

# ELECTRICITY ACTION PLAN

## CROATIA

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### 1 ROADMAP STRUCTURE

The proposed structure, as described below is also presented for easier reference in the diagram (see page 3).

#### Chapter 1 - Acquis communautaire

This chapter aims to ensure that the provisions of the Directive 2003/54/EC are transposed. The information required in this chapter is a reference to the national legislation indicating both the legal disposition and the relevant articles, in case that the Directive's provisions were adopted accordingly. The overall deadline for the transposition of the electricity acquis is the 1<sup>st</sup> July 2007, except for the eligibility calendar which is January 2008 for non-household consumers and January 2015 for household consumers

#### Chapter 2 – Market Structure

The chapter addresses market concentration and to propose, if deemed necessary, measures. It also pursues effective unbundling of system operators.

#### Chapter 3 – Wholesale market

This chapter addresses the wholesale market design and rules, in order to achieve competitive market. Competition in the wholesale market shall be ensured by transparency provisions and the regarding market monitoring. The necessary balancing regime is being covered as well, under the market rules subchapter, as the required licensing and authorization process.

#### Chapter 4 – Retail market

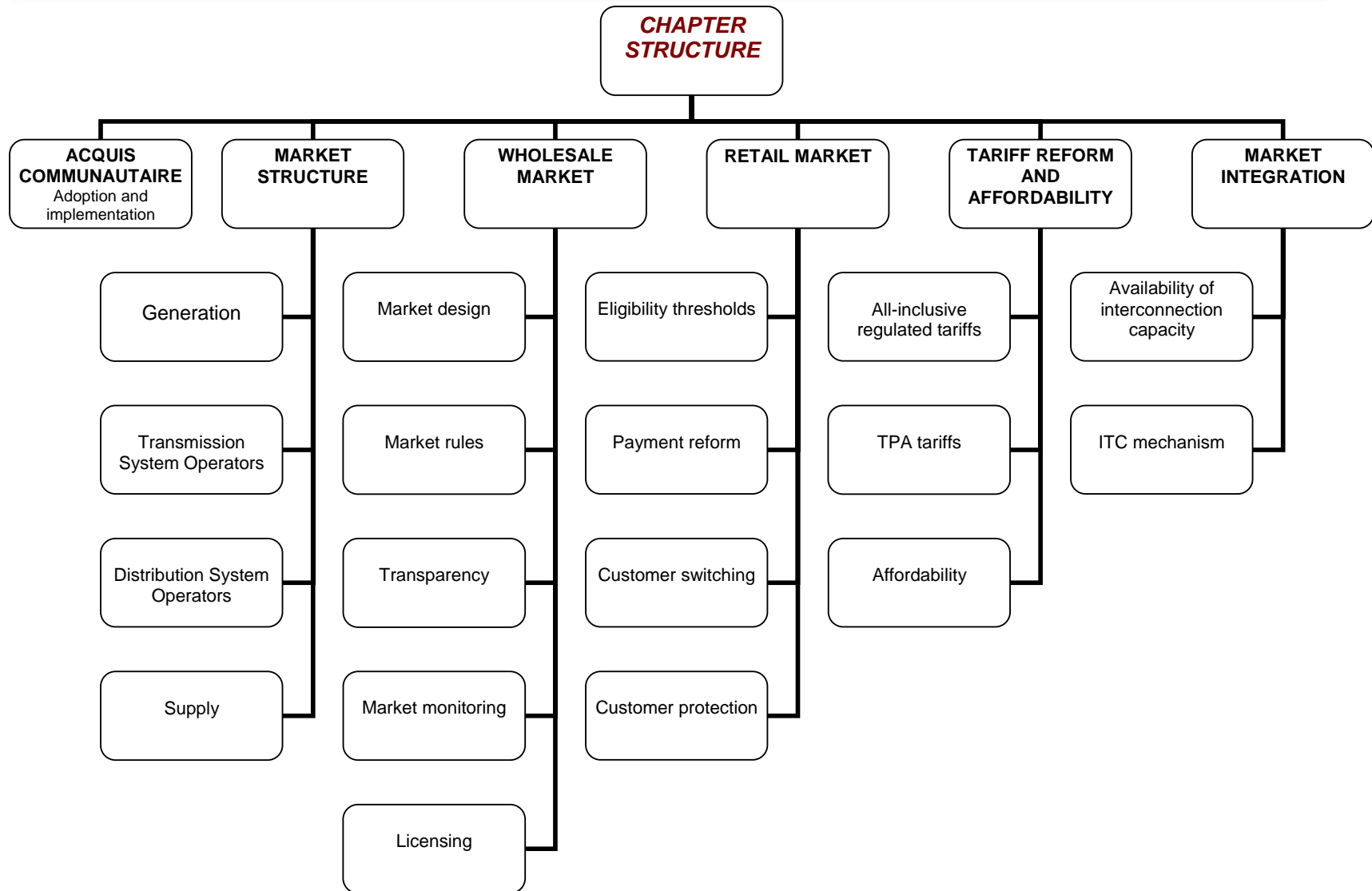
This chapter aims to ensure that the retail market opening measures in terms of eligibility thresholds and time schedules are being implemented. The customer switching process and the payment reform is being addressed, as well as customer protection.

#### Chapter 5 – Tariff reform and Affordability

The chapter covers the issue of cost reflectiveness in all inclusive tariffs and network usage tariffs (transmission and distribution networks). Affordability issues are also being covered.

## **Chapter 6 – Market integration**

This chapter includes a description of issues related in particular to cross border trade and cross border transport. The key issues to be solved at regional level include the methodology for capacity allocation and congestion management, the Inter TSO Compensation mechanism, and the licensing provisions that are mutually recognised. This chapter's actions should be regarded as of regional level and should be agreed upon by regional bodies.



## 2 ACTION PLAN

### Chapter 1 - Adoption of the acquis communautaire - ACTIONS

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
1.1 to 1.5	General rules:  1.1 Imposition on undertakings  1.2 Customer protection  1.3 Public Service Obligations  1.4 Security of Supply  1.5 Technical rules	Develop and implement General Rules for the impositions on undertakings, customer protection, public service obligations, security of supply and technical rules	July 2007	<p><b>1.1 Imposition on undertakings</b> Energy Act (Croatian Official Gazette 68/01 and 177/04) Article 15 &amp; Electricity Market Act (Croatian Official Gazette 177/04), Articles 39, 40.</p> <p><b>1.2 Customer protection</b> Energy Act (Croatian Official Gazette 68/01 and 177/04), Article 29.</p> <p><b>1.3 Public Service Obligation</b> Energy Act (Croatian Official Gazette 68/01 and 177/04), Article 20. General Conditions of Electricity Supply (Croatian Official Gazette 14/06).</p> <p><b>1.4 Security of Supply</b> Energy Act (Croatian Official Gazette 68/01 and 177/04), Article 23.</p> <p><b>1.5 Technical rules</b> Grid Code (Croatian Official Gazette 36/06).</p>	Done	Ministry  Croatian Energy Regulatory Agency (CERA)  Hrvatska elektroprivreda (HEP)  HEP TSO Supplier  HEP TSO, HEP DSO
1.6 to	Generation:	Develop and implement the provisions regarding Generation: authorization criteria and tendering rules	July 2007	<p><b>1.6 Authorisation</b> Electricity Market Act (Croatian Official Gazette 177/04), Article 9.</p>	Done	CERA

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No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
1.7	1.6. Authorization  1.7. Tendering rules			<b>1.7 Tendering rules</b>  Electricity Market Act (Croatian Official Gazette 177/04), Article 10.		
1.8 to  1.13	Transmission and Distribution System Operators:  1.8. Designation  1.9. Tasks  1.10. Unbundling  1.11. Dispatching and balancing  1.12. Confidentiality  1.13. Combined Operator	Develop and implement the provisions regarding Transmission and Distribution System Operators: designation, tasks, unbundling, dispatching, confidentiality, combined operator	July 2007	<b>1.8 Designation</b>  Electricity Market Act (Croatian Official Gazette 177/04), Articles 39, 40.  <b>1.9 Tasks</b>  Electricity Market Act (Croatian Official Gazette 177/04), Articles 15-19  <b>1.10 Unbundling</b>  Electricity Market Act (Croatian Official Gazette 177/04), Articles 11-14.  <b>1.11 Dispatching and balancing</b>  Electricity Market Act (Croatian Official Gazette 177/04), Articles 39, 40.  <b>1.12 Confidentiality</b>  Electricity Market Act (Croatian Official Gazette 177/04), Article 6.  <b>1.13 Combined operator</b>  Not applicable (N/A).	Done	Hrvatska elektroprivreda (HEP)  HEP TSO  CERA  HEP TSO & Market Operator (HROTE)  HEP TSO & HEP DSO
1.14	Unbundling and transparency of accounts:	Develop and implement the provisions regarding Unbundling/Transparency of accounts: rights of access to	July 2007	<b>1.14 Rights of access to accounts</b>  Act on the Regulation of Energy Activities (Croatian Official Gazette 177/04), Article 10.	Done	CERA

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to 1.15	1.14 Rights of access to accounts  1.15 Unbundling of accounts	accounts and unbundling of accounts		<b>1.15 Unbundling of accounts</b> Energy Act (Croatian Official Gazette 68/01 and 177/04), Article 21.		HEP TSO & HEP DSO
1.16 to 1.19	Organisation of access to the system:  1.16 Third Party Access  1.17 Market opening and reciprocity  1.18 Direct Lines  1.19 Regulatory Authorities	Develop and implement the provisions regarding Organisation of access to the system of accounts: Third Party Access, market opening and reciprocity, direct lines and Regulatory Authorities	July 2007	<b>1.16 Third Party Access</b> Electricity Market Act (Croatian Official Gazette 177/04), Article 22.  <b>1.17 Market opening and reciprocity</b> Electricity Market Act (Croatian Official Gazette 177/04), Article 34.  <b>1.18 Direct lines</b> Electricity Market Act (Croatian Official Gazette 177/04), Article 24.  <b>1.19 Regulatory authorities</b> Act on the Regulation of Energy Activities (Croatian Official Gazette 177/04), Article 10.	Done	HEP TSO & HEP DSO  HEP TSO, Ministry or CERA  CERA  CERA
1.20 to 1.22	Final Provisions:  1.20. Safeguard	Develop and implement the Final Provisions: safeguard measures, monitoring imports, derogations (if applicable)	July 2007	<b>1.20 Safeguard measures</b> Energy Act (Croatian Official Gazette 68/01 and 177/04), Article 23.  Electricity Market Act (Croatian Official Gazette 177/04), Articles 15, 16.	Done	Ministry, HEP TSO

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	measures  1.21. Monitoring imports  1.22. Derogations			<p><b>1.21 Monitoring imports</b></p> <p>Energy Act (Croatian Official Gazette 68/01 and 177/04), Article 9.</p> <p>Energy Supply/Demand Balance Rules (Croatian Official Gazette 33/03).</p> <p><b>1.22 Derogations</b></p> <p>N/A</p>		Ministry
1.24 to 1.29	Regulation 1228/2003:  1.24 Inter TSO Compensation mechanism  1.25 Charges for access to the networks  1.26 Transparency  1.27 Congestion Management  1.28 New Interconnectors	Implement provisions regarding cross border trade: Inter Transmission System Operators Compensation mechanism, charges for access to the network, transparency, congestion management, new interconnectors and penalties	July 2007	<p><b>1.24 Inter TSO compensation mechanism</b></p> <p>HEP TSO does not participate in ITC mechanisms being applied in EU and SEE.</p> <p>Since the end of 2005, HEP TSO has been undertaking all necessary steps to ensure its participation within EU&amp;SEE merged ITC mechanism in 2007.</p> <p>With this aim HEP TSO has delivered so far on several occasions full sets of different types of transmission system data under HEP TSO responsibility, such as:</p> <ul style="list-style-type: none"> <li>▪ results of horizontal network calculations,</li> <li>▪ one year history of hourly measured power flows data at the interconnection lines,</li> <li>▪ history of 72 transmission system recorded snapshots data,</li> <li>▪ amount of annual transmission system losses costs of total and horizontal network with corresponding losses unit price,</li> </ul>	July 2007	CERA & Government

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	1.29 Penalties			<ul style="list-style-type: none"> <li>▪ annual costs of total and horizontal network costs, etc.</li> </ul> <p>Mentioned data were delivered to ETSO Secretariat for further technical analyses and cross-checking. Both ETSO Secretariat and SEEER TF, with SETSO TF support, confirmed that HEP TSO fulfilled its task as regarding its transmission system data delivery required for ensuring its participation in EU&amp;SEE merged ITC mechanism, regardless of final model to be used for transit costs remuneration. Currently, quality checks are going onwards trilaterally between ETSO Secretariat, Data Administrators and HEP TSO.</p> <p><b>1.25 Charges for access to the networks</b></p> <p>Energy Act (Croatian Official Gazette 68/01 and 177/04) Articles 29, 29 a.</p> <p>Rules on Charges for Connection to the Network and for Increase in Connected Power (Croatian Official Gazette 28/06).</p> <p>Decision on the Amount of Charge for Connection to Electric Network and for Increase in Connected Power (Croatian Official Gazette 52/06).</p> <p><b>1.26 Transparency</b></p> <p>Electricity Market Act (Croatian Official Gazette 177/04), Articles 11-14.</p> <p><b>1.27 Congestion management</b></p> <p>Currently there is a common explicit auctioning of monthly available transmission capacity between Hungary and Croatia in both directions using total available transmission capacity (without 50%:50%</p>		<p>CERA</p> <p>HEP TSO, HROTE</p> <p>HEP TSO &amp; CERA</p>

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				<p>splitting of each TSO).</p> <p>Final draft of the Rules on allocation and use of cross-border capacities of the Republic of Croatia is prepared according to provisions of Regulation 1228/2003. The draft of the Rules defines periodical (yearly, half-yearly and quarterly) capacity allocation using tender procedure with no capacity charge applied to allocated capacity, and monthly and potentially daily capacity allocation using explicit auctions with marginal price to be paid by bidding market participants.</p> <p>Periodical capacity allocation in the import direction gives priority to the energy entity having public service obligation for tariff customers of electricity supply, in cases where available capacity is less than demanded by market participants (Croatia is net importing country).</p> <p>According to the draft of the Rules there are no already allocated capacities (AAC) although there are existing long term electricity supply contracts for Croatia's needs from generation facilities located on the territories of the former Yugoslavia.</p> <p><b>1.28 New interconnectors</b></p> <p>Electricity Market Act (Croatian Official Gazette 177/04), Articles 21, 35.</p> <p><b>1.29 Penalties</b></p> <p>Electricity Market Act (Croatian Official Gazette 177/04), Article 38.</p>		State Inspectorate

## Chapter 2 – Market Structure – ACTIONS

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No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution														
2.1	Generation/Supply	Assess market concentration in each Party's electricity industry through the commonly used indicators	Not applicable (except for unbundling)	<p>Data are available for assessing the market concentration.</p> <p>The sector is still in transition.</p> <p>Electricity Market Act (Croatian Official Gazette 177/04), Articles 7- 10.</p> <p>Energy Act (Croatian Official Gazette 68/01 and 177/04) Articles 15, 16, 17.</p> <p>Rules on Conditions for the Carrying Out of an Energy Activity (Croatian Official Gazette 6/03 and 94/05).</p> <table border="1" data-bbox="1205 797 1656 1040"> <thead> <tr> <th colspan="2">Available Electricity Generation Capacity</th> </tr> <tr> <th></th> <th>MW</th> </tr> </thead> <tbody> <tr> <td>Power Plants (HEP)</td> <td>3 711,1</td> </tr> <tr> <td>Power Plants (Others)</td> <td>231</td> </tr> <tr> <td><b>Total in the Republic of Croatia</b></td> <td><b>3 942,1</b></td> </tr> <tr> <td>Nuclear Power Plant Krško (NPP Krško) – 50% (HEP)</td> <td>338</td> </tr> <tr> <td><b>Total</b></td> <td><b>4 280,1</b></td> </tr> </tbody> </table>	Available Electricity Generation Capacity			MW	Power Plants (HEP)	3 711,1	Power Plants (Others)	231	<b>Total in the Republic of Croatia</b>	<b>3 942,1</b>	Nuclear Power Plant Krško (NPP Krško) – 50% (HEP)	338	<b>Total</b>	<b>4 280,1</b>	Action continues	<p>GOV Ministry CERA</p> <p>Company Carrying Out of an Energy Activity Licence for production</p>
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<b>Total</b>	<b>4 280,1</b>																			
2.2	Generation/ Supply	Adopt measures, if deemed necessary, based on the results.	Not applicable	Electricity Market Act (Croatian Official Gazette 177/04), Article 10.	Action continues	<p>GOV Ministry CERA</p>														
2.3	Transmission System Operators	Ensure unbundling and implementation of technical rules	Dec 2007	<p>Electricity Market Act (Croatian Official Gazette 177/04), Articles 11-14, 40.</p> <p>Unbundling model: Legal, Organisation and Management.</p> <p>Published separate accounts exist with</p>	July 2007	HEP TSO														

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				<p>Deloitte as official reviser.</p> <p>HEP TSO is a part of the HEP Group as subsidiary company of HEP d.d.</p> <p>HEP d.d.'s assets were not the subject of restructuring and remained owned by the HEP d.d. as the parent company.</p> <p>HEP TSO web site is <a href="http://www.hep.hr/ops">http://www.hep.hr/ops</a></p> <p>HEP TSO company address is: Kupska 4, Zagreb 10000, Croatia</p> <p>CEO of HEP TSO does not take part in management structures of HEP d.d. ensuring that his direct or indirect responsibility for day-to-day operations of production and supply business is excluded.</p> <p>CEO of HEP TSO is responsible for day-to-day transmission business operation.</p> <p>Directors of subsidiary companies are appointed by their respective supervisory boards. Operations of subsidiary companies are subject to supervision by financial, energy and other supervisory authorities, and directors are independently accountable before law courts for any omissions in business operations.</p> <p>Salary of the director of HEP TSO is not tied with HEP d.d. overall business performance.</p> <p>CEO of HEP TSO has the right to freely make decisions relating to the use of funds needed for operation, maintenance, development and construction of the network within the approved annual financial plan, independently from HEP d.d.</p> <p>HEP d.d. does not give instructions relating to day-to-day operations nor instructions relating to construction of individual projects.</p> <p>HEP TSO has established the Program</p>		

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				<p>setting out and ensuring the application of the principles of transparency and non-discrimination in its operations. The Program is published on the HEP TSO web site and it regulates the procedure of all responsible and executive TSO employees in order to ensure transparency, objectivity and non-discrimination.</p> <p>In its accounting, HEP TSO keeps separate accounts as if the activities of transmission were performed by independent company, not associated into a vertically integrated corporation.</p> <p>The revenue from the ownership of transmission network is shown in business records as well as balance sheet or profit and loss account for each activity. Financial audit examines in particular the fulfilment of the obligation to avoid bias, cross-subsidization and distortion of competition.</p> <p>Improvement of above described unbundling model is still going on, particularly with aim to improve Compliance Program in a way to be signed by HEP TSO employees and to appoint HEP TSO Compliance Officer in charge of Compliance Program monitoring.</p> <p>HEP TSO welcomes possibility of being financially aided by EU available funding resources that can be granted or arranged in suitable way to HEP TSO. Such funding will be used for improving overall technical performance of HEP TSO in order to have improved institutional and technical capabilities of HEP TSO to fully meet electricity market needs from both domestic and regional electricity market perspectives.</p> <p>In particular, such a need is recognized for improving overall ICT infrastructure. Currently the investment program approved by HEP TSO for revitalization of complete</p>		

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				<p>ICT infrastructure, including the construction of new national control room for transmission system management, is underway but without full financial construction closed.</p> <p>Article 40</p> <p>(1) Hrvatska elektroprivreda d.d. shall establish a separate daughter company for performing regulated activities as a public service in electricity transmission (transmission system operator), in the period of up to three months from the day of entry into force of this Act. On the date of establishment of the company referred to in this Article, the energy undertaking for electricity transmission, and energy undertaking for electric power system control and management and electricity market organization shall cease to exist.</p>		
2.4	Distribution System Operators	Ensure effective unbundling, adoption of technical rules and consolidation of distribution companies	Dec 2007	<p>Electricity Market Act (Croatian Official Gazette 177/04), Article 11-14, 39.</p> <p>Unbundling model: Legal, Organization and Management.</p> <p>Published separate accounts exist and official reviser is Deloitte.</p> <p>HEP DSO (Distribution System Operator) is a part of HEP d.d.</p> <p>HEP d.d.'s assets were not the subject of restructuring and remained owned by HEP d.d. as the parent company.</p> <p>HEP DSO will enact the program for transparency, objectivity and non-discrimination in DSO operations – as Compliance program.</p> <p>HEP DSO was given licence by CERA for</p>	July 2007	HEP DSO

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				<p>electricity supply of tariff customers. It keeps separate account for tariff customers business record.</p> <p>According to the law, HEP-Opkrba d.o.o. (Supply) is established as a separate company for electricity supply of eligible customers.</p> <p>It is still in progress the improvement of above described unbundling model and implementation of legal obligations (see 2.3).</p> <p>Article 39</p> <p>(1) Daughter companies and Hrvatska elektroprivreda d.d as the mother company of a vertically integrated company (HEP Group) shall continue to carry out regulated electricity-related activities as public services in the Republic of Croatia, from the day of entry into force of this Act.</p> <p>(2) Hrvatska elektroprivreda d.d. shall harmonize its organization of the vertically integrated company referred to in paragraph 1 of this Article with the provisions of the Energy Act and the provisions of this Act within 12 months from the day of entry into force of this Act, and the distribution system operator shall continue carrying out the activities of electricity distribution and electricity supply by 01 July 2007.</p> <p>(3) Distribution system operator shall, by the deadline referred to in paragraph 2 of this Article, keep separate accounts for the supply of eligible customers and the supply of tariff customers, as well as of electricity supply of customers left without a supplier or whose supplier ceased to operate.</p>		

### Chapter 3 – Wholesale market – ACTIONS

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No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
3.1	Market design	Adoption of market design and accompanying measures to ensure liquid competitive wholesale market	Dec 2007	<p>Market design is described in the Energy Act, Act on Electricity Market and Act on the Regulation of Energy Activities and also in secondary legislation which is partially adopted and partially drafted as follows:</p> <ul style="list-style-type: none"> <li>▪ General conditions of electricity supply (Official Gazette 14/06)</li> <li>▪ Electric Power System Grid Code (Official Gazette 36/06)</li> <li>▪ Rules on the method and criteria for determining the fees for transmission and distribution network use (Official Gazette 109/03) (adoption of the new methodology underway)</li> <li>▪ Electricity Market Rules (draft)</li> <li>▪ Balancing Energy Rules (draft)</li> <li>▪ Methodology for the determination of the price for balancing energy (draft)</li> <li>▪ Rules on the allocation and use of cross-border capacities (draft)</li> </ul> <p>The bilateral market model was chosen for the initial phase of the electricity market opening in Croatia. Contractual parties in the bilateral contract for electricity supply are the eligible customer and a supplier. Bilateral contracts on purchase/sale of electricity are concluded between supplier, trader or producer.</p> <p>Apart from the supply contract and the electricity purchase/sale contract, the eligible</p>	July 2007	<p>CERA</p> <p>Ministry</p> <p>HROTE</p>

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				<p>customer and a producer must also conclude the contract on the use of network with HEP-TSO or HEP-DSO depending on the voltage level they are connected to, while the eligible customer supplier must conclude the balancing energy contract with HEP-TSO.</p> <p>A participant on the wholesale electricity market is any producer, supplier, trader or eligible customer. All wholesale market participants (producers, suppliers and traders) will have to conclude the Balancing Energy Agreement with TSO in accordance with the Balancing Energy Rules.</p> <p>Market Operator (HROTE) keeps records of contractual commitments between market participants. Market participants submit contractual schedules to HROTE and out of them HROTE makes Market plan on day-ahead basis.</p>		
3.2	Market rules	Elaborate/implement market rules compatible with a competitive approach	Dec 2007	<p>Drafted Market Rules regulate the relationship and activities in the electricity market as well as determine the obligations and responsibilities of market participants in the process of electricity trading. These Rules regulate activities of the market operator and other participants in the electricity market, itemize types of agreements in the electricity market, determine the procedure for bilateral agreement registration, determine day-ahead market planning mechanism and determine a procedure for changing the contractual schedule during the day of delivery.</p> <p>If a description of market rules is taken into consideration as in guidelines for chapter 3, it has to be mentioned that the parts regarding balancing energy settlement and balancing energy prices are given in the draft</p>	July 2007	CERA  Ministry  HEP TSO

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				<p>versions of Balancing Energy Rules and Methodology for the determination of the price for balancing energy.</p> <p>Rules on the allocation and use of cross-border capacities (still in draft version) will define the methods and conditions for the allocation of cross-border transfer capacities and the criteria for the use of the allocated capacities.</p> <p>Until 01.01.2007., the institutional, organisational and legal preconditions needed for full functioning of open electricity market in Croatia will be assured.</p> <p>By the end of 2006 the Market Operator will be separated from the HEP Group and its ownership will be assigned to the Republic of Croatia. Further strengthening of HROTE will be needed, especially regarding implementation of daily planning procedures, development of balancing energy settlement and necessary IT infrastructure.</p> <p>By passing and publication of remaining secondary legislative acts, which define electricity market, by the end of 2006, preconditions for continuation of electricity market opening in Republic of Croatia will be met according to the principles of transparency and equality of all market participants.</p>		
3.3	Market transparency	Provide/ publish data, including services offered to market participants	Dec 2007	<p>According to the Act on the Regulation of Energy Activities, Croatian Energy Regulatory Agency monitors degree of market competition transparency.</p> <p>Freedom of information act – (OG 172/03).</p>	July 2007	CERA / Ministry

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3.4	Market monitoring	Implement a market monitoring system to obtain reliable data for further development of the market:	Dec 2007	<p>According to the Act on the Regulation of Energy Activities, Croatian Energy Regulatory Agency monitors the implementation of rules on cross-border capacity allocation, separation of business accounts, connection of new producers and customers, degree of market competition transparency, time-limits for repairs and connections. Croatian Energy Regulatory Agency also supervises tariff systems and charges, network access and energy undertaking service quality.</p> <p>Competition Act (OG 122/03).</p>	July 2007	CERA / Ministry
3.5	Licensing and Authorization	Elaborate/implement a license/ authorization system, compatible on a regional level	Dec 2007	<p>To participate in the wholesale market, a market participant must possess at least one of the following licenses:</p> <ul style="list-style-type: none"> <li>▪ licence for trade, mediation and representation in the energy market,</li> <li>▪ licence for electricity generation,</li> <li>▪ licence for electricity supply.</li> </ul> <p>A producer with a generation facility of up to 1 MW capacity is not required to possess a licence for performing the activity of electricity generation.</p> <p>Licences for performing energy activities are issued by the Croatian Energy Regulatory Agency.</p> <p>Pursuant to the Energy Law, energy activities within the electric power sector are the following (with current number of issued licences according to the Rules on terms for performing energy activities):</p> <ul style="list-style-type: none"> <li>▪ organization of the electricity market</li> </ul>	July 2007	CERA / Ministry

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				(1 licence), <ul style="list-style-type: none"> <li>▪ electricity generation (3 licences),</li> <li>▪ electricity transmission (1 licence),</li> <li>▪ electricity distribution (1 licence),</li> <li>▪ electricity supply (3 licences),</li> <li>▪ trade, mediation and representation on the energy market (17 licences).</li> </ul>		

## Chapter 4 – Retail market – ACTIONS

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4.1	Eligibility thresholds	Elaborate and implement market opening measures in terms of eligibility thresholds	Dec 2007	<p>Electricity Market Act (Croatian Official Gazette 177/04), Articles 31, 32.</p> <p>The Law on Electricity Market specifies the following phases of market opening:</p> <ul style="list-style-type: none"> <li>▪ 1 July 2006 – customers with an annual consumption exceeding 9 GWh will become eligible customers</li> <li>▪ 1 July 2007 – all entrepreneurs will become eligible customers</li> <li>▪ 1 July 2008 – all customers will become eligible customers.</li> </ul> <p>Through the process of the market opening the number of tariff customers, i.e. the "portion" of the public service system shall decrease. When a tariff customer from the household category or a small customer acquires a status of an eligible customer but doesn't wish to exercise that right, it can stay in the system of public service electricity supply.</p>	July 2007	
4.2	Payment reform	Adopt measures towards payment reform	Dec 2007	Billing and collection of payments are set at satisfied level (close to 100 %). Price is at adequate level.		
4.3	Customer switching	Elaborate/implement a non-discriminatory transparent customer switching process minimizing transaction cost and disputes	Dec 2007	<p>Electricity Market Act (Croatian Official Gazette 177/04), Article 32.</p> <p>Energy Act (Croatian Official Gazette 68/01 and 177/04) Article 29.</p> <p>General Conditions of Electricity Supply</p>	July 2007	

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<p>(Croatian Official Gazette 14/06).</p> <p>General conditions of electricity supply regulate a change of supplier process.</p> <p>According to the General conditions of electricity supply, eligible customer can conclude the electricity supply contract with a new supplier. Not later than 20 days before the planned beginning of the application of the supply contract, a new supplier submits to HEP-TSO or to HEP-DSO an application for the change of the supplier including the supply contract.</p> <p>HEP-TSO or HEP-DSO verifies conformance of the supply contract with the contract for using the network and if the contracts are in conformance HEP-TSO or HEP-DSO performs meter readings on the eligible customer metering point(s). The meter reading date is the beginning date of the new supply contract application.</p> <p>Change of supplier is free of charge.</p> <p>In this area Croatia has identified two particular needs regarding technical assistance. Firstly, to further develop tariff methodologies, there is the need to obtain correct load profiles for different customer groups. Secondly, in order to develop electricity retail and promote customer switching, wide-scale implementation of Automatic Meter Reading (AMR) should be assisted by adequate promotion and institutional support. A possible mechanism for financing could be the CARDS program.</p>		
4.4	Customer protection	Elaborate/implement non-discriminatory transparent measures for protection of the customers	Dec 2007	<p>Electricity Market Act (Croatian Official Gazette 177/04), Article 32.</p> <p>In accordance with the Act on Electricity Market, the suppliers must ensure the supply</p>	July 2007	

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
				<p>of electricity, as a public service, for all households and small customers according to regulated conditions. Association of small and medium-sized customers is allowed for the purpose of joint representation before the supplier in order to secure a higher level of information and customer protection measures.</p> <p>Eligible customer from the household category or a small customer can choose either to exercise the right of the eligible customer or to stay within the system of the public service obligation.</p> <p>The Act on Electricity Market lays down the responsibilities of transmission system operators and distribution system operators related to realization and monitoring of security of supply.</p> <p>Croatian Energy Regulatory Agency is responsible for complaints regarding network connection conditions and TSO/DSO is responsible for complaints regarding operators and tariff customer supplier and compensation for unjustified supply interruption.</p>		

## Chapter 5 – Tariff reform and Affordability – ACTIONS

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				FIELDS TO BE FILLED IN BY THE CONTRACTING PARTIES		
No	Subchapter	Action	Not later than	Status of the action and references (laws, national plans)	Deadline	Responsible Institution
5.1	All-inclusive regulated retail tariffs	Development of retail cost reflective (all-inclusive) tariffs	Dec 2007	Energy Act (Croatian Official Gazette 68/01 and 177/04), Article 28 (methodologies).	Dec 2006	CERA
				Calculation according to tariff methodology is a responsibility of energy companies. GOV is responsible for approval of tariff amount.	Dec 2007	GOV
				CERA supervises the application of all tariff systems and prescribed fees.		CERA
				For the time being in Croatia, all inclusive retail tariffs are implemented for tariff customers. This tariff system is in use since the year 2002.		
				According to the Energy Act (Croatian Official Gazette 68/01 and 177/04) Article 28, CERA is obliged to develop four methodologies for electricity tariffs.		
				Currently, CERA is in the process of development of four tariff methodologies which will be the basis for the calculation and determination of the retail tariffs. These methodologies are:	Dec 2007	CERA
				<ol style="list-style-type: none"> <li>1. Tariff methodology for generation of electricity, apart from electricity generation for eligible customers;</li> <li>2. Tariff methodology for transmission of electricity;</li> <li>3. Tariff methodology for distribution of electricity;</li> <li>4. Tariff methodology for retail supply of electricity, apart from retail supply of electricity for eligible customers.</li> </ol>		
				Calculation according to the tariff methodology is the responsibility of energy companies.	Dec 2007	GOV

				CERA gives the opinion to the proposed tariffs. GOV is responsible for approval of tariff amount. CERA supervises the implementation of all tariff systems and prescribed fees.		CERA
5.2	TPA tariffs (transmission, distribution, ancillary services)	Development of cost reflective TPA tariffs	Dec 2007	<p>Energy Act (Croatian Official Gazette 68/01 and 177/04), Article 28 (methodologies).</p> <p>Calculation according to tariff methodology is a responsibility of energy companies. GOV is responsible for approval of tariff amount.</p> <p>The CERA supervises the application of all tariff systems and prescribed fees.</p> <p>According to the Energy Act (Croatian Official Gazette 68/01 and 177/04) Article 28, CERA is obliged to develop two methodologies for such electricity tariffs.</p> <p>These methodologies are:</p> <ol style="list-style-type: none"> <li>1. Tariff methodology for transmission of electricity;</li> <li>2. Tariff methodology for distribution of electricity.</li> </ol> <p>Calculation according to tariff methodology is the responsibility of TSO and DSO companies. CERA gives the opinion on the proposed tariffs. GOV is responsible for approval of tariff amounts. CERA supervises the implementation of all tariff systems and prescribed fees.</p>	Dec 2007 Dec 2007 Dec 2007 Dec 2007	CERA GOV CERA CERA GOV
5.3	Other regulated tariffs	Please include any existing actions describing how the Party will make compatible other existing regulated tariffs (e.g. regulated wholesale tariffs) with the opening to competition	Dec 2007	<p>CERA also sets out the methodologies for:</p> <ul style="list-style-type: none"> <li>▪ determination of the compensation for the connection to the transmission and distribution networks, and for increase in connected load,</li> <li>▪ provision of energy balancing services in the electric power system,</li> </ul>	Dec 2007	CERA

				<ul style="list-style-type: none"> <li>▪ production of electricity, with the exception of eligible customers,</li> <li>▪ supply of electricity, with the exception of eligible customers.</li> </ul> <p>CERA also has set out the methodology for determination of the compensation for the connection to the transmission and distribution networks, and for increase in connected load. Calculation according to tariff methodology is the responsibility of TSO and DSO companies. CERA gives the opinion to the proposed tariffs. GOV is responsible for approval of tariff amount. CERA supervises the implementation of all tariff systems and prescribed fees.</p> <p>According to the Act on the Regulation of Energy Activities (Croatian Official Gazette 177/04) Article 11, CERA is responsible for developing the methodology for provision of energy balancing services in the electric power system. This methodology is in the final developing phase as a part of the market rules set.</p>	<p>Dec 2007</p> <p>Dec 2007</p>	<p>CERA GOV</p> <p>CERA GOV</p>
5.4	Affordability	Development and adoption of support schemes for the protection of vulnerable customers	Dec 2007	A system for protection of low income / vulnerable customers does exist in the Republic of Croatia but not as a part of the tariff system. So far, there are no social tariffs for low income or vulnerable customers/households. Low income households are taken care of by the social welfare system and as such are the responsibility of the Ministry of Health and Social Welfare which has a fund for subsidizing such households.		GOV

## Chapter 6 – Market Integration – ACTIONS

FIELDS NOT TO BE AMENDED BY THE CONTRACTING PARTIES				
No	Subchapter	Action	Deadline	Responsible party
6.1	Interconnection capacity	Develop and adopt coordinated market based mechanisms at each border	Dec 2007	Relevant regulators and TSOs
6.2	Interconnection capacity	Development of a regional coordinated market based mechanism	Not decided	Fora
6.3	Inter TSO Compensation	Agree on merger of the EU and SEE funds. Otherwise, transitionally, increase injection fee	December 2006	EC/ ETSO
6.4	Inter TSO Compensation	Development of a methodology to invoice or credit market participants in relation with the ITC	As soon as possible	CONTRACTING PARTIES
6.5	Market design/ Market rules	The European Commission shall state a preference on wholesale market opening	October 2006	European Commission
6.6	Market design/ Market rules	Guidelines for market opening indicating measures to start up competition	March 2007	European Commission/ ECRB
6.7	Market design/ Market rules	Guidelines for market rules development	March 2007	European Commission/ ECRB
6.8	Licensing	Analyze the compatibility and harmonization of licensing for trading energy across the region including the harmonization of the concepts of trade and supply	January 2008	ECRB

### 3 CHECKLIST/ GUIDELINES FOR EACH ACTION

#### CHECKLIST/GUIDELINES to Chapter 1 – Acquis communautaire

No	Subchapter	Checklist/ Guidelines
<b>Directive 2003/54/EC</b>		
1.1	General rules/ Imposition on undertakings	<ul style="list-style-type: none"> <li>▪ If applicable, description of the possible impositions on electricity undertakings of Public Service Obligations: Description of the provision and reference to national legislation</li> </ul>
1.2	General rules/ Customer protection	<ul style="list-style-type: none"> <li>▪ Include provisions on universal service for households and if deemed appropriate small enterprises:               <ul style="list-style-type: none"> <li>- Obligation on distribution companies to connect customers to the grid</li> <li>- If necessary provisions on the Supplier of Last Resort</li> <li>- Final customer protection including Transparency in contractual terms and conditions, general information and dispute settlement, etc (see Annex A Directive)</li> </ul> </li> <li>▪ Protection of vulnerable customers</li> <li>▪ Protection customers in remote areas</li> <li>▪ Minimum information in the bills</li> </ul>
1.3	General rules/ Public Service Obligations	<ul style="list-style-type: none"> <li>▪ Report immediately after the implementation of the Public Service Obligations provisions</li> <li>▪ Reporting every two years on any changes regarding the Public Service Obligations</li> </ul>
1.4	General rules/ Security of Supply	<ul style="list-style-type: none"> <li>▪ Provisions monitoring of Security of Supply: supply/demand balance; expected future demand, planned new infrastructure, level of maintenance of the existing infrastructure, etc</li> <li>▪ Identification responsible Institution for the monitoring</li> <li>▪ Report each two years</li> </ul>
1.5	General rules/ Technical rules	<ul style="list-style-type: none"> <li>▪ Technical rules regarding connection to the system of power plants, distribution systems, consumer facilities, interconnectors, direct lines, etc.</li> <li>▪ Publication and reporting of the technical rules</li> </ul>
1.6	Generation/ authorisation	<ul style="list-style-type: none"> <li>▪ Authorisation criteria for the construction of new capacity in accordance to the requirements under article 6 of the 2003/54 Directive</li> <li>▪ Publication of the criteria</li> <li>▪ Motivation of refusals to applicants and appeal procedures</li> </ul>
1.7	Generation/ Tendering rules	<ul style="list-style-type: none"> <li>▪ Tendering procedure provisions for new capacity (or demand side management measures). To be applied only when Security of Supply is not guaranteed and optionally otherwise</li> <li>▪ Publication of the details for the tendering procedure and the tender specifications</li> <li>▪ Appointment of an Institution to oversee the tendering procedure</li> </ul>
1.8	TSO & DSO/ Designation	<ul style="list-style-type: none"> <li>▪ Designation of one/ more Transmission System Operator and Distribution System Operator</li> </ul>
1.9	TSO & DSO / Tasks	<ul style="list-style-type: none"> <li>▪ Define the tasks of the TSO(s) and DSO(s) in accordance with art. 9 and 14 respectively</li> </ul>
1.10	TSO & DSO / Unbundling	<ul style="list-style-type: none"> <li>▪ Legal, organisational and decision-making unbundling of the TSO/ DSO from other activities not related to transmission</li> <li>▪ Implementation of minimum independent criteria in accordance with art. 10.2 and 15.2 respectively</li> </ul>
1.11	TSO/ Dispatching and balancing	<ul style="list-style-type: none"> <li>▪ TSO: Responsibility for dispatching generation and use of interconnectors. Criteria to be published including rational for possible priority given to certain energy sources (renewables or indigenous)</li> <li>▪ TSO: Responsibility to balance the system. Rules to be published.</li> </ul>
1.12	TSO & DSO / Confidentiality	<ul style="list-style-type: none"> <li>▪ Provisions regarding confidentiality of commercially sensitive information</li> </ul>
1.13	TSO & DSO/ Combined Operator	<ul style="list-style-type: none"> <li>▪ Possibility to have a combined transmission and distribution system operator according to the requirements</li> </ul>

No	Subchapter	Checklist/ Guidelines
<b>Directive 2003/54/EC</b>		
		given in art. 17
1.14	Unbundling accounts/ access	<ul style="list-style-type: none"> <li>Designate competent authorities, including regulatory authorities, to have right of access to the accounts of electricity undertakings</li> </ul>
1.15	Unbundling accounts/ unbundling	<ul style="list-style-type: none"> <li>Electricity undertakings to draw up, submit to audit and publish their annual accounts according to rules defined in accounting acquis</li> <li>Internal accounting: Separate accounts for each of their transmission and distribution activities; separate accounts for supply activities for eligible and non-eligible customers</li> </ul>
1.16	Organisation access system/ TPA	<ul style="list-style-type: none"> <li>Adopt Third Party Access System based on published tariffs</li> <li>TPA refusal must be substantially reasoned by the transmission or distribution system operator</li> </ul>
1.17	Organisation access system/ Market opening and reciprocity	<ul style="list-style-type: none"> <li>Provisions to include the eligibility calendar (non households from January 2008 and households from January 2015)</li> <li>Provisions on reciprocity between Contracting Parties</li> </ul>
1.18	Organisation access system/ Direct lines	<ul style="list-style-type: none"> <li>Provisions to enable premises of the electricity undertakings and eligible consumers through direct lines</li> <li>Lay down the criteria of authorisations for the construction of direct lines</li> </ul>
1.19	Organisation access system/ Regulatory authorities	<ul style="list-style-type: none"> <li>Designation of one or more competent bodies as regulatory authority with the functions set in art. 23</li> </ul>
1.20	Final provisions/ Safeguard measures	<ul style="list-style-type: none"> <li>If applicable, to communicate any safeguard measures provisions in place in the Contracting Parties' legislation</li> </ul>
1.21	Final provisions/ Monitoring imports	<ul style="list-style-type: none"> <li>Report every three months on the imports of electricity as regards physical flows</li> </ul>
1.22	Final provisions/ Derogations	<ul style="list-style-type: none"> <li>If applicable apply for derogations according to art. 26</li> </ul>
<b>Regulation 1228/2003</b>		
1.28	Inter TSO Compensation mechanism	<ul style="list-style-type: none"> <li>Contracting Parties legislation in line art. 3 of the Regulation 1228/2003</li> <li>Once the EC Guidelines become part of the acquis, transposition of the Guidelines to each Contracting Parties legislation</li> </ul>
1.29	Charges for access to networks	<ul style="list-style-type: none"> <li>Contracting Parties legislation in line with art. 4 of the Regulation 1228/2003</li> <li>Once the EC Guidelines on ITC become part of the acquis, transposition of the Guidelines to each Contracting Parties legislation</li> </ul>
1.30	Transparency	<ul style="list-style-type: none"> <li>Publication of the parameters and standards provided in art. 5 of the Regulation 1228/2003</li> </ul>
1.31	Congestion Management	<ul style="list-style-type: none"> <li>Contracting Parties legislation in line with art. 6 of the Regulation 1228/2003</li> <li>Once the EC Guidelines become part of the acquis, transposition of the Guidelines to each Contracting Parties legislation</li> </ul>
1.32	New interconnectors	<ul style="list-style-type: none"> <li>Transpose the conditions subjected to which new interconnectors might be eligible to be exempted from art. 6(6) of the Regulation 1228/2003 and art. 20, 23(2) and 4 of Directive 2003/54/EC</li> </ul>
1.33	Penalties	<ul style="list-style-type: none"> <li>Lay down the rules on penalties applicable to infringements of the provisions of the Regulation and adopt measures to ensure that they are implemented</li> </ul>

CHECKLIST/GUIDELINES to Chapter 2 – Market Structure

No	Subchapter	Checklist/ Guidelines
2.1	Generation/ Supply	<ul style="list-style-type: none"> <li>▪ Relevant authorities shall define the relevant market, measure market concentration and apply analytical techniques consistent with international best practice. Commonly used indicators are:               <ul style="list-style-type: none"> <li>- No of companies</li> <li>- Installed capacity</li> <li>- Electricity produced</li> <li>- Market share</li> <li>- Herfindahl-Hirschman index –HHI- (by capacity and volume)</li> <li>- Etc.</li> </ul> </li> </ul>
2.2	Generation/ Supply	<ul style="list-style-type: none"> <li>▪ Adopt measures, if deemed necessary, based on the results</li> <li>▪ Virtual capacity auctions</li> <li>▪ Restructuring of the industry</li> <li>▪ Security of supply provisions</li> <li>▪ Planning new capacities</li> <li>▪ Etc.</li> </ul>
2.3	Transmission System Operator	<ul style="list-style-type: none"> <li>▪ Effective unbundling</li> <li>▪ TPA conditions</li> <li>▪ Effective operational implementation of the grid code and business processes (scheduling, planning, settlement of disputes, etc)</li> </ul>
2.4	Distribution System Operator	<ul style="list-style-type: none"> <li>▪ Effective unbundling</li> <li>▪ Technical rules for the operation of the distribution networks</li> <li>▪ TPA access conditions</li> <li>▪ Consolidation of the distribution companies</li> </ul>

## CHECKLIST/GUIDELINES to Chapter 3 – Wholesale Market

No	Subchapter	Checklist/ Guidelines
3.1	Market design	<ul style="list-style-type: none"> <li>▪ Bilateral trading versus power exchanges</li> <li>▪ If applicable ensure compatibility of Wholesale supplier/ single buyer with a competitive market</li> <li>▪ Etc.</li> </ul>
3.2	Market rules	<ul style="list-style-type: none"> <li>▪ Contents of the Market rules. In a bilateral contracts/ balancing market model the min. elements should be: registration procedures for participants; scheduling process for physical nomination/ contract notification for internal contracts; gate closure; bids and offers rules or rules for regulated imbalance prices; imbalance prices quantities or price calculation when existence of balancing market; commercial aspects of ancillary services; guarantees to cover imbalances, dispute settlement; data to be published for market participants; mechanism and rules for allocation of interconnection capacity)</li> <li>▪ Avoid preferential treatments or discriminatory practices (e.g. all participants should be bound to imbalance settlement)</li> <li>▪ Issues to ensure regional compatibility of the national market rules (e.g. gate closure afternoon ahead as a minimum)</li> <li>▪ Minimal constraints to bilateral contracting</li> <li>▪ Import/ export trade not to be limited</li> </ul>
3.3	Market transparency	<ul style="list-style-type: none"> <li>▪ System load</li> <li>▪ Transmission and access interconnections</li> <li>▪ Generation</li> <li>▪ Balancing</li> <li>▪ Information from the wholesale markets</li> </ul>
3.4	Market monitoring	<ul style="list-style-type: none"> <li>▪ Implement a market monitoring system to obtain reliable data for further development of the market:               <ul style="list-style-type: none"> <li>- Periodic assessment of market concentration and abuses of dominant position</li> <li>- Wholesale market monitoring</li> <li>- Retail market monitoring: Customer switching rates, eligible and regulated retail market prices</li> </ul> </li> </ul>
3.5	Licensing and Authorization	<ul style="list-style-type: none"> <li>▪ Elaborate/implement a license/authorization system, compatible regionally</li> </ul>

CHECKLIST/GUIDELINES to Chapter 4 – Retail market

No	Subchapter	Checklist/ Guidelines
4.1	Eligibility thresholds	<ul style="list-style-type: none"> <li>▪ Elaborate and implement market opening measures in terms of eligibility thresholds</li> </ul>
4.2	Payment reform	<ul style="list-style-type: none"> <li>▪ Adopt measures towards payment reform:               <ul style="list-style-type: none"> <li>- Improve collection rates (at least 90% level)</li> <li>- Lower transmission &amp; distribution technical losses</li> <li>- Upgrade of metering and control systems</li> </ul> </li> </ul> <p><i>Ref. Electricity Transition Strategy and Electricity Market Options Paper</i></p>
4.3	Customer switching	<ul style="list-style-type: none"> <li>▪ Develop customer switching protocols and required infrastructure (between new and old supplier, distribution companies and customer). They should at least include:               <ul style="list-style-type: none"> <li>- Clear responsibilities between relevant players involved including timeframes for each task in the switching process</li> <li>- Development of parameters to identify points of supply</li> <li>- Metering and settlement arrangements including when switching in between a reading cycle</li> <li>- Load profiles for customers which are not hourly metered</li> <li>- Transfer of the network capacity from old to new supplier</li> <li>- Upgrade IT systems and electronic filing required for customer switching</li> </ul> </li> </ul> <p><i>Ref. ERGEG Guidelines</i></p>
4.4	Customer protection	<ul style="list-style-type: none"> <li>▪ Development of Customer Protection rules which shall at least include:               <ul style="list-style-type: none"> <li>- Guarantee of connection to the network in reasonable time and price</li> <li>- Distribution companies to provide terms and conditions to customer prior to connection</li> <li>- Disconnection only in severe breach of connection contract</li> <li>- Quality and continuity of supply standards, including its monitoring</li> <li>- Dispute settlement. Companies to develop if possible code of conduct</li> <li>- Transparency of retail prices (available of information to make the choice, price information in the bills and price update during the contracting period)</li> </ul> </li> </ul> <p><i>Ref. ERGEG Guidelines</i></p>

CHECKLIST/GUIDELINES to Chapter 5 – Tariff reform and affordability

No	Subchapter	Checklist/ Guidelines
5.1	All-inclusive regulated retail tariffs	<ul style="list-style-type: none"> <li>▪ Development of retail cost reflective (all-inclusive) tariffs:               <ul style="list-style-type: none"> <li>- Development of a cost-reflective retail tariff methodology</li> <li>- Calculation of the tariffs according to the proposed methodology. Cross subsidies among consumer groups shall be avoided</li> </ul> </li> </ul> <p><i>Ref. USAID tariff benchmarking study</i></p>
5.2	TPA tariffs (transmission, distribution, ancillary services)	<ul style="list-style-type: none"> <li>▪ Development of cost reflective TPA tariffs:               <ul style="list-style-type: none"> <li>- Development of a TPA tariff methodology/s which shall take into consideration an appropriate rate of return, an appropriate depreciation of the assets, incentives for future investment and the operating costs of the company and incentives for efficiency</li> <li>- Calculation of the tariffs according to the proposed methodology (this will require among others, the system cost determination)</li> </ul> </li> </ul> <p><i>Ref. USAID tariff benchmarking study</i></p>
5.3	Other regulated tariffs	<ul style="list-style-type: none"> <li>▪ Please include any existing actions describing how the Party will make compatible other existing regulated tariffs (e.g. regulated wholesale tariffs) with the opening to competition</li> </ul>
5.4	Affordability	<ul style="list-style-type: none"> <li>▪ Development and adoption of support schemes for the protection of vulnerable customers</li> </ul> <p><i>Ref. ERGEG Guidelines</i></p>

CHECKLIST/GUIDELINES to Chapter 6 – Market integration

No	Subchapter	Checklist/ Guidelines
6.1	Interconnection capacity	<ul style="list-style-type: none"> <li>▪ Develop and adopt coordinated market based mechanisms at each border</li> </ul>
6.2	Interconnection capacity	<ul style="list-style-type: none"> <li>▪ Development of a regional coordinated market based mechanism:               <ul style="list-style-type: none"> <li>- Further work and agreement on flow based capacity allocation mechanism including distribution of revenues</li> <li>- Establishment of an auction office, defining the financial framework, organizational structure and responsibilities</li> </ul> </li> </ul>
6.3	Inter TSO Compensation	<ul style="list-style-type: none"> <li>▪ Agree on merger of the EU and SEE funds. Otherwise, transitionally, increase injection fee</li> </ul>
6.4	Inter TSO Compensation	<ul style="list-style-type: none"> <li>▪ Development of a methodology to invoice or credit market participants in relation with the ITC</li> </ul>
6.5	Market design/ Market rules	<ul style="list-style-type: none"> <li>▪ The European Commission shall state a preference on wholesale market opening</li> </ul>
6.6	Market design/ Market rules	<ul style="list-style-type: none"> <li>▪ Guidelines for market opening indicating measures to start up competition</li> </ul>
6.7	Market design/ Market rules	<ul style="list-style-type: none"> <li>▪ Guidelines for market rules development</li> </ul>
6.8	Licensing	<ul style="list-style-type: none"> <li>▪ Analyze the compatibility and harmonization of licensing for trading energy across the region including the harmonization of the concepts of trade and supply</li> </ul>