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## Conclusions of the 22nd Energy Community Electricity Forum

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31<sup>st</sup> May and 1<sup>st</sup> June 2017, Athens – Hotel Divani Caravel, Vas. Alexandrou Avenue 2

### Policy developments

1. The Forum takes note of European energy policy advancement related to the Clean Energy Package and stresses the need for the Energy Community to keep pace with related developments in order to not widen the gap between Member States' and Contracting Parties' energy markets.
2. In this context, the Forum expresses concerns on shortcomings reported by ECDSO-E as regards the ability and preparedness of national regulation in the Contracting Parties to respond to new and emerging market functionalities, such as integration of decentralized generation; self-consumption; demand response; need for aggregation; electro-mobility and other. The Forum calls upon Contracting Parties to enhance efforts to accordingly adjust their legal and regulatory systems, including an inclusive process of tariff setting for distribution system operators; incentivizing quality of service; fair charging for flexibility services; and equal access to appropriate price signals for access to and use of networks. The Forum invites ECDSO-E to report on related progress to the next Forum and asks the Secretariat to develop and consult with stakeholders a policy paper on self-consumption.
3. The Forum acknowledges the so-far activities of ECDSO-E and supports the intention to establish a more structured format of cooperation.
4. The Forum underlines that the reform of the Energy Community Treaty ('Treaty') presented by the Energy Community Secretariat ('Secretariat') is an indispensable pre-requisite for effective energy market enhancement in the Contracting Parties as well as for their successful integration with neighboring EU markets. The Forum thus invites the Ministerial Council to adopt the proposed Treaty reforms in October 2017 subject to prior agreement by the Permanent High Level Group ('PHLG').

### New acquis

5. The Forum supports the Secretariat's initiative on implementation of electricity network codes and guidelines in the Contracting Parties and called upon regulators and transmission system operators to actively contribute to completion of adapted versions of Commission Regulation 2016/631<sup>1</sup>, Commission Regulation 2016/1447<sup>2</sup> and Commission Regulation 2016/1388<sup>3</sup> ('connection codes'). The Forum calls the European Commission ('Commission') to finalize procedures in time for adoption of the connection codes by PHLG in December 2017.

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<sup>1</sup> Establishing a network code on requirements for grid connection of generators.

<sup>2</sup> Establishing a network code on requirements for grid connection of high voltage direct current systems and direct current-connected power park modules.

<sup>3</sup> Establishing a network code on demand connection.

6. The Forum encourages the Secretariat, in cooperation with ECRB, to continue with the development of a concept for harmonization of trade and supply licensing regimes in the countries covered by Title III of the Treaty and discuss with relevant stakeholders before adoption by the Ministerial Council.
7. The Forum calls upon national governments to sufficiently support/equip national regulatory authorities with the human and financial resources needed for meeting the additional duties stemming from new *acquis* ahead.
8. The Forum urges the Contracting Parties to without further delay finalise the procedures for unbundling and certification of national transmission and distribution system operators.

### Creating a trading region South East Europe

9. The Forum welcomes the progress made in creating a regional electricity market in the Western Balkan countries, as presented in the monitoring reports of the Energy Community Secretariat. The Forum invites the governments of the Western Balkans to adopt necessary decisions enabling the set-up of national electricity markets in compliance with the 3rd Energy Package and with the targets set by the 2015 Western Balkans Summit.
10. The Forum welcomes the signature of the Western Balkan 6 (WB6) Memorandum of Understanding (MoU) by stakeholders of all neighbouring EU Member States as a positive signal for the commitment of EU and Energy Community members of South East Europe to actively contribute to the establishment of a coupled trading region.
11. Recognising the importance of a harmonized legal framework for cross-border trading, the Forum invited the Secretariat to develop and discuss with relevant EU and Energy Community stakeholders adaptations of Commission Regulation 2015/1222<sup>4</sup> and Commission Regulation 2016/1719<sup>5</sup>. The Forum expresses its clear support and urges stakeholders to actively facilitate their early implementation.
12. In the light of enhancing day-ahead market developments, the Forum recognizes the importance to ensure market transparency. The Forum, thus, supports the step-wise implementation of Regulation 1227/2011 (REMIT) in the Contracting Parties, urges the Secretariat to continue discussions with relevant stakeholders – including regulators, ACER, Commission and ENTSO for Electricity and Gas – and to present a first assessment evaluating the impact of REMIT implementation in the Contracting Parties to the PHLG meeting in June 2017.
13. The Forum urges the Ministries and regulators of the WB6 countries to provide the necessary political and regulatory support to facilitate the enhancement of day ahead market coupling and take active participation in governance bodies established under the WB6 MoU.
14. The Forum expresses appreciation for the identification of first market coupling pilot projects involving Contracting Parties and Member States, namely Serbia-4MMC and Italy-Montenegro-Serbia-Albania. The Forum encourages stakeholders to propose additional projects to be included into the day-ahead market coupling roadmap to be implemented through the technical assistance to connectivity of electricity markets in Western Balkans provided by the Commission and implemented by the Secretariat. The

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<sup>4</sup>Establishing a guideline on capacity allocation and congestion management.

<sup>5</sup>Establishing a guideline on forward capacity allocation.

Forum encourages the WB6 Day-ahead Market Integration Program Steering Committees to adopt a roadmap for day-ahead market coupling in Western Balkan region before the Trieste Western Balkans Summit.

15. The Forum welcomes the extension of the CESEC initiative to electricity, as it can be a useful complementary instrument to ensure smooth implementation of electricity trading notably at EU-EnC borders.
16. The Forum invites all stakeholders to take actively part in the development and implementation of pilot projects under the WB6 and CESEC-Electricity initiatives and calls upon the Commission and Secretariat to coordinate the different initiatives in the SEE region closely to avoid duplication of day-ahead market coupling activities already initiated under the WB6 process in order to achieve efficient implementation of market coupling.
17. The Forum deplores the still lacking participation of EMS in an Auction Office for coordinated allocation of cross-border and encourages EMS and SEE CAO to present a mutual agreement without further delay.

#### Market developments in Ukraine, Moldova and Georgia

18. The Forum encourages the energy market stakeholders of Ukraine to effectively implement the electricity market reforms supported by the recently adapted legal framework. The Forum invites the national energy regulatory authority (NEURC) to tap the full potential of its powers to pro-actively design a market based electricity market.
19. The Forum expresses concerns about the lack of progress in proceeding with integration of the electricity markets of Ukraine and Moldova. The Forum invites these countries to pro-actively resume the related process with the Secretariat and present an integration plan, including concrete measures and timelines, to the next Forum.
20. The Forum congratulates Georgia on the progress made in becoming Contracting Party of the Energy Community. It welcomes ongoing reforms in the country and invites Georgian stakeholders to be actively involved in the institutions of the Energy Community and related activities.

#### Infrastructure Regulation 347/2013

21. The Forum acknowledges the importance of adequate infrastructure for reaching the Energy Community's goals of sustainability, pan-European energy market integration and security of supply. The Forum emphasizes that the implementation of priority infrastructure (PEICs and PMIs) require a high degree of cooperation between countries and companies and urges Contracting Parties to give these projects a strong political and administrative support.
22. In this context, the Forum expresses concerns about lack of transposition of Regulation 347/2013 in all Contracting Parties, except Kosovo\*, despite expiry of deadline of 1 January 2017. The Forum urges these countries to transpose and effectively implement Regulation 347/2013 without further delay and notify to the Secretariat accordingly.