

Oil Dimension in the Energy Community – 10 years after

10th Oil Forum

25 September 2018, Belgrade



- *Oil Dimension in the Energy Community*
- *Oil Data 2017*
- *Oil Stocks - Individual CPs main findings*
- *Next steps/Priorities*

April 2007:

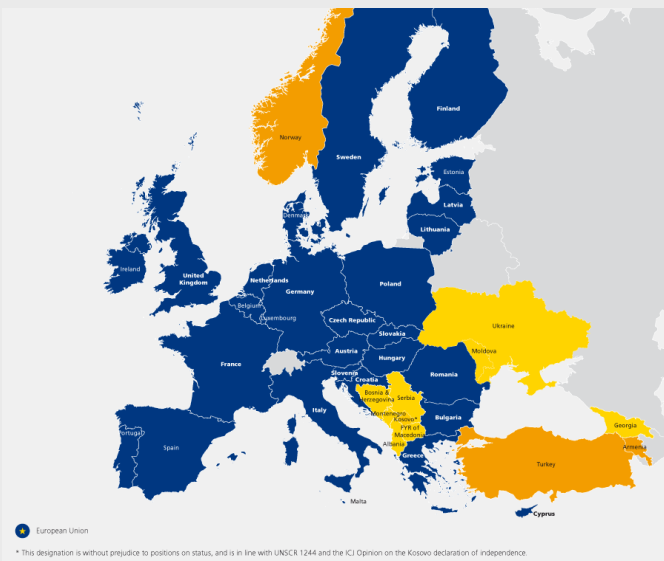
Croatia, Serbia, Slovenia, Italy and Romania signed in Zagreb on a "Ministerial declaration on the development of the hydrocarbons dimension of the Energy Community" in which they call for the establishment of an Oil Forum

Article 100 (iii) of the Treaty:

Possible Extension of the Treaty to other products or carriers or other Network Energy Infrastructures

Decision 2008/03/MC – Dec 2008:

"Network Energy" includes also oil sector (further to Electricity and Gas), i.e. supply, trade, processing and transmission of crude oil and petroleum products falling within the scope of European Community Directive 2006/67/EC and the related pipe-lines, storage, refineries and import/export facilities"





Sept 2009 – First Oil Forum of the Energy Community

Jointly organised by the ECS and the IEA with the support of the Serbian Government and Transnafta

*Common to the speakers was the call to establish **emergency oil stocks in the CPs** on the ground of the EU approach*

*The Forum welcomed the development of **Oil Dimension** as a needed step in the context of security of supply*

Exploration:

- **Support the investments for exploration of new oil reserves and increase thereby Security of Oil Supply**
- **On the other hand should be taken into account that oil exploration is an expensive and high-risk operation**

Production:

- **Efficient exploitation can extend the lifetime of current oilfields**
- **Most of the oilfields in the EnC are depleted**
- **Increase of domestic production - in parallel with the increase of **safety and environmental standards****

Oil Infrastructure:

- **Limited, insufficient pipeline connections are characteristic for the region**
- **Road trucks are the dominant means of products transport. Whilst the number of oil terminals is too low**
- **Building new Oil pipelines is considered as a priority - Increase the security of oil supply in the region**

Refining:

- **Encouragement to continue their ongoing and future investment for improving technology; air pollution reduction; increase production and advance progress toward meeting EU specifications**
- **The use of LPG/LNG should be considered as an important alternative energy source of the economy, for residential purposes, transport and as cleaner energy**

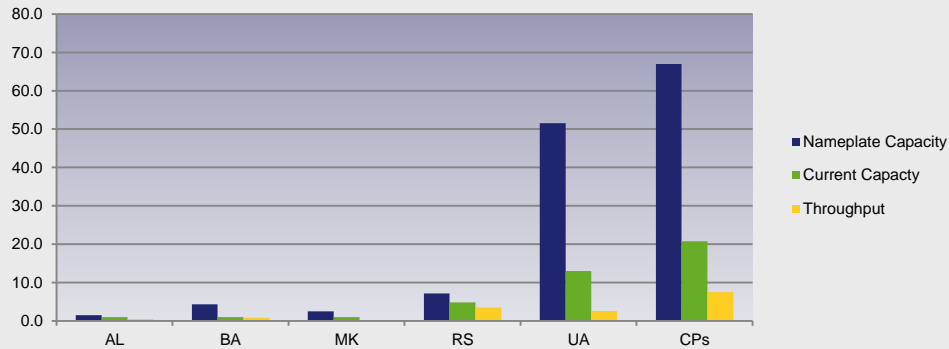
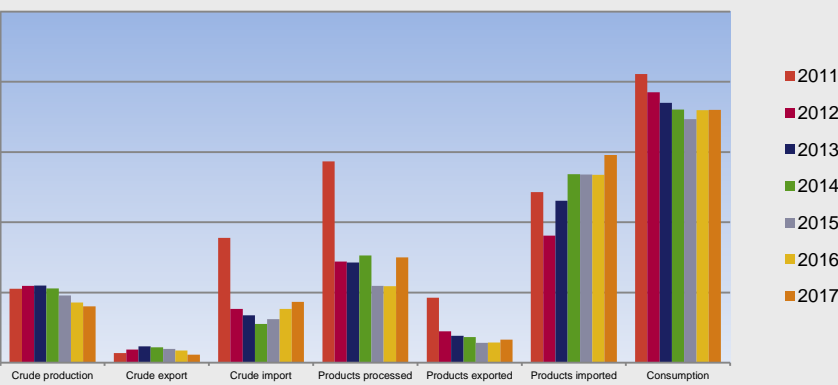
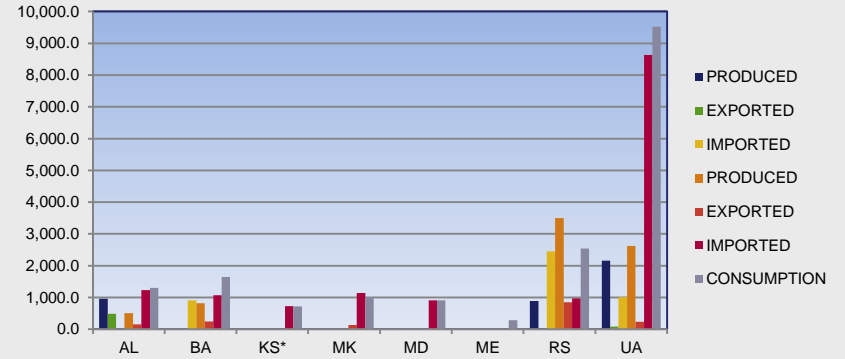
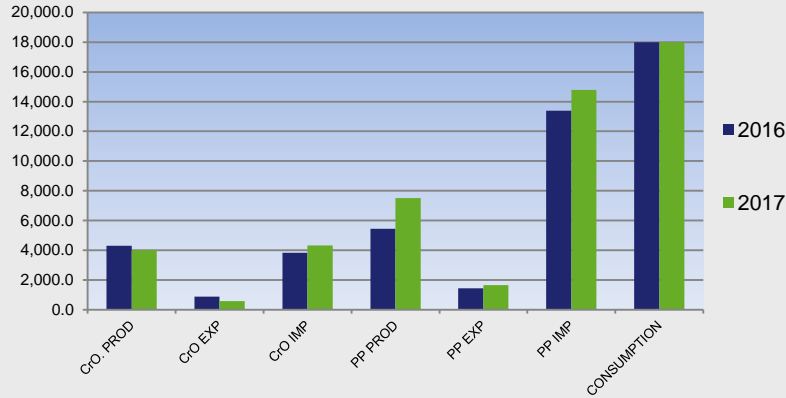
Market Efficiency:

- *The transportation sector plays a significant role towards a low carbon economy by 2050. Several possible pathways leading to significant decarbonisation of different transport modes*
- *Efficient markets increase: Transparency; Market access and Competition*

Customer protection:

- *Product quality standards; SiF Directive, FQ Directive; Fair prices and product warranty*
- *Need to increase market efficiency and consumer protection in the Energy Community*
- *Barriers to the free movement of energy between the Parties in the form of customs duties – Article 41 of the Treaty*

Oil Data – 2017



Note: Abbreviations used for the CPs

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

Stockholding Policies in brief

Albania: Entire emergency oil stockholding obligation is on industry; The draft Law relevant to emergency oil stockholding is ready. According to the Government's legislative programme for the year 2018, the Law is expected to be adopted by Q4 2018. Albania submits regularly the Joint Organisations Data Initiative - Oil (JODI) Questionnaire.

BiH: Currently - No legislation; Both entities have adopted laws which are not in compliance with the Directive; Secretariat provided a model for an emergency stockholding system but also workable in the specific and complex case of the country

Georgia: The Secretariat assisted Georgia in aligning its legislation with the Energy Community oil acquis. A five-year Action Plan (2018-2023) for oil stockholding, the Oil Stockholding Act of Georgia and the related annexes were drafted and consulted with all relevant stakeholders in the country. The Secretariat expects that both primary and secondary legislation will be adopted in the course of this year.

Kosovo*: The draft Law on emergency oil stockholding prepared in March 2014 is not yet adopted. According to the Government's legislative programme for the year 2018, the Law is expected to be adopted by Q4 2018. It will be practically very difficult for Kosovo to establish the full amount of physical emergency oil stocks within the given deadline (end-2022)

FYR of MK: The Law on Compulsory Oil Reserves entered into force in September 2014; Amended three times - postponing the application of the Law - envisaged to begin to apply only as of 1 January 2019; The country's oil stocks corresponded to 65 days of average daily consumption in September 2018, a decrease from July 2017 when stocks stood at 70 days.

Stockholding Policies in brief

Moldova: has drafted a law on creating and maintaining a minimum level of oil products stocks. The draft is in compliance with Directive; It is foreseen 90 days by 31 December 2022; Drafting secondary legislation in line with the law – There is no info

Montenegro: A new draft Law was finalized during the third quarter of 2016 which transposes all provisions of Directive 2009/119/EC; Government of Montenegro has indicated that its target date for adoption is the last quarter of 2018

Serbia: Transposed primary and secondary legislation; Approving the Emergency Response Plan remains an obligation to be fulfilled; The current estimated number of days of emergency reserves is around 19 of average daily consumption out 10 that it was last year. Purchased 8.700,00 tonnes of Euro Diesel and 10.000,00 tonnes of Gasoline. Activities to start the construction of new storage capacities for the needs of emergency stocks have been started and currently they are in the stage of obtaining a construction permit

Ukraine: No legislation; Development of emergency oil stockholding model & Governmental decision on this model within 2017;
A technical assistance is currently going on; Draft primary legislation by Q4 2018

Key priority for all Contracting Parties should be considered the transposition of primary and secondary legislation in compliance with the Oil Stocks Directive 2009/119/EC

MOS data collection is fundamental for meeting obligations under the Directive. Contracting Party will need to fully understand the reporting details and methodologies related to the stockholding calculations using the MOS data

There are some progresses with some Contracting Parties but not enough to ensure a quick transposition and consequently full implementation of the Oil Stocks Directive within 2022

A satellite-style image of the Earth at night, showing city lights. Overlaid on the image is a complex network of glowing blue lines that connect various points across the globe, symbolizing energy infrastructure or a global network.

*Thank you
for your attention!*

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