

64th PERMANENT HIGH LEVEL GROUP

Vienna, 7 July 2022

1. The meeting was chaired by Deputy Minister Demchenkov on behalf of the Presidency and Mr Florian Ermacora for the European Commission.
2. The Permanent High Level Group (PHLG) approved the agenda and adopted the conclusions from its last meeting.

REPowerEU

3. The European Commission updated the PHLG on the REPowerEU Initiative, the Strategy for an EU external energy engagement and its EU Energy Platform. Against the background of Gazprom's recent supply cuts to many countries in Europe, the PHLG agreed that to diversify away from Russian gas supplies as fast as possible should be a matter of priority also for the Energy Community, in the interest of every Party's security of supply and as an expression of solidarity with Ukraine. The European Commission invited the Contracting Parties to join the EU Energy Platform for coordinated gas purchase, and asked the Secretariat to assist them in this endeavour. The PHLG also agreed that speeding up the work by the Contracting Parties on implementing the European Green Deal and the 2021 Decarbonization Roadmap is crucial under the current conditions, which are made even worse by an unprecedented energy price surge. The PHLG requested the Secretariat to come up with more concrete advice and present it at the Ministerial Council meeting on 15 December 2022.

New acquis

4. The Secretariat and the European Commission presented the updates made after an extensive process of stakeholder consultation on the power market integration package, including a Procedural Act on a Regional Energy Market, the Electricity Regulation, the ACER Regulation, as well as Network Codes and Guidelines to be proposed for adoption by the Ministerial Council in December 2022. The PHLG welcomed the update and the European Commission's upcoming legislative proposals along the lines presented. The proposals will also include amendments to the Ministerial Council's 2021 Decision incorporating the Electricity Directive and the Risk-Preparedness Regulation. The Secretariat declared its readiness to clarify any open questions by Contracting Parties and their stakeholders bilaterally.
5. The European Commission presented an update of the set of EU Delegated Regulations for energy efficiency labelling as discussed already at the previous meeting. The PHLG welcomed the update and the European Commission's upcoming legislative proposal along the lines presented. Serbia announced comments on the implementation deadline.
6. The European Commission and the Secretariat presented a draft proposal to update the Energy Community acquis in the field of statistics by incorporating Commission Regulation (EU) 2022/132 of 28 January 2022, as requested by the PHLG at its previous meeting. The Contracting Parties welcomed the draft and invited the European Commission to propose it for adoption at the next meeting of the PHLG. Ukraine requested a derogation justified by the non-disclosure of sensitive data during wartime.

7. Ukraine presented its proposal for a Decision under Title IV of the Treaty in relation to the treatment of fossil fuels of Russian origin by the Parties to the Energy Community. In line of recent developments on the level of the European Union, Ukraine announced to continue the discussions on the proposal on the political level with a view to adopting it by the Ministerial Council.
8. The European Commission presented a draft proposal for incorporating the Gas Storage Regulation recently adopted within the European Union in the Energy Community. The PHLG welcomed the draft proposal. In view of the importance of the topic in particular with regard to the preparation for the upcoming winter, the Presidency announced to launch decision-making by correspondence by the Ministerial Council as soon as the European Commission's proposal is finalized. The proposal will be discussed at the informal Ministerial Council on political level, and at the upcoming Security of Supply Group on technical level.

Decarbonization Roadmap

9. The PHLG welcomed the progress made at the Energy and Climate Committee meeting on the negotiations for 2030 targets, and thanked the Co-Chairs, the European Commission and the Secretariat for their efforts. Upon presentations of some outstanding issues by the Contracting Parties, the PHLG expressed its expectation that the negotiations are finalized and the targets are concluded at the upcoming Informal Ministerial Council. The PHLG invited the European Commission and the Secretariat to finalize the proposal to amend the Ministerial Council's Decision incorporating the Clean Energy Package of 2021 accordingly, and present it ahead of the next meeting.
10. The European Commission presented the state of preparations for a proposal to incorporate the pieces of acquis needed to introduce an MRV system for greenhouse gas emissions in the Contracting Parties. The PHLG agreed with the importance of the matter in line with the Decarbonization Roadmap. The PHLG invited the European Commission to finalize the preparations as fast as possible, and present the proposal at the next PHLG meeting with a view of adopting it by the Ministerial Council in December 2022. The Contracting Parties were invited to submit their comments within two weeks after the PHLG meeting to the European Commission and the Secretariat.

Administrative and Budgetary Rules and Procedures

11. On top of the Procedural Acts amending the Rules of Procedure of the Ministerial Council, the PHLG and for Dispute Resolution respectively, as well as an updated organigramme, the Secretariat presented a number of proposed amendments to the rules related to budget implementation, staff regulations and recruitment. The PHLG asked the Secretariat to present the proposals sufficiently ahead of time for adoption by the Ministerial Council meeting in December 2022. The Contracting Parties were invited to submit their comments within two weeks after the PHLG meeting to the European Commission and the Secretariat.

Done in Vienna on 7 July 2022

For the Permanent High Level Group

THE PRESIDENCY