

**CONCLUSIONS
Mini-Gas Forum
13 October 2006
Vienna**

INTRODUCTION – ADOPTION OF THE AGENDA

1. The Chairmanship of the Mini-Gas Forum welcomed the participants to the meeting and outlined the benefits of the Energy Community Treaty to the development of the regulatory framework and natural gas infrastructures.
2. The aim of the present Mini-Gas Forum is to identify the terms of reference for the first formal Gas Forum under the Energy Community Treaty.
3. In the future the formal Gas Forum will meet twice per year under the Chairmanship of the European Commission. The formal Gas Forum will adopt its conclusions by consensus.
4. The Secretariat of the Energy Community is responsible for the preparation of the formal Gas Forum. The formal Gas Forum agenda will be agreed between the Secretariat and the European Commission.
5. The formal Gas Forum should be complementary to the Madrid Forum so in principle it should not discuss Madrid Forum issues unless to reflect local circumstances.
6. The Mini-Gas Forum proposed that the formal Gas Forum focuses on the following main key issues: infrastructure, storage, security of supply issues, gas market development cooperation.
7. The Chairmanship of the Mini-Gas Forum thanked Austria and in particular the Austrian Regulator, E-Control, and the Energy Community Secretariat for having hosted the first Mini-Gas Forum.
8. The Mini-Gas Forum requested the Energy Community Secretariat to distribute 6 working weeks, if possible, prior to the formal Gas Forum any materials related to the draft agenda and the draft agenda itself.
9. The agenda was adopted by the participants.

TREATY ESTABLISHING THE ENERGY COMMUNITY AND ENERGY COMMUNITY REGULATORY BOARD (ECRB)

10. E- Control and the Secretariat informed in brief the Mini-Gas Forum about the ongoing process of establishing the Institutions under the Treaty. In particular an update regarding the establishment of the ECRB was presented. Mini-Gas Forum's participants acknowledged the importance of the institution building after the Treaty entered into force as well as the importance of the ECRB into the process of establishing the Energy Community in accordance with the stipulations of the Treaty.
11. The Energy Community Secretariat presented in brief the Treaty establishing the Energy Community and addressed the importance of the implementation of the

acquis communautaire on energy in accordance with the datelines given by the Treaty.

SECURITY OF SUPPLY AND GAS TO EUROPE - ENERGY POLICY - DIVERSIFICATION

12. The energy policy of the European Union was recalled in brief. In particular, the significance of the subject regarding diversification of the supply sources was highlighted. The Mini-Gas Forum concluded that the regulatory framework shall remain neutral as regards infrastructure projects and supply routes.
13. The Mini Forum focussed its attention on ongoing and potential gas (infrastructure) projects of common and regional interest whilst highlighting the key projects of European dimension.
14. Austria and Italy recalled the role of the Energy Community to implement amendment to the *acquis communautaire* (Article 25 of the Treaty establishing the Energy Community). They invited the European Commission to consider the implementation of Council Directive 2004/67/EC of 26 April 2004 concerning measures to safeguard security of natural gas supply and Regulation 1775/2005/EC of the European Parliament and of the Council of 28 September 2005 on conditions for access to the natural gas transmission networks.
15. The investors were invited to consider projects of common interest and high-priority projects of the European Community in the short term period.
16. The role of the common external energy policy with a view to increase diversification for security of supply as a key requirement for the creation of the internal gas market across the Energy Community was stressed by the Mini-Gas Forum.
17. The Mini-Gas Forum agreed that new natural gas infrastructures including transmission, storage and LNG investments are of essential importance to increase security of supply and competition.
18. The Mini-Gas Forum agreed that regional infrastructure projects will strengthen security of supply, and contribute to the competitiveness of natural gas in relation to alternative fuels, support competition in gas supply and increase gas availability and thus access to natural gas in the region.
19. The Secretariat presented the current status of SEE region in terms of Security of Supply standards. It was indicated that SEE gas market is characterised by lack of security of supply standards. The short term and long term measures were also underlined. The Secretariat will summarize the findings in this aspect and present them at the first formal Gas Forum. The risk perception when adapting the rate of return on the regulatory asset base and when setting incentives for investments shall be taken into account. The regulatory framework shall suit in the above mentioned sense the region.

SOUTH EAST EUROPE REGIONAL GASIFICATION STUDY (WB, KfW and ECA)

20. Economic Consulting Associates (ECA) presented the preliminary results of the South East Europe Regional Gasification Study under the lead and auspices of World Bank and KfW.

21. The Mini-Gas Forum thanked the World Bank, KfW and Economic Consulting Associates (ECA) for presenting inception report having done this study. The preliminary results of the presented Regional Gasification Study indicate clearly the needs of urgent investments in the SEE region.
22. The World Bank and KfW stressed their willingness and readiness to further cooperate in the financing of gas market developments.
23. The Mini-Gas Forum welcomed the information on the development of Adaptable Programme Lending (APL), provided by the World Bank.
24. The Mini-Gas Forum asked the World Bank and KfW to present the final results of the Study at the first formal Gas Forum.

NEW GAS INFRASTRUCTURE INVESTMENT REGULATION (NGIIR)

25. The Mini Forum noted its expectations that the draft document of the so called New Gas Infrastructure Investment Regulation (NGIIR) will be finalized as soon as possible under the guidance of the European Commission.
26. The Mini-Gas Forum expressed their interest in commenting on any investment related issues and recommended that the draft NGIIR is discussed in the formal Gas Forum. In this relation, there was a request for distributing the draft, taking into account the necessity of sufficient time for comments.

ENERGY COMMUNITY GAS ROAD MAPS

27. The Secretariat presented the current status regarding the development of the national Gas Road Maps in SEE. The roadmaps address on the one hand the implementation of the *acquis communautaire* on energy and on the other hand the adoption of measures for market opening. The roadmaps are expected to be approved by the Ministerial Council at the meeting in November 2006 in Skopje. Once adopted, the Secretariat shall review and monitor the progress of the roadmaps implementation every six months and prepare follow up implementation reports.
28. The Mini-Gas Forum welcomed the presentation on Road Maps by the Secretariat and expressed its support along the development of that significant document for the creation of the single energy market.

REGIONAL NATURAL GAS PROJECTS

29. The Mini-Gas Forum thanked the speakers for their presentation on the current ongoing and potential regional projects regarding to SEE which are “*Turkey – Greece – Italy Interconnection Project*”, “*Western Balkan Project*”, “*LNG Terminal in the Adriatic Sea*”, “*Nabucco Gas Pipeline Project*” and “*Trans Adriatic Pipeline Project*”.
30. The Mini-Gas Forum noted its expectations for close cooperation with the Donors Community in future and considers respectively the financing of the potential projects of regional importance for Europe.

MISCELLANEOUS

31. The transposition and implementation process of the Directive 2003/55/EC as well as the establishment of the Energy Community Regulatory Board (ECRB) is ongoing. Applications for exemption pursuant to Art. 22 of Directive 2003/55/EC which have been filed so far and which will be filed in the future before having completed the implementation of the Directive 2003/55/EC and before having established the ECRB, will be dealt with in the interim period in accordance with interim rules that the European Commission is invited to provide. These rules will apply to projects, which are intended to be constructed primarily within the geographic scope of the Treaty establishing the Energy Community (Article 26 and Article 27).
32. The date of first Energy Community Gas Forum will be defined and circulated soon. The venue of Gas Forum will be determined by the Ministerial Council meeting on 17 November 2006 in Skopje.