

Energy Community Parliamentary Plenum Meeting (hybrid) - Agenda

*ITRE Committee meeting (room tbc), European Parliament, 60 rue Wiertz, Brussels
3 December 2024, afternoon (exact time TBC).*

- 1. Welcome by Mr. Borys Budka, Chair, Committee on Industry, Research and Energy, European Parliament**
 - 2. Statement by the European Commission**
 - 3. Statement by Ms. Marina Pendeš, Deputy Chair of the Committee on Foreign and Trade Policy, Customs, Transport and Communications of House of Peoples of Parliamentary Assembly of Bosnia and Herzegovina**
 - 4. Statement by Mr. Artur Lorkowski, Director, Energy Community Secretariat**
 - 5. Exchange of views on accelerated integration with the EU in the electricity sector**
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The **Electricity Integration Package** adopted by the **Ministerial Council of the Energy Community in December 2022** enables an accelerated integration of **Contracting Parties into the EU's internal market for electricity** based on the principle of reciprocity. The **Electricity Integration Package** consists of **nine legal acts** supported by the **Procedural Act on Regional Market Integration**, which are incorporating the **European Union's electricity market acquis** in the **Energy Community**.

The **Contracting Parties were obliged to transpose the Electricity Integration Package by 31 December 2023**, however **none of the Contracting Parties has completed it** for the time being. Several **implementation deadlines are pending** and are hindering further progress with regards to the **accelerated market integration**, most importantly **market coupling**. The **integration of the Contracting Parties electricity markets into the single day-ahead and intraday coupling (SDAC and SIDC)** is hinging on the fulfillment of several requirements, including the submission of the so-called **market coupling operator integration plan (MCO IP)** and **regional cooperation**, in particular on the **operationalisation of the capacity calculation regions (CCRs)** in the Energy Community.

While the **market coupling** proved to be an indispensable tool in ensuring **cost-efficient energy transition**, it is also a main **precondition for the Contracting Parties to obtain an exemption from the application of EU's Carbon Border Adjustment Mechanism (CBAM) by end of 2025**. To avoid a potentially **negative impact of CBAM application** on most of the Contracting Parties as well as on the **regional electricity market and beyond**, activities on completing **market coupling of the Energy Community** should be accelerated.

This session will focus on the current status of the Electricity Integration Package implementation, the challenges related to market coupling, and the steps required to achieve full integration and avoid CBAM's potential impacts.

6. Exchange of views on alleviating energy poverty

The **2022 energy crisis** led to significant energy price increases, inflation, and concerns over energy supply, particularly affecting the Energy Community Contracting Parties, where energy poverty levels were already high. To alleviate the socio-economic impacts, the **European Commission** introduced a **1 billion EUR Energy Support Package** in November 2022. This package provided **500 million EUR** in immediate budget support for vulnerable households and small and medium-sized enterprises affected by rising energy prices. An additional **500 million EUR** was allocated to advance the energy transition and strengthen energy security in the region.

In line with the **Electricity and Gas Directives** and the **Governance Regulation**, the **Energy Community Contracting Parties** have been working to define energy poverty and propose measures to protect vulnerable households. However, further progress is needed in **assessing energy poverty**, allocating budgets, and designing **long-term measures** to effectively tackle the issue.

Advancing **energy market integration** is expected to lead to **price convergence** and increased liquidity, benefiting all consumers, but it also increases the exposure of vulnerable households to market changes. The **Energy Community Secretariat** has provided key guidance through its **Centre for Alleviating Energy Poverty**, publishing important documents such as the **Policy Guidelines on Identifying and Addressing Energy Poverty** and the **Report on Protection of Vulnerable Households**.

This session will focus on the impact of the 2022 energy crisis, the benefits of price convergence through market integration, and the role of EU financial support in protecting vulnerable households and supporting the region's energy transition.

7. Closing remarks by Mr. Lorkowski, Ms. Pendeš and Mr. Budka

18:00 Dinner

Venue: Brasserie Signature

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