

FORMER YUGOSLAV REPUBLIC OF MACEDONIA – COUNTRY REPORT 2006

Short Conclusions

On the ground of the analyzed information, the following major conclusions related to FYROM as a Party to the Treaty Establishing the Energy Community could be outlined:

- The Party has started to develop a detailed energy framework. In general, as principles, it is in compliance with the *acquis communautaire* as specified by the Treaty. In parallel, a new Energy Law has been recently approved. However, both the governmental authorities and the Regulator indicate the need to further develop the primary and secondary legislation and the different rulings, which outline the functioning of the energy market. This is relevant both to electricity and gas; however, the reforms in the electricity sector are much more advanced.
- The Regulator plays substantial role in the market relations in the energy sector. In fact, most of the concrete demands as indicated in the energy *acquis*, are not to be found in legislative acts, but in rulings of the Regulator.
- The Party has implemented partially the *acquis* on environment and will have no difficulties to face the time frame in this aspect as indicated by the Treaty.

Anyhow, the established appropriate legislative and institutional framework in the energy sector, combined with the will for reforms, will certainly bring to further positive results. This is being concretely demonstrated by the active process of the ongoing restructuring of the electricity sector, which has gone through tremendous changes for the last three years – adoption of legislative changes as to introduce the principles of the market rules at a law level in line with the *acquis*, establishment of the Regulator, legal unbundling of the former electricity company, development of market rules by the Regulator, related to the energy sector (still ongoing).

Requests and proposals

For its further strengthening, two particular projects have been proposed by the Regulator:

- Acquisition of software package for analysis of transmission and distribution network;
- Preparation of the Rulebooks on Quality of Supply and Monitoring of Security of Supply in the Electricity and Gas Sector.
- Further, a specific request to the Secretariat has been noted in relation to assistance for development of an adequate legislation and a strategy for the gas sector.
- Another particular proposal in the area of gas is related to consideration of a project for establishing interconnection pipeline, linking Bosnia and Herzegovina, UNMI Kosovo and Former Yugoslav Republic of Macedonia.