

Annual Report on the Activities of the Energy Community 2024–2025

Energy Community Secretariat
1 November 2025



The Energy Community's Informal Ministerial Council, Athens Greece, July 2025

The Annual Report on the activities of the Energy Community outlines key actions and achievements in the period from 1 November 2024 to 31 October 2025 following the requirements of Article 52 of the Energy Community Treaty.

This report marks the 20th anniversary of the Energy Community Treaty and the establishment of the Energy Community Secretariat. Over two decades, the Secretariat has evolved into a central platform for advancing accelerated energy market integration between the European Union and the Energy Community Contracting Parties – fostering competitive markets, enhancing security of supply, and driving the energy transition across the region. The following pages highlight the Secretariat's most significant work in 2025, reflecting its close cooperation with decision-makers, policymakers, and regional partners through legal and policy support, technical assistance, capacity-building, and compliance monitoring – all aimed at providing Contracting Parties with support to implement reforms, strengthen institutions, and accelerate integration with the European Union's energy and climate framework.

Tasks

Under Article 67 of the Energy Community Treaty, the Secretariat performs five core functions essential to the effective governance and operation of the Energy Community. These are: providing administrative support to the Ministerial Council, the Permanent High Level Group, the Regulatory Board and the Fora; reviewing the proper implementation by the Parties of their obligations under this Treaty and submitting yearly progress reports to the Ministerial Council; reviewing and assisting in the coordination by the European Commission of the donors' activity in the territories of the Contracting Parties and providing administrative support to the donors; carrying out other tasks conferred on it under this Treaty or by a Procedural Act of the Ministerial Council, excluding the power to take Measures; and adopting Procedural Acts. Together, these duties form the backbone of the Secretariat's mandate to promote compliance, cooperation, and integration across the region.

Administrative support to institutions

To ensure the smooth functioning of the Energy Community's institutional framework, the Secretariat provided comprehensive administrative, logistical, and legal support to the Energy Community's governing institutions – including at the Informal Ministerial Council in July, the Ministerial Council in December; four Permanent High-Level Group (PHLG) meetings in April, June September and December; four fora (The Electricity Forum in June, and the Gas and Oils Forums in September, and the Just Transition Forum in November); four Energy Community Regulatory Board (ECRB) plenaries in April, June, September, and December, and two Budget Committee meetings in June and November. Across 140 meetings and events and through coordinating decisions, and following up on adopted measures, these efforts strengthened inter-institutional collaboration, improving the efficiency of regional energy governance.

To improve transparency and efficiency in institutional operations, this year the Secretariat advanced digital and procedural improvements, including upgraded document management systems, streamlined workflows, and enhanced online collaboration tools.

Assistance to Contracting Parties

During the reporting period, the Secretariat supported Contracting Parties in the timely and effective transposition, implementation, and enforcement of the Electricity Integration Package (EIP), the Third Energy Package for gas, security of supply provisions, and the emerging climate-related acquis. It also advanced reforms in renewable energy, energy efficiency, competition, and environmental protection. Through legislative drafting support, expert analyses, and targeted capacity-building for ministries, regulators, and transmission system operators, the Secretariat strengthened the institutional capacity of the Contracting Parties to implement and enforce the acquis.

Specific duties conferred by the Treaty

The EIP, the revised TEN-E Regulation, and the Security of Gas Supply and Storage Regulations introduced expanded operational, monitoring, and decision-making tasks for the Secretariat, reinforcing its role in bridging regional and EU market processes.

Regarding the EIP, the Secretariat reviewed and assisted in drafting Contracting Parties' laws and regulations that aimed to transpose the EIP or certain parts of it, providing continuous monitoring and reporting on the progress made. In tandem, it advanced work to establish frameworks for the integration of Contracting Parties into the EU single day-ahead and intraday coupling (SDAC/SIDC) and balancing market platforms with the European Commission, ACER, ENTSO-E and its dedicated Energy Community Task Force, as well as the market coupling and balancing platforms' steering committees.

To strengthen cross-border infrastructure, in line with the revised TEN-E Regulation, the Secretariat worked with the European Commission and regional stakeholders to initiate the process for adopting the second list of Projects of Energy Community Interest (PECI). It maintained and updated the Energy Infrastructure Transparency Platform (PLIMA) and cooperated with the Energy Community Regulatory Board in developing comparative indicators for infrastructure investment costs and reviewing national methodologies for project evaluation.

The Secretariat also remained actively engaged in strengthening security of electricity supply across the Energy Community. It reviewed draft national laws transposing the Risk-Preparedness Regulation and the Emergency and Restoration Network Code, as well as the Security of Supply Statements submitted by the Contracting Parties. Finally, in response to its critical electricity supply situation following the cessation of deliveries from the Russian-owned MGRES power plant, the Secretariat provided targeted assistance to Moldova, detailed in the pages to come.

Regarding the Security of Gas Supply and Storage Regulations, the Secretariat applied the best EU practices in fulfilling its Treaty-based responsibilities – including issuing binding opinions on the certification of storage system operators, setting gas storage targets, and assessing preventive and emergency plans to strengthen supply security.

Monitoring and Reporting

Monitoring and reporting constitute one of the Secretariat's core functions under Article 67(a) of the Energy Community Treaty, consolidating the Secretariat's role as the analytical backbone of the Energy Community. As in previous years, the Annual Implementation Report served as the principal tool for assessing compliance and progress toward Contracting Parties' implementation of the Energy Community acquis across all sectors. Throughout the year, the Secretariat deepened cooperation with the European Commission, ACER, Eurostat, and the International Energy Agency (IEA) to improve data quality, transparency, and comparability across Contracting Parties.

Preparatory work began to expand future market monitoring activities under the EIP. This includes tracking the impact of the EU Carbon Border Adjustment Mechanism (CBAM) Regulation on cross-border electricity trading in the region as of 1 January 2026, and monitoring the forthcoming climate-related acquis, particularly the development of monitoring, reporting, verification, and accreditation (MRVA) systems.

Monitoring results informed both institutional decision-making and donor coordination – further detailed in a dedicated section of this report – ensuring that reforms and investments remained consistent with the Energy Community's objectives and the broader EU energy and climate framework.

Enforcement of the acquis and dispute resolution

In 2025, the Secretariat's dispute settlement process ensured the consistent and effective application of the Energy Community acquis across all Contracting Parties, thereby strengthening legal certainty, and reinforcing the stable regulatory environment needed to advance the Energy Community's energy market integration with the European Union.

In accordance with its mandate under Article 67(b) of the Treaty, the Secretariat monitored Contracting Parties' compliance with the acquis, working proactively with governments, regulators, and stakeholders to prevent non-compliance, clarify legislative obligations, and support the implementation of national reforms. Where breaches of the acquis occurred, the Secretariat initiated dispute settlement procedures, advancing several existing procedures toward resolution. This included preliminary procedures (10 cases), and the issuance of Reasoned Opinions (1 case) and Reasoned Requests to the Ministerial Council.

If a breach remained unresolved, the Secretariat maintained the option to escalate proceedings under Article 92 of the Treaty, which may lead to the suspension of certain rights of a Contracting Party. Enforcement actions were pursued both based on formal complaints and the Secretariat's own monitoring, ensuring that cases of non-compliance were promptly identified and rectified.

Delivering on an accelerated integration with the EU

Accelerating integration with the European Union's internal energy markets lies at the heart of the Energy Community's mission. By helping Contracting Parties align their laws, institutional, and technical frameworks with the EU energy and climate acquis, the Secretariat helped lay the groundwork for genuine market interoperability – enabling their progressive participation in the EU's internal electricity and gas markets.

In 2025, the Secretariat advanced this process by: helping governments, regulators, and system operators transpose and implement the EIP and the Third Energy Package for gas; supporting the rollout of network codes in both sectors; assisting in the deployment of market rules that enable day-ahead and intraday coupling; and strengthening institutional capacity to apply EU standards on transparency, competition, and consumer protection. Through parallel work on renewables, energy efficiency, and climate governance – including National Energy and Climate Plans (NECPs), MRVA systems, and carbon pricing – the Secretariat continues to turn policy alignment into progress toward a fully integrated and sustainable European energy market.

Electricity Sector

This reporting period, to advance the implementation of the electricity acquis, the Secretariat's efforts included supporting

transposition of the EIP, facilitating market coupling and balancing integration, and strengthening system flexibility and security of supply through close cooperation with Contracting Parties, EU institutions, and regional stakeholders. These priorities were reinforced at the 30th Athens Electricity Forum, held on 4–5 June 2025, which brought together governments, regulators, system operators, industry, and partners to assess the state of market integration and chart next steps for accelerating the Energy Community's clean energy transition.

Transposition and implementation of the acquis

The Secretariat primarily focused on supporting the Contracting Parties in transposing the EIP, as a prerequisite for further integrating their markets into the EU's single electricity market.

This work included reviewing and amending draft laws and by-laws submitted by Contracting Parties, as well as assisting in drafting provisions to ensure compliance with Electricity Directive (EU) 2019/944, Electricity Regulation (EU) 2019/943, ACER Regulation (EU) 2019/942, and with the network codes and guidelines related to electricity market and system operation – namely Regulation (EU) 2015/1222, Regulation (EU) 2016/1719, Regulation (EU) 2017/2195, Regulation (EU) 2017/2196, and Regulation (EU) 2017/1485. To do so, the Secretariat actively cooperated with the governments, ministries, parliamentary committees, regulators, system and market operators, including through the organisation of dedicated meetings and active participation in working groups established to draft Contracting Parties' laws.

In facilitating the implementation of the EIP, the Secretariat also actively cooperated with relevant European institutions such as ENTSO-E and its dedicated EnC TF, ACER, the All NEMO Committee, the Market Coupling Steering Committee, the Pentalateral Coordination Group – including through co-chairing of its dedicated Energy Community Joint Expert Team – along with relevant associations including but not limited to Energy Traders for Europe and EUROPEX. In tandem, the Secretariat cooperated with various projects, initiatives, and donors focused on enhancing electricity market integration and strengthening regional cooperation, helping to streamline and coordinate the delivery of assistance.

Finally, the Secretariat continually monitored the transposition of the new acquis, reporting on progress across relevant meetings, conferences, and stakeholder forums to enhance transparency and understanding of the process.

Accelerated integration of electricity markets

As previously indicated, in 2025, the Secretariat focused on accelerating the integration of the Contracting Parties' electricity markets into the EU internal market – in advance of their eventual EU accession. In addition to supporting the transposition and implementation of the acquis, this work included facilitating techni-

cal and regulatory alignment for market coupling and balancing integration, coordinating verification of compliance with the EIP, and strengthening cooperation among TSOs, NEMOs, and EU institutions to enable participation in EU market platforms.

The Secretariat facilitated discussions between relevant EU and Energy Community stakeholders on the practical steps for integrating the Contracting Parties' TSOs and NEMOs into the EU SDAC/SIDC. This included co-chairing the PCG JET Energy Community meetings and working closely with the European Commission to ensure a common understanding of the underlying framework and the necessary preconditions for SDAC/SIDC adherence. Discussions outlined a need for establishing a robust process of verifying compliant transposition of the EIP as a necessary precondition for enabling adherence of Contracting Parties into the SDAC and SIDC. In response, the Secretariat worked with the European Commission to establish a comprehensive verification process and organize a webinar explaining the scope and steps of the verification. Following Serbia's notification of the full transposition of the EIP, the Secretariat officially launched the compliance verification process for the submitted legal acts.

The Secretariat also followed and supported discussions among relevant stakeholders on two key initiatives. First, it contributed to the development of the Market Coupling Operator Integration Plan (MCO IP), prepared by all NEMOs. Second, it monitored the drafting of the Energy Community Capacity Calculation Region (CCR) reconfiguration proposal, developed by all TSOs and facilitated by ENTSO-E. Both are essential for the implementation of market coupling and the operationalisation of CCRs.

While the coupling of day-ahead and intraday markets was the core of the Secretariat's activities, it also responded to requests from several TSOs to clarify the minimum requirements for obtaining observer status in the integration of Contracting Parties into EU balancing platforms (IGCC, TERRE, MARI, PICASSO). This work aimed to accelerate balancing market integration in line with the requirements of the Electricity Balancing Guideline. The Secretariat also followed up on initiatives from several TSOs to ensure that a regional allocation platform is established and made operational in line with the Forward Capacity Allocation Regulation. The latter remains to be implemented.

The Secretariat regularly monitored progress in meeting the requirements for adherence to the EU SDAC/SIDC. It reported these developments in various formats, including PHLG meetings, PCG EnC JET, PCG CACM, MESC, and other dedicated meetings, workshops, and conferences. These reports helped improve understanding of the Contracting Parties' progress in transposing and implementing the EIP and supported the planning of their adherence to the EU platforms—contributing to a more predictable and efficient integration process.

The 30th Athens Electricity Forum in June 2025 further reinforced these messages, serving as a platform to review inte-

gration progress and set milestones for coupling the Energy Community Contracting Parties with the EU's single day-ahead and intraday markets. Stakeholders—including TSOs, NEMOs, regulators, and the European Commission—discussed the need for coordinated action on capacity calculation regions, VAT alignment, and cross-border coordination to ensure a smooth operational transition.

Lastly, as part of ongoing efforts to align regulatory conditions for electricity market integration, the Secretariat coordinated discussions with market participants to address emerging carbon-related requirements and ensure a level playing field in cross-border electricity trade. This included holding coordination meetings with electricity generation companies and traders from the Energy Community Contracting Parties, joined by representatives of Energy Traders Europe and other regional market participants. Discussions focused on the implications of the EU CBAM, including its impact and enforcement challenges within the context of electricity market integration. Participants also exchanged views on developing MRVA systems and exploring options for future carbon pricing mechanisms in the Energy Community.

Competitive, consumer-centered and flexible electricity markets

The Secretariat stepped up efforts this reporting period to strengthen the technical, institutional, and market foundations needed for a more integrated, flexible, and consumer-oriented regional electricity market across the Energy Community. Following the publication of the Study on Flexibility Options to Support Decarbonisation in the Energy Community, the Secretariat continued monitoring Contracting Parties' progress in enhancing system flexibility—a key requirement for competitive and consumer-centered electricity markets. Efforts focused on promoting the more efficient use of interconnectors, in line with the minimum 70% target under Regulation (EU) 2019/943, the development of energy storage projects, and the inclusion of demand response in market operations.

The Secretariat emphasised the importance of increasing cross-border capacities available to market participants—initially through coordinated capacity calculations, progressing to flow-based methods, and finally, through reinforcing internal transmission grids and interconnections, and adjusting transmission and distribution tariffs to support these investments in line with TYNDPs approved by regulatory authorities.

To further strengthen system flexibility, the Secretariat actively monitored and promoted energy storage development across several Contracting Parties, including Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, Serbia, and Ukraine. It supported access to EU and international financial institution (IFI) funding, including through positive assessments of storage-related applications under the WBIF and the promotion of Ukraine's 225 MW PECl energy storage project. In antic-

ipation of the second PEI selection process, the Secretariat expects several new energy storage projects to be nominated.

While no progress was recorded in 2025 on demand response mechanisms, the Secretariat plans to intensify engagement on this topic following the adoption of the network code on demand response in the Energy Community, mirroring its forthcoming implementation in the EU.

The ECDSO-E Coordination Group also played a key role in supporting the transition toward more flexible and consumer-focused electricity markets. Meeting twice in 2025, the group advanced discussions on market liberalisation, renewable and storage integration, and the deployment of smart grid and metering solutions to enhance consumer participation and system efficiency. It also supported regional initiatives such as the GIZ DSO Roadmap for the Western Balkans and maintained ongoing exchanges on tariff design, loss treatment, and ancillary services. Participation in the DSO Compliance Officers Network remained limited, with engagement mainly from Republic of Srpska's DSO.

Security of electricity supply

Through consistent technical coordination and monitoring, coupled with active engagement with ENTSO-E, ACER, and European TSOs, and participation in the EU-level Electricity Coordination Group, the Secretariat helped strengthen regional electricity security of supply while ensuring close alignment between Energy Community and EU actions. In 2025, the Secretariat stepped up this effort in response to major regional incidents, including blackouts in the Western Balkans in June 2024 and May 2025, as well as continued supply risks in Ukraine and Moldova.

In its capacity as a technical coordination, analytical, and monitoring body supporting regional preparedness and response to electricity supply incidents, the Secretariat liaised with an expert panel composed of ENTSO-E, ACER, and European TSOs analysing the June 2024 blackout, sharing feedback and recommendations for its final report. After the report's publication in early 2025, the Secretariat analysed and shared its main conclusions with the Security of Supply Coordination Group – Electricity Subgroup (SoS CG-SG-E). The SoS CG-SG-E also addressed the May 2025 blackout in North Macedonia, high-voltage issues across the WB6, and the outlook for electricity security of supply during summer months. ENTSO-E invited the Secretariat to join a dedicated working group tasked with monitoring the implementation of recommendations from expert panel reports related to incidents involving Energy Community Contracting Parties – including the 8 January 2021 system splitting and the 21 June 2024 and 18 May 2025 blackouts.

To monitor the legal aspects of the security of electricity supply issues, the Secretariat reviewed draft laws aimed to transpose Risk-preparedness Regulation (EU) 2019/941 and Commission Regulation (EU) 2017/2196 on Establishing a Network Code on

Electricity Emergency and Restoration. These activities involved the draft laws or governmental decisions of Albania, Bosnia and Herzegovina, Moldova, Montenegro, North Macedonia, Serbia and Ukraine. The Secretariat also reviewed and commented on the draft Security of Supply Statements submitted by Georgia and Moldova.

A major focus of the Secretariat's 2025 work on security of supply was Moldova, which lost access to its primary electricity supplier (MGRES) on 1 January 2025 following the cessation of Russian gas transit through Ukraine. To evaluate the implications, the Secretariat prepared analytical reports based on in-house assessments, including analyses of additional electricity and gas costs, emergency preparedness, and short- and medium-term measures to stabilise supply. These reports outlined crisis response options, summer preparedness actions, and investment priorities aimed at safeguarding Moldova's electricity security and resilience through 2026.

Finally, the Secretariat provided continuous support to DG ENEST on Moldova's energy reform agenda and contributed to related European Commission initiatives. This included expert missions to Moldova in June and July 2025, during which the Secretariat met with the Ministry of Energy, Energocom, Mold-electrica, ENTSO-E, the EU Delegation in Moldova, DG ENEST, and representatives of the Transnistrian authorities.

Gas Sector

This reporting period, the Secretariat reinforced its crucial role in advancing gas market integration across the Energy Community, supporting Contracting Parties in aligning with EU market regulations and adapting to the evolving energy security landscape shaped by the phase-out of Russian gas. Acting as a bridge between national systems and the EU internal market, the Secretariat helped lay the groundwork for a more interconnected, resilient regional gas system by promoting the transposition of network codes, strengthening cross-border coordination among regulators and TSOs, and advancing diversification through transparent, competitive market mechanisms and infrastructure development. These priorities were reaffirmed at the 20th Energy Community Gas Forum – the Secretariat's yearly platform for bringing together regional stakeholders, EU institutions, and industry representatives to advance gas market integration and energy security.

Transposition and implementation of the acquis

The Secretariat's assistance in advancing the transposition and implementation of the gas acquis was targeted to help Contracting Parties translate legal obligations and enable sound and compliant operational practices, strengthening regional gas market integration and long-term energy security in line with EU standards. Efforts focused on completing alignment with the EU's Third Energy Package with a view of the forthcoming incorporation of the EU Hydrogen and Gas Decarbonisation Package.

Particular attention was given to the implementation of gas network codes – including those on capacity allocation, balancing, and interoperability. Under the EU's fourth Gas Package, Member States will be required to apply them along all borders, including with non-EU countries, by August 2026, creating strong impetus for regional market integration. In parallel, the Secretariat provided targeted technical and legal guidance to national regulatory authorities and transmission and storage system operators on unbundling, certification, third-party access, and tariff methodologies, while facilitating regional coordination to ensure transparent and efficient cross-border operations. These efforts set the regulatory foundation for a more integrated and resilient regional gas market aligned with evolving EU standards.

Market integration

Through sustained cooperation with the European Commission and regional partners, the Secretariat reinforced the integration of Contracting Parties into the evolving European gas market, helping to establish the regulatory and institutional foundations for transparent, competitive, and interconnected regional gas systems.

Because progress on the transposition and implementation of network codes across the region remained uneven, the Secretariat prioritised technical and regulatory assistance to national regulatory authorities and TSOs, promoting consistent application of EU rules on regulatory coordination, capacity allocation, and tariff methodologies. Dedicated workshops and expert exchanges under the Gas Forum framework addressed gaps in regulatory harmonisation and practical implementation, particularly in tariff-setting and congestion management.

In terms of infrastructure to facilitate market integration, one of major focuses this year was the continued coordination of regional efforts around the Trans-Balkan Pipeline – a key route for enhancing energy security and diversification. In July 2025, the Secretariat published the study *Unlocking Commercial Attractiveness of the Trans-Balkan Pipeline System*, which outlines a series of technical, regulatory, and commercial measures to enable compliant and financially viable reverse-flow operations.

Security of Supply: Gas

By actively monitoring and supporting the Contracting Parties in implementing the *acquis* related to the security of gas supply, the Secretariat ensures consistent, secure, and rule-based gas market and crisis preparedness across the Energy Community, including gas storage availability— directly reinforcing regional energy security and resilience in line with EU standards. Through regular reporting, targeted technical assistance, and close coordination with national authorities, the Secretariat helps translate legal obligations into concrete measures that safeguard supply stability and strengthen preparedness against potential disruptions.

The Decision 2024/01/ECS-EnC on filling storage trajectories for 2025 was adopted in accordance with Regulation (EU) 1032/2022, as incorporated into the Energy Community framework. The Secretariat closely monitored compliance with these trajectories and intervened when deviations were observed – notably in Ukraine in early 2025. In May, July, September, and November 2025, both Serbia and Ukraine, the only Contracting Parties with gas storage facilities, had successfully met their filling targets.

To strengthen a coordinated and proactive approach to gas security, the Secretariat advanced the implementation of Safeguarding the Security of Gas Supply Regulation (EU) 2017/1938. In February 2025, it published a report on the Regulation's application, which requires Contracting Parties to prepare risk assessments, preventive action plans, and emergency plans to ensure a harmonised response to potential supply disruptions. The report highlights the need for closer regional cooperation and solidarity mechanisms to enhance Contracting Parties' capacity to prevent and manage gas crises in coordination with EU Member States. It also underscores the importance of continued diversification of supply routes, strengthened interconnections, and the strategic use of gas storage—particularly Ukraine's. In June, together with the Joint Research Centre, the Secretariat organised a regional workshop to enhance technical and regulatory capacity among Western Balkan Contracting Parties.

Throughout the year, the Secretariat reviewed and issued opinions with recommendations on the plans submitted by Moldova and Georgia, ensuring consistency with the regulation and EU best practices. With the Secretariat's support, Moldova is preparing a tabletop emergency exercise for early 2026 to test crisis response procedures and update its plans. In Ukraine, the Secretariat assisted authorities in drafting amendments to the Gas Law to transpose the regulation, while in North Macedonia, the new Energy Law adopted in May 2025 established the legal basis for implementation and the preparation of the first risk assessment with JRC support.

Finally, the Secretariat played a central role in aligning the Energy Community's gas security framework with evolving EU legislation and ensuring active regional coordination and representation in EU-level energy security discussions. Following the mid-2025 amendment of the EU Storage Regulation, the Secretariat supported the European Commission in preparing the corresponding proposal for adoption by the Energy Community Ministerial Council in December 2025. The proposal was discussed and endorsed at an expert level within the Security of Supply Coordination Group – Gas Subgroup, which convened three regular and one ad-hoc meetings during the year. The Secretariat also regularly represented the Energy Community in meetings of the EU Gas Coordination Group, including high-level consultations on the evolving EU energy security architecture.

Hydrogen and other renewable gasses

The Secretariat advanced preparatory work to support the future integration of hydrogen and renewable gases into the Energy Community framework, in line with the EU Hydrogen and Gas Decarbonisation Package. Hydrogen developments across the region remain at an early stage, with most Contracting Parties yet to incorporate hydrogen into their energy strategies or legal frameworks. Nevertheless, the Secretariat kicked off cooperation with the European Hydrogen Operators' newly established organisation, ENNOH. The ongoing preparation of NECPs – supported by the Secretariat – provides an important opportunity to introduce hydrogen-related objectives, identify investment needs, and strengthen the policy basis for future market and infrastructure development.

In terms of renewable gases, significant attention was devoted to the development of the biomethane sector in Ukraine through bilateral discussions with stakeholders, participation in the work of the biomethane industrial partnership task force 6 (dedicated to Ukraine), and the implementation of a project launched at the end of 2024 with financial support from the United Kingdom. The project's scope includes the preparation of three analytical notes assessing the potential of new feedstocks for biomethane production – namely intermediate crops, lignocellulosic materials, and algae – a comprehensive two-month online training programme for small farmers, and a national conference for the domestic industry held in Kyiv.

Ukraine's full export potential depends on recognition and acceptance mechanisms at the EU and Member State levels, while the national market must be aligned with the requirements of the REDII. Beyond Ukraine, no other Contracting Party has articulated plans to develop renewable gases or inject them into national gas grids. The Secretariat continues to promote renewable gas development through dedicated sessions at the Gas Forum and joint workshops with partner institutions.

Methane leakage

While the EU Regulation on methane emissions in the energy sector has not yet been adopted within the Energy Community framework, preparatory work continued to facilitate future alignment. Several companies in the region voluntarily joined the OGMP 2.0 framework, reporting on their methane emissions, while all Contracting Parties have endorsed the Global Methane Pledge, underscoring a shared commitment to reducing emissions beyond the formal scope of the Energy Community acquis.

To build the technical and institutional capacity to implement the forthcoming EU Methane Regulation, The Secretariat actively promoted awareness and knowledge exchange on methane monitoring and mitigation technologies, organising a well-attended Monthly Methane Mondays webinar series for the fourth year. The principles of methane mitigation were further promot-

ed among the gas and oil industries through bilateral engagement and dedicated sessions at the Oil and Gas Forums.

Governance of the Energy Union & Climate Action

In 2025, the Secretariat advanced the transposition and implementation of the climate and governance acquis, supporting Contracting Parties in meeting the requirements of the adapted Governance Regulation (EU) 2018/1999. Efforts focused on strengthening institutional capacity for climate reporting, national planning, and just transition integration through targeted assistance and close coordination with the European Environment Agency (EEA), the European Commission, and other partners. These efforts ensured continued alignment with EU decarbonisation and governance objectives and prepared Contracting Parties for deeper integration into the EU's energy and climate governance framework.

Transposition and implementation of the acquis

To address the limited administrative capacity that hinders effective implementation of the adapted Governance Regulation, the Secretariat prioritised coordinating and streamlining technical assistance to strengthen capacity and ensure high-quality reporting.

In 2025, the Secretariat assisted in establishing Contracting Parties' institutional frameworks and data-reporting systems required to meet the climate reporting obligations set out in the adapted Governance Regulation. Through strengthened collaboration with the EEA, targeted technical trainings, and bilateral engagements, the Secretariat supported the preparation of integrated progress reports (IPRs) and strengthened national capacities for timely and accurate reporting through the EEA's Reportnet platform and the EUs ReportENER system.

The Secretariat's enhanced partnership with the EEA included a joint regional training on reporting obligations, held in February. Experts from Contracting Parties attended the event to deepen their understanding of new requirements on greenhouse gas (GHG) projections, integrated policies and measures (PaMs), and renewable energy and energy efficiency obligations outlined in the adapted Governance Regulation. Participants also received hands-on guidance on submission of workflows in the reporting systems. Further regional trainings are planned for 2026.

Enhancing just transition in the context of governance and planning

In parallel to strengthening reporting obligations, the Secretariat supported its Contracting Parties in integrating the social dimension of decarbonisation into national planning frameworks. It did so through both direct engagement via the Just Transition Forum and through written guidance, including the publication of Policy Guidelines 01/2025-ECS on Just Transition as a Part of Integrated Energy and Climate Planning. The latter is aimed

at addressing identified gaps and promoting a more consistent, EU-aligned planning framework across the Contracting Parties.

Recognising the many dimensions of a just transition, the Secretariat continues to engage a wide range of stakeholders—including NGOs, trade unions, coal mine management, and electricity generators—to strengthen dialogue and shared understanding of the challenges and opportunities of the energy transition. To further facilitate the exchange of best practices, the Secretariat launched a dedicated webinar series on the just transition during the reporting period. Finally, the Just Transition Young Voices Awards highlighted youth visions for a just energy transition, with winning stories from Kosovo*, Georgia, and Ukraine featured in regional media and accompanied by professional development opportunities.

National Energy and Climate Plans

During the reporting period, the Secretariat issued formal Recommendations on draft NECPs to strengthen their credibility, analytical basis, and alignment with the Energy Community acquis and EU governance standards. On 31 March 2025, the Secretariat published Recommendations 1/2025 on Montenegro's draft NECP. In parallel, Moldova adopted its NECP on 26 February 2025, a plan informed by the Secretariat's earlier Recommendations 1/2024 (issued 2 April 2024).

To consolidate implementation of insights, the Secretariat maintained an internal workstream assessing data and policies across all five dimensions of the Energy Union. This workstream cross-checked NECP targets and trajectories against Energy Community acquis requirements, reviewed PaMs for completeness and credibility, and benchmarked financing needs and delivery mechanisms. It also integrated data from the first IPRs—due on 15 March 2025 under the adapted Governance Regulation—along with submissions through Reportnet and ReportENER, to build a harmonised evidence base. A first synthesis report on adopted NECPs and IPRs will be published in the first half of 2026, drawing on these assessments and verified reporting.

MRVA and Carbon pricing

A large part of the Secretariat's assistance in advancing the implementation of the climate acquis focused on strengthening the systems required for credible emissions monitoring and carbon pricing across the Energy Community. With the Secretariat's support, Contracting Parties continued building the frameworks essential for transparent GHG reporting, effective decarbonisation policies, and future participation in EU carbon market mechanisms.



The Energy Community 20th Anniversary Gala, Athens, Greece, July 2025

Transposition and implementation of the acquis

MRVA

As Contracting Parties continued the transposition and implementation of legal acts on the MRVA of GHG emissions at the installation level, the Secretariat provided targeted guidance to ensure the accuracy and comparability of emissions data—forming the foundation for effective climate policy, carbon pricing mechanisms, and alignment with EU monitoring standards. Due to the complexity of these legal acts and the limited capacity of national institutions, progress varied across the region.

To support the Contracting Parties, the Secretariat identified gaps and barriers in the transposition and implementation of MRVA legislation and compiled an internal MRVA Gap Report. It subsequently held targeted consultations with national authorities, EU-funded projects, and European Commission experts to address challenges. In parallel, the Secretariat provided bilateral technical assistance, legislative drafting support, and capacity-building through workshops, trainings, webinars, and country missions to strengthen the institutional capacity of Contracting Parties and other MRVA stakeholders.

Carbon Pricing

Although carbon pricing is not yet part of the Energy Community acquis, it remains a key area of preparatory work toward future alignment with EU climate policy. To this end, work on carbon pricing advanced, following the presentation of the impact assessment to the Ministerial Council in December 2024. Most Contracting Parties expressed a preference for developing national carbon pricing systems adapted to their specific contexts. The Secretariat and the European Commission, however, reiterated the advantages of a coordinated approach to avoid asymmetric obligations, market distortions—particularly within established electricity market zones—and carbon leakage. Both institutions will explore options to strengthen regional coordination, drawing on the political and legal instruments available under the Energy Community Treaty.

CBAM Readiness

Facilitating dialogue and information exchange on the implications of CBAM for the Energy Community region and its markets was a priority for the Secretariat this year, as CBAM will enter its definitive stage in 2026 and directly affect electricity exports to the EU.

In line with its mandate to monitor the implementation of the energy and climate acquis, the Secretariat conducted targeted outreach to power companies, traders, and other stakeholders exporting electricity to the EU and therefore subject to CBAM requirements. The workstream's flagship output, the CBAM Readiness Tracker 2025 assessed Contracting Parties' progress against exemption criteria under Article 2(7), including market

coupling and broader indicators such as electricity trade, 2030 target trajectories, coal phase-out, long-term strategies, and steps toward carbon pricing and MRVA.

Renewables

In 2025, the Secretariat advanced implementation of the renewable energy acquis, strengthening transparent and investable frameworks for clean energy across the Energy Community. Key efforts focused on expanding power purchase agreements (PPAs), guarantees of origin (GOs), and renewable fuels in transport—essential for Contracting Parties' deeper integration with the EU energy market and achievement of 2030 renewable targets.

Transposition and implementation of the acquis

Work continued on strengthening the investable framework under the renewables acquis, including reporting under the Governance Regulation and advancing PPAs and GOs. The Secretariat provided targeted assessments of renewable energy laws and secondary legislation—such as auction rulebooks and related by-laws—offering model provisions and drafting guidance to align with the acquis and ensure transparent, bankable, and competition-compliant implementation.

Building a sound framework for investments

As renewables expanded across the region, The Secretariat's efforts laid the foundation for a more predictable and investor-ready framework—crucial for accelerating the Energy Community's integration with the EU electricity market and supporting its transition toward clean, interconnected energy systems.

The Secretariat's annual Conference on Advancing Renewable Investments has become a flagship platform for driving the region's clean energy transition. Bringing together governments, regulators, system operators, investors, and private sector leaders from the Energy Community and the EU, the conference fosters dialogue, partnerships, and knowledge exchange on accelerating renewable investment and integration across the region. This year's conference, due in November, will advance discussions on strengthening market-based integration with the EU and enhancing investor confidence through PPAs and the rollout of electronic registries for GOs. It also addresses potential CBAM impacts.

Guarantees of Origin (GOs)

The Energy Community's regional project on GOs reached a key milestone in 2025, with nine of ten issuing bodies operationalising electronic registries aligned with Energy Community requirements and the EU acquis. With this first phase completed, efforts now focus on achieving mutual recognition of GOs between Contracting Parties and EU Member States. The Secretariat is supporting this process through technical discussions on recognition criteria and capacity-building webinars to facil-

itate the first regional GO transfers—an essential step toward cross-border renewable electricity trade with EU Member States.

Power Purchase Agreements (PPAs)

In 2024, the Energy Community completed its regional project on PPAs with the publication of the study *Renewable Power Purchase Agreements in the Energy Community*, outlining key barriers and proposing measures to attract private investment and strengthen market integration. This year, recognising the role of PPAs in ensuring long-term financial stability for renewable projects and attracting private investment, the Secretariat continued its dialogue with Contracting Parties and stakeholders to advance the implementation of the study's recommendations and promote broader PPA uptake across the region.

Mainstreaming renewable energy use in the transport sector and sustainability criteria for biofuels, bioliquids and biomass fuels

In 2025, the Secretariat launched technical assistance to support five Contracting Parties in fully transposing REDII into their national legal frameworks and in strengthening institutional and regulatory mechanisms for renewable fuels in the transport sector. Under this assistance, concepts will be developed for the implementation and monitoring of obligations for fuel suppliers, as well as for the application and verification of sustainability and GHG emissions saving criteria for biofuels, bioliquids, and biomass fuels. These concepts will build on EU and Energy Community best practices and serve as a foundation for drafting secondary legislation to ensure full transposition of REDII provisions and consistency with existing national frameworks.

Activities for Montenegro and Bosnia and Herzegovina will be implemented from June 2025 to January 2026, while those for Ukraine, Moldova, and Georgia, conducted under the umbrella of the EU4Energy Project, will run from September 2025 to March 2026. The technical assistance will conclude with a regional workshop to exchange best practices and promote regional coherence in implementing renewable transport fuel policies.

Energy Efficiency

The Secretariat supported Contracting Parties in building robust legal, institutional, and planning frameworks to reduce energy demand and promote citizen-centred decarbonisation. Key efforts focused on applying the energy efficiency first (EE1st) principle, addressing energy poverty, and ensuring effective transposition of the Energy Efficiency Directive 2023/1791 (EED)—core elements for achieving the Energy Community's 2030 efficiency targets and aligning with the EU framework.

Transposition and implementation of the acquis

As part of supporting the transposition and implementation of the EED and related acquis, the Secretariat (at the request of Con-

tracting Parties and the European Commission) carried out ad hoc conformity checks of draft transposition acts and implementing rulebooks, including provisions on public sector renovation obligations and the design of energy efficiency obligation schemes. The Secretariat provided structured drafting comments, model provisions, and implementation guidance to address identified gaps and strengthen legal clarity and enforceability.

Buildings and social aspects

In 2025, the Energy Community deepened its work on the social and building dimensions of the clean energy transition, promoting energy efficiency as a driver of affordability, resilience, and inclusion.

EE1st and Institutional Coordination

Following the Ministerial Council's Recommendation 2024/1/MC-EnC, Contracting Parties were encouraged to establish legal and institutional frameworks, in line with Article 3 of EDD, to ensure energy efficiency is systematically integrated into planning and investment decisions across all sectors.

To support this, the Secretariat organised a series of Energy Efficiency Coordination Group (EECG) meetings to exchange best practices and advancing the practical application of the EE1st principle, particularly in the buildings sector. The Secretariat will additionally assess the integration of EE1st within NECPs and provide targeted support to Contracting Parties—such as Moldova, through the MIER Project—to embed the principle into national legal frameworks.

Collaboration with the ODYSSEE-MURE Project also continued, with a joint meeting in November 2025 to strengthen Contracting Parties' capacity to monitor and evaluate the multiple benefits of energy efficiency.

Study on Energy Efficiency and Energy Poverty

A major milestone in 2025 was the completion of the Energy Community's first study on implementing the EE1st principle in buildings, with a focus on reducing energy poverty. Developed with input from the Secretariat and the Energy Efficiency and Energy Poverty Coordination Groups, the study demonstrates how targeted renovations and innovative financing models can cut household energy demand by up to 60%, improve health outcomes, and create local jobs—yielding societal benefits up to three times greater than direct energy savings.

To support its implementation, the Secretariat is preparing Policy Guidelines, including defining energy poverty in legislation, establishing national energy efficiency funds, and integrating EE1st into energy efficiency obligation schemes.

Energy Infrastructure

Following the adoption of Regulation (EU) 2022/869 on Guidelines for Trans-European Energy Infrastructure (revised TEN-E Regulation), incorporated and adapted by Ministerial Council Decision 2023/02/MC-EnC of 14 December 2023 and further amended by Decision 2023/03/MC-EnC, the Energy Community adopted its first PEI list of strategically important infrastructure projects with a regional dimension in December 2024. This year, the Secretariat continued its activities related to the implementation of the regulation and the PEI framework, supporting the development and monitoring of priority infrastructure projects across the region.

In January 2025, PLIMA was updated with data on six electricity-related PEI projects, offering potential investors and stakeholders an overview and essential data on the projects featured in the latest PEI list.

The transposition of the TEN-E Regulation in the Contracting Parties was actively monitored, with the Secretariat providing clarifications and legal support in response to specific requests and draft legislation submitted for review. In this context, the Secretariat examined Montenegro's draft Law on Cross-Border Energy Infrastructure Projects and Ukraine's draft Law on Infrastructure Projects of Public Interest in the Energy Sector, delivering comments to the respective ministries to ensure accurate and consistent transposition of the regulation.

In February 2025, the Secretariat organised a PEI investment meeting following intensive discussions with the European Commission and international financial institutions (IFIs) on potential sources of investment for PEI projects. The meeting brought together representatives from the European Commission (DG ENER and DG ENEST), IFIs (EBRD, KfW, AfD, EIB, JASPERS, WB), ministries, TSOs, and PEI project promoters to discuss possible financial support for each project and the conditions to be met under the respective funding instruments.

The Secretariat also supported two PEI projects—the 400 kV internal ring in Albania and the new 400 kV interconnection between Albania and Kosovo*—in their applications for WBIF technical assistance grants. By promoting the PEI label as a key eligibility criterion for WBIF support and providing positive reviews of the applications prepared by the project promoters (OST and KOSTT), the Secretariat helped both projects secure technical assistance (TA) grants to prepare pre-feasibility and feasibility studies, as well as environmental and social impact assessments.

The Secretariat initiated preparations for the second PEI selection process, scheduled to launch at the end of 2025. A clear timeline for the process was defined, incorporating lessons learned, and terms of reference and procurement documents were prepared for the consultancy supporting its implementation. Following the publication of the procurement note in September 2025, the Energy Institute Hrvoje Požar (EIHP) was contracted to carry out market and network simulations.

After the kick-off meeting with the consultants in early November and the review of their inception report later that month, the project nomination and country-specific data collection process will begin on 1 December 2025, followed by intensive analytical and evaluation activities throughout 2026. In parallel, the Secretariat presented its ongoing PEI-related activities to the European Commission, CESEC, EUSAIR, and other regional and international initiatives, and maintained close coordination with ENTSO-E on cooperation for the upcoming process.

Finally, the Secretariat is also planning to organise an educational workshop on cost-benefit analysis for potential project promoters participating in the second PEI selection process. The workshop will provide practical guidance on maximising the net present value and benefit-cost ratio of proposed investment projects. It is scheduled to take place immediately before or after the opening of the new project nomination call.

Environment

Considering expected developments in renewables-based generation capacities, it is highly important the environmental acquis keeps up with the energy sector. To that end, the Secretariat actively engaged in monitoring and reporting, as well as assisting Contracting Parties in implementing the environmental acquis, including the directives on environmental impact assessment (EIA), strategic environmental assessment, wild birds' protection, sulphur content of liquid fuels, large combustion plants, and environmental liability.

Efforts this year focused on strengthening environmental governance, improving air quality and industrial emissions management, and integrating environmental considerations into energy and climate policymaking. Furthermore, the Secretariat, through the work of the Environmental Task Force, facilitated the development and negotiation of proposals related to nature protection and water management.

Cyber Security

In 2025, the Secretariat advanced work on strengthening cybersecurity in the Energy Community electricity sector, with a particular focus on preparing for the adaptation of the Commission Delegated Regulation (EU) 2024/1366 establishing the network code on cybersecurity (NCCS) for cross-border electricity flows. Following the Ministerial Council's 2024 request for the Secretariat and the European Commission to prepare the NCCS's adoption in the Energy Community by the end of 2026, the Secretariat prepared a legal and technical assessment report in February 2025 to inform discussions with the European Commission on the appropriate Treaty basis for adoption.

Because a final agreement with the European Commission on the appropriate legal basis for adoption had not yet been reached, the Secretariat prepared a draft adapted version of the NCCS during the summer, working under the assumption that

either Title III or Title IV of the Energy Community Treaty would serve as the basis for its adoption. In September, the Secretariat organised a meeting of the Coordination Group for Cybersecurity and Critical Infrastructure (CySCG) to review the draft. Participants circulated the document nationally among experts and provided consolidated feedback. Following the receipt of comments, the Secretariat's Electricity Unit revised the draft and transmitted it to the Legal Unit for final adjustments. Once this process is completed, the document will be submitted to the European Commission for final input before being presented to the Ministerial Council for adoption in December.

At the CySCG meeting, participants also discussed legal and practical cybersecurity challenges faced by the Contracting Parties. Based on these exchanges, the Secretariat prepared concise country-specific summaries of cybersecurity issues, included in the Energy Community's 2025 Implementation Report.

Cooperation with National Authorities

This reporting period, by working closely with regulators, competition and State aid authorities, and national statistical offices, the Secretariat helped reinforce the foundations of transparent, rules-based, and data-driven energy governance.

ECRB and Energy Regulators

The Energy Community Regulatory Board (ECRB), the independent body of energy regulators established under the Energy Community Treaty, advances regional energy regulation, advising the Ministerial Council and PHLG on statutory, technical, and regulatory matters, and making recommendations in the case of cross-border disputes between regulators. The Secretariat provides the institutional backbone and expert capacity that allows the ECRB to function as a cohesive network – ensuring regulatory consistency, cross-border cooperation, and effective application of the EU-aligned energy acquis.

In 2025, the Secretariat's support to the ECRB encompassed institutional coordination, technical and analytical assistance, capacity-building, and oversight, strengthening the technical foundation needed to advance electricity and gas market integration within the Energy Community. This included continued support for the ECRB's working groups – Electricity, Natural Gas, Customer and Retail Markets, and REMIT – and its task forces (including PECl) in delivering tasks arising from the acquis and the ECRB's annual work programme. Through organising ECRB meetings and coordinating the work of national regulatory authority experts, the Secretariat ensured consistent cooperation among regulators region-wide. It also supported the preparation of analytical reports, drafted decisions and opinions, and delivered capacity-building activities in close cooperation with EU and international partners.

Much of the Secretariat's support focused on the ECRB's expanded mandate under the EIP, which empowered the Board to issue decisions and opinions on key rules governing market integration. The Secretariat also monitored Contracting Parties' implementation of REMIT Regulation (EU) 1227/2011, as adapted and adopted for the Energy Community. It worked closely with national regulatory authorities (NRAs) in assessing potential cases of market abuse and strengthening their enforcement capacities, while engaging with the European Commission and ACER on the full adaptation of REMIT within the Energy Community acquis.

Complementing this work, the Secretariat provided regulatory and institutional oversight to NRAs and periodically assessed NRA institutional governance, independence, and conduct. The findings of these NRA assessments are reflected in the 2025 Implementation Report, contributing to stronger, more transparent, and independent regulatory institutions across the Energy Community.

Competition and State Aid Authorities

Ensuring fair competition and transparent markets is essential for the Energy Community's deeper integration with the European Union's internal market – and therefore remains a key priority of the Secretariat's support to and cooperation with national authorities. Throughout 2025, the Secretariat monitored and assisted the work of national competition and State aid authorities in enforcing the prohibition of anti-competitive agreements, abuse of dominance, and State aid. To strengthen cooperation and promote a consistent approach to enforcement, the Secretariat convened the Competition Forum, serving as a platform for dialogue, knowledge exchange, and the sharing of best practices among competition and State aid authorities across the Contracting Parties.

Statistics Authorities

Aligning the Energy Community's statistical frameworks with EU standards ensures transparent and comparable energy data, strengthening governance and supporting the region's gradual integration with the European Union. Harmonised statistics serve as a key tool for monitoring implementation and compliance with Ministerial Council policy objectives and targets, based on comparable indicators and methodologies aligned with EU rules.

In 2025, the Secretariat further enhanced cooperation with national statistical authorities to improve the quality, consistency, and comparability of energy data across the Energy Community. Collaboration with Eurostat, the IEA, and other partners continued to advance methodological alignment, capacity building, and compliance with Regulation (EC) 1099/2008 on Energy Statistics. Early this year, the process to amend this regulation, reflecting changes introduced by Commission Regulation (EU) 2024/264 of 17 January 2024, was launched. It should be finalised by the end of 2025.

As part of its ongoing cooperation with Eurostat, the Secretariat organised an exchange meeting covering the Implementation Report assessment process; electricity, oil (under Directive 2009/119/EC), gas, and hydrogen statistics; energy poverty and efficiency (SILC data); and NECP reporting and data validation using Eurostat datasets. Follow-up webinars on selected topics will be held.

Coordination of Donors' Activities

This reporting period, the Secretariat strengthened its role as a coordination hub for donors, international financial institutions, and development partners, ensuring that external assistance was strategically aligned with the Energy Community's reform and investment priorities. Through regular coordination meetings and continuous dialogue, the Secretariat promoted complementarity among programmes, avoiding duplication, and maximising the impact of donor-funded initiatives.

Implementation of NECPs

NECPs are a central strategic tool for coordinating investment and donor support across the Energy Community—anchoring financing, policy alignment, and risk reduction for the energy transition. In 2025, the Secretariat advanced this agenda by issuing formal recommendations to strengthen the quality and credibility of draft NECPs, ensuring full alignment with the Energy Community acquis and EU governance standards, the details of which are presented in earlier sections of this report.

The Secretariat's upcoming Synthesis Report on NECPs and Integrated Progress Reports, to be published in early 2026, will provide the first consolidated overview of implementation progress and investment priorities across Contracting Parties—enabling donors and partners to better align and target their support for maximum impact.

Providing support to Donors in Ukraine

In 2025, the Secretariat strengthened its central role in coordinating and implementing donor assistance for Ukraine's energy sector amid ongoing wartime challenges. Through mechanisms such as the Ukraine Energy Support Fund (Fund), the Ukraine Energy Market Observatory, and targeted initiatives promoting renewable energy and biomethane development, the Secretariat provided the analytical, operational, and technical foundation for effective donor engagement in the sector. Taken together, these mechanisms created the transparency, coherence, and technical clarity needed to guide donor investments, accelerate reconstruction, and align Ukraine's energy transition with EU standards.

Ukraine Energy Support Fund

Established in April 2022 at the request of the European Commission and the Ministry of Energy of Ukraine, the Fund is managed by

the Energy Community Secretariat under Article 67 of the Energy Community Treaty. In 2025, as in previous years, it continued to play a central role in countering the impact of attacks on Ukraine's critical energy infrastructure amid Russia's war of aggression.

The Fund's framework is built on three core agreements which ensure efficient coordination, transparent governance and accountability: Grant Agreements between the Secretariat and individual donors, defining earmarking and reporting modalities; a Fiduciary Agreement between the Secretariat and the Ministry of Energy of Ukraine, establishing oversight and coordination responsibilities; and a Framework Agreement between the Ministry and eligible Ukrainian energy companies, regulating the procedures for obtaining requested support. Starting in 2026, its operating costs will be covered through a management fee drawn from donor contributions.

As of 1 October 2025, international donors had pledged EUR 1,28 billion to the Fund. Its flexible design enabled resources to be allocated swiftly in response to evolving conditions and Ukraine's urgent energy needs. Upon approval by the Ministry of Energy of Ukraine, the funds were and continue to be directed toward procuring critical equipment needed to maintain and restore the resilient operation of the national energy system.

To date, the Fund has received support requests amounting to approximately EUR 1,6 billion, allocated EUR 1,08 billion, concluded contracts worth EUR 750 million, and delivered equipment and services valued at more than EUR 500 million. Beyond delivering immediate emergency assistance, this year it also consolidated its role as a long-term mechanism for enhancing Ukraine's energy resilience and advancing alignment with European energy and climate objectives.

Ukraine Market Observatory

The Ukraine Energy Market Observatory is a central platform for monitoring and assessing developments in Ukraine's electricity, gas, renewable energy sectors and environment amid ongoing wartime challenges. In doing so it, provides the evidence-based analysis to inform donor coordination and strategic decisions, shaping Ukraine's post-war reconstruction and integration, supporting the country energy market resilience and its integration with the EU's internal energy market.

Throughout the year, the Observatory issued four Assessment Notes evaluating the compliance of draft legislation and policy measures with Energy Community law, including reviews of draft laws on renewable energy, renewable gases and electricity market regulation (Notes 01/25–03/25) and, most recently, Assessment Note 04/25 (October 2025) on the separation of the renewable energy surcharge from the electricity transmission tariff for 2025–2026 — a key reform to improve RES support scheme transparency and financial sustainability.

The Observatory also published quarterly reports tracking the evolution of Ukraine's energy markets, regulatory reforms, and institutional developments, including progress under the EIP, independence of the regulator, and corporate governance of transmission system operators. The reports also cover governmental and regulatory decisions implementing the energy reforms under the Ukraine Plan providing up to date information to interested stakeholders.

Cross-Border Sustainable Renewable Energy Acceleration

The Secretariat is dedicated to preparing the groundwork for the cross-border deployment of sustainable renewable energy, drawing on its regional mandate, technical expertise, and partnerships to support the alignment of policy, planning, and investment across borders.

To this end, in partnership with the European Climate Foundation, the Secretariat implemented the Cross-Border Sustainable Renewable Energy Acceleration in Ukraine project to advance the country's green recovery and integration into the EU energy market. As part of this, the Secretariat supported Ukrainian authorities in defining criteria and GIS input layers for mapping Renewables Acceleration Areas (RAAs) across five oblasts – Lviv, Zakarpattia, Ivano-Frankivsk, Chernivtsi, and Vinnytsia. Drawing on expert research and extensive stakeholder consultations, the project produced tailored RAA identification criteria, GIS-based mapping of renewable energy potential accompanied by a technical report and analysis, and stakeholder briefs designed to strengthen engagement with EU financing instruments.

Biomethane Sector Development

With a technical potential to produce over 20 billion m³ of biomethane annually, biomethane can help drive energy independence, strengthen energy security, and contribute to alleviating the impact of Russia's war on the Ukrainian population, while also supplying Europe's growing renewable gas market.

Launched in February 2025 and financed by the Government of the United Kingdom of Great Britain and Northern Ireland through the Foreign, Commonwealth & Development Office, the Ukrainian Biomethane Sector Development Project responds to this opportunity. It focuses on advancing practical solutions for renewable gas production while enhancing energy efficiency, promoting green investments, and diversifying renewable energy sources – particularly bioenergy – to help stabilise Ukraine's energy system in the aftermath of the conflict.

To unlock biomethane's potential, in 2025 the project developed three analytical studies on innovative raw materials for biomethane production, including cover crops grown between harvests, lignocellulosic residues such as straw and stalks, and microalgae cultivated on the digestate of biogas plants.

Providing support to donors in Ukraine, Moldova, and Georgia

The Secretariat reinforced its position as a trusted implementation partner to donors supporting the energy and climate transitions of Eastern Partnership countries – Ukraine, Moldova, and Georgia. By bridging policy, finance, and implementation through its analytical, fiduciary, and technical expertise, the Secretariat ensured that donor investments across the region delivered lasting institutional impact and advanced integration with the European energy and climate framework.

EU4Energy Governance (Phase II+)

The EU4Energy Governance Project (Phase II+) – co-funded by the European Union and implemented by the Energy Community Secretariat – took on renewed strategic importance this year as Ukraine and Moldova advanced toward EU accession negotiations. Running from 2022 to 2026, the project supports the clean energy transition and energy security of the Eastern Partnership countries – Georgia, Moldova, and Ukraine – by advancing the transposition and implementation of the Clean Energy Package and other reforms essential to aligning national energy markets with the European Union. It also helped to ensure access to energy for vulnerable populations in Ukraine amid wartime challenges.

As a cornerstone initiative for the region's future integration with the EU, the Secretariat provided targeted expertise in renewable energy, energy efficiency, and gas and electricity market reform, strengthening institutional capacities and supporting both the alignment and effective implementation of national legal frameworks with the EU acquis, as outlined in the Association Agreements and the Energy Community Treaty.

Moldova Energy Resilience and Independence Project

The Moldova Energy Resilience and Independence Project – implemented by the Energy Community Secretariat with support from international partners – emerged as a cornerstone initiative in advancing Moldova's energy sector transformation and EU integration efforts. The project enhances Moldova's legislative and regulatory framework in line with its obligations under the Association Agreement with the European Union and the Energy Community Treaty, driving reforms across the gas and electricity markets, renewable energy, energy efficiency, and energy poverty.

Through close cooperation with national institutions – including the Ministry of Energy, the national energy regulator, the statistical office, and the agencies for energy efficiency and decarbonisation – the Secretariat supports efforts to strengthen institutional capacity, improve energy security, and ensure effective implementation of the EU energy acquis. In parallel,

it plays an important role in supporting donor coordination, ensuring that externally funded assistance aligns with Moldova's EU and Energy Community obligations, complements national reform priorities, and delivers measurable outcomes in energy security and decarbonisation.

EU4Climate Resilience

Following the signing of a grant agreement with GIZ in May 2025, the Secretariat began implementing the EU4Climate Resilience Project, an EU-funded initiative that advances the integration of Eastern Partnership countries into the European climate and energy framework by strengthening climate resilience, accelerating the green transition, and advancing decarbonisation.

The project supports authorities in Armenia, Moldova, and Ukraine in strengthening alignment with and implementation of the Paris Agreement or climate related EU acquis and bilateral agreements with EU. It also contributes to improving MRVA systems.

Through this initiative, the Secretariat provides technical assistance to ensure that donor-funded activities translate into practical policy outcomes and measurable progress toward compliance with EU standards. Expected deliverables for the three participating countries include: capacity-building to strengthen technical, institutional, and administrative expertise within key energy and environment bodies; a comprehensive gap analysis assessing the transposition of MRVA legislation and identifying implementation gaps; and draft legislation and technical documentation to support Ukraine's alignment with the EU MRVA and ETS acquis.

Providing support to donors in Western Balkans

By coordinating regional initiatives and providing analytical, technical, and institutional support, the Secretariat helped ensure that donor assistance in the Western Balkans was channelled effectively toward decarbonisation, air quality improvement, and sustainable energy reforms. These efforts strengthened regional cooperation, advanced alignment with the EU energy and climate acquis, and contributed to a more resilient and sustainable, and integrated energy future for the Western Balkans.

Berlin Process and Green Agenda

To advance a just and sustainable energy transition in the Western Balkans, the Secretariat actively contributed to the implementation of the Green Agenda for the Western Balkans within the Berlin Process framework. Working closely with the Regional Cooperation Council, regional partners, and the WB6 economies, the Secretariat focused on the revision of the Green Agenda Action Plan, ensuring that updated priorities were fully aligned with the decarbonisation pathways of the WB6 economies and that the Energy Community framework continued to serve as a key vehicle for implementing the

Green Agenda's objectives and directing donor support toward shared regional goals.

The Secretariat's Director represented the institution at the Western Balkans Green Agenda Ministerial held in Dubrovnik in October, where the revised Green Agenda, the Adaptation Roadmap, and the Dubrovnik Declaration were presented as major deliverables. Later that month, at the Berlin Process Summit in London, the Director reaffirmed the Secretariat's commitment to ensuring that WB6 Green Agenda process effectively contributes to the energy transition, decarbonisation, and integration of the Western Balkans into the wider European energy and climate framework.

Clean Air Regions Initiative

The Secretariat placed particular emphasis on local air pollution in Western Balkan regions through the implementation of the Clean Air Regions Initiative (CARI), to strengthen the Energy Community's alignment of regional environmental governance with EU standards. The initiative has established a solid foundation for air quality monitoring across the region, with 30 smart monitoring devices installed in five participating municipalities, providing the data and evidence base needed for more informed local policymaking.

Through CARI, the Secretariat supported participating municipalities by providing smart sensors for the monitoring of particulate matter and promoting the exchange of good practices among local authorities. These efforts directly contribute to better preparation for the implementation of legislation on air pollution and help identify opportunities for further progress in reducing local air pollution and improving public health outcomes across the region. The initiative's successful implementation will continue and is expected to expand in close cooperation with relevant stakeholders.

Cross-Cutting Activities

In 2025, the Secretariat consolidated the systems and practices that underpin its growing mandate, marking two decades of institutional development and regional cooperation. Efforts across gender equality, communications, environmental management, internal audit, and administration focused on enhancing transparency, efficiency, and credibility. By strengthening internal governance, deepening stakeholder engagement, and advancing environmental and social responsibility, the Secretariat reinforced its position as a trusted, forward-looking institution driving the Energy Community's integration into Europe's evolving energy and climate framework.

Gender and Equality

The Secretariat continues to advance its four gender equality commitments, embedding equity across its internal operations and regional energy policy dialogue. This ongoing effort includes the implementation of gender-responsive procurement, a commitment to gender-balanced panels, the enhancement of gender-disaggregated data collection, and active engagement in the EU Equality Platform for the Energy Sector and the International Gender Champions network. Recent highlights include the “2025 Gender Newsflash & Stocktake of Gender Data” webinar and data insights from the EU4Energy project. Between 2021 and 2025, a total of 121 workshops were held in Georgia, Moldova, and Ukraine, with 684 women trained, accounting for 38% of all participants.

Communication and Stakeholder Engagement

2025 was a pivotal year for the Energy Community Secretariat’s communication and outreach efforts, marked by a strategic shift toward stronger institutional identity, broader visibility, and deeper public engagement.

Building on the rebranding process initiated in 2024, the Secretariat launched a new logo and website, introduced updated corporate templates, and refreshed its suite of visual materials. These efforts, accompanied by improved digital tools and institutional templates, ensured a consistent and recognisable Energy Community identity across all communication platforms.

The highlight of the year was the marking of the Energy Community’s 20th Anniversary — a milestone that reaffirmed the Treaty’s enduring legacy and evolving role in Europe’s energy transition. A year-long campaign culminated in a high-level celebration in Athens, co-organised with the Ministry of Energy of Greece. The event brought together Contracting Parties, European partners, diplomats, and friends to reflect on two decades of progress toward EU integration and regional cooperation.

The Secretariat’s social media presence grew steadily, with stronger engagement across platforms driven by more dynamic visuals, data-driven storytelling, and live event coverage. Media relations were also reinforced through increased visibility in regional and European outlets. Regular media briefings, targeted press releases, and closer coordination with national communications teams further positioned the Secretariat as a trusted regional voice in energy transition and EU integration discourse.

Closer collaboration with communications teams in Contracting Parties strengthened message alignment and improved coordination at the national level. In Moldova, the Secretariat implemented a successful behavioural-change campaign to raise public awareness of the country’s alignment with EU energy and climate goals ahead of national elections. The campaign reached over 6.8 million people generating more than 105.000 engagements through influencer storytelling, factual explainers, visual content, and targeted digital promotion. Focus-group results

confirmed a marked improvement in public understanding of EU-supported energy reforms and a growing perception of Moldova’s energy independence as a tangible national achievement.

Throughout the year, the Secretariat continued to invest in high-quality content — including documentaries, video animations, and visually enhanced report templates — further broadening the accessibility and impact of its communication outputs.

Environmental and Social Responsibility

Environmental and social responsibility remain integral to the Secretariat’s operations, reflecting its commitment to sustainability both within its institutional practices and across its mandate. As part in of this, The Energy Community Secretariat successfully passed its Eco-Management and Audit Scheme (EMAS) re-certification following an external audit at its premises in May 2025. The auditor praised the Secretariat’s environmental management system (EMS) as “highly effective,” citing the dedicated EMAS team and strong support from Director Artur Lorkowski.

In September, The Secretariat published its 2025 Environmental Statement, a key milestone in the audit process and a mandatory requirement for verification. The statement sets out the scope and objectives of the EMS, details of the programme, input and output data, and performance indicators.

EMAS Performance Highlights 2024–2025

Since mid-2023, the Secretariat’s Content Management System (CMS) has been integrated to track travelled versus avoided kilometres and related CO₂ emissions for virtual and on-site event participants. Thanks to the hybrid event model, more kilometres were saved than travelled, and overall travel in 2024 decreased compared to 2023, partly due to fewer events.

Electricity consumption per person has steadily decreased since 2019; despite a temporary 2024 increase linked to drainage repairs and office renovations, kWh-per-person performance still improved by 9%.

Waste separation and recycling have continued to strengthen under the 2023 cleaning service contract, which requires systematic sorting of paper, glass, and plastic and maintains recycling records. Between 2021 and 2024, over 5.4 tonnes of these materials were recycled. In 2024, staff training was expanded through a new guidance video, supporting ongoing progress toward waste reduction.

Paper use also declined: printed report pages per person dropped by 45%, reflecting the ongoing shift toward digital-first publication. All printed copies now use 100% recycled paper, and shorter reports are produced on demand in-house.

During the 2nd Clean-Up Day in October 2025, staff collected and properly processed over 1,2 tonnes of materials, including 580 kg

of paper, 220 kg of sensitive documents, 380 kg of plastics, 80 kg of reusable items, and 5 kg of batteries. Most collected waste was recycled or converted into alternative fuels through certified partners.

Internal Audit

The Internal Audit function continued to operate in full conformity with international auditing standards, providing independent and objective assurance on the effectiveness of the Secretariat's internal control, governance, and risk management systems.

Audit activities focused on assessing compliance across key administrative areas, including financial management, procurement, and human resources, as well as selected extra-budgetary projects financed by donors. Furthermore, performance and compliance audits were carried out in several core operational units, notably the Gas Unit, the ECRB Unit, and the Legal Unit, to evaluate the adequacy and efficiency of their processes and their alignment with the Secretariat's strategic objectives.

The resulting findings and recommendations contributed to further enhancing administrative efficiency, transparency, and accountability across the organisation. Close coordination with external auditors ensured a coherent and complementary audit framework, thereby reinforcing donor and stakeholder confidence in the Secretariat's sound financial and operational management.

Administration, Finance, Human Resources and general Services

In 2025, the Secretariat strengthened the efficiency, transparency, and sustainability of its internal operations to ensure that administrative and financial systems effectively supported its growing mandate. Across event management, human resources, finance, IT, procurement, and general services, continued process optimisation and digitalisation enhanced organisational resilience and accountability.

Event management

The Secretariat successfully organized approximately 140 meetings and events, strengthening regional cooperation, advancing regulatory alignment, and deepening stakeholder engagement. Events included statutory gatherings such as the Ministerial Council and flagship fora – the Electricity, Gas, Oil, and Just Transition Forums, as well as the Conference on Renewable Investments and the Energy Community Summer School. A key highlight of the year was the 20th Anniversary of the Energy Community, celebrated in Athens, where the Treaty was originally signed in 2005. The continued use of hybrid formats ensured broad accessibility, inclusivity, and cost-efficient implementation of the Secretariat's mandate.

Travel reimbursement

Travel expenditure reflected the expanded scope of activities and the higher number of missions organised throughout the year, marking a 7,6% increase compared to 2024. Overall costs rose by 2,6%, consistent with the general rise in air travel and accommodation prices across Europe. The Secretariat continued to enhance administrative efficiency by expanding digital tools for submitting and verifying travel claims and by promoting environmentally responsible travel practices. In line with its EMAS certification, efforts also focused on reducing the carbon footprint of business travel through greater use of rail and other low-emission transport options. These measures ensured that the Secretariat's expanded regional engagement was implemented efficiently and sustainably, maintaining fiscal discipline while advancing its commitment to environmentally responsible operations.

Human Resources

Throughout the reporting period, the Energy Community Secretariat benefited from the contributions of 51 professionals who brought diverse expertise spanning all programmatic and support areas of the Energy Community. In addition to its permanent staff, the Secretariat engaged 20 temporary personnel for periods ranging from one to twelve months. Temporary categories – including interns, secondees, research fellows, and locally recruited staff – provided valuable and meaningful contributions that strengthened the Secretariat's operational capacity and delivery.

Staff performance continued to be assessed through a comprehensive evaluation framework, with those meeting established criteria eligible for career advancement, salary progression, and professional development opportunities.

Financial management

The Secretariat's financial management further reinforced donor confidence and safeguarded its reputation for prudent and effective financial stewardship. It successfully passed the annual external audit of its consolidated financial statements, confirming the accuracy, reliability, and integrity of its financial reporting and management practices. In parallel, the Secretariat effectively administered eight extra-budgetary projects financed by international donors (up from five in 2024), ensuring sound financial control and full consistency with the regular budget framework.

The volume of payments processed increased by 18,4%, with budget utilisation reaching 99%, while upgraded online banking protocols enhanced security and ensured smooth processing of transactions. Adherence to International Public Sector Accounting Standards (IPSAS) and continuous improvement of internal controls ensured that all funds – both core and extra-budgetary – were managed with the highest standards of efficiency, accountability, and transparency.

IT

The Secretariat's IT infrastructure ensured stable and secure operations across headquarters and field offices, with uninterrupted accessibility of key systems and full protection of institutional data. Particular attention was given to upgrading and standardising end-user equipment, strengthening connectivity, meeting established KPIs, and delivering cybersecurity training focused on behavioural change and awareness enhancement. Investments in hardware and software upgrades continued, alongside assessments of artificial intelligence applications and emerging corporate tools to further enhance efficiency, resilience, and digital innovation.

Procurement

Transparent, efficient, and well-managed procurement processes are essential to the Secretariat's ability to deliver its mandate effectively and uphold the highest standards of accountability. In 2025, procurement activities reflected the Secretariat's continued commitment to transparency, efficiency, and value for money. All procedures were conducted in full compliance with the principles of public procurement set out in Article 20(1) of the Austrian Public Procurement Law (Bundesvergabegesetz 2018) – including equal treatment, non-discrimination, proportionality, transparency, fair competition, and economic efficiency. These principles ensured equal access for all suppliers and the responsible use of resources in line with European best practices.

Procurement operations maintained a balanced portfolio across consultancy, studies, and administrative services. During the reporting period, the Secretariat managed 117 active contracts and launched 62 new procurement procedures, ensuring both operational continuity and effective service delivery. Particular attention was given to strengthening the role and accountability of internal clients in contract management and supplier performance evaluation, fostering end-user ownership throughout the contract lifecycle – from planning and delivery oversight to performance assessment. This ensured that procurement outcomes remained closely aligned with operational needs and strategic objectives.

Environmental and social responsibility considerations remained central to procurement decisions, with preference given to suppliers demonstrating environmentally responsible practices, providing low-impact products and services, and promoting gender balance within project teams.

General Services

This reporting period, the administration continued to apply more efficient service delivery models across facilities management – including space allocation guidance, investments in office security infrastructure, staff travel, furniture standardisation, and records management. These measures improved operational efficiency and contributed to a more comfortable, secure, and enabling work environment for personnel, visitors, and event participants.