

59th PERMANENT HIGH LEVEL GROUP

Cyberspace, 16 December 2020

1. The meeting was chaired by Ms Radmila Damjanović on behalf of Montenegro and Anne Charlotte Bournoville for the European Commission.
2. The Permanent High Level Group (PHLG) approved the agenda with several modifications which should be also reflected in the documents available at the Energy Community event website.

Adoption of Procedural Acts

3. The Commission presented the proposal of the European Union for a draft Procedural Act (PA) of the PHLG amending PA No 01/2011 PHLG-EnC of the PHLG of the Energy Community laying down the rules governing the arbitration procedure in staff matters under Article 14 of the Staff Regulations.
4. The Presidency instructed the Secretariat to carry out the adoption procedures by correspondence in line with point VI.3 of the Rules of Procedure of the Permanent High Level Group with the shortest possible deadlines according to the Procedural Rules.

Treaty amendments and related Procedural Acts

5. The PHLG discussed amendments to the Energy Community Treaty and the Protocol on Denomination of Parties and other updates of the Treaty and thanked the Commission for all endeavours to bring the negotiations to an end. The PHLG while acknowledging the progress made did not reach consensus on the text based on annexes I and II. Bosnia and Herzegovina, Kosovo, Serbia and Ukraine reminded the PHLG of their positions related to either the Treaty amendments or the Protocol on Denomination and Other Updates of the Treaty. The remaining Contracting Parties expressed support. Based on the Ministerial Council conclusions, the PHLG will discuss next steps at its next meeting.

Green Deal for the Energy Community

6. The PHLG discussed the challenges and opportunities of an Energy Community at the crossroads in times when decarbonisation and climate neutrality objective have substantially changed the agenda of energy policy in Europe and globally. The PHLG welcomed the signature of the Sofia Declaration on the Green Agenda for the Western Balkans, and highlighted that it will serve as the cornerstone for a long-term vision in establishing a modern, climate neutral, resource-efficient and competitive economy.
7. The European Commission presented its Communication on an Economic and Investment Plan for the Western Balkans and the opportunities for the Western Balkans countries. It also reported about the launch of the study "Extension of the EU energy and climate modelling capacity to include

the Energy Community and its nine Contracting Parties". The study will allow to propose ambitious 2030 energy and climate targets based on the robust data.

General Policy Guidelines

8. The PHLG discussed the 2020 General Policy Guidelines on 2030 targets and climate neutrality in view of launching written procedure by the Ministerial Council.

Implementation of the Treaty

9. The Secretariat presented 2020 edition of the Implementation Report and stressed its concern regarding the increasing difference in the implementation status among Contracting Parties.

10. The PHLG welcomed the report on Fuel Quality Directive transposition and discussed the opportunity to work on an incorporation of core elements, once identified, of the Fuels Quality Directive into the Energy Community acquis.

11. The PHLG discussed Art. 91 ECT cases, notably Case ECS-13/17 on the failure of Serbia to comply with the Treaty and Case ECS-10/18 on the failure of Bosnia and Herzegovina to comply with the Treaty. It will resume the discussion of those cases once the opinions of the Advisory Committee are available, before recommending adoption of Decisions to the Ministerial Council by written procedure.

12. Upon hearing of the parties to the respective cases under Art. 92 ECT, the PHLG agreed that the cases should not be decided by the Ministerial Council at its meeting on 17 December 2020, but should be submitted for Decisions by written procedure. The PHLG discussed and endorsed the Secretariat's requests under Article 92 of the Treaty in Cases ECS-8/11S, ECS-2/13S, ECS-6/16S against Bosnia and Herzegovina, Case ECS-1/18S against Ukraine and Case ECS-10/17S against Serbia under Art. 92(1) of the Treaty and recommended their adoption by the Ministerial Council by written procedure. The Secretariat announced that it will adapt the draft Decisions in cases ECS-1/18S (art. 2.2) and ECS-8/11S, ECS-2/13S, ECS-6/16S (related to art. 3.1 of 2015/10 Decision).

New acquis

13. PHLG endorsed the draft Decision on adoption 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 and Commission Implementing Regulation (EU) 2019/803 of 17 May 2019 concerning the technical requirements regarding the content of quality reports on European statistics on natural gas and electricity prices pursuant to Regulation (EU) 2016/1952 of the European Parliament and of the Council. Serbia didn't agree and proposed to change the deadline for implementation of the Regulation (EU) 2019/2146.

14. The PHLG discussed the application by the Contracting Parties of the revised methodology introduced by Commission Implementing Directive (EU) 2018/1581 of 19 October 2018, amending Council Directive 2009/119/EC and took note of the working document prepared by the Secretariat in view of a possible Commission proposal in the near future.

Infrastructure

15. The PHLG endorsed the draft Decision 2020/XX/MC-EnC of the Ministerial Council of the Energy Community on the establishment of the list of projects of Energy Community interest ('Energy Community list') and recommended its adoption by the Ministerial Council by written procedure. Serbia didn't agree and proposed to change the name of the gas interconnection project on the border with Bulgaria (proposed name: Gas_09_Interconnector Bulgaria-Serbia (PCI)).

16. The PHLG endorsed the draft Recommendation of the Ministerial Council of the Energy Community /2020/Y/MC-EnC on projects of mutual interest between Contracting Parties and Member States of the European Union (EnCS) and recommended its adoption by the Ministerial Council by written procedure.

Other issues

17. The PHLG took note of the Audit Report as of 31 Dec 2019, Budget Committee Report on Audit 2019, Director's Report on Execution of the Budget and endorsed and recommended the Ministerial Council to adopt by written procedure the Annual Report on the Activities of the Energy Community and the Decision 2020/1/MC-EnC on Financial Discharge of the Director of the Secretariat of the Energy Community.

18. The PHLG endorsed the appointment of the Members of the Advisory Committee and recommended the appointment also to the Ministerial Council by written procedure.

Done in Cyberspace on 16 December 2020

For the Permanent High Level Group

THE PRESIDENCY

