MINUTES OF THE 10th ECRB MEETING

Athens, 12 May 2009, 9:00 – 13:00

HOTEL DIVANI APOLLON PALACE & SPA - Athens

Participants – see Annex 1

1. Draft agenda of the 10th ECRB meeting (for approval)

Related document: draft agenda (R09-GA-10-01)

Discussion: -

Conclusions/actions: The draft agenda of the 10th ECRB meeting has been approved without modifications.

2. Minutes of the 8h ECRB meeting (for approval)

Related document: draft minutes (R09-GA-10-02)

Discussion: -

Conclusions/actions: The minutes of the 9th ECRB meeting have been approved without modifications.

3. ECRB Studies 2009 – final (for approval)

a) Final Consultancy Need (for approval)
b) Terms of Reference CWG (for approval)

Related document: Final Consultancy Need [R09-GA-10-03.a]; draft Terms of Reference CWG [R09-GA-10-03.b, R09-GA-10-03.c]

Discussion: Ms. Grall presented the final list of consultancy need declared by the ECRB WGs/IG: two studies have been suggested by the CWG, the GWG keeps a reservation for a possible consultancy need later this year, however acknowledging that this needs to remain subject to budgetary availability at the time of request.

Mr. Zametica presented the draft Terms of Reference (ToR) for the two suggested CWG studies – namely a study on gas tariffs and quality of gas distribution services and a study on service quality introduction and improvement. In accordance with the Procedural Act 2008/02/ECS of the Energy Community Secretariat, Article 1 (2) the ToR have been approved by the Steering Committee for ECRB related Energy Community Studies for submission to the ECRB.

Conclusions/actions: The list of final ECRB consultancy need 2009 has been approved. The ToR for the two CWG studies: for the ToR of the study on service quality introduction and improvement a total number of 3-4 seminars has to be adjusted in the text and – given the expected duration of nine months – the finalization of the study has to be moved from end of 2009 to early 2010. The ECRB Section will adjust the ToR accordingly and follow up the procedural steps (tender etc).

4. CAO Issues

a) CAO Monitoring (for discussion/approval)

Related documents: Cover Note [R09-GA-10-04.a], Monitoring proposal [R09-GA-10-04.b]

Discussion: Mr. Koutzoukos introduced the proposal for CAO monitoring [R09-GA-10-04.b].

Mr. Galic underlined the support of the Croatian regulatory authority for the setting up of the SEE CAO and welcomed the CAO monitoring paper as good working basis, however expressed concerns about approval of SEE CAO related documents on regional level by the ECRB. Mr. Koutzoukos stressed the relevance of a regionally coordinated regulatory approach especially with regard to cross-border cooperation and re-called that such need has also been recognized in the 3rd package by setting up an Agency. Mrs. Arana-Antelo strongly supported the importance of (regional) market integration as one of the core elements of the EC´s energy market policy and re-iterated that harmonization of regulatory decisions on cross border level remains key for related progress.

Mr. Galic stated that monitoring and approval powers should not be withdrawn from national regulators´ competences. Mr. Sencar agreed but stressed that regional monitoring of regional market performance would not exclude national monitoring of national markets. With regard to regulatory approval powers Mr. Lelovitis clarified that national regulators currently do not have regional approval competences since their powers are limited to national boundaries. Therefore creating a regional approval and monitoring competence of the ECRB would not withdraw competences from national regulators but would fill a gap. Mr. Koutzoukos strongly supported this position, reminding that the related "regulatory gap" has been also recognized by the 3rd package.

Mr. Galic agreed on the need for regional harmonization of decisions but stressed that approval should better remain on national level, based on regionally harmonised recommendations by the ECRB. Mrs. Grall noted that an approach based on voluntary recommendations by the ECRB would require full and comprehensive commitment of all national regulators to fully implement and approve the ECRB recommendation on national basis without time delay and content modifications. The operation of a regional body such as the SEE CAO would require 100% harmonised rules and any deviation would lead to a barrier for its functioning. Mr. Sencar agreed that regional projects require a regional and fully streamlined regulatory approach across borders. He highlighted that, against this background, centralized regulatory approval and monitoring on regional level for cross border issues has to be the preferred approach, also for ensuring the most efficient and shortest procedures. This approach was fully supported by Mr. Preinstorfer and Mrs. Trimcheska and Mrs. Arana-Antelo, highlighting efficiency and legal certainty as core aspects.

Conclusions/actions: The ad hoc TF CAO monitoring will prepare an overview for presentation to the next ECRB meeting elaborating more in detail

- for both possible approaches outlined in the CAO Monitoring proposal [R09-GA-10-04.b], namely (1) regional monitoring/approval by the ECRB; (2) monitoring/approval by national regulatory authorities based on voluntary recommendations by the ECRB.
    i. the procedural requirements for ensuring and arriving at regulatory decisions harmonised across borders for the SEE CAO as regional project, guaranteeing the necessary legal certainty
    ii. to which extent national regulators would have powers to ensure this individually.

A sentence will be included in the CAO Monitoring proposal [R09-GA-10-04.b] noting that the papers´ recommendations are based on the assumption that the Articles of Association for the SEE CAO express that the SEE CAO is established as a single mechanism for cross-border transmission of electricity in line with Title III of the Treaty and in accordance with the decision of the Ministerial Council on establishing the 8th region.

b) CAO IG Update (for information)

Related documents: slide presentation Mr. Koutzoukos [meeting slides]

Discussion Mr. Koutzoukos updated the ECRB on the ongoing activities of the CAO IG, namely the results of the last CAO IG meeting and the 1st meeting of the Steering Committee for a Project Team responsible for establishing the SEE CAO (details see meeting slides). He also stated that the Action Plan has been forwarded to the SETSO TF, and that the SETSO TF informed the CAO IG that the views of the TSOs were divided in the sense that some TSOs were very critical towards the proposal, while others accepted it in the given form.

Mrs. Arana – Antelo welcomed the progress made towards practical setting up of the SEE CAO and underlined that strong commitment of national regulators is required to push for progress regarding the introduction of a common coordinated congestion management method and the establishment of the SEE CAO, ensuring compliance with the requirements of the Regulation 1228/2003.

Conclusions/actions: No decision required, for update.

5. 8th Region (for decision/approval)

a) ERI Transparency reporting requirements

b) Reporting approach: including 8th Region in ERGEG reporting or other

Related document: ERI transparency reporting requirements [R09-GA-10-05.a]

Discussion: With reference to the related request of the last ECRB meeting, Mrs. Grall gave an overview about the existing transparency reporting praxis followed by ERI. Against this background, Mrs. Grall re-called the discussions of the last ECRB meeting about the possibility to include the 8th region in the ERI reporting. In this respect Mrs. Grall informed about a letter from ERGEG President Lord Mogg addressed to the ECRB President and Vice-President (circulated) inviting to include the progress report of the 8th Region as Annex to the ERI/ERGEG reporting but underlining that content responsibility needs to remain with the ECRB.

Conclusions/actions:

The ECRB agreed to follow the transparency monitoring approach applied by ERI

- Monitoring will be exercised by the ECRB-Section.
- The ECRB welcomes the suggestion of ERGEG to including the 8th Region progress report as Annex to the ERI/ERGEG reporting but keeping content responsibility with the ECRB. The ECRB-Section will liaise with ERGEG on the timing requirements and report back to the next ECRB.
- The ECRB would welcome the invitation of ERGEG to present the progress made in the 8th Region at the next Annual Regional Initiative Conference. The ECRB-Section will follow up on this with ERGEG and report back to the next ECRB

6. Electricity issues

a) Work Programme 2009: open milestones (for approval)

b) EWG status report – EWG meeting 22.4. et al (for information)

Related document: slides Mr. Stefanovic

Discussion: With reference to the related request of the last ECRB meeting, Mr. Stefanovic presented the missing milestones for the work the EWG in 2009 (see slides). Mr. Stefanovic further updated the ECRB on the current work of the EWG (see slides).

Conclusions/actions: The presented EWG milestones have been approved.

7. Gas issues

a) Work Programme 2009: milestones (for approval)

b) Conclusions from 2008 Gas Study: deliverables, planning (for approval)

c) GWG - short status report (for update)

Related document: meeting slides

Discussion: With reference to the related request of the last ECRB meeting, Mr. Thomadakis and Mrs. Grall presented the milestones for the GWG work 2009 and the deliverables and conclusions drawn from the 2008 Gas Study (see meeting slides).

Conclusions/actions: The presented GWG milestones have been approved.

8. Customer issues

a) Final Electricity Tariff Study 2008 - overview and results (for information)

b) Conclusions from 2008 Electricity Tariff Study

c) CWG - short status report (for information)

Related document: slides Mr. Zametica

Discussion: With reference to the related request of the last ECRB meeting, Mr. Zametica presented the results and conclusions drawn from the 2008 Electricity Tariff Study.

Mr. Hujber underlined the importance of addressing the requirements of vulnerable customers by means that do not distort competition instead of maintaining a system of across-the-board regulated prices. Mr. Zametica confirmed the relevance of this topic and informed that it continues to be a core element of the CWG.

Mr. Neykov informed about a lecture of Commissioner Kuneva on the customer dimension of

energy market liberalization on 15 May 2009 at the Energy Community Secretariat. Mr. Zametica will represent the ECRB at this event and give a speech on the work of the ECRB related to consumer aspects. Mrs. Arana-Antelo welcomed this initiative and underlined the important role of regulators with regard to the consumer protection. Mrs. Arana-Antelo informed that, while Commissioner Kuneva remains responsible for overall consumer protection in the EU, the core responsibility for energy consumers at the Commission is allocated to Commissioner Piebalgs and operationally followed by the Directorate of Mr. Hilbrecht. Policy approaches follow continuous streamlining between Commissioner Piebalgs and Commissioner Kuneva.

Conclusions/actions: The ECRB requested the CWG to continue following up the conclusions drawn from the 2008 Electricity Tariff Study in the CWG Work Programme.

9. ECRB Reporting

Related document: meeting slides

Discussion: Mrs. Grall informed that the approval of the 2008 ECRB Annual Report has to be postponed to the July ECRB meeting, also against the background of streamlining ECRB reporting with the reporting of the Energy Community Secretariat to the June Ministerial Council on the development of the gas and electricity markets in the Energy Community.

In this context Mrs. Grall presented a proposal for defining a common structure for reporting by national regulators to feed into the overall reporting of the Energy Community Secretariat:

- A common structure for the annul reports of national regulators shall be defined;
- National regulators shall send their national reports to the ECRB-Section by 15 March every year (for the previous year);
- A database will be set up on the ECRB website including indicators for market development. As part of their monitoring activity, national regulators will fill out this database for their national market;
- The national reports and data provided will feed into the overall reporting of the Energy Community Secretariat.

The described approach follows the procedure used by the EU regulators for reporting to the EC and used as basis for the EC Annual Benchmarking Report on the development of the internal gas and electricity market. Mrs. Grall underlined that by streamlining the reporting approach, comparability of results will be achieved. Moreover a standardized approach shall facilitate the work of national regulators and avoid short time questionnaires with data request. Instead the suggested database will provide data on the national markets accessible to all national regulators and stored in a centralized way.

Conclusions/actions: The reporting approach as presented by Mrs. Grall has been agreed. The ECRB requested the ECRB-Section to present a proposal for a common reporting structure including the suggested indicators (to be filled into the database) to the next ECRB meeting for approval.

10. ECRB website

Related document: meeting slides

Discussion: Mrs. Grall informed the ECRB members about suggested adjustments of the ECRB website's layout: the layout shall be aligned with the one of the Energy Community website in order to make the function of the ECRB as institution of the EnC more transparent to external users. The currently quite different layouts do not provide a common picture. Mrs. Grall however underlined, that the service functions of the ECRB website (members area with meeting documentation) will remain.

Conclusions/actions: The ECRB agreed on the suggested re-design of the ECRB website and requested to ECRB-Section to report on progress to the next ECRB.

11. ECRB training 2009 – WFER IV, ERRA

Related document: meeting slides

Discussion: Mrs. Grall reminded the ECRB of two training activities for regulators financed by the Energy Community, namely participation at the ERRA summer course for regulation (July 2009, Budapest) and the Word Forum on Energy Regulation (WFER, Oct 2009, Athens). The financing by the Energy Community covers the registration fee to these events for one regulatory authority representative per Contracting Party and Observer.

Mrs. Grall reminded that the deadline for nomination expires on 15 May (ERRA) respectively 25 May (extended deadline for WFER) and invited the ECRB members to use this opportunity for participating in these events. Details on nomination requirements have been circulated to the ECRB by email.

Conclusions/actions: no decision required.

12. Next meetings

Related document: meeting slides

Discussion: The next ECRB meeting will take place on 9 July 2009 in Athens.

Conclusions/actions: no decision required

Annex 1: List of Participants

10th ECRB Meeting

12 May 2009, 9:00-13:00 - Hotel Divani Appolon Palace & Spa, Athens/Greece

LIST OF PARTICIPANTS

Name	Organisation	Signature
Ljubo MACIC	President	
~~Ana Arana-Antelo~~	~~Vice-President~~	(below)
~~Andras HUJBER~~	~~European Commission~~	(below)
Florian ERMACORA	European Commission	
Nenad STEFANOVIC	EWG Chair	
Edin ZAMETICA	CWG Chair	
Michael THOMADAKIS	GWG Chair	
George KOUTZOUKOS	SEE CAO IG Chair	
~~Slavtcho NEYKOV~~	~~Energy Community Secretariat~~	(below)
Nina GRALL	Energy Community Secretariat	
Roland MATOUS	Energy Community Secretariat	
Philippe RAILLON	CRE	
NATASHA TRINCHESKA	ENERGY REGULATORY COMMISSION OF THE REPUBLIC OF MACEDONIA	
VLADKO GAVRILOV	ENERGY REGULATORY COMMISSION OF THE REPUBLIC MACEDONIA	
NYSRET Avdiu	Energy Regulatory Office Kosovo (UNMIK)	
ŽELJKO RAJIĆ	CROATIAN ENERGY REGULATORY AGENCY	
TOMO GALIĆ	CROATIAN ENERGY REGULATORY AGENCY	
DAN PLAVETS	ANRE - ROMANIA	
ALICIA VIOREL	ANRE - ROMANIA	
NIKOLA MEJIC	SERC BiH	
NIKOLA RADOVANOVIC	AERS	
Slavtcho Neykov	ECS	
ANA ARANA	EU COMMISSION	
Andras Hujber	—	
DIETMAR PREINSTORFER	E-CONTROL	
MARKO SENICAR	AGEN-RS	
KOSTIS PERRAKIS	RAE	
TAMBORE FABIO	AEEG	
MIRANDA DIANA	AEEG (ITALY)	
Elis Sala	ERE (Albania)	
Avdian Hasi	ERE (ALBANIA)	
Guram Chalagashvili	chairman - (Georgia)	

Annex 2: summary of decisions (for publication)

10th ECRB MEETING - ATHENS, 12 May 2009 - Summary of Decisions		
	Agenda item	**Decision/Agreed Action**
1	**Agenda 10th meeting**	The draft agenda of the 10th ECRB meeting has been approved without modifications.
2	**Minutes 9th meeting**	The minutes of the 9th ECRB meeting have been approved without modifications
3	**Studies 2009**	The list of final ECRB consultancy need 2009 has been approved (Electricity Quality of Services; Gas Distribution Tariffs). As regards the ToR for the two CWG studies: for the ToR of the study on service quality introduction and improvement a total number of 3-4 seminars has to be adjusted in the text and – given the expected duration of nine months – the finalization of the study has to be moved from end of 2009 to early 2010. The ECRB Section will adjust the ToR accordingly and follow up the procedural steps (tender.
4	**CAO Monitoring & Approval**	The ad hoc TF CAO monitoring will prepare an overview for presentation to the next ECRB meeting elaborating more in detail - for both possible approaches outlined in the CAO Monitoring proposal [R09-GA-10-04.b], namely (1) regional monitoring/approval by the ECRB; (2) monitoring/approval by national regulatory authorities based on voluntary recommendations by the ECRB. i. the procedural requirements for ensuring and arriving at regulatory decisions harmonised across borders for the SEE CAO as regional project, guaranteeing the necessary legal certainty ii. to which extent national regulators would have powers to ensure this individually. A sentence will be included in the CAO Monitoring proposal [R09-GA-10-04.b] noting that the papers´ recommendations are based on the assumption that the Articles of Association for the SEE CAO express that the SEE CAO is established as a single mechanism for cross-border transmission of electricity in line with Title III of the Treaty and in accordance with the decision of the Ministerial Council on establishing the 8th region
	SEE CAO IG Update	No decision required, for update
5	**8th Region**	The ECRB agreed to follow the transparency monitoring approach applied by ERI - Monitoring will be exercised by the ECRB-Section. - The ECRB welcomes the suggestion of ERGEG to including the 8th Region progress report as Annex to the ERI/ERGEG reporting but keeping content responsibility with the ECRB. The ECRB-Section will liaise with ERGEG on the timing requirements and report back to the next ECRB. - The ECRB would welcome the invitation of ERGEG to present the progress made in the 8th Region at the next Annual Regional Initiative Conference. The ECRB-Section will follow up on this with ERGEG and report back to the next ECRB
6	**EWG**	EWG milestones have been approved.
7	**GWG**	GWG milestones have been approved.
8	**CWG**	The ECRB requested the CWG to continue following up the conclusions drawn from the 2008 Electricity Tariff Study in the CWG Work Programme.

9	**ECRB Reporting**	It has been agreed to follow a common reporting approach for annual reporting of national regulators. The ECRB requested the ECRB-Section to present a proposal for a common reporting structure including the suggested indicators (to be filled into the database) to the next ECRB meeting for approval.
10	**ECRB website**	The ECRB agreed on a re-design of the ECRB website and requested the ECRB-Section to report on progress to the next ECRB.