

## 60th PERMANENT HIGH LEVEL GROUP

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*Cyberspace, 25 March 2021*

1. The meeting was chaired by Ms Natalija Luković on behalf of Republic of Serbia (Serbia) and Florian Ermacora for the European Commission (Commission).

Other Contracting Parties present were Zaza Chikradze (for Georgia), Luan Morina (for Kosovo\*), Calin Negura (for Moldova), Radmila Damjanović (for Montenegro), Yaroslav Demchenkov (for Ukraine).

Participants were represented by Damir Štambuk (for Croatia), Gvidas Kerušauskas (for Lithuania), Maciej Bukowski (for Poland), Veronika Čarna (for Slovakia), Marko Cerar (for Slovenia).

Helmut Schmitt von Sydow and Rajko Pirnat represented the Advisory Committee.

2. The Permanent High Level Group (PHLG) approved the agenda.

### **Treaty amendments**

3. The Commission presented the state of play after the Ministerial Council and PHLG meetings on 16 and 17 December 2020 and made proposals for the next steps.
4. Building on the progress made in 2020, Parties expressed their commitment to finalise the negotiations until mid-June 2021 and to confirm the outcome of the negotiations (initialling) at the next Informal Ministerial Council on 2 and 3 July 2021. This will pave the way for adoption of the Treaty amendments including the Protocol on Denomination of Parties and other updates of the Treaty at the Ministerial Council on 25 November 2021.
5. The Parties welcomed the Commission's proposal to work, also at bilateral level, in the coming weeks on possible solutions how to resolve the remaining issues raised by some Contracting Parties (aspects related to competition and State aid and the application of the "reciprocity" mechanism; amount and calculation of financial penalties, denomination of Kosovo\* in the Treaty and related issues, such as ensuring to physically participate to the meetings in different Contracting Parties). It was agreed to discuss the outcome at a dedicated PHLG meeting at the end of April/beginning of May.

### **Energy Community Decarbonisation Roadmap**

6. The Commission presented the structure of a roadmap and timeline for its adoption with the aim of putting the Contracting Parties on a path towards achieving 2030 and mid-century decarbonisation targets.
7. The roadmap should offer predictability, planning and sequence of the adoption, transposition and implementation of decarbonisation-focused rules while taking into account the capacities of the Contracting Parties in the years to come. The tentative plan is to discuss the first draft of a roadmap in June 2021 during a Technical Working Group of the Energy and Climate Committee, and in July during the Informal Ministerial Council. Subsequently, a second draft would be presented in

September 2021 and a final version could be adopted at the Ministerial Council in November 2021. The Secretariat, together with the Commission, is invited to timely organize a discussion with the Contracting Parties on the Decarbonisation Roadmap through the Technical Working Group of the Energy and Climate Committee.

## Clean Energy Package I

8. The Commission presented its approach for adoption of the Electricity Directive (EU) 2019/944, the Electricity Regulation (EU) 2019/943, the Risk Preparedness Regulation (EU) 2019/941 and two implementing Electricity Guidelines<sup>1</sup>. Necessary adaptations should be developed and discussed before the next PHLG meeting (June 2021). The PHLG invited the Commission, seconded by the Secretariat, to prepare the adaptations of the legislative texts.
9. The Contracting Parties recognised that the above acts should be adopted by the Ministerial Council or PHLG in 2021 and are needed to allow market coupling between the EU Member States and the Contracting Parties. The Commission underlined the importance to integrate the Contracting Parties into EU Capacity Calculation Regions and enhance the allocation and utilization of cross border capacities in all Contracting Parties. Kosovo stressed an importance to solve capacity allocation also in the existing format of the allocation among Contracting Parties.

## Clean Energy Package II

10. The Commission presented its approach in respect of the Renewables Directive 2018/2001, the Energy Efficiency Directive 2018/2002 and the Governance Regulation 2018/1999 as key acts to create the legislative structure for the 2030 targets implementation in view of the envisaged adoption by the Ministerial Council in November 2021.
11. The Secretariat presented its approach for a possible adoption of the Gas Security of Supply Regulation (EU) 2017/1938 in the Energy Community in connection with Treaty amendments. The Contracting Parties invited the Commission, to prepare, with the support of the Secretariat adaptations of the Regulation's text for discussion at the next PHLG meeting.
12. The Secretariat presented its proposal for an adjustment of Annex I to Regulation 838/2010 laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging (G-charges). Several Contracting Parties invited the Secretariat and the Commission to prepare appropriate adaptations for possible adoption in 2021.
13. The Secretariat presented the draft Ministerial Council Decision 2020/06/MC-EnC on statistics. The PHLG invited the Secretariat to continue consultations with Serbia in view of a possible adoption of Regulation (EU) 2019/2146 amending Regulation (EC) No 1099/2008 in the Energy Community at the Ministerial Council in November 2021.

## Dispute Settlement

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<sup>1</sup> Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management (CACM) and Regulation (EU) 2016/1719 establishing a guideline on forward capacity allocation (FCA).

14. Following the hearing of the parties and the Advisory Committee in Case ECS-13/17, the Permanent High Level Group invited the Secretariat to launch a procedure for adoption by correspondence of a decision by the Ministerial Council.
15. The Permanent High Level Group heard the parties and the Advisory Committee in Case ECS-7/18.

## **Other issues**

16. The Commission presented the new EU Energy Labeling Regulations<sup>2</sup>. The Contracting Parties invited the Commission to prepare a proposal on the timeline for a possible adoption of the new EU Labelling Regulations in 2022.
17. The PHLG invited the Secretariat to organize technical workshops for all pieces of acquis discussed on today's meeting as envisaged for the adoption in 2021 before June's PHLG meeting.

Done in Cyberspace on 25 March 2021

For the Permanent High Level Group

THE PRESIDENCY

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<sup>2</sup> Regulation on energy labelling for household washing machines and washer-dryers (EU) 2019/2014, Regulation on energy labelling for light sources (EU) 2019/2015, Regulation on energy labelling for refrigerating appliances (EU) 2019/2016, Regulation on energy labelling for household dishwashers (EU) 2019/2017.