

62th PERMANENT HIGH LEVEL GROUP

Belgrade, 29 November 2021

1. The meeting was chaired by Ms Natalija Luković on behalf of 'Serbia and Florian Ermacora for the European Commission.
2. The Permanent High Level Group (PHLG) approved the agenda. Bosnia and Herzegovina suggested to remove the Cases 5/17 and 10/18 from the agenda. Secretariat pointed out that this would be against the Treaty.

Treaty amendments

3. All Parties confirmed the need for Treaty amendments and expressed their commitment to further work on compromise solutions in a constructive manner. The Commission proposed to focus in the meanwhile on alternative solutions within the framework of the current Energy Community Treaty in order to achieve progress on the integration of electricity markets, including through measures in the electricity field under relevant Title of the Treaty for discussion in 2022. This proposal was wellcomed by the Contracting Parties.

New acquis

4. Following discussions, the PHLG endorsed the Decision on amending Annex I to the Treaty establishing the Energy Community and incorporating Electricity Directive 2019/944 concerning common rules for the internal market in electricity and Risk Preparedness Regulation 2019/941 on risk-preparedness in the electricity sector, for adoption by the Ministerial Council.
5. Following discussions, the PHLG endorsed the Decision on amending the Treaty establishing the Energy Community and incorporating Directives (EU) 2018/2001 on the promotion of the use of energy from renewable sources and 2018/2002 on energy efficiency, Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action, and Implementing Regulation (EU) 2020/1208 on structure, format, submission processes and review of information reported by Member States and Delegated Regulation (EU) 2020/1044 supplementing Regulation (EU) 2018/1999 of the European Parliament and of the Council with regard to values for global warming potentials and the inventory guidelines and with regard to the Union inventory system, for adoption by the Ministerial Council. Some proposed amendments will be further discussed before and at the Ministerial Council meeting.
6. Following discussions, the PHLG endorsed the Decision on amending Annex I to the Treaty establishing the Energy Community and adapting and implementing Regulation (EU) 2017/1938 of the European Parliament and of the Council concerning measures to safeguard the security of gas supply, for adoption by the Ministerial Council.

7. The PHLG adopted a Decision on adjustment of Annex I to Regulation 838/2010 laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging (G-charges) - Decision amending Decision No 2013/01/PHLG-EnC of the PHLG).

Implementation of the Treaty

8. The Secretariat presented 2021 edition of the Implementation Report. The PHLG took note of the progress made and called upon all Contracting Parties to continue full implementation, with a particular emphasis on the Large Combustion Plants Directive, where non-compliance endangers citizens' health and lives. The PHLG welcomed the initiative by the Secretariat to develop guarantees of origin and their transfer between Contracting Parties and calls upon all Contracting Parties' designated registries to join the initiative. .
9. Upon hearing of the parties to the respective cases and the President of the Advisory Committee, on the Secretariat's Reasoned Requests in the respective cases, the PHLG endorsed the following draft Decisions: 2021/03/MC-EnC on the failure of Bosnia and Herzegovina to comply with the Treaty in Cases ECS-10/18; 2021/04/MC-EnC on the failure of Moldova to comply with the Treaty in Case ECS-7/18, and 2021/09/MC-EnC on the failure of Moldova with the Treaty in Case ECS-24/21; 2021/05/MC-EnC on the failure of Montenegro to comply with the Treaty in Case ECS-3/21; 2021/07/MC-EnC on the failure of North Macedonia to comply with the Treaty in Case ECS-22/21; 2021/08/MC-EnC on the failure of Serbia to comply with the Treaty in Case ECS-23/21; 2021/06/MC-EnC on the failure of Ukraine to comply with the Treaty in Case ECS-4/21. The PHLG identified Decisions 2021/04/MC-EnC, 2021/09/MC-EnC, 2021/07/MC-EnC, 2021/08/MC-EnC and 2021/06/MC-EnC for inclusion as "A" points on the agenda of the Ministerial Council.
10. The Presidency proposed to put 2021/03/MC-EnC on the failure of Bosnia and Herzegovina to comply with the Treaty in Case ECS-10/18 on the agenda of the Ministerial Council as separate agenda item under Implementation of the Treaty. The Secretariat recalled that Bosnia and Herzegovina had ample opportunity to put forward their arguments during the procedure, and that the Advisory Committee found breach of the Contracting Party concerned, in line with the Secretariat's Reasoned Request.
11. With regard to draft Decision 2021/02/MC-EnC on the failure of Bosnia and Herzegovina to comply with the Treaty in Case ECS-5/17, the PHLG noted the absence of an Opinion by the Advisory Committee. The PHLG will resume the discussion of that Case once the Opinion is available, before recommending adoption of a Decision to the Ministerial Council by written procedure
12. Upon hearing of the parties to the case, the PHLG endorsed the Secretariat's request under Article 92 of the Treaty in Cases ECS-10/17S and 13/17S against Serbia and recommended adoption of a decision on establishing a serious and persistent breach by the Ministerial Council

Energy and Climate Framework

13. The PHLG discussed and welcomed the General Policy Guidelines on the adoption of a Decarbonisation Roadmap for the Contracting Parties of the Energy Community proposed by the European Union and endorsed the document. Adopting the Decarbonization Roadmap by the Ministerial Council will send an important signal as to the readiness of the Energy Community to join the European Union and other international partners in achieving net zero greenhouse gas emissions by 2050.
14. Georgia emphasized that the transposition and the implementation of the necessary regulatory framework for implementing carbon pricing by Georgia (MRR regulation (Commission Implementing Regulation (EU) 2018/2066 on the monitoring and reporting of greenhouse gas emissions amended by Commission Implementing Regulation (EU) 2020/2085), AVR regulation (Regulation (EU) 2018/2067 on the verification of data and on the accreditation of verifiers amended by Commission Implementing Regulation (EU) 2020/2084), Accreditation Regulation (Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products)) will be structured with regard to the assessment of its impact on national economy and necessary capacities for the implementation.

Other issues

The PHLG endorsed the following acts:

- Annual Report on the Activities of the Energy Community,
- Decision 2021/2/MC-EnC on Financial Discharge of the Director of the Secretariat of the Energy Community,
- Energy Community Budget 2022-2023
- Decision 2021/11/MC-EnC of the Ministerial Council of the Energy Community amending Decision No 2015/09MC-EnC of 16 October 2015 on the implementation of Regulation (EU) No 347/2013 of the European Parliament and of the Council on guidelines for trans-European energy infrastructure.
- Decision No 2020/12/MC-EnC on the implementation of the Commission Regulation (EU) 2019/2146 of 26 November 2019 amending Regulation (EC) No 1099/2008 of the European Parliament and of the Council on energy statistics, as regards the implementation of updates for the annual, monthly and short-term monthly energy statistics (EC)
- Procedural Act 2021/3/MC-EnC amending Procedural Act of the Ministerial Council 2008/02/MC-EnC of 11 December 2008 on the Establishment of Security of Supply Group
- Procedural Act 2021/2/MC-EnC of the Ministerial Council appointing the Director of the Secretariat

As regards the Regulation on energy labelling for household washing machines and washer-dryers (EU) 2019/2014, Regulation on energy labelling for light sources (EU) 2019/2015, Regulation on energy labelling for refrigerating appliances (EU) 2019/2016, and Regulation on energy labelling for household dishwashers (EU) 2019/2017, the Contracting Parties invited the European Commission,

with the support of the Secretariat, to prepare draft delegated acts on Labelling Regulations* for discussion in 2022.

Done in Belgrade on 29 November 2021

For the Permanent High Level Group

THE PRESIDENCY