

55th PERMANENT HIGH LEVEL GROUP

Chisinau, 12 December 2019

1. The meeting was chaired by Mr Calin Negura on behalf of the Republic of Moldova and Ms Anne Charlotte Bournoville for the European Commission.
2. The Permanent High Level Group (PHLG) approved the agenda.
3. Kosovo* was not able to participate in the meeting, due to the hosting Party's non-acceptance of travel documents issued by the authorities of Kosovo*. North Macedonia and Albania did not participate in the meeting in solidarity with Kosovo*. The European Commission expressed its dissatisfaction with this situation which undermines the functioning of the Energy Community and stressed that it is imperative that hosts of Energy Community Ministerial Council and PHLG meetings ensure the physical presence of all Parties.

Treaty amendments

4. The Parties continued negotiations on Treaty amendments on the basis of a working document distributed after the previous PHLG meeting on 22 November 2019, as well as based on further comments received in the meantime. The Parties identified few remaining items where further negotiations are still needed.
5. The Parties agreed that the procedure for adoption of Treaty amendments will be decided once political agreement on a stable Treaty amendments text is reached.
6. The Commission further presented and explained the draft text of "Protocol to the Treaty amendments on denomination of the Parties and other updates".
7. The Parties took note of Kosovo's written request to change its denomination in the Treaty.
8. The Parties expressed their expectation that on the next day the Ministerial Council expresses its political support for the important progress made and strongly encourages all Parties to resolve all remaining issues and to reach an agreement on a stable Treaty amendments text, including the Protocol on denomination of the Parties and other updates, as well as on the three draft Procedural Acts within the first half of 2020.
9. An expert meeting on competition and State aid law issues shall be organised to facilitate the negotiations on a political level in early 2020.
10. Serbia would appreciate to receive written answers on all their comments.

General Policy Guidelines

11. The Commission presented text of the 2019 General Policy Guidelines on the 2030 Targets and Climate Neutrality for the Energy Community and its Contracting Parties which was formally distributed by Moldova as Presidency.

12. Contracting Parties expressed their concerns related to the compatibility of the models currently used in the preparation of 2030 national energy strategies or National Energy and Climate Plans (TIMES, LEAP, MAED, MARKAL etc.) with the PRIMES model which Commission is expected to use in the new extended modelling capabilities exercise. The proposed approach of setting first national 2030 targets on energy efficiency, renewable energy and greenhouse gases emissions, and, based on these, an Energy Community level targets was also discussed.
13. The Commission informed about the launch of the extension of its modelling capacities through a new study to cover all nine Contracting Parties in a similar way as it is done for the EU. The results of the study will provide analytical background for setting the 2030 targets for the Energy Community and its Contracting Parties in the first half of 2021 alongside with the adoption of the relevant legislative package.
14. The Commission will share the draft ToR for the study with the Contracting Parties in a week, inviting them to submit potential comments till 17 January 2020.
15. Policy Guidelines shall be proposed for the adoption by correspondence. The Presidency instructed the Secretariat to carry out the procedure in line with point VI.5 of the Rules of Procedure of the Ministerial Council with the shortest possible deadline according to the Procedural Rules.
16. Parties agreed that Energy Community targets will be a sum of binding national targets adopted by the Ministerial Council.

Implementation of the Treaty

17. Request by the Secretariat under Art 92 against Bosnia and Herzegovina in Cases ECS-8/11S, ECS-2/13S, ECS-6/16S was not endorsed. Serbia voted against.
18. Request by the Secretariat under Art 92 against Serbia in Cases ECS-3/08S and ECS-9/13S was not endorsed. Bosnia and Herzegovina voted against.

Network Codes

19. Decision on incorporating Commission Regulation (EU) No 312/2014 establishing a Network Code on Gas Balancing of Transmission Networks was adopted. Serbia didn't vote for the decision and expressed concerns when the national law allowing the transposition will be adopted.

Agenda A items

20. Annual Report on the Activities of the Energy Community was endorsed.
21. Decision 2019/1/MC-EnC on Financial Discharge of the Director of ECS was endorsed.
22. Energy Community Budget 2020-2021 was endorsed.
23. Request by the Secretariat under Art 91 against Serbia in Case ECS-10/17 (Yugorosgaz) was endorsed in line with the Advisory Committee's Opinion.
24. The PHLG has heard the Parties in Cases ECS-6/18 and ECS-13/17 and invited Montenegro as future Presidency to initiate decision-making by correspondence, for which the Advisory

Committee has not yet delivered an Opinion, as soon as such Opinions are available. In respect of Case ECS-13/17 the PHLG agreed that the obiter dictum in point (71) of the Reasoned Request shall not be covered by the Decision. The Commission and the Secretariat are invited to reflect this in the draft decision. The Presidency and the Secretariat shall secure the agreement of the Vice Presidency on the timing of the launch of the decision-making by correspondence for these two Cases.

Done in Chisinau on 12 September 2019

For the Permanent High Level Group,

THE PRESIDENCY

