

70th PERMANENT HIGH LEVEL GROUP

Vienna, 13 December 2023

1. The meeting was chaired by Mr. Enea Karakaçi on behalf of Albania and Ms. Yolanda Garcia Mezquita for the European Commission.
2. The Permanent High Level Group (PHLG) approved the agenda and finalized the Conclusions of the 69th PHLG meeting.

New acquis for adoption by the Ministerial Council

3. Following the discussions held at previous meetings, the PHLG endorsed the adoption by the Ministerial Council of:
 - The Decision on extending the duration of the Energy Community Treaty. As explained by the Secretariat, Article 97 of the Treaty, unlike Article 100 of the Treaty, does not require unanimity of the members of the Ministerial Council, but unanimity of the votes cast. According to Article 78 of the Treaty, abstentions in a vote from Parties present shall not count as votes cast;
 - The Decisions on amending the Treaty and incorporation of the TEN-E Regulation;
 - The Procedural Act on the Seat of the Gas Forum.

Implementation of the Treaty

4. Upon presentation by the Secretariat of the 2023 edition of the Implementation Report, the PHLG welcomed the progress made and called upon all Contracting Parties to continue efforts to fully implement the Energy Community acquis communautaire, and to follow up on all identified instances of non-compliance. Moreover, the PHLG invited all Contracting Parties to intensify their efforts to transpose the Electricity Integration Package, a key precondition for for the Contracting Parties integration into the EU internal electricity market.
5. Upon hearing of the parties to the respective cases and the President of the Advisory Committee on the Secretariat's Reasoned Requests under Article 91 of the Treaty, the PHLG (with the exception of the Contracting Parties not entitled to vote) endorsed the inclusion by the Ministerial Council as "A" points on the agenda:
 - The Decision on the Reasoned Request submitted by the Secretariat against Bosnia and Herzegovina in Case ECS-7/21;
 - The Decision on the Reasoned Request submitted by the Secretariat against Kosovo* in Case ECS-8/21;
 - The Decision on the Reasoned Request submitted by the Secretariat against North Macedonia in Case ECS-9/21;

- The Decision on the Reasoned Request submitted by the Secretariat against Bosnia and Herzegovina in Case ECS-10/23;
- The Decision on the Reasoned Request submitted by the Secretariat against Kosovo* in Case ECS-11/23;
- The Decision on the Reasoned Request submitted by the Secretariat against Moldova in Case ECS-12/23.

With regard to the Decision on the Reasoned Request submitted by the Secretariat against Montenegro in Case ECS-15/21, the PHLG noted the absence of an Opinion by the Advisory Committee. The Presidency and the Vice Presidency of the Ministerial Council are invited to launch decision by written procedure immediately once the Opinion is available.

Decarbonisation Roadmap

6. The PHLG discussed the state of play of the discussion on introducing a carbon pricing scheme, following the informal Ministerial Council meeting in June 2023, and took note of the report from the technical discussions which have taken place at TWG meetings in October and November. The PHLG underlined the importance of finding a solution which gradually aligns with the EU ETS, and supports electricity market coupling. The PHLG recommended that the Ministerial Council invites the European Commission to finalise an impact assessment, adapted to the specificity of the Energy Community Contracting Parties, of the carbon pricing options set out in the report. The assessment will inform discussions on the adoption of an adapted version of the Emissions Trading System Directive potentially at the next informal Ministerial Council in Bosnia and Herzegovina. The ultimate decision is without prejudice to the decision-making process enshrined in the Treaty. The PHLG agreed that a commitment by the 2024 Ministerial Council to implementation by 2030 of the selected model for the Energy Community emissions trading scheme will enhance the credibility of the reports to be provided by Contracting Parties in 2025 to the European Commission in accordance with the CBAM Regulation, including on the fulfillment of exemption conditions set out in that Regulation, for those countries who choose to apply for such exemption.
7. The PHLG took stock of the process of drafting and reviewing national energy climate plans (NECPs) in the Energy Community. It was agreed that the first PHLG in 2024 will serve as an opportunity for regional consultations among Contracting Parties on the targets, policies and measures and their regional impact. This meeting should also sound out opportunities for cross-border cooperation. The PHLG agreed to prioritize the policies and measures under the NECPs.
8. The European Commission presented to the PHLG a technical non-paper containing a draft Roadmap on the Recognition of Guarantees of Origin issued by Contracting Parties of the Energy Community in the EU, entailing a tentative list of procedural and substantive conditions to be fulfilled as a minimum requirement by the Contracting Parties. Having heard the Contracting Parties, the European Commission will undertake further work on this basis. The PHLG welcomed the presentation of the draft Roadmap. Contracting Parties were invited to submit observations on the draft Roadmap by end of January 2024. The PHLG invited the Secretariat to facilitate all Contracting Parties' efforts to start preparatory work towards fulfilling the criteria entailed in the Roadmap.

Organizational and budgetary matters

9. The PHLG endorsed the inclusion of the Annual Report on the Activities of the Energy Community as "A" point on the agenda.
10. Upon discussion, the PHLG welcomed the announcement by the Presidency and the Vice-Presidency to submit, through the Secretariat, the following items for decision-making by correspondence within the shortest possible timeframe and in agreement with the Presidency and the Vice-Presidency:
- The Procedural Act on amending Procedural Act No 2021/01/MC-EnC on the adoption of the Budget of the Energy Community for the years 2022-2023 and on the contributions by the Parties to the budget;
 - The Procedural Act amending the Staff Regulations and amending the Rules for Recruitment, Working Conditions and Geographical Equilibrium of the Secretariat's Staff of the Energy Community;
 - The Procedural Act on amending Procedural Act No 2021/02/MC-EnC on the appointment of the Director of the Energy Community Secretariat;
 - The Procedural Act on the Adoption of the Energy Community Budget 2024/2025;
 - The Procedural Act on adopting the Organigramme of the Secretariat;
 - The Procedural Act on amending Procedural Act 2014/01/MC-EnC on the Energy Community Procedures for the establishment and implementation of budget, auditing and inspection;
 - The Decision on Financial Discharge of the Director of the Secretariat of the Energy Community for 2022.
11. The PHLG discussed and endorsed the draft conclusions of the upcoming Ministerial Council meeting, with the exception of points 4, 8 and 19.

Done in Vienna on 13 December 2023

For the Permanent High Level Group

THE PRESIDENCY



