

44th PERMANENT HIGH LEVEL GROUP

Vienna

15 December 2016

1. The meeting was chaired by Branka Knežević on behalf of Bosnia and Herzegovina and Hans van Steen for the European Commission.
2. The Permanent High Level Group (PHLG) approved the agenda.

Treaty amendments

3. Following up on the conclusions of the Ministerial Council meeting in Sarajevo on the next steps related to Energy Community reform, the PHLG identified issues requiring Treaty amendments on the basis of the proposals already made by the Secretariat and the Republic of Serbia. The PHLG agreed on an indicative road map for further discussions. Several Contracting Parties stressed the need to timely involve the decision-makers from the capitals to allow discussion on substance and to involve into negotiations also other relevant institutions in Contracting Parties apart from Ministries of Energy. Several Contracting Parties called for a letter of the Secretariat to the Ministers for proper preparation of the negotiation process, including on the proposed informal Ministerial Council meeting in June 2017.
4. It was agreed that all Parties may submit issues and proposals for Treaty amendments by 1 February 2017.

Implementation of the acquis

5. The Energy Community Secretariat reminded of the Contracting Parties' obligation to implement and transpose Regulation (EC) 543/2013 by end of December 2015, including the duty to notify the Secretariat accordingly. The Secretariat noted that related notifications have not been received so far and also presented an ECRB analysis highlighting lack of compliance in practical terms. The Contracting Parties Montenegro, Ukraine, Serbia and Albania reported about the ongoing processes to finalise correct implementation of the Regulation. Secretariat asked for written reports. The PHLG urged the Contracting Parties to notify the Secretariat before the next PHLG legislative measures taken to implement and transpose Regulation (EC) 543/2013, steps calling national regulators to enforce compliance and any related measures taken by those.

New acquis

6. The PHLG took note of the presented adapted versions of Commission Decision (EU) 2015/715 and Commission Regulation (EU) 2015/703 and expressed its intention to adopt them at the March PHLG meeting. The PHLG invited the Secretariat and Commission to continue discussions with EU and Contracting Parties' regulators and transmission system operators to table other gas network codes and guidelines for PHLG adoption in line with the recommendations of the Working Group. Georgia stressed and PHLG agreed that provisions of the acquis related to interconnection points are not obligatory and most probably not relevant for Georgia as long as they will not border to any Member State or Contracting Party.

7. The PHLG invited the Secretariat to analyze the possibility and means including a possible roadmap to implement and expand the EU-wide mechanism established by Regulation (EU) 1227/2011 in context of Commission Regulation (EU) 2015/1222 (REMIT) on the territory of the Contracting Parties and present the outcome at the next PHLG meeting.
8. PHLG was informed that a new Regulation (EU) 2016/1952 of the European Parliament and of the Council on European statistics on natural gas and electricity prices and repealing Directive 2008/92/EC entered into force on 7 December 2016. New Regulation replaces an existing Directive 2008/92/EC on the territory of EU (with effect from 1 March 2017). Recalling that Directive is a part of the Energy Community acquis, and that price reporting in the format and questionnaires established under the Directive will not be possible after effectiveness of new Regulation, PHLG encourages the early implementation of the Regulation on price statistics in all Contracting Parties following the same reporting time schedule as relevant for the EU, and as a minimum in the scope of the data reported under the Directive with the aim to ensure continuity of data collection and submission.
9. PHLG invites the European Commission and the Secretariat to launch a written procedure for early adoption of the Regulation by the Ministerial Council.
10. The Secretariat is invited to provide assistance and training for timely implementation, where necessary.

Winter Package

11. The Commission presented a set of proposals prepared in the Commission under the name “Clean Energy for all Europeans”.

Regional initiatives

12. The PHLG took note of the Secretariat’s presentation on the state of play with the implementation of the measures under the Sustainability Charter adopted at the Paris WB6 Summit in July 2016.
13. Serbia expressed its expectation to be consulted about the content of the monitoring reports before they are published.
14. Having in view that the highest level authorities in the WB6 will have to present the progress with the measures at the upcoming WB6 Summit in July 2017, the PHLG invited the respective Contracting Parties to take actions to start implementing the measures and report to the Secretariat on the progress every three month.
15. The WB6 PHLG members, recognizing their role as national focal points, will coordinate and facilitate the regular progress reporting to the Secretariat.
16. The PHLG took note of the Secretariat’s presentation of CESEC Action Plan 2 and the current status of its implementation. The PHLG invited gas market stakeholders to endeavor to meet the

actions and deadlines referred to in the List of regulatory actions in the Energy Community Contracting Parties (Appendix 2 of CESEC Action Plan 2).

17. The PHLG took note of the Secretariat's presentation on the progress made in creating a regional electricity market under the Western Balkan 6 Initiative, and further efforts needed to implement WB6 targets to which countries committed to. The Secretariat informed of the Commission's approval of the Work Programme for the two-year project established by the Grant Contract for Technical Assistance to Connectivity in the Western Balkans, Component 2: Regional Energy Market between the European Commission and the Energy Community Secretariat. The PHLG invited Western Balkan 6 countries to actively cooperate with the Secretariat in implementing technical assistant projects in line with the Work Programme.

Miscellaneous

18. The PHLG was informed about the draft event calendar for 2017.
19. The Commission reported about the main discussion points on the Budget Committee which had its meeting on 14 December 2016.

Done in Vienna on 15 December 2016

For the Permanent High Level Group,

THE PRESIDENCY