

29th Energy Community Electricity Forum

5-6 June 2024, Athens

Conclusions

Transposition and implementation of the Electricity Integration Package

- The Forum acknowledged Contracting Parties' efforts on the transposition of the Electricity Integration Package, including experienced challenges and delays. Contracting Parties emphasised provided support, including from the Energy Community Secretariat, in the transposition process. They agreed that the subsequent implementation and the planned reforms require new expertise and additional human resources in the relevant institutions, including ministries. The Energy Community Secretariat is requested to continue to provide support and reviews of the laws.
- The Forum acknowledged importance of better utilisation of the existing infrastructure and a need for the development of new infrastructure necessary to support decarbonisation. The Forum took note of the current process of developing new PEI list in accordance with the TEN-E Regulation. Other financial support for the Contracting Parties' infrastructure projects may be considered to support their transition from natural gas to hydrogen.
- The Forum urged Contracting Parties to accelerate activities to complete the transposition process imminently and not later than by the end of 2024.
- The Forum recalled that the transposition and implementation of the Electricity Integration Package are preconditions for the market coupling and that the market coupling is a precondition for obtaining a CBAM exemption by end of 2025. The Forum requested that a clear timeline for the completion of the transposition and implementation shall be developed by all Contracting Parties and submitted to the Energy Community Secretariat by 1 July 2024. Adherence to the timelines shall be monitored by the Energy Community Secretariat and reported to the Market Coupling Steering Committee (MCSC).
- All NEMO Committee emphasized that market coupling of the Energy Community is a priority and recalled that they are committed to the submission MCO IP as a necessary prerequisite for the market coupling. All NEMO Committee recalled that the current deadline of 15 June 2024 for delivery of MCO IP will have to be postponed, most probably for autumn, due to the lack of compliantly designated NEMOs in the Contracting Parties. The Forum urged Contracting Parties to priorities designation of NEMOs upon the transposition of the Electricity Integration Package is completed. Existing Contracting Parties NEMOs are invited by all NEMO Committee to apply for observership status.
- ECRB informed the Forum of the ongoing work on the shadow opinion on the MCO IP and coordinating with ACER in order to ensure submission of aligned opinion to NEMOs.
- The Forum acknowledges the establishment of the local implementation projects (LIP) and invited them to nominate their projects to PCG EnC JET. LIPs should mimic EU LIPs in terms of governance and structure, and the Forum welcomes that some are joining already existing EU structures like IBWT.
- The TSOs were urged to accelerate activities on the operationalisation of the EnC CCRs as established in line with the EnC CACM. Alternatively, any reconfiguration would have to be proposed by all EU TSO and cover all bidding zone borders of the three EnC CCRs, before submission to ACER in line with EnC CACM.

- The Forum urged Contracting Parties TSOs and NEMOs to apply for adherence to CACM Global NDA and those that are already signatories to CACM Global NDA to give consent to all new applicants from the Contracting Parties.
- The Forum acknowledged that once national transposition and implementation of the Electricity Integration Package is completed, with MCO IP adopted and CCRs operationalised as a minimum prerequisite, 18 months should be assumed as the minimum time needed for the implementation and full accession to the single day-ahead coupling (SDAC) and single intraday coupling (SIDC) in sequence, annually, with Q1 for SDAC, and Q4 for SIDC, starting as of 2026.
- The TSOs were urged to advance the process of developing a proposal for a common set of requirements and for the establishment of a regional allocation platform in accordance with the EnC FCA. The Forum also took note of the Ukrainian TSO's call to introduce long-term capacity allocation on all its borders.

Energy transition

- The Forum discussed the impact of CBAM on the energy mix in Contracting Parties and the strategies by utilities for managing the transition of their portfolios still largely shaped by coal. The discussion was complemented by a perspective from the energy-consuming industry and the traders in electricity. While a coordinated policy response to CBAM is still under discussion in the Energy Community, the Forum underlined that this response should be decided quickly in order to provide utilities, investors and industry with the certainty required for their business models and cases.
- Beyond the discussion of cap-and-trade schemes for carbon emissions, the Forum also asked to explore options for flexibility platforms related to pollutants subject to the Large Combustion Plants and Industrial Emissions Directives.
- The Forum further called for an open discussion on regionally coordinated capacity mechanisms to address possible consequences of coal-phase out on security of supply.

Renewable Energy Investments

- The Forum acknowledged that to achieve ambitious 2030 targets, support schemes granted on a market basis through Contract for Difference mechanisms will remain crucial. However, by providing partial support while allowing the rest of production to rely on merchant revenues, projects can ensure bankability and make room for more initiatives under limited support quotas. This approach balances financial stability with the opportunity for broader implementation of renewable energy projects.
- The Forum recalled that Renewable Power Purchase Agreements (PPAs) are a key business model to supplement support schemes but emphasized that the main roadblock is insufficient market liquidity, leading to high financial risk and low implementation rate in Energy Community Contracting Parties. To address this, The Forum urged Contracting Parties to promptly finalize the establishment of organized electricity markets and proceed with coupling with the EU's internal market to increase liquidity.
- The Forum acknowledged that guarantees of origin (GOs) are necessary to confirm that electricity for which a PPA is signed is renewable. These certificates ensure transparency and facilitate efficient cross-border trading of renewable energy. Additionally, cross-border cooperation between the EU and its neighbors allows for leveraging strengths, resources, and expertise to optimize renewable energy production. Therefore, the Forum urges the adoption of a decision to outline the criteria for recognizing guarantees of origin from Energy Community Contracting Parties in the EU.
- The Forum recognised that energy storage technologies are important due to the intermittency of renewable energy sources, enhancing grid stability, and creating additional revenue streams making the energy storage business models being increasingly viable and essential as market maturity progresses.

Grid connection

- The Forum acknowledged a need to reconsider the approach to the management of the grid connection. To introduce new tools for managing the connection request queue, network operators should provide more transparency to the process and strengthen their cooperation with the stakeholders as well as the national regulatory authority and ministry.
- The Forum invited regulatory authorities to review and approve transmission and distribution development plans and accordingly amend transmission and distribution tariffs to reflect real costs of network expansion.