

Energy Community Regulatory Board

Work Program 2022

PRESIDENT'S FOREWORD

Dear reader,

I am very proud to herewith present the work program of the Energy Community Regulatory Board (ECRB) for the year 2022.

Acknowledging the importance for regulators to have in-depth knowledge of market developments, market monitoring is in the heart of ECRB activities since many years and will remain a central pillar of our joint efforts. Also, the implementation of Network Code and Guideline Regulations, brings new monitoring competences for ECRB.

ECRB also feels committed to provide support to ECRB members in implementing new Energy Community *acquis communautaire*, such as the REMIT Regulation and gas and electricity Network Code and Guideline Regulations. Beyond that, ensuring regionally coordinated regulatory input to the adoption of new legislative acts of regulatory relevance and evaluating possibilities for their early implementation will be on our agenda in 2022.

Other than this, our activities will focus on specific topics of regulatory relevance in the Energy Community. This will include new challenges on our regulatory agenda such as cyber security.

Finally, we are looking forward to further enrich and strengthen the cooperation formats with our international partners ACER, the Council of European Energy Regulators (CEER) and the Association of Mediterranean Energy Regulators (MedReg) and intensify collaboration with our regulatory colleagues from the Eastern Partnership and Eurasian countries.

Sincerely Yours,

Marko Bislimoski

ECRB President

ABOUT ECRB

The **Energy Community Regulatory Board (ECRB)** operates based on the Treaty establishing the Energy Community (hereinafter 'the Treaty'). It is composed of representatives of the energy regulators of the Contracting Parties (CPs).¹ The European Union is represented by the European Commission – also acting as ECRB Vice-Presidency – assisted by the regulators of the EU Participants Countries to the Energy Community² as well as ACER.

As an institution of the Energy Community (EnC)³ ECRB advises the Energy Community Ministerial Council and Permanent High Level Group on details of statutory, technical and regulatory rules and makes recommendations in the case of cross-border disputes between regulators. ECRB can also provide an Opinion to the Energy Community Secretariat (ECS) on preliminary certification decisions of Contracting Parties' regulators and is in charge of providing an Opinion of Network Code and Guideline Regulations prior to their adoption by the Energy Community Permanent High Level Group. Further to this, ECRB gained a number of new monitoring competences in context with the implementation of gas and electricity network code Regulations.

Our mission builds on three pillars: providing coordinated regulatory positions to energy policy debates, harmonizing regulatory rules across borders and sharing regulatory knowledge and experience.

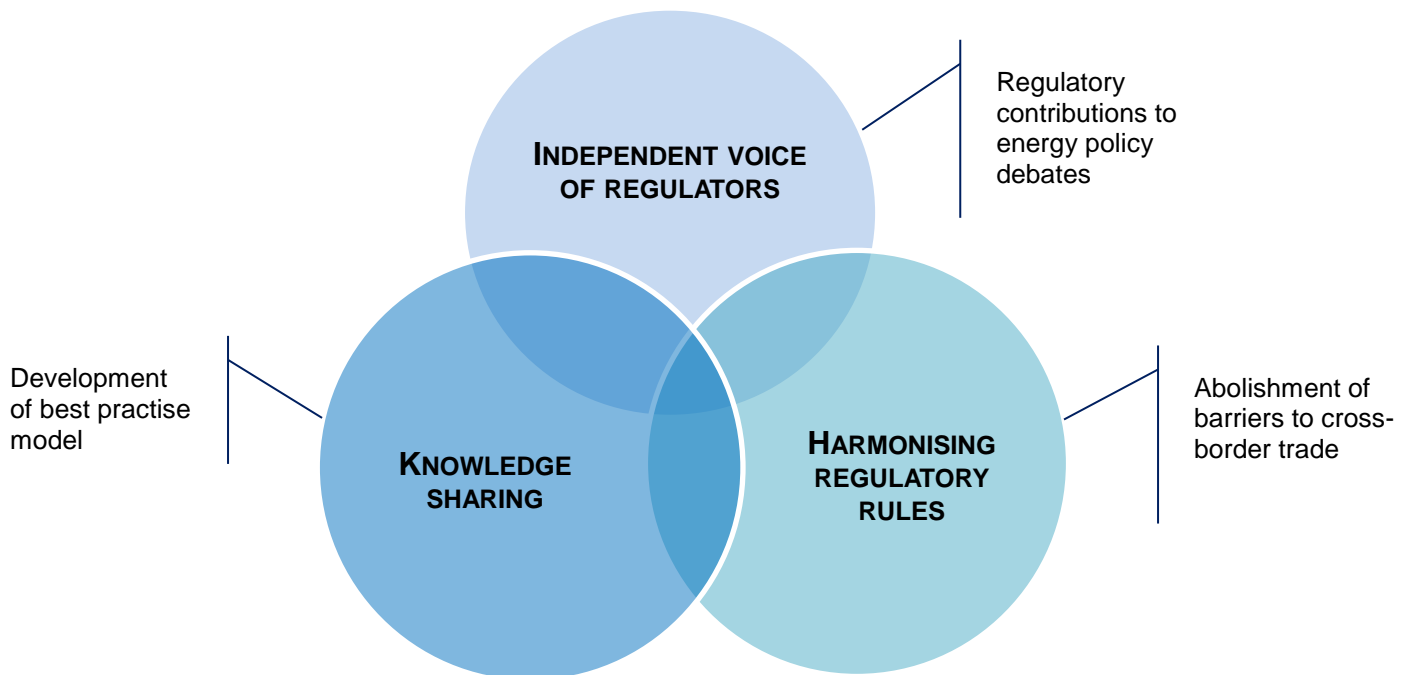


Figure 1: ECRB mission and objectives

¹ Albania, Bosnia and Herzegovina, Georgia, Kosovo*, Moldova, Montenegro, North Macedonia, Serbia and Ukraine. [For the entire document * refers to: *This designation is without prejudice to positions on status, and in line with the United Nations Security Council Resolution 1244 and the international Court of Justice*].

² Austria, Bulgaria, the Czech Republic, Croatia, Cyprus, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, the Netherlands, Poland, Romania, Slovakia, Slovenia and Sweden.

³ www.energy-community.org.

2022 WORKING STRUCTURE OVERVIEW

Activities related to **customers and retail markets** as well as **electricity and gas wholesale markets** form the backbone of ECRB. Following the adoption of Regulation 1227/2011 on wholesale energy market integrity and transparency (**REMIT**) by the Energy Community Ministerial Council in November 2018, a new fourth working group became part of ECRB activities to prepare regulators for the new competences of ECRB under the REMIT Regulation.⁴ This structure mirrors the core areas of regulatory tasks on national level and reflects the building blocks of necessary regulatory cooperation on regional level. The working groups also take increasing responsibility for the ECRB duties on monitoring the implementation of the gas and electricity network code Regulations.

The four pillars of ECRB activities are organised in four corresponding working groups. Under this general set up, the *Customers and Retail Markets Working Group* covers retail market and customer protection related aspects of the electricity and gas sectors while the *Electricity Working Group* and *Gas Working Group* focus on wholesale related aspects of the relevant sectors. The *REMIT Working Group* deals with regulatory and ECRB duties stemming from the REMIT Regulation. **Cross-sectoral** ECRB activities, such as Opinions on preliminary certification decisions of Contracting Parties' national regulatory authorities (NRA), are addressed on Board level.

Monitoring of gas and electricity retail and wholesale markets became a standard annual ECRB deliverable. These preparations as well as **new regulatory challenges** in the area of cyber security as well as new competences of national regulators and ECRB in context with the transposition and implementation of Network Code and Guideline Regulations and the REMIT Regulation are dealt within the individual ECRB working groups. On the same level ECRB input to various activities of other institutions of the Energy Community is coordinated, such as the Cyber Security Coordination Group of the Energy Community Secretariat ('Secretariat') as well as the platform of Energy Community Distribution System Operators in the gas and electricity sector (ECDSO-E/G) on topics that are mutual activity focus.

In the area of **international cooperation** and joint deliverables with other regional regulatory bodies, the signature of a Cooperation Arrangement with MedReg and CEER in December 2018 kicked off a new dimension of enriched cooperation in a more institutionalised structure.

The following illustration provides an overview of ECRB activities in 2022 and shows the relevant reporting structures.

⁴ Version adapted for the Energy Community and adopted by Ministerial Council Decision 2018/10/MC-EnC.

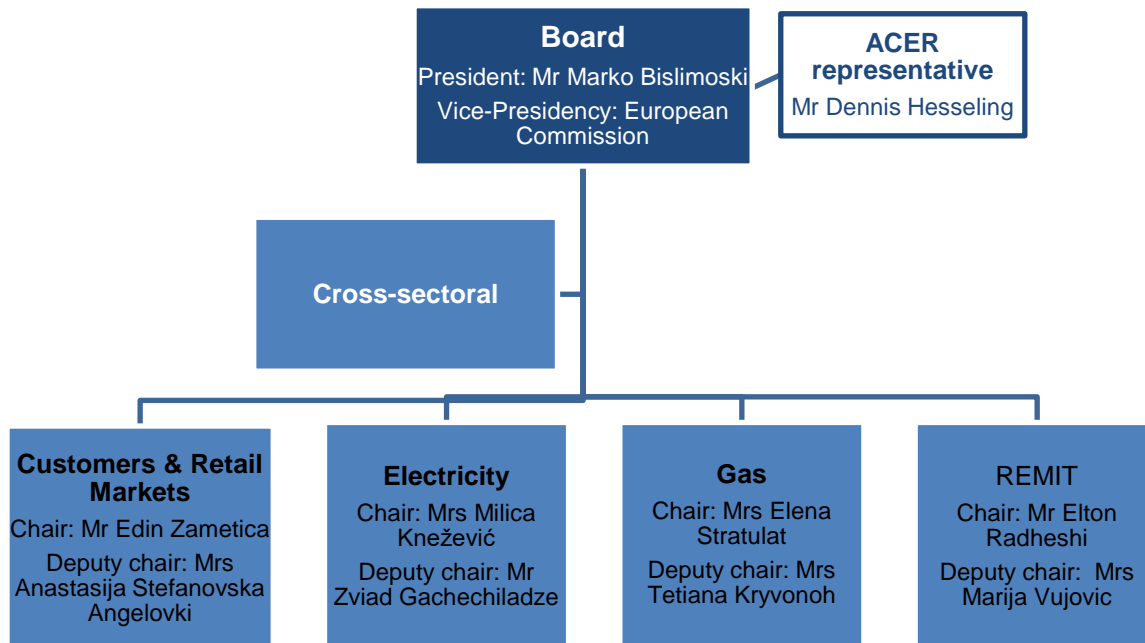


Figure 2: Overview of ECRB activities and structure in 2022

CROSS - SECTORAL

1. Energy Policy

Task Force	Leader	Scope	Deliverable	Due
I. ECRB Opinions on preliminary decisions of Contracting Parties' NRA on TSO certifications	<i>Coordinated by the ECRB President</i> based on ECRB Procedural Act No 01.1/2015	<p>The Third Energy Package requires designation of national gas and electricity transmission operators (TSO). Articles 9(6) and 10(1) of Directive 2009/72/EC and Directive 2009/73/EC require certification of the relevant TSO by the national regulatory authority as pre-condition for successful designation. The certification procedure aims at proofing the TSO's compliance with the unbundling requirements of the Gas and Electricity Directives.</p> <p>Pursuant to Article 3(1) of Regulation (EC) 714/2009 and Article 3(1) of Regulation (EC) 715/2009, the Energy Community Secretariat ('Secretariat') shall within a maximum of 4 months examine the notified draft decision of a Contracting Party's NRA in relation to certification of a gas or electricity TSO (as to its compatibility with Articles 9 and 10(2) of as Directive 2009/73/EC and Electricity Directive 2009/72/EC; according to the applicable Energy Community law, the Secretariat has to consult ECRB and invite ECRB for an Opinion on the preliminary certification decision.</p>	ECRB Opinion	Upon receipt of the preliminary certification decision by the Secretariat and receipt of consultation input by ECRB members
II. Cyber Security	Consultations coordinated by the ECRB Section at the Secretariat	The Energy Community Ministerial Council in November 2018 established a Coordination Group for Cybersecurity and Critical Infrastructures (CyberCG). ⁵ The CyberCG aims at facilitating strategic cooperation and the exchange of information in an environment for open discussion on shared concerns or questions of common interest. The CyberCG work program 2020-2021 includes a number of work areas that are of regulatory relevance. While Contracting Parties' NRAs are involved in the CyberCG, coordinated regulatory input shall be provided via ECRB. The ECRB electricity working group is in charge of related input in the area of electricity.	Coordinated regulatory input to the activities of the CyberCG in the area of electricity	Upon consultation by the CyberCG or the Secretariat

⁵ Procedural Act 2018/PA/2 /MC-EnC.

2. International Cooperation

Sharing best practice experience with other regional regulatory bodies is not only recommended from an efficiency point of view but also when keeping in mind the goal of integrating regional markets. ECRB is committed to continue and strengthen the well-established streams of cooperation with the Agency for the Cooperation of Energy Regulators (ACER), the Council of European Energy Regulators (CEER) and the Association of Mediterranean Regulators (MedReg). Specific cooperation formats are outlined in the programs of the individual working groups. The signature of a Cooperation Arrangement with MedReg and CEER in December 2018 kicked off a new area of enriched cooperation in a more institutionalised structure that is also reflected in the ECRB work program 2022.

An in 2019 introduced new element of international cooperation with Eastern Partnership regulatory authorities will continue in 2022 and entail co-organisation of a workshop of energy regulatory bodies under the Eastern Partnership umbrella together with CEER and the European Commission.

ECRB is further committed to enhance its cooperation with the regulatory bodies of Azerbaijan, Armenia, Egypt and Turkey.

CUSTOMERS & RETAIL MARKETS

Chair: Mr Edin Zametica (SERC) – Deputy: Mrs Anastasija Stefanovska Angelovski (ERC)

Task Force	Leader	Scope	Deliverable	Due
I. Retail Market Monitoring	<p>Mr Igor Telemek (REGAGEN)</p> <p>Mr Aca Vučković (AERS)</p>	<p>Market monitoring is a core element of regulatory responsibilities. Only in-depth knowledge of market performance, stakeholder activities and development outlooks allow regulators to create an effective market framework that balances the needs of market players and is able to promote competition, customer protection, energy efficiency, investments and security of supply at the same time. Since 2015 ECRB therefore prepares annual market monitoring reports assessing the functioning of gas and electricity retail markets. This complements the input provided by Contracting Parties' NRAs to the annual market monitoring report of ACER and CEER on retail market and consumer protection developments that is prepared in cooperation with the Energy Community Secretariat.</p>	<p>1. Market Monitoring Report on the functioning of gas and electricity retail markets in the CPs that</p> <ul style="list-style-type: none"> - Assesses the electricity and gas markets; - Identifies potential barriers; and - Discusses recommendations on potential improvements. <p>2. Input to the annual market monitoring report of ACER and CEER on retail market and consumer protection developments</p>	<p>12/2022</p> <p>Subject to ACER timeline</p>

Task Force	Leader	Scope	Deliverable	Due
II. Consumer Protection	Mr <i>Florian Pichler</i> (E-Control)	<p>Workstream 1: Consumer protection is a central duty of NRAs. This responsibility unites the regulatory activities of ECRB, CEER and MedReg members. Cooperation of the three regional regulatory bodies in the customers and retail markets area builds on already well established common exchange of regulatory experience, among which trilateral workshops held in 2018, 2019 and 2021. Related knowledge sharing will be continued in 2022 as a means of streamlining regulatory practice.</p> <p>Workstream 2: Better informed and empowered consumers are at the heart of the Clean Energy Package for all Europeans. Adoption of the new Electricity Directive (Directive (EU) 2019/944) is expected in the Energy Community Contracting Parties. It will bring a number of new and updated provisions related to consumer protection. The aim of this workstream is to analyze the status quo regarding implementation of consumer protection rules of the new Electricity Directive in the Contracting Parties and provide recommendations for necessary amendments of nation legislations.</p>	<p>1. Trilateral workshop ECRB-CEER-MEDREG on customer aspects⁶</p> <p>2. Status review of implementation of consumer protection rules of the new Electricity Directive in the Contracting Parties</p>	<p>May 2022</p> <p>December 2022</p>
		<p>III. Quality of Supply</p> <p>Mrs <i>Anastasija Stefanovska Angelovski</i> (ERC)</p> <p>Mr <i>Nikola Dubajić</i> (SERC)</p> <p>Mr <i>Rodion Koval</i> (NEURC)</p>	<p>Safeguarding quality of electricity and gas supply standards forms a central element of regulatory customer protection. Related monitoring is therefore a core activity of NRAs. Following previous editions, ECRB in 2019/2020 again joined CEER in preparing a benchmarking report on quality of electricity and gas supply and this deliverable is envisaged to be finalized in the first half of 2022</p>	<p>CEER-ECRB Benchmarking Report on Quality of Supply</p>

⁶ Activity coordinated by ECRB as lead deliverable institution.

Task Force	Leader	Scope	Deliverable	Due
IV. NRAs' Public Outreach	Mrs <i>Salome Janelidze</i> (GNERC)	Duties and responsibilities of national regulatory authorities have substantial impact on the energy sectors in general, also including on consumers. Therefore, it is of enormous importance to have transparent and effective communication strategies and reach as many consumers as possible. This task force shall investigate the outreach and communication strategies of NRAs in the Contracting Parties and EU Member States with the aim to identifying best practices.	Status review of public outreach tools employed by NRAs	December 2022

ELECTRICITY

Chair: Mrs Milica Knežević (REGAGEN) – Deputy: Mr Zviad Gachechiladze (GNERC)

Task Force	Leader	Scope	Deliverable	Due
I. Wholesale Market Integration	<u>Task (a)</u> Mr. Salvatore Lanza (ARERA)	Effective wholesale market opening is central for establishing a competitive regional Energy Community electricity market and its integration with the European market. A harmonized regulatory approach is necessary in this context. With a view to support wholesale market opening, the activities of this Task Force will focus on regulatory support to forward market, day-ahead and intraday market integration in South East Europe. This will include the identifications of possible areas for early implementation of elements of the the electricity market Guideline Regulations before they become legally binding in the Energy Community.	a. Regular updates on actual EU wholesale market Integration processes related to electricity market Guideline Regulations	Three updates p.a. at the EWG meeting
	<u>Task (b-f)</u> Coordinated by ECRB Section		b. Joint workshops of ACER and ECRB on the electricity market Guideline Regulations	Up to twice p.a.
			c. Assessment of balancing markets in CPs, including cross-border balancing	12/2022
			d. Assessment of intraday market in CPs, including cross-border intraday	12/2022
			e. Review of Harmonised Allocation Rules implemented by CPs	Upon request
			f. Identification of possible areas of voluntary implementation of elements of the electricity market Guideline Regulations to support the realization of early implementation pilot projects.	Upon request

Task Force	Leader	Scope	Deliverable	Due
II. System Operation	<i>Coordinated by ECRB EWG Chair</i>	To maintain secure operation of the interconnected transmission system in real time EU applies System Operation Regulation (EU) 2017/1485 (SOGL), which is yet to be adopted in the EnC. Nevertheless, the TSOs of the CPs are responsible for operation, maintaining and developing under economic conditions secure, reliable and efficient transmission systems, regardless of their membership in ENTSO-E. The task force will conduct screening of regulatory-legal framework in place in CPs in order to assess the level of (voluntary) implementation of SOGL and its adequacy for voltage control and reactive power management by system operators.	a. Assessment of state of implementation of SOGL by CPs be it on voluntary basis or through the agreements with the EU TSOs (ENTSO-E).	12/2022
			b. Assessment of regulatory-legal framework for voltage control and reactive power management by system operators in CPs.	12/2022
III. Wholesale Market Monitoring	<u>Task (a)</u> Mr Zviad Gachechiladze (GNERC) <u>Task (b & c)</u> <i>Coordinated by ECRB Section</i>	Market monitoring is a core element of regulatory responsibilities. Only in-depth knowledge of market performance, stakeholder activities and development outlooks allow regulators to create an effective market framework that balances the needs of market players and is able to promote competition, customer protection, energy efficiency, investments and security of supply at the same time. Dedicated monitoring efforts will be also put on compliance of Contracting Parties with the transparency requirements of the Energy Community law in electricity	a. SEE Market Monitoring Annual Report based on data collected via a regional Market Monitoring Administrator and quarterly rotation scheme b. Monitoring report as contribution for ACER Monitoring Report c. Monitoring spread sheet on compliance of Contracting Parties with the transparency requirements of the Energy Community law in electricity	12/2022 based on ACER's timeline Bi-annual updates

Task Force	Leader	Scope	Deliverable	Due
IV. Renewables integration and flexibility	<u>Task (a-c)</u> <i>Coordinated by ECRB Section</i>	Integration of renewable energy sources into the energy systems gains more and more importance but also entails a number of regulatory challenges that come with the need to make the system more flexible. The task will look into these aspects including the	a. Regulatory contribution on the flexibility assessment of the ECS including potential recommendations	As requested
	<u>Task (b)</u> <i>Mr Igor Malidzan (REGAGEN)</i>	balancing responsibility of producers from renewable energy sources, marketing and connection to the grid. Part of this task will be potential cooperation and exchange of experience with MEGREG through workshops and joint events.	b. Update on developments on regulatory framework regarding renewables and flexibility c. Joint workshops with MEGREG on renewables' integration and flexibility and e-mobility	12/2022
V. Opinions on electricity Network Code and Guideline Regulations	<i>Coordinated by the ECRB President⁷</i>	The principles of the Energy Community law, and in particular Article 89 of the Energy Community Treaty, require network codes and guidelines adopted and/or amended in the EU under Regulation 714/2009 or Regulation 715/2009 and incorporated into the Energy Community <i>acquis communautaire</i> based on Decision 2011/O2/MC-EnC to be transposed into the national legal systems of the Contracting Parties. Article 3(3) of PHLG Procedural Act 01/2012 on adoption of Network Codes and Guidelines requests the Secretariat to seek for the Opinion of ECRB on the Proposals before PHLG adoption. The ECRB Electricity Working Group is in charge of coordinated review of electricity related documents.	ECRB Opinion	Upon receipt by the Secretariat

⁷ With the support of the ECRB Section at the Secretariat and in line with the relevant internal procedures defined by ECRB.

Task Force	Leader	Scope	Deliverable	Due
VI. Implementation of Network Codes and Guideline Regulations	<i>Coordinated by ECRB Section</i>	Monitoring the status of implementation of Network Codes and Guideline Regulations in line with requirements from Network Codes requires assessment and exchanges with National Regulatory Authorities. This task will focus on monitoring the implementation of the Connection Network Codes in Contracting Parties following the monitoring activities of ACER and ENTSO-E.	Report on state of implementation of Network Codes and Guideline Regulations	12/2022

Task Force	Leader	Scope	Deliverable	Due
I. Wholesale Market Monitoring	[tbc]	Market monitoring is a core element of regulatory responsibilities. Only in-depth knowledge of market performance, stakeholder activities and development outlooks allow regulators to create an effective market framework that balances the needs of market players and is able to promote competition, customer protection, energy efficiency, investments and security of supply at the same time. Since of 2015 ECRB therefore prepares annual market monitoring reports assessing the functioning of gas and electricity retail markets. This complements the input provided by Contracting Parties' NRAs to the annual market monitoring report of ACER and CEER on retail market developments that is prepared in cooperation with the Energy Community Secretariat.	<ol style="list-style-type: none"> Monitoring report on the development of gas wholesale markets in the Contracting Parties Input to ACER's Market Monitoring Report on aspects of gas wholesale markets in the Contracting Parties 	<p>12/2022</p> <p>Subject to ACER timeline</p>
II. Network Code Implementation	[tbc]	<p>According to Article 36 of Regulation 2017/460 establishing a network code on harmonised transmission tariff structures for gas ECRB is obliged publish a report on the application of reference price methodologies in Contracting Parties.</p> <p>According to chapter 2.2.1 of the gas congestion management network code⁸ ECRB shall publish by 1 June of every year, commencing with the year 2020, a monitoring report on congestion at interconnection points with respect to firm capacity products sold in the preceding year, taking into consideration to the extent possible capacity trading on the secondary market and the use of interruptible capacity.</p>	<ol style="list-style-type: none"> Report on reference price methodologies Report on congestions at interconnection points 	<p>09/2022</p> <p>06/2022</p>

⁸ Amended Annex I to Regulation (EC) No 715/2009 on conditions for access to the natural gas transmission networks, as amended at EU level by Commission Decision (EU) 2012/490 of 24 August 2012 and Commission Decision (EU) 2015/715 of 30 April 2015 - adapted and adopted for the Energy Community Contracting Parties by PHLG Decision No 2018/01/PHLG-EnC of 12.01.2018.

Task Force	Leader	Scope	Deliverable	Due
III. Methane emissions	<i>Mrs Branka Tubin (AERS)</i>	<p>Building on the Energy Community Secretariat's Report on methane emissions by gas transmission and distribution system operators in the EnC CPs, this task force provide an analysis of the applicable regulatory frameworks for reducing methane leakages in the gas sector. The focus will be in particular on regulated revenues of the network operators:</p> <ul style="list-style-type: none"> • Evaluation of costs and investments for methane leakage reduction; • Applicable methodologies for methane leakage/technical losses quantification and their links with tariff regulation; • Incentive mechanisms for methane leakage reduction • Possible recommendations for criteria for recognition of methane leakage in regulated tariffs. <p>The report shall also identify the other possible areas of regulatory oversight and the relevant need for access to information.</p>	Report on regulatory treatment of costs related to methane emissions	12/2022
IV. Opinions on gas Network Code Regulations	<i>Coordinated by the ECRB President⁹</i>	<p>The principles of the Energy Community law, and in particular Article 89 of the Energy Community Treaty, require network codes and guidelines adopted and/or amended in the EU under Regulation 714/2009 or Regulation 715/2009 and incorporated into the Energy Community <i>acquis communautaire</i> based on Decision 2011/O2/MC-EnC to be transposed into the national legal systems of the Contracting Parties. Article 3(3) of PHLG Procedural Act 01/2012 on adoption of Network Codes and Guidelines requests the Secretariat to seek for the Opinion of ECRB on the Proposals before PHLG adoption. The ECRB Gas Working Group is in charge of coordinated review of gas related documents.</p>	ECRB Opinion	Upon receipt from the Secretariat

⁹ With the support of the ECRB Section at the Secretariat and in line with the relevant internal procedures defined by ECRB.

REMIT

Chair: Mr Elton Radheshi – Deputy: Mrs Marija Vujovic

Task Force	Leader	Scope	Deliverable	Due
I. Regulatory Guidance on REMIT	<p>Mrs <i>Marija Vujović</i> (REGAGEN)</p> <p>Mr <i>Alija Mujcinagic</i> (SERC)</p>	<p>The task force will identify potential need for further clarifications and guidance by the regulators market participants in the course of the implementation of the REMIT Regulation. The task force will evaluate whether related guidance(s) developed by ACER can be used identically or adaptations to the specifics of the Contracting Parties or the REMIT version applicable in the Energy Community. In the latter case the task force will develop-update special ECRB guidance(s).</p>	Harmonized regulatory guidance related to REMIT.	updated as necessary
II. Maintenance of the central register	<p>Mr <i>Martin Martinoski</i> (ERC)</p> <p><i>ECRB Section</i></p>	<p>The REMIT Regulation, as applicable in the Contracting Parties, requires the establishment of national registers by national regulators as well as the setting up of a central register by the Energy Community Secretariat. The task force will facilitate the establishment of the central registry.</p>	Maintenance of a central registry and potential recommendation of transfer of national registers	12/2022
III. Inside information platform	<p>Mrs. <i>Sophio Khozrevanidze</i> (GNERC)</p>	<p>The REMIT Regulation, as applicable in the Contracting Parties, requires effective disclosure of inside information. ACER on its Guidance recommends utilization of Inside Information Platform as an effective way to disclose the inside information. It also lists the minimum requirements to be met by the Inside Information Platform. This task force will discuss and assess the need for centralized platform for publication of inside information</p>	Assess the requirements for such platforms for disclosure of inside information and options for the CPs, also based on experience of EU Member States.	12/2022

Task Force	Leader	Scope	Deliverable	Due
IV. Implementation of REMIT	<i>Mr Nikoloz Sumbadze (GNERC)</i>	In addition to discussions and exchange of experiences on REMIT implementation on different Contracting Parties, the reporting on regulatory activities increases transparency and confidence in the market. Under this TF, NRAs will report on cases, investigations undertaken etc. with regards to REMIT, including also cases discussed and coordinated by ECRB.	Report on REMIT implementation in the Contracting Parties, report on cases assessed and infringed in the CPs and cooperation activity by the ECRB.	12/2022
V. Penalty regime in CPs under REMIT	<i>Mrs Nataliia Zherebets (NEURC)</i>	Establishing a penalty regime in the CPs in line with REMIT requirement is an important part of REMIT implementation. Implementation of such requirement is not consistent across the EU, therefore the role of the task force will be to select one of few EU MS as a benchmark, against which it will assess different penalty regimes applied or to be applied in the CPs.	Report on gap analyses between CPs and REMIT requirements taking into account application in the EU.	12/2022
VI. Coordination of investigations	<i>Coordinated by ECRB Section</i>	The role of ECRB according to EnC REMIT is to facilitate and coordinate investigations of the NRAs, in particular cases that have a cross-border impact. ECRB REMIT Procedural Act (PA) provides an operational framework for such coordination facilitated by this task force.	Coordinate activity and as necessary contribute to the report under task force IV.	timeline & activity as per PA