

9th Gas Forum

Cankarjev Dom, Ljubljana, Slovenia

7-8 October 2014

1. Future of the Energy Community

- 1.1. The Forum welcomed the initiation of a debate on Energy Community challenges ahead as kicked-off by the Report of the High Level Reflection Group (HLRG), including the gap between political commitment and effective implementation of the *acquis communautaire*, lack of investment in infrastructure and partial effectiveness of the institutional setup. The Forum encouraged the Secretariat to – in cooperation with the European Commission – further assess the legal, financial and political options for realising the HLRG report's recommendations and other recommendations and publish its analysis ('analytical paper') for stakeholder consultation and table for final adoption by the Ministerial Council in 2015.
- 1.2. The Forum welcomed the reflection of closer cooperation needs between the European Union and Energy Community institutions in ACER's policy paper "A Bridge to 2025" and urged particular attention to be drawn on related options also in the analytical paper.
- 1.3. The Forum discussed options for future development of the Energy Community Fora and related proposals of the High Level Reflection Group. For the particular case of the Energy Community Gas Forum, it was stressed that the coherence and effectiveness with the Energy Community goals would be best accomplished if the Gas Forum continues to exist in its present format at least till the 3rd Package is completely implemented in the Contracting Parties as well, which would mark the readiness of the Energy Community Contracting Parties to become full-fledged participants in the EU Madrid Gas Forum. In the meantime intermediary solutions could apply such as participation of representatives of the most affected Contracting Parties experts in the Madrid Forum or annual meetings of the delegations of the Gas Forum and the Madrid Forum. The Forum stressed also possibility to differentiate the approach for electricity, gas, oil and other Fora.
- 1.4. The Secretariat and European Commission called upon stakeholders to actively participate in the public consultation of the analytical paper.

2. Gas Market Regulation

- 1.5. The Forum re-called that the final target of integrating the Energy Community and European market, competitive cross-border trade and the operation of interconnected networks requires compatibility of the legal and technical framework. The Forum therefore stressed the need to implement the European Network Codes / Guidelines Regulations in the Energy Community and in a timely and coherent manner in coordination with the European developments. The Forum also underlined the need for coherence of the introduction of the network codes with the maturity of the gas market and regulatory framework in the Contracting Parties such as absence of measures hindering the trade of gas, unbundling of the operators, independence of the Regulators, access of traders to network capacities etc. The Commission proposed to the Secretariat to identify to which extent such conditions are fulfilled in the Contracting Parties in order to identify where the Network Codes should be introduced first to

strengthen development of the markets. The Forum invites the Contracting Parties to promote and facilitate retail markets opening.

- 1.6. The Forum welcomed the proposal tabled by ACER for potential extension of the European Gas Regional Initiative South South East (GRI SSE) to the Contracting Parties. ACER encouraged in particular the regulators of the more developed Energy Community gas markets to actively participate in one or more of ongoing GRI pilot projects with a view to learning from ongoing and already made experiences in early implementation of the European Network Codes / Guidelines Regulations and promoting integration of the European Union and the Energy Community gas markets. Hungary's TSO, FGSZ, highlighted the potential to introduce elements of the European Network Codes / Guidelines Regulations before their formal adoption in the Energy Community, such as the allocation of bundled capacities on the Hungarian – Serbian border for capacities not used by the actual supplies realised on the basis of the existing long term contracts.
- 1.7. The Forum noted the developments of different capacity allocation platforms in the EU such as the platform between Hungary and Romania and the platform Prisma, as well as the platform GSA. The Forum also noted that discussion between the platforms take place to identify the way forward to allocate capacities on the borders.
- 1.8. The ECRB expressed its support for including Contracting Parties' regulators and stakeholders into the GRI process and confirmed readiness to identify possible pilot projects on EU / EnC borders. The Forum invited ECRB and GRI SSE to present such pilots to the next Forum.
- 1.9. The Forum raised concerns about existing deviation of gas quality standards in the Region and underlined possible negative impacts on interoperability of gas flows. The Forum invited the Contracting Parties to carefully reflect the ECRB recommendations and report about gas quality streamlining activities to the next Forum.
- 1.10. The Forum takes note of the letter tabled by the Coordination Committee for "Harmonisation of Technical Framework in the Gas Sector of South East Europe", describing the self-responsible activity of gas companies of Bosnia and Herzegovina, former Yugoslav Republic of Macedonia, Serbia, Slovenia, (Croatia), Albania, to elaborate technical rules for design, construction and operation of gas infrastructure, aligned with European legislation and European standards with the aim to establish Generally Applicable Standards for gas systems.

3. Infrastructure and security of supply along the Energy Community corridors creating fundamentals and reality check

- 1.11. EC presented the process of preparation of the stress test report and informed about the next steps. Under coordination by the Secretariat, the Contracting Parties performed these tests very diligently. The Forum recommended strengthening cooperation along the same supply routes, especially between Member States and Contracting Parties and invited for ensuring homogeneity between Member States and the Contracting Parties in security of gas supply legislative frameworks.
- 1.12. The Forum expressed serious concerns about the current Ukraine-Russia gas dispute. The Forum invited all the participants to make utmost efforts to ensure highest possible supply standards within their responsibilities.
- 1.13. The Secretariat repeated that it welcomes any infrastructure project in terms of potential enhancement of security of supply and competition, provided however that such a project is compliant with the acquis. In this context, the Secretariat repeated the necessity to bring the Intergovernmental Agreements concluded by FYR of Macedonia and Serbia for the South Stream project in line with the

Energy Community acquis, and invited Bosnia and Herzegovina to conclude an agreement in compliance with the acquis.

- 1.14. The Secretariat presented the main requirements and procedures applicable for the certification of transmission system operators, as a next step to be undertaken by the Contracting Parties after the unbundling of transmission system operators under the Third Energy Package will be practically implemented. The Contracting Parties were encouraged to transpose relevant legislation and to start early consultations with the Secretariat concerning the unbundling and certification of transmission system operators.
- 1.15. The Forum was updated on the state of play of PEI projects and welcomed the decision of the Ministerial Council to adopt a recommendation on Regulation (EC) 347/2013 on guidelines for trans-European energy infrastructure into the Energy Community acquis and called on the European Commission and the Contracting Parties to incorporate this Regulation on legally binding basis in the course of the next year. The Forum called for moving from only financing studies to providing funds for developing the infrastructure.