

**IMPLEMENTATION
of
THE TREATY ESTABLISHING
THE ENERGY COMMUNITY

GAS**

STATUS as of September 2008

3rd GAS FORUM

16th October 2008, Ljubljana

SUMMARY INFORMATION ON IMPLEMENTATION OF TITLE II OF THE TREATY (ELECTRICITY AND GAS)

































































- Unbundling of networks operators and third-party access are generally well advanced
- Customer protection and the appointment of a supplier of last resort need to be further addressed
- Switching of the supplier should be further implemented both through the regulations and in practice
- One of the difficult issues is the facilitation of cross-border electricity trade (although being gradually dealt with in more concrete terms)
- The development of the gas related framework should be further encouraged and supported, although not all CPs have functional gas market
- Secondary legislation needs further improvements and progress
- Effective market opening remains crucial target
- Implementation of Directives 2005/89/EC and 2004/67/EC till the end of 2009

REGIONAL APPROACH –

KEY REMAINING ISSUES BY THE END OF 2008

































































- Introduction of marked based mechanisms for capacity allocation to all interconnections
- Abandon capacity priorities due to Public Service Obligation
- Increasing transparency on TSOs and Regulators websites
- Introduction of secondary markets for the capacity rights
- The Regulators competences in the cross-border issues, including their role in the procedure of exemption for the new electricity interconnection lines as well as for the main new gas infrastructure, have to be brought in compliance with the requirements of the Treaty
- Enforce penalties for infringements of the Regulation (EC) 1228/2003
- Implementation of the Regulation (EC) 1775/2005

NATIONAL LEVEL with regard to the Directive 2003/55/EC

Contracting Party	Public Service Obligation and Customer protection	Monitoring Security of Supply	Technical Rules	Unbundling Provisions and Access to Account	Third Party Access	New Infrastructure and Exemptions	Market Opening	Cross Border Mechanism
Albania								
BiH								
Croatia								
FYR of Macedonia								
Montenegro								
Serbia								
UNMIK								
<i>Regional Perspective</i>								



NATIONAL LEVEL with regard to Regulation 1775/2005/EC

Contracting Party	Tarrifs for access to the network	TPA services	CAP mehanism and CM	Transpa rency	Balancing rules	Regulatory Authority responsibilit es	Derogations	Reporting obligations
Albania								
BiH								
Croatia								
FYR of Macedonia								
Montenegro								
Serbia								
UNMIK								
<i>Regional Perspective</i>								



Albania

- Implementation of the Regulation 1775/2005 till the end of 2008
- Securing sufficient administrative capacity in the gas sector
- Implementation of the Directive 2004/67/EC till the end of 2009

Bosnia and Herzegovina

- Decision on the structure with regard to regulatory authorities and the TSOs
- Development and provision of the gas act fine tuned with the structure of the regulatory authorities and the TSOs till the end of 2008
- Implementation of the Regulation 1775/2005 till the end of 2008
- Securing sufficient administrative capacity in the gas sector
- Implementation of the Directive 2004/67/EC till the end of 2009

Croatia

- Implementation of the Regulation 1775/2005 by the end of 2008
- Gas market structure need to be finalized in line with Directive 2003/55/EC and in line with the Croatian Gas Market Act (Storage System Operator and Distribution System Operators have not been established)
- Market Rules have to be finalized and adopted (making the settled primary legislation operational)
- Grid Codes – for Storage and for Distribution – have to be finalized and adopted
- Implementation of the Directive 2004/67/EC by end of 2009

Former Yugoslav Republic of Macedonia

- Some details dealing with Public Service Obligations are missing
- Finalization of the Transmission Grid Code
- Align the unbundling provisions and access to account rules with the requirements of Directive 2003/55/EC
- Third Party Access rules need some more clarification/details
- Missing provisions for entire fulfilment of the obligations dealing with new infrastructure have to be developed
- Available provisions regarding Market Opening have to be accommodated with the requirements of Treaty
- Market rules should be developed/implemented where missing
- Implementation of the Regulation 1775/2005 by the end of 2008
- Securing sufficient administrative capacity in the gas sector
- Implementation of the Directive 2004/67/EC by the end of 2009

Montenegro

- Development and provision of the gas act by the end of 2008
- Implementation of the Regulation 1775/2005 by the end of 2008
- Securing sufficient administrative capacity in the gas sector
- Implementation of the Directive 2004/67/EC by the end of 2009

Serbia

- Adoption of the Energy Law amendments in compliance with Directive 2003/55/EC and Regulation (EC) 1775/2005
- Some details dealing with Public Service Obligations are missing
- Clarification of the role of regulatory authority regarding the monitoring of security of supply
- Some improvements regarding the tasks of system operators are needed
- Current rules dealing with unbundling and access to accounts need some more details
- Third Party Access provisions for storage facilities need alignment with the provisions of the Directive 2003/55/EC
- Missing provisions for entire fulfilment of the obligations dealing with new infrastructure have to be developed
- Implementation of the Regulation 1775/2005 by the end of 2008
- Implementation of the Directive 2004/67/EC by the end of 2009

UNMIK

- Determine the role of the regulatory authorities related to transit
- Develop provisions for unbundling of accounts for eligible/non eligible customers
- Some rules for a well functioning Third Party Access are missing
- Implementation of the Regulation 1775/2005 by the end of 2008
- Securing sufficient administrative capacity in the gas sector
- Implementation of the Directive 2004/67/EC by the end of 2009.

FOCUS OF THE SECRETARIAT ASSISTANCE IN THE NEXT PERIOD

- Monitoring of the state of play and reporting to the PHLG and MC
- Assistance focussed on characteristic issues of implementation for each Contracting Party
- Assistance to the Contracting Parties in drafting their legal / regulatory acts through assessment, commenting and proposing (on request)
- Overall engagement in implementation of the cross-border issues, opening of the wholesale markets, attracting investments for the required infrastructure
- Engagement in dispute settlement cases pursuant to Article 90 of the Treaty and the corresponding Procedural Act

THANK YOU FOR YOUR ATTENTION!