



Gas Sector Perspectives in the Energy Community

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- **National perspectives**
- **Regional perspectives**

National perspectives

- Unbundling Serbia
- Unbundling Ukraine
- Bosnian deadlock
- Progress in Albania
- Moldova – crossroads
- Georgia – newcomer



Ukraine - reform pace has slowed significantly



Public Service Obligation Resolution forecloses the retail market even further

The process of unbundling Ukrtransgaz from Naftogaz has not achieved the objectives – only one tangible result was the creation of a shell company, MGU

Gas Reform Plan 2.0 – awaited

However, wholesale market indicators improved

Secondary regulatory acts constantly being improved; lack of application of gas transmission and distribution codes and tariff methodologies.

Serbia - reform is in significant delay



Serbian gas market is highly concentrated and foreclosed

Serbian government adopted a binding action plan on the restructuring of Srbijagas, requiring Srbijagas to unbundle by May 2017. However, no actions were taken in this respect

AERS certified Yugorosgaz Transport - the Secretariat considers the certification decision in contravention of Energy Community law

The Energy Law, some bylaws (such as Transmission Codes) are not implemented

Moldova - reform on the crossroad



Moldova transposed the Third package, albeit with some ambiguous transitory measures

The unbundling process (second package, derogation valid until 1.1.2020) - VestMoldTransgaz (VMTG), MoldovaTransGaz (MTG) – consultancy ongoing

The Secretariat, in cooperation with ANRE, initiated the preparation of entry/exit transmission tariff methodologies and grid codes

Bosnia and Herzegovina - deadlock



Reaching agreement on implementing the Third Energy Package provisions in the whole territory of Bosnia and Herzegovina - still the utmost priority

Since October 2015, Bosnia and Herzegovina is under 'sanctions' for its failure to comply with the gas acquis (Second Energy Package)

An agreement of the national and entity ministers on an action plan on the transposition of the acquis in the gas sector in Oct 2016 failed

Recent solutions proposed at the entity level actually widen the gap and reinforce the deadlock at the state level.

TAP AG was unbundled as an independent transmission operator certified by ERE in 2016.

The Government established a TSO for gas, Albgaz, which is planned to be certified by the end of 2017.

ECS Opinion by 2 October 2017

Continued elaboration of secondary legislation

The Ministry of Energy and Industry and ERE, in cooperation with the Secretariat, developed and adopted a number of legal acts – the package is expected to be in force in the first quarter of 2018.

Macedonia, fYR – progress on horizon



Draft law transposing the Third package discussed, expected to be adopted soon

Real progress in building infrastructure

Solution for GAMA (dispute between the Government and Makpetrol, its shareholders) – a priority

However, Macedonia is breaching the Treaty obligations the third year in the row

Montenegro, Kosovo*, Georgia



Georgia became the Contracting Party in June 2017; deadlines generous; transit pipelines exempted from the Third package until 2026

The Secretariat drafted a law; still under discussion; storage project under development

Montenegro - consultancy for secondary acts

Kosovo*, MNE, focusing on infrastructure projects (ALKOGAP, IAP)

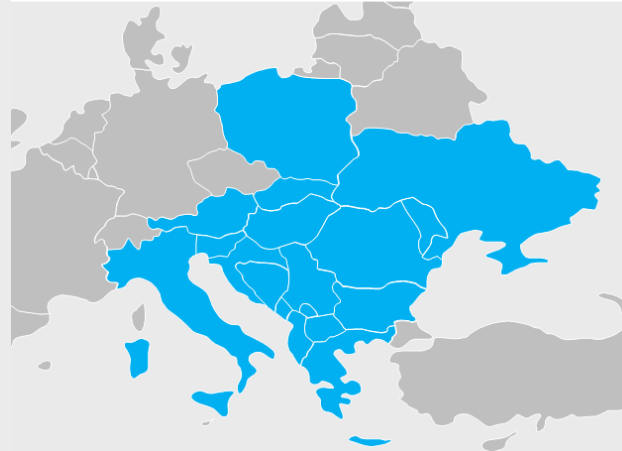
Regional perspectives

- a good basis to build on: regional cooperation between Title III countries *de facto* already happens

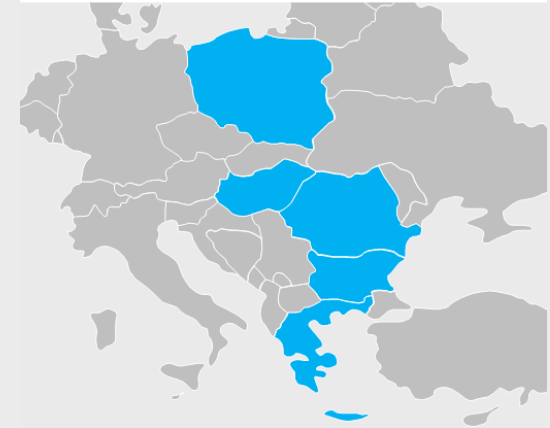
CESEC gas



ACER Gas Regional Initiative South South East



EU NRA signatories of reciprocal gas network code application



- but: creating and preserving trust in markets requires a solid common *legal* framework for the Title III countries!

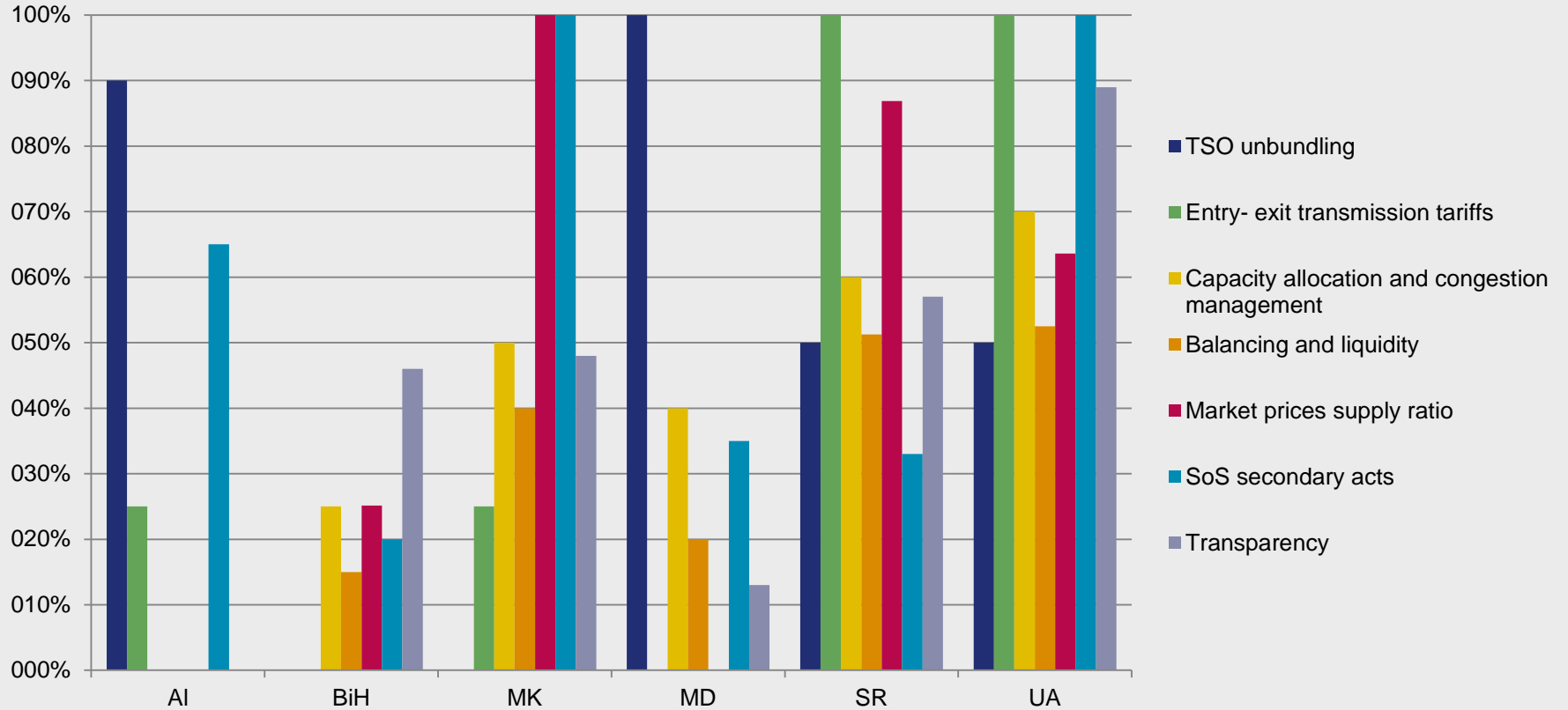
How to achieve?

- 1. Treaty reforms:** create a level playing field and close the regulatory gap between CPs and MSs (among other topics)
- 2. Title III measures** to foster market integration: harmonisation of licenses
- 3. Ensure a common legal framework:** keep pace with EU developments
 - Implementation of gas network codes: first set targeted for adoption in 12/2017
 - REMIT
- 4. Promote effective market reforms:** „Energy Community Gas 2020 Action“

Deeping regional cooperation ...

- Energy Community DSO platform – establishment of Task Forces for Unbundling and measurement
- Deepening cooperation with ENTSOG
- Regional approach in security of supply – cooperation with JRC/EC

On the market side: where do we stand?



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

**Thank you very much for your
attention!**

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