

**CARDS Project 2005**

**Facilitating and Implementing  
the Energy Community in South East Europe**

**Reference: 100231**

# **ENERGY COMMUNITY REPORT**

**QUARTERLY UPDATE  
(July– September 2006)**

**2006**

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## 1. INTRODUCTION

### 1.1. Project background

The project "*Facilitating and Implementing the Energy Community in South East Europe*" is in execution from 1 March 2005 until 31 December 2006, in total 22 months. Financing of activities for this project is provided under the CARDS<sup>1</sup> programme (3.3 MEUR, 96% of the total) through Grant Contract N°. 100231 with a contribution from the Republic of Austria (4%) – henceforward referred to as 'the Grant Contract'. The contracting parties are the European Commission acting through DG Enlargement and the *Bundesministerium fuer Wirtschaft und Arbeit* of Austria (BMWA) with its office at Schwarzenbergplatz 1, 1015 Vienna in Austria.

The activities covered by this report are related to the overall objective of the project that is "to facilitate the creation of a stable and reliable regional energy market", as well to the specific objectives of the project, that include among others:

- To provide assessment of the energy reform progress, and
- To achieve an operational wholesale energy market from the end of 2007.

### 1.2. Legal background for the report

The preparation of this report is based on the requirement of Item 8 of Annex I to the Grant Contract and namely that "Energy Community Report and quarterly updates" shall be presented by the Energy Community Secretariat.

### 1.3. Scope of the report

The Energy Community Report - 3<sup>rd</sup> Quarter Update reflects the developments in the region with respect to the implementation of the Treaty establishing the Energy Community (Treaty), as well as the activities undertaken by the interim Energy Community Secretariat (iECS) to facilitate this process, in the period July - September 2006.

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<sup>1</sup> The CARDS (Community Assistance for Reconstruction, Development and Stabilization) Program underpins the objectives and mechanisms of the Stabilization and Association Process, which is the EU policy framework for the Western Balkan countries until their eventual accession: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia and Serbia and Montenegro, including Kosovo (as defined by the UN Security Council Resolution 1244). Croatia which has been granted candidate country status is benefiting from pre-accession financial assistance while remaining eligible for participation in the CARDS regional programme.

## 2. KEY DEVELOPMENTS

### 2.1. Summary

In the 3<sup>rd</sup> quarter of 2006, the most notable event was the entering into force of the Treaty. Up to now, the ratification of the Treaty has been completed in eight out of nine Contracting Parties.

The iECS assessed the progress of the Energy Community with the adoption of the *Acquis Communautaire* through questionnaires, country missions and structured interviews. The findings are presented in several reports quoted below.

In order to be able to open the electricity and gas market in accordance with the calendar proposed by the Treaty, the Contracting Parties are in the process of adoption of the Road Maps/Action Plans based on a common outline prepared by the iECS. This process is expected to be finalised before the Ministerial Council on 17 November 2006.

Conditions for setting up the Energy Community Regulatory Board have been fulfilled on the day of entry into force of the Treaty, 1 July 2006. The Board is currently in the process of preparing its internal rules of procedure.

The iECS participated in a large number of events and had many public interventions on the obligations under the Treaty, as well as on the progress with its implementation.

### 2.2. Progress with ratification and entry into force of the Treaty

#### Ratification progress and entering into force

The Treaty establishing the Energy Community entered into force on 1 July 2006, by which date six Contracting Parties and the European Union have ratified it and notified the ratification to the Secretary General of the Council of the European Union. The entry into force of the Treaty signed in Athens on 25 October 2006 represents the achievement of the largest internal market for electricity and gas in the world.

Up to the date of this report, eight Contracting Parties (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the former Yugoslav Republic of Macedonia, Romania, Serbia and UNMIK) and the European Union have ratified the Treaty establishing the Energy Community. Only Montenegro, as the youngest state among the Contracting Parties that recently appeared, needs yet to complete the ratification procedure. Overview of the ratification progress is shown in the Table 2.1.

#### Participants and observers

As the Treaty entered into force, the following states applied for the *participants'* status:

Austria, Cyprus, Czech Republic, Greece, Hungary, Italy, and Slovenia.

Moldova and Norway applied for *observers'* status.

As of 3 July 2006, Ukraine has sent its application for future membership – this is not at this stage an application for observers' status.

Table 2.1 Overview of the ratification process of the Treaty

Overview of the ratification process of the Treaty - status as of 15 October 2006 -			
	Party	Date of Ratification	Date of Notification to the Secretary-General of the Council of the European Union in accordance to the Article 105 of the Treaty
1	UNMIK	08.12.2005	23.12.2005
2	Bulgaria	08.02.2006	07.03.2006
3	Albania	03.04.2006	24.05.2006
4	The former Yugoslav Republic of Macedonia	03.05.2006	29.05.2006
*	European Union	18.05.2006	29.05.2006
5	Romania	01.06.2006	26.07.2006
6	Croatia	02.06.2006	30.06.2006
7	Bosnia and Herzegovina	27.07.2006	20.09.2006
8	Serbia	14.07.2006	07.08.2006
9	Montenegro	.....	.....

## 2.3. Progress with the implementation of the Treaty by Contracting Parties

### 2.3.1. iECS assessment of the state of play

In order to be able to monitor the progress in the implementation of the Treaty, the iECS, in consultation with EC DG TREN, and in close collaboration with the Contracting Parties, undertook a number of activities. The activities were aimed at enabling the iECS to estimate the state of play with respect to the adoption of the *Acquis Communautaire* on energy, environment, renewable energy sources and competition, and use it as a reference starting point for the Road Maps/Action Plans.

These activities comprised the preparation and circulation of a detailed questionnaire on the adoption of the *Acquis Communautaire*, as well as one on the implementation of the Electricity Transition Strategy. These were filled in by the Contracting Parties, assisted by the iECS, through structured interviews with the relevant institutions in country missions.

The findings that are also relevant for the achievement of Task 1.1 and 1.2 under the Grant Contract were incorporated in the following two reports:

- *Report on the adoption of Acquis Communautaire by each Contracting Party;*
- *Comparison tables of key findings in the Acquis adoption, with respect to Institutional Building, Electricity, Gas, Competition, Environment, Renewable Energy Sources, Energy Infrastructure Projects and finally Conclusions.*

These two reports are available upon request at the iECS. They were also introduced in the "Report on power and gas roadmaps", submitted to the European Commission on 30 September 2006.

### **Summary of key findings from the reports above**

For the scope of this report, the findings presented below refer only to electricity and gas sectors, and are covering all nine Contracting Parties and Turkey, and refer to the period up to end of July 2006.

The assessment presented below reflects mostly the state of play with respect to the adoption of the *Acquis Communautaire*, and represents in a lesser degree, an analysis of the effective implementation of the *Acquis*, or the functioning of the markets. The analysis, although far from being refined enough, gives at least a concise view of the iECS' understanding of the state of play. Being based mainly on information provided by the Contracting Parties, and some cross checks by the iECS through interviews, performed within a very short period of time, it may lack some accuracy.

The main findings, derived from the iECS assessment, are organised in the following chapters: Institutional Organisation, Public Service Obligations and Customer Protection, Monitoring Security of Supply, Technical Rules, Generation, Unbundling Provisions and Access to Accounts, Third Party Access, Market Opening, Cross Border Trade Mechanism.

### **For the electricity market:**

- *Institutional Organisation:* From the regional perspective, the energy policy issues are dealt with by a ministry in all Contracting Parties and Turkey, which gives the comfort that these are treated at the high political level. All Contracting Parties and Turkey have set up a regulatory authority, which is also responsible for the tariff calculation methodology, among others.
- *Public Service Obligation and Customer Protection:* The regional outlook is rather positive, with most countries having provisions for PSO in their electricity acts, or grid codes, or licensing obligations, etc. Nevertheless, when it comes to vulnerable customers' protection, this is either missing or not explicitly reflected in the legal framework. Some Contracting Parties seem to be lagging behind the average (Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia and Montenegro).
- *Monitoring Security of Supply:* The regional outlook is positive, with most Contracting Parties and Turkey having adopted Security of Supply provisions in their state legislation. Only in Serbia these are not yet all in force.
- *Technical Rules:* The outlook from the regional perspective is encouraging, as these are fully adopted in Albania, Bosnia and Herzegovina, Bulgaria, Romania and Turkey, partially available (with a positive outlook) in Croatia, Montenegro and Serbia, and in a less developed stage are the former Yugoslav Republic of Macedonia and UNMIK.
- *Generation:* Most Contracting Parties (6 out of 9) and Turkey have adopted provisions regarding authorisation for new capacities, licensing, and tendering for new capacity, and the other three have partially adopted these. The regional outlook is rather favourable.
- *Unbundling and Access to Accounts:* In general, the unbundling and access to accounts of transmission system operators is more advanced than that of distribution system operators. From the regional perspective, the outlook is more

positive than negative. Three Contracting Parties (Croatia, the former Yugoslav Republic of Macedonia and UNMIK) have fully adopted these in their legislation.

- *Third Party Access:* At the regional level, all Contracting Parties with only one exception (Serbia that lacks some provisions) have fully adopted the provisions ensuring TPA to the transmission and distribution networks.
- *Market Opening:* The regional outlook is not positive, with “only some provisions available” as an average ranking. Only three Contracting Parties (Bulgaria, Croatia and Romania) out of nine have set a calendar and took concrete measures to open the market for both non-household and household customers that are in line with the EnC Treaty requirements. The rest of the Contracting Parties are lagging behind, with only Bosnia and Herzegovina being more advanced in setting the eligibility threshold and deadline towards the Treaty’s timetable. In Turkey, the eligibility threshold is approved every year by the Energy Regulatory Authority; for 2006 this was set at 6 GWh/year. Although the state legislation does not include a calendar for full eligibility, the National Strategy foresees that this will be achieved by 2011.
- *Cross Border Trade Mechanism:* The regional outlook is not positive, as almost all Contracting Parties (with the exception of Romania) have little provisions in force that are in line with the Regulation 1228/2003.

#### **For the gas market:**

Out of the nine Contracting Parties, three (Albania, Montenegro and UNMIK) do not have a gas industry and therefore, they were assessed as being “in an inception phase of developing the gas legal framework”, for all the chapters investigated.

- *Institutional Organisation:* From the regional perspective, the energy policy issues, including gas, are treated by a ministry in all Contracting Parties and Turkey, which gives the comfort that these are treated at the high political level; with the exception of Albania, Bosnia and Herzegovina and Montenegro, all Contracting Parties and Turkey have set up a regulatory authority, which is also responsible for gas issues, if required.
- *Public Service Obligation and Customer Protection:* The regional outlook is rather negative. From the Contracting Parties, Albania, Bosnia and Herzegovina, and Croatia have started the process of adopting the provisions of the Directive 2003/55/EC in their state legislation. The vulnerable customer protection, the appointment of the Last Resort Supplier, etc., are also pending in all Contracting Parties. In Bulgaria, the former Yugoslav Republic of Macedonia, Romania, Serbia and Turkey, it appears that most of the provisions are adopted. Nevertheless, none of these have fully adopted the provisions.
- *Monitoring Security of Supply:* The regional outlook is not positive enough, as with the exception of Bulgaria, Romania, Serbia and Turkey, all the other Contracting Parties have either not adopted any gas regulatory framework or, when adopted this has not clear provisions with regard to Security of Supply and Safeguard Measures.
- *Technical Rules:* The outlook from the regional perspective is not yet positive: there are six Contracting Parties out of the nine that have only recently started preparing the Technical Rules. Turkey has adopted them. The three Contracting Parties that fully adopted them are: Bulgaria, Romania and Serbia.
- *Unbundling and Access to Accounts:* From the regional prospective, the outlook is not positive enough, as only one Contracting Party (Bulgaria) seemed to have

fully adopted unbundling provisions for both the transmission system operator and the distribution system operator, and has the implementation process undergoing. Three more Contracting Parties are more or less advanced (Serbia, the former Yugoslav Republic of Macedonia, and Romania) in the process, but not in full compliance. Turkey appears to have adopted all the provisions.

- *Third Party Access:* At regional level, the outlook is more positive than negative. Four Contracting Parties (Bulgaria, the former Yugoslav Republic of Macedonia, Romania and Serbia) seem to have adopted provisions in line with the Directive 2003/55/EC. Albania, and Bosnia and Herzegovina are only in the inception phase of preparing a gas legal framework, and Croatia needs to adapt its current Law on Gas market to be in compliance with the Directive 2003/55/EC. This is expected to be achieved by the end of 2006. Turkey appears to have fully adopted the provisions for Third Party Access.
- *New Infrastructure and Exemptions:* Respecting these provisions, the outlook is negative, as only one Contracting Party, Romania, seems to be fully provisioned in line with the Gas Directive, and the rest are only at the beginning of the process. Turkey is also in the inception phase with the provisions' adoption.
- *Market Opening:* The regional outlook is again negative. Only one Contracting Party, Romania, has taken measures to open the market to 75% for non household customers as of 1 July 2007 and has set a calendar to fully open it to non household consumers by 1 January 2007 and to all consumers from 1 July 2007. In 2006, the effective market opening in Romania was approximately 50%. Bulgaria has introduced provisions to open the market for around 85% of non household customers in 2006, but due to the long term supply contract of Bulgargas with one major importer, and the insufficient domestic production of gas, only one eligible customer has switched its supplier currently. In Croatia, the eligibility threshold is of 100 million cum/year; the Gas Act is foreseen for amending by the end of 2006, to make it fully in compliance to the 2003/55/EC Directive. In Serbia, the national legislation does not set a market opening calendar. Nevertheless, for 2006, the Serbian Regulatory Authority set the eligibility threshold at 15 million cum/year, which if fully exercised, it would have represented approx. 60% market opening. Nevertheless, this did not materialize also because of the monopolistic position of the Serbian gas company Srbijagas that is responsible for gas transmission, storage, distribution and trade.
- *Cross Border Trade Mechanism:* The regional outlook is not positive, as all Contracting Parties have only started the process. In Bulgaria, there are no provisions yet for cross border trade. The transit pipelines are separated from the domestic transport ones. In Croatia there are no provisions for interconnection capacities, congestion management, cross border tariffs etc. These regulations will be developed when amending the current Gas Act, to be able to comply with the Directive 2003/55/EC. In Romania, gas transit is made through separate (from the domestic) pipelines and these are regulated by the international agreements through which they were financed.

### **2.3.2. Contracting Parties' report on progress**

At the Expert's meeting of 14-15 September 2006 in Vienna, most of the Contracting Parties informed the audience on the progress achieved since the 17<sup>th</sup> PHLG meeting on 30 May 2006.

**Albania** endorsed the documents prepared by the iECS for the meeting and agreed to prepare the Road Map/Action Plan based on the outline presented by the iECS. In order to

achieve this, the Ministry of Trade and Energy organised two meetings and decided to set up a task force to monitor the implementation of the Action Plan, once this is approved. In June 2006, Albania signed the Stabilisation & Association Agreement (SAA). A new scheme for protecting vulnerable customers, without distorting competition was proposed by a Government Decree and funds to support the scheme will be made available by the Government. Rules for tendering new generation capacities are being drafted, and a new Concession Law is under preparation, that will be based on the best practices. The TSO is unbundled in its legal form, organizational and decision making. It is expected the full ownership unbundling of the TSO to be completed within 2006. Currently, the eligibility threshold is set at 100 GWh/year which has been fulfilled by two consumers. The amendments to the Power Sector Law have enabled the ERE to address the key process of eligibility status. The calendar and the respective thresholds is expected by 2007.

**Bosnia and Herzegovina** acknowledged the start up of the Energy Study at the state level, funded by the World Bank. With respect to electricity market opening, the two entity regulatory authorities adopted a calendar and thresholds that are in line with the provisions of the Treaty. At the state level, the progress in adopting decisions is nevertheless slower, and there are political barriers to that. In the gas sector, there is not yet a legal gas act in place, no regulatory authority nor a TSO at the state level. The Energy Community is perceived as an appropriate frame that stimulates advancement in energy sector in Bosnia and Herzegovina.

**Bulgaria** reported that the Energy Act was amended on 8 September 2006, and is now in full compliance with the *Acquis Communautaire*. The unbundling of Bulgargas is undergoing, a detailed roadmap was prepared for that purpose and it is expected that this will be implemented by the end of 2006.

**Croatia** did not report any significant progress, since last quarter.

**The former Yugoslav Republic of Macedonia** reported the successful privatisation of Negotino power plant that will lead to increased capacity and substitute fuel. The Regulatory Authority approved recently the Electricity Grid Code. The DSO was privatised shortly and the market rules are under preparation and will be soon approved. On market monitoring: all participants are licensed. On affordability: the EBRD project "Combat of energy poverty" is in preparation and expected to be ready by the end of 2006. On new generation capacity: a tendering process for the construction of two new small hydropower plants is in preparation. In the gas sector, there was little progress after the set up of the TSO. The gas consumption is low and it is only by industry, and not residential customers. The licensing system and the tariff methodology were adopted, but not enforced.

**Montenegro** did not report any progress since the last quarter.

**Romania** reported that the revision of the Electricity Law is in Parliament for debate. It is expected to be adopted in the coming month. A system for monitoring security of supply will be in place by the end of 2006. In order to be able to open the market for residential consumers in accordance with the calendar, the are preparations undergoing for the metering system; the outstanding issues in both gas and electricity with the unbundling of the distribution companies are still not solved, but are being under preparation. There are also ongoing discussions with respect to the nomination of the supplier of last resort.

In **Serbia**, the electricity tariff methodology was approved by the regulator. The market rules and the grid code are under preparation.

**UNMIK** reported that it set up a group of seven experts to follow the implementation of the Treaty. The secondary legislation is in progress and the rules for authorisations have been completed. In terms of electricity market opening, the eligibility criteria are set and are based on connection voltage. The electricity TSO is fully unbundled in the legal form. The World Bank is providing technical assistance to build a 2100 MW new generation capacity, in line

with the Energy Strategy of UNMIK. In the gas sector, the draft legislation is in preparation, and UNMIK is looking forward to receive Technical Assistance through the iECS to be able to implement the Treaty.

## **2.4. Progress with the state level Road Maps/Action Plans**

The process of preparation of state level action plans underwent several stages, as follows:

1. Presentation of the structure of the Electricity Road Map at the 8<sup>th</sup> Athens Forum, 23 – 24 June 2006 for stakeholders' information and comments;
2. Consultations with the experts preparing the SEETEC "Study of the obstacles to trade and compatibility of market rules" financed by the Canadian International Development Agency for the regional level actions;
3. Development of the final Electricity and Gas Road Map/Action Plan outline by 5 September 2006, and agreement on this at the Expert (PHLG) Meeting on 14-15 September 2006;
4. Preparation of custom made Road Maps/Action Plans by each Contracting Party with the assistance of the iECS, by 15 October 2006.

The approach proposed by the iECS – the same for electricity and gas – was to prepare for the Contracting Parties a most comprehensive list of actions structured in 5 chapters for state level and the 6<sup>th</sup> chapter on regional level actions. These actions represent the 'menu' necessary to fully adopt and implement the *Acquis Communautaire* on energy, and create a functional and liberalized electricity and gas market. The Contracting Parties are expected to extract from this template, the actions that are still pending and those that have been undertaken, but are not in full compliance with the Directives 2003/54/EC and 2003/55/EC, and the Regulation 1228/2003, or the Electricity Transition Strategy and prepare their own Action Plans.

The timetable provided by the outline indicates the final deadline as provisioned in the Treaty, while the Contracting Parties are expected to introduce their own deadlines for each pending action, but not later than the Treaty's final one.

In order to better assist the Contracting Parties to prepare their tailor-made Action Plans, the iECS proposed a full package to them, including:

1. The Explanatory Note
2. The Road Map structure
3. The Action Plan template
4. The Guidelines for each action under the Action Plan

The Explanatory Note was prepared to guide the Contracting Parties through the process of preparing tailor-made Action Plans including a practical example and offering a staged approach with the following deadlines:

- i. Drafting the outline by the iECS - September 2006;
- ii. Tailor making the Action Plans by each Contracting Parties: September – October 2006;
- iii. Obtaining the political commitment on the Road Maps at the Ministerial Council's meeting of November 2006;
- iv. Implementation by the Contracting Parties: November 2006 – January 2008;
- v. Monitoring by the iECS: November 2006 – January 2008.

The Guidelines for each action under the Action Plan include all the possible requirements under a certain subchapter and item. The checklist is expected to be used not only for new actions, but also to verify whether those that are already implemented are in compliance with the EC Directives/Regulations, or need an update or refining. For each subchapter and action, there is a checklist that should be consulted when preparing the state level Action Plans; the checklist/guidelines will also serve as an inventory of issues that needs to be answered to when it comes to monitoring of progress in the implementation of the Road Maps.

By preparing Action Plans for opening state level energy markets, based on a common approach and the timetable given by the Treaty, each Contracting Party will not only ensure the desired harmonization of national rules and designs, but also provide the political commitment to the implementation process.

## **2.5. Progress with the Institutions under the Treaty**

The **Energy Community Regulatory Board** is being under establishment since the entrance into force of the Energy Community Treaty. i.e. 1 July 2006. The iECS will be providing an administrative assistance the ECRB, by facilitating the organisation of its 3<sup>rd</sup> preparatory meeting prior to the 9<sup>th</sup> Athens Forum scheduled for 23 October 2006.

Preparatory meeting of the **Gas Forum, i.e. Mini-Gas Forum** took place on 13 October 2006. The iECS, under the guidance of the European Commission, was deeply involved in the preparation of the 1<sup>st</sup> Mini-Gas Forum, including drafting Agenda, mobilising key note speakers, preparing presentations.

The **9<sup>th</sup> Athens Forum** will be organised on 24-25 October 2006. The iECS involvement included up to date contribution to the Forum's Agenda, development of participants' list, logistic arrangements (venue, participants' invitations, hotel reservation, etc.), circulation of distribution materials, and last but not least, the preparation of a presentation on the "Status quo on the Road Map development by the Contracting Parties and the monitoring process".

### **3. iECS SUPPORT TO THE DEVELOPMENT OF THE ENERGY COMMUNITY**

The iECS undertook in the 3<sup>rd</sup> quarter of 2006, a number of activities that are related to the progress of the Energy Community. These refer to the preparation of the New Gas Infrastructure Regulation, as well as to the participation in several regional workshops and conferences where it presented papers and took active part in the debates. This also contributed to spread the knowledge about the Energy Community and the progress with the implementation of the Treaty establishing the Energy Community. The iECS experts assisted Bosnia and Herzegovina to prepare the Gas Act in accordance with 2003/55/EC.

#### **3.1. Preparation of New Gas Infrastructure Investment Regulation**

The iECS was largely involved in the 3<sup>rd</sup> quarter in the preparation of the New Gas Infrastructure Investment Regulation (NGIIR) in South East Europe (SEE). This is intended to provide a tool for the states in the SEE and the EU Member States neighbouring the region (see in Art. 26 and 27 of the Treaty) for a co-ordinated implementation of Directive 2003/55/EC, in particular in relation to the provisions on implementation and/or exemptions from third party access (TPA).

The approach takes the developments within the European Union (EU) and the experience gained within the EU into account whilst avoiding inefficiencies, resulting from the remaining obstacles in gas liberalisation and several regulatory gaps.

The iECS was mandated by the European Commission to further elaborate and finalise the NGIIR, in co-operation with the drafting Committee that worked on earlier versions. The iECS presented the update at the "3<sup>rd</sup> Energy Summit – Gas pipelines and gasification of the SEE region", on 16<sup>th</sup> September 2006 in Belgrade.

#### **3.2. Participation in Energy Community's events**

In the 3<sup>rd</sup> quarter of 2006, the iECS took part in a number of events organised within the Energy Community, with presentations and/or debate participation. These are listed below:

- Negotiations and Contracting in the Energy Markets, 6-7 July 2006, Sofia, Bulgaria
- Regional Transmission System Planning Project - Task Force Group Meeting, 14 – 15 July 2006, Ohrid, The former Yugoslav Republic of Macedonia
- 1<sup>st</sup> Implementation Group meeting of the Gas Regional Market (REM) Project South-South East Region, 13 July 2006, Vienna, Austria
- The Third Energy Summit, Gas Pipelines and Gasification of the SEE Region, 18 September 2006, Belgrade, Serbia
- International Symposium "Power Plants 2006", 19-22 September 2006, Vrnjacka Banja, Serbia
- CEI Days on Renewable Energy and Energy Efficiency in Albania, 21-22 September 2006, Tirana, Albania
- Renewable Energy Sources of Electrical Energy in Southeast and Central Europe, 22 September 2006, Maribor, Slovenia
- 1<sup>st</sup> Stakeholder Group Meeting – ERGEG, 27 September 2006, Bratislava, Slovakia
- Workshop on Operational Requirements for Reliable Gas Transit, 27 September 2006, Bratislava, Slovakia.

## **4. OUTLOOK**

The 4<sup>th</sup> quarter of 2006 is expected to bring developments related to the process of finalisation of the Road Maps/Action Plans by the Contracting Parties, as well as the start up of their implementation.

The 1<sup>st</sup> Mini-Gas Forum, the 9<sup>th</sup> Athens Forum and the set up of the ECRB will also contribute to decisions at regional level that are needed for advancing with the regional market design and cross border issues.

The Ministerial Council in November 2006 is expected to adopt decisions that will facilitate the implementation of the Treaty and the functioning of the Institutions under the Treaty.

The investment workshop is expected to be held in Italy in November/December 2006.