

ECRB Discussion Papers on

**Cooperation of Regulators with Regard to
Cross Border Investment Projects**

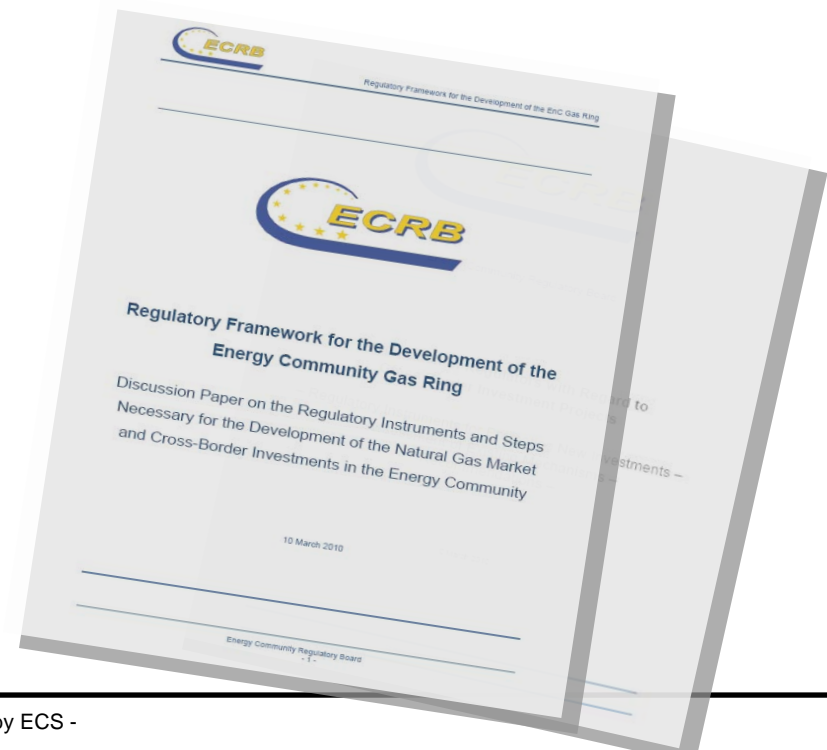
and

**Regulatory Framework for the Development of the
Energy Community Gas Ring**



- **South East Europe is characterized by**
 - lack of generation capacity
 - weak, congested electricity interconnections
 - lack of gas infrastructure and gas interconnections
- ▶▶ **attracting investments is of core relevance for the Region**
- **Requires a stable regulatory and market framework**
 - a common regional regulatory approach is necessary
- ECRB included *Regulatory Instruments for Promoting New Investments* as a task of high importance in its annual work program

- Analyze the possible regulatory instruments for stimulating investments in new infrastructure projects
- Analyze the powers of regulators as regards cooperation and harmonization of regulatory rules related to projects crossing more than one border of Contracting Parties (“cross border investments”).
- Conclude on necessary improvements



1. Recommendations for **regulatory steps without legal changes**

- **Harmonized transposition and implementation of**
 - the missing provisions of the acquis
 - Introduction of regulatory investment incentives ▶▶ study ongoing!
 - capacity commitments/deposits to be transferred to customers.

2. Recommendations **requiring legislative changes in the EnC**

- Non-domestic investments and regulatory gap: regulators should be empowered to recognize nondomestic investments in their national regulated asset base
- Regional investment plan: TSOs to develop a regional investment plan and regulators to be empowered to approve them as well as to confirm that investment costs will be recognized in the regulated asset base

3. Recommendation regarding the **role of International Financing Institutions**

as the risk for financing extra-territorial costs are higher compared to domestic investments, International Financing Institutions could enter into obligations to covering guarantees for related non-domestic investments

Thank you for your attention!

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