

# 3<sup>rd</sup> meeting on implementation of REMIT in the Energy Community

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Energy Community Secretariat, Am Hof 4, Level 6, 1010 Vienna  
9 April 2018

Meeting material is available at: <https://www.energy-community.org/> - events (check the relevant event by date)

## Meeting Summary

The Energy Community Secretariat ('Secretariat') welcomed the participants as well as the representatives of the European Commission connected via conference call.

The Secretariat explained the general approach for the proposed adaptations to Regulation 1227/2011 (REMIT) and the difference compared to the version discussed at the last meeting in 2017: namely, the new version foresees a light regime of REMIT as a first phase of implementation skipping the provisions on data collection. The Secretariat explained that the light version entails the part of REMIT which outlines prohibitions and provide enforcement powers to NRAs. This part would apply in the same way as in the EU. The other part, namely data reporting and associated market surveillance which requires significant resources for implementation will be discussed in future and potentially linked with market liquidity and other market development in a second step, also depending on further possibility for ACER to step in as central data collection body<sup>1</sup> (which could not be positively for the time being).

The Commission supported the proposed REMIT light regime, also specifically highlighting that, for the time being and having in mind the level of liquidity of the Contracting Parties' wholesale markets, implementation of the entire REMIT provisions do not seem reasonable when considering the costs and complexity of a central data collection mechanism.

Participants in general shared the view that, at the end, all REMIT components should be implemented in the Contracting Parties; therefore a re-design to Contracting Party-specific solutions would be inefficient as they would later become redundant if and once EU REMIT is stretched to the Energy Community.

Participants were informed that the adapted version of the text that has been circulated before the meeting was also presented to the 49<sup>th</sup> PHLG meeting on 26 March 2018; the PHLG *invited the Secretariat and Commission to present a final version for possible endorsement by the PHLG in June 2018 and Energy Community Ministerial Council in 2018 after having finalised the ongoing consultation process with Contracting Parties' regulatory authorities.*<sup>2</sup>

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<sup>1</sup> As suggested by the Working Group as ideal solution earlier – cf minutes of the meeting of 12.9.2017.

<sup>2</sup> [https://www.energy-community.org/dam/jcr:1566a374-dc01-4c8d-8598-56cc87e31ab8/PHLG\\_conclusions\\_032018.pdf](https://www.energy-community.org/dam/jcr:1566a374-dc01-4c8d-8598-56cc87e31ab8/PHLG_conclusions_032018.pdf).

AERS noted that the proposed REMIT light version would not allow benefiting from the complete set of instruments provided by REMIT and, by lacking a central data collection body, would not add new market surveillance perspectives for AERS while at the same time increasing the need for financial and human resources for regulators linked to data collection. The Secretariat explained that the adapted version does not put data collection obligations on regulators; the relevant provision (Article 8) has been deleted. The Secretariat further acknowledged that in some countries the existing monitoring competences of regulators might already also cover those of REMIT light, in other cases regulators would have to be granted additional competences. In any case the Regulation is supposed to add regulatory competences and powers.

AERS further noted that it might be better to wait for finalisation of the discussions on reform of the Energy Community Treaty to allow ACER to take over data collection competences for Contracting Parties and thereby ensure a central data collection body. The Secretariat explained that the discussed Energy Community Treaty reforms intend to close the regulatory gap as regards the lack of competences (of ACER/ECRB) on borders between Member States and Contracting Parties but does not specifically entail competences of ACER for Contracting Parties in general. To this extent the discussion on reform of the Energy Community Treaty does not impact the framework for REMIT implementation. The Commission underlined the extensive complexities and legal barriers related to granting a European body such as ACER formal competences for non-EU countries.

ERC expressed general support for the presented REMIT light version.

The group discussed the proposed adapted text Article by Article.

- Article 2(6): GNERC asked how trade to third countries would be treated. The Secretariat explained that traded products are covered by the Regulation as long as delivered to the Georgian transmission system.
- Article 2(7): GNERC asked whether the definition of “market participant” includes DSOs. The Secretariat explained that this is the case according to the explanatory document of ACER. Article 2(6) will be amended in the light of this.
- Article 3(2d): GNERC asked how the criminal character of a related activity is to be proven. The Secretariat will provide further information at the next meeting.
- Article 7: SERC noted the lack of a national regulatory authority competent for gas in Bosnia and Herzegovina.
- Article 7: ERC noted that the cancellation of the reference to Article 8 in Article 7(1) the content of monitoring activity and related data provision obligations for TSOs remains unclear. Article 7(1) shall be amended with a view to grant NRAs powers to adopt related data provision rules.

Next steps:

- Secretariat to circulate the adapted Regulation adjusted to the remarks made at the meeting for a two weeks review period to the working group;
- Secretariat to compile received comments into a new version and provide before the next meeting (16 May);
- Next meeting: 16 May 2018, Vienna – back to back to a Energy Community Regulatory School course on REMIT (15 May 2018, Vienna).

## List of participants

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