

51st PERMANENT HIGH LEVEL GROUP

Skopje 28 November 2018

1. The meeting was chaired by Mr Ismail Luma on behalf of the former Yugoslav Republic of Macedonia and Ms Anne Charlotte Bournoville for the European Commission.
2. The Permanent High Level Group (PHLG) approved the agenda.
3. Following the presentation of the Director, the PHLG welcomed the Annual Report on the Activities of the Energy Community and proposed to the Ministerial Council to adopt it.
4. After information by the European Commission about recent developments at EU level in relation to Treaty amendments, the PHLG recommended to take up the discussions on Treaty amendments with particular focus on a reciprocity mechanism. The PHLG expressed its expectation that negotiations can be finalised as soon as possible.

Implementation of the Treaty

5. Upon hearing of the parties to the respective cases as well as the President of the Advisory Committee, the PHLG decided to include the Reasoned Requests in cases ECS-8/15 (Ukraine), ECS-1/18 (Ukraine), ECS-2/18 (Albania), ECS-3/18 (Bosnia and Herzegovina), ECS-4/18 (Ukraine) as A-Items on the agenda for the Ministerial Council in line with Article 33 of the Dispute Settlement Rules of Procedures. Upon hearing of the parties to the respective cases, the PHLG endorsed the Secretariat's requests under Article 92 of the Treaty in Cases ECS-3/08 S (Serbia), ECS-8/11 S (Bosnia and Herzegovina), ECS-2/13 S (Bosnia and Herzegovina), ECS-4/13 S (Serbia), ECS-5/13 S (Ukraine) and ECS-6/16 S (Bosnia and Herzegovina) for decision by the Ministerial Council. Ministerial Council will discuss and vote about those cases in accordance with the applicable voting rules.

General Policy Developments

6. The PHLG endorsed the General Policy Guidelines on 2030 Targets for the Contracting Parties of the Energy Community, and recommended its adoption by the Ministerial Council. Republic of Serbia stressed a need to continue the discussion on technical level where the concerns of each Contracting Party should be duly considered.

New acquis

7. The PHLG endorsed the Decision on the revision of 2020 renewable energy target for the former Yugoslav Republic of Macedonia, and recommended its adoption by the Ministerial Council.
8. The PHLG endorsed Decision 2018/3/MC-EnC on adapting and implementing Regulation (EU) 2017/1369 of the European Parliament and of the Council setting a framework for energy labelling, and certain Delegated Regulations on energy-related products (EC), and recommended its adoption by the Ministerial Council. Republic of Serbia supported the endorsement of the Regulation 2017/1369 but has requested the modification of certain articles in view of its national Law on Market Surveillance. In this respect the European Commission indicated that it would consider making an adequate proposal for adaptations, for instance as regards Articles 8, 9 and 10 of the

Regulation at the next Ministerial Council meeting in 2019. Montenegro fully supported this approach. Montenegro asked the Secretariat to approach the European Commission in view of possibility to have access to restricted data on EU market surveillance.

9. The PHLG endorsed the Commission's proposal for an adjusted version of Regulation (EU) 1227/2011 (REMIT) agreed with the national regulatory authorities from the Contracting Parties, and invited the European Commission to propose a Decision on that basis for adoption by the Ministerial Council's 2018 meeting. Republic of Serbia expressed its concern that the adoption of the Regulation might be too early.
10. The PHLG adopted the proposal for Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas as proposed by the Commission.
11. The PHLG adopted the proposal for Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) 984/2013.

Procedural acts

12. Following up on the discussions at the meeting in June 2018, the PHLG discussed and endorsed the Secretariat's proposals for a Procedural Act on the Establishment of a Coordination Group of the Energy Community Distribution System Operators for Electricity, and a Procedural Act on the Establishment of an Energy Community Coordination Group for Cyber-Security and Critical Infrastructure and recommended them for adoption to the Ministerial Council. The PHLG expressed its understanding that both Procedural Acts will be implemented under the existing Energy Community budget and will not negatively impact other tasks of the Energy Community.

13. The Secretariat presented the draft Procedural Act on Energy Community Parliamentary Plenum meetings Rules of Procedure, which was consulted with the Parliamentary Plenum meeting. The PHLG welcomed the revised version of the Procedural Rules, which better reflects the current institutional set-up of the Energy Community as established by the Treaty. The PHLG endorsed the draft Procedural Act.

12. The PHLG discussed the Secretariat's proposal for a Procedural Act on a procedure in case of urgency under Article 18(3) of Procedural Act 2015/04/MC-EnC which takes into account comments received at and after the PHLG Meeting in June 2018. The PHLG agreed to further follow-up on this matter and encouraged members to provide their comments in writing.

Energy infrastructure

13. The PHLG endorsed the draft Decision 2018/11/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.

14. The PHLG endorsed the draft Recommendation of the Ministerial Council of the Energy Community R/2018/1/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.

Appointment of the Director

15. Contracting Parties endorsed Commission's proposal for the appointment of Mr Janez Kopač as the Director of the Energy Community Secretariat.

Miscellaneous

16. The Secretariat informed the PHLG about the election of the new Chair of the Environmental Task Force (Daniel Martin-Montalvo).

17. Greece provided a written statement with respect to the use of the constitutional name or of the name »FYR Macedonia« for the Host Country at the 16th MC meeting and 51st PHLG meeting.

Done in Skopje on 28 November 2018

For the Permanent High Level Group,

THE PRESIDENCY