

The background is a satellite-style image of the Earth at night, showing city lights. Overlaid on this is a complex network of glowing blue lines that represent energy transmission routes, connecting various points across the globe.

Harmonisation of licenses

Energy Community Secretariat

Workshop – 13 September 2017, Vienna

- **Why ?**
- **Why no licenses?**
- **Where?**
- **What?**
- **How?**

- **3rd Package** calls for creation of pan-European gas and electricity markets and access for customers to their supplier of choice
 - indispensably linked to the creation of liquid wholesale markets; and
 - access of new suppliers to end-customer markets
- In both cases
 - License requirements have been constantly criticised as a hampering factor for the creation of liquid trade, in particular when complemented by high administrative requirements
 - diversity of different national licensing requirements and procedures is accompanied with lengthy process and high costs, thus perceived a barrier to entry
- **2017 Western Balkan 6 Summit** invited ECS to investigate further integration measures between the Title III countries

Why target?

- minimise administrative burden for new market entrants
- foster trade, market integration and customer choice
- maintain necessary regulatory supervision
- ensure regulatory financing, while not being linked with the license
- take into account taxation requirements
- avoid establishment of new obligations in countries where a license is currently not required

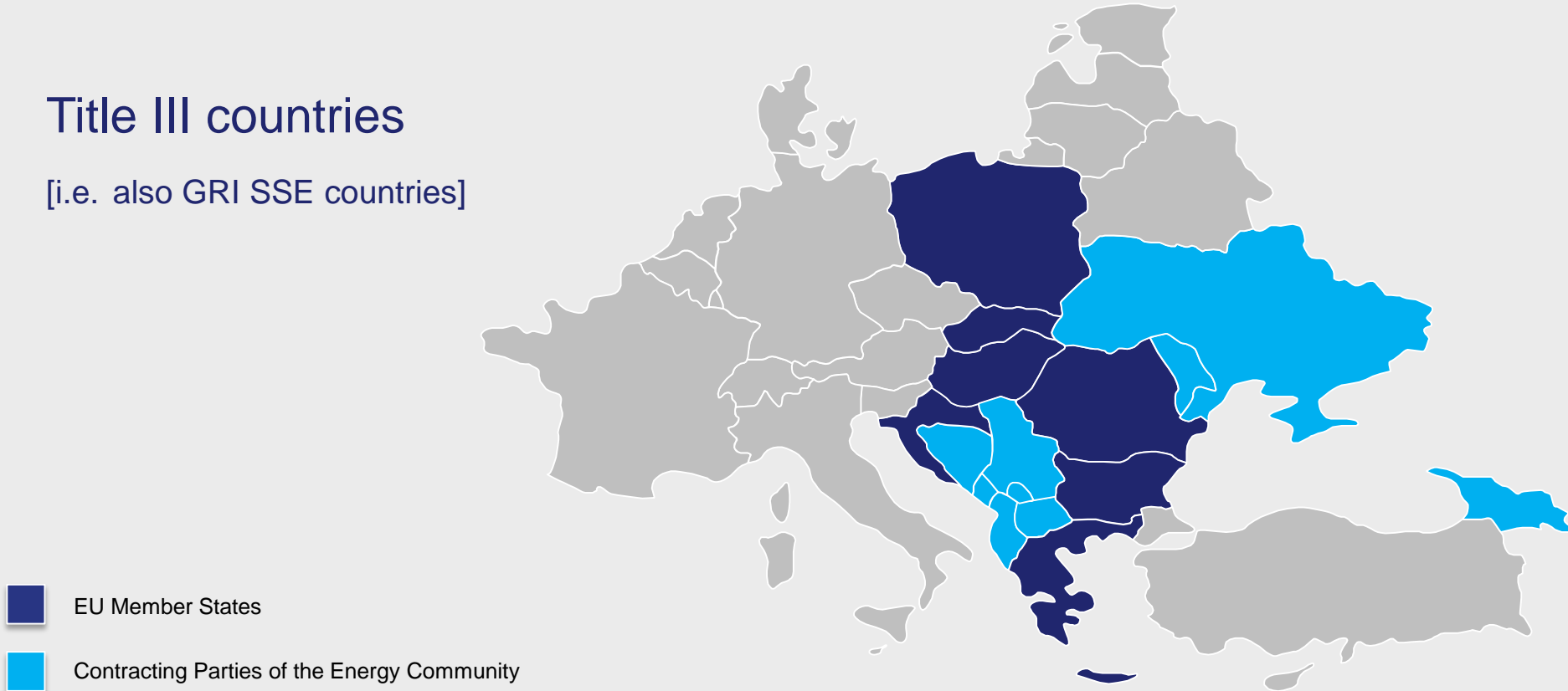
So: why no licenses?

- **Effectivity:** does withdrawal of a license help?
- **Regulatory oversight**
 - **On financial viability:** does not serve the purpose and it is anyway a market mechanism addressed via credit arrangements
 - **On compliance surveillance:** powers can be replaced legislatively. REMIT is a good example.
- **Financing of NRAs**
 - **Replacement** via a regulatory fee from all energy undertakings
 - Isn't licensee based financing counterproductive in context with enforcement?
- **Taxation**
 - A taxable person **instead of a seat requirement**

Where?

Title III countries

[i.e. also GRI SSE countries]



What?

- **trade licenses:** abolish
- **supply licenses**
 - limit to the provision of a certificate of registration, contact details of the applicant; and
 - A taxable person **instead of a seat requirement**
 - **Mutual recognition incl** no new obligations in case of a license regime in not place now

- **Option 1: binding solution**

- MC decision under Title III

- Article 34 of the Energy Community Treaty (hereinafter ‘Treaty’) foresees

“The Energy Community may take Measures concerning compatibility of market designs for the operation of Network Energy markets, as well as mutual recognition of licenses and Measures fostering free establishment of Network Energy companies.”

- **Option 2: voluntary solution**

- ECS can develop a roadmap and ensure a certain level of coordination needed

The background is a satellite-style image of the Earth, showing the continents of Europe and Africa. Overlaid on this is a complex network of glowing blue lines that represent energy connections or data networks, with many lines intersecting and radiating across the globe.

Thank you very much for
your attention!

Nina.grall@energy-community.org

Milka.mumovic@energy-community.org

1. Do you in general agree with the need to harmonise licensing regimes?
 - a) In the CPs
 - b) In the Title III countries

If so, why?

–

If not, why not?

–

2. Do you agree on abolishing trade licenses?

- a) In the CPs
- b) In the Title III countries

If so, why?

–

If not, why not?

–

3. **Do you agree with** the proposal for supply licenses?

- a) In the CPs
- b) In the Title III countries

If so, why?

–

If not, why not?

–

Your views?

4. On the proposal for financing of regulators
5. On the proposal for seat requirements / taxation
6. On the main barriers you can identify
7. On the way how to suggest to proceed further

.... [remarks and comments]