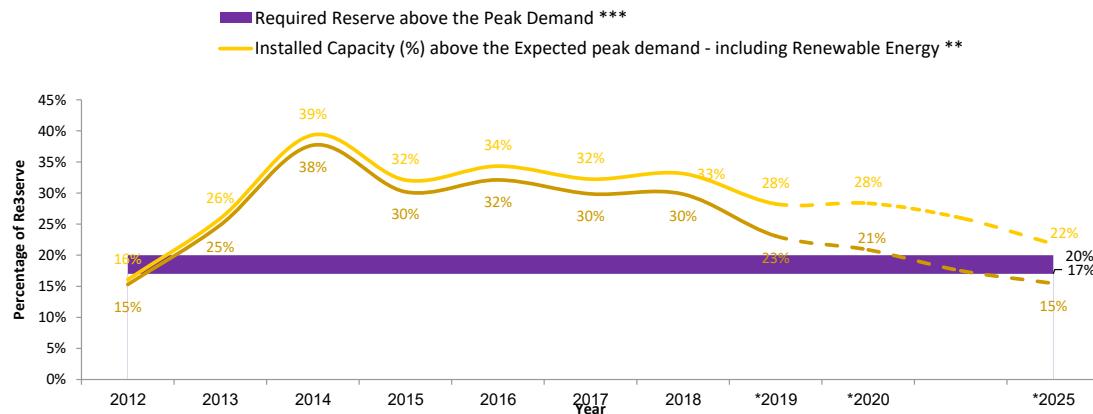


Installed capacity in the market in 2018 (excluding renewable energy) is about 3.9 GW higher than peak demand.

Notes:

- * The forecast for peak demand relates to a perennial trend of demand, given extreme temperatures.
- ** Installed capacity in 2017 decreased due to the closing of the two units at Haifa C site (actual shutdown took place in beginning of 2018).
- ** The equivalent capacity including capacity of renewable energy is multiplied by a power factor of 0.3, up to a total of 3,600 MW, and power factor of zero for any additional capacity beyond that.

Ratio of the Market's Installed Capacity And Peaks in Demand



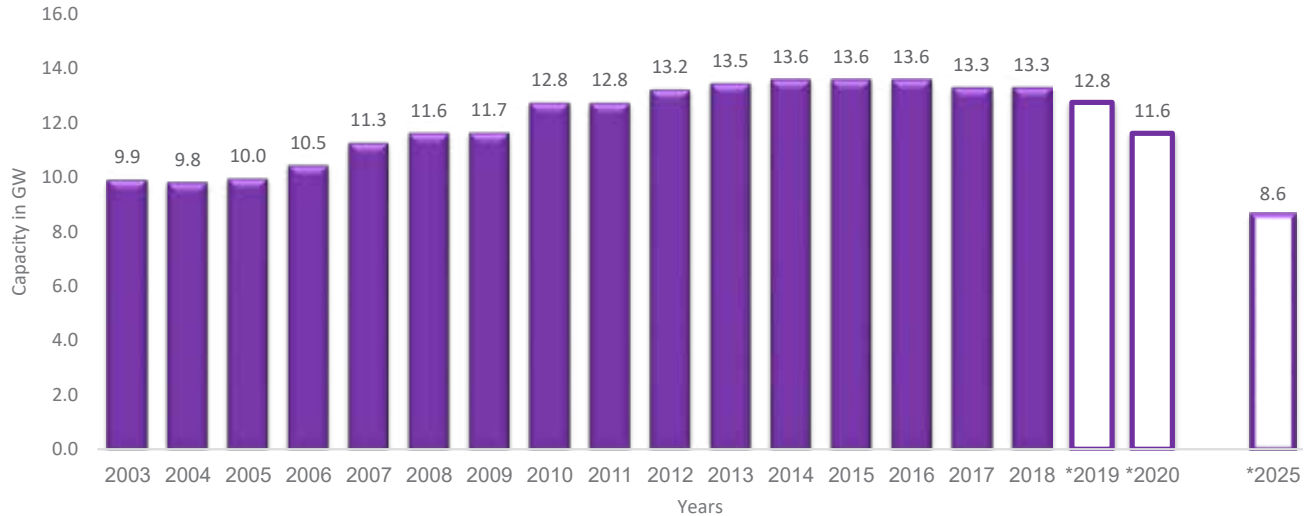
The construction of private production during 2013-2015, along with a slowing down of growth in demand, have left a large reserve.

Towards the middle of the next decade, additional capacity will be needed in order to meet the reserve objective.

Notes:

- * Forecast, relates to the high (conservative) value of the peaks in demand forecast
- ** The equivalent capacity including capacity of renewable energy is multiplied by a power factor of 0.3, up to a total of 3,600 MW, and power factor of zero for any additional capacity beyond that.
- *** The required reserve was determined pursuant to the instruction of the Minister of National Infrastructures, Uzi Landau, on August 31, 2010.

Installed Capacity – Electric Company

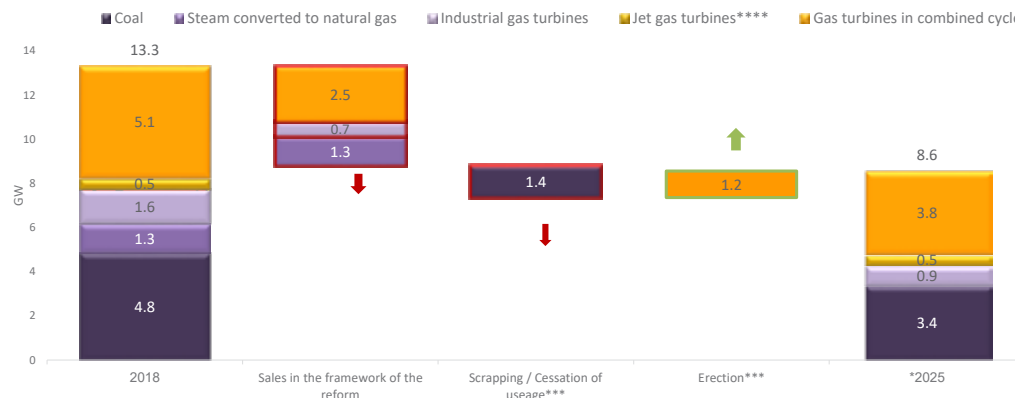


The installed capacity of the Electric Company is expected to decrease over the coming years, mainly due to sale of stations to IPPs as part of the reform.

Notes:

* Forecast, after sale of stations to IPPs as part of the reform, scrapping of Orot Rabin units 1-4 and construction of two combined cycle units instead of them.

Installed Capacity – Electric Company According to Type of Technology



The Electric Company's installed generation capability is expected to decrease by 2025, from 13.3 GW to 8.6 GW.

Notes:

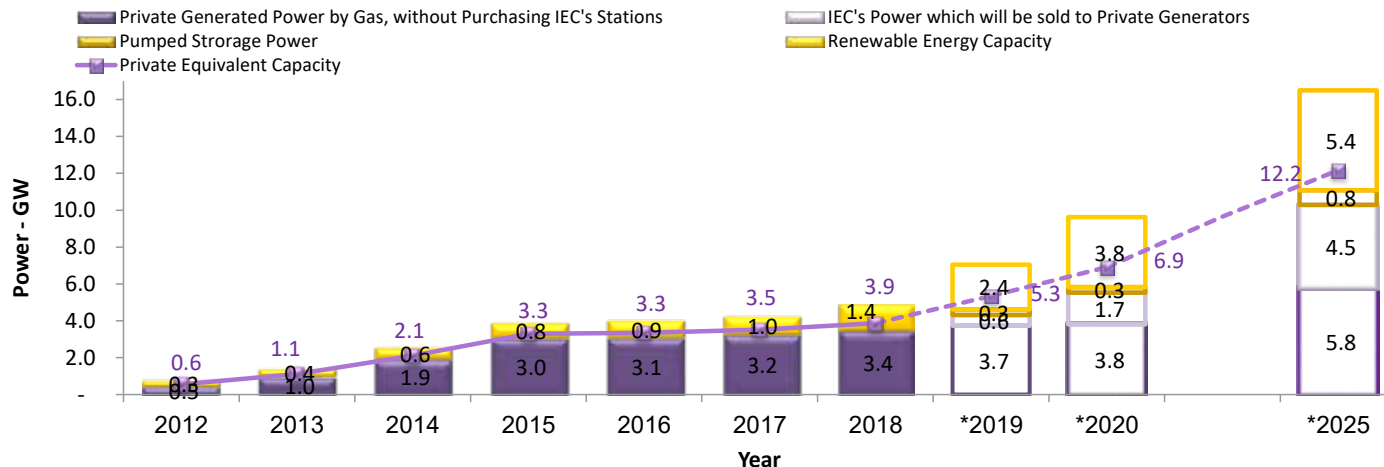
* Forecast

** As part of the reform, the stations at Alon Tavor, Ramat Hovav, Reading, Eshkol and part of Hagit will be sold to IPPs during the period of 2019-2023.

*** Units 1-4 at Orot Rabin will be closed in 2022, with two combined cycle gas turbine units expected to be installed to replace them.

**** During 2018, the Minister of Energy announced a vision of closing coal-powered stations in Israel within a decade. Furthermore, staff work has been done in the Ministry of Energy, with regard to options for methods and times of closing these stations. Pursuant to the Electricity Economy Law, the minister has asked for professional consultation with the Electricity Authority, towards determining principles of policy for closing or converting the coal-powered stations to natural gas. Once consultations are completed and policy is determined by the minister on the matter, the forecasts shall be updated accordingly.

Aggregate Installed Capacity of IPPs



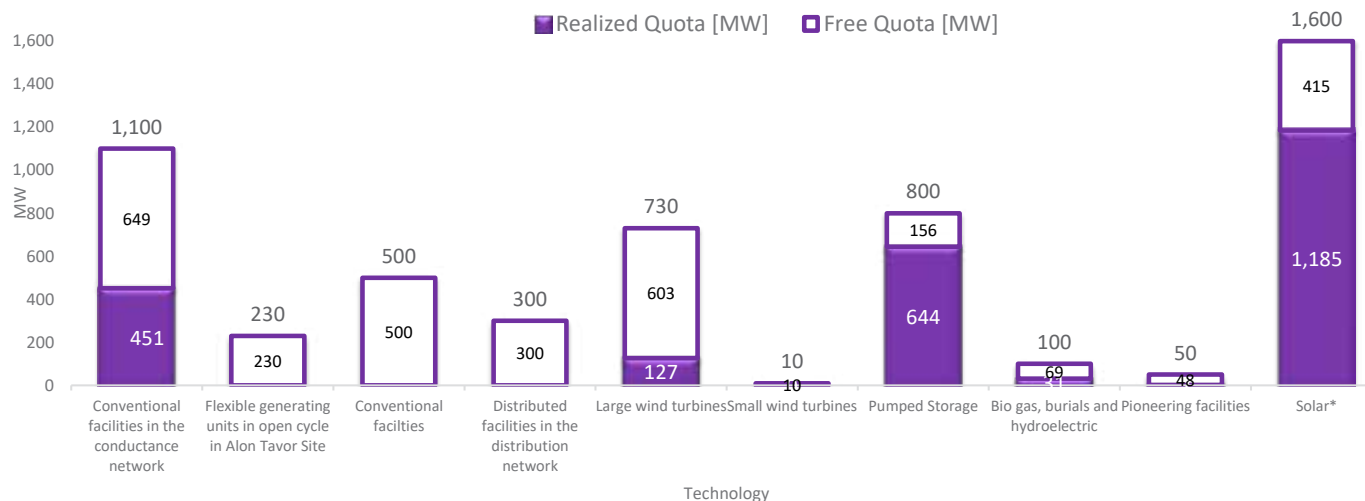
In the coming years, considerable growth is expected in the capacity of IPPs, mainly due to the introduction of renewable energy and sale of Electric Company stations.

Notes:

* Forecast.

** The private equivalent capacity including capacity of renewable energy is multiplied by a power factor of 0.3, up to a total of 3,600 MW, and power factor of zero for any additional capacity beyond that.

Vacant Quotas for Construction of Additional Capacity

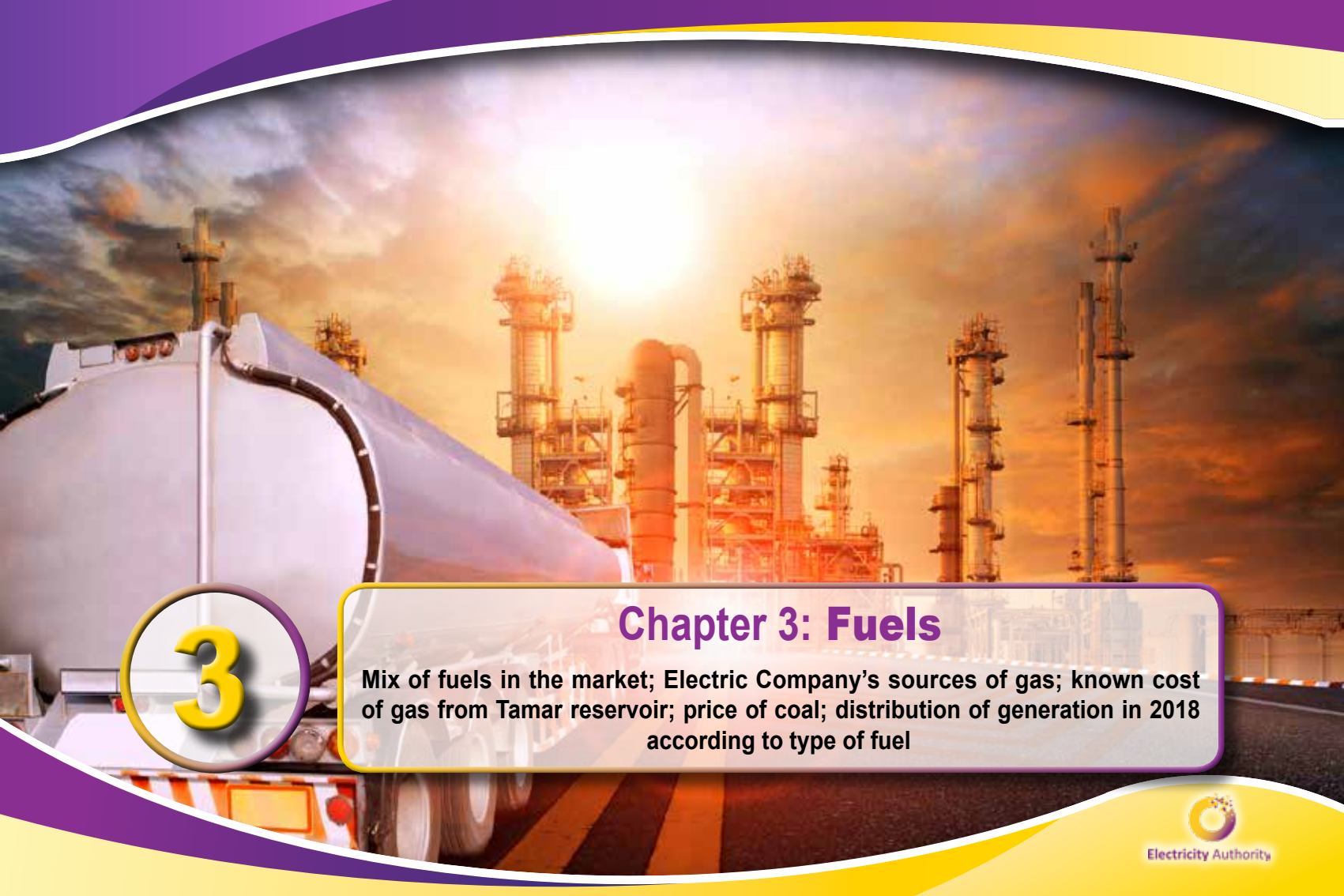


The vacant quotas for construction of gas-powered power stations stand at about 1,700 MW. A remaining quota of 400 MW is left, from a quota of 1,600 MW allocated by the Minister of Energy in order to meet the renewable energy objective.

Notes:

- * The vacant solar energy capacity detailed in the renewable energy development forecast (chapter 4); the vacant solar quotas include the quota of roofs not fully realized and another quota to be published in the future, to ensure achievement of the 2020 objective.



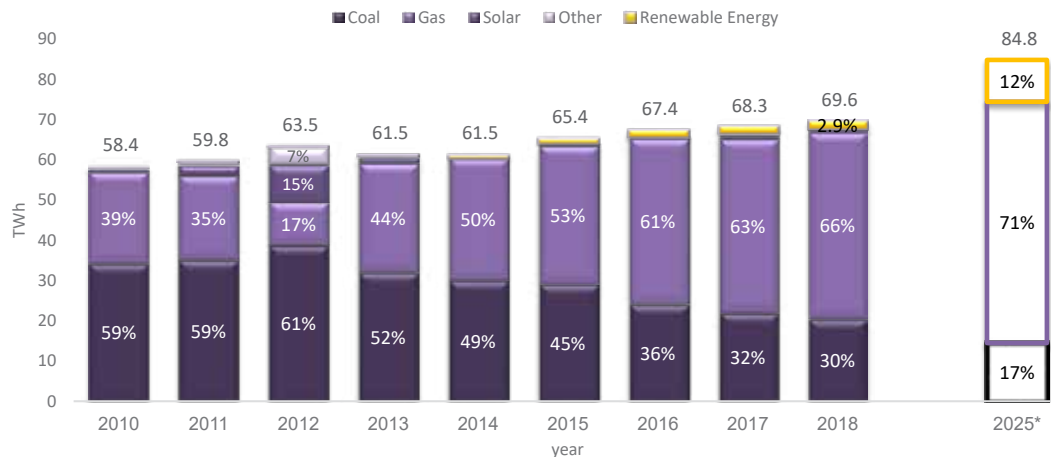


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Chapter 3: Fuels

Mix of fuels in the market; Electric Company's sources of gas; known cost of gas from Tamar reservoir; price of coal; distribution of generation in 2018 according to type of fuel

Market Fuel Mix



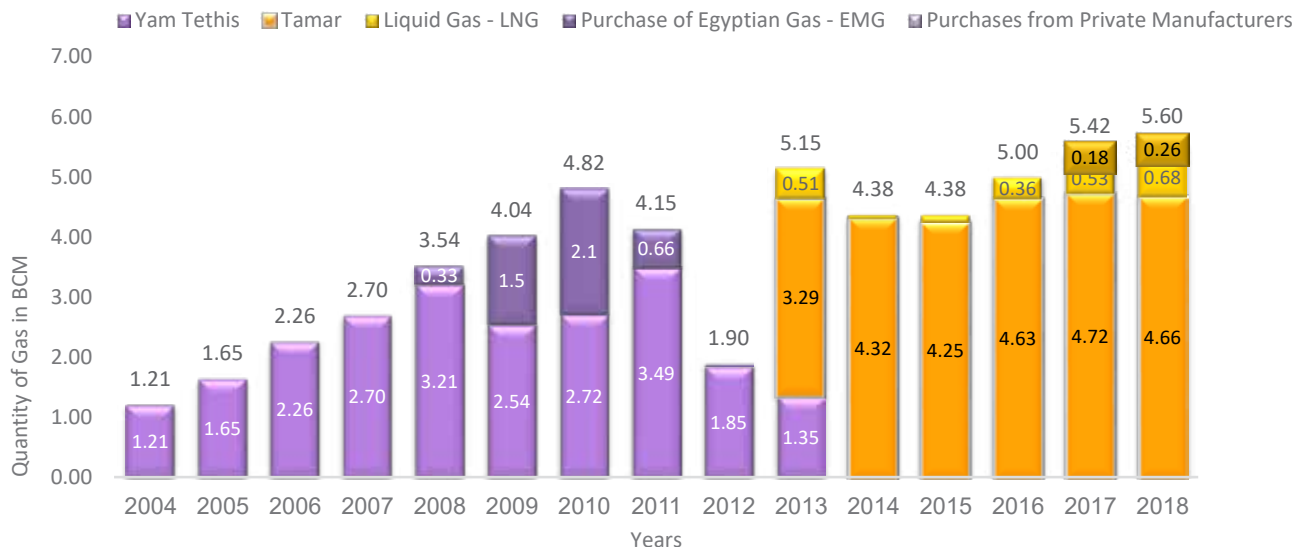
Use of gas continued to grow over 2018 too, and now stands at about 66% of the market's fuel mix. In 2025, use of coal is expected to diminish to about 17% of the fuel mix.

Notes:

* Forecast

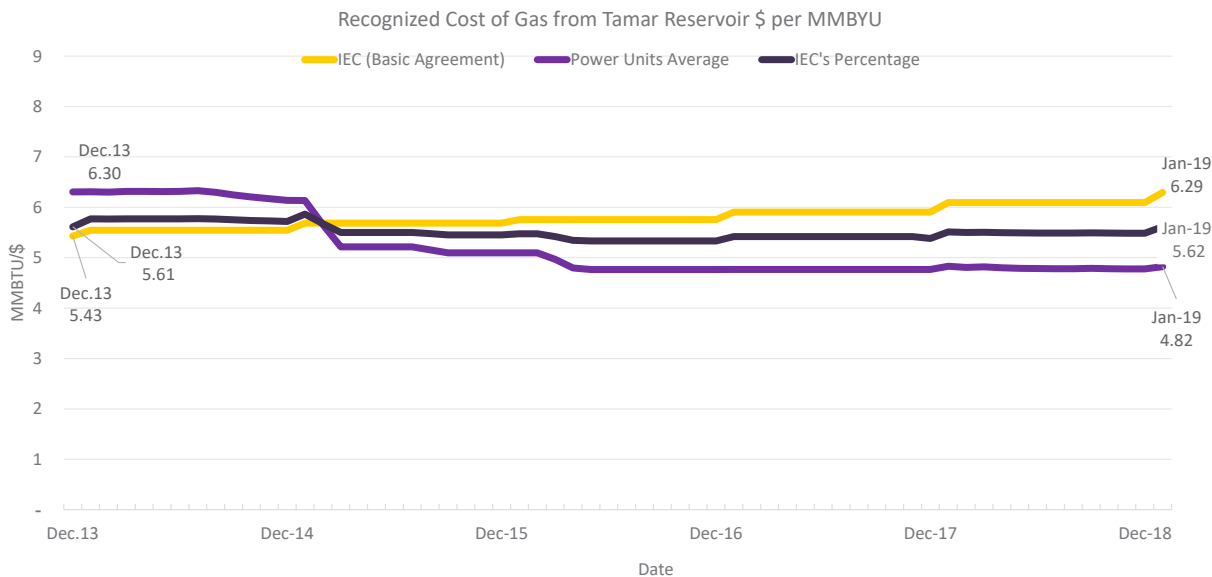
** During 2018, the Minister of Energy announced a vision of closing coal-powered stations in Israel within a decade. Furthermore, staff work has been done in the Ministry of Energy, with regard to options for methods and times of closing these stations. Pursuant to the Electricity Economy Law, the minister has asked for professional consultation with the Electricity Authority, towards determining principles of policy for closing or converting the coal-powered stations to natural gas. Once consultations are completed and policy is determined by the minister on the matter, the forecasts shall be updated accordingly.

The Electric Company's Sources of Gas



Use of liquid gas has increased in recent years. This is mainly because limiting the use of coal has caused the capacity limit of the gas pipe from the Tamar reservoir to take effect during a larger number of hours per year. This trend is expected to change upon commencement of commercial operation of the Leviathan reservoir at the end of 2019.

Known Cost of Gas from Tamar Reservoir (in \$ per MMBTU)



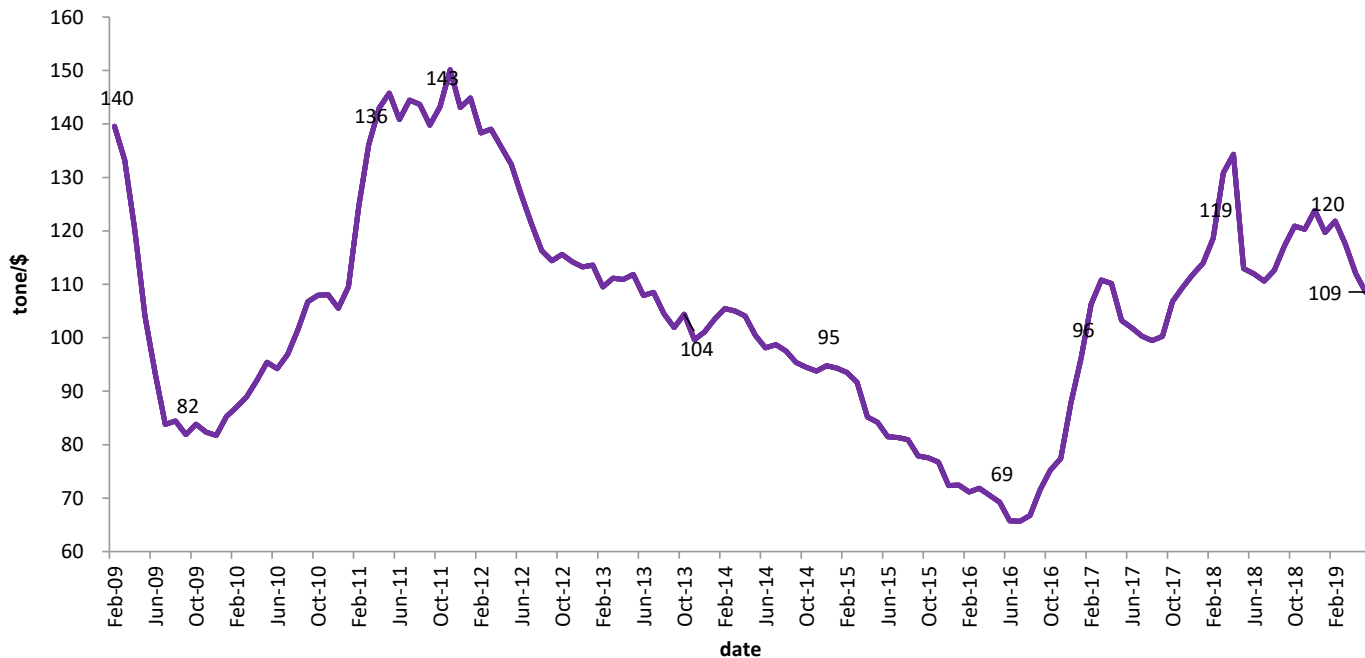
The cost of gas known to the Electric Company is on the rise, and is currently about 32% higher than the cost of gas known to IPPs. The price in IEC's gas contract with Tamar reservoir is expected to be opened in 2021.

Notes:

- * The IPP average is the simple average of the cost of gas known to IPPs signed on the agreement with Tamar reservoir.

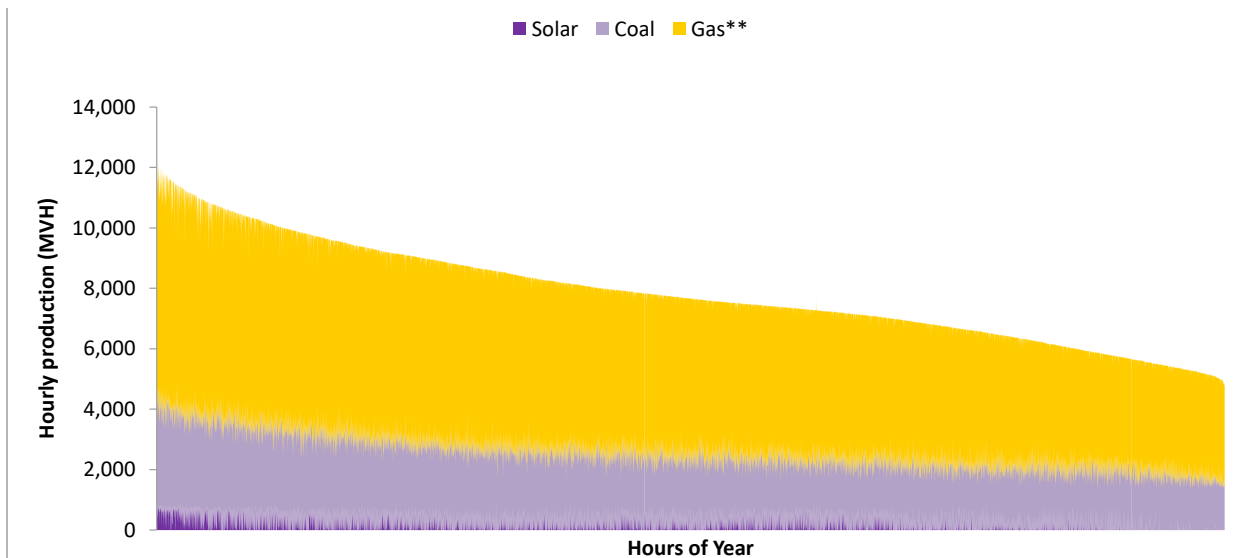


Cost of Coal



The cost of coal in the world is on the decline, after a long period of increases.

Distribution of Generation in 2018 According to Type of Fuel



The average load of coal-powered generation in 2018 stood at about 2,400 MW only.

Notes:

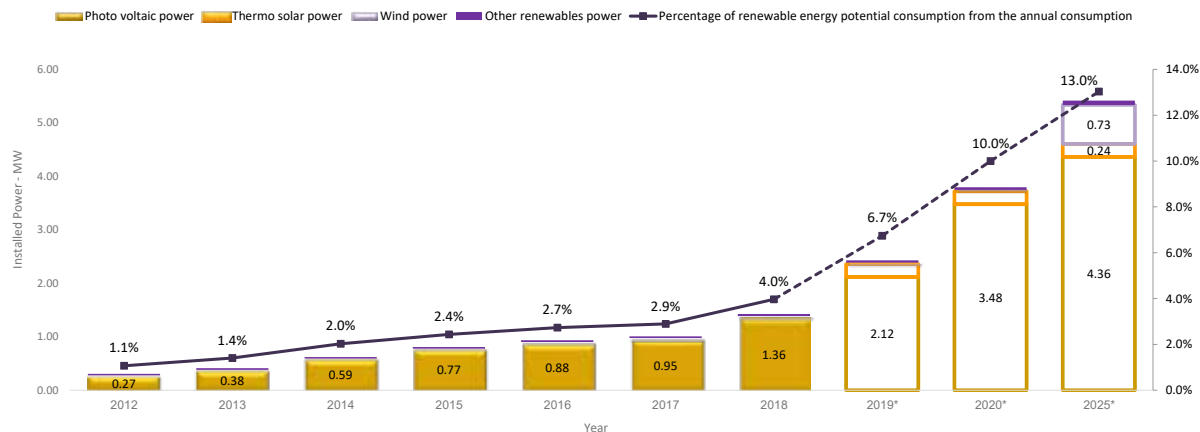
- * The production data were sorted in descending order according to the hourly demand in MWh.
- ** Including natural gas and liquid gas

4

Chapter 4: Renewable Energy

Forecast for development of renewable energy; average load of solar facilities in seasonal comparison over hours of the day during 2018

Forecast for Development of Renewable Energy

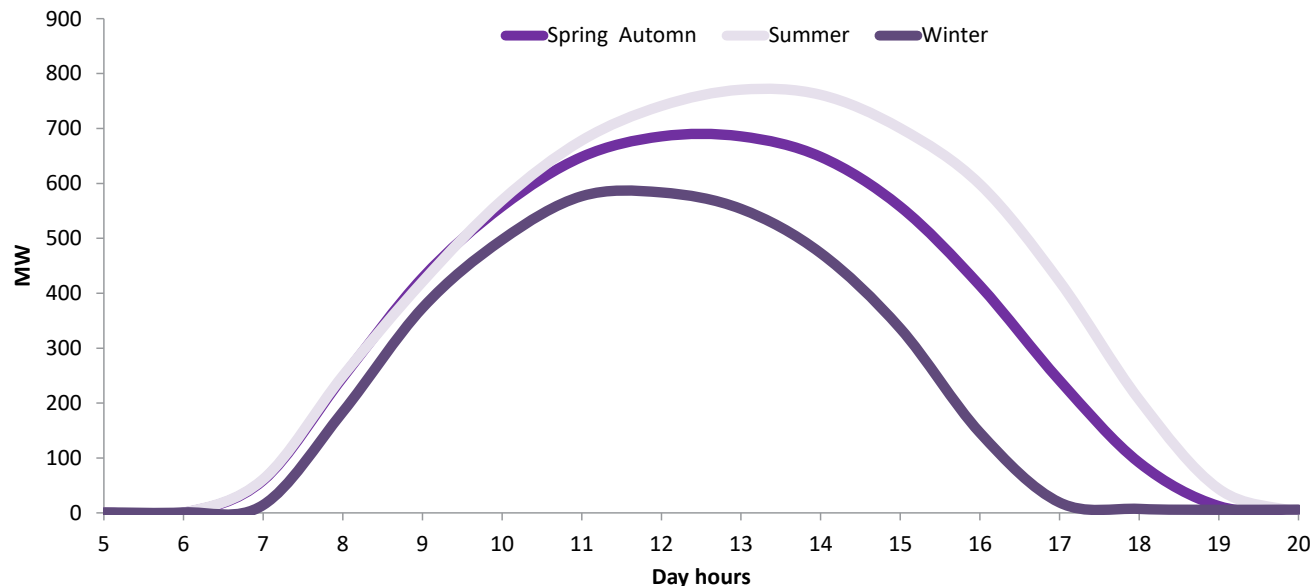


Over 2019-2020, significant growth is expected in the production of renewable energy, thanks to small roof installations, new installations erected through tenders published by the Authority, and additional installations, construction of which shall be completed within the next few years.

Notes:

- * Forecast for production over 2019, 2020 and 2025 is calculated according to the average capacity over the year, and may be updated in the future.
- ** The capacities refer to installed capacity at the end of the year.
- *** Until 2018, quotas for photovoltaic installations were managed according to panel power ratings (DC). From 2018 on, power ratings refer to the converter power rating (AC). As a result, quotas given after 2018 were adjusted in terms of panel power ratings (DC) according to a coefficient of 1.3 in relation to the converter power rating (AC) for ground installations and 1.2 for roof installations, in order that all quotas can be compared according to one common criteria.

Average Load of Solar Facilities in Seasonal Comparison Over the Hours of the Day During 2018



In the summer, the average load of solar installations reaches its maximum in the afternoon, up to a level of 770 MW.



5

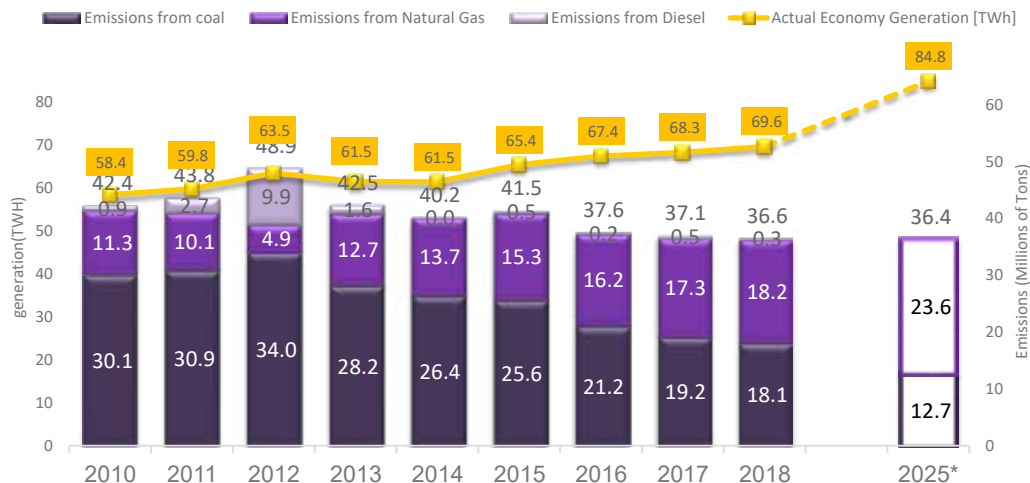
Chapter 5: Emissions

CO₂ emissions from the electricity sector according to type of fuel; polluting emissions in the electricity market; per capita CO₂ emissions from the electricity sector



Electricity Authority

CO₂ Emissions from the Electricity Sector According to Type Of Fuel

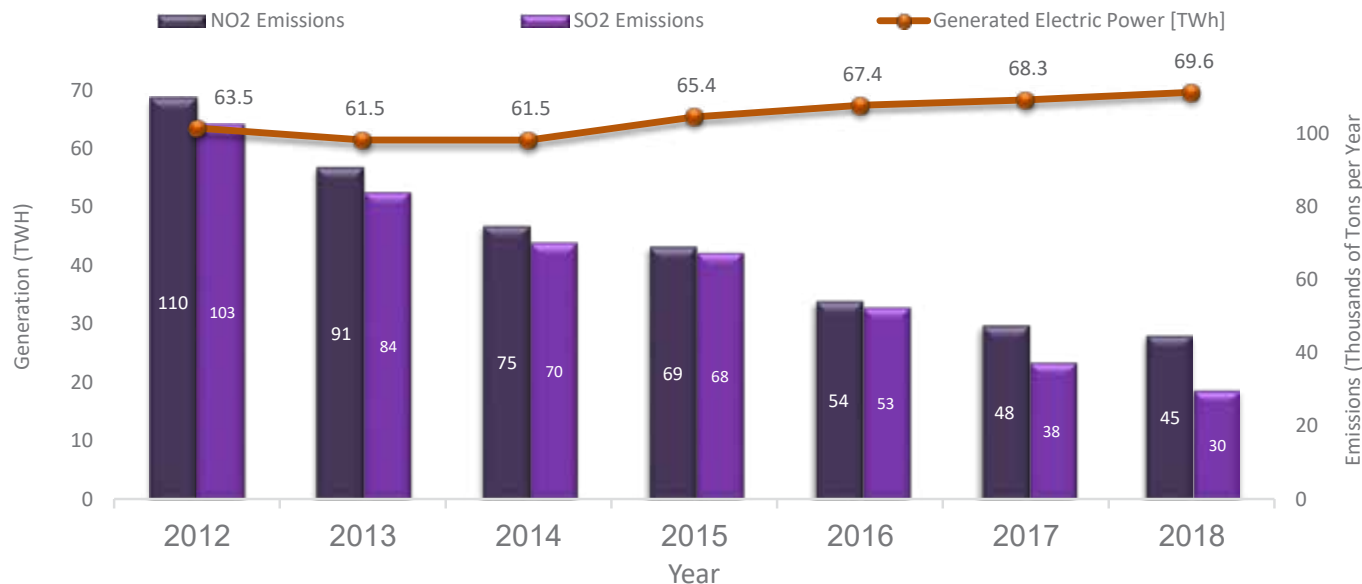


Despite the trend of growth in market production, the scope of greenhouse gas emissions in the electricity market is steadily decreasing due to decreased use of coal and increased production with renewable energy. In 2022 an additional decrease is expected with the closure of units 1-4 at the Orot Rabin site.

Notes:

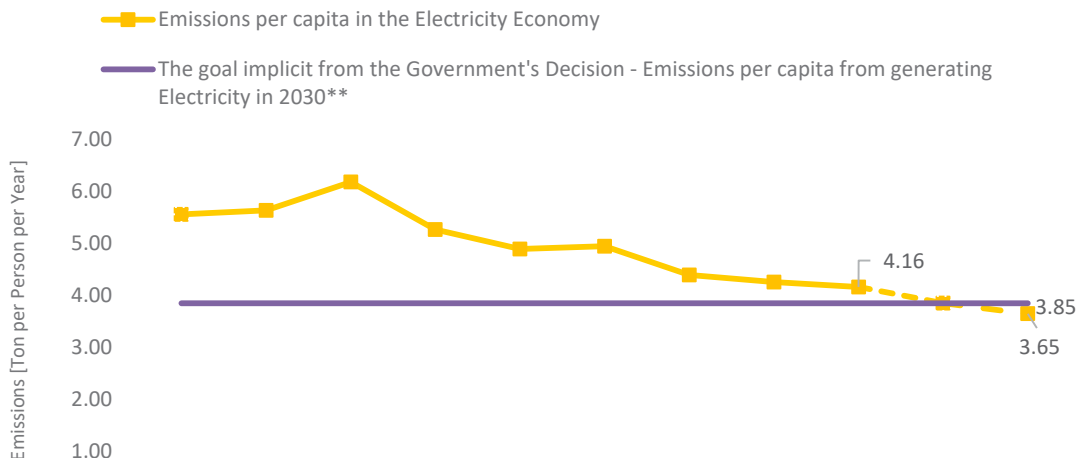
* Forecast

Air Pollutant Emissions in the Electricity Market



Withing five years, pollution emissions in the electricity market has decreased by over 50% due to installation of scrubbers at the coal-powered stations, limitations on use of coal and increased production with renewable energy.

Per Capita CO₂ Emissions in the Electricity Sector

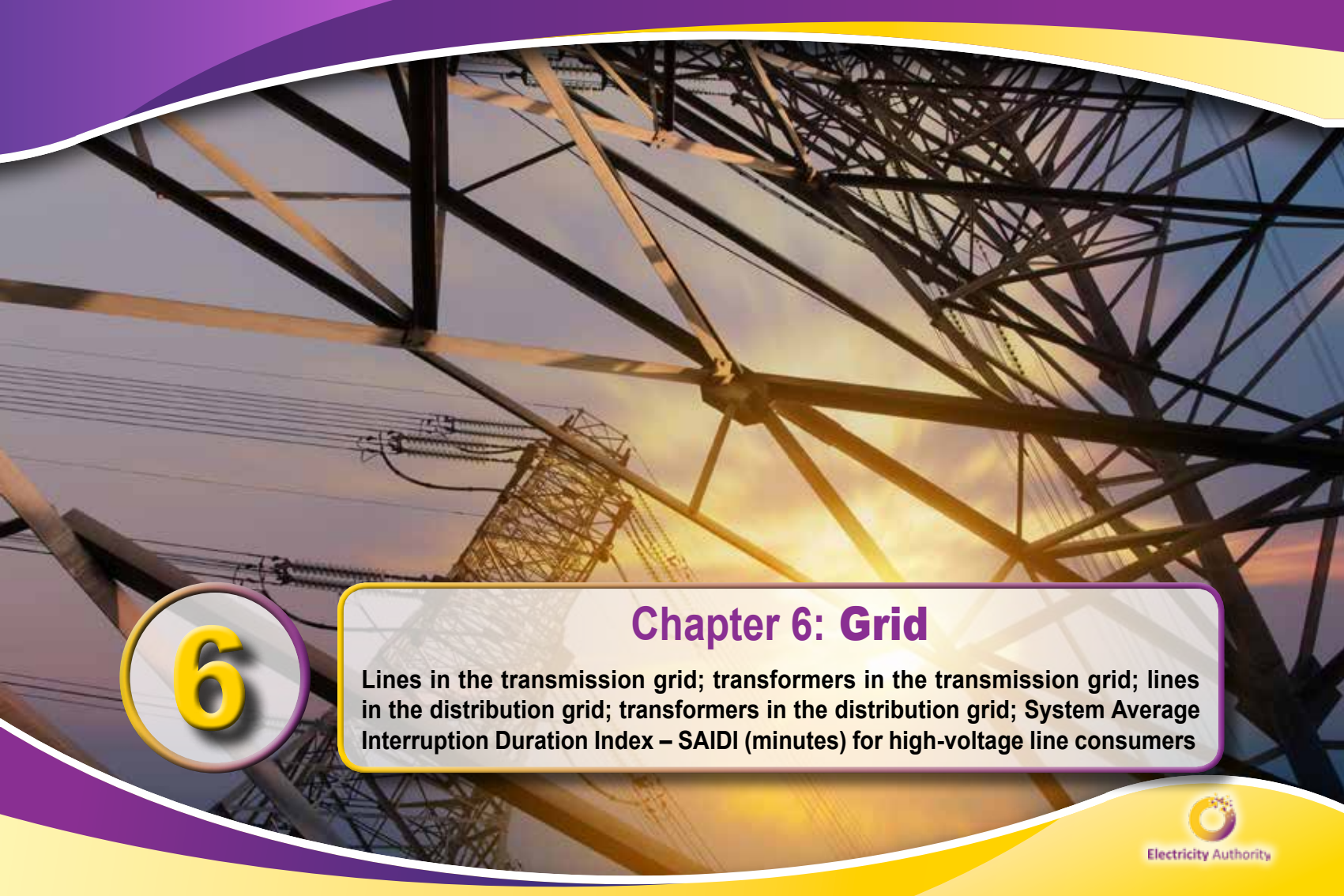


In 2025, the electricity market is expected to achieve the 2030 objective for the electricity market, implied in the government decision to reduce emissions. This is thanks to the decrease in use of coal and increase in use of renewable energy.

Notes:

* Forecast.

** Government Decision No. 542 of September 20, 2015 set an objective of 7.7 million tons per capita for the year 2030. The electricity market was responsible for 50% of the greenhouse gas emissions in 2015; hence, the implied objective for the electricity market constitutes 50% of the government objective, and stands at 3.85 tons per capita.

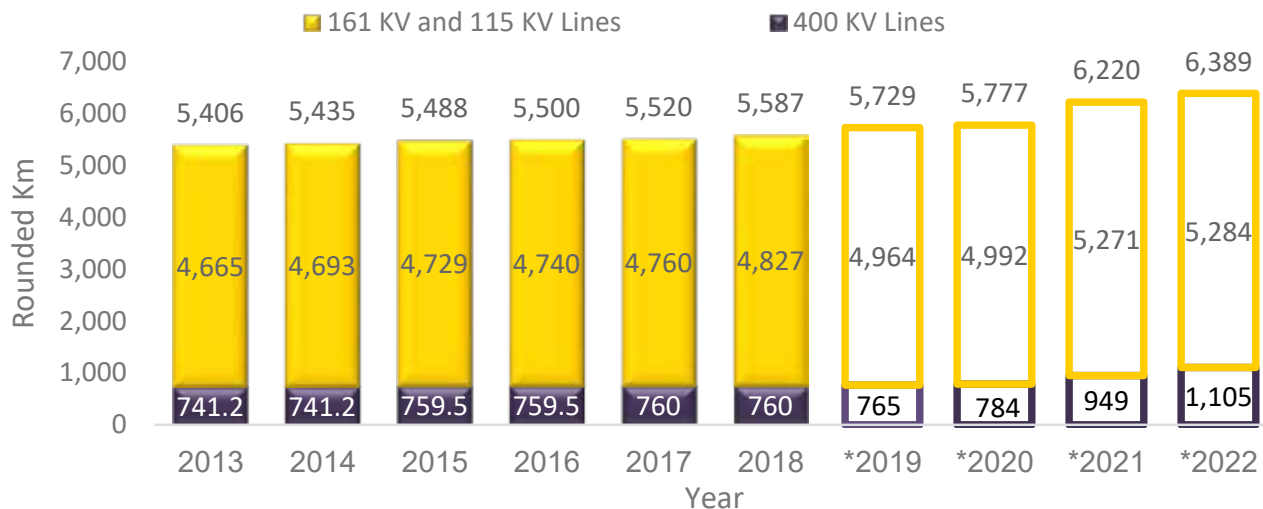


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Chapter 6: Grid

Lines in the transmission grid; transformers in the transmission grid; lines in the distribution grid; transformers in the distribution grid; System Average Interruption Duration Index – SAIDI (minutes) for high-voltage line consumers

Lines in the Transmission Grid



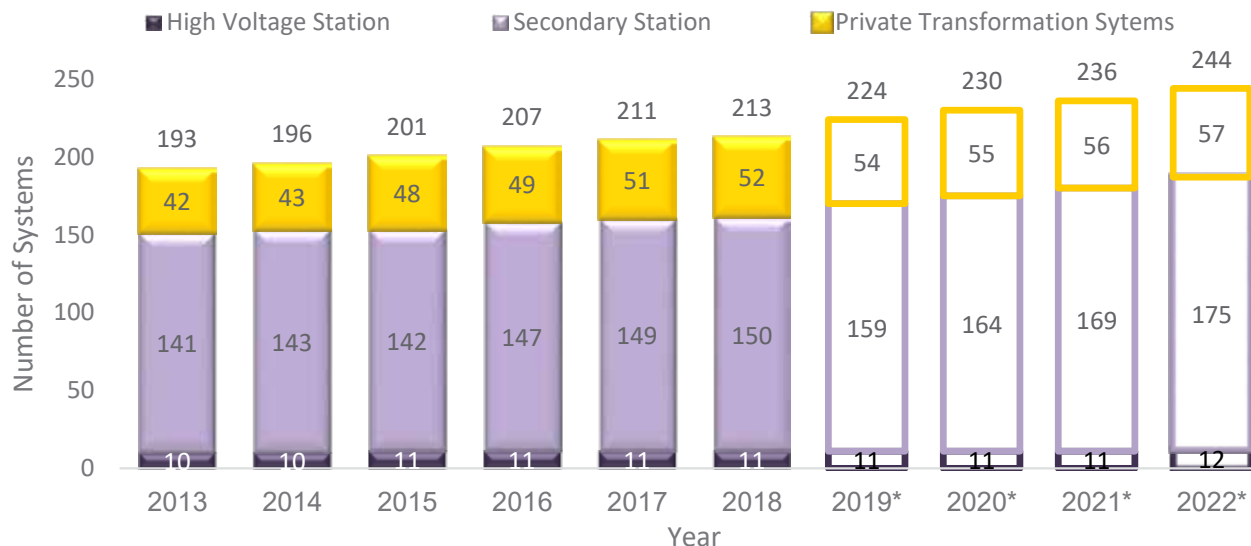
Recent years have seen a moderate increase in the scope of lines in the transmission system due mainly to an increase in 161 KW lines.

According to the development plan, by 2022 the scope of 400 KW lines will increase by about 46% and 161 KW by about 10% compared to their scope in 2018.

Notes:

* According to the development plan.

Transformers in the Transmission Grid

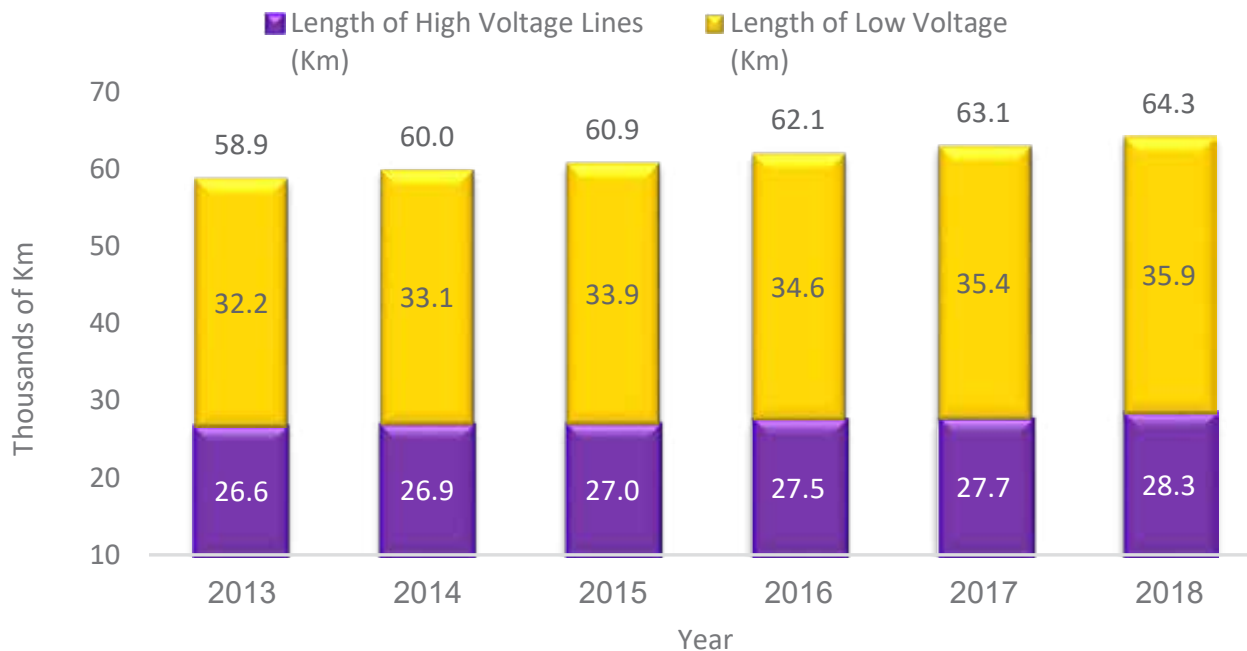


The number of transformation system is growing at a moderate pace. According to the development plan, the number of IEC substations is expected to grow by about 17% until 2022, compared to 2018.

Notes:

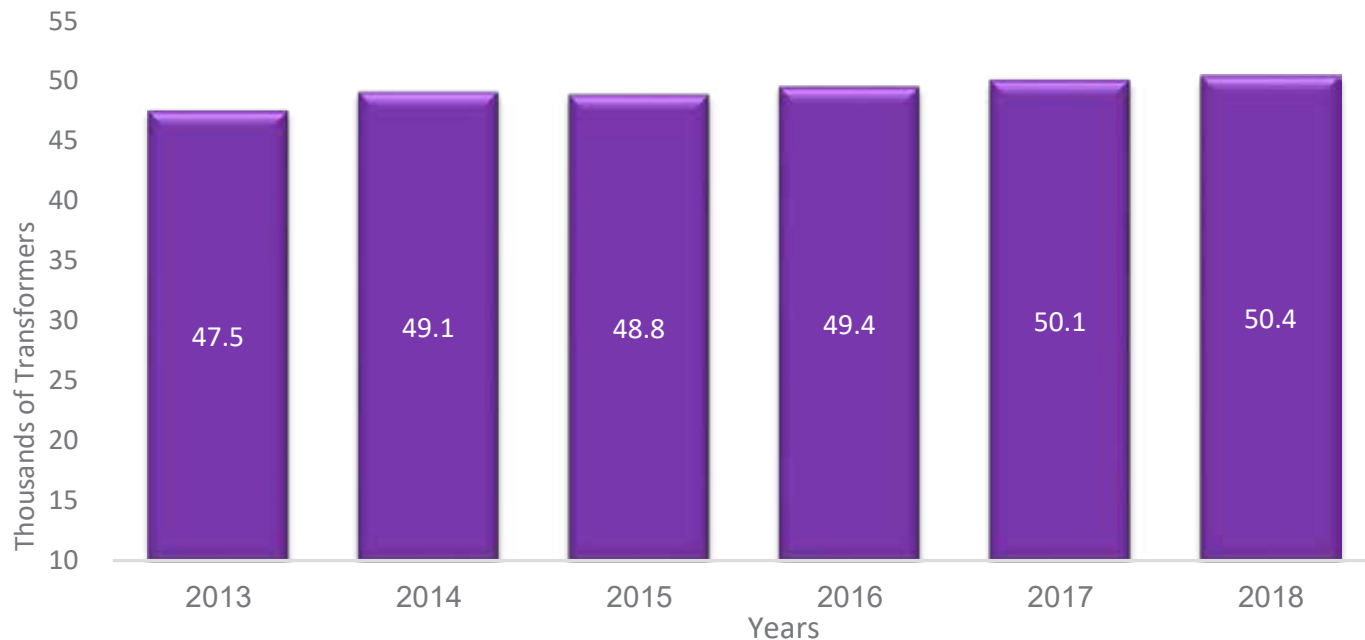
* Forecast, IEC transformation systems according to the development plan; private transformation systems according to the forecast for station construction.

Lines in the Distribution Grid



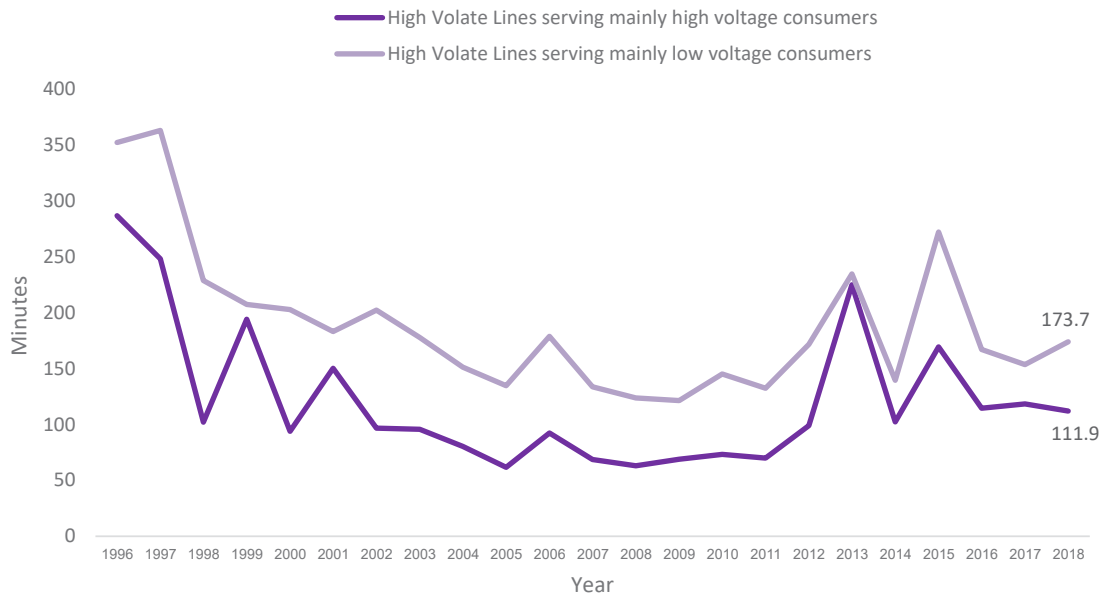
Recent years have seen a moderate increase in the scope of distribution grid lines.

Transformers in the Distribution Grid



The number of transformers in the distribution grid is growing at a moderate pace

System Average Interruption Duration Index – SAIDI (minutes) for high-voltage line consumers



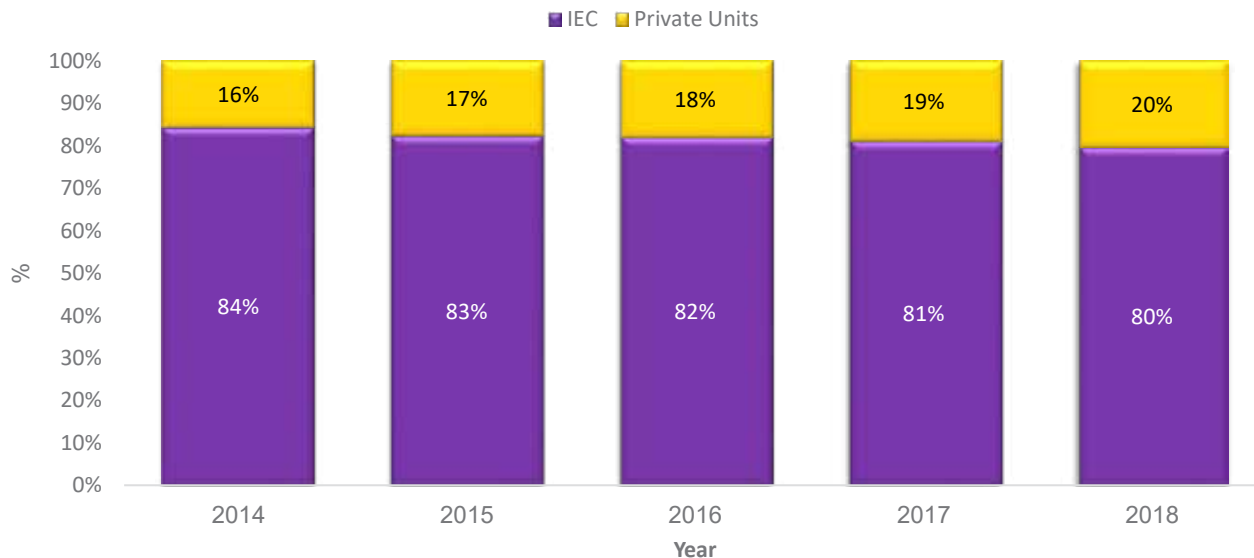
Over the period of 2013-2015, SAIDI increased due to isolated storm events.

7

Chapter 7: Supply and Consumption

Market share in supply section; structure of household tariff for sections; development of household tariff; consumer complaints to the Electricity Authority; total capacity in the load shedding arrangements; total costs of load shedding arrangements

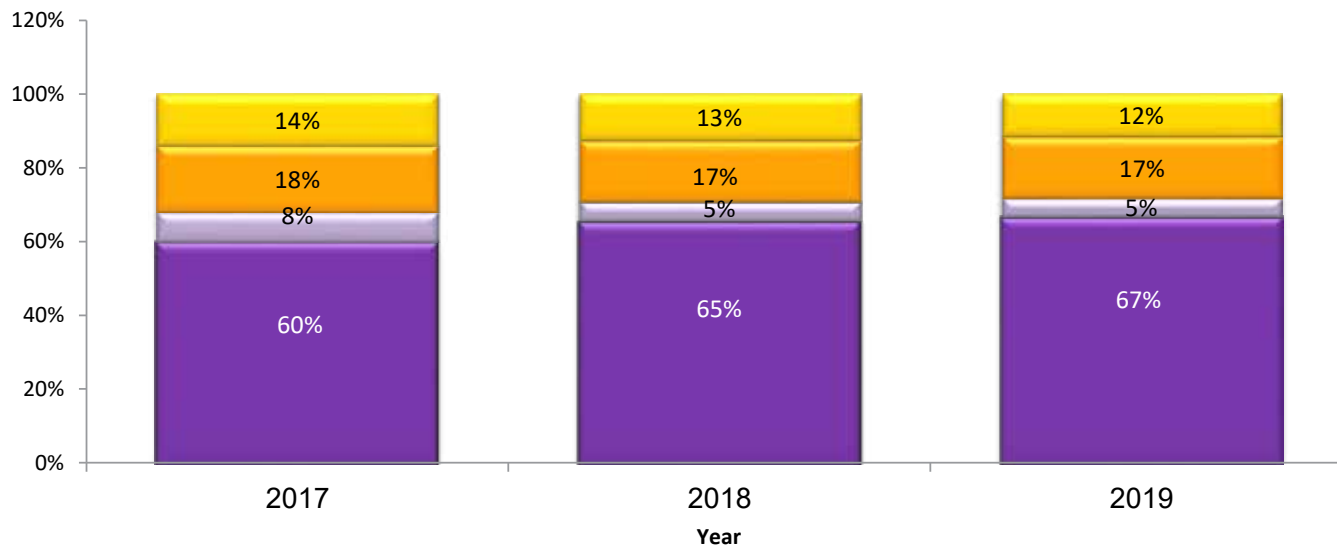
Market Share in Supply Section



Year 2018 saw a moderate increase in the market share of IPPs in the supply section, and they currently supply about 20% of consumption in Israel.
Opening of the supply section to competition as part of the reform is expected to increase the share of private supply.

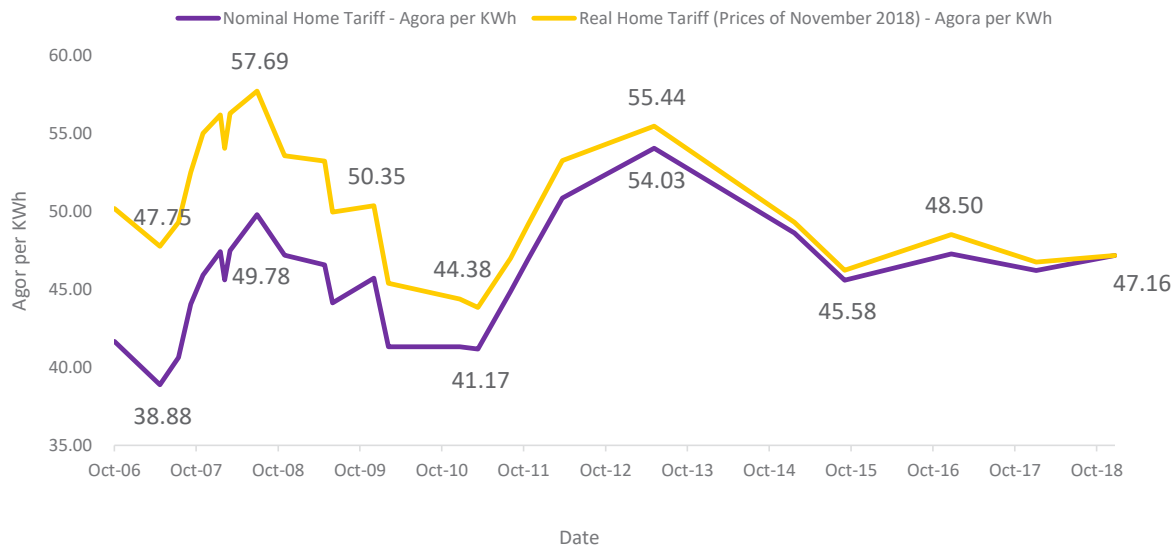
Structure of Household Tariff – Division into Sections

■ System operator tariff + returns to the IEC's consumers ■ Distribution ■ Transmission ■ Generation and fuel



As of January 2019, the production component constitutes 2/3 of the household tariff.
The weight of the production component in the household tariff has increased in recent years.

Development of Household Tariff

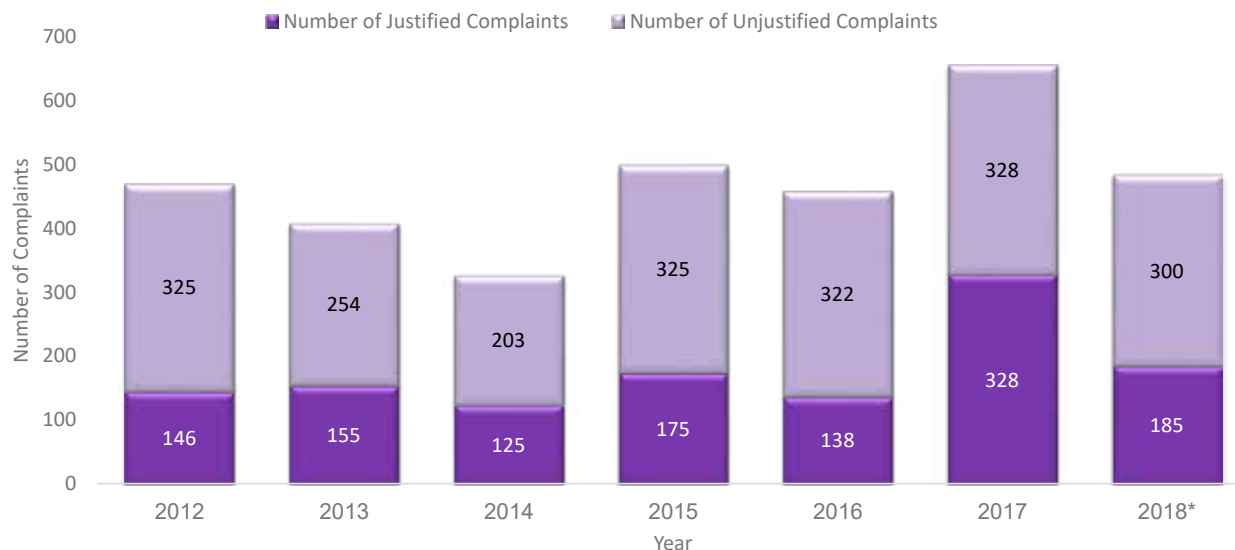


January 1, 2019 saw an increase in the household tariff, mainly to due an increase in the price of fuels used in the electricity market, changes in the exchange tariff and the significant growth of renewable energy.

Notes:

- * Since January 2019, the household tariff consists of an energy component and a capacity component. The following graph shows the cost of energy only; the cost of capacity is calculated in addition based on the size of the consumer's connection.

Consumer Complaints to the Electricity Authority

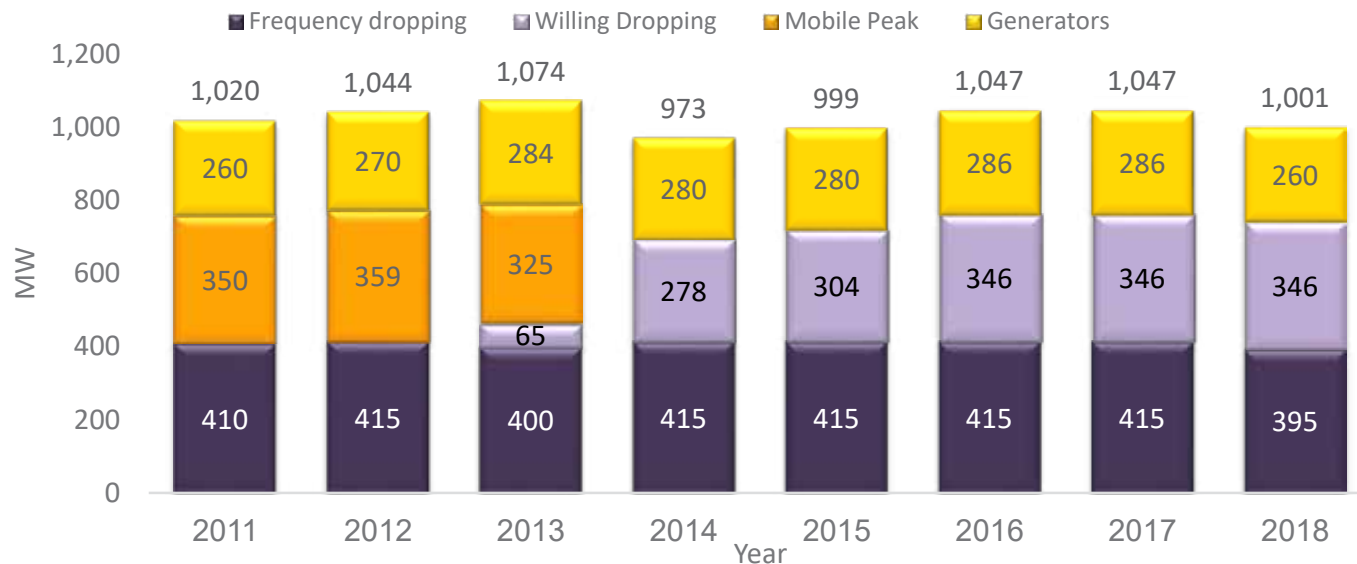


After the increase in consumer complaints in 2017—due to operation of the Shoval system and strike in summer of 2017—the number of complaints in 2018 returned to its average level.

Notes:

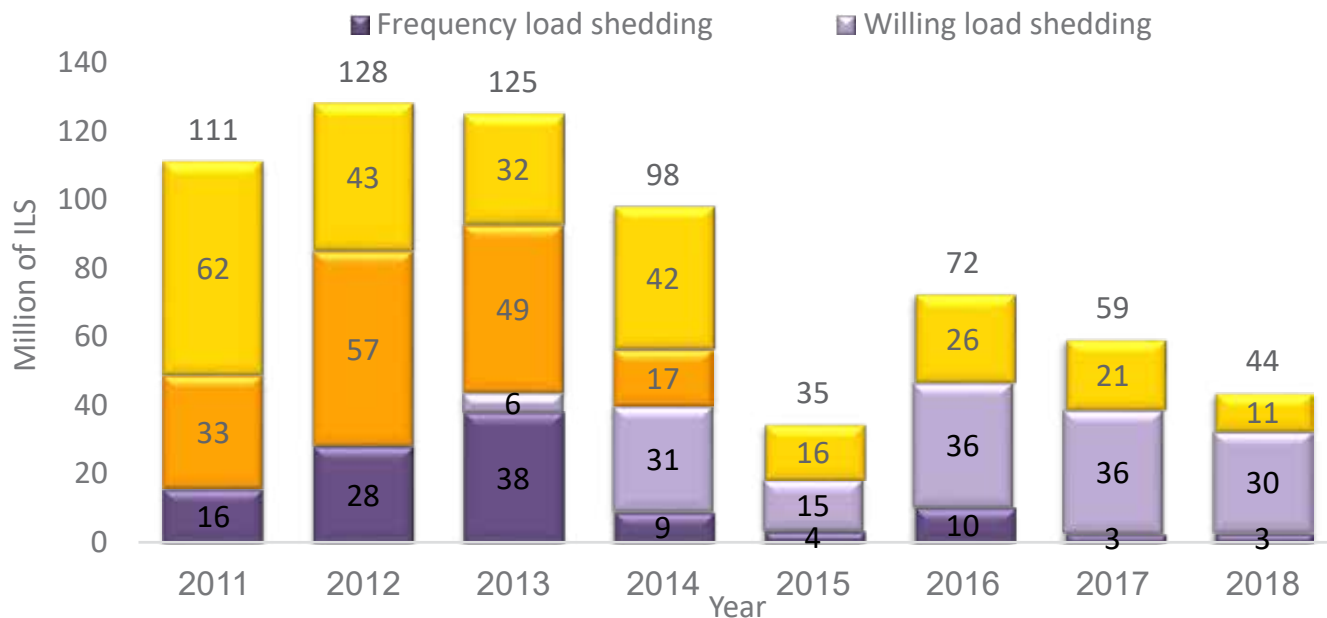
* As of June 2019, 16 complaints from 2018 are still being treated.

Total Capacities in the Power Shedding Arrangements



Total capacities in the power shedding arrangements in 2017 remain unchanged with regard to 2016.

Total Costs of Power Shedding Arrangements



The period of 2012-2013 was characterized by a shortage of electricity and high cost of power shedding arrangements, the average cost of power shedding arrangements for 2015-2017 was NIS 55 million.



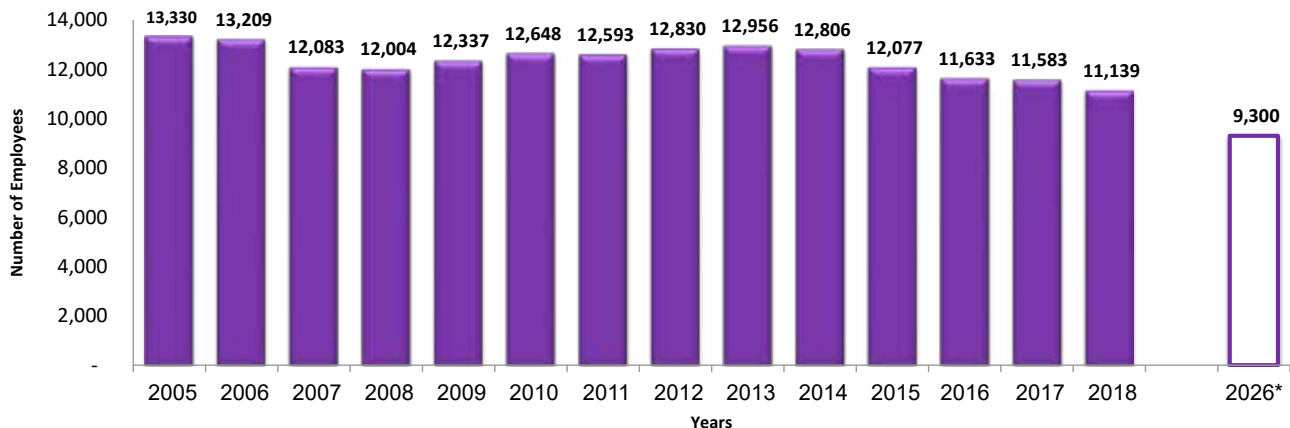
8

Chapter 8: Electric Company

Number of employees in the Electric Company (regular and temporary); IEC investments in activity sections; accounting leverage of the Electric Company; the Electric Company's financial debt to EBITDA



Number of Employees in Electric Company (regular and temporary)



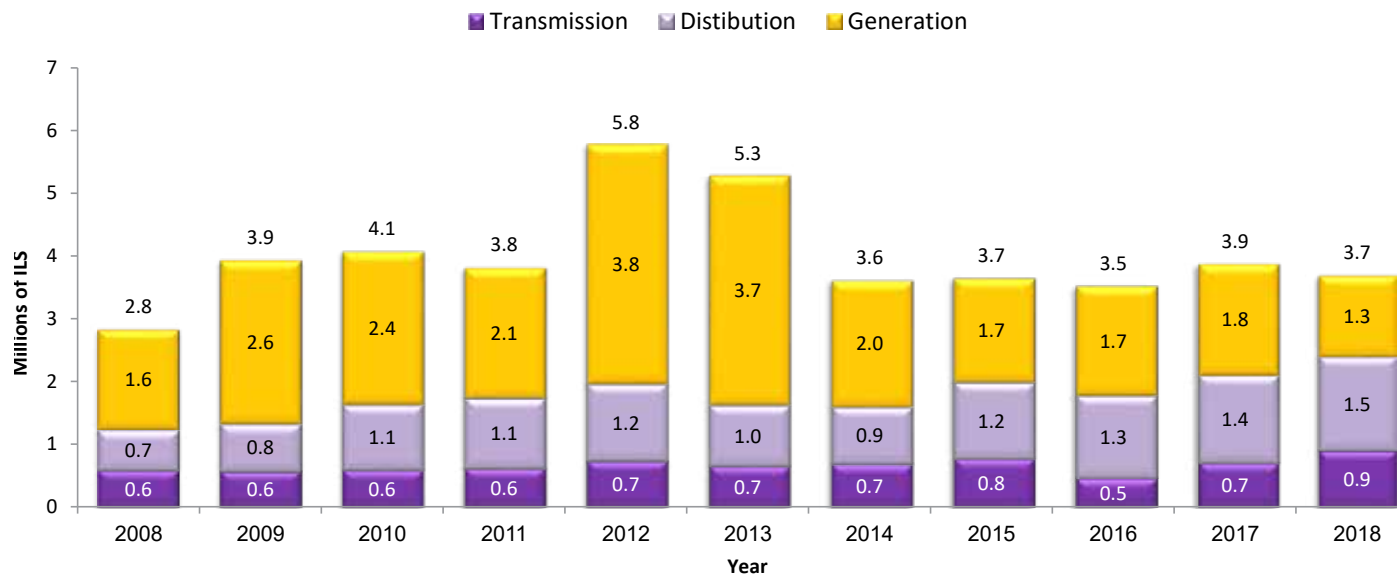
The trend of downsizing the Electric Company's workforce continued over 2018. This reduction stems mainly from early retirements in the wake of the structural and organizational change set forth in the reform, and reduction in the number of temporary employees.

According to reform objectives, the company's regular workforce will decrease by about 2,200 by the year 2025.

Notes:

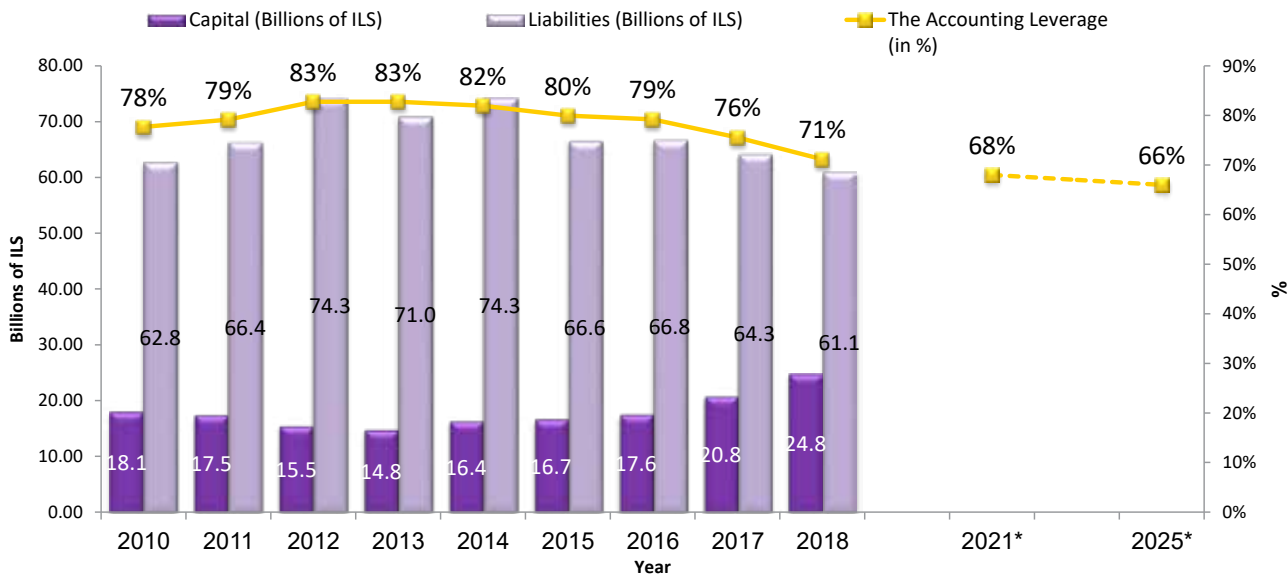
- * According to the structural change, the number of regular employees in June 2026 shall not exceed 6,400. In addition, from January 2022 and during the reform period the number of temporary employees shall be in the range of 2,600 to 2,900.

IEC investments in Activity Sections



Recent years have seen a moderate increase in investments in the transmission and distribution sections. In recent years, the investment in the production section included mainly investment in emission reduction facilities, and during 2012-2013 included mainly generation facilities as part of Emergency Plan B.

The Electric Company's Accounting Leverage

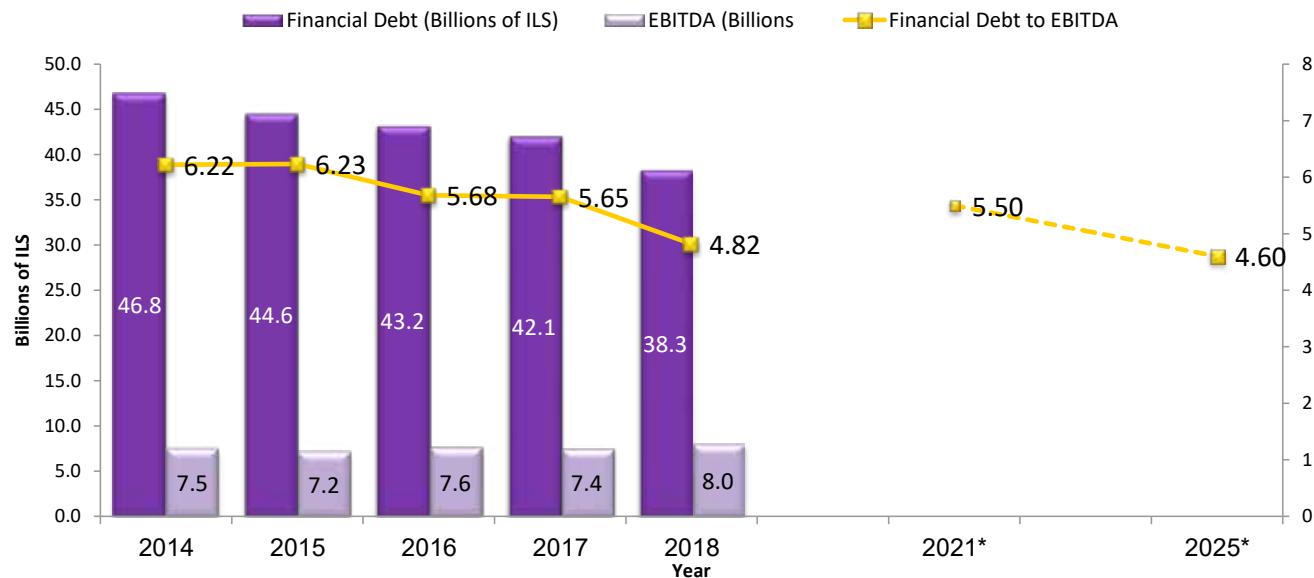


The trend of decrease in the company's financial leverage continues.
In 2018, a significant part of the decrease was due to the assets settlement.

Notes:

* According to reform objectives.

Electric Company's Financial Debt to EBITDA



The ratio of financial debt to EBITDA has been on the decline in recent years; the ratio is expected to rise until 2021 due to the erection of two new combined cycle facilities.

Notes:

* According to reform objectives.



9

Chapter 9: Structure of the Authority

Roles of the Electricity Authority; composition of the Authority Assembly; structure of the Electricity Authority

New structure of the Authority

In wake of legislation of the Economic Policy Law for budget year (2015 and 2016), (hereinafter: the Law or the Economic Plan Law) an authority was established, merging the Electricity Administration and the Public Services Authority – Electricity. The Authority is the sole professional body in the Ministry of Infrastructures dealing with the electricity market.

In sections 21-21a of the law it is set forth that:

“21. The Electricity Authority is hereby established within the ministry, to operate in accordance with the goals of this law and policies of the minister and the government, pursuant to their authority under the law, in the area of the electricity market; it shall implement their policies pursuant to the provisions of this law and supervise fulfillment of the provisions pursuant to this law and the licenses, and fulfill the roles assigned to it under this law and imposed upon it pursuant to any other law.

21a. (a) The Authority shall be the professional body in the ministry in charge of the electricity market, and assist the minister in forming his policy as stated in section 57a.

(c) When forming principles of policy, the minister shall consult with the Authority as the professional body in charge of the electricity market, including with regard to costs incurred by implementation of policy; the Authority’s position shall be published on its website, after policy principles have been published on the ministry’s website pursuant to the provisions of section 57a(b).

(c) The Authority shall advise the government in forming its policy on the electricity market, if asked to do so by the minister.”

Main areas of authority pursuant to the law

- ▶ Determining policy and policy principles on the electricity market
- ▶ Approval of the development plan
- ▶ Setting regulations on licensing
- ▶ Approval of certain licenses

**The
Minister**

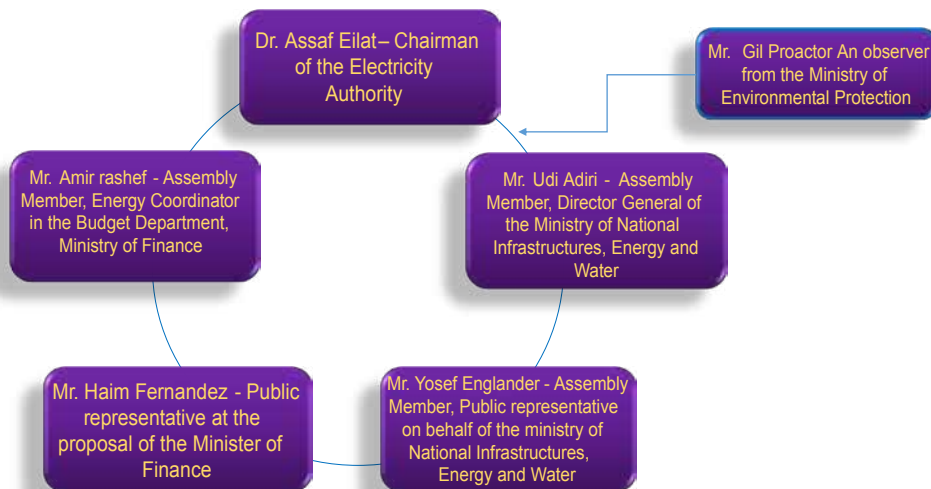
- ▶ Implementation of the government and minister's policy on the electricity market
- ▶ The professional body advising the minister by force of the law on formation of policy
- ▶ Regulator of the electricity market
- ▶ Determining rates and criteria
- ▶ Granting of licenses
- ▶ Actions of the Director of the Electricity Administration (independent statutory authority)

**The
Authority**

Composition of the Authority Assembly

Pursuant to the Electricity Economy Law, the Authority consists of five members: Chairman of the Authority; Director General of the Ministry of Infrastructures who shall serve by force of his position or a representative of the Minister of Energy appointed by the government from among ministry staff; the Director of Budgets in the Ministry of Finance to serve by force of his positions or a representative of the Minister of Finance appointed by the government from among ministry staff; two public representatives appointed by the government as proposed by each minister. In wake of the Amendment to the Electricity Economy Law 2015, an observer on behalf of the Minister of Environmental Protection has been added to the Authority Assembly.

The Authority's composition reflects the balance between institutional representatives appointed from among government ministry personnel and public representatives, with the numerical ratio between them remaining identical.



Members of the Electricity Authority Assembly 2018

Dr. Assaf Eilat

Chairman of the Electricity Authority (appointed on May 5, 2016)

Since 2012 has served in several positions in the Israel Antitrust Authority. In his last position, Eilat served as chief economist and substitute for the Director-General of the Antitrust Authority. As part of this job he managed a professional team of 35 economists dealing in competition, regulation and government, along with representing the Antitrust Authority in central government committees on subjects such as imports, credit data and banking.

In the past Eilat served as VP of Compass Lexecon in San Francisco, and filled teaching positions at Stanford University, the Open University of Israel and the Hebrew University.

Eilat holds a bachelor's degree in Law and Economics (with honors) from the Hebrew University, passed the bar exam in 2003, and holds a PhD in Economics from Stanford University, specializing in Antitrust, Industrial Organization and Applied Micro Economics.

Lives in Herzliya, married and father of two.

Mr. Udi Adiri

Director-General of the Ministry of Energy

From 2013 to 2017, Adiri served as deputy to director of budgets in the ministry, in charge of infrastructures: Transportation, energy, quarried substances, water and agriculture. Adiri worked on building and administering the budgets of the government bodies operating in these areas, and initiated structural changes and reforms while moving national projects forward.

During 2010-2012 Adiri coordinated the energy area in the Ministry of Finance and promoted structural changes in this area. During 2008-2010 Adiri coordinated the transportation area in the Budgets Division.

Ehud (Udi) Adiri was born in 1977. He is married and father of three, and lives in Hod Hasharon.

Adiri is a graduate of Tel Aviv University in Economics (magna cum laude) and History (summa cum laude); holds a Masters in Economics (2010) from Tel Aviv University and a Masters in Public Administration from Harvard University (2013). Adiri served in the IDF Armored Corps as a conscript and then in the regular army and reserve duty as a combat soldier and officer with the rank of Major.

Mr. Amir Reshef

Member of Assembly, Ministry of Finance representative

Since February 2019 serves as Deputy Budget Director in the Ministry of Finance. As part of his job he is in charge of the budgets of the Ministry of Defense, Ministry of Internal Security, Ministry of Justice, Ministry of Foreign Affairs, Prime Minister's Office and the Ministry of Finance.

Reshef began working in the Budgets Department in 2011 and has served a land and planning coordinator, coordinator of industry and commerce, and energy coordinator in the Ministry of Finance Budgets Department.

Reshef holds a BA in Philosophy, Economics and Political Science, and an MA in Economic from the Hebrew University.

Military service in DF 50th Battalion of the IDF Nahal Brigade.

Lives in Tel Aviv, married and father of a daughter.

Mr. Yosef Englander

Member of Assembly, representative on behalf of the Minister of Energy

Industrial Management Engineer, entrepreneur, owner of Yael Israel Entrepreneurship Ltd., dealing in management and execution of complex,

large scale projects in construction and entrepreneurship. Owner of S.Y. Alon Construction Company Ltd., specializing in TAMA 38 projects, and owner of TAMA 38 Funds, a fund for financing real estate projects. Highly experienced in industry and complex IT systems. In the past he dealt in managing, selecting, implementing and assimilating complex ERP systems in large industrial organizations (including: Soltam, Had-Assaf Industries, Packer Concern, Philips, and more). Lives on Merhavia, married and father of two daughters.

Mr. Haim Fernandes

Member of Assembly, public representative on behalf of the Minister of Finance

Serving as VP Finance and Purchasing of Leumit Health Services over the last eight years.

Previously worked nine years in the Budgets Department of the Ministry of Finance. In his last position he served as Deputy Director of Budgets in charge of the industry, communications, water, tourism and energy areas.

Holds a BA in Economics and Communication from the Hebrew University and MBA, major in financing, from the Hebrew University.

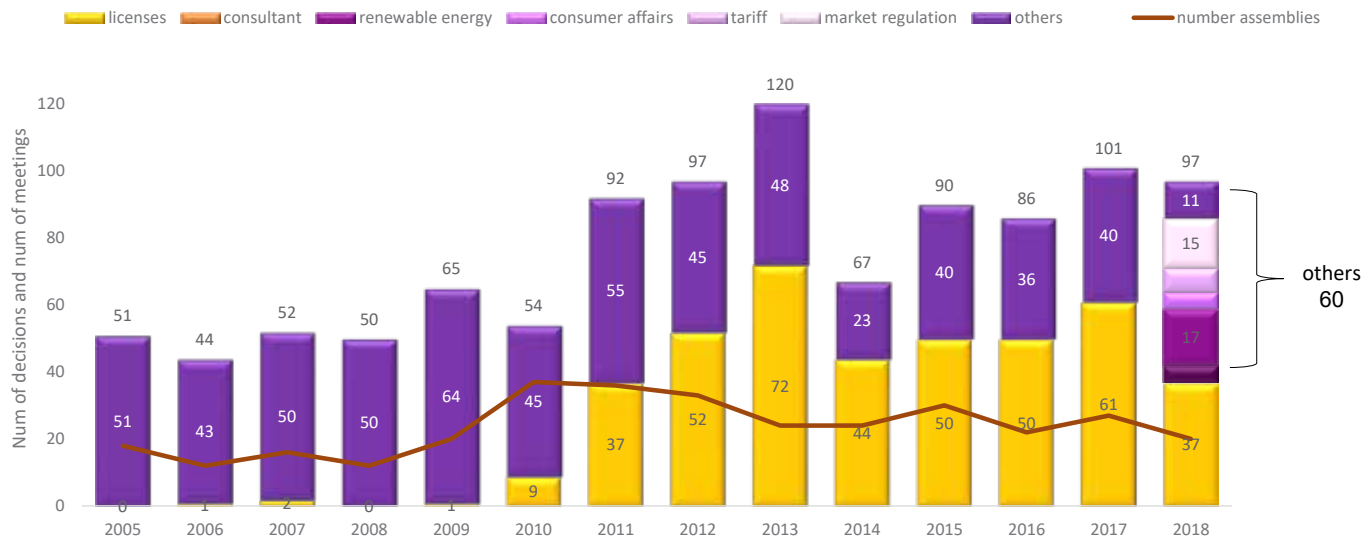
Lives in Modi'in, married and father of four.

10

Chapter 10: Decisions and Hearings

Assembly meetings and segmentation of its decisions; policy of transparency and public information; review of major decisions of the Electricity Authority Assembly; Authority Assembly decisions; Electricity Authority hearings

Convening of the Electricity Authority Assembly and segmentation of its decisions



An increase can be seen of assembly decisions dealing in regulation of the market and market model, and a sharp decline in decisions dealing specifically in licenses, as can be seen in the assembly's activity since 2012.

Review of the main activity of the Electricity Authority Assembly

The year 2018 was characterized by intensive activity of the Authority Assembly in regulating the structure of an efficient future competitive market, pursuant to the reform made over the last year, as well as intensive activity in the renewable energy area.

Out of 97 substantial decisions made during the last 20 Authority Assembly meetings, no less than 15 dealt with the reform and arranging the structure of the future electricity market. Another 17 decisions dealt with advancing renewable energy in the Israeli market.

Another change of direction could be seen in the considerable increase in assembly outcomes dealing in transparency and making information accessible to the multitude of players in the market.

The remaining outcomes dealt in the traditional core areas of the Electricity Authority: Rates, licensing and regulation of activity vis-à-vis vital services providers.

In the following is a review of the main decisions of the Electricity Authority Assembly in 2018:

Renewable energy

The Electricity Authority Assembly, headed by Dr. Assaf Eilat, has decided on a series of regulations and tenders for solar installations, with an emphasis on roofs.

The Electricity Authority has promoted a series of regulations for solar installations, pursuant to the policy of the Minister of Energy, Dr. Yuval Steinitz, in order to meet the objective of 10% energy production in Israel from renewable sources in

2020. These regulations have been formed as part of an overall concept designed to simplify the processes of connecting, financing, constructing and operating generation facilities, with emphasis on solar installations. Further arrangements as part of this concept, including development of the distribution grid and easing the process of integrating installations in the distribution grid shall be published for public hearing over the coming weeks.

Simultaneously, solar energy in Israel has continued to set new records, with a double-digit number of proposals submitted in the tender published by the Electricity Authority for a giant solar farm of overall capacity in excess of 730 MW.

The proposal in the tender broke the previous record set for solar energy prices (19.78 ag/KWh in 2017) and some stood at even less than 15 ag/KWh, a decrease of over 25% from the previous record.

This and additional tenders and their unprecedented results put Israel at the forefront of countries leading this area (along with the USA, Germany, Chile, India and Mexico), with recently published tenders setting new standards for lowering the costs of renewable energy.

These steps are only just part of the plan for meeting the government objective of 10% renewable energy by the end of 2020, which includes, correspondingly, an increase of 1,600 MW in the overall solar quota by the target year.

The year 2018 marked an all-time high in installation of solar roofs and solar farms: About 4600 solar roofs were installed or in the process of installation and connection during this year, in addition to over 40 solar farms on the ground.

The aim of regulating roofs published by the Authority is to enable a wide range of roof owners, land and water reservoirs to produce solar electricity for self use and sell the surplus to the national power grid. The Authority enables installation of panels on the roofs of small homes, industries, public buildings, car parks, pergolas, reservoirs of potable water and wastewater, and fishponds. Installation of solar panels shall be made possible to cover the top and/or sides of these buildings and reservoirs.

In August 2018 the Electric Company website was opened for registration of solar roof installations on an unprecedented scale. After much expectation, arrangements were published in four main tracks, reflecting the flexibility of adapting the regulation to the nature of the consumer, and offering a range of options for the companies dealing in planning and installation in the industry:

Regulation of rates for small installations up to 15 KW at 48 ag/KWh.

Regulation of rates for medium installations of 15 to 100 ag/KWh at 45 ag/KWh.

Update of net metering regulation (quota expired in 2019).

Regulation for self consumption of produced electricity.

As a measure of leniency, the Electricity Authority has decided, as part of the regulations, on exemption from installing a meter on installations of up to 15 KW, as long as the installation meets the criteria. For many households, whose average size of installation is within this limit, this is very good news.

Upon exhausting the preliminary round of quotas, the Authority launched another quota ("second degree").

To make registration accessible, the Electricity Authority built a simple, accessible dedicated website with an explanation on how to join the solar rooftop revolution. The site includes a calculator for expected income from your roof, how to make your roof bring you a steady monthly income, how to apply to the Electric Company grid system, and how to start producing electricity from your home.

<http://solarroofpua.co.il/>

Transparency and accessibility of information

According to the Authority Assembly's instructions, and in order to launch a competitive market, in 2018 the system administrator began publishing the system marginal price (half-hour price) of electricity generation in Israel, according to supply and demand.

In addition, the forecast for half-hour demand for electricity is published on the following day, as well as the forecast for production with renewable energy every half hour.

Publishing the half-hour price has laid the groundwork for publishing the competitive regulation for the Alon Tavor site after its sale.

In addition, during 2018 the Authority has strengthened the trend of transparency and accessibility of information to the market, deciding that electricity grid data shall be made public.

The Authority has instructed the Electric Company to start publishing electricity grid data, as well as availability of a place in the grid.

Electricity grid data have now been made public, and private power station entrepreneurs will be able to learn about the installations that occupy space on the grid, and grid availability for development of future production. In addition, the Electric Company shall publish handling times for consumers' requests for various works.

The Authority Assembly has decided to instruct the Electric Company to publish, on its website, quantitative data on the electricity grid in the ultra-high and high voltage sections. As part of this, for the first time, the company will publish data on reservation of places on the grid for power stations, as well as schedules for handling orders for connections and other works, and thus inform the public level of service provided by the company.

It has also been decided that parties who wish to receive specific data on particular loads that exist on lines or at specific substations on the grid will be able to receive such data, according to a procedure arranged through the Cyber Authority and the Ministry of Energy.

Advancing the reform in the electricity market and privatization of the Alon Tavor power station

As part of the Electricity Authority's professional involvement in promoting the reform in Israel's electricity market, the Authority Assembly has promoted a series of decisions designed to realize the reform in practical terms.

Thus, inter alia, pursuant to the government decision, the Electricity Authority has published regulation for the activity of the generation units at the Alon Tavor site. This, corresponding to appointed times determined in the government decision.

At the Alon Tavor site are installed an efficient 363 MW generation unit running on natural gas, and two 110 MW each diesel-powered units. In addition, the decision enables installation of flexible generation units on natural gas, at installed capacity of up to 230 MW, to fill the need for providing a quick response, due to widespread assimilation of renewable energy expected in the years to come.

As part of the decision, it was determined that the generation units on the site running on natural gas shall be integrated in the wholesale electricity market currently under construction (similar to the electricity markets operating in the USA). Thus, the price of energy transmitted to the grid will change every half hour, according to the supply and demand in the electricity market. In addition, each day the production installations shall submit quotations for generation of energy, and the decision if and how to operate them shall be made by the system management unit, based on economic and operational considerations. Corresponding to the method of operation of the generation units in the energy market, the Authority does not supervise the producer's gas agreement on the site, and does not directly recognize its costs. Instead of a cost control

system, the entrepreneur will be free to acquire gas in a flexible manner through specific contracts and acquisitions, and embody these costs as part of the quotations for energy, submitted to the system administrator on a daily basis. The diesel-powered generation units at the site shall be put at the disposal of the system administrator, and the price for the energy generated by them determined by the Electricity Authority, under supervision.

The generation units on the site shall all be put at the disposal of the system administrator, and will not be able to make transactions with end consumers. In exchange, the units will be entitled to regular payments for a period of 15 years (or 20 for new generation units) according to their operational availability. Thus, the Electricity Authority does not expose the entrepreneur to possible changes in the electricity tariff, which in turn enables submitting a higher quotation for purchase of the site by the entrepreneur. The sum of regular payments is determined in such a way as to enable purchasing the station from the Electric Company with full reimbursement for its costs, and in order to motivate the winning entrepreneur to optimally maintain the units.

As required by the law and the government decision, the Authority made all necessary decisions on the matter until the Authority Assembly meeting on December 3, 2018.

While doing so, the Authority conducted a round of round-table meetings with the bodies interested in the tender.

- ▶ In formulating the principles, the Authority was guided by the following principles:
 - ▶ The electricity market is in need of additional capacity, particularly in the north. Therefore, the regulation is designed to encourage continued operation of the existing installations, as well as the construction of additional capacity on the site. Encouraging the construction and maintaining the installations are done by setting availability payments that reflect the economic benefit of these installations.
 - ▶ the Authority strives to promote participation of electricity producers in the competition in the energy market; hence, the principles are based on the producers' participation in the competitive energy market. Since the energy market

mechanism is still not adequately developed, the principles limit exposure to the energy market by setting a price ceiling for energy on the other hand, and availability payments on the other hand.

- ▶ Minimizing intervention by the Authority in operational parameters that may be optimized by the manufacturer, such as power losses due to temperature and unavailability. With regard to these parameters, the Authority determines payment for each available kilowatt. The bidder, in his proposal, shall consider the expected income as a result of the actual availability.
- ▶ Diminishing the involvement of the Authority in recognizing gas prices and gas agreement characteristics: the Authority has an interest, that the producer shall be free to make a quotation for loading the installation, and not be required to present the source of gas or bring the agreement for approval by the Authority.
- ▶ The first principles express the outlook being formed in the Electricity Authority, according to which the availability and energy of generation facilities shall be sold to the system administrator only, and regulation for competition in the supply section be handled separately from the station construction procedure; thus, the suppliers market shall include suppliers that are producers as well as the possibility of independent suppliers.

Promotion of additional gas-powered capacity, and decentralized production

Another step towards advancing decentralized production is the Authority's decision on how gas-powered generation facilities connected to the electricity distribution grid operate.

The decision is the outcome of deep, ongoing dialog with entrepreneurs, and is expected to lead to small generation facilities located in the yards of various consumers such as factories, hospitals, businesses and more.

Decentralized production will benefit the electricity market in several ways: Reduce investments in the grid; enhance the system's survivability; in general, lead to more efficient use of energy sources, since many of the technology's applications utilize emission fumes created in the electricity generation process to produce various thermal products such as steam, hot water and may even be used for cooling.

In light of these benefits, the Minister of Energy has published policy principles for assimilation of decentralized production in the scop of 300 MW in the first stage. The regulation being published now is designed to realize the minister's policy, while assimilating general operating principles of the electricity market. As part of the regulation, self-production shall be permitted, as well as transmission of surpluses back to the grid at any time and with no limit on quantity. The price of electricity transmitted to the grid shall be the price of the wholesale market currently in development.

In addition to the energy tariff—in order to encourage construction of the installations, while maintaining incentives in the market mechanism in which they are supposed to operate—a fixed annual power tariff has been given, distributed over 10 years. The power tariff shall decrease according to size of station; thus, small installations shall receive a higher power tariff. In any case, a condition for receiving a power tariff shall be a load coefficient of at least 15%. This condition is intended to ensure that installations entitled to a power tariff are actually active.

Rates

From the aspect of determining rates, it is worthy of noting the Authority Assembly decision on determining a grid tariff basis for 2018-2022, since the last tariff basis was determined back in 2002. The new tariff methodology reduces the familiar costs of the Electric Company, while determining normative costs into which the the company is supposed to withdraw into. In addition, the tariff basis shall motivate the company to make significant investments in the transmission grid, inter alia, by making payment to the company contingent upon actual execution of investments. Thus, in 2018 the company's recognized investment forecast shall stand at about NIS 2.4 billion, compared to just NIS 1.5 billion in previous years.

Transparency and public information – branding and forming an organizational vision

- ▶ The Electricity Authority attributes value to transparency and sharing of information with the electricity market, players and consumers alike. This, in the belief that bi-directional communication between the Authority and the market is vital in order to create trust between the regulator and the market, and advance Israel's electricity market.
- ▶ Among the preliminary steps taken by the Authority in this area:
 - ▶ Publishing of Electricity Authority Assembly protocols, and expected agenda of the assembly.
 - ▶ Periodic publishing of all indexes that influence the electricity tariff.
 - ▶ Study days and round tables vis-à-vis the market on current matters, conducted on a regular basis.
 - ▶ Extensive public hearings on issues of substance.
 - ▶ A designated committee for providing solutions for private electricity producers.
 - ▶ A frequent newsletter for the market, on matters being dealt with by the Electricity Authority.
- ▶ As part of this, the Authority has completed a year-and-a-half-long organizational process of forming a vision, a logo, and an organizational identity and language.
- ▶ First, the strategy branch as carried out an unprecedented reform, consisting of information sharing, public transparency, ongoing feed of reports and data, first-time publishing of all protocols, ongoing round tables with the players in the market (entrepreneurs, financiers, consumers), imposing of public reporting obligations on the monopoly and communication of its actions to the entire market, a regular digital newsletter, and reform in assembly decisions. For the first time, each



of the 150 decisions will have a page attached with a clear and simple explanation of its meaning and substance. In addition, a computerized simulator shall be made for consumers, an App for electricity consumption, and more. After assimilating transparency and increasing the satisfaction of entrepreneurs interfacing with the Electricity Authority, the second step of this reform has begun, accompanying the transparency reform, and that is reducing regulation and significant reduction of the regulatory burden on the players.

- ▶ Thanks to these and other extensive actions, the Electricity Authority's strategy and policy control branch was awarded the Civil Service Commission's Badge of Excellence for 2018, for units that excelled in streamlining and reduction of bureaucracy.

Vision of the Electricity Authority 2018

► Who we are

The Electricity Authority is the body in charge of regulating the electricity market in Israel. The Authority acts in the aim of promoting an electricity market that is competitive, efficient, reliable and safe for consumers.

For this purpose, the Authority is leading policy steps and a wide range of regulatory tools and fees, in broad cooperation with both governmental and private players.

► Our mission

To create a new horizon for the market, out of commitment to making electricity accessible to all consumers, an outlining ground-breaking policy that will change the existing order of things. This includes increasing competition by creating environmental standards, through renewable energy and protecting private consumers, and ensuring high-quality, reliable service.

► What we believe

Optimally opening the electricity market while taking advantage of the professional independence granted to the Authority; that it is capable of being the “enabler” that effectively balances all interests in the market, thus creating clean, available energy while providing solutions to all consumers.



► **What we want**

To create a reality in which business is conducted in a transparent, cooperative way while simplifying regulation and competitive procedures in the market; transformation, in which Israeli society will experience energetic independence and a stable prospect for generation and consumption of electricity.

We may thus create a multitude of private producers, including households, ensuring innovative, advanced green technologies.

The more we extend competition in the electricity market towards private consumers, we will know that not only have we aligned, stabilized, supervised, developed and regulated the electricity market, but we have also reached out, touched, and made an impact on the State of Israel, on the national and social levels.

Decisions of the Electricity Authority Assembly – according to subject

Meeting No.	Date	Incorporated subject	Decision
538	22.3.18	Criteria for activity in conjunction with vital service provider	Amendment of criterion for preliminary planning works
551	21.11.18	Criteria for activity in conjunction with vital service provider	Decision on amendment of criterion for connection to extra high and ultra high voltage
544	28.6.18	Criteria for activity in conjunction with vital service provider	Tariff tables for works at expense of other at ultra high voltage



Meeting No.	Date	Incorporated subject	Decision
544	28.6.18	Criteria for activity in conjunction with vital service provider	Payment by consumer required to undergo change in location of existing connection
546	15.8.18	Fuels	Extension of regulations for purchase of LNG cargoes by the Israel Electric Company
546	15.8.18	Fuels	Recognition of costs to Electric Company and private electricity producers for generation using alternative fuel during shortages
536	29.1.18	Fuels	Tariff for missing capacity in secondary fuel
546	15.8.18	Fuels	Recognition of costs of enlarging emergency stock of diesel in the market
536	29.1.18	Market regulation	Amendment of decision 2 from meeting 279 on pumped storage
544	28.6.18	Market regulation	Amendment of criterion 93
544	28.6.18	Market regulation	Amendment of criterion 4a

Meeting No.	Date	Incorporated subject	Decision
551	15.11.18	Market regulation	Publishing of criterion 35 on procedures for connection and inclusion of generation facilities in the distribution grid, and update of tariff tables
553	24.12.18	Market regulation	Amendment of criterion 35
537	19.2.18	Market regulation	Transmission of energy during acceptance tests from electricity producer
551	15.11.18	Market regulation	Regulation of the activity of natural gas-powered generation facilities connected to the distribution network
537	19.2.18	Market regulation	Cancellation of the hearing on amendment of decision No. 1 (914) of meeting 445 held on 10.12.2014 Rates for conventional private electricity producers over 16 MW and private suppliers
540	3.5.18	Market regulation	Tariff for surplus capacity
546	15.8.18	Obligation to consult	The Electricity Authority's position as part of the obligation to consult on the matter of cogeneration regulations



Meeting No.	Date	Incorporated subject	Decision
550	15.11.18	Obligation to consult	The Electricity Authority's position as part of the obligation to consult on the matter of Dead Sea Works request not to use infrastructure services
550	15.11.18	Obligation to consult	Obligation to consult on the matter of the Electric Company's request on the matter of approval for "other actions".
538	22.3.18	Obligation to consult	The Electricity Authority's position as part of the obligation to consult, on the matter of exemption from infrastructure services for the OPC Hadera Ltd power station
547	3.9.18	Obligation to consult	Obligation to consult on the matter of development plan for the delivery system for 2018-2022
550	15.11.18	Renewable	Update of criterion 198 - extension of deadline for construction of net metering installations connected to low voltage
553	24.12.18	Renewable	Update of criterion 177 - extension of deadline for construction of electricity generation facilities using photovoltaic technology or small wind turbines

Meeting No.	Date	Incorporated subject	Decision
538	22.3.18	Renewable	Update of net metering criterion
538	22.3.18	Renewable	Generation of electricity using photovoltaic technology or small wind turbine
538	22.3.18	Renewable	Electricity generation using photovoltaic technology instead of consumerism - default
538	22.3.18	Renewable	Principles of competitive procedure for determining tariff for electricity generation using photovoltaic technology for rooftop installations
550	15.11.18	Renewable	Update of deadline for competitive procedures in high voltage and low voltage
550	15.11.18	Renewable	Extension for Dorot Sun partnership in construction of facility as part of the competitive procedure
550	15.11.18	Renewable	Publishing of invitation to submit proposals for determining tariff for production of electricity using photovoltaic technology in installations connected to ultra high voltage



Meeting No.	Date	Incorporated subject	Decision
553	24.12.18	Renewable	Publishing of “preliminary hierarchy” for testing feasibility of connection for competitive procedure for production of electricity from solar installations connected to ultra high voltage
544	28.6.18	Renewable	Additional quota for net metering arrangement
548	15.10.18	Renewable	Update of net metering quota corresponding to installations registered by the final date of registration
549	28.10.18	Renewable	Extension quota for small electricity generation facilities using photovoltaic technology
545	18.7.18	Renewable	Decision No. 2 (1274) update to decision No. 8 (1246) from meeting No. 538 held on 22.3.2018: “Generation of electricity using photovoltaic technology or small wind turbines”
540	3.5.18	Renewable	Reserving a place on the grid for construction of a solar power station pv2

Meeting No.	Date	Incorporated subject	Decision
553	24.12.18	Renewable	Extending the validity of tariff for winner of BOT tender for treatment of waste at the Dan Region Wastewater Treatment Plant (Shafdan) site
543	28.5.18	Renewable	Update on application of financing-supporting tariff arrangements with regard to wind technology installations
537	19.2.18	Consumerism	Updates, changes and additions to consumerism criteria
546	15.8.18	Consumerism	Updates, changes and additions to criteria
538	22.3.18	Consumerism	Update of criterion 22 “sending of bill” and tariff tables
539	16.4.18	Consumerism	Correction of scribal error in Authority Decision No.1 (1187) from meeting 525 held on 27.9.2017
537	19.2.18	Consumerism	On the matter of adding a unique consumption tariff for connection size 1*16 A



Meeting No.	Date	Incorporated subject	Decision
537	19.2.18	Licensing	Amendment of license contingent upon construction of a pumped storage hydroelectric power station for Alumei Pumped Storage (2014) Ltd. – extension of deadline for obligatory connection survey
534	8.1.18	Licensing	Approval of attachment of assets IPM Beer Tuvia
534	8.1.18	Licensing	Granting of license Eco Energy Golan Ltd.
538	22.3.18	Licensing	Amendment of conditional license for Pumped Storage Nesher Ltd.
540	3.5.18	Licensing	Approval of transfer of holdings in Bikurei Hama Energy Fields
543	28.5.18	Licensing	Amendment of license of PSP Investments Ltd.
543	28.5.18	Licensing	Approval for transfer of control Emek HaBacha
543	28.5.18	Licensing	Approval for transfer of holdings in Megalim Solar Power Ltd.
543	28.5.18	Licensing	Reduction of guarantee in conditional licenses

Meeting No.	Date	Incorporated subject	Decision
544	28.6.18	Licensing	Granting of conditional license for construction of electricity generation installation operating on renewable energy, connected to the distribution grid
544	28.6.18	Licensing	Amendment of license for Brenmiller Energy (Rotem) Ltd.
544	28.6.18	Licensing	Amendment of conditional license in solar technology connected to the transmission grid
544	28.6.18	Licensing	Approval for attachment of assets of Israel Electric Company Ltd.
544	28.6.18	Licensing	Approval for attachment of assets belonging to Brenmiller Energy
544	28.6.18	Licensing	Approval for attachment of assets in Kochav Pumped Storage license
544	28.6.18	Licensing	Approval for transfer of license of Tofaf Industries Ltd.
545	18.7.18	Licensing	Dead Sea License



Meeting No.	Date	Incorporated subject	Decision
546	15.8.18	Licensing	Approval for attachment of Alon Energy Gat Centers
546	15.8.18	Licensing	Approval of holdings in licenses under control of M.S. Marom Solar
546	15.8.18	Licensing	Approval for transfer of holdings in licenses under control of Shikun and Binui
547	3.9.18	Licensing	Approval for transfer of control in licenses of Sunflower Alon Tavor
547	3.9.18	Licensing	Approval for transfer of holdings in licenses of Enlight Renewable Energy
550	15.11.18	Licensing	Granting of conditional licenses for construction of wind technology generation facilities
550	15.11.18	Licensing	Granting of conditional licenses for construction of wind technology generation facilities
550	15.11.18	Licensing	Amendment of license for construction of pumped storage generation station for Pumped Storage Nesher Ltd.

Meeting No.	Date	Incorporated subject	Decision
550	15.11.18	Licensing	Amendment of conditional license for construction of pumped storage generation station for Alumi Pumped Storage Ltd.
550	15.11.18	Licensing	Approval for attachment of assets belonging to Kochav Pumped Storage
550	15.11.18	Licensing	Approval for attachment of assets belonging to Brenmiller Energy
553	24.12.18	Licensing	Granting of conditional license for construction of generation installation operating on wind turbines
553	24.12.18	Licensing	Reduction of guarantee in conditional license for IPM Beer Tuvia
546	15.8.18	Licensing	Amendment of conditional license for construction of cogeneration power station Tamar
548	15.10.18	Licensing	Solad
549	28.10.18	Licensing	Approval for attachment of assets belonging to Israel Electric Company Ltd.



Meeting No.	Date	Incorporated subject	Decision
549	28.10.18	Licensing	Approval for attachment of assets of Ashdod Energy and in Ramat Hanegev
536	29.1.18	Licensing	Extension of license for Green Wind Energy Ltd.
536	29.1.18	Licensing	Granting of conditional license for construction of electricity generation installation operating on renewable energy, connected to the distribution grid
553	24.12.18	Licensing	Amendment of license decision No. 4 meeting 471
Meeting No.	Date	Incorporated subject	Decision
547	3.9.18	Reform	Primary principles of competitive regulation for Alon Tavor Site
552	2.12.18	Reform	Alon Tavor
546	15.8.18	Reform	Classification of additional costs of retirement for Electric Company employees in the production section

Meeting No.	Date	Incorporated subject	Decision
536	29.1.18	Reform	Recognition of rates in retirement costs of Electric Company employees
542	15.5.18	Reform	Reform
542	15.5.18	Reform	Reform
551	15.11.18	Grid	Principles for settling accounts with regard to production and consumption on the distributor's land
553	24.12.18	Transparency of information	Update to publishing reporting obligation of system administrator
538	22.3.18	Transparency of information	Publishing data of delivery system and high voltage grid lines, data on reserving places for power stations and frequency data
538	22.3.18	Rates	Update to decision No. 3 (1225) on the matter of tariff basis for grid section 2018-2022 period
534	8.1.18	Rates	Tariff basis for grid section 2018-2022 period



Meeting No.	Date	Incorporated subject	Decision
534	8.1.18	Rates	Annual update for 2018 electricity tariff for Electric Company consumers
553	24.12.18	Rates	Assimilation of fixed component in grid tariff, and reattribution of costs for transmission and distribution sections
553	24.12.18	Rates	Annual update for 2019 electricity tariff for Electric Company consumers
536	29.1.18	Rates	Cancellation of infrastructure rates for upcoming transactions
544	28.6.18	Rates	Expansion of application of systemic rates

Review of Electricity Authority hearings 2018

	Subject of hearing	Deadline for submitting response to hearing
1	Criterion 35	31.10.18
2	Ultra high voltage tariff for next transaction	13.9.18
3	Guidelines for installing EV charging stations	16.10.18
4	Settling accounts with distributors	6.6.18
5	Complementary hearing for regulation of natural gas-powered generation facilities in the distribution grid	1.7.18
6	Connection procedure and receipt of tariff for production units in the distribution grid	15.7.18



	Subject of hearing	Deadline for submitting response to hearing
7	Amendment of criterion 123	24.7.18
8	Halt to registration for net metering quota	15.10.18
9	Amendment of criterion mark (e): “connection to ultra high voltage (bay port)	22.8.17
10	Setting rates that will apply to Halutz Facility for Brenmiller	3.10.18
11	Regulation of the activity of PV installations combining energy storage	3.10.18
12	Scrubbers	22.3.16
13	Road map	31.7.18

	Subject of hearing	Deadline for submitting response to hearing
14		19.8.18
15	Connections and infrastructure works, national projects	17.12.18
16	Call for proposal: Characterization of processes between the system management company and holder of transmission license	22.12.18
17	Criterion 177 – extending the schedule for construction of small wind turbine generation facilities	3.12.18
18	Call for proposal: Pilot for sale of electricity to private consumers at uniform price	30.11.18
19	Extending the validity of tariff for winner of the BOT tender for treatment of waste at the Dan Region Wastewater Treatment Plant (Shafdan) site	17.12.18
20	Annual update	



	Subject of hearing	Deadline for submitting response to hearing
21	Amendment of criterion 190	17.1.19
22	Regulation for ultra-high-voltage producers established without competitive procedure	21.1.19
23	Invitation to propose procedure No.1 – rooftop installations	10.1.19
24	Principles for recognition of natural gas costs for private producers operating on natural gas	16.1.19
25	Complementary hearing – Brenmiller	18.2.19
26	Value of land at Alon Tavor site	19.2.19
27	Complementary hearing for criterion 35	7.2.19

	Subject of hearing	Deadline for submitting response to hearing
28	Peak load hours	17.3.19
29	Transaction rules and publishing of criteria	7.4.19
30	Motivating the Electric Company to keep schedules set in the development plan	1.4.19
31	Criterion 7a – publishing connection and planning surveys	14.4.19
32	Amendment of criterion 35	1.5.19
33	Change of criterion 42 – frequency shedding	1.5.19
34	Rates of expanded services	1.5.19



	Subject of hearing	Deadline for submitting response to hearing
35	Financing- supporting criteria for PV 2 tender	19.4.19
36	Integration of generation installation smaller than 16 MW	17.4.19
37	Amendment to application of pumped storage	19.4
38.	Decision proposal for hearing – late interest	6.6.19
39	Complementary hearing for criterion 7a	22.5.19
40	Criterion 24 – arrangements of payment for billing among vital services providers	10.6.19



Electricity Authority