



WORK PROGRAMME

Creating a Regional Electricity Market in the Western Balkans

TA to Connectivity in the Western Balkans
Component 2: Regional Energy Market



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Project: “Creating a Regional Electricity Market in the Western Balkans”

prepared by the Energy Community Secretariat

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1. Introduction

1.1 Background

The present Work Programme is the third deliverable under the project established by the Grant Contract “TA to Connectivity in the Western Balkans - Component 2: Regional Energy Market” between the European Commission (EC) and the Energy Community Secretariat (ECS). This Work Programme will serve as key element under this project and will be used for steering, consulting and agreeing on the concrete Technical Assistance Projects (TA Projects) that will be financed through the project budget.

The project defines ECS as the main implementing organisation required to develop a work programme and to oversee the development and implementation of the project (Point 2.1.2.2., Annex I, Grant Contract). The present Work Programme follows the structures and contains the element required by said contract and is in line with the Inception Report dated 30 July 2016. The following chapters introduce the concrete TA Projects, their interrelationship with the implementation objectives, the conditions, the processes and procedures that led to their proposal and forms the central document for the approval of EC. The overall objective of the TA Projects and this Work Programme is to contribute to the establishment of the regional energy market and the required national measures.

The present Work Programme was designed by the ECS following comprehensive discussions and consultations with the main stakeholders in the beneficiary countries of the project. The concrete activities in the form of TA Projects will be delivered on the basis of this Work Programme, and consequently supplemented by terms of reference for each individual assignment. The work programme will be reviewed on a regular basis to ensure that the project funds are used in the most efficient manner and hence meet the respective priority needs that may evolve over time.

The TA Projects identified were selected based on grounds of expected concrete implementation realised through proper targeting, efficacy and timeliness in delivery, and efficiency in resource use. The priority areas that are expected to be promoted through the TA Projects are indicated together with the projects’ presentation in Chapter 2. The principles applied in the project selection process were transparency, accountability and reasonability, aiming to secure a maximum level of ownership and commitment of the beneficiaries and relevant stakeholders in the Western Balkans. The run-up phase of this Work Programme as well as the procedures used for the factual contracting of consultants delivering technical assistance are described in more detail in Chapter 3. They aim to establish sustainable structures that are based on a widespread and comprehensive understanding of the operating environment, ensure the alignment of assistance with existing and related projects in the sphere of electricity market integration, and qualify for a potential continuation of the project. The Annexes to this Work Programme contain two more deliverables of the project, an indicative timetable of activities and the required cooperation memorandum that is to be finalised between the ECS and the beneficiary representatives.

1.2 Project Outline

<p>Project Title: TA to Connectivity in the Western Balkans Component 2: Regional Energy Market</p>
<p>Reference: IPA 2015/038-055.02/MC/CONNECTA</p>
<p>Overall objective: Assist the Western Balkan governments to achieve their goal of a regional energy market by facilitating the implementation of so-called “soft measures”¹ that will remove existing legislative and regulatory barriers and enhance the institutional structures necessary for the functioning of this market in line with the Energy Community Treaty and relevant EU acquis</p>
<p>Specific objectives: Support the Western Balkan Parties to implement the three main pillars of the regional energy market (i) spot market (ii) cross-border balancing (iii) regional capacity allocation, as well as the horizontal dimension so-called cross-cutting measures</p>
<p>Expected overall result: Establishment and initial operation of the regional energy market</p>
<p>Expected specific results:</p> <ul style="list-style-type: none"> (i) spot market: establishing organised day-ahead market in each western Balkan country by adhering to a power exchange or, if economically justified, creating an own power exchange, and their market coupling with other Western Balkan and/or neighbouring EU countries to ensure competitive and transparent price formation and discourage cartelisation and corruption (ii) cross-border balancing: establishment of a non-discriminatory, transparent and competitive national balancing markets and development of regional cross-border balancing cooperation to ensure the most efficient balancing and settlement processes (iii) regional capacity allocation: ensuring the best use of the already existing Coordinated Auction Office in South East Europe (SEE CAO) and introduction of a coordinated capacity calculation process for the allocation of day-ahead capacities through the establishment of a regionally coordinated calculator
<p>Beneficiaries/Target groups: Ministries responsible for energy, national transmission system operators, Power Exchanges, national electricity market operators, national distribution system operators, state producers of electricity, national regulatory authorities, state aid commissions, competition commissions in the Western Balkan countries: Albania, Bosnia and Herzegovina, Kosovo*, FYR of Macedonia, Montenegro and Serbia.</p>
<p>Final beneficiaries: The citizens of the Western Balkans who will benefit directly from a more efficient and sustainable supply of energy in their homes and workplaces and indirectly from the economic growth that such a regional energy market should help to foster.</p>
<p>Implementation of the Action begin date: 07 June 2016</p>
<p>Implementation period of the Action: 24 months</p>

¹ As defined by the Grant Contract and used as a synonym for the connectivity reform measures

1.3 Objectives

The overall objective of the project, as defined by the Grant Contract, is to assist the Western Balkan governments to achieve their goal of a regional energy market by facilitating the implementation of so-called “soft measures” that will remove existing legislative and regulatory barriers and enhance the institutional structures necessary for the functioning of this market in line with the Energy Community Treaty and relevant EU acquis.

To achieve this, substantial efforts in terms of regulatory and institutional development are required if the three pillars of a functioning regional energy market (i) spot market (ii) cross-border balancing and (iii) cross-border capacity allocation are to function smoothly. A number of regulatory and legal obstacles must be tackled and new/revised legislation (primary and secondary) must be put in place in line with the Energy Community Treaty and the countries’ obligations towards EU. Substantial capacity building and institutional development is also required to ensure that ongoing operation of the regional market to the benefit of both the Western Balkans and the EU.

Starting from the overall objective of the project and building on the progress achieved so far in implementing the soft measures, more specific objectives are identified. They aim at implementing a spot market, cross-border balancing and cross-border capacity allocation in a manner that ensures harmonised development among these three areas and throughout the Western Balkan region. In each of the areas, objectives are defined at both regional and national level. Where lack of national reform is still recognised as an obstacle to the implementation of the regional targets, specific objectives to be achieved at national level are defined. They are targeting those elements where an insufficient progress has been identified in bi-monthly monitoring reports published by the Energy Community Secretariat. Region-wide objectives are targeting capacity and institutional building in all Western Balkan countries. However, depending on the maturity of national markets, specific objectives are tailored to support bottom-up activities towards implementation of regional targets.

In the sphere of spot market development, objectives are defined at both regional and national level. Regional objectives aim at implementation of the coupling of day-ahead electricity markets in the Western Balkans and with the SEE region, pursuant to CACM Guideline principles and processes. As an intermediary step, the coupling between two neighbouring coupling-ready markets is envisaged as an objective towards full implementation of the regional target. To reach this goal, institutional arrangements for organised day-ahead market have to be set up by each of the Western Balkan countries.

Regional and national objectives related to the implementation of the cross-border balancing are identified. Regional integration of the balancing markets in compliance with Electricity Balancing Guideline will be facilitated through specific pilot projects between the countries in which balancing markets are developed to the extent that allows for development of cross-border cooperation. In those Western Balkan countries where market-based, non-discriminatory and transparent electricity balancing, with a cost-reflective and non-discriminatory imbalance settlement mechanism is still not established, a national reform is considered as a priority objective.

An objective to implement regionally coordinated approach for cross-border capacity calculation particularly aims at application of new inter-TSO processes for the creation of a

common grid model and the calculation of cross-zonal capacities on a D-2 level, development of which is to be facilitated at regional level.

Specific objectives are set in order to ensure level playing field for development of competition at national and regional level. They include implementation of the transmission system operator and distribution system operator unbundling, price deregulation as well as capacity building for state producers to establish themselves as proactive participants in competitive electricity markets.

Having in mind importance of implementing national targets in order to remove barriers to the regional integration, an emphasis in the first year of the project is dedicated to the fulfilment of the set national goals. Considering the scope and complexity of the regional objectives that are to be implemented in the course of project, the start of these activities is planned to take place as soon as all prerequisites are in place, preferably already in the first year of the project with a view to be finalised in the course of the second year. This, however, will largely depend on the overall realisation of the targets set for the first year. Should there be an unexpected delay or progress in reaching the set objectives, an adjustment of the specific objectives, TA Projects, and Work Programme may be required. The process outlined in Chapter 3.1 forms the basis for such a review and update, ensuring the resilience of the project set-up against unexpected events.

2. Technical Assistance Components

The list of implementation elements given in Annex (4), served as a starting point to the ECS to identify initial priorities for technical assistance and corresponding tasks for the beneficiaries. A developed list of priority technical assistance projects was drafted and circulated to the contact point at the ministry responsible for energy in each of the Western Balkan countries in order to discuss and agree on the list of priorities, pursuant to point 2.1.2.1. (i), Annex I, Grant Contract. Individual meetings of the project managers, designated by the Energy Community Secretariat, with each of the Western Balkan countries' contact points were organised with a view to ensure that discussions take place in a transparent, quickly and a highly constructive manner, pursuant to point 2.1.2.2, Annex I, Grant Contract.

“Given the common challenges faced by the Western Balkan Parties, the ambitious deadlines agreed for the establishment of the regional energy market and the limited human and financial resources available in the different countries, the ECS will maximise the use of regional instruments and tools to provide assistance in the most efficient and effective manner. This will include the negotiation of regional agreements, regional workshops and seminars and development of common processes and software.”

Grant Contract, p. 25

To ensure involvement of all beneficiaries, the contact points at the ministry responsible for energy in each of the Western Balkan countries invited representatives of all relevant stakeholders and institutions to participate the meeting. Project managers asked the Western Balkan countries to submit their proposals and comments to the proposed list of priority technical assistance projects. Based on the inputs received during meetings and in the written form submitted by the Western Balkan countries, the Energy Community Secretariat developed the list of technical assistance services to support implementation of the selected priority measures on regional and national basis.

2.1 Overview Matrix of Thematic Priorities and TA Projects

The following Table provides an overview of the split of proposed TA Projects into regional and national components and displays the volumes of technical assistance required for each project. The ten TA Projects presented here, may consist of a number of sub-projects that are for example stemming from the splitting into national assignments, where certain actions are similar in content, but will have to be implemented locally for each Western Balkan country.

No	TA Project title	Scope	Objectives	Total Units
Regional				460
1	Implementation of Regional Day-ahead Market	Development of spot market in WB under the WB6 MoU and its Implementation Programme	Implementing the coupling of day-ahead electricity markets in the Western Balkans and with the SEE region, pursuant to CACM Guideline principles and processes	200
2	Implementation of Cross-border Electricity Balancing (pilot project)	Adoption of a market-based balancing model allowing for the non-discriminatory cross-border exchange of balancing services	Implementation of the process for common procurement and cross-border exchange of balancing capacity for frequency restoration reserves and replacement reserves, for activation of balancing energy through a common merit order list and for operating the imbalance netting in the SMM Block in compliance with Electricity Balancing Guideline	140
3	Regional coordinated capacity calculation	Introduction of a coordinated capacity calculation process for the allocation of day-ahead capacities based on a regionally coordinated congestion forecast	Implementation of new inter-TSO processes for the creation of a common grid model and the calculation of cross-zonal capacities on a D-2 level	50
4	Establishing State Producers' as proactive participants in competitive electricity markets through optimizing their trading and portfolio strategies	Building capacities of State Producers to take a proactive participation in competitive electricity markets	Support the dominantly state-owned incumbent electricity production companies to establish themselves in competitive electricity markets based on long-term business strategies and contribute to the liquidity of the market	50
5	Mediation between EMS and KOSTT on all pending matters and agreements	EMS (Serbia) and KOSTT (Kosovo*) to implement the Framework and Inter-TSO Agreement	Unblock existing conflict in order to allow for an efficient and cooperative approach towards coordinated calculation and allocation of cross-zonal capacity in SEE	20

National				210
6	Institutional Set-up for Organised Day-ahead markets	Adhering to a power exchange or, if economically justified (considering liquidity and economic viability) or creating an own power exchange, enabling wholesale market trade	Implementing national governance structures for an organised day-ahead market and institutional arrangements suitable for coupling the national day-ahead electricity market with neighbouring markets	50
7	Implementation of Cross-border Electricity Balancing (National Reform)	Establishment of a functioning national balancing market allowing for the non-discriminatory cross-border exchange of balancing services	Implementation of market-based, non-discriminatory and transparent electricity balancing model for procurement and provision of balancing services, with a cost-reflective and non-discriminatory imbalance settlement mechanism	50
8	Price Deregulation	Eliminate price regulation of generation and for other than small enterprises and household customers and adopt national action plans for phasing out price regulation in general	Finalise the deregulation of prices in all spheres of the electricity sector pursuant to the Third Energy Package	50
9	Unbundling of Transmission System Operators	Unbundling and certification of the transmission system operator	Finalise the TSO Unbundling process in line with the Third Energy Package	30
10	Unbundling of Distribution System Operators	Legal and functional unbundling of distribution system operators and supply companies	Finalise the DSO Unbundling process in line with the Third Energy Package	30

Table 1: Overview Matrix of TA Projects and Priorities

The total number of units given in the previous table is broken down into categories defined in Annex III, Grant Contract, as presented in the following table:

Number of TA Project	TA Project title	Inter-national Units	Local Units	Twin-ning	Total
1	Implementation of Regional Day-ahead Market	170		30	200
2	Implementation of Cross-border Electricity Balancing (Pilot Project)	140			140
3	Regional Coordinated Capacity Calculation	50			50
4	Establishing State Producers as proactive participants in competitive electricity markets through optimizing trading and portfolio strategies	50			50
5	Mediation Between KOSTT and EMS on all Pending Matters and Agreements	20			20
6	Institutional Set-up for Organised Day-ahead Markets	35	15		50
7	Implementation of Cross-border Electricity Balancing (National Reform)	35	15		50
8	Price Deregulation	20	30		50
9	Unbundling of Transmission System Operators		30		30
10	Unbundling of Distribution System Operators		30		30
	GRAND TOTAL	<u>520</u>	<u>120</u>	<u>30</u>	<u>670</u>

Table 2: Split of Units for Technical Assistance

2.2 Details of the TA Projects

This chapter lists the technical assistance services that are to be provided by ECS to support the implementation of selected priority measures both on a regional and a national basis. The following lists detail the priority technical assistance projects listed in the chapter 2.1. For each of the projects, its scope, objective and expected deliverables are described. The scope of a project is compatible to the relevant soft measure, except for those projects which are tailored to address multiple soft measures' objectives.

The required expertise for the implementation of the project is also indicated in the table, referring to the fields of expertise defined by the Call for Expression of Interest 2016-2020 published by the Energy Community Secretariat, and annexed to this Work Programme. Each of the TA Projects can be broken down into multiple sub-projects with separate assignments depending on the scope and specificity of beneficiary requirements, what is also indicated below. For certain projects, conditions under which the project may be launched, are also defined in order to ensure the realisation of the project within the planned timeframe.

TA Project Number	1
TA Project Title	Implementation of Regional Day-ahead Market
Reference	IPA 2015/038-055.02/MC/CONNECTA-1
Scope of the TA Project	Development of spot market in WB under the WB6 MoU and its Implementation Programme
Objective & expected results	Implementing the coupling of day-ahead electricity markets in the Western Balkans and with the SEE region, pursuant to CACM Guideline principles and processes
Deliverables	<ul style="list-style-type: none"> • Provide project management service • Assistance on the development of all relevant functional design concepts, process descriptions, IT architecture and other solutions for the implementation • Consultation process management & consultation feedback documentation • Draft project implementation agreements between TSOs, PXs & NRAs • Draft long-term cooperation agreements between TSOs & PXs • Programme Implementation Plan • Ad-hoc facilitation of Implementation Programme governance on a regional level
Sub-Projects	Defined in line with beneficiaries' requirements for assignments
Type of action & required expertise	Consultancy services (Project Management and Project Promotion, Management & Strategy Consulting, Energy Markets & Processes), Legal services
Indicative Units of TA	170 (international), 30 (twinning)
Beneficiaries	WB6 Parties
Conditions for implementing	n/a
Envisaged Beginning of TA Project	November 2016
Implementation period	19 months

TA Project Number	2
TA Project Title	Implementation of Cross-border Electricity Balancing (Pilot Project)
Reference	IPA 2015/038-055.02/MC/CONNECTA-2
Scope of the TA Project	Adoption of a market-based balancing model allowing for the non-discriminatory cross-border exchange of balancing services
Objective & expected results	Implementation of the process for common procurement and cross-border exchange of balancing capacity for frequency restoration reserves and replacement reserves, for activation of balancing energy through a common merit order list and for operating the imbalance netting in the SMM Block in compliance with Electricity Balancing Guideline
Deliverables	<ul style="list-style-type: none"> • Definition of common products for balancing services for frequency restoration reserves and replacement reserves • Rules for common dimensioning • Rules for management of cross-zonal capacity for balancing services • Common rules for procurement and exchange of balancing capacity • Common rules for activation of balancing energy • Rules governing operation of imbalance netting process • Rules for Inter-TSO settlement resulting from cross-border balancing processes • Proposal for changes needed in a national legal and regulatory framework to establish a harmonised legal framework for cooperation • IT requirements (e.g. specification, functional design of the common cross border balancing platform, IT changes needed at national level) • Implementation Plan for cross-border balancing sub-projects • Support WB6 Implementation Programme
Sub-Projects	Defined in line with beneficiaries' requirements for assignments
Type of action & required expertise	Consultancy services (Project Management and Project Promotion, Management & Strategy Consulting, Energy Markets & Processes), Legal services
Indicative Units of TA	140 (international)
Beneficiaries	WB6 Parties
Conditions for implementing	n/a
Envisaged Beginning of TA Project	November 2016
Implementation period	19 months

TA Project Number	3
TA Project Title	Regional Coordinated Capacity Calculation
Reference	IPA 2015/038-055.02/MC/CONNECTA-3
Scope of the TA Project	Introduction of a coordinated capacity calculation process for the allocation of day-ahead capacities based on a regionally coordinated congestion forecast
Objective & expected results	Implementation of new inter-TSO processes for the creation of a common grid model and the calculation of cross-zonal capacities on a D-2 level
Deliverables	<ul style="list-style-type: none"> • Design of a D-2 regional common grid model creation and merging process • Facilitate implementation of D-2 regional coordinated capacity calculation process <ul style="list-style-type: none"> ○ Proposal for establishment, governance, and operation of the common coordinated capacity calculation based on the RSC(s) active in SEE ○ Draft agreement between RSCs on cooperation in fulfilling the CCC function, including cost sharing of operation of CCC function between TSOs, ○ Draft agreement on cross-border redispatch, • 2 Workshops on abovementioned topics
Sub-Projects	Defined in line with beneficiaries' requirements for assignments
Type of action & required expertise	Consultancy services (Project Management and Project Promotion, Management & Strategy Consulting, Energy Markets & Processes), Legal services
Indicative Units of TA	50 (international)
Beneficiaries	WB6 Parties
Conditions for implementing	n/a
Envisaged Beginning of TA Project	December 2016
Implementation period	4 months

TA Project Number	4
TA Project Title	Establishing State Producers as proactive participants in competitive electricity markets through optimizing trading and portfolio strategies
Reference	IPA 2015/038-055.02/MC/CONNECTA-4
Scope of the TA Project	Building capacities of State Producers to take an active participation in competitive electricity markets
Objective & expected results	Support the dominantly state-owned incumbent electricity production companies to establish themselves in competitive electricity markets based on long-term business strategies
Deliverables	<ul style="list-style-type: none"> • Development of a Handbook defining all procedures required for trading in competitive electricity markets (forward, day-ahead, intraday, balancing), including <ul style="list-style-type: none"> ○ Business model ○ Designing marketable products and services ○ Trading and portfolio management strategies (production planning, consumption planning, cross-border capacity allocation...) ○ Operational, financial and ICT requirements ○ Trading front and back offices ○ Innovative technologies application ○ Human resources management ○ Code of conduct (compliance with legal and regulatory requirements, e.g. prohibition of insider trading, market manipulation, licensing requirements, BRP & BSP requirements) ○ Transparency and reporting ○ Dealing with political and regulatory pressures • 2 Workshops dedicated to abovementioned topics
Sub-Projects	n/a
Type of action & required expertise	Consultancy services (Management & Strategy Consulting, Energy Markets & Processes), Legal services
Indicative Units of TA	50 (international)
Beneficiaries	WB6 Parties
Conditions for implementing	n/a
Envisaged Beginning of TA Project	November 2016
Implementation period	4 months

TA Project Number	5
TA Project Title	Mediation Between KOSTT and EMS on all Pending Matters and Agreements
Reference	IPA 2015/038-055.02/MC/CONNECTA-5
Scope of the TA Project	Mediate the process between the Transmission System Operators of Kosovo* and Serbia to finalise all pending agreements as part of a wider framework of the Kosovo*-Serbia Dialogue, and the need to co-ordinate with the EU facilitation
Objective & expected results	Unblock existing conflict in order to allow for an efficient and cooperative approach towards coordinated calculation and allocation of cross-zonal capacity in Southeast Europe
Deliverables	<ul style="list-style-type: none"> • Mediate the process to finalise the pending agreements (Interim Agreements on the Inter-TSO Compensation and Interim Agreement on Congestion Revenue Sharing) • Develop a bankable solution for the commissioning of the new line KS-AL before the entry into force of the Connection Agreement between ENTSO-E and KOSTT
Sub-Projects	n/a
Type of action & required expertise	Mediation services, Consultancy services (Project Management, Management & Strategy Consulting)
Indicative Units of TA	20 (international)
Beneficiaries	Kosovo*, Serbia
Conditions for implementing	<p>Written commitment of both companies to:</p> <ul style="list-style-type: none"> - Continue mediation process - Sign MoU agreeing on the mediator within the established Energy Community framework - Provide preparatory material as requested by the lead mediator - Mandate delegation sent for negotiation - Cover own travel expenses
Envisaged Beginning of TA Project	November 2016
Implementation period	6 months

TA Project Number	6
TA Project Title	Institutional Set-up for Organised Day-ahead Markets
Reference	IPA 2015/038-055.02/MC/CONNECTA-6
Scope of the TA Project	Adhering to a power exchange or, if economically justified (considering liquidity and economic viability) or creating an own power exchange, enabling wholesale market trade
Objective & expected results	Finding viable and compatible solution for organising a day-ahead market and implementing national governance structures and institutional arrangements suitable for coupling the national day-ahead electricity market with neighbouring markets
Deliverables	<ul style="list-style-type: none"> • Concept for the establishment of a national, organised day-ahead electricity market, ready for coupling with its neighbours in line with the CACM Guideline • Consultation & consultation feedback documentation • Conditions and procedures for finding strategic partner • NEMO designation process in line with the CACM Guideline and best European practice • Support in preparing related secondary acts • Optionally workshops dedicated to abovementioned topics
Sub-Projects	Defined in line with beneficiaries' requirements for assignments
Type of action & required expertise	Consultancy services (Project Management and Project Promotion, Management & Strategy Consulting, Energy Markets & Processes), Legal services
Indicative Units of TA	35 (international), 15 (local)
Beneficiaries	Bosnia and Herzegovina, Montenegro, FYR of Macedonia
Conditions for implementing	Primary legislation that allows for establishing organised electricity markets and market coupling
Envisaged Beginning of TA Project	November 2016
Implementation period	6 months

TA Project Number	7
TA Project Title	Implementation of Cross-border Electricity Balancing (National Reform)
Reference	IPA 2015/038-055.02/MC/CONNECTA-7
Scope of the TA Project	Establishment of a functioning national balancing market based on the market-based balancing model allowing for the non-discriminatory cross-border exchange of balancing services
Objective & expected results	Implementation of market-based, non-discriminatory and transparent electricity balancing model for procurement and provision of balancing services, both balancing capacity and balancing energy, with a cost-reflective and non-discriminatory imbalance settlement mechanism, that will provide a level playing field for development of competition and cross-border balancing
Deliverables	<ul style="list-style-type: none"> • Balancing rules defining all balancing processes (procurement and provision of balancing services, activation of balancing energy, imbalance settlement mechanisms) • Terms and conditions for BRPs and BSPs • Standard contracts between TSO(s) and BRPs, and TSO(s) and BSPs • Optionally workshops dedicated to abovementioned topics <p>All of which should be based on the following principles:</p> <ul style="list-style-type: none"> • harmonising rules across countries • ensuring compliance with Electricity Balancing Guideline • allowing the integration of national balancing markets into WB6 and wider regional balancing market
Sub-Projects	Defined in line with beneficiaries' requirements for assignments
Type of action & required expertise	Consultancy services (Energy Markets & Processes), Legal services
Indicative Units of TA	35 (international), 15 (local)
Beneficiaries	Albania, Kosovo*, FYR of Macedonia
Conditions for implementing	Primary legislation compliant with balancing requirements of the Third Energy Package
Envisaged Beginning of TA Project	November 2016
Implementation period	5 months

TA Project Number	8
TA Project Title	Price Deregulation
Reference	IPA 2015/038-055.02/MC/CONNECTA-8
Scope of the TA Project	Eliminate price regulation of generation and phase out price regulation for other than small enterprises and household customers and adopt national action plans for phasing out price regulation in general
Objective & expected results	Finalise the deregulation of prices in all spheres of the electricity sector pursuant to the Third Energy Package
Deliverables	<ul style="list-style-type: none"> • Phasing-out plans (transitory models) for price regulation and elimination of cross-subsidies • Back-up strategies where necessary to address a market failure • Conditions and procedures for appointing the supplier of last resort • Review of tariff methodologies and proposed amendment • Protection plans for vulnerable customers • Communication strategy for decision makers
Sub-Projects	Defined in line with beneficiaries' requirements for assignments
Type of action & required expertise	Consultancy services (Energy Markets & Processes), Legal services
Indicative Units of TA	20 (international), 30 (local)
Beneficiaries	Albania, Kosovo*, FYR of Macedonia
Conditions for implementing	Primary legislation compliant with requirements for price deregulation of the Third Energy Package
Envisaged Beginning of TA Project	November 2016
Implementation period	12 months

TA Project Number	9
TA Project Title	Unbundling of Transmission System Operators
Reference	IPA 2015/038-055.02/MC/CONNECTA-9
Scope of the TA Project	Unbundling and certification of the transmission system operator
Objective & expected results	Finalise the TSO Unbundling process in line with the Third Energy Package
Deliverables	<ul style="list-style-type: none"> • Review of primary legislation governing control over public undertaking and necessary amendments • Certification rules • Certification application • Certification decision
Sub-Projects	Defined in line with beneficiaries' requirements for assignments
Type of action & required expertise	Consultancy services (Energy Markets & Processes), Legal services
Indicative Units of TA	30 (local)
Beneficiaries	Kosovo*, Montenegro, Serbia
Conditions for implementing	Primary legislation compliant with TSO unbundling requirements of the Third Energy Package
Envisaged Beginning of TA Project	November 2016
Implementation period	3 months

TA Project Number	10
TA Project Title	Unbundling of Distribution System Operators
Reference	IPA 2015/038-055.02/MC/CONNECTA-10
Scope of the TA Project	Legal and functional unbundling of distribution system operators and supply companies
Objective & expected results	Finalise the DSO Unbundling process in line with the Third Energy Package
Deliverables	<ul style="list-style-type: none"> • Possible models for legal unbundling • Rules on the independence of the staff and management of the DSO • Agreement on Shared Services • Compliance programme
Sub-Projects	Defined in line with beneficiaries' requirements for assignments
Type of action & required expertise	Consultancy services (Energy Markets & Processes), Legal services
Indicative Units of TA	30 (local)
Beneficiaries	Albania, Bosnia and Herzegovina, Montenegro
Conditions for implementing	Primary legislation compliant with DSO unbundling requirements of the Third Energy Package
Envisaged Beginning of TA Project	November 2016
Implementation period	6 months

2.3 Risks and Assumptions

This chapter details the risks and assumptions that are required to be mitigated or assessed for ensuring the successful implementation of the project's targets, in line with chapter 2.1.4.3, Annex I, Grant Contract. The tables below contain a list of actions proposed to mitigate the respective project risks and assumptions behind. As the project focuses on so-called soft measures as opposed to 'hard' infrastructure projects, namely regulatory and legislative reforms and institution building, the key risks that apply to the project are political, economic and social.

The risks attached to the implementation of the TA Projects outlined in this Work Programme depend heavily on the political will and commitment on the ground to realise the reforms in line with the soft measures. No successful implementation of concrete assignments or the overall implementation of the targets of this project can be reached, if the local entities in charge oppose and/or delay necessary reforms. Overall, the factual delivery of technical assistance in this project depends on politics in the Western Balkans and control for the potential social and economic implications of reform steps taken.

Risks	Risk level	Mitigating measures
Political		
Unstable political situation in the countries - change in government priorities	low	This risk is mitigated by the priority accorded by all countries to EU integration. All of the countries are pursuing EU integration and have Stabilisation and Association Agreements with the EU. Several countries have "candidate status". Montenegro and Serbia are currently in negotiations with the EU. All countries are Contracting Parties to the Energy Community and have made consistent progress in implementing this internationally binding agreement since 2006 despite several changes of governments. The regional dimension of the action also contributes to reduce the impact of this risk.
Energy is not a political priority - lack of political will to collaborate with the EU on energy issues	low	Energy policy has been declared a priority by both the EU and the beneficiary countries' at a high political level. The requirement to report progress to the WB6 and the Berlin Process will serve to maintain this commitment.
Legal and procedural difficulties in beneficiary countries impact on capacity to deliver the assistance programme	medium	The detailed discussions with the individual Parties will identify where targeted assistance is required to tackle specific legal and procedural difficulties.

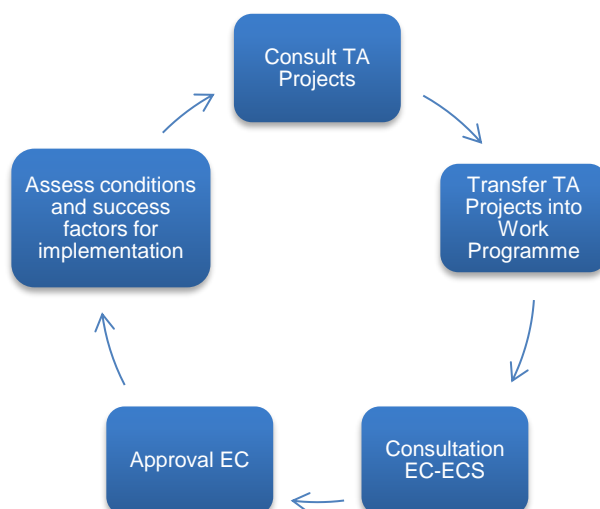
Risks	Risk level	Mitigating measures
Economic		
Lack of will to address energy policy reforms on a sound economic basis	medium	The project will provide the necessary information and support to partner countries to make appropriate choices in a transparent fashion. The regional energy market is an obligation under the ECT and progress will be reported to the high level forums such as the Ministerial Council, the WB6 and the Berlin process as well as for the annual progress reports prepared by the EC.
Social		
Lack/discontinuity of human resources - weak institutional memory	medium	The project will work with a wide number of experts including local experts to help develop local capacity. This will be supplemented by training in order to create additional skilled human resources. The involvement of the ECS and its different forums means that the administrations will benefit from best international practice and will supplement institutional memory gaps in individual administrations.
Lack of commitment of some beneficiary countries to participate in some of the activities (policy-making, sharing statistics & indicators)	medium	The provision of assistance under will be based on individual cooperation agreements signed with each of the 6 Parties and these will contain specific conditions in terms of participation and information sharing
Assumptions		
<ul style="list-style-type: none"> • Political commitment from beneficiaries • Sufficient administrative capacity in the beneficiaries • Local ownership of project outputs • Continued government commitment towards EU integration and the Energy Community obligations and commitments 		

3. Relevant Processes and Procedures

This chapter displays the process used for the identification, consultation, consolidation, agreement and approval of the TA Projects and the Work Programme in Chapter 3.1. Chapter 3.2 details the procedure applied by the ECS in factually procuring and implementing the TS Projects.

3.1 Creation, Review and Update Process of the Work Programme

The process applied for the creation, review and update of the work programme is crucial to the success of the project's implementation. A control cycle approach is used based on the following process steps:



Graph 1: Control Cycle approach for TA Projects and Work Programme

Together with the initial creation of the initial Work Programme, the process will look like this in a linear fashion:

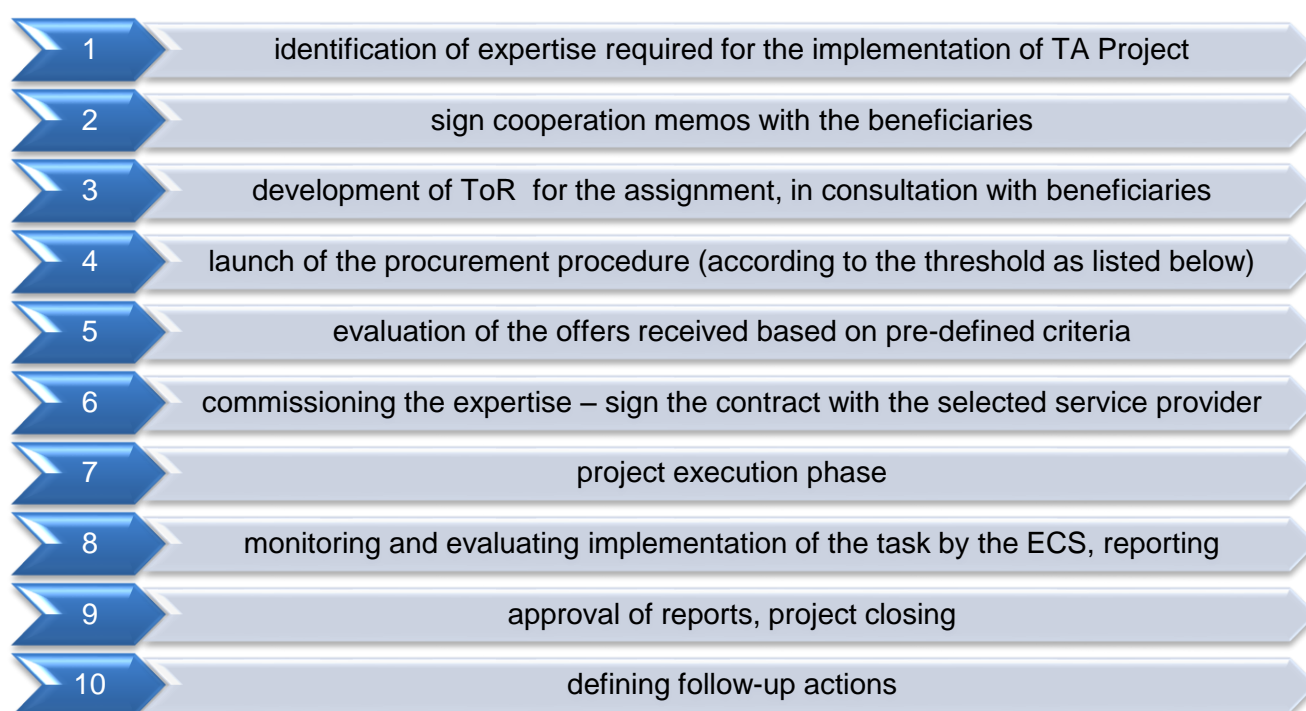
- Consult on TA projects with relevant stakeholders through discussions with each of the Western Balkan Parties to agree on the priority issues (ECS)
- Develop or update Work Programme (ECS)
- Consult Work Programme (ECS, EC)
- Approve Work Programme (EC)
- Review TA Projects based on (expected) implementation success, feasibility, implementation assumptions, changes in legal, regulatory or political environment, timeliness of implementation (ECS)
- Update Work Programme, at least on an annual basis (ECS)
- Consult updated Work Programme (ECS, EC)

- Approve updated Work Programme (EC)

3.2 Implementation and Procurement Procedure of TA Projects

After the approval of the Work Programme and the specific TA projects contained therein, ECS is committed to immediately engage in commissioning the expertise required for providing the technical assistance based on the procedure described below.

The process steps for implementing TA Projects after the approval of Work Programme will be:



Graph 2: Process steps of TA Project Procurement Procedure

For assignments below EUR 100.000, the ECS will exclusively withdraw the expert resources from the Roster of Experts created for that purpose, as outlined in points 2.1.2.1 (iii) and 2.1.2.2 of Annex I to the Grant Contract. Above EUR 100.000 open procedures will be used. For concrete procedures, please refer to the table below.

The Roster of Experts comprises sub-lists, corresponding to each of the fields of expertise needed for the implementation of the project. Additional categories will be added within the implementation period of the project upon need.

Pursuant to applicable procurement rules, the following amount limits for the selection of tendering procedure (goods and services contracts) will be observed:

Estimated value of contract		Type of procedure
	Service or supplies	Minimum procedure applicable
1	≤ EUR 500	<i>payment may be made against invoice</i>
2	≤ EUR 20.000	Negotiated procedure with consultation of at least two offers (service providers)
3	≤ EUR 60.000	Negotiated procedure with consultation of at least three offers
4	≤ EUR 100.000	Negotiated procedure with consultation of at least five offers
5	< EUR 100.000	Restricted procedure without prior notice publication of a contract notice Negotiated procedure without prior notice
6	< EUR 130.000	Direct Award with prior notice
7	< EUR 209.000	Open procedure with prior notice Restricted procedure with prior notice Negotiated procedure with prior notice
8	≥ EUR 209.000	Open procedure (EU wide notice) Restricted procedure with EU wide notice

Table 3: Procurement thresholds applicable

For internal purposes the expenditures shall fall in two parts, a) expenditures for administrative needs, and b) expenditures for energy policy needs. Expenditures for administrative needs shall be expenditures relating to (non-exhaustive list):

- the everyday administrative support,
- administrative support of events,
- expenditures related to publications/subscriptions,
- expenditures related to website maintenance, and
- any other, whose nature indicates their administrative character.

Expenditures for energy policy needs shall be expenditures relating to implementation of activities as outlined in the Work Programs of the project with and not being of administrative nature as listed above. Mainly those expenditures related to contracts for consulting services and research in one of the areas of work of the Secretariat.

The award of contacts for administrative needs shall follow the threshold from the table above. The award of contracts for energy policy expenditures, inc. consulting, research and technical assistance shall follow the provisions of the Austrian Procurement Law whereas a

direct award is possible for the amount of up to EUR 100.000 with one single service provider upon proper documentation².

² Article 41 of the Austrian Procurement Law ("BVERG")

4. Visibility Component

The communication strategy outlined below serves to provide a structured and effective communication approach towards the target audience.

4.1 Target Audience

The target audience consists of policy-makers as well as national experts in the sphere of electricity in the beneficiary countries and EU Member States (especially those part of the WB6 process), international financial organisations and business community active in the energy sectors of the beneficiary countries and the media.

4.2 Key Messages

The overriding objective of the communication activities is to accurately communicate the progress made by the beneficiary countries in the implementation of the regional electricity market across the three pillars - spot market, cross-border balancing and regional capacity allocation – as well as the so-called cross-cutting measures, assisted by the TA provided under the scope of this Project. Another key objective is to raise awareness of the technical assistance Project as such and its role in assisting in the development of a regional electricity market and the benefits to be derived from its creation.

4.3 Communication Channels

It is foreseen that the internet, digital and printed publications, email dissemination lists, social media and other communication channels will be used for outreach to the target audience and communication on the activities under the TA Project.

4.3.1 Website

The Energy Community official website, which had more than 140,000 unique visitors in 2015, will be used for promotion of the TA Project. A dedicated section of the Energy Community website has been tailor made to display the key information about the TA Project³, including on the Grant Contract between the European Commission and the Energy Community Secretariat for provision of technical assistance and its expected results. The webpage will be continuously developed and updated in order to reflect the attainment of the deliverables under the TA Project.

News items will be regularly published on the Energy Community website to announce the key milestones reached under the Project.

³ https://www.energy-community.org/portal/page/portal/ENC_HOME/AREAS_OF_WORK/WB6

4.3.2 Social Media

Existing social media platforms (e.g. Twitter) of the Energy Community will be used for promotional purposes, whenever suitable.

4.3.3 Reports and their Dissemination

The regular bi-monthly, quarterly and annual reports will be used to communicate on the attainment of the key objectives by the six beneficiary countries.

All TA reports will be published and available for download on the Energy Community official website. At the same time, they will be disseminated to approximately 3,000 Energy Community document subscribers. The key reports and the annual reports will be promoted via news items which will be distributed to approximately 3,500 Energy Community news subscribers, including members of the press.

The two Annual Reports serve as the flagship reports in this outreach strategy. They will be published in the lead up to the Western Balkan 6 summits. On top of the regular dissemination channels, they will be distributed via a specially tailored dissemination list, which will include Prime Ministers, Energy Ministers, EU Commission officials, the business community, etc.

The Annual Report will be presented and distributed in hard copy during the Western Balkan 6 summit. The Annual Reports will include a high-level summary of key conclusions for decision-makers and other non-experts.

All reports will display the appropriate EU mentions.

4.3.4 Events

The project managers will conduct individual country missions to participating countries as appropriate. In addition, workshops gathering all six participating countries may be conducted if required.

Prior to the Western Balkan 6 annual summit, a regional preparatory meeting will be organised gathering all the country officials and experts at the seat of the Energy Community Secretariat in Vienna.

The Annual Reports will be presented to high-level stakeholders at the Western Balkan 6 summit in Rome in 2017 and the subsequent Western Balkan 6 summit in 2018. A news item will be published to highlight the presentation of the report to a high-level audience. A press conference will also take place before or after the event if appropriate.

4.3.5 Photographs

Where appropriate to document the progress of actions and events, the Energy Community Secretariat will either engage a professional photographer (for high-level events) or rely on in-house facilities.

4.3.6 Promotional Items

Promotional items, including in particular a branded A4 zipper file manager, will be produced and distributed to active project participants, including the country points of contact. The appropriate EU mentions will be displayed.

4.4 Monitoring and Evaluation

An evaluation and summary of the communication activities will be submitted as part of the annual and final reports.

4.4.1 Website

The use of the website will be monitored using tools already available for the Energy Community website, such as number of downloads of a report. Google analytics will be installed in the course of 2017 to allow for a more detailed analysis.

4.4.2 Media Outlets

Monitoring of media outlets publishing on the activities under the TA Project will be monitored through press clippings. Existing subscription of the Energy Community Secretariat and Google News search for relevant key words will be used. The number of mentions, likes and shares on social media will also be monitored.

4.5 Human Resources

The communication actions will be managed and carried out by the Energy Community Secretariat, with sub-contracting as required e.g. for photography, website development and design, layout and printing of publications.



This project is supported by the European Union. The contents of this publication are the sole responsibility of the Energy Community Secretariat and can in no way be taken to reflect the views of the European Union.



Annexes

- (1) Indicative Timetable of Activities
- (2) Draft Cooperation Memorandum
- (3) Call for Expression of Interest for Roster of Experts
- (4) Implementation Elements of the Project, baseline status

Annex (1) Indicative Timetable of Activities

TA Project Implementation period 2016-2018 (provision of TA to start from month 5), pursuant to point 2.1.3, Annex I Grant Contract

Calendar month	11/16	12/16	01/17	02/17	03/17	04/17	05/17	06/17	07/17	08/17	09/17	10/17	11/17	12/17	01/18	02/18	03/18	04/18	05/18	06/18	Total Units	
Project month	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24		
Project 1	- Preparatory Period -	1	2	5	5	10	10	10	10	1	1	15	15	15	10	10	15	20	20	25	200	
Project 2		5	5	5	5	5	5	5	5	0	0	10	10	10	10	10	10	10	10	20	140	
Project 3			12,5	12,5	12,5	12,5																50
Project 4		10	10	10	10	10																50
Project 5		5	5	5	2	2	1															20
Project 6		12,5	12,5	12,5	12,5																	50
Project 7		10	10	10	10	5	5															50
Project 8		2	2	3	3	5	5	5	5	5	5	5	5									50
Project 9		10	10	10																		30
Project 10		5	5	5	5	5	5															30
Units / month		60,5	74	78	65	54,5	31	20	20	6	6	30	30	25	20	20	25	30	30	45	670	



**WB6
COOPERATION
MEMORANDUM**

Between

[WB6 Party Entity]

and

the Energy Community Secretariat (hereinafter “the Secretariat”)

(together hereinafter “the Parties”)

Whereas:

The Parties are aware of the need to create a regional electricity market,

The Parties intend to assist all Western Balkan governments to achieve this goal and to assist in defining measures to mitigate any associated political, social and economic risks,

The Parties intend to strengthen their cooperation in order to achieve this goal,

The Parties highlight the importance of continuing implementation efforts and reinforced cooperation,

IT IS AGREED AS FOLLOWS:

CHAPTER I

GENERAL PROVISIONS

Article 1 - Objective

- (1) The Parties hereby conclude a Cooperation Memorandum (hereinafter “the Memorandum”) within the framework of the Western Balkan 6 Initiative and the Grant Contract for Technical Assistance for Connectivity in the Western Balkans, Component 2: Regional Energy Market (hereinafter “the Contract”), signed between the European Union, represented by the European Commission, and the Energy Community, represented by the Energy Community Secretariat.
- (2) The aims of the cooperation between the Parties are to:
 - (a) achieve the goal of establishing and making operational a regional electricity market by implementation of the so-called “soft measures”, removing existing legislative and regulatory barriers and enhancing the institutional structures necessary for the functioning of this market in line with the Energy Community Treaty and relevant EU *acquis*;
 - (b) implement the three main pillars of the regional energy market (i) spot market (ii) cross-border balancing (iii) regional capacity allocation as well as the horizontal dimension, the so-called cross-cutting measures;

- (c) foster the amicable and close cooperation between all relevant entities in the Western Balkans needed to achieve the aims set out above;
 - (d) create real benefit for the citizens of the Western Balkans from a more efficient and sustainable supply of energy in their homes and workplaces and indirectly from the economic growth that such a regional energy market should help to foster.
- (3) The Memorandum establishes terms and conditions under which the Parties may cooperate for the purpose set out under paragraphs (1) and (2).

Article 2 – Technical assistance

- (1) The Parties will support the technical assistance that is implemented within the scope of the Western Balkan 6 Initiative and the Contract referred above.
- (2) The technical assistance supported by the Parties will be specified in an Annex to this Memorandum. Any additions or changes shall be agreed between the Parties in the form deemed appropriate by them and added as an additional updated and comprehensive Annex.
- (3) The support by the Parties necessary for accomplishing the implementation of the technical assistance shall be provided in accordance with pertinent regulations, rules, or procedures of the respective Party.
- (4) The Parties commit to make best use of the technical assistance specified in the Annex to the Memorandum and to not use the financial attributions attached to it for any other aim than the ones specified in Article 1 of this Memorandum.

Article 3 – Nature

- (1) The Parties acknowledge and agree that this Memorandum is not legally binding.

- (2) This Memorandum does not create, and nothing herein shall be construed as creating, any legal rights or obligations for the Parties. Its provisions may not give rise to any legal claim on behalf of any Party.
- (3) The Memorandum shall not affect the application of agreements already in force between the Parties.
- (4) Nevertheless, the Parties commit their best effort to implement the technical assistance specified in the Annex to the Memorandum.

CHAPTER II

EXCHANGE OF INFORMATION AND REPORTING

Article 4 - Reporting

- (1) [The WB6 Party Entity] commits to regularly report on the progress of the implementation of the technical assistance specified in the Annex to the Secretariat, at least on a quarterly basis.
- (2) The Parties shall seek to identify the need to organise meetings on the state of play and progress, and implementation prospects of the technical assistance.

Article 5 – Exchange of information

- (1) The Parties undertake to ensure that, when requested, they communicate to each other information on obstacles, project risks or implementation delay in due time.
- (2) Paragraph (1) shall not prevent the Parties, in compliance with their national legislation, from communicating to each other, on their own initiative, potentially useful information for protecting the attainment of the overall aims of this Memorandum.

- (3) The Party requesting information shall guarantee the level of confidentiality attributed to information by the requested Party.

CHAPTER III

MODIFICATION

Article 6 – Modification

- (1) Any Party may request in writing modification of all or any part of this Memorandum.
- (2) The Parties will decide jointly on any modification requested. Any modification will be in writing and form an integral part of this Memorandum.
- (3) Such modification will commence on such date as may be mutually decided by the Parties.
- (4) Any modification will not affect the implementation of any ongoing activities undertaken before the entry into force of the modification.

CHAPTER IV

FINAL PROVISIONS

Article 7 – Anti-corruption

- (1) Each Party commits that neither the Party itself nor its directors, officers or employees have offered, promised, given, authorized, solicited or accepted any undue pecuniary or other advantage of any kind (or implied that they will or might do any such thing at

any time in the future) in any way connected with the Memorandum or the technical assistance specified in the Annex and that it has taken reasonable measures to prevent subcontractors, agents or any other third parties, subject to its control or determining influence, from doing so.

- (2) The Parties agree that, at all times in connection with and throughout the course of the Memorandum and thereafter, they will comply with and will take reasonable measures to ensure that their subcontractors, agents or other third parties, subject to their control or determining influence, will comply with Part I of the ICC Rules on Combating Corruption 2011, which is hereby incorporated by reference into the Memorandum as if written out in full.

Article 8 – Entry into force

The Memorandum shall enter into force on the date of notification of the signature of [the Western Balkan Party Entity].

Article 9 – Termination

- (1) The Memorandum is concluded for an unlimited period of time.
- (2) Each Party has the right to terminate the Memorandum and shall notify the other Party in writing of its intention.
- (3) Termination will take effect six months after it has been notified to the other Party.
- (4) Termination of the Memorandum shall not affect co-operation carried on under the terms of the present Memorandum before the end of the Memorandum.

Done at [...], on [...] in [number of Parties] originals.

For [the WB6 Parties Entity]

For the Energy Community Secretariat

ANNEX

The technical assistance referred to in Article 2 of the Memorandum may include, but is not limited to:

(a) [TBD]

(b) [TBD]

(c) [TBD]

Annex (3) Call for Expression of Interest

The Call for Expression of Interest related to the creation of the Roster of Experts under this Project, as displayed on the following pages, was published on 11 August 2016 and is, together with the relevant application documents, available here: https://www.energy-community.org/portal/page/portal/ENC_HOME/SECRETARIAT/Job/Roster

The roster of experts is valid up to four years from the date of dispatch of the contract notice (11 August 2016). Applications may be submitted at any time during the validity of this list, with the exception of the last three months.

CALL FOR EXPRESSION OF INTEREST 2016-2020

Creation of a roster of short term experts to support the activities of the Energy Community Secretariat

1. Purpose

The objective of this call for expressions of interest is to set up a roster of experts for providing assistance to the Energy Community Secretariat in the framework of its activities, including in the framework of grant contracts concluded between the Energy Community Secretariat and the European Commission and other donors.

Background information

The principle objective of the Energy Community is to create a regulatory and market framework that is capable of attracting investments for a stable and continuous energy supply. This paves the way for an integrated energy market, allowing for cross-border trade and integration with the EU market.

The Energy Community strives to enhance security of supply and competition, and to improve the environmental situation in its Contracting Parties. Currently, the Parties to the Treaty are the European Union and eight Contracting Parties: Albania, Bosnia and Herzegovina, Kosovo*⁴, former Yugoslav Republic of Macedonia, Moldova, Montenegro, Serbia and Ukraine. Armenia, Turkey and Norway are Observers, Georgia is expected to become a Contracting Party soon.

In the last ten years of its operations, the Energy Community and its institutions, including the Secretariat, have gained experience in number of initiatives on European and regional level across the territories of its constituencies. The Secretariat has become a professional partner for the EU and other donors in the course of energy reform through the implementation of European energy law and energy policy strategies incl. Energy Union strategy and other regional programs.

Energy Community's activities are financed by the contributions of the Parties to the Treaty establishing the Energy Community according to the Parties' contribution table laid down in Annex IV of the Treaty⁵. In 2016, the Energy Community Secretariat has been awarded grants by the EU to support and monitor the implementation of overall strategies in the overall amount of approximately EUR 8 Million. Currently, the Secretariat implements the following grant contracts:

⁴ *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.

⁵ https://www.energy-community.org/portal/page/portal/ENC_HOME/ENERGY_COMMUNITY/Legal/Treaty#ANNEXIV

- **EU4Energy Programme**

Component 3 - Legislative and Regulatory Environment and Key Energy Infrastructure

The programme EU4Energy is based on the long running INOGATE Programme. INOGATE has worked to support the EU policy frameworks of the Baku Initiative, the Eastern Partnership Energy Security Platform, the Energy Community and the Central Asia Development Cooperation in the four key areas:

- convergence of energy markets on the basis of the EU principles,
- enhancing energy security,
- supporting sustainable energy development, and
- attracting investment towards energy projects of common and regional interest.

Its successor, the EU4Energy programme comprises five distinct components, all of which will contribute to better policy making and implementation. In order to implement the overall action, the European Commission has decided to conclude direct grant agreements with the International Energy Agency (IEA) for Components 1, 2 and 4 and with the Energy Community Secretariat in cooperation with the Energy Charter Secretariat or Component 3.

The Component 3, for which the roster of experts will be used, seeks to generate an improved energy legislative and regulatory framework and implemented policy recommendations as well as to promote investments in key energy infrastructure strategic projects in Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine.

The Component 3 - Legislative and Regulatory Environment and Key Energy Infrastructure

- a) will support the concrete implementation of the association agenda in the domain of energy (change of the legislative and regulatory framework, adoption of new practices and procedures);
- b) will promote use of best practice and approximation of the EU acquis where partner countries deem it relevant (through meetings during the inception phase and regional/bilateral dialogue meetings);
- c) will facilitate the identification of key strategic infrastructure projects in the energy sector and the investment required.

- **CONNECTA (TA to Connectivity in the Western Balkans)**

Component 2: Regional Energy Market

In the framework of the “Berlin” or “Western Balkan 6” process, the general objective of this project is to assist the Western Balkan governments (Albania, Bosnia and Herzegovina, Kosovo, Former Yugoslav Republic of Macedonia, Montenegro, and Serbia) to establish a regional energy market by facilitating the implementation of so-called "soft measures" agreed on at the 2015 Vienna Summit of the Western Balkan 6 process. These measures envisage

the removal of existing legislative and regulatory barriers and enhancing the institutional structures necessary for the functioning of this market in line with the Energy Community acquis.

It focuses on the support to concrete reform measures, such as: unbundling, market opening, strengthening regulatory authorities, streamlining and reducing barriers to permitting and licensing for new energy infrastructure, environmental impact assessment procedures, regulatory measures for cross-border energy infrastructure etc.

The main activities of the project will be

- a) Facilitating legal alignment between the national laws and Energy Community obligations for a regional energy market;
- b) Establishing market designs, corporate structures and the contractual framework needed;
- c) Designing of tailor-made technical (including IT) infrastructure and software as appropriate;
- d) Providing targeted support to national authorities in implementing the national and regional energy market reforms and integration (designing regulatory measures, tariffication, model contracts and terms and conditions, public service obligations, competition and State aid enforcement, permitting etc.)
- e) Promoting the cooperation between entities from different countries through regional agreements
- f) Supporting institutional development and capacity building

Role of the Roster of Experts

For the purpose of the implementation of its budget as well as the implementation of grant contracts, the Secretariat will establish a database of experts (roster of experts) as a resource required for the awarding of contracts needed for the implementation of pre-defined initiatives and activities.

2. Beneficiaries

The Energy Community Secretariat is the Contracting Authority for contracts awarded to experts included in the Roster. Consultants will be legally and professionally liable to the Secretariat for performance of tasks assigned in their respective contract. To the extent possible the contract will be based on the Secretariat's General Terms and Conditions.

The Contracting Parties, namely Albania, Bosnia and Herzegovina, Kosovo, Former Yugoslav Republic of Macedonia, Moldova, Montenegro, Serbia and Ukraine will be the

ultimate Beneficiaries of the interventions. As Observers, Armenia, Georgia and Turkey will benefit to the extent their specific status is relevant. Within the context of the EU4Energy project, Azerbaijan and Belarus will also be Beneficiaries of the interventions.

3. Contracting Authority

The Energy Community Secretariat, with its seat in 1010 Vienna, Am Hof 4.

4. Registration procedure

Interested parties are invited to fill in the electronic form accessible at: https://www.energy-community.org/portal/page/portal/ENC_HOME/SECRETARIAT/Job/Roster. This document shall be printed and signed and submitted together with all requested supporting documents by email to experts-roster@energy-community.org.

All requested documents shall be submitted in English.

5. Legal form of the applicants

No particular legal form is required. Natural persons as well as legal entities regardless of their form of organization may apply.

In case of companies or consortia, the applicant should set-up a project team and send the CV's of the members of the team. Team members can be replaced, provided that the new team member possess at least equivalent qualifications and experience as the replaced team member.

6. Nationality of applicants

Experts submitting their expression of interest as natural persons can apply regardless of their nationality.

For services financed through the EU grant contracts, participation of legal persons (participating either individually or as part of a consortium) is limited to entities effectively established in a Member State of the European Union or in an eligible country or territory as defined under the Regulation (EU) N°236/2014 establishing common rules and procedures

for the implementation of the Union's instruments for external action (Article 9) for the applicable Instrument under which the contract is financed⁶.

No restrictions regarding nationality applies to legal persons established in the Energy Community Contracting parties, Observers and Candidate Countries.

Each time a specific contract is to be concluded, only the candidates listed in the roster and fulfilling the criteria above will be invited.

7. General description of the procedure

To be included in the Roster of Experts, interested persons and legal entities are invited to submit an application in accordance with the rules set out in this notice for one or more of the categories specified at point 9 below. The Roster comprises sub-lists, corresponding to the main fields listed at point 9.

The Contracting Authority will establish evaluation committees to review all eligible applications (exclusion criteria listed at point 10.1. below) based on the criteria set at point 10.2. below. Eligible candidates whose applications are not successful will be informed in writing about the reasons for their non-inclusion in the Roster.

The Roster will be published on the website of the Energy Community. It will be used by the Contracting Authority for awarding contracts in line with Austrian public procurement law (Austrian Federal Public Procurement Law (*Bundesvergabegesetz 2006*, Federal Law Gazette I No. 17/2006, in its most recent version), namely for the following procedures

- Restricted procedure without prior notice, as per art 25(4) of the Austrian Federal Public Procurement Law: a limited number of suitable natural persons and/or companies from the Roster will be invited to submit their bids to the Secretariat.
- Negotiated procedure without prior notice, as per art 25(6) of the Austrian Federal Public Procurement Law: a limited number of suitable natural persons and/or companies from the Roster will be invited to submit their bids to the Secretariat. Negotiations on the content of the contract will follow.
- Direct award without prior notice, as per art 41(1) of the Austrian Federal Public Procurement law: a limited number of suitable natural persons and/or companies from

⁶ For the EU4Energy project, financed through the European Neighbourhood Instrument, the countries are as specified in the Annex I. to the Regulation (EU) No 232/2014: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, The Republic of Moldova, Morocco, occupied Palestinian territory (oPt), Syria, Tunisia, Ukraine. For the CONNECTA project, financed through the Instrument for Pre-Accession Assistance, the countries are as specified in the Annex I. to the Regulation (EU) No 231/2014, Albania, Bosnia and Herzegovina, Iceland, Kosovo*, Montenegro, Serbia, Turkey, The former Yugoslav Republic of Macedonia

the Roster will be invited to submit their offers in cases when the estimated value of the contract does not reach the value of 100 000 EUR

Only experts on the Roster will be invited to take part in the restricted procedure without prior notice, negotiated procedure without prior notice and direct award. Each time a specific contract is to be awarded relating to a field listed at point 9 and depending on the specifics of the relevant procurement procedure, the Contracting Authority will invite one or several persons and legal entities in the Roster (on the relevant sub-list(s)), selected on the basis of objective and non-discriminatory criteria, to submit an offer or participate in a tender.

Depending on the estimated costs involved, other procedures as specified by the Austrian Federal Public Procurement Law⁷ will be used in addition to the procedures involving the Roster of Experts. All procurement procedures will be done in accordance with the thresholds provided for in the Austrian Federal Public Procurement Law.

Inclusion on the list entails no obligation on the part of the Contracting Authority concerning the award of the contract or an invitation to submit an offer or to participate in a tender.

8. Protection of personal data

If processing the candidates' expression of interest involves the recording and processing of personal data (such as the candidates' name, address and CV), such data as well as all commercial and business secrets and other non-public information revealed during the procedure will be handled strictly confidential.

Unless indicated otherwise, the reply to this notice and any personal data requested are required only for the purposes indicated above in point 7 and will be processed solely for those purposes by the Contracting Authority indicated in point 3, which is also acting as data controller.

9. Categories of experts and fields of expertise

The Roster will include natural persons and legal entities who may be called on to provide the Contracting Authority with expertise in the fields listed below:

- a) Consultancy services
- b) Legal services
- c) Training, communication and other services

This list may be amended or revised upon need.

⁷ <https://www.ris.bka.gv.at/defaultEn.aspx>

Applicants may apply for one or more fields of expertise. Supporting documents and references must be provided for each field separately.

List of fields of expertise which may be applied for:

a) Consultancy Services

- Project Management and Project Promotion
- Management & Strategy Consulting
- Energy (Electricity, Gas, Oil) Markets and Processes, which may include (but is not limited to):
 - o Implementation of energy market reforms
 - o Tariff structure designs in the energy sectors
 - o Market development, including (cross-border) balancing, realizing market coupling and hubs
 - o Restructuring companies, including unbundling and certification of system operators
 - o Ensuring security of supply
- Advising Institutions, which may include (but is not limited to):
 - o Governmental institutions
 - o Energy regulatory authorities
 - o Competition and state aid authorities
 - o Energy and environmental agencies
 - o Judicial authorities
- Energy Efficiency, which may include (but is not limited to):
 - o Implementation of energy efficiency directive (obligation schemes, energy management, development of energy services market, improvement of efficiency in energy supply etc.)
 - o energy performance of buildings
 - o energy labelling and eco-design
- Infrastructure planning (Electricity, Gas and Oil), which may include (but is not limited to):
 - o Mid/long term system development planning (Scenario development, network modelling and simulations, system resilience analysis, market modelling and simulations)
 - o Cross border cost allocation methodologies
 - o Financial and economic project assessment and project-specific analysis, economic and financial cost-benefit analysis
 - o Smart grids
 - o Permitting
 - o Oil stocks design
- Environment, which may include (but is not limited to):
 - o Emissions reduction
 - o Strategic and environmental impact assessment

- Industrial emissions
- Fuel quality
- Environmental liability
- Biodiversity
- Renewable Energy, which may include (but is not limited to):
 - Support scheme design
 - Permitting
 - Grid connections
 - Guarantees of origin system
 - Certification system of sustainability criteria for bioliquids and biofuels
- Climate Change, which may include (but is not limited to):
 - Greenhouse gas emission monitoring
 - Emission trading schemes
 - Climate change adaptation
- IT Services and Solutions related to one or more of the above sub-categories

b) Legal Services

- Energy law
- European law
- Tax law
- Procurement law
- Competition and State aid law
- Corporate law
- Contract law
- Trade law
- Environmental law
- Administrative and infrastructure law
- Dispute Resolution and Arbitration
- Other legal services of relevance for one of the sub-categories listed under point 9.a)

c) Training, communication and other services

- Organization of training courses
- Communication
 - Marketing
 - Graphic design, layouting (brochures, reports,...)
- External evaluation
- Translation and interpretation
- Catering and conference organisation and services
- Travel management services
- General IT services
 - Custom solutions and consultancy
 - Applications development
 - Hardware and software consultancy
 - Programming and maintenance

For each field of expertise listed in points 9. a) – c), candidates are requested to provide a list of projects carried out over the past three years. One reference project can serve as evidence for multiple fields.

Each time a specific contract is to be awarded involving the Roster of Experts, the Contracting Authority will specify the nature of tasks to be performed and the numbers and categories of experts requested for the particular assignment, based on the following grades.

Junior Experts

At least level of secondary education attested by a diploma which gives access to postsecondary education, Bachelor Degree or equivalent in a field relevant to the assignment; after having obtained the diploma, the Junior Expert must have at least 3 years of appropriate full-time professional experience

Mid-level Experts

At least Master Degree academic level or equivalent in a field relevant to the assignment; after having obtained the degree, the Mid-Level Expert must have at least 6 years of appropriate full-time professional experience

Senior Experts/Team leaders

At least Master Degree academic level or equivalent in a field relevant to the assignment; after having obtained the degree, the Senior Expert must have at least 12 years of appropriate professional experience.

Languages

Excellent written and spoken English is a prerequisite. CVs submitted must list all languages mastered and the level of proficiency. Country specific experience and knowledge of the local language might be requested for certain assignments.

10. Criteria for inclusion on the Roster

10.1. Exclusion criteria

Candidates will be excluded if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority which has the force of 'res judicata';
- c) they have been guilty of grave professional misconduct proven by any means which the Contracting Authority can justify including by decisions of international organisations;
- d) they are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Contracting Authority or those of the country where the contract is to be performed;
- e) they or persons having powers of representation, decision-making or control over them have been the subject of a judgment which has the force of 'res judicata' for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity;

Before being included in the Roster, interested persons and legal entities shall provide a declaration on their honour stating that they are not in one of the situations of exclusion listed above. The declaration shall also include a commitment to notify the Contracting Authority, immediately and on their own initiative of

- any changes in the circumstances covered by the declaration of honour;
- any potential conflict of interest in connection with the Contracting Authority or a beneficiary; a conflict of interest could arise in particular as a result of economic interests, political or national affinities, family or emotional ties or any other relevant connection or shared interest;

In case of doubt, they may be requested to provide supporting evidence of non-exclusion. The declaration of honour must be signed by the candidate or in case of legal entities by person(s) empowered to represent the legal entity and to sign any subsequent contracts.

Candidates included in the Roster having received an invitation to submit an offer or to participate in a tender may be requested to declare that they are still in the same situation in respect of the exclusion criteria as indicated in their application and before being awarded, be requested to provide the evidence mentioned in this declaration of honour. Where the application involves more than one legal entity (including members), each entity must provide the form.

10.2. Selection criteria

The selection criteria are the following:

Point a) is applicable only for legal entities (including consortia), the other points apply to both legal entities and natural persons.

a. Turnover development and human resources (only for legal entities):

Turnover development and human resources assessment shall guarantee a selection of candidates with sound and sufficient resources allowing them to run their activities over the period of implementation of the contract.

- I. Number of employees in total and number of employees with know-how and specialised experience related to the field applied for; **and**
- II. Declaration concerning the sales turnover related to the field associated with the invitation to tender during the last 3 financial years (or for the time span from the business formation onwards for companies that are younger than 3 years).; for bidder consortia, please fill the tables for each member individually

b. Technical and professional competence for each selected field of expertise:

Candidates shall present evidence of educational and professional qualifications of the composition of the firm's managerial staff and those of the person/persons responsible for carrying out the work, for each selected field of expertise. Curriculum vitae must be provided. Candidates shall provide a list of related projects that were carried out over the past 3 years.

c. List of countries:

Candidates shall present evidence of their country specific experience and competences.

d. Proof of enrolment on a professional or trade register. All candidates must prove that they are authorized to perform the contract under national law, as evidenced by inclusion in a trade or professional register, or a sworn declaration or certificate, membership of a specific organization, express authorization or entry in the VAT register. If the candidate is a natural person, she/he will be required to prove her/his status as a self-employed person. She/he must supply details of her/his social security cover and situation with regards to VAT regulations. If the candidate is a consortium, please provide a proof of enrolment for each member of the group.

11. Place of delivery

The place of delivery of each specific assignment will be specified in the tender documents.

12. Expiry date of the list resulting from this call for expressions of interest

The list resulting from this notice is valid for 4 years from the dispatch of this notice. Interested parties may submit an application at any time prior to the last 3 months of validity of the list.

13. Cooperation

The legal entities or natural persons placed on the list and contracted to provide assistance to the Contracting Authority will be requested to work under the supervision of the staff members of the Energy Community Secretariat, and may be requested to work in cooperation with its partner organisations or other natural persons or legal entities on the Roster.

14. Date of dispatch of notice

10/08/2016

All request for additional information may be sent to: experts-roster@energy-community.org

Annex (4) Implementation Targets of the Project

The list below serves the purpose to identify initial priorities for assistance and corresponding tasks for the beneficiaries, pursuant to point 2.1.2.1. (i), Annex I, Grant Contract.

No	Implementation element	Deadline	Source	State of implementation/ Baseline July 2016
Spot Market Development				
1	Remove major legal and contractual obstacles to establishing organised electricity markets and market coupling based on the reports of the Secretariat	March 2016 ⁸	Vienna Energy Summit Measures	Albania: 31% Bosnia and Herzegovina: 13% Kosovo*: 38% FYR of Macedonia: 6% Montenegro: 59% Serbia: 100%
2	Adhere to a power exchange or, if economically justified (considering liquidity and economic viability) or create an own power exchange, enabling wholesale market trade	January 2017	Vienna Energy Summit Roadmap	Albania: 35% Bosnia and Herzegovina: 0% Kosovo*: 10% FYR of Macedonia: 0% Montenegro: 15% Serbia: 100%
3	Ensure liquidity of the domestic electricity markets by appropriate regulatory measures such as contract reviews, capacity releases, virtual power plants etc.	January 2017	Vienna Energy Summit Roadmap	Albania: 20% Bosnia and Herzegovina: 0 Kosovo*: 0% FYR of Macedonia: 10% Montenegro: 0% Serbia: 50%
4	Coupling of organised day-ahead electricity markets with at least one neighbouring country	July 2018	Vienna Energy Summit Roadmap	Albania: 20% Bosnia and Herzegovina: 0% Kosovo*: 20% FYR of Macedonia: 0% Montenegro: 0% Serbia: 40%
Cross-border Balancing				
5	Legal possibility for transmission system operators to acquire balancing services from all operators in the national and in perspective of a regional market under competitive conditions	March 2016	Vienna Energy Summit Measures	Albania: 100% Bosnia and Herzegovina: 57.5% Kosovo*: 100% FYR of Macedonia: 50% Montenegro: 100% Serbia: 100%
6	Adoption of a market-based balancing model allowing for the non-discriminatory cross-border exchange of balancing services	March 2016	Vienna Energy Summit Measures	Albania: 20% Bosnia and Herzegovina: 100% Kosovo*: 20% FYR of Macedonia: 8% Montenegro: 88% Serbia: 88%
7	Establishment of a functioning national balancing market based on above model	July 2016	Vienna Energy Summit Measures	Albania: 0% Bosnia and Herzegovina: 100% Kosovo*: 0% FYR of Macedonia: 0%

⁸ Where implementation deadlines have passed, these implementation elements are due to be delivered.

				Montenegro: 75% Serbia: 75%
8	Develop and adopt a coordinated integration path towards a regional balancing market with the implementation of regional imbalance netting as one of the key elements for cross-border balancing	December 2016	Vienna Summit Energy Soft Measures/ Memorandum of Understanding of WB6 on REM development	Regional: 0%
9	Develop and implement cross-border balancing cooperation based on the integration path that will ensure the most efficient balancing and settlement processes	December 2018	Memorandum of Understanding of WB6 on REM development	Regional: 0%
Regional Capacity Calculation				
10	EMS (Serbia) and KOSTT (Kosovo*) to implement the Framework and Inter-TSO Agreement	September 2015	Vienna Summit Energy Soft Measures	Kosovo*: 0% Serbia: 0%
11	Binding agreements between TSOs from the former Yugoslav Republic of Macedonia and Serbia with SEECAO on coordinated allocation	November 2015	Vienna Summit Energy Soft Measures	FYR of Macedonia: 100% Serbia: 0%
12	Introduction of a coordinated capacity calculation process for the allocation of day-ahead capacities based on a regionally coordinated congestion forecast	July 2016	Vienna Summit Energy Soft Measures	Albania: 38% Bosnia and Herzegovina: 42% Kosovo*: 38% FYR of Macedonia: 38% Montenegro: 42% Serbia: 42%
13	The Western Balkan Countries to support signing of agreements between SEECAO and relevant EU Member States	July 2017	Vienna Summit Energy Soft Measures	Albania: 0% Bosnia and Herzegovina: 0% Kosovo*: 0% FYR of Macedonia: 0% Montenegro: 0% Serbia: 0%
14	Agreement between all system operators of the region to establish a regionally coordinated calculator of available capacity	July 2016	Vienna Summit Energy Soft Measures	Regional: 0%
Cross-cutting Measures				
15	The former Yugoslav Republic of Macedonia to comply with the obligation to grant eligibility to all electricity customers	October 2015	Vienna Summit Energy Soft Measures	FYR of Macedonia: 50%
16	Eliminate price regulation of generation for other than small enterprises and household customers and adopt national action plans for phasing out price regulation in general	January 2016	Vienna Summit Energy Soft Measures	Albania: 36% Bosnia and Herzegovina: 67% Kosovo*: 20% FYR of Macedonia: 50% Montenegro: 76% Serbia: 100%
17	Legal and functional unbundling of distribution system operators and supply companies	March 2016	Vienna Summit Energy Soft Measures	Albania: 16% Bosnia and Herzegovina: 8% Kosovo*: 100% FYR of Macedonia: 76% Montenegro: 60% Serbia: 100%
18	Ensure independence of national energy regulatory authorities based on pre-defined indicators	January 2016	Vienna Summit Energy Soft Measures	Albania: 76% Bosnia and Herzegovina: 63% Kosovo*: 74%

				FYR of Macedonia: 72% Montenegro: 83% Serbia: 76%
19	Apply for observer status in ACER based on a positive opinion of the European Commission	July 2016	Vienna Energy Summit Measures	Albania: 0% Bosnia and Herzegovina: 0% Kosovo*: 0% FYR of Macedonia: 0% Montenegro: 0% Serbia: 60%
20	Unbundle and certify transmission system operator in line with the Third Energy Package	June 2016	Vienna Energy Summit Measures	Albania: 28% Bosnia and Herzegovina: 3% Kosovo*: 20% FYR of Macedonia: 4% Montenegro: 20% Serbia: 22%
21	Increase effectiveness of national administrative authorities, including for competition and State aid, by strengthening their independence and financial means and requiring them to notify the Secretariat of pending proceedings, and take due account of the Secretariat's opinion	July 2016	Vienna Energy Summit Measures	Albania: 60% Bosnia and Herzegovina: 45% Kosovo*: 10% FYR of Macedonia: 60% Montenegro: 53% Serbia: 31%
22	Timely implementation of the Trans-European Network Regulation with regard to licensing and permitting as well as one-stop shop procedures	January 2017	Vienna Energy Summit Measures	Albania: 10% Bosnia and Herzegovina: 10% Kosovo*: 10% FYR of Macedonia: 10% Montenegro: 15% Serbia: 15%