

## 12<sup>th</sup> Athens Forum Conclusions

Athens, May 15-16, 2008

1. The Commission welcomed the participants to the 12<sup>th</sup> Athens Forum. The current presidency of the Energy Community, UNMIK, emphasized the importance of the Athens Forum bringing together all stakeholders of the region. The presidency of European Community, Slovenia, greeted the Forum and appreciated the continuity of the Energy Community activities. The Greek Ministry, the host of the Forum, welcomed the participants emphasising the importance of developing the regional market and its positive impact on electricity supply, diversification of energy resources and increasing the energy efficiency.
2. The Forum welcomed Georgia's participation. Georgia presented the state of play of implementation of reforms such as unbundling, establishing a regulatory commission, attracting of investments, energy security, and diversification of roads to transit the trans-Caspian resources. Georgia expressed readiness to co-operate with the neighbouring countries and to support the common goals in the region related to the energy sector.
3. The ECS presented the current status of implementation of the electricity Acquis (Directive 2003/54/EC and Regulation (EC) N° 1228/2003). It emphasised the progress made and also the outstanding issues that need further consideration. The Forum welcomed the presentation and encouraged the Contracting Parties to increase their efforts with regard to the key challenges in the implementation of the Treaty.
4. The Forum welcomed the USAID proposal to continue the work to promote legal harmonisation and fill in the gaps that will enable market development.
5. The Forum asked the ECS to draft Contracting Party reports focusing on specific actions in a priority order needed to further improve the implementation of the Acquis. The reports will be submitted for consideration to the PHLG meeting in September.
6. The Forum welcomed TERNA's proposal on Public Private Partnership (PPP) schemes for investments in transmission capacities. The Forum welcomed the initiative and asked the Secretariat to develop it further in compliance with EC Acquis and report on this issue in the next Athens Forum.
7. USAID outlined the importance of development of integrated supply and demand planning process. The Forum welcomed the proposal and asked USAID to go ahead and work with interested parties and report to the next Athens Forum.
8. The World Bank underlined the need of concrete actions by the Contracting Parties to encourage the investments in the region, addressing the already identified obstacles such as the level of prices and the resulting subsidisation of the industrial customers and households that prevent the market integration. The Forum invited the ECRB to look into alternative measures as to how to overcome the predominant obstacles towards competition and report to the next Forum.
9. The Forum welcomed the EURELECTRIC presentation on the preliminary findings on the Investment Climate and the investment barriers such as low transparency. The Forum encouraged the Contracting Parties and ECRB to investigate measures to stimulate new investments through developing a coherent and long term basis legislative and regulatory framework.
10. The ECS reported on the outcome of the Investment Workshop, explicitly requested by the Ministerial Council outlining the projects with regional significance. The Forum requested all Contracting Parties to focus on removing price distortions, proceed with effective unbundling and take steps to open the market as the way forward to attract investments in the region.

11. The IG Chair reported on the progress with regards the CAO. The Forum concluded that until the CAO is established all necessary conditions steps for an appropriate non-discriminatory market environment (i.e. full implementation of the legal framework, the harmonisation of market rules and the needed software for operation) need to be in place and encouraged the Contracting Parties to take the required steps as soon as possible.
12. The Forum welcomed the presentation on the implementation of the Congestion Management in the Contracting Parties and the neighbouring countries. The Forum stressed the need to improve further the transparency and welcomed the participation of SEE TSO in the ETSO VISTA initiative. The Forum asked the Contracting Parties to intensify the efforts to fully comply with Regulation (EC) 1228/2003.
13. The Forum welcomed ERGEG presentation on Electricity Regional Initiatives focussing on the achieved results and pending issues in the seven regions defined within the Congestion Management Guidelines. ERGEG welcomed the ongoing process for definition of the 8<sup>th</sup> region on a sound legal basis.
14. The Forum welcomed the ERGEG proposal to co-operate with the ECRB in dealing with issues related to the CAO implementation. ERGER invited an ECRB representative to attend the Electricity Focus Group meetings. The Forum also invited experts from the ERRA members to share their experience on CAO with the SEE stakeholders.
15. The Forum welcomed the SETSO TF presentation on the progress related to the CAO MoU and the Business Plan. The Forum welcomed the readiness of the TSOs to sign the MoU, once the 8<sup>th</sup> region is defined and urged SETSO to reach an agreement on the Business Plan before the next Athens Forum.
16. The Forum discussions highlighted the key challenges ahead and invited the IG to deal with the CAO revenue issue based on the SETSO TF analysis and make a progress report to the next Athens Forum.
17. The Forum considered actions to speed up the establishment of the CAO. The Forum took note of the ECRB proposal to appoint a project leader to follow up on actions outlined in the Action Plan. In this context, a monitoring group will be established composed by the IG, the SETSO, EWG chairs, the ECS and the Commission representatives. The project leader will report to the IG chair. The donors proposed to refer the progress of the CAO to the Ministerial Council.
18. The EBRD proposed to tender the implementation of the CAO Business Plan when agreed by the TSOs and also the possibility to start establishing the CAO with certain TSOs who are ready. The Forum acknowledges the political importance of this proposal and asks EBRD to help develop it further and the SETSO TF to consider this proposal and invite the EBRD to its next meeting. The Forum considers that details of this proposal will be further discussed at the next Forum.
19. The Forum welcomed progress made by the SETSO TF with regards to Regional Market Balancing Mechanism.
20. The Forum welcomed the USAID market monitoring report and asked for the extension of the contract to support ECRB capabilities to carry out monitoring in the future. The ECRB supports the enlargement of the market monitoring project to include CA and CAO monitoring with suggestion to enlarge the geographical scope of market monitoring to the participants in the future 8<sup>th</sup> region and CAO participants. The ECRB proposed only publicly available data to be used within the market monitoring according to data available by TSOs and in compliance with Regulation (EC) 1228/2003 and the Congestion Management Guidelines.
21. The next Athens Forum will meet on December 3<sup>rd</sup>, 2008.