

49th PERMANENT HIGH LEVEL GROUP

Vienna
26 March 2018

1. The meeting was chaired by Mr Ismail Luma on behalf of FYR of Macedonia and Ms Megan Richards for the European Commission.
2. The Permanent High Level Group (PHLG) approved the agenda.

New acquis

Licensing (Title III)

3. The PHLG thanked the Secretariat for its presentation on a Title III ECT Measure for harmonisation of licensing regimes. Contracting Parties invited the Commission and Secretariat to finalise consultations with CESEC member countries, including the ECRB, in time to allow for endorsement of the proposal by the PHLG in June 2018 and the CESEC High Level Group on 29 June 2018 and its adoption by the Energy Community Ministerial Council in 2018.

REMIT concept and timeline

4. The PHLG took note of the concept of an adjusted version of Regulation (EU) 1227/2011 (REMIT) presented by the Secretariat. Contracting Parties expressed principle support for the proposed "REMIT light" implementation concept.
5. Contracting Parties invited the Secretariat and Commission to present a final version for possible endorsement by the PHLG in June 2018 and Energy Community Ministerial Council in 2018 after having finalised the ongoing consultation process with Contracting Parties' regulatory authorities.

Industrial Emissions Directive

6. The PHLG took note of the presentation of the Secretariat in relation to Chapters II and IV of the Industrial Emissions Directive and on the ongoing exercise regarding its impact assessment in combination with the Fuel Quality Directive.
7. The PHLG encouraged work to continue on identifying additional provisions of the IED suitable for incorporation in the Energy Community.

Energy Labelling Regulation

8. The PHLG thanked the Secretariat for its presentation. It took note of the Secretariat's suggestion to adapt and adopt the REGULATION (EU) 2017/1369 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 4 July 2017 setting a framework for energy labelling and repealing Directive 2010/30/EU Labeling, at the Ministerial Council in 2018, and invited the European Commission and the Secretariat to present a draft MC Decision for the PHLG meeting

in June 2018.

9. Having in view that the following Delegated Acts were adopted in the EU, but not yet in the Energy Community: 518/2014-Internet energy labelling; 1254/2014- Residential ventilation units; 1254/2014- Residential ventilation units; 2015/1186- Local space heaters; 2015/1187- Solid fuel boilers, PHLG invited the European Commission and the Secretariat to present the adapted versions at the PHLG meeting in June 2018.

Directive on Security of Network and Information Systems (NIS)

10. The PHLG welcomed the Secretariat's presentation on measures for building cybersecurity resilience and deterrence in the Energy Community, in response to cyber-threats and challenges accompanying the digitalisation of the energy sector.
11. The PHLG acknowledged the necessity for building energy sector-specific cybersecurity capabilities at national and Energy Community level and to promote a culture of risk management and incident reporting among Network Energy operators. To that end the PHLG recognized the need to explore the incorporation of the Directive (EU) 2016/1148 of the European Parliament and of the Council of 6 July 2016 concerning measures for a high common level of security of network and information systems in the Energy Community (the "NIS Directive") into the Energy Community *acquis*.
12. The PHLG welcomed the Secretariat's initiative to launch discussions on preparing for the implementation of the NIS Directive in the Energy Community. The PHLG invited the Secretariat, the European Commission and the Contracting Parties, to take steps for identification of the provisions of the NIS Directive that are suitable for incorporation in the Energy Community *acquis* and to prepare a proposal for the required adaptations and appropriate timing in view of their effective implementation in the Energy Community.
13. The PHLG stressed the possible cross-border character of cybersecurity incidents which may occur simultaneously or spread instantly across the interconnected systems, crossing the borders of the European Union or the Energy Community Contracting Parties and even beyond involving third countries.

The PHLG noted the usefulness of developing cooperation structures between both the Energy Community and the European Union, including eliminating regulatory gaps in the cybersecurity framework, harmonizing cybersecurity measures across the single market, putting in place a common certification framework, and joining the efforts on research and education programmes.
14. The PHLG took note of the proposal of the Secretariat for participation of the Energy Community Contracting Parties in the European Union Agency for Network and Information Security (ENISA), in accordance with rules set forth in Regulation (EU) No 526/2013.

Treaty amendments

15. The PHLG took note of the Commission's presentation on the state of play of the reciprocity mechanism to be included in the amended Treaty. The PHLG encouraged the Commission to further continue its efforts at EU level.

Network Codes

16. The PHLG took note of the presented timeline for adoption of gas and electricity network codes and guidelines. Contracting Parties invited the Secretariat and Commission to finalise discussions with stakeholders and procedures in time to allow for adoption in line with the proposed timelines.
17. Contracting Parties urged the indispensable need to ensure legally binding reciprocal applicability of the electricity market and trade guidelines between Contracting Parties and neighbouring EU Member States.

Platform of Distribution System Operators

18. The PHLG took note of the effective cooperation between the Energy Community distribution system operators for electricity in the past years and supported the establishment of cooperation format within the Energy Community bodies. To that end, PHLG recommended to integrate the existing structure of Energy Community Distribution System Operators for Electricity (ECDSO-E) into the Security of Supply Coordination Group (SoS CG) as a specific Subgroup.
19. The Secretariat is invited to provide support as may be required in the form of technical assistance, consultations and logistics and to propose the structure of ECDSO-E Subgroup, and its integration and forms of cooperation within the SoS Coordination Group, as well as to facilitate establishing and functioning of a communication platform and network of compliance officers.
20. The PHLG tasked the Secretariat to draft the amendment of the Procedural Act on establishing Security of Supply Coordination Group and submit the proposal to the PHLG as a proposal for next Ministerial Council. The terms of reference defining ECDSO-E role, structure, forms of cooperation and scope of activities should be defined in the Annex to the Procedural Act.

Large Combustion Plants Directive implementation

21. The PHLG took note of the Secretariat's presentation on the implementation of the Large Combustion Plants Directive and, in particular, on the status of National Emission Reduction Plans and opted-out installations as well as the reporting exercise initiated in the framework of the Environmental Task Force in cooperation with the European Environment Agency.

Done in Vienna on 26 March 2018

For the Permanent High Level Group,

THE PRESIDENCY