

13th Ministerial Council

Tirana
16 October 2015

1. The Ministerial Council meeting was welcomed by Prime Minister H.E. Edi Rama. It was chaired by Mr. Damian Gjikhuri, Minister of Energy and Industry on behalf of Albania as Presidency in office, and by Minister Mirko Šarović of Bosnia and Herzegovina and Commissioner Miguel Arias Cañete representing the Vice-Presidencies.
2. The Ministerial Council thanked the Presidency in office for its hospitality.
3. The Ministerial Council approved the agenda of the meeting.
4. Having in mind that the draft Decision 2015/04/MC-EnC of the Ministerial Council on amending Ministerial Council Decision 2008/02/MC-EnC (continuation of existence of the so-called 8th region) was withdrawn from the draft agenda, one Party to the Treaty cannot support the proposal. The Ministerial Council agreed to return to this Decision very soon after the adoption of Regulation 347/2013 in a written procedure.
5. The Ministerial Council adopted the A-points in Annex.
6. The Ministerial Council interprets Article 2 paragraph 1 in Procedural Act on Rules of Procedure for Dispute Settlement in the way that the non-notification by a national administrative authority to the Secretariat in an individual case will not trigger infringement action by the Secretariat.
7. Bosnia and Herzegovina informed that upon the retirement of Ms Amela Alihodžić, alternate member of the Advisory Committee, it will propose another candidate for the Advisory Committee in the near future.
8. In relation to the extension of the Energy Community acquis in the area of energy efficiency, the Ministerial Council adopted a Decision on the incorporation of the Energy Efficiency Directive (2012/27/EU) in the Energy Community.
9. Contracting Parties, and in particular Bosnia and Herzegovina, expressed the view that the overall timeframe of 2020 remains a challenge, especially from the financial perspective. Therefore all Contracting Parties invited the Commission to consider to expand the EU financial and technical support in the process of the transposition and implementation of the Directive as well as to encourage bilateral and other multilateral Donors to provide the support.
10. The Ministerial Council also tasked the Secretariat to assist Contracting Parties in finding the best solutions for implementation of the Energy Efficiency Directive in accordance with the Contracting Parties specific circumstances and level of the

achievement in the area of Energy Efficiency so far, to propose adequate support approach to implementing the Directive and linking it to appropriate financing. Secretariat should support exchange of the best practices in the Region.

11. The Contracting Parties also asked the Commission to consider expanding EU financial and technical support for Contracting Parties in the process of implementation of Directive 2001/80/EC due to the Contracting Parties' specific economic circumstances and level of achievement in the area of reducing emissions so far. The Ministerial Council took into consideration this address and tasked the Secretariat to propose to find adequate concepts to implement the Directive and to link it to appropriate financing. Secretariat should support exchange of the best practices in this sphere.
12. In relation to the extension of the Energy Community acquis in the area of energy infrastructure, the Ministerial Council discussed the European Commission's proposal on incorporation of Regulation 347/2013 in the Energy Community. The Contracting Parties expressed their concerns about the proposed Articles 4(5) of the Decision which may limit the chances of projects connecting Energy Community Contracting Parties and EU Member States to receive the label "Projects of Energy Community Interest". This limitation may also have a negative impact on the projects' access to technical assistance from IPA funds (national or multi-country) for the Western Balkan 6, or from the Neighbourhood Investment Facility (NIF) for the Eastern Partnership countries. The Commission intends to address these concerns by offering technical assistance in preparation of the projects to the Contracting Parties before application. Further the Commission will assess whether for projects spanning the border between the EU and the Energy Community Contracting Party this particular request is appropriate or should in the future be reviewed.

The Contracting Parties stressed their view that a revision of the TEN-E Regulation within the European Union with respect to the requirement for the projects with Contracting Parties showing benefits of two Member States to be eligible as PCI is vital to be done as quickly as possible but not later than 2016.

The Commission considers that, for the purpose of clarity, the adaptation proposed in Article 15(1) of the Ministerial Council decision adopting Article 11(1) of TEN-E Regulation (EU) No 347/2013 in the Energy Community, regarding application of the methodologies published by the European Network of Transmission System Operators (ENTSO) for Electricity and the ENTSO for Gas respectively, means that the methodologies are used where applicable to the projects referred to in this Article. In particular, lack of membership of TSOs of some of the Energy Community Contracting Parties in ENTSOs is not intended to exclude projects from application of the Regulation.

13. Upon discussion, the Ministerial Council adopted the Decision on the implementation of the Regulation 347/2013 in the Energy Community.

14. The Ministerial Council adopted General Policy Guidelines on the "Roadmap on the Reform of the Energy Community". Besides the documents to be developed and eventually adopted according to the Roadmap, the Ministerial Council also underlined the need for the Permanent High Level Group to timely incorporate the existing EU Network Codes in the gas and electricity sector starting in 2016 in order to not further delay the full integration of internal energy market.
15. The Ministerial Council adopted General Policy Guidelines on the "Future Joint Act on Security of Supply". The Ministerial Council recalled the last year's announcement by the Commission to establish a consultative process and involve the Contracting Parties when developing EU laws in the future which will have a direct impact on the Energy Community Contracting Parties. The Ministerial Council invited the European Commission to establish such a process already for the ongoing revision of the Security of Supply Regulation.
16. In the context of the discussion on security of supply Ukraine expressed its commitment to provide stable, secure and reliable transit of gas to the European Union. Ukraine expressed concerns regarding the new infrastructure projects which might by-pass Ukraine in delivering gas from Eastern Europe stressing that this could undermine the predictability of the transit of gas to the EU and Energy Community Contracting Parties through UGTS system. The Ministerial Council reviewed the state of play of the implementation of the Treaty on the basis of the annual Implementation Report and Dispute Settlement Report as presented by the Secretariat, the first one under the Third Energy Package. The Secretariat's report was welcomed by all members.
17. The Ministerial Council congratulated Serbia, Albania and Ukraine on their accomplishments in transposing the Third Energy Package. The Ministerial Council expressed its concerns with regard to the lack of progress in other countries which have stagnated or even reversed in the process of reforming their electricity and gas markets and in transposing other Energy Community Treaty obligations. The Ministerial Council also supported the Secretariat's call for establishing true independence of regulatory and other authorities.
18. The Ministerial Council welcomed the report on Renewable Energy, presented by the Secretariat and deplored the lack of progress in implementing Directive 2009/28/EC. The Ministerial Council established a Renewable Energy Coordination Group with a mandate until 2020, in order to speed up the process
19. The Ministerial Council recalled its declaration on the existence of a serious and persistent breach by Bosnia and Herzegovina of its obligations in the gas sector from last year. Despite all the assistance that was offered to that Contracting Party, no progress was achieved. In view of Article 42 of the Dispute Settlement Rules of Procedure, the Ministerial Council discussed the proposed measures under Article 92 and adopted the Decision as proposed by the Secretariat. The Ministerial Council and the Secretariat expressed its appreciation of the efforts made by the Minister and assured Bosnia and Herzegovina of their full support in overcoming the challenges related to rectifying the breach.

20. Upon information provided on the outcome of the Western Balkan Summit in Vienna in August 2015, the Ministerial Council encouraged the Secretariat to continue its efforts in supporting Contracting Parties to develop the regional energy market also in the future. Western Balkan Contracting Parties were invited to implement concrete measures aimed at establishing power exchanges, a regional balancing market and coordinated capacity allocation, as agreed in Vienna. The Ministerial Council suggested that in the future the process could focus also on energy efficiency measures, tapping the full potential of the Western Balkan Summit. This could be linked to the structured and timely implementation of the Energy Efficiency Directive.
21. The Ministerial Council welcomed the intention of Ukraine and Moldova to create an Integrated Ukrainian-Moldovan Electricity Market (IUMEM) without internal frontiers and based on a single regulatory space for trade in Network Energy. Both countries were encouraged to start with the project as soon as possible.
22. The Ministerial Council thanked Mr Janez Kopač for his successful work in the current mandate and appointed him as Director of the Energy Community Secretariat for a period of additional 3 years, starting from 1 December 2015.
23. The Ministerial Council thanked the current Albanian Presidency of the Energy Community in the person of Minister Gjirkuri and congratulated him on his personal achievements in reforming the Albanian energy sector in line with the Energy Community objectives. The Ministerial Council welcomed the Presidency for 2016, Bosnia and Herzegovina.
24. The Ministerial Council welcomed the priorities for the Presidency in 2016 presented by Minister Šarović

These Conclusions are adopted.

Done in Tirana on 16 October 2015.

For the Ministerial Council,

A large, stylized handwritten signature in black ink, positioned above the word 'Presidency' which is preceded by a dotted line.

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Presidency

Annex I

Annual Report on the Activities of the Energy Community (ECS)

Report of Audit as of 31 December 2014

Budget Committee Report on Audit 2014 (Art. 81(5) of the Procedures + Internal Rules of Procedures of the Budget Committee III.2.c)

Director's Report on Execution of the Budget (Art. 75 of the Treaty)

Decision D/2015/01/MC-EnC on Financial Discharge of the Director of ECS (Art. 83 of the Procedures)

Energy Community Work Programme 2016-2017

Decision D/2015/02/MC-EnC on the implementation of Commission Regulation (EU) No 431/2014 of 24 April 2014 amending Regulation (EC) No 1099/2008 of the European Parliament and of the Council on energy statistics, as regards the implementation of annual statistics on energy consumption in households

Decision D/2015/03/MC-EnC on the failure of the Republic of Albania to comply with the Energy Community Treaty in Case ECS-3/14

Decision D/2015/04/MC-EnC on the failure of the Bosnia and Herzegovina to comply with the Energy Community Treaty in Case ECS-4/14

Decision D/2015/05/MC-EnC on the failure of the Former Yugoslav Republic of Macedonia to comply with the Energy Community Treaty in Case ECS-5/14

Decision D/2015/06/MC-EnC on setting an implementation deadline for existing plants with regard to Chapter III and part I of Annex V of Directive 2010/75/EU on industrial emissions

Decision D/2015/07/MC-EnC: on amending Decision D/2013/05/MC-EnC of 24 October 2013 on the implementation of Directive 2001/80/EC of the European Parliament and of the Council on the limitation of emissions of certain pollutants into the air from large combustion plants and on amending Annex II of the Energy Community Treaty (Ukraine)

Appointment of the Members of the Advisory Committee 2016-2017

Procedural Act PA/2015/01/MC-EnC: on the adoption of the Energy Community budget for the years 2016 - 2017 and on the contributions by the Parties to this budget

Procedural Act PA/2015/02/MC-EnC on amending Procedural Act of the Ministerial Council 2006/01/MC-EnC of 17 November 2006 on the Adoption of Internal Rules of Procedure of the Ministerial Council of the Energy Community

Procedural Act PA/2015/03/MC-EnC on strengthening the role of civil society

Procedural Act PA/2015/04/MC-EnC on amending Procedural Act of the Ministerial Council 2008/01/MC-EnC of 27 June 2008 on Rules of Procedure for Dispute Settlement under the Treaty

Procedural Act PA/2015/05/MC-EnC on the establishment of an Energy Community Parliamentary Plenum meetings