GENERALLY APPLICABLE STANDARDS
IMPLEMENTATION
BY THE CONTRACTING PARTIES
(ART. 22 OF TREATY)

14th PHLG Meeting, 24th September 2009, Belgrade
Chapter VI of the Treaty – „Compliance with Generally Applicable Standards of the EU“

MC adopted List of Generally Applicable Standards on 29th June 2007

Article 22 of the Treaty: Contracting parties shall within 1 year of the adoption of the list, adopt development plans to bring their Network Energy sectors into line with these Generally Applicable Standards
HARMONIZATION – NEED?

Border

Railway in Country A

Track width in Country A

Railway in Country B

Track width in Country B
SOME VERY SIMPLIFIED CALCULATIONS

- Standardization (not just Generally Applicable Standards) provides huge benefit to:
  - Business economics
  - National economy
    - According to DIN benefits are around € 16 billion/year (1% of GDP)\(^1\):

- Natural Gas accounts for (very roughly) around 2% of GDP\(^2\)

- In order to achieve the same benefits resulting from savings resulting from cheaper natural gas the saving potential has to be enormous

- Of course the benefits in Germany cannot be transferred in a linear manner to the CPs because:
  - different energy intensity of the CPs (low energy efficiency in CPs)
  - different industry structure
  - different balance of trade
  - Generally Applicable Standards just a very small portion of entire package

Footnote:

1  [http://www.din.de/cmd;jsessionid=10ACCAA6450CD99DEA8E03A1DA3CCF1C.2?level=tpl\nobereich&menuid=47388&cmsareaid=47388&languageid=de](http://www.din.de/cmd;jsessionid=10ACCAA6450CD99DEA8E03A1DA3CCF1C.2?level=tpl\nobereich&menuid=47388&cmsareaid=47388&languageid=de)

2  Own calculation; very rough estimation - but even big deviation do not negatively impact intended statement
• Although the figures are very rough (significant deviations very likely):
  • Standardization provides huge potential for benefits
  • Swift implementation needed
• Implementation of Generally Applicable Standards at least in English:
• Investors/local consultants are able to deal with standards in English
• Translation of the relevant standards should take place during materialization of project by project promoters
• Stepwise translation of relevant standards – fine tuned with institutes for standardization
STEPS TO DEVELOPMENT PLANS

- Evaluation of Generally Applicable Standards in relation to applied standards
- Assessment of the impact of the application
- Sequence of the adoption of standards
- Determination of length of conversion period
- Submission of standards to Standardization Body and transposition
Assessment of the impact of the application (non-adopted standards yet)

- National standardization body to assess transposition in terms of:
  - Length of period needed taking into account:
    - Available resources
    - Discussions with users

- TSO(s) and DSO(s) shall assess transposition in terms of:
  - Impact on new projects (lead time, costs, advantages, etc.)
  - Impact on rehabilitation of projects (lead time, costs, advantages etc)
  - Impact on connection with existing infrastructure (lead time, costs, advantages etc)
  - Impact on their spare part stocks
  - Impact on their procurement (costs, choice of manufacturers/ producers, delivery time etc.)
Sequence of the adoption of standards

Based on previous mentioned assessments:

- Possibility to improve security of supply
- Provisions of the proper framework for competition
- Other crucial goals of the Treaty
Determination of length of conversion period

- Involvement of PHLG, National Standardization Bodies, TSO(s) and DSO(s)

- Considering previous steps reasonable period to be determined:
  - On Contracing Partie’s level
  - On Regional level
Submission of standards to Standardization Body
and transposition

- Time schedule by National Standardization Body reflecting:
  - Human Resources of National Standardisation Body and other relevant stakeholders
  - Capital resources of National Standardisation Body and other relevant stakeholders