

1st Energy Derivatives Coordination Group (EDCG) Meeting

Summary of the meeting

5 November 2020, virtual

1. Welcome note by the Director of the Energy Community Secretariat

Mr. Kopac formally opened the event and welcomed the participants to the 1st EDCG meeting outlining the importance of coordination between different actors in making the energy sector more robust and flexible to allow evolution of the risk mitigating instruments for market participants. Energy touches many fields but above all there is a strong correlation with markets in financial instruments. Coordination between regulators from financial and energy sectors is a must and we are happy to facilitate this.

2. Introduction to the activities and governance of the EDCG

The group is co-chaired by Mr. Killoqji and Mr. Weinzettel from the Energy Community Secretariat. Members were informed that the aim is to have two meetings of the EDCG per year including also complementary workshops on different topics of interest for the group. Representatives from the Energy and Financial regulators from all the Contracting Parties will be members of the EDCG.

Participants welcome the establishment of such coordination group and look forward to work together and learn from different experiences.

3. Tour de table by the Financial and Energy Regulators

Contracting Party	Financial Regulator	Energy Regulator
Albania	This year, parliament approved a new capital market law in line with the EU (MIFIDII). Commodity derivatives are now part of financial instruments. In the future, our market can trade commodity derivatives. Efforts to create energy exchange, energy regulator has prepared the legal framework, this meeting could serve as a point to raise the communication and cooperation with the energy regulator in Albania.	Albanian energy market is currently in developing process and building power exchange.
Bosnia and Herzegovina	Presence of two markets in BiH. Trying to improve the market and in future, currently improving the regulatory framework.	No recent energy market developments except that the national regulatory authority has adopted the REMIT regulation.
Georgia		Special law on derivatives.
Kosovo*		Regarding the energy markets we have measures for primary legislation and we

		are in the process of adopting secondary legislation.
Moldova	Early stage, no special investments funds yet. Law on capital markets. Market will be made more resilient and efficient. Not much contact with the energy regulator.	REMIT regulation transposed in energy law.
Montenegro	Last year complete regulatory reform. Definition of emissions allowance in accordance with emission trading scheme but only the basics are there. Multilateral trading platforms are present on the markets among others. Good basics for further improvement	Unbundled market. At the moment only one supplier present on the market. Established market operator and established power exchange 3 years ago but currently not in operation. We adopted amendments to the energy law.
North Macedonia	Confirmed attendance and questionnaire but has not taken part in the meeting.	Early phase of developing energy derivatives even though it's in the definition of the law and obligation to report to different commissions and energy community secretariat about the transactions of purchase and sale as well as derivatives to consumers. Obligations from REMIT will be included and secondary legislation.
Serbia	Capital market law will be in line with acquis, we hope with the new draft there will be more space for the commodity derivatives market. Commodity exchange law was adopted in 2019.	Fully operational power exchange, very good trade on wholesale and retail level. 60 active trader on wholesale level, retail level up to 10 that sell energy to households.
Ukraine	Undergoing fundamental creation of capital and commodity market. Covers the commodity exchanges. Financial regulator are taking over commodity trading, financial regulator will significantly contribute to this. Great facilitate the key financial infrastructure, much faster than before in line with EU standards. Good to have this group to harmonize views.	Last year electricity model adopted but work is not finished, only just started. We see this topic in 2 directions: REMIT implementation and some requests from the market of energy and in parallel financial market and products.

4. Presentations by the Energy Community Secretariat

Energy Community Secretariat delivered three presentations which outline different areas where the energy and financial sector meet and, as a result, the cooperation is needed.

Slides are published as meeting material at the event page: <https://www.energy-community.org/events/2020/11/EDCG.html>

5. Presentation of the Ukrainian case

Energy Community Secretariat invited Ms. Olena Antonova to present the experience from Ukraine on coordination between energy and financial regulators.

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6. Conclusions

- The chairs reminded the participants to submit the nominated representative for the EDCG in case such nomination has not been done already.
- Terms of reference of the EDCG will be distributed to the participants, including also a work programme for 2021.
- Energy Community Secretariat will organise a workshop possibly in January 2021, dedicated to exchange and clearing processes and example of cooperation between different authorities in Europe.
- The notification and the date for the next meeting will be submitted by the Energy Community Secretariat. The aim is to have the first meeting in Q1 2021.

LIST OF PARTICIPANTS

Albania	Kalemi	Gledis	Albanian Energy Regulator
Albania	Musta	Flora	Albanian Financial Supervisory Authority (AFSA)
BiH	Mujcinagic	Alija	State Electricity Regulatory Commission (SERC)
FBIH	Petrovic	Bojan	Securities Commission of Federation of Bosnia and Herzegovina
Georgia	Adamia	Givi	Georgian National Energy and Water Supply Commission (GNERC)
Georgia	Sumbadze	Nikoloz	Georgian National Energy and Water Supply Commission (GNERC)
Kosovo*	Muqolli	Skender	Energy Regulatory Office (ERO)
Moldova	Martiniuc	George	The National Agency for Energy Regulation of the Republic of Moldova (ANRE)
Moldova	Rusnac	Vladimir	National Commission for Financial Markets
Moldova	Stratulat	Elena	The National Agency for Energy Regulation of the Republic of Moldova (ANRE)
Montenegro	Đuričković	Aleksandar	Capital Market Authority of Montenegro
Montenegro	Vukcevic	Miroslav	Energy and Water Regulatory Agency of Montenegro
North-Macedonia	Kolevska	Elena	Energy Regulatory Commission of the Republic of North Macedonia (ERC)
North-Macedonia	Trpovska	Pavlinka	Securities and Exchange Commission of the Republic of North Macedonia
Serbia	Despotović	Nebojša	Energy agency of the Republic of Serbia (AERS)

Serbia	Todorovic	Anina	Republic of Serbia Securities Commission
Ukraine	Baramiya	Irakliy	National Securities and Stock Market Commission (NSSMC)
Ukraine	Khromaev	Timur	National Securities and Stock Market Commission (NSSMC)
Ukraine	Logvinenko	Olena	National Securities and Stock Market Commission (NSSMC)
Ukraine	Yushkevich	Olha	National Securities and Stock Market Commission (NSSMC)
Ukraine	НКРЕКП	NEURC	National Commission on State Regulation of Energy and Utility Services