



CESEC regulatory issues

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Overview

- *Brief history of the CESEC High Level Group*
- *Coordination of work on infrastructure and regulatory issues*
- *How can the work on regulatory issues directly benefit the projects?*
- *Concrete examples*

CESEC Gas Regional Cooperation

- *Bringing together the EU, its **Member States and Energy Community Contracting Parties** in their endeavours to **develop and integrate a key regional gas market** on the European continent since 2015.*
- *The mission of CESEC is to address the **diversification regarding natural gas and enhancing security of supply** across borders on a trans-European scale through better interconnection.*
- *Identification of a number of **key priority projects**.*
- *Has led to the **extension the scope of CESEC cooperation to electricity, renewable energy and energy efficiency** by way of the Memorandum of Understanding signed in Bucharest in 2017.*



Central and South Eastern Europe Gas Connectivity (CESEC)

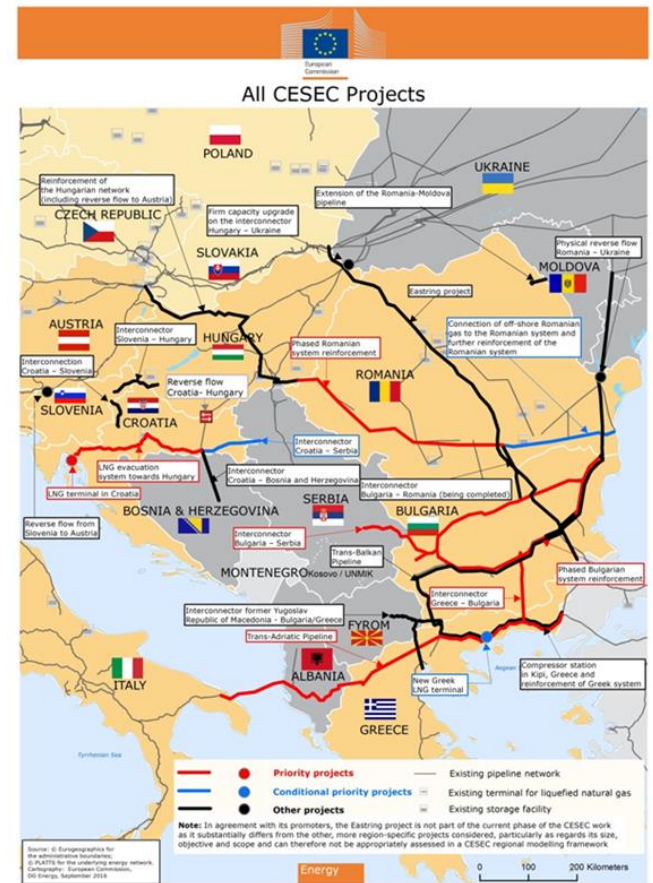
Achievements so far

- Prioritisation of key projects in the region
- High level political commitment
- Concrete regulatory deliverables with agreed timeline
- Mobilisation of EU financial support



MATURE Process = New Key Areas

- Electricity Trading and Market Coupling
- Power Grid Infrastructures
- Renewable Energy and Energy Efficiency



Coordination of work on infrastructure and regulatory issues

- *Since the beginning of the CESEC High Level Group, the **regulatory issues** were addressed*
- *Adoption and implementation of several **Action Plans** with specific actions to improve the regulatory environment mainly the correct and timely implementation of the network code but also other cross regional issues like tariffs and trading environment*
- *The **first action plan** was adopted with the Memorandum of Understanding creating the High Level Group in July 2015 already addressing **market integration challenges***
- *A **second Action plan** (Action Plan 2.0) was adopted in September 2016 with **tariffs and the trading environment** as the main issues to be addressed. Member States also agreed to a list of specific regulatory actions to be implemented by a certain deadline*
- *In September 2017, the CESEC Action Plan 2.0 was updated especially in view of the status of the actions to be completed by MS.*

How can the work on regulatory issues directly benefit the projects?

- **General regulatory improvement** good for everybody: the general regulatory improvements reached in the CESEC region profit to all projects
- **Project promoters can raise issues** – Plenary groups:
 - The organisation of the CESEC high level group allows for project promoters to raise any issue they are facing
 - Gas Plenary group meetings with all project promoters take place regularly (2 to 3 times a year)
 - Possibility at these meetings to raise specific regulatory issues
- Also possibility for stake holders to **engage bilaterally** with DG ENER on specific regulatory issues

Concrete examples 1/2

- **Licensing:**

- *As a follow-up of the work on trading arrangements, the Energy Community Secretariat developed a non-paper on "Harmonisation of licensing regimes in electricity and gas"*
- *This work should lead to a mandate by the Council to revise title III of the Energy Community Treaty to harmonise standards for licencing*
- *The proposal is expected to be approved at the EnC Ministerial Council in November*

- **Tariffs Greece and Hungary**

- *Important tariff reforms took place in Greece and Hungary*
- *Leading to simplified and lower entry-exit tariffs*

Concrete examples 2/2

- **Workshop implementation Network Code** (including reverse flow in SOS regulation)
 - Many workshops concerning the implementation of the Network Code took place in the CESEC region (especially Romania, Bulgaria and Greece, for RO, the last workshop is expected at the end of April; for BG, the second workshop will take place probably in May)
 - The implementation of the reverse flow obligation under the SOS regulation was also discussed
- **Stakeholders meetings**
 - Regular stakeholder meeting (Plenary meetings) are organised in the CESEC context
 - Last stakeholder meeting of the gas group on 13 March 2018



**Thank you very much for your
attention!**

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Source: Directorate-General for Energy