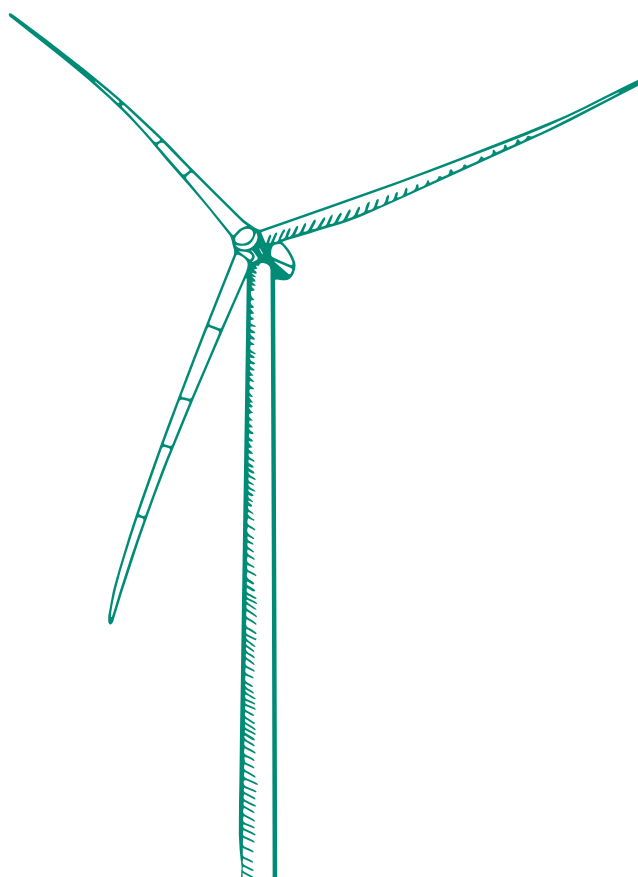


NORTH MACEDONIA

Annual Implementation Report

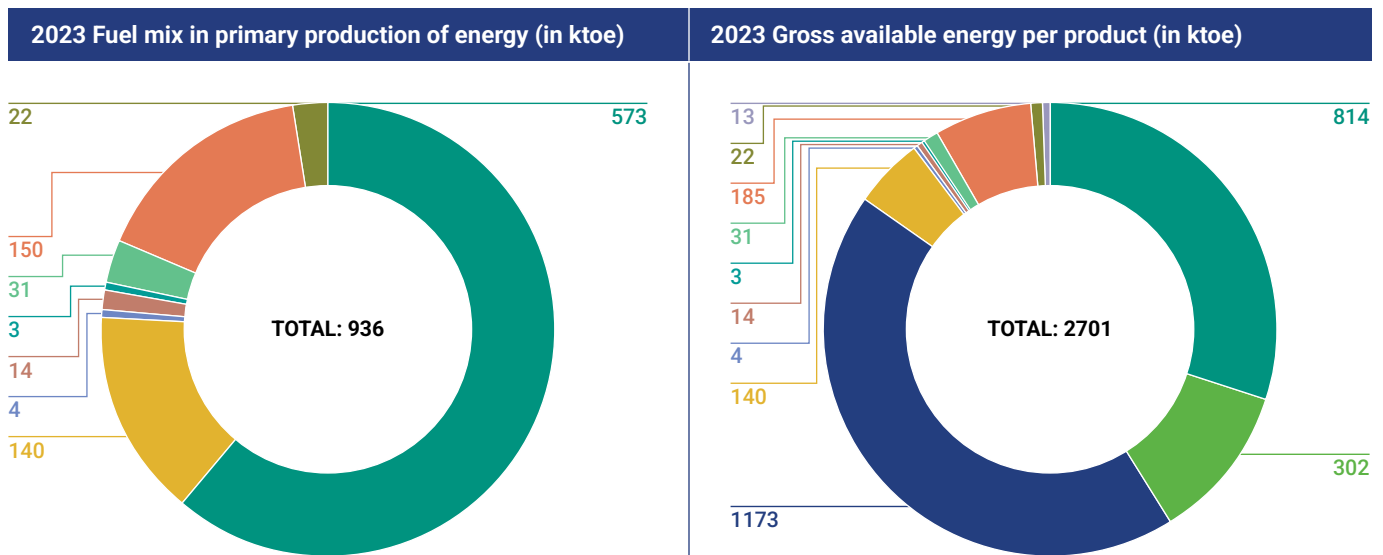


1 November 2025

Energy Community Secretariat

Implementation overview

CLUSTER	IMPLEMENTATION STATUS	RECOMMENDATIONS
 Markets and integration	61%	North Macedonia should accelerate transposition of the remaining network codes and guidelines through secondary legislation, and initiate their effective implementation to advance adherence to market coupling and European balancing platforms. North Macedonia should apply all relevant gas network codes and address its gas market illiquidity.
 Decarbonising the energy sector	50%	North Macedonia should finalise climate legislation transposing the adapted Governance Regulation, adopt a REDII-aligned renewable energy law, fully implement the new Energy Efficiency Law, including the adoption of key by-laws, finalisation of the long-term building renovation strategy, updating of energy performance and labelling regulations, and operationalisation of the Energy Efficiency Fund. Further, it should urgently accelerate MRVA transposition, with the appropriate institutional framework, staffing and processes for issuing and approving GHG permits and monitoring plans.
 Ensuring energy security	41%	North Macedonia should advance preparation of its risk-preparedness plan, promptly transpose and implement Commission Regulation (EU) 2017/2196 and regularly submit Security of Supply Statements to the Secretariat. Actions under the gas security legal framework—risk assessment, preventive action and emergency plans—should be fully developed and aligned with Regulation (EU) 2017/1938.
 Improving the environment	44%	North Macedonia should complete incorporation of the EIA Directive into national legislation and integrate SEA environmental considerations into its revised NECP. Prompt compliance with the NERP ceilings must be ensured.
 Performance of authorities	76%	ERC should continue executing its mandate under the new Energy Law. CPC should reinforce competition enforcement and align the State aid framework with the Energy Community acquis. SSO should improve data completeness, timeliness and staff capacity.



Source: Eurostat database

 Solid fossil fuels
  Natural gas
  Oil and petroleum products
  Hydro
  Solar thermal
  Solar photovoltaic
  Primary solid biofuels
  Charcoal
  Wind
  Pure biodiesels
  Electricity
  Biogases
  Geothermal
  Industrial waste
  Non-renewable waste
  Renewable municipal waste
  Non-renew. mun. waste

OVERALL NUMBER OF CASES 4

Procedures under Article 91 EnCT

 ECS-7/21
environment

 ECS-22/21
environment

 ECS-11/24
electricity

 ECS-29/24
renewable energy



Markets and integration

North Macedonia



ELECTRICITY

62%



Wholesale market

64%

In May 2025, North Macedonia adopted a new Energy Law, aimed at transposing key elements of the Electricity Integration Package (EIP), including Directive (EU) 2019/944, Regulations (EU) 2019/943, 2019/942, 2019/941 and most of Regulation (EU) 2015/1222, complemented by a Governmental Decree on the Designation of the Operator of the Organised Electricity Market as the Nominated Electricity Market Operator (NEMO) from 5 June 2025. The network codes and guidelines are expected to be fully transposed through secondary legislation by first quarter 2026.

The wholesale electricity market has been liberalised since 2019. Since May 2023, the national electricity market operator, MEMO, has been operating the day-ahead market, with daily auctions closing at 10:35 and results published at 10:45 every day of the year. In February 2025, the rules for operation of the organised electricity market were amended. The trading currency was switched from MKD to EUR for order submission, while the clearing scheme remained unchanged in line with national legislation. There were also changes to the minimum and maximum prices of the market, establishing a new price range of between 0,1 and 1,000 EUR/MWh. By 2025, day-ahead market traded volumes were expected to account for around 20% of total final consumption. The launch of an intraday market is planned for second quarter 2026.

MEPSO, the transmission system operator (TSO), operates a competitive platform for procuring balancing capacity and energy, in line with rules that are still to be aligned with the requirements of the EIP. The balancing rules, amended in April 2025, introduced a new scope of price caps for automatic Frequency Restoration Reserve (aFRR) and manual Frequency Restoration Reserve (mFRR) balancing energy, revised the imbalance pricing methodology and increased collateral requirements for Balance

Responsible Parties (BRPs). Under the revised methodology, upward imbalance prices are capped by replacing the HUPX DAM price with the higher price from the universal service supplier's electricity purchase tender in the hours when the HUPX price is lower, while downward deviations allow for negative prices within the HUPX-linked adjustments, subject to an absolute floor of -50 EUR/MWh. These measures were designed to deliver an immediate and significant reduction in imbalances. The amended rules also introduced the possibility for Balancing Service Providers (BSPs) to submit single-direction offers for balancing energy, allowing bids either for upward or for downward regulation only. Previously, BSPs were required to offer balancing energy in both directions. MEPSO procures aFRR balancing capacity and energy through monthly auctions for the following month, while mFRR capacity is procured monthly and mFRR energy is procured daily for the next day. However, MEPSO has not yet submitted the national terms and conditions for balancing to the Energy Regulatory Commission (ERC), despite the 15 June 2023 deadline.

Since 2012, transmission and distribution losses have been procured through transparent tenders. In 2023, the distribution system operator (DSO), Elektrodistribucija, introduced the procurement of part of its distribution losses on the MEMO day-ahead market. In 2025, MEPSO applied a similar mixed model for transmission losses, combining tender-based and day-ahead procurement to optimise planning and reduce costs.

The REMIT Regulation applicable to the Energy Community Contracting Parties was transposed in 2022 and implemented the following year. As of October 2025, the national register maintained by ERC includes 81 market participants. To date, no investigations have been initiated for potential REMIT breaches.



Retail market

83%

The provisions of Directive (EU) 2019/944 were transposed into the new Energy Law and the adoption of secondary legislation to ensure full implementation is planned for first quarter 2026.

All customers have been free to choose their supplier since 2019. By 2024, around 41% of final consumption was supplied at non-regulated prices. The universal service supplier, which also serves as the supplier of last resort, is selected through a trans-

parent, competitive procedure, and is obliged to supply electricity to households and small customers opting for universal service until mid-2029. In December 2024, ERC did not approve the universal supplier's proposed prices for 2025. Instead, it required the correction factor value, accumulated from the previous years, to be split over the next period to prevent sharp price increases. This decision was reflected in the newly adopted tariffs by the universal supplier. The four-block tariff for households under universal

service, introduced in 2022 to encourage energy savings, remains in place. Since 2022, universal service customer bills have also included the price breakdown required by Annex I of Directive. The corresponding secondary legislation is planned for adoption by the end of first quarter 2026. Furthermore, the new Energy Law obliges the Government to submit, by no later than 1 January 2028, a report to the Energy Community Secretariat assessing the necessity and proportionality of any public interventions, as well as the progress made towards achieving effective competition among suppliers and transitioning to market-based pricing.

In 2024, 21 suppliers were active in the retail market in addition to the universal supplier, while the distribution system operator (DSO) successfully processed 10.553 supplier switches. In February 2025, ERC launched an upgraded version of the price comparison tool Switch.mk, which now includes dynamic price offers, as required by Directive (EU) 2019/944.

Provisions on active customers, citizen energy communities, aggregators and other consumer-empowerment measures were also included in the new Energy Law. As of 2025, 17 aggregators, as virtual producers, were registered in the electricity market.



ENERGY POVERTY

North Macedonia has not yet adopted a legal definition of energy poverty. However, under the Energy Law, the Ministry of Economy has developed a methodology for identifying energy-poor households. This methodology outlines a set of criteria for measuring energy poverty. The concept of a vulnerable consumer is defined in several legal acts and programmes, including the Energy Law, the Annual Programme for the Protection of Vulnerable Energy Consumers and the Law on Consumer Protection. The country does not have a national target to reduce energy poverty.

To address energy poverty, North Macedonia has introduced two comprehensive programmes that combine immediate support with longer-term measures. The Annual Programme for the Protection of Vulnerable Energy Consumers provides subsidies for energy consumption during the winter months. The programme also imposes obligations on the universal supplier, including the prohibition of disconnection of vulnerable electricity consumers during the winter months and the requirement to give at least 40 days' notice before planned disconnection. Further protection measures exist for vulnerable gas consumers. In March and July this year, the ministry published public calls for financial support to vulnerable households for electricity bills. Under the first call, 420 households received support, while around 800 households applied under the second call (evaluation ongoing). The second Annual Programme for the Promotion of Renewable Energy Sources and Encouraging Energy Efficiency in Vulnerable Households supports longer-term solutions. The programme offers increased reimbursement rates for low-income and vulnerable households investing in energy efficiency and renewable energy. Eligible measures include the installation of solar thermal collectors, pellet stoves, photovoltaic panels and energy-efficient windows. Currently, the ministry is implementing a public call for the allocation of inverter air conditioners to low-income households, pension beneficiaries and people living in energy poverty. It is estimated that 6.000 units will be distributed, with EUR 3 million allocated for this measure.

The State Statistical Office collects data on relevant Eurostat indicators. For 2023, the data show that 26,3% of households had arrears on utility bills, 30,7% were unable to keep their home adequately warm, 10,9% lived in dwellings with leaks, damp or rot and 22,2% were at risk of poverty. North Macedonia's National Energy and Climate Plan (NECP) identifies the number of energy-poor households, estimating that 25% of the population is affected by energy poverty.

Unbundling

91%

The state-owned TSO, MEPSO, is unbundled and certified in line with the acquis, with ERC approving the compliance annual report published on MEPSO's website. On 22 August 2025, MEPSO launched a new certification procedure, as required by the new Energy Law. Commission Regulation (EU) 2017/1485 has been partially transposed through the new Energy Law and the transmission grid code. MEPSO has signed the Synchronous Area Framework Agreement for the Regional Group Continental Europe and participates in the load-frequency control block with Serbia and Montenegro. It also regularly publishes Ten-Year Network Development Plans (TYNDPs), subject to ERC approval.

The DSO, Elektro distribucija, has been legally and functionally unbundled from other activities since 2017. The regulator approved its 2023 compliance report, which was published on the DSO's website, as well as its 2024 compliance report. With the transposition of Directive (EU) 2019/944 through the new Energy Law, the DSO's responsibilities are designed to align with the Directive, reinforcing its role as a neutral market facilitator and introducing provisions on flexibility, electromobility and smart metering.

Access to the system

89%

Access to the networks is ensured in accordance with the relevant acquis. In December 2024, the regulator adopted the transmission and distribution tariffs applicable for 2025.

The dedicated provisions in the previous Energy Law have transposed the connection codes, declaring them directly applicable. Distribution grid code, updated in 2024, implements the connection code requirements. Amendments to the distribution grid code in May 2025 introduced specific provisions for connecting energy storage facilities. In late 2024, DSO Elektrodistri-

bucija launched a web-based interactive map showing available high-voltage substation capacity for photovoltaic connections, serving both current and prospective producers.

Regulation (EU) 543/2013 has been transposed and is largely implemented. MEPSO regularly publishes data on markets, consumption, generation, transmission and outages. However, reporting on balancing and generation outages remains incomplete and requires further improvement to achieve full compliance.



Regional integration

20%

The Electricity Regulation is yet to be implemented. By the end of 2023, MEPSO was required to make minimum 70% of its cross-zonal transmission capacity available for trade. This requirement has been incorporated into the new Energy Law and its implementation will be subject to monitoring by ERC.

The new Energy Law, adopted in 2025, together with a governmental decree, largely transposed Commission Regulation (EU) 2015/1222. Specific provisions of Commission Regulations (EU) 2016/1719 and (EU) 2017/2195 were also transposed through the rules for allocating cross-border transmission capacities and for balancing of the power system, respectively. However, complete transposition and implementation remain outstanding.

Currently, the SEE CAO platform is used for capacity allocation with Greece and Kosovo*. On the Serbian border, MEPSO allocates yearly and monthly capacities, while EMS, the Serbian TSO, allocates daily and intraday capacities. On the Bulgarian border, MEPSO manages annual and monthly allocations, while ESO, the Bulgarian TSO, allocates daily capacities. In 2025, MEPSO began the process of joining the Joint Allocation Office (JAO) to coordinate capacity allocation with Serbia and Bulgaria. From 2026 onwards, yearly, monthly and daily transmission capacities on these borders are expected to be allocated via JAO.

Balancing cooperation is currently limited to energy exchanges within a joint control block with the TSOs of Montenegro and Serbia.

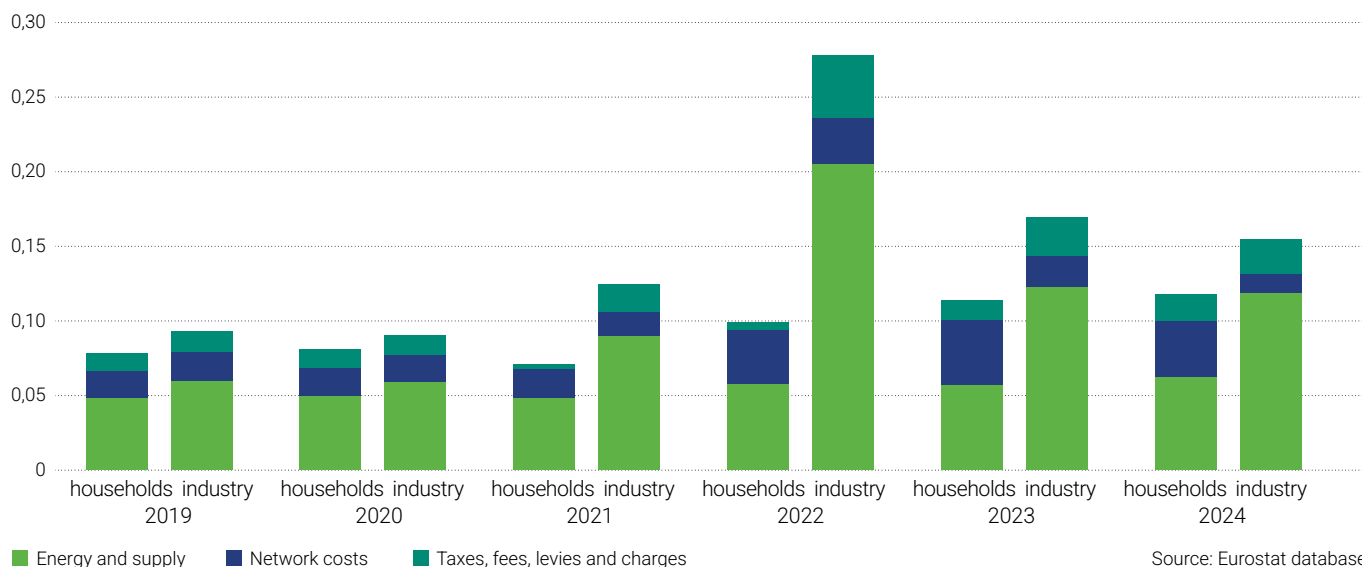
Regarding market operation, MEMO was initially appointed as the NEMO for the MK bidding zone under the former Energy

Law, by governmental decree from 11 September 2020. The Energy Community Secretariat was informed of the resulting legal monopoly in June 2023. Following the adoption of the new Energy Law in May 2025 and based on ERC's proposal, MEMO was re-designated as NEMO for a four-year term by governmental decision on 5 June 2025.

Regional cooperation on market coupling is advancing under the SEE Market Coupling Initiative, involving the TSOs and NEMOs of North Macedonia, Greece, Kosovo* and Albania. In November 2023, all parties signed a memorandum of understanding, establishing a project environment, joint steering committee and dedicated working groups. The initiative is to be implemented as a local implementation project under the Italian Borders Working Table (IBWT) umbrella. MEMO has already submitted a declaration of acceptance for the IBWT operational agreement (third amendment and adherence agreement) to the IBWT steering committee. MEMO and MEPSO signed the third amendment to the IBWT operational agreement in September 2025, thereby becoming project parties in the IBWT.

The revised TEN-E Regulation (EU) 2022/869, which replaced Regulation (EU) 347/2013, is now scheduled for transposition by first quarter 2026, after the original deadline set by Ministerial Council Decision 2023/02/MC-EnC was not met. Furthermore, North Macedonia did not submit any electricity-related projects for consideration in the 2024 Projects of Energy Community Interest (PECI) selection process. The implementation of the 2018 PECO project, the Elbasan–Bitola 400 kV transmission line, remains pending, with significant delays still observed.

Average annual prices of electricity for end users per component [EUR/kWh]



GAS

59%

Wholesale market

43%

The legal preconditions for wholesale market liberalisation were established a decade ago, but the market was relatively inactive until 2023, when some booked—but not used—capacity at the interconnector with Bulgaria, the sole supply route, was released. Seven traders were active in 2024 in the wholesale market, with one dominant player, TE-TO JSC Skopje, importing gas from the Bulgarian market for its own heat and electricity production needs, covering 72% of total gas consumption. The second-largest trader, by share, is JSC Makpetrol, covering 16% of the market and importing Russian gas based on a long-term contract.

The market remains illiquid without a virtual trading point. All contracts are concluded bilaterally, monthly and yearly. REMIT Regulation (EU) 1227/2011 has been transposed into national law and secondary legislation has been adopted. Some basic balancing elements were established by laws adopted in December 2022, but implementation of the balancing network code is still pending.

Retail market

81%

Only 2% of the total gas supply passes through the distribution network, but eight suppliers were active in the retail market in 2024. End-user gas prices are deregulated. Customer pro-

tection measures are defined in line with Annex I of Directive 73/2009/EC.

Unbundling

100%

North Macedonia complies with the gas acquis unbundling requirements. NOMAGAS JSC Skopje is fully state-owned and was certified in line with the Third Energy Package in 2024. All three existing distribution companies have fewer than 100,000

customers and are exempt from the unbundling provisions by law, as allowed by Directive 2009/73/EC. There are no storage or LNG facilities in the country.

Access to the system

9%

Tariff methodologies are in place, amended for distribution and transmission in November 2024, but are non-compliant with the tariff network code. The Energy Law stipulates the direct applicability of mandatory network codes, similar to EU practice. However, this approach has offered no additional benefits as various secondary acts are still required to transpose the codes'

articles fully. This has resulted in a lack of practical implementation of capacity booking, congestion management, balancing and TSO transparency, which is still very rudimentary and well below the level required by the network codes, which are mandatory under the Energy Community framework.

Regional integration

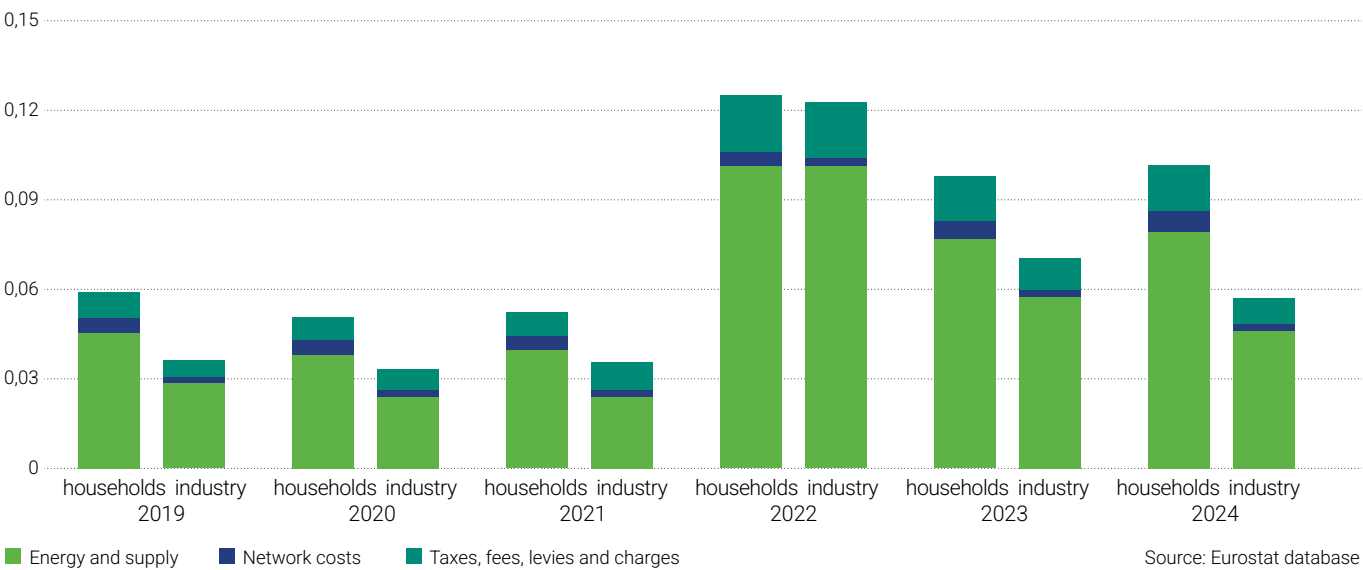
73%

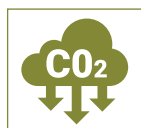
The gas network of North Macedonia is connected only to the Bulgarian gas system. The interconnection agreement between the two adjacent operators, in line with the network code on interoperability and data exchange, has been fully implemented as of 1 January 2023.

Despite the progress previously achieved in transposition of the TEN-E Regulation (EU) 347/2013, North Macedonia failed to meet the transposition deadline for the revised TEN-E Regula-

tion (EU) 2022/869. The 123 km long North Macedonia–Greece interconnector is currently in the initial phase of construction on the Macedonian side. All necessary permits have been issued and an agreement for oversight of the construction has been executed. Tender documents for an inspection body are under development and the tender is expected to be launched by the end of 2025.

Average annual prices of gas for end users per component [EUR/kWh]





Decarbonising the energy sector

North Macedonia



ENERGY AND CLIMATE GOVERNANCE

47%

National Energy and Climate Plan (NECP) and Integrated Progress Report (IPR)

40%

The Government of North Macedonia adopted the National Energy and Climate Plan (NECP) on 31 May 2022 and submitted the adopted plan to the Secretariat. Work on updating the plan continued in 2025 but has not yet been finalised.

Within the framework of biennial integrated progress reports, the authorities of North Macedonia submitted information for 14 of the 17 reporting streams in 2025.

2030 Greenhouse Gas Reduction Target

80%

North Macedonia has not defined the 2030 climate target in its national legislation, but it is included in the NECP adopted in 2022. The target is in line with the 2030 targets set by the Energy Community (2,20 MtCO₂eq). The 2030 climate target should also be reflected in all key national planning documents such as long-term strategies and Nationally Determined Contributions.



2030 GHG Target*
-82,0%

National Systems for Greenhouse Gas Emissions and Climate Reporting

23%

A partial legal basis for the national greenhouse gas (GHG) inventory system is provided in the Law on Environment of 2005. However, a national system for policies and measure (PaMs) and projections still needs to be established and North Macedonia is currently working on a draft climate law.

Climate reporting obligations have not been transposed into legislation. Despite North Macedonia having nominated lead

reporters for climate reporting activities under the Governance Regulation, it has not submitted a report via Reportnet on any of dataflows. Since 2025, a new requirement to submit national GHG emission projections has been in place, and this obligation still remains unfulfilled. Further progress in implementation of climate reporting obligations is still required.

Long-term Strategy (LTS) and Climate Neutrality

44%

The legal basis for a long-term strategy has not been adopted and the ongoing work on the draft climate law represents a good opportunity to address transposition gaps. North Macedonia submitted a long-term strategy to the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat in 2021; however, it does not contain the 2050 climate

neutrality objective. Currently North Macedonia is working on updating the long-term strategy, which represents a good opportunity to align it with the Energy Community 2050 climate neutrality objective. The long-term strategy should include the elements set out in the adapted Governance Regulation.

*All targets presented in this Decarbonisation chapter are aligned with the Ministerial Council Decision 2022/02/MC-EnC of the Energy Community



RENEWABLE ENERGY IMPLEMENTATION

51%



2030 Renewable energy targets

85%

The overall renewable energy target of 38% of gross final energy consumption, as outlined in the NECP, is in line with the 2030 target set by the Energy Community. The overall 2030 renewable energy target is subdivided into sectoral targets for electricity (66%), transport (10%), and heating and cooling (45%). In line with Article 26 of Renewable Energy Directive (REDII), North Macedonia has adjusted its minimum target for

renewable energy in transport to 7% by 2030. The 2030 target for renewable energy in heating and cooling of 45% is in line with the requirements under Article 23 of REDII.



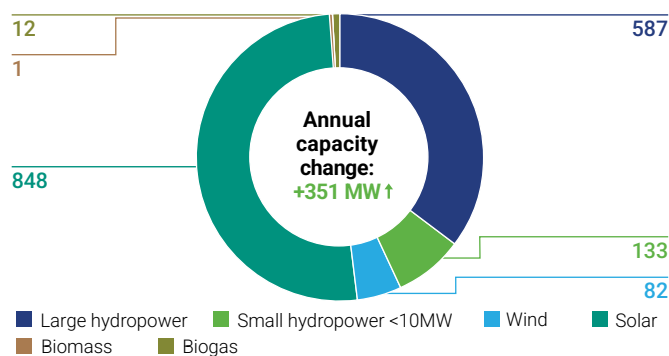
2030 RES Target
38%

Quality of support scheme

65%

Under the existing legal framework, market-based support is granted in the form of a fixed premium. Administratively set feed-in tariffs are still applied to wind projects with an installed capacity of up to 50 MW and HPP with installed capacity of up to 10 MW based on available quotas. This is not in line with Energy Community law.

Total Capacities of Renewable Energy 2024 (MW)



Total capacities of renewable energy (MW): **1663**

Source: Ministry of Energy, Mining and Minerals

Self-consumption and energy communities

50%

North Macedonia has implemented a self-consumption scheme in the form of net metering for households with installed capacity of up to 6 kW and businesses with up to 40 kW.

The adoption of a renewable energy law is crucial to facilitate the establishment of renewable energy communities in accordance with REDII requirements.



Guarantees of origin

60%

Within the framework of the regional project implemented by the Energy Community Secretariat, an electronic registry for guarantees of origin (GOs) was established for North Macedonia. It became operational by market operator in April 2025.

The existing legal framework governs the issuance of GOs solely for renewable electricity and does not encompass other energy carriers, as specified by REDII.

Sustainability criteria for biofuels, bioliquids and biomass fuels

0%

The REDII provisions on sustainability and GHG emission savings criteria for biofuels, bioliquids, and biomass fuels have not yet been transposed into North Macedonia's legislation. It is anticipated that these provisions, including those regulating the use

of renewable energy in the transport sector, will be transposed through adoption of the new Renewable Energy Law and the associated secondary legislation. Until such adoption occurs, the national legal framework remains non-compliant with REDII.

Renewable energy in heating and cooling

33%

North Macedonia has prepared a draft renewable energy law, which is expected to transpose Articles 23 and 24 of REDII and provide the legal framework for integrating renewable energy in the heating and cooling sector, as well as for the use of renewables and waste heat in district heating systems. The adoption of the law, together with the adoption of sec-

ondary legislation and its enactment, will be crucial next steps to ensure effective implementation. Complementary policy measures remain necessary to support renewable heating technologies and ensure the required annual increase of the renewables share in the sector.



ENERGY EFFICIENCY IMPLEMENTATION

68%



2030 Energy efficiency targets and policy measures

74%

The draft updated NECP of North Macedonia remains only partially aligned with the 2030 energy efficiency targets set by the Energy Community and continues to lack sufficient ambition to ensure their achievement.

In September 2025, the Parliament of North Macedonia adopted amendments and additions to the Law on Energy Efficiency. These changes aim to harmonise national legislation with the Clean Energy Package and introduce an integrated energy and climate framework. The revised law reinforces the energy effi-

ciency first principle, in line with Energy Efficiency Directive (EU) 2018/2002 (EED), and includes more detailed and strengthened requirements for energy audits.



2030 EE PEC Target
2,30 Mtoe



2030 EE FEC Target
2,00 Mtoe



Energy efficiency in buildings

56%

In 2023, the buildings sector accounted for 36% of final energy consumption in North Macedonia, ranking second after transport (45%).

The new Law on Energy Efficiency is aligned with Energy Performance of Buildings Directive (EU) 2018/844. The law sets an annual renovation target of 3% for central-government buildings, and a three-year plan for their renovation was adopted in October 2025. Additionally, the construction and reconstruction of schools, kindergartens and other public institutions now foresee the integration of rooftop solar technologies.

The adoption of implementing by-laws under the new law is pending. In October 2025, the Rulebook on the Preparation of Municipal Energy Efficiency Programmes was adopted. Several key by-laws have been drafted and are currently in the process of adoption.

Additionally, while the provisions for the long-term buildings renovation strategy have been strengthened by the law, it has yet to be finalised and adopted. As a foundation for the strategy, an inventory of public buildings is underway, covering their characteristics, energy performance and renovation potential.

Energy efficiency scheme and financing

63%

The new Law on Energy Efficiency has introduced updated provisions and requirements related to the energy efficiency obligation scheme, aligned with the 2018 EED. However, full implementation will require adoption of the NECP and implementing by-laws.

The legal and regulatory framework for operationalisation of the Energy Efficiency Fund (based on the Law on the Development Bank of North Macedonia already adopted in October 2023) is

delayed. The establishment of an energy efficiency committee is planned by the end of 2025 to approve key documents. The relevant investment plans and operating procedures are expected by 2026.

A World Bank loan has provided financing for energy efficiency investments in public buildings.

North Macedonia provides subsidies for solar thermal collec-

tors, heat pumps and windows for energy-poor households. In August 2025, the Ministry of Energy, Mining and Mineral Resources issued two separate public calls and invited ener-

gy-poor households to apply for free inverter air conditioners and financial aid to help cover electricity bills.

Energy efficient products - labeling

76%

North Macedonia is not compliant with the EU acquis on energy labelling. The rulebook implementing the Framework Labelling Regulation (EU) 2017/1369 and implementing acts on labelling are under preparation.

Only rulebooks implementing the repealed Directive 2010/30/EU have been adopted.



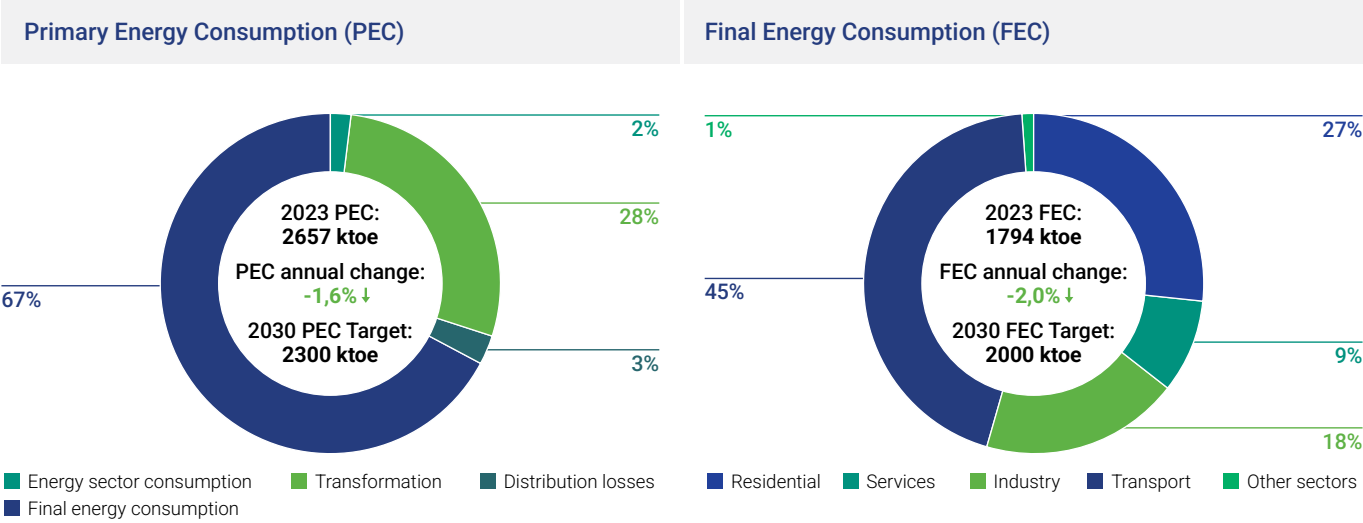
Efficiency in heating and cooling

74%

In North Macedonia, the legal basis for inspecting heating and air-conditioning systems is established in the Law on Energy Efficiency in Buildings. Provisions for district heat metering and billing are also in place, but full implementation of consumption-based billing in the Skopje district heating system is still absent. Studies conducted to date on the cost-effectiveness

of consumption-based billing have concluded that it is not cost-beneficial under current conditions. However, the same analysis pointed to potential for its application in newly constructed buildings as a means of further promoting energy efficiency.

2023 Energy Efficiency Indicators and Trends



Energy intensity, 2023 value and trends: 0,29 ktoe/mil EUR, - 3,8% ↓

Source: Eurostat database, NECP and 2022 Ministerial Council Decision



EMISSION TRADING SCHEME (MONITORING, REPORTING, VERIFICATION AND ACCREDITATION)

0%



Foundations, institutions, permits

0%

North Macedonia still needs to transpose the required elements of the EU Emissions Trading System (ETS) Directive into national law. In March 2024, the Ministry of the Environment and Physical Planning launched a long-term project to prepare and adopt national legislation implementing monitoring and reporting obligations for GHG emissions at installation level. Draft national climate legislation implementing key components and processes related to the functioning of monitoring, reporting, verification and accreditation (MRVA) has been prepared, as well as a separate draft identifying the types of activities cov-

ered by MRVA obligations. However, their adoption has not yet been completed. Conceptual and technical work has also begun on establishing a unit within the ministry that will serve as the competent authority for the MRVA system. The implementation of the monitoring, reporting, verification, and accreditation system will require the creation of appropriate national institutional structures, the development of adequate expert resources within them, and the establishment of procedures and electronic templates and identification of all entities covered by new GHG monitoring and reporting obligation.



Monitoring and reporting

0%

The Monitoring and Reporting Regulation has not yet been transposed and implemented in North Macedonia. Long-term plans exist to implement the necessary regulations, and the first draft of the relevant act has already been prepared, but it will only be possible to proceed with its implementation once the climate law has been adopted. The implementation of the monitoring

and reporting mechanism, in addition to the transposition of the necessary legislation, will require the creation of the necessary processes, e.g., setting the deadline for submitting applications for GHG permits, forms and templates related to the emission monitoring plan, and the creation of appropriate measures to ensure the fulfillment of obligations by the regulated entities.



Verification and accreditation

0%

The Accreditation and Verification Regulation has not been transposed or implemented in North Macedonia. There are long-term plans to implement the necessary legislation following adoption of the main climate law. Full implementation will require building up the necessary human resources at the National

Accreditation Body, creating the necessary internal procedures and processes for accreditation, and developing the necessary national electronic forms, such as the annual emissions report and verification report.



Ensuring energy security North Macedonia



ELECTRICITY SECURITY OF SUPPLY

36%

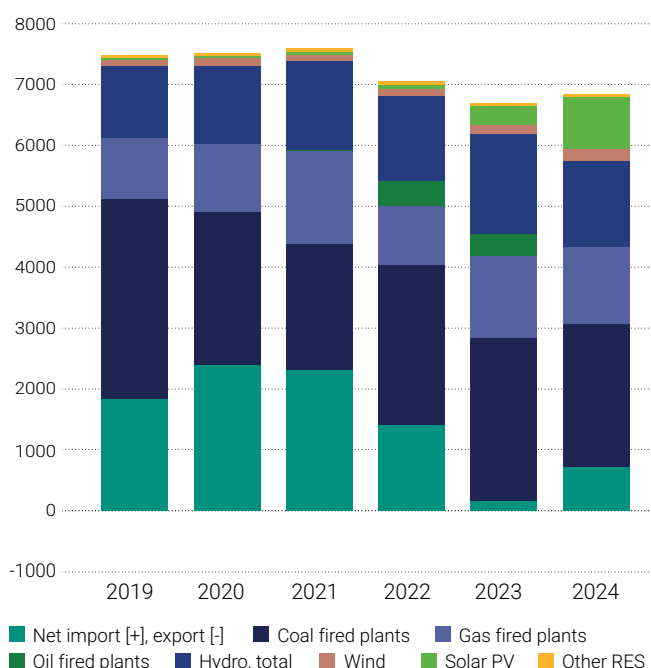
Regulation (EU) 2019/941 has been transposed through the Energy Law, adopted in May 2025, which defines the Ministry of Energy, Mining and Mineral Resources as the competent authority for risk preparedness. However, the Energy Community Secretariat and the Security of Supply Coordination Group have not been informed of the data and contact details of the competent authority. The deadline for adopting the first risk-preparedness plan is set at one year after adoption of the Energy Law.

Regulation (EU) 2017/2196 has been partially transposed. The Energy Law requires electricity transmission network rules to regulate the rights and duties of the TSO during emergency situations and system restoration. The operator is also obliged to prepare a system defence and restoration plan, which must be approved by the Energy Regulatory Commission and aligned with the plans of other continental Europe operators. However, a specific deadline for this obligation is not defined.

North Macedonia does not regularly submit Security of Electricity Supply Statements to the Secretariat, despite being required to do so under Article 29 of the Treaty.

Cybersecurity rules, adopted by the National Energy Regulatory Agency (ERC), have been in place since June 2023. ERC has also approved investments for utilities to commence implementation of the ISO 27001 standard. The Government adopted a decision to establish the National Council for Digital Transformation and Cybersecurity on 6 May 2025. This council aims to plan, coordinate and implement necessary activities for digitalisation and cybersecurity, and to address related challenges. In

Fuel mix and primary supply of electricity (in GWh)



Source: Ministry of Energy, Mining and Minerals, compiled by the Energy Community Secretariat

June 2025, the Ministry of Digital Transformation and the Assembly adopted the Law on Security of Network and Information Systems. This law establishes a framework for managing cyber risks and enhancing national cybersecurity, in line with the NIS2 Directive.



GAS SECURITY OF SUPPLY

47%

The new Energy Law adopted in May 2025 transposed Regulations (EU) 2017/1938 and (EU) 2022/1032. The competent authority for security of gas supply started preparatory work for risk assessment in June, with support from the Joint Research Centre (JRC) and the Secretariat. In line with the Regulation, the

draft risk assessment is expected to be finalised in November 2025 and adopted in January 2026. This is to be followed by the drafting of preventive and emergency plans, within four months pursuant to the Energy Law.



OIL SECURITY OF SUPPLY

41%

In North Macedonia, primary and secondary legislation has been fully transposed and is compliant with Directive

2009/119/EC. As of June 2025, the average occupancy of compulsory oil reserves, calculated according to the methodology

set out in Commission Implementing Directive (EU) 2018/1581, corresponds to 51,4 days of average daily net imports. Despite this, the country has yet to fully meet the emergency oil stock obligation of maintaining reserves for 90 days of average net imports, as outlined in the 2023–2025 action plan for establishing mandatory reserves.

Reporting obligations have only been partially fulfilled. The annual report was not submitted by the 31 January deadline, as

required under Directive 2009/119/EC. Similarly, the summary copy of the stock register, which should indicate the quantities and types of emergency stocks as of the last day of the preceding calendar year, was not submitted by the 15 March deadline. In addition, the monthly MOS Oil and COIR questionnaires for 2025 have not been submitted. No progress was recorded during the reporting period.



Improving the environment North Macedonia



Environmental assessments

33%

North Macedonia continues to fail to transpose and implement the amendments to the Environmental Impact Assessment (EIA) Directive, a breach identified by the Ministerial Council in 2021. A draft law amending the Law on Environment to align with Directive 2011/92/EU, as amended by Directive 2014/52/EU, has been prepared, but the governmental procedure remains incomplete and no timeline for adoption has been provided. Secondary legislation for the screening of small HPP projects under 2 MW remains inadequate, as it does not incorporate key criteria related to project location and environmental impacts, further undermining the effectiveness and reliability of the EIA. The EIA process is not streamlined or coordinated with the nature protection assessments provided for under the existing Nature Protection Law, resulting in inadequate consideration of environmental impacts and decision-making based on insufficient information. During the reporting period, 84 solar power projects and one HPP project underwent EIA screening. However, none of these were subjected to a full EIA. North Macedonia did not report any use of exemptions under Articles 2(4) or 2(5) of EIA Directive and the Secretariat was not informed of any EIA procedures being implemented for Projects of Energy Community Interest under Article 4 of Decision 2016/12/MC-EnC. Regarding the EIA process for the Project of Mutual Interest—the Gas Interconnector with Greece—North Macedonia did not provide the information required under Article 4 of Decision

PERMIT STATUS:



Streamlined assessments
pending

2016/12/MC-EnC in a timely manner, preventing the Secretariat from ensuring that the EIA meets the requirements and raising concerns about whether the implementation of this strategic energy project can proceed effectively.

No new legislation has been adopted to fully align the Strategic Environmental Assessment (SEA) framework with the SEA Directive, leaving significant gaps in the current legal framework. These gaps allow plans to be adopted or endorsed before the SEA process is completed. The 10 MW threshold for urban plans related to solar and photovoltaic projects remains insufficient to capture all projects with potentially significant environmental impacts, as outlined in Annex II of SEA Directive. National legislation also lacks provisions to prevent circumvention of SEA obligations through project or plan splitting. While revision of the NECP has been initiated, the SEA process lacks clearly defined steps to ensure that its findings are fully integrated into development of the plan. Despite the NECP including projects with potential significant transboundary impacts, such as the HPP Chebren, no transboundary SEA has been initiated.



Large combustion plants

37%

North Macedonia complied with its emissions reporting obligations for the 2024 reporting year. Emissions of all three pollutants further decreased compared to 2023, reflecting a positive trend that should be maintained. However, due to the combined effect of the high absolute numbers and the progressive reduction of the National Emission Reduction Plan (NERP) ceilings between 2024 and 2027, sulphur dioxide and dust emissions

remain several times higher than the NERP ceilings, with similar levels of non-compliance as in 2023. The corresponding case was decided by the Ministerial Council in December 2023. Accordingly, compliance with this decision has not been achieved.

The Law on Industrial Emissions has been prepared and is currently under parliamentary procedure.

Installations under the Large Combustion Plants Directive



8
of plants falling
under the LCPD



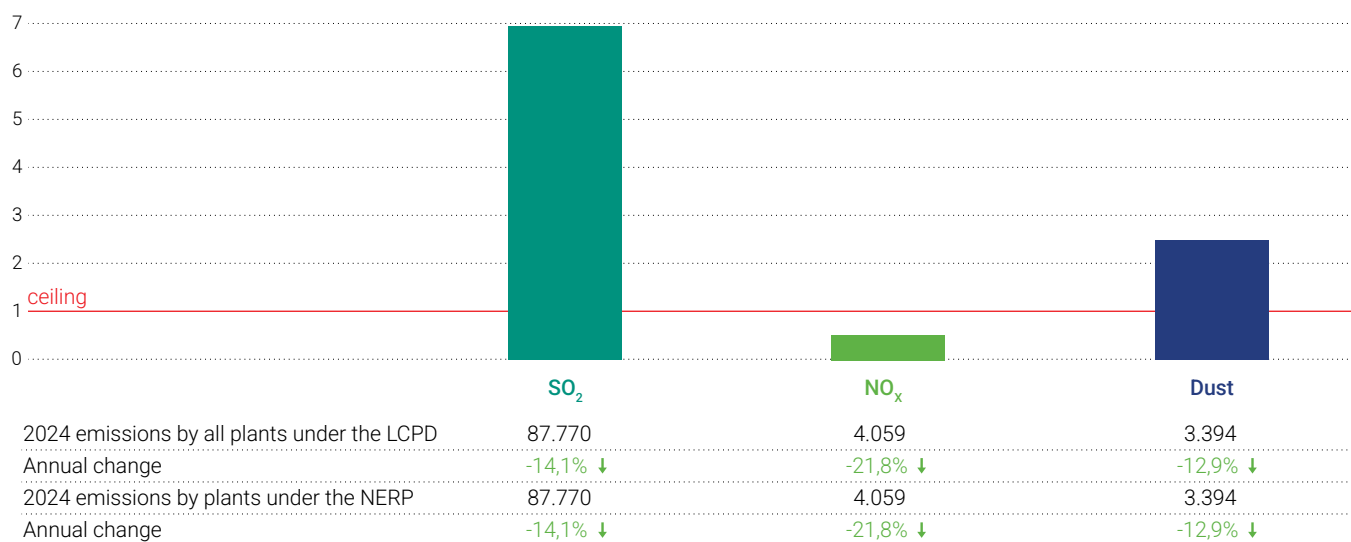
0
of which opted
out plants



8
of which plants falling
under the NERP

Source: compiled by the Energy Community Secretariat

2024 emissions versus NERP ceilings



Source: compiled by the Energy Community Secretariat

Sulphur in fuels

92%

The Sulphur in Fuels Directive has been transposed into national legislation and is implemented through the annual fuel quality

monitoring programme. The provisions on marine fuels are not applicable to North Macedonia

Nature protection

47%

North Macedonia has not reported any updates to nature protection legislation since the last reporting period. The draft Law on Nature Protection remains pending. It is intended to establish an appropriate assessment mechanism, requiring that any planning document or project with the potential to significantly affect an area undergo evaluation against its conservation objectives,

as stipulated by the Habitats Directive and Wild Birds Directive. The process of identifying Natura 2000 areas at the national level remains stalled. No progress was reported on the development of management plans for Ramsar wetlands of international importance, including Lake Ohrid. Additionally, a national red list for birds has yet to be established.

Environmental liability

20%

While North Macedonia has transposed certain provisions of the Environmental Liability Directive through the Law on Environment, no progress has been made in the adoption of secondary legislation and the development of financial mecha-

nisms to ensure implementation of the Directive's provisions. However, the Interreg Europe ENLIA project, launched in May 2025, includes the development of financial instruments as one of its components.



Performance of authorities

North Macedonia



REGULATORY AUTHORITY

80%

Legal setup and independence

The Energy Regulatory Commission (ERC) is North Macedonia's independent authority regulating electricity, natural gas, district heating and oil derivatives, as well as the water, waste and sewerage sectors. Its establishment and mandate in the energy sector are reinforced by the recently adopted Energy Law (2025), in accordance with the Energy Community acquis.

ERC is defined as an independent legal entity with public authority and is functionally and financially independent of political or commercial influence. The ERC board consists of seven commissioners, including the president. Appointments are made by Parliament for a fixed five-year term, renewable once. Upon expiry of their mandate, members continue in office until new members are appointed, but for no longer than one year. The Secretariat questioned the grounds under which certain board members were dismissed in December 2024.

ERC is empowered to take autonomous decisions under its mandate, and such decisions are binding.

ERC is financed through regulatory fees charged to licensed market participants and service providers. Its financial plan is submitted to the Assembly for approval by the end of October each year. If not approved by the end of the year, ERC adopts decisions for temporary financing.

ERC may initiate proceedings before the Administrative Court to impose penalties, revoke or suspend licences and may take measure to address non-compliance. In February 2025, ERC imposed measures on the distribution system operator (DSO) to

ensure compliance with unbundling requirements. No financial penalties were applied, including under the REMIT framework.

ERC's staff increased in 2025; however, delays in the recruitment process have been noted. Additional resources are needed for tasks related to the Electricity Integration Package (EIP) and REMIT enforcement. While salary levels are independently defined by ERC, certain limitations apply. From January 2026, ERC salaries will be limited by the Ministry of Finance, which may undermine its independence.

Activities in the reporting period

ERC approved the transmission and distribution tariffs and annual maintenance plans of MEPSO, the TSO, and the distribution companies, as well as five-year development plan of the distribution system operator. As of January 2025, ERC published new prices for the universal electricity service following a monitoring process, and in April 2025, it amended the balancing rules.

ERC approved tariffs for natural gas transmission; however, these were set outside the procedure stipulated by Regulation (EU) 2017/460. In addition, network rules for gas distribution were adopted.

ERC made extraordinary tariff amendments for district heating in early 2025. ERC also oversaw the issuance of guarantees of origin for renewable energy.

Regarding REMIT, secondary legislation is in place, but no cases were initiated during the reporting period.



COMPETITION AUTHORITY

46%

Legislative framework

North Macedonia's Law on Protection of Competition contains a prohibition of anti-competitive agreements and concerted practices, as well as a prohibition of abuse of dominance, largely in line with the Energy Community acquis. A range of secondary legislation and guidelines also exists, such as vertical and horizontal block exemption regulations (including category-based exemptions), de minimis regulation and a leniency programme.

Institutional framework

The Law on Protection of Competition establishes the Commission for Protection of Competition (CPC) as an independent authority responsible for the protection of competition. CPC consists of five commissioners, supported by 21 staff members. Recent amendments to the law have clarified the qualification criteria for commissioners.

CPC has investigative powers to conduct unannounced inspections at companies (but not at private premises), as well as to issue requests for information, but not to conduct interviews; furthermore, a leniency programme to report illegal behaviour is in place. CPC has the power to order the cessation of illegal practices and impose remedies (including interim measures and commitments) and fines.

Implementation

While CPC holds all necessary powers, it did not engage in any enforcement activities in the energy sector during the reporting period. CPC considered investigating an alleged abuse of dominance regarding refusal of access to the distribution system; however, it was considered unfounded.

Activity in the reporting period	In the energy sector
On-site inspections (at companies or private premises)	0
Requests for information	1
Leniency applications	0
Opening of investigation	0
Decisions on anti-competitive agreements and concerted practices	0
Decisions on abuse of dominance	0
Sector inquiries and market studies	0

CPC is encouraged to use its powers to actively investigate anti-competitive behaviour in the energy sector to ensure full implementation of North Macedonia's obligations under the Treaty.



STATE AID AUTHORITY

51%

Legislative framework

North Macedonia's system for State aid control is governed by the Law on State Aid, which establishes a general prohibition of State aid and sets out grounds for compatibility. However, these provisions are not fully in line with the Energy Community acquis and do not ensure full implementation of Article 18 and Annex III of the Treaty. Hence, the law needs to be amended to align with Energy Community law. Furthermore, a limited number of secondary acts are available to provide detailed guidance on application of the State aid prohibition.

Institutional framework

The Commission for Protection of Competition (CPC) is the national authority responsible for enforcement of the State aid prohibition. Currently four CPC employees are working on State aid matters. CPC urgently requires further resources to discharge its functions and strengthen its capacity.

Implementation

CPC has the power to investigate (including requesting information) and assess potential State aid measures and to authorise aid or order recovery of unlawful aid.

Despite its powers, CPC's activities in the energy sector during the reporting period were limited to the authorisation of two State aid measures:

Activity in the reporting period	In the energy sector
Requests for information	0
Opening of investigation	0
Decisions on the authorisation of State aid	2
Decisions on illegal and incompatible aid	0
Decisions on ordering aid recovery	0

The first case concerned a guarantee by North Macedonia for a loan from the European Investment Bank to NER JSC Skopje, as amended due to the succession of NER JSC Skopje by NOMA-GAS JSC Skopje, for the construction of two gas sections and a gas interconnector with Greece. The second case relates to the State guarantee under the loan agreement for the renewable energy programme of ESM for the Bitola and Bogdanci Wind Farm between the Credit Bank for Reconstruction and the state-owned electricity generation company ESM (Skopje). CPC concluded that both measures constituted compatible State aid.



STATISTICAL AUTHORITY

92%

The State Statistical Office (SSO) is responsible for managing national energy statistics. Annual questionnaires, including SHARES and biomass, were submitted to Eurostat on time, representing an improvement compared to previous years, when biomass data were missing. Disaggregated household and industry consumption data were also provided, although indus-

representing an improvement compared to previous years, when biomass data were missing. Disaggregated household and industry consumption data were also provided, although indus-

try data were submitted with a delay. For the services sector, a dedicated Energy Consumption Survey was conducted, and data for 2023 have been collected. These will be reported for the first time in the next cycle, covering both 2023 and 2024. While transport consumption data remain unavailable, options for future collection and cooperation with relevant institutions are being explored.

Mini questionnaires with preliminary 2024 data were prepared and transmitted on schedule. Monthly statistics on coal, electricity, natural gas, oil, and crude oil imports are compiled and submitted to Eurostat regularly. Oil data are frequently revised in subsequent submissions to update stock information, ensuring accuracy despite repeated resubmissions. Gas data generally remain stable, with rare revisions promptly addressed.

Electricity and natural gas price data for households and industry, disaggregated by consumption band, taxation level, and price components, are also reported, accompanied by the required quality reports.

Overall, SSO demonstrates solid institutional capacity and improved compliance compared to 2024, notably through the inclusion of biomass and detailed industry data. Remaining priorities include providing transport and services data, strengthening timeliness and enhancing reliability. Continued investment in staffing and digital validation tools would further improve efficiency and ensure consistent, high-quality reporting.

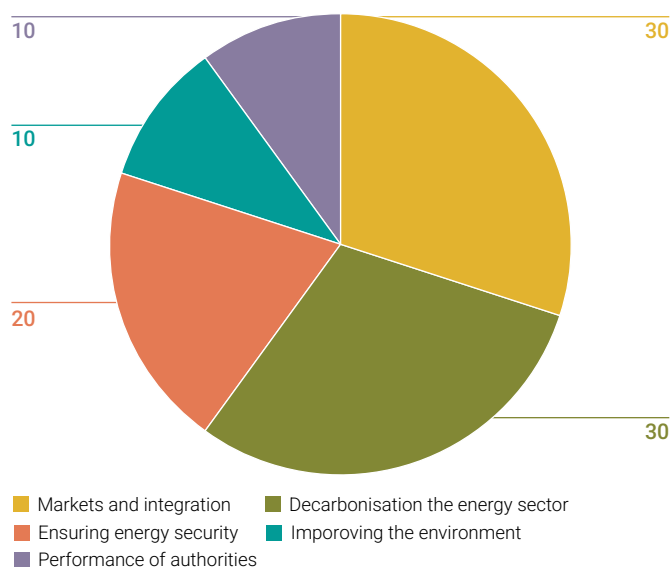
Methodology

Background

For its assessment underpinning the findings of this report, the Secretariat used specific indicators for the assessment of implementation, and a methodology to calculate the summary indicators and the overall implementation score.

The implementation indicator tables are based on a methodology quantifying the Contracting Parties' success in transposing and implementing the acquis and having in place effective institutions. It is based on standardised assumptions and evaluations, cases under the Energy Community's dispute settlement mechanism, country missions, review of legislation, market analysis, expert interviews and desk research. The quantification of all figures used to measure implementation was performed by experts of the Energy Community Secretariat.

The final dataset entailed more than 2.000 individual values that were used to produce 40 key implementation indicators across the areas of work assessed by this Implementation report. To underscore the Energy Community's dedication to advancing towards a cleaner and more integrated energy market, the Report groups the 40 indicators in five clusters.



In 2025 the weighting of the five clusters remains unchanged, allowing for clearer identification of improvements and trends over time.

Implementation assessment

The implementation assessment is based on a system of performance indicators aggregated at several levels.

A total of **40 implementation indicators** aggregated per each Contracting Party across the areas of work: electricity, gas, oil, governance and climate, renewable energy, energy efficiency, emission trading scheme, environment, climate, including national regulatory, competition, State aid and statistics authorities. Aggregation is based on the weighting explained in the table below, and results presented for each Contracting Party (chapters 6-14);

Five cluster implementation indicators aggregating the values at cluster level: Markets and integration (10 indicators), Decarbonising the energy sector (18 indicators), Ensuring energy security (3 indicators), Improving the environment (5 indicators), Performance of authorities (4 indicators).

Summary indicators – the overall implementation score for each Contracting Party and overall (average) implementation score for the Energy Community calculated based on the weighting explained in the table below, and presented on page 8.

All of the values are normalised to percentages between 0% and 100%, where 100% implies full implementation.

For the Contracting Parties where certain indicators are not applicable (for example due to the lack of a gas market in Kosovo* and Montenegro), these indicators were not taken into account in the overall score, but the remaining indicators were increased in weight, where justifiable.

To sharpen the reporting and evaluation focus, one decarbonisation indicator (governance and climate) was removed from the 2025 assessment.



DISCLAIMER

The present assessment is not designed to be a comprehensive study of the legislative and institutional framework or law-enforcement in the Contracting Parties, but rather serve as a succinct overview. In no way it should be relied upon for the purposes of adoption of any investment/business decisions or policy-making.

Implementation indicator structure and weighting

Indicator name	Indicator weight
Overall Implementation Indicator	1,00
1 Markets and integration	0,30
1.1 Electricity	0,50
Wholesale market	0,20
Retail market	0,20
Unbundling	0,10
Access to the system	0,20
Regional integration	0,30
1.2 Gas	0,50
Wholesale market	0,20
Retail market	0,20
Unbundling	0,25
Access to the system	0,25
Regional integration	0,10
2 Ensuring energy security	0,20
Electricity	0,04
Gas	0,04
Oil	0,02
3 Decarbonising the energy sector	0,30
3.1 Governance and climate	0,30
National Energy and Climate Plans (NECPs)	0,25
Greenhouse gas 2030 target	0,25
National systems for climate reporting	0,25
Long-term strategy and climate neutrality	0,25
3.2 Renewable Energy	0,30
2030 renewable energy targets	0,20
Quality of support schemes	0,20
Self-consumption and energy communities	0,15
Guarantees of origin	0,15
Sustainability criteria for biofuels, bioliquids and biomass fuels	0,15
Renewable energy in the heating and cooling sector	0,15
3.3 Energy Efficiency	0,30
2030 energy efficiency targets and policy measures	0,20
Energy efficiency in buildings	0,20
Energy efficiency scheme and financing	0,20
Energy efficient products - labelling	0,20
Efficiency in heating and cooling	0,20
3.4 Emission Trading Scheme (Monitoring, Reporting, Verification and Accreditation)	0,10
Foundations, institutions, permits	0,33
Monitoring and reporting	0,33
Verification and accreditation	0,33
4 Improving the environment	0,10
Environmental impact assessment (EIA) and strategic environmental assessment (SEA)	0,30
Sulphur in fuels	0,15
Large combustions plants and industrial emissions*	0,30
Nature protection	0,15
Environmental liability	0,10
5 Performance of authorities	0,10
Regulatory authority	0,60
Competition authority	0,10
State aid authority	0,10
Statistical authority	0,20

* in the case of Albania, the "Large combustions plants and industrial emissions" indicator is omitted from the final result as the Contracting Party does not have any plants in operation