Minutes of the 41st ECRB Meeting

5 December 2018, 9:00-17:00

Premises of the Greek Regulatory Authority (132 Pireus Avenue, Athens)

1. Opening

The ECRB President welcomed the regulatory authorities´ participants, Mr Adam Cwetsch representing the ECRB Vice-Presidency and ACER representative Mr Dennis Hesseling. He also welcomed the first participation of the newly elected Commissioner Stefano Saglia (ARERA) and Mr Elton Radeshi as new representative of ERE.

Mr Pangani thanked the Energy Community Secretariat ('Secretariat') for the ECRB dinner invitation and RAE-Greece for hosting the 41st ECRB meeting.

The ECRB President confirmed the presence quorum necessary for ECRB decision making.

Mr Manolkidis welcomed the ECRB members on behalf of the host.

2. Agenda of the 41st ECRB meeting (approval)

Mr Pangani introduced the draft agenda and asked for comments. No comments have been made.

Conclusions / Action Points: The draft agenda has been approved for upload to the Energy Community website.

3. Minutes of the 40th ECRB meeting (approval)

Mr Pangani introduced the draft minutes and asked for comments; no comments have been received before the meeting. Mr Stefanovic asked for correction of a typo in the name of the AERS President in the list of participants.

Conclusions / Action Points: The draft minutes have been approved including the suggested changes for upload to the Energy Community website (short version public; long version restricted)

4. Regulatory development in Azerbaijan (discussion)

The ECRB President re-called the agreement of the 40th ECBB Plenary according to which ECRB supported the intension to establish closer cooperation with the regulatory body of Azerbaijan and invited the ECRB President to send an invitation to the Azeri regulatory body to present recent regulatory and energy market reforms to the December 2018 ECRB meeting. Mr Pangani informed that

such letter has been sent which the President of the Azeri regulatory body however unfortunately was not able to accept for the concrete meeting date. Mr Pangani suggested to repeat the invitation for any of the upcoming ECRB meetings.

Conclusions / Action Points: ECRB President to invite the President of the Azeri regulatory body to present recent regulatory and energy market reforms to any of the upcoming ECRB meetings.

5. Cooperation agreement of regulatory bodies (approval)

Mrs Grall introduced the proposal for a cooperation agreement between ECRB, CEER and MEDREG that has been jointly developed by the three institutions as a follow of their general agreement on launching related negotiations, on ECRB level agreed at the 40th ECRB Plenary meeting.

Mr Pangani invited for comments on the text and informed about the intention of the document at a ceremony on 11 December 2019 in Vienna. ECRB members neither provided remarks on the draft before or at the 41st Plenary.

Mr Cwetsch expressed the European Commission's and ECRB Vice-Presidency's full support for the signature of cooperation document and highlighted the importance of close cooperation of ECRB, CEER and MEDREG having in mind common members and regulatory targets. On the light of legal concerns raised by the European Commission's Legal Service he, however, requested to change the document's title into 'cooperation arrangement'.

Mr Zametica supported the signature of a cooperation document and noted the positive cooperation experience made in the context of last year's first trilateral ECRB, CEER, MEDREG customer workshop and the development of joint deliverables with both CEER and MEDREG prepared under the ECRB CRM WG umbrella. He further noted that the ECRB 2019 already similarly includes joint activities. Mr Zametica stressed that the focus of common work should be on practical outcome.

Conclusions / Action Points: ECRB approved the draft cooperation arrangement and mandated the ECRB President for signature.

6. ACER developments (information)

[Ref. presentation Mr Hesseling]

Mr Hesseling updated the participants about recent ACER and EU gas and electricity market developments (ref. presentation).

Conclusions / Action Points: no conclusion required.

7. Recent regulatory developments in the Contracting Parties (information)

[Ref. presentations]

- Albania: unbundling of the electricity DSO is ongoing but the period for finalization has been extended to December 2019 by decision of ERE;
- Bosnia and Herzegovina: Mr Zametica presented the recent regulatory development (cf presentation) on behalf of SERC chairman Mr Tusevljak and passed his apologies for absence which was due to flight cancellation. Mr Pangani asked about customer interest developments in the new price comparison tool of SERC (developed with support of USAID/NARUC) – Mr Zametica informed that the website receives a lot of visitors, however on the practical side household are still supplied by the universal service provider at prices below market level;
- North Macedonia: development of 2ndary legislation for the electricity and gas market is under development; EVN implemented the functional unbundling requirement for separate branding of the DSO (different from supply/generation); tender for the electricity universal supplier is ongoing and supposed to be finalized by end of the year; ERC made about 7000 decisions on water supply tariffs; MEPSO applied for certification; a price comparison tool shall be online available on ERC's website as of early 2019 – development borrows from related experience of SERC and is performed in cooperation with USAID/NARUC; ERC employed seven new staff members, another seven are expected until end of 2019; the financial plan of ERC has been submitted to the parliament for approval that raised comments as regards the need to cut consultancy budget of ERC;
- Georgia: work on the Energy Law is ongoing; GSE is obliged to publish electricity transparency data until June 2019 on the EMFIP platform; the public consultation on the documents transposing the three electricity connection codes has been prolonged until quarter 1 /02019;
- Kosovo*: work on electricity market coupling Albania-Kosovo* is ongoing focusing on technical and legal aspects; the Albanian power exchange shall be designated as NEMO for the Kosovo* market;
- Moldova: two Commissioners of ANRE resigned from their position which, however, does not affect the regulator's decision making quorum; by end of 2018 the Energy Inspectorate of Moldova will be merged into ANRE; by end of 2018 Moldovagas is expected to present an action plan for unbundling; the five network codes adopted by the PHLG in January 2018 are ready for approval in 2019;
- Montenegro: cf presentation;
- Serbia: cf presentation;
- Ukraine: cf presentation.

Conclusions / Action Points: no conclusion required.

8. Recent Energy Community developments (information)

[Ref. presentation Mrs Grall]

Mrs Grall updated on ongoing Energy Community developments (cf presentation).

Mr Cwetsch updated the participants on the ongoing Treaty reform discussions and specifically on a proposed clause creating reciprocity between Member States and Contracting Parties for a defined set of legal acts, namely the electricity market guidelines and security of gas supply. Mr Zametica noted that, to the extent Treaty amendments would be of regulatory concern and nature, ECRB shall be regularly updated on related negotiations and, where appropriate be invited to provide a position. The ECRB President supported the proposal to include a related activity description in the ECRB work program 2019.

Conclusions / Action Points: the activity of providing input to aspects of regulatory nature and interest in context with the reform of the Energy Community Treaty shall be included in the ECRB work program 2019.

9. Outlook: new ECRB duties on the horizon (information)

[Ref. presentation Mrs Grall]

Mrs Grall updated on new ECRB duties stemming from the new gas and electricity networks / guidelines that will significantly increase the work load of ECRB on an obligatory basis (cf presentation).

Mr Hesseling noted that experience of ACER on EU level showed that monitoring can only to a limited extent rely on self-assessment by TSOs (ENTSO-E/G) but active supervision by regulators was needed.

Conclusions / Action Points: ECRB responsibilities to be reflected in the ECRB work programs in line with the network codes'/guidelines' timelines (2020/2021 et seq).

10. Customers & Retail Markets Working Group (information)

[Ref. presentation Mr Zametica]

Mr Zametica provided an overview of the ongoing CRM WG activities (ref. presentation) as asked for the following:

- Approval of the draft retail market monitoring report;
- Approval of the draft report on market monitoring capacities of regulators;
- Agreement on written approval of the ECRB-MEDREG report on complaint handling;
- Agreement on written approval of the draft report on distribution tariff methodology.

Mr Zametica also presented the draft ECRB CRM WG work program for 2019.

Conclusions / Action Points: ECRB approved the draft retail market monitoring report and the draft report on market monitoring capacities of regulators, both for publication. ECRB further agreed on written approval of the ECRB-MEDREG report on complaint handling and of the draft report on distribution tariff methodology.

11. Electricity Working Group (information)

[Ref. presentation Mr Stefanovic and Mrs Grall]

Mrs Grall introduced a proposal for voluntary designation of nominated electricity market operators (NEMO) based on the criteria set in the CACM Regulation to support the going live of the early implementation market coupling pilot project that are discussed under the Western Balkan 6 CONNECTA technical assistance. The proposal origins from related discussions under the Western Balkan 6 day ahead market integration Program Steering Committee and shall be further discussed by the ECRB EWG.

Mr Stefanovic provided an overview of the ongoing EWG activities (ref. presentation) and asked for the following:

- Approval of the draft gas electricity wholesale market monitoring report
- Approval of the draft bi-annual SEE market monitoring report
- Agreements on written approval of the draft reports on trade activities in forward markets; on intraday markets; on balancing market developments; and on imbalance price formation.

Mr Stefanovic also presented the draft ECRB EWG work program for 2019.

Conclusions / Action Points: ECRB approved the draft electricity wholesale market monitoring report and the draft bi-annual SEE market monitoring report, both for publication. ECRB further agreed on written approval of the draft reports on trade activities in forward markets; on intraday markets; on balancing market developments; and on imbalance price formation.

12. Gas Working Group (information)

[Ref. presentation Mrs Stratulat]

Mrs Stratulat updated on recent GWG developments (ref. presentation) and asked for the following:

- Approval of the draft gas wholesale market monitoring report
- Approval of the draft gas transparency report
- Agreement on written approval of the draft gas balancing report

Mrs Stratulat also presented the draft ECRB GWG work program for 2019.

Conclusions / Action Points: ECRB approved the draft gas wholesale market monitoring report and the draft gas transparency report, both for publication. ECRB further agreed on written approval of the draft gas balancing report.

13. ECRB Work Program

[cf presentations Mrs Stratulat, Mr Stefanovic, Mr Zametica, Mrs Grall]

Conclusions / Action Points: ECRB approved the ECRB work program 2019 for publication on the Energy Community website. ECRB invited the ECRB Section to send calls for applications for CRM-, E- and GWG deputy chairs for appointment at the first working group meetings in 2019. ECRB requested the ECRB Section to circulate a call for applications for the REMIT working group chair for election at the 1st ECRB Plenary meeting in 2019.

14. Election of ECRB working group chair 2019-2020

Mrs Grall introduced the applicable election rules as described in the ECB Internal Rules: namely, successful candidates must receive a simple majority of the votes cast.

The ECRB President invited applicants to present themselves as well as a short vision for their chairmanship.

The applicants received the following votes:

- Customers and Retail Markets WG: Mr Edin Zametica (SERC) – 7; Mrs Dijana Unkovic – 2; abstention – 1;
- Electricity WG: Mrs Milica Knezevic (REGAGEN) – 6; Mr Nenad Stefanovic – 2; abstention: 1; invalid – 1;
- Gas: Mrs Elena Stratulat (ANRE) – 7; Mr Aleksandar Popadic – 2; abstention – 1.

Conclusions / Action Points: ECRB elected the following chairpersons for the period 2019-2020

- Customers and Retail Markets WG: Mr Edin Zametica (SERC)
- Electricity WG: Mrs Milica Knezevic (REGAGEN)
- Gas: Mrs Elena Stratulat (ANRE)

15. AOB

Mrs Grall informed about the publication of the Regulatory School Program 2019 (available online at www.energy-community.org – about us: institutions – ECRB – school).

Conclusions / Action Points: no conclusion required

16. Next meeting

The next meeting will take place on 24 April 2019 in Athens.

Annex – List of Participants

Name	Institution
ANICIC, Jelena	REGAGEN
ANOTOVA, Elena	NEURC
AJVAZI, Afrim	ERO
BISLIMOSKI, Marko	ERC
CWETSCH, Adam	Vice-Presidency
FRAGOUDAKI, Evi	RAE
GACHECHILADZE, Zviad	GNERC
GALANTE, Maria Teresa	ARERA
GRALL-EDLER, Nina	ECS
HESSELING, Dennis	ACER
KNEZEVIC, Milica	REGAGEN
LANZA, Salvatore	ARERA
MANOLKIDIS, Sotirios	RAE
NASHI, Agim	ERE
PAIDAKAKIS, George	RAE
PANGANI, Giorgi	GNERC
POPADIC, Aleksandar	AERS
POPOVIC, Dejan	AERS
PREINSTORFER, Dietmar	Control
PRELEVIC, Branislav	REGAGEN
RADESHI, Elton	ERE
SAGLIO, Stefano	ARERA
STEFANOVIC, Nenad	EWG chair, AERS
STRATULAT, Elena	GWG chair, ANRE
TAMBONE, Fabio	ARERA
UNKOVIC, Dijana	AERS
VELJANOVSKA, Natasha	ERC
ZAMETICA, Edin	CRM WG chair, SERC