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## Conclusions of the 23<sup>rd</sup> Energy Community Electricity Forum

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7<sup>th</sup> June 2018, Athens – Hotel Divani Caravel, Vas. Alexandrou Avenue 2

### Policy developments

1. The Forum stresses the need for the Energy Community to keep pace with the European Union (Clean Energy Package) in turning the energy transition into a success also for Energy Community Contracting Parties' (Contracting Parties). The Energy Community Secretariat ('Secretariat') committed to support the transition management and announced to launch an initiative for assessment of the need for regional capacity mechanisms/markets to ensure generation adequacy and prepare for an increased deployment of renewables.
2. The Forum encourages the regulatory authorities of the Contracting Parties, and in particular of Ukraine and Moldova, to consult with the Secretariat before adoption of network tariff methodologies and to take into account the recommendations of the Secretariat on distribution tariff methodologies using the regulated asset based concept.
3. The Forum invites the Secretariat to develop a guideline on wholesale market liquidity.
4. With a view to eliminate barriers for electricity market coupling, the Forum underlines the need to harmonise the Contracting Parties' value added tax legislation with European rules and invites the European Commission ('Commission') and the Secretariat to propose related reforms under the umbrella of the Central and South Eastern Europe Energy Connectivity (CESEC) initiative.
5. The Forum supports the Secretariat's initiatives on implementation of Regulation 1227/2011 (REMIT) and encourages the Ministerial Council to adopt the adapted version at its 2018 meeting, subject to final agreement with regulators of the Contracting Parties.
6. The Forum welcomes the Secretariat's initiative on implementation of electricity guidelines<sup>1</sup> in the Contracting Parties and underlines the need for a legally binding solution for their application on interconnections between EU Member States and Contracting Parties. In this context, the Forum highlights that the reform of the Energy Community Treaty 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.
7. The Forum encourages Contracting Parties and Member States to support the adoption of the Secretariat's proposal for harmonization of trade licensing regimes in the countries covered by Title III of the Treaty by the Ministerial Council 2018.
8. The Forum calls upon relevant national institutions to ensure sufficient support for national regulatory authorities with human and financial resources needed for meeting the additional duties stemming from new *acquis communautaire* ('acquis') ahead.

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<sup>1</sup> Regulation 2015/1222 establishing a guideline on capacity allocation and congestion management; Regulation 2016/1719 establishing a guideline on forward capacity allocation; Regulation (EU) 2017/2195 establishing a guideline on electricity balancing; Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation.

## Regional electricity market development

9. The Forum invites all stakeholders to finalise the establishment of organised day ahead markets by mid 2019 as a pre-requisite for market coupling and to actively take part in the development and implementation of market coupling and cross border balancing pilot projects under the WB6 initiative in coordination with the CESEC initiative.
10. The Forum congratulates Ukraine on the progress towards implementation of ITC mechanism and common auctions for cross-border capacity allocation on the Bursthyn Island. It invites the relevant stakeholders to ensure implementation of these two cross-border mechanisms as early as possible in 2019.
11. The Forum recognizes that increased production from renewable energy sources will increase the need for market integration.
12. The Forum expresses concern 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 process of market coupling together with the Secretariat.
13. The Forum congratulates Georgia on the progress made in reforming in the country's energy market and invites Georgian stakeholders to continue to be actively involved in the institutions of the Energy Community and exploit possibilities to be part of coordinated mechanism (SEE CAO) for allocating cross-border capacity, specifically on the Georgian-Turkish border.
14. The Forum notes that common membership of regulators in the Energy Community Regulatory Board (ECRB) and Mediterranean Energy Regulators (MEDREG) as well as similarities between the regional electricity market integration targets of the Energy Community and the Union for the Mediterranean (UfM) calls for close and intensified cooperation of the relevant institutions.
15. The Forum invites ECRB to continue monitoring transparency and development of electricity wholesale markets in the Contracting Parties and report regularly to the Forum.

## Innovation

16. The Forum welcomes the establishment of a security of supply subgroup of ECDSO and corresponding Task Forces and urges distribution system operators, transmission system operators and national regulators of the Contracting Parties to actively participate in related work. The Forum endorses the establishment and further usage of the ECDSOE.ORG web platform as well continuation of innovation-related activities by transmission and distribution system operators.
17. The Forum recognizes the growing importance of cyber security, also in the context of further smart grid development, and welcomes the Secretariat's efforts to streamline activities in the Contracting Parties in this area.
18. The Forum calls upon national regulators to consider justified costs of transmission and distribution system operators stemming from new innovation-related challenges.