



ANNUAL REPORT

ECRB in 2024

**Fostering energy market integration
via coordinated regulatory positions,
harmonized regulatory rules, and
regulatory knowledge sharing**

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Energy Community Regulatory Board

Annual Report 2024

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FOREWORD BY THE ECRB PRESIDENT



Esteemed colleagues, partners, and stakeholders,

It is my pleasure to address you today and highlight the key activities and achievements of the Energy Community Regulatory Board (ECRB) throughout 2024. This year has been marked by significant progress in our mission to foster energy market integration, regulatory excellence, and enhanced consumer protection within the Energy Community.

First of all, let me express my great appreciation to the outgoing ECRB President, Mr. Marko Bislimoski, for successfully leading the institution for the past four and a half years. I would also like to express my gratitude to ECRB members for electing me as the new President in June 2024 and convey my commitment to build on these achievements to further **enhance the activities and capabilities** of the ECRB.

A core function of the ECRB has been the diligent **monitoring of electricity and gas markets** across our Contracting Parties. We have actively tracked market developments, gathered crucial data, and provided valuable input to the Market Monitoring Reports of the Agency for the Cooperation of Energy Regulators (ACER). Our efforts ensured that potential issues were identified early and addressed proactively. In particular, we have been focused on close monitoring of the compliance of our Contracting Parties (CPs) with the transparency obligations, continued to advance the process for reviewing the terms, conditions and methodologies from the Electricity Integration Package (EIP), and supported activities related to the forward, day-ahead, intraday, and balancing markets across the Energy Community. ECRB has also been actively engaged in Joint Expert Team Energy Community (JET EnC) in order to facilitate integration of Contracting Parties into Single Day Ahead Coupling (SDAC) and Single Intraday Coupling (SIDC).

Protecting and empowering energy consumers remains a top priority. In 2024, we undertook several initiatives to strengthen consumer rights and promote informed decision-making. These include conducting thorough status reviews of the implementation of consumer protection rules derived from the new Electricity Directive, analysing regulatory frameworks for active consumers, promoting consumer engagement, and eliminating obstacles to consumer participation in the energy market, and exchanging best practices among ECRB, Council of European Energy Regulators (CEER), and the Association of Mediterranean Regulators (MedReg) regulators.

The ECRB dedicated significant effort to **enhancing the regulatory and legal frameworks** governing the energy sector. We actively worked on implementation of the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT), focusing on regulatory guidance, data collection, and penalty regimes, supported the transposition of the EIP into national legislation, and revised our internal rules of procedure to enhance the efficiency and effectiveness of the ECRB activities.

FOREWORD BY THE ECRB PRESIDENT



Recognizing the growing importance of **renewable energy**, the ECRB focused on facilitating its integration into the energy system while ensuring system stability. Key focus areas were in identifying regulatory frameworks that support renewable energy integration and enhance flexibility in the energy system.

Fostering cross-border cooperation remained a central theme. The ECRB actively promoted initiatives aimed at regional market integration, including support of market coupling initiatives, such as the successful coupling between Kosovo* and Albania, and supported realization of Local Implementation Projects, including also successful cooperation of the Serbian power exchange with the European Energy Exchange AG in offering hedging instruments in the Serbian market.

I would like to express my sincerely gratitude to all National Regulatory Authorities (NRAs) of the Contracting Parties for the extraordinary and highly professional work they have shown during the past year, as well as a special gratitude to the extraordinary staff of the ECRB Unit of the Energy Community Secretariat.

Looking ahead, the ECRB is committed to building on these achievements. We will continue to prioritize market monitoring, consumer protection, regulatory excellence, and regional cooperation. I am confident that through our collective efforts, we can create a secure, sustainable, and competitive energy sector that benefits all citizens of the Energy Community.

Thank you.

Mr. Ymer Fejzullahu

ECRB President

EXECUTIVE SUMMARY



Mission and governance of the Energy Community Regulatory Board

The ECRB is the independent regional body of energy regulators in the Energy Community (EnC) and beyond. Competencies of ECRB are defined in the Treaty Establishing the Energy Community (hereinafter: the Treaty¹). Over time the ECRB gained a number of new competences to foster integration of CPs' energy markets in the internal EU electricity and natural gas markets.

ECRB promotes the development of a competitive, efficient, and sustainable regional and pan-European energy market that works in public interest. A harmonised and reliable regulatory framework is essential for building trust of investors and customers. ECRB mission is to facilitate this process for the benefit of the Energy Community citizens.

Overview of the ECRB activities and deliverables in 2024

In June 2024, the ECRB elected Mr. Ymer Fejzullahu as the new President of the ECRB and expressed gratitude to Mr. Marko Bislimoski for his outstanding leadership in the past four and a half years.

Over the course of 2024 there were more than 60 staff members of the regulatory authorities and ECRB Unit of the Energy Community Secretariat engaged in preparation of deliverables, consultations, communication, and workshops. Jointly they participated in more than 15 working meetings and provided information, insights, and regulatory expertise to implement the ECRB Work Program². This reflects the priority of the ECRB together with the Energy Community Secretariat and individual regulatory authorities to actively pursue integration of the Energy Community legislation and development of the associated regulatory policies. Overall, the ECRB working groups prepared and finalized 15 deliverables in 2024, including the monitoring reports as defined by the Energy Community legislation, representing 100% fulfilment of legal obligations.

An overview of the key ECRB working program deliverables is as follows:

A) Reports fulfilling legal obligations

Following the legal requirements of the Gas Network Codes, ECRB performed surveys, analysed legal frameworks and data, to deliver the following reports:

- ✓ Report on congestions at interconnection points of gas transmission system operators,
- ✓ Analysis of consultation documents related to reference price methodologies for gas transmission tariffs.

¹ <https://www.energy-community.org/legal/treaty.html>

² https://www.energy-community.org/dam/jcr:045746f2-2aaa-45e1-97c3-0f5d67bd3724/ECRB_Work_Program-2024.pdf

EXECUTIVE SUMMARY



B) Monitoring reports, reviews, and updates

These comprise analytical and technical work on the specific topics arising from the energy market integration package as well as regulatory reporting and represented the bulk of ECRB work program in 2024. The key deliverables were:

- ✓ Wholesale electricity and gas market monitoring reports,
- ✓ Market monitoring report on the functioning of electricity and gas retail markets,
- ✓ Reviews of implementation of consumer protection rules and of REMIT.

C) Workshops, cooperation, and communication

Exchange of best regulatory practices among ECRB members as well as with the EU and non-EU regulators represents the important part of enhancing the regulatory know how in the Contracting Parties. The key achievements in 2024 were:

- ✓ Consumer protection workshop with CEER and MedReg,
- ✓ Capacity building workshops on REMIT with EnC CPs and EU NRAs,
- ✓ Cooperation with ACER, CEER, and EU NRAs in the ECRB meetings and workshops.

All publications and deliverables of the ECRB working groups are accessible on the Energy Community website at <https://www.energy-community.org/documents/ECRB.html>.

ECRB IN BRIEF



Who we are

The Energy Community Regulatory Board is the independent regional body of energy regulators in the Energy Community and beyond. It is the coordination platform for exchange of knowledge and development of best practices for regulated electricity and gas markets in the Energy Community. Its activities are built on three pillars: providing coordinated regulatory positions to energy policy debates, harmonizing regulatory rules across borders, and sharing regulatory knowledge and experience. With advancing implementation of the Electricity Market Integration Package, the role of the ECRB has expanded into adopting decisions and opinions on regional terms, conditions and methodologies and other regulatory documents associated with energy market integration in the Energy Community.



Energy Community

The ECRB members of the Energy Community Contracting Parties are:

- ✓ Energy Regulatory Authority, Albania (ERE)
- ✓ State Electricity Regulatory Commission, Bosnia, and Herzegovina (SERC)
- ✓ Georgian National Energy and Water Supply Regulatory Commission, Georgia (GNERC)

ECRB IN BRIEF



- ✓ Energy Regulatory Office, Kosovo*³ (ERO)
- ✓ National Agency for Energy Regulation, Moldova (ANRE)
- ✓ Regulatory Agency for Energy and Regulated Communal Activities, Montenegro (REGAGEN)
- ✓ Energy and Water Services Regulatory Commission, North Macedonia (ERC)
- ✓ Energy Agency of the Republic of Serbia (AERS) and
- ✓ National Commission for State Regulation of Energy and Public Utilities of Ukraine (NEURC).



ECRB meeting, June 2024

Our structure

The ECRB is composed of high-level representatives from NRAs of the Energy Community Contracting Parties, Observers and Participants. The Board elects its President for a two-year term. The current president is Mr. Ymer Fejzullahu, President of the Energy Regulatory Office of

³ This designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

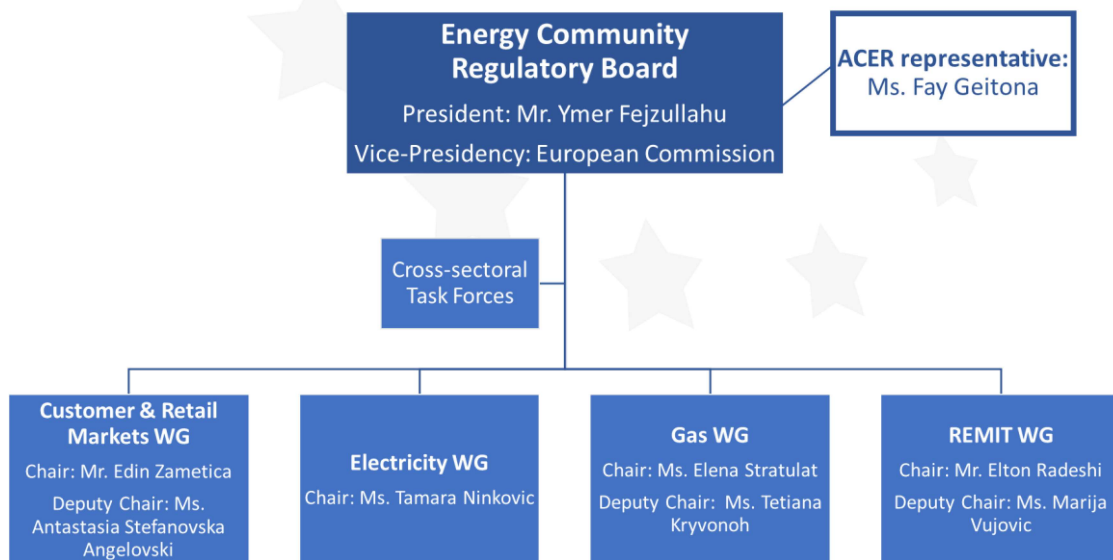
ECRB IN BRIEF



Kosovo*. The European Union (EU), represented by the European Commission, acts as Vice-President, and is assisted by ACER.

The key 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 energy 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' NRAs or on Projects of Energy Community Interests (PECI), are addressed by dedicated task forces before their submission for decision by the ECRB.

ECRB is supported by the ECRB Unit of the Energy Community Secretariat seated in Vienna, Austria.



ECRB Structure in 2024

ECRB IN BRIEF



Our tasks

The ECRB operates based on the Treaty establishing the Energy Community. As an institution of the Energy Community, ECRB advises the 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 on preliminary certification decisions of Contracting Parties' regulators and is in charge of providing an opinion of network code regulations prior to their adoption by the Permanent High Level Group.

Further to this, ECRB has competences in the context of the implementation of gas and electricity network code regulations and the EIP⁴. Activities related to monitoring of retail markets, supporting customer empowerment as well as integrating electricity and gas wholesale markets in the Energy Community form the backbone of the ECRB activities. The ECRB also supports the regulators in enforcing the competences arising from adoption of Regulation (EU) 1227/2011 on wholesale energy market integrity and transparency (REMIT) in 2018.

Sharing best practice experience with other regional regulatory bodies is beneficial not only for promoting effective and efficient regulatory conduct, but also for supporting the goal of integrating regional energy markets. ECRB is committed to continue and strengthen the well-established streams of cooperation with ACER, CEER and MedReg. Specific cooperation formats are outlined in the programs of the individual working groups.

This report covers the activities of the ECRB for the period of 1 January to 31 December 2024. All publications and deliverables referred to in the present report are accessible on the Energy Community website at www.energy-community.org

⁴ <https://www.energy-community.org/implementation/package/EL.html>

INTEGRATING WHOLESALE ELECTRICITY MARKETS



The Electricity Working Group (EWG) of the Energy Community Regulatory Board has undertaken significant activities throughout 2024. Its primary focus was on the implementation of Energy Community's EIP (particularly day-ahead and intraday market integration and capacity allocation), comprehensive market monitoring activities, and addressing regulatory challenges of renewable energy integration and system flexibility. Additionally, EWG focused on cooperation with stakeholders in the EU on regional market integration aspects, and on capacity building of EnC NRAs ahead of the new and challenging tasks.



The EWG operated through seven dedicated Task Forces (TFs), each addressing specific domains within the electricity sector, inter alia, in the context of EIP. The EWG convened three times during 2024. During these meetings, comprehensive updates on the developments in electricity markets within the Energy Community were presented by group members along with reports on progress of 2024 deliverables.

It became a regular practice to utilize EWG meetings as a capacity building platform for EnC NRAs on aspects of upcoming regulatory tasks in compliance with the Electricity Integration Package. The following topics were covered in 2024: the single allocation platform, the models of Nominated Electricity Market Operator (NEMO) operation in the EU, and the governance structure of SDAC and its relation to Local Implementation Projects. A dedicated thematic workshop on regional terms, conditions, and methodologies (TCMs) under the Capacity Allocation and Congestion Management (CACM) Regulation was conducted in April 2024. A dedicated MedReg-ECRB workshop on promoting renewable energy sources (RES) & Energy Efficiency took place in September 2024.

In 2024 EWG progressed on the discussions with the ACER concerning the decision-making process in the context of approval of the regional TCMs. The EWG tasked itself to develop draft regulatory procedures for the adoption of regional TCMs within the Energy Community framework, covering both ECRB competences and cooperation with ACER.

Key Deliverables and Achievements in 2024:

✓ **Wholesale market monitoring:** This activity has continued to be in focus of the EWG activity also in 2024. Effective wholesale market opening is central for establishing a competitive regional Energy Community electricity market and its integration with the European Union market. A harmonized regulatory approach is necessary in this context.

INTEGRATING WHOLESALE ELECTRICITY MARKETS



- ✓ **Contributions to ACER's electricity wholesale market monitoring activities:** ACER's 2024 Key Developments Report⁵ from March 2024 addressed the Energy Community crisis and war in Ukraine effecting the electricity demand and generation, analysis of power sources by technology in the region and level of prices. ACER's 2024 Electricity Wholesale Market Monitoring Report⁶, published in November 2024, covered congestion incomes, price convergence, analysis of whether cross-border trades bring welfare and integration of Ukraine with European networks.
- ✓ **ECRB monitoring report on the status of day-ahead, intraday, and balancing markets in the Energy Community** elaborated by the EWG, has the following key findings:
 - Day-ahead markets (DAMs) were operational in Albania, Montenegro, North Macedonia, Serbia, and Ukraine, with Albania, North Macedonia, and Montenegro launching their markets in 2024. Since the beginning of 2024, Kosovo* has also operationalized its DAM, coupled with Albania.
 - These DAMs primarily traded standard one-hour products and applied the marginal pricing principle to determine final prices, although minimum and maximum price limits were also in place.
 - Cross-zonal capacity allocation was possible in all West Balkan Six (WB6) CPs, Moldova, and Ukraine. Intraday markets (IDMs) were operational only in Serbia and Ukraine, utilizing continuous trading approaches, with Albania, Georgia, and Kosovo* launching IDM trading in the second half of 2024. Progress towards market coupling is ongoing with NEMO designation and the establishment of Local Implementation Projects.
 - Balancing markets exist with varying levels of harmonization with the EnC Electricity Balancing Guideline (EB GL) Regulation regarding procurement of balancing services and imbalance settlement. Most CPs calculate imbalance as the difference between metered and nominated volumes, but the calculation methodologies differ.
 - Harmonization with EU regulations, specifically the EnC Electricity Regulation, EnC CACM, and EnC EB GL Regulations, is still in progress across the Energy Community.
 - While significant steps have been made in developing these markets, further alignment of national legal frameworks with EU regulations is needed. Limited harmonization in gate closure times for DAMs was observed, with some CPs aligning with SDAC's noon market time while others opted for earlier times.
- ✓ **Market transparency:** Remains a central driver for wholesale market development and competition. ECRB therefore in 2024 undertook the activity of reviewing compliance with

⁵ https://www.acer.europa.eu/sites/default/files/documents/Publications/ACER_2024_MMR_Key_developments_electricity.pdf

⁶ https://www.acer.europa.eu/sites/default/files/documents/Publications/ACER_2024_MMR_Market_Integration.pdf

INTEGRATING WHOLESALE ELECTRICITY MARKETS



the publication requirements outlined in Regulation 543/2013 on submission and publication of data in electricity markets. This review aimed to assess the performance of the Contracting Parties in meeting regulatory requirements. The results are published on the Energy Community website.

- ✓ **Update on regulatory framework regarding RES and flexibility:** The report highlights the ongoing efforts of Energy Community Contracting Parties and Observers to transpose EU legislation on RES, particularly EnC Renewable Energy Directive II (RED II). The key learnings are:
 - While most Contracting Parties are in the process of aligning their national laws, the degree of transposition varies across the region.
 - A shift from feed-in tariffs to more market-based mechanisms like auctions and premiums is evident in many EnC CPs, alongside the introduction of self-consumption schemes. Regulatory authorities play diverse roles in supporting RES, ranging from approving power purchase agreements (PPAs) and contracts-for-difference (CfDs) to setting tariffs and overseeing auctions.
 - Flexibility schemes are still in early stages of development in most observed CPs, although some have introduced related provisions in their legislation or bylaws.
 - The energy generation landscape in the EnC CPs is diverse, with a growing penetration of RES technologies like solar and wind, presenting new challenges for system operation.
 - Overall, the report indicates progress in aligning with EU standards for renewables and flexibility, but further development and implementation are needed.

- ✓ **ECRB participation in the JET EnC Activities:**
 - This initiative involves stakeholders from EU Member States and the Contracting Parties, and is tasked to work on the Market Coupling Operation Integration Plan (MCO IP), as defined in Art. 7(3) of the Energy Community CACM Regulation. This plan should include detailed descriptions and a timeline for integrating NEMOs from Contracting Parties into the Market Coupling Operation (MCO) functions.
 - Throughout 2024, the EWG Chairwoman represented the ECRB to the JET EnC, which was set up to serve as a platform for discussions related to the Contracting Parties' integration into Single Day Ahead Coupling and Single Intraday Coupling. The EWG was actively engaged in reviewing the draft MCO IP and consulted internally and with ACER on this matter.

CREATING COMPETITIVE GAS MARKET



The Gas Working Group (GWG) plays a crucial role in fostering the development and integration of gas markets within the Energy Community. The reports and other deliverables elaborated by the GWG serve as valuable tools for policymakers and regulators in the CPs as they navigate the evolving energy landscape.

In 2024, the GWG performed the monitoring of gas wholesale markets, facilitated the implementation of the network codes, and undertook a comprehensive analysis of the regulatory framework for biogas. It also addressed broader Energy Community developments and received updates on national developments from the participating NRAs. Topics such as transmission system operator unbundling, implementation of balancing network codes, transmission tariff methodologies were frequently discussed.



Throughout 2024, the GWG convened three meetings to progress its work program. These meetings served as platforms for discussing national and Energy Community developments, updating on the progress of TFs, and deliberating on specific regulatory matters. Updates on the GWG's activities were also regularly presented at the ECRB plenary meetings.

Key Deliverables and Achievements in 2024:

- ✓ **Wholesale market monitoring:** The GWG elaborated the report on the development of gas wholesale markets in the Contracting Parties, highlighting the following findings:
 - In 2023, the majority of Energy Community Contracting Parties experienced a decrease in wholesale gas prices compared to the high levels of 2022, although Serbia saw a 26% increase in average yearly wholesale sell prices.
 - Overall gas demand in the Contracting Parties showed a downward trend in 2023, with the notable exception of North Macedonia which recorded a significant increase of 29.7%.
 - The gas markets within the Contracting Parties are still characterized by high levels of concentration, especially in Moldova and Serbia, where the biggest companies cover more than 90% of the market
 - Allocation of transmission capacity was performed based on Network Code on Capacity Allocation Mechanism (CAM NC) in Ukraine, Moldova, and Serbia, however with certain limitations.
 - Implementation of the Balancing Network Code is still ongoing across the Contracting Parties, with Ukraine demonstrating the most progress towards full compliance.
 - In 2023, Tariff Network Code (TAR NC) was still not implemented in majority of the Contracting Parties. The exceptions are Ukraine and Moldova. While Ukraine and

CREATING COMPETITIVE GAS MARKET



Moldova have adopted a capacity-weighted distance reference price methodology, North Macedonia and Georgia continue to use a post stamp methodology for transmission tariffs. In the same year, Serbia was preparing for the TAR NC implementation.

- The ECRB recommends that Contracting Parties intensify their efforts in demand reduction, diversification of supply sources, and the complete implementation of gas network codes to foster better market integration and enhance the security of gas supply. A special attention should be given to the expected rise in gas transmission costs due to the reduction of volumes and change of routes. The regulators are invited to design tariffs so not to jeopardize the functioning of the gas transmission systems, but also to allow gas supplies to enter the markets at reasonable prices. The regional cooperation here is of utmost importance.

✓ **Report on congestions at interconnection points:** According to chapter 2.2.1 of the Gas Congestion Management Network Code⁷, the ECRB publishes by 1 June of every year, 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. The report serves as a basis for introducing implementation of firm-day-ahead use-it-or-lose-it mechanism (FDA UIOLI), if it is established that contractual congestions occurred in the prescribed manner. Key findings of this report include:

- Capacity allocation is conducted based on CAM NC in Ukraine and Moldova, and for non-exempted short-term capacity on Gastrans's IPs in Serbia. Capacity bookings at these interconnection points primarily involved monthly products in Moldova and North Macedonia, whereas Serbia largely utilized yearly products.
- Auctions held in Ukraine and Moldova did not result in auction premiums, indicating an absence of contractual congestion as defined by the Congestion Management Procedures Guidelines (CMP GL).
- Other potential indicators of contractual congestion, such as unsuccessful capacity requests or a lack of capacity offers, were generally not observed, with the exception of a non-offer on one of Transportgas Serbia's interconnection points.
- Trading of capacity on the secondary market was limited within the Contracting Parties in 2023, with some transfer of monthly and daily capacities occurring in Serbia.
- Based on the analysis of capacity bookings and other indicators in 2023, the ECRB concluded that no contractual congestions were present at the analysed

⁷ 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.

CREATING COMPETITIVE GAS MARKET



interconnection points, thus negating the need for national regulatory authorities to mandate the firm day-ahead use-it-or-lose-it mechanism.

- ✓ **Analysis of consultation documents related to reference price methodologies:** This task comprises the ECRB analysis of the consultation documents related to reference price methodologies (RPMs) submitted by NRAs, as per Article 27 of TAR NC. In 2024, the Energy Agency of the Republic of Serbia submitted the tariff consultation documents for the ECRB analysis. pro. The analysis concluded that
 - The consultation document provided all necessary information as required by TAR NC, except for a simplified tariff model. The proposed RPM, based on the capacity weighted distance (CWD) methodology, was deemed appropriate for Serbia's transmission network and compliant with TAR NC's requirements.
 - Although an initial cost allocation assessment showed a high comparison index, a revised assessment considering both planned capacity and distance was found to be compliant with cost-reflectivity principles.
 - The ECRB confirmed that the proposed RPM adheres to the principles of non-discrimination and prevents undue cross-subsidization among network users.
 - Furthermore, the substantial decrease in the exit tariff for cross-system users suggested that the RPM is designed to avoid distorting cross-border trade, and no significant volume risk was identified.

- ✓ **Report on the regulatory framework for biogas:** The report analysed the biogas market development and regulatory frameworks in Serbia and Ukraine, as well as EU member states Austria and Romania. Main learnings are:
 - Austria and Serbia show the largest amounts of biogas production, but biomethane is only produced in Austria.
 - Countries like Romania, Serbia, and Ukraine, lacking specific support schemes and favourable connection rules for biomethane, did not have any biomethane injected into their transmission or distribution systems.
 - Austria, in contrast, incentivizes the connection of biomethane plants to the grid through socialized connection costs and lower network charges.
 - While guarantees of origin for renewable gas are in the implementing phase in Serbia and Ukraine, they are already available in Austria, along with the disclosure of renewable gas shares in gas bills.
 - The report suggests that without support schemes and specific access conditions, biomethane production struggles to compete with natural gas prices.
 - The implementation of the EU Hydrogen and Gas Decarbonisation package (RED III) is recommended to create the necessary legal framework for biomethane development in the Energy Community Contracting Parties.

TRANSPARENCY OF WHOLESALE ENERGY MARKETS



Maturity of the wholesale energy markets goes hand in hand with a need to increase transparency of their operation, complemented with regime that identifies, prohibits, and penalises market abuse. With adoption of Decision D/2018/10/MC regarding integration of adapted version of Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency, its implementation in the Energy Community has become mandatory as of 29 May 2020.



ECRB has established the relevant ECRB REMIT Working Group (REMIT WG) to monitor implementation progress of the Contracting Parties, perform ECRB responsibilities under REMIT, and enhance cooperation and knowledge building of NRAs from the Contracting Parties via exchange of experiences with ACER and EU NRAs. The ultimate objective remains full integration of EU REMIT in the Energy Community.

In 2024, the REMIT WG convened three formal meetings to progress its work program, accompanied with other working meetings on specific tasks. These meetings served as platforms for discussing national and Energy Community developments, updating on the progress of TFs, and deliberating on specific regulatory matters. Updates on the REMIT WG's activities were also regularly presented at the ECRB plenary meetings. For the first time, several cases were submitted to REMIT WG by one of the members. These cases were addressed in accordance with ECRB REMIT PA⁸. In addition, WG members participated in workshops focused on REMIT implementation aspects and regulatory knowledge sharing with ACER and EU NRAs.

Key Deliverables and Achievements in 2024:

✓ **Report on the status of REMIT Implementation**⁹: Monitoring compliance with the requirements of EnC REMIT is central to this activity. The REMIT Implementation Report outlines the implementation status and activities of NRAs regarding regulatory framework for implementation, guidance, cases notified and investigated, sanctions and regional cooperation. The key findings are:

- Most EnC REMIT provisions, including the prohibition of market manipulation and insider trading, have been transposed into the national legal frameworks of CPs,
- All NRAs in CPs possess the powers to monitor, investigate, and sanction abusive behaviour, and a penalty regime has been developed in almost all CPs,

⁸ ECRB REMIT Procedural Act

⁹ REMIT Implementation Report

TRANSPARENCY OF WHOLESALE ENERGY MARKETS



- Unlike the EU, the Energy Community REMIT lacks a centralized data reporting requirement. Certain national data reporting requirements exist and are being aligned with REMIT monitoring purposes,
- NRAs actively cooperate and coordinate their activities under the ECRB,
- Notifications of suspicious activities and enforcement decisions have been limited in most CPs, with Ukraine and Türkiye reporting some cases,
- The report concludes by encouraging NRAs to intensify EnC REMIT implementation by more closely aligning with EU practices, particularly regarding Inside Information Platforms and the identification of suspicious activity.

✓ **Updated ECRB Guidance on REMIT (REMIT FAQs)¹⁰:** This document provides harmonised regulatory guidance and answers to implementation issues and questions raised by the stakeholders in CPs. The Guidance refers to ACER's REMIT related Guidance and aims at outlining the key differences between the EU REMIT and EnC REMIT. It clarifies aspects related to:

- Interaction between EU REMIT and EnC REMIT,
- Definition of the wholesale energy products,
- Registration requirement,
- Stakeholders considered Market Participants under the definitions of REMIT,
- Cooperation of NRAs.

The ECRB facilitates cooperation and coordination among NRAs, using standardized formats for reporting potential breaches and for market participant registration, as outlined in the ECRB REMIT PA. This year's update focused on details such cooperation and coordination within the ECRB.

✓ **Report on Data Collection in CPs¹¹:** This report evaluates the data collection and reporting processes related to the implementation of EnC REMIT in the Contracting Parties and aims to identify practices, challenges, and recommendations. EnC REMIT, unlike the EU REMIT, does not mandate centralized data collection and handling. Taking into account this, CP NRAs rely on their data reporting and collection process to monitor the market and identify market abuses. This has resulted with significant variations in management and implementation. The legal frameworks enabling NRAs to collection the market data are in place in most countries, but challenges related to data quality and resource allocation persist. Notably, the report highlights that data quality is primarily ensured through manual reviews by NRAs, although some are starting to implement automated tools. The frequency of reports and granularity of data also varies across the CPs, reflecting diverse monitoring processes. Key challenges in implementing reporting requirements include technical issues, regulatory compliance complexities, and ensuring data quality. The report recommends:

¹⁰ (1) ECRB Guidance on REMIT and (2) FAQ by Market Participants in CPs

¹¹ REMIT Data collection and reporting process in the Contracting Parties

TRANSPARENCY OF WHOLESALE ENERGY MARKETS



- investing in technical resources, IT tools and capacity building,
- enhancing collaboration among NRAs,
- establishing clearer reporting guidelines,
- fully incorporating EU REMIT into the Energy Community.

- ✓ **Report on enforcement and penalty regimes in CPs¹²:** REMIT WG analysed the national legal frameworks of EnC CPs concerning the investigatory and enforcement powers of their NRAs and the effectiveness of penalty regimes related to REMIT. The key findings include:
 - While EnC REMIT requires NRAs to have necessary powers, the transposition of these powers into national laws varies,
 - Penalty regimes differ significantly across CPs, with some having only administrative fines and others combining administrative and/or criminal sanctions,
 - Investigating REMIT breaches, especially cross-border cases, is challenging due to differences in legal frameworks and deadlines for proceedings. Judicial cooperation in misconduct proceedings has limited scope, and the existence of international agreements is sometimes necessary for legal assistance,
 - The ongoing integration of CPs into EU electricity markets necessitates further improvement of legal frameworks and NRA powers to ensure effective market surveillance,
 - Alignment of EnC REMIT with EU REMIT remains key factor for ensuring consistent application of integrity regime, and in particular the penalty regime.
- ✓ **Coordination of investigations:** Under the EnC framework, the ECRB plays a key role in facilitating and coordinating investigations by NRAs, particularly in cases with cross-border implications. The ECRB REMIT PA, as well as the respective guidance, provides the operational basis for this coordination. In 2024, one of the NRAs submitted the first REMIT-related cases to the REMIT WG. These cases primarily concerned the non-registration of market participants and were processed in line with the ECRB REMIT PA. Based on the information available, it was concluded that none of the cases is likely to have cross-border effects; therefore, no further action was taken by the ECRB.
- ✓ **Knowledge sharing and capacity building:** Cooperation between ECRB REMIT WG and ACER and EU NRAs are crucial for capacity building of the regulatory authorities of the Contracting Parties. In 2024, such collaboration was ensured via organization of workshops and consultations with ACER and the EU NRAs with ECRB REMIT WG members.

¹² REMIT Enforcement and penalty regimes in the Contracting Parties

WORKING FOR THE BENEFIT OF CUSTOMERS



The Customers and Retail Markets Working Group (CRM WG) focuses on various aspects of consumer protection, engagement and awareness raising, fostering effective retail market functioning and energy transition. It closely cooperates with ACER in the field of electricity and gas retail market monitoring. The CRM WG also actively exchanges regulatory experience with other regional regulatory bodies, such as CEER and MedReg.



In 2024, the CRM WG focused on several key activities related to retail electricity and gas markets and consumer protection. A significant ongoing task was market monitoring of gas and electricity retail markets in the Contracting Parties and providing input to the annual market monitoring report of ACER and CEER on retail market developments. The key best practice sharing event was the Trilateral workshop ECRB-CEER-MedReg on customer aspects, held in Lisbon in October 2024, which covered topics like energy transition and consumer flexibility. The WG continued its status review of the implementation of consumer protection rules of the new Electricity Directive in the Contracting Parties and progressed on review of the regulatory frameworks for active consumers in the Energy Community.

Throughout 2024, the CRM WG convened three meetings to discuss national and Energy Community developments, updating on the progress of TFs, and deliberating on specific regulatory matters. Updates on the CRM WG's activities were also regularly presented at the ECRB plenary meetings.

Key Deliverables and Achievements in 2024:

- ✓ **Market monitoring report on the functioning of electricity and gas retail markets:** The 2023 Retail Market Monitoring Report provides an overview of the electricity and gas retail markets in the Energy Community, namely:
 - In the electricity sector, on average, total sales to final customers decreased slightly in 2023, and end-user prices for both households and industry increased.
 - For the third year in a row, average industry prices were higher than those of households indicating the existence of cross-subsidization between these customer groups.
 - Switching rates in electricity markets remained low, and the markets are generally highly concentrated, with incumbent suppliers holding significant shares, particularly in the household segment.

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- Household electricity prices continued to be regulated in most Contracting Parties, potentially hindering market liberalization.
- In the gas sector, after several years of demand decrease, total sales increased in most Contracting Parties, although prices also rose for both household and industrial consumers.
- Switching rates in the gas market were very low, and incumbent suppliers dominated.
- The report indicates that while consumer protection measures are largely in place, there are gaps in areas such as information on switching, availability of price comparison tools, and the full implementation of smart metering functionalities as outlined in the Electricity Directive.
- Overall, the report highlights the need for further development in market opening and consumer empowerment across the Energy Community.
- In addition to preparing the ECRB report, the CRM WG also provided input to ACER 2024 Market Monitoring Report- Energy Retail and Consumer Protection.

✓ **Sharing of regulatory practices on consumer protection:** With a view to discussing current regulatory activities related to consumer protection and to sharing best practices, the CRM WG organizes workshops with NRAs from the Energy Community, European Union, and Mediterranean region. The trilateral ECRB-CEER-MedReg workshop on customer aspects aimed to foster collaboration among the three regional regulatory bodies on consumer-related issues in the energy sector. It was held in October 2024 at the Energy Services Regulatory Authority in Lisbon. The workshop focused on facilitating the energy transition by exploring how to engage consumers actively and ensure their protection. Discussions covered topics, such as the future of energy in the Euro-Mediterranean region, regulatory challenges, the design of retail electricity tariffs, the role of aggregators, and effective consumer communication and protection practices. Presentations shared insights on proper information from suppliers, raising consumer awareness and trust, and increasing transparency in retail products. The outcomes and potential next steps of the workshop were scheduled for discussion at the subsequent CRM WG meetings.

✓ **Status of consumer empowerment and protection frameworks:** This note reviews the implementation status of consumer protection rules of the Electricity Directive¹³ in the Energy Community Contracting Parties. It finds that while basic consumer rights concerning supplier choice, contract terms, switching, billing, dispute settlement, universal service, and vulnerable consumers are generally well-established, the transposition of newer requirements from the Electricity Directive is lagging. These delayed aspects include shorter switching deadlines, collective switching schemes, and the provision of effective comparison tools. Furthermore,

¹³ Directive (EU) 2019/944 of 5 June 2019 on common rules for the internal market for electricity, incorporated and adapted by the Ministerial Council Decision 2021/13/MC-EnC of 30 November 2021 and amended by Decision 2022/03/MC-EnC of 15 December 2022.

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provisions aimed at consumer empowerment, such as aggregation contracts, dynamic price contracts, citizen energy communities, and demand response through aggregation, are largely not yet introduced in most Contracting Parties. The Electricity Directive aims to enhance consumer participation in the energy markets. The deadline for the directive's implementation was the end of 2023. The ECRB underscored the importance of promptly addressing these legislative gaps to further advance consumer protection and empowerment within the Energy Community. The ECRB will continue to monitor the practical implementation and effectiveness of these consumer-centric provisions.

✓ **Regulatory framework for active consumers:** This report examines the regulatory landscape for active consumers in the Energy Community Contracting Parties, building upon previous work and considering the requirements of the Electricity Directive. It highlights the difference between the definition of a renewable self-consumer from the RES Directive and an active customer from the Electricity Directive, noting that the former has seen wider adoption. The report analyses the rights and obligations, procedures, capacity limits, and metering and connection costs for both categories across the Energy Community. The key findings:

- While most Contracting Parties have established regulatory frameworks for renewable self-consumers, the definition and rights of active customers are not yet widely implemented.
- Most Contracting Parties utilize net billing schemes, and those schemes that do not separately account for electricity fed into and consumed from the grid must be revised by the end of 2026.
- Data from 2023 shows the number and installed capacity of renewable self-consumers across the Contracting Parties.
- The report concludes that while empowering active consumers is a key aspect of energy transition, the full implementation of the Electricity Directive's active customer provisions is still in early stages. Regulatory authorities shall primarily focus on creating the enabling framework and will need to prioritize aspects like smart meters and flexibility solutions.

CROSS- SECTORAL ACTIVITIES



The ECRB was actively involved in the selection process of Projects of Energy Community Interest (PECI), following the adoption of the Trans-European Networks for Energy (TEN-E) Regulation for the Energy Community. To support this, a new cross-sectorial TEN-E Task Force was established under the ECRB to review assessment results and prepare draft documents. Two documents were prepared and submitted to the ECRB for adoption.

Key Deliverables and Achievements in 2024:

- ✓ **ECRB Opinion regarding PECI projects¹⁴:** ECRB adopted the Opinion on the draft preliminary lists of PECI projects. The opinion focused on electricity projects as no other infrastructure categories were included in the preliminary PECI list. ECRB concluded that the overall selection process for the draft preliminary list of PECI projects, including methodologies and assessment criteria, was well prepared and organized, and the modelling and ranking of the projects were deemed consistent and in line with the Energy Community TEN-E Regulation and EU practices. The ECRB recommended enhancing transparency and clarity concerning the data provided by project promoters and its verification. Additionally, the ECRB suggested ensuring transparency regarding projects that did not pass the initial assessment phase based on general and specific criteria. The ECRB also invited the Energy Community Secretariat to assess the possibility of aligning future PECI processes with the corresponding EU TEN-E Regulation processes to ensure synergy.
- ✓ **ECRB Statement regarding PECI projects¹⁵:** ECRB adopted the Statement on good practices for the treatment of investment requests for PECI project. The Statement recommended that NRAs or the ECRB shall review the projects qualified as PECIs in line with the ACER's Recommendation no 02/2023 on good practices for treating investment requests, while taking into account Energy Community specifics from the Annex of the Statement. The statement emphasized the importance of harmonized approaches and utilizing good practices from the European Union in the preparation, submission, and treatment of investment requests with cross-border cost-allocation.
- ✓ **ECRB Survey of independence of national regulatory authorities in the Energy Community:** The independence of energy regulators is one of the key pillars of energy markets integration with the EU. The ECRB conducted a survey of independence and governance of NRAs based on the prerequisites defined in the Energy Community acquis. The survey findings include:
 - NRAs in the Energy Community are legally and functionally independent, although the Ukrainian NRA has a legal status that subordinates it to the Cabinet of Ministers based on general law.

¹⁴ ECRB opinion on draft preliminary PECI list

¹⁵ ECRB statement on recommending good practices for treatment of investment requests for PECI

CROSS- SECTORAL ACTIVITIES



- All NRAs operate independently and do not seek instructions, although instances of potential political pressure or interference were noted in Bosnia and Herzegovina and Montenegro. Board members in most Contracting Parties have fixed terms and are selected through open procedures, with conflict-of-interest provisions in place.
- The number of staff in NRAs has remained stable despite increasing tasks, suggesting potential under-resourcing.
- All NRAs are generally independent in their budget allocation, except for Ukraine which must comply with certain state fund limits. Several NRAs, however, face a lack of full autonomy in re-allocating budget funds and in determining staff salaries, with some facing difficulties with actual budget approvals and initiatives to lower staff salaries.
- The report concluded that while Energy Community legislation independence criteria are mostly met, there are restrictions in areas like staff resources and salary autonomy. The ECRB formulated specific recommendations to address these limitations.

ABBREVIATIONS



ACER	Agency for the Cooperation of Energy Regulators
AERS	Energy Agency of the Republic of Serbia
ANRE	National Agency for Energy Regulation of Moldova
CACM	Capacity Allocation and Congestion Management
CAM NC	Capacity Allocation Mechanisms Network Code
CEER	Council of European Energy Regulators
CfD	Contract-for-Difference
CMP GL	Congestion Management Procedures Guidelines
CP	Contracting Party
CRM WG	Customers and Retail Markets Working Group
CWD	Capacity weighted distance
DAM	Day-ahead Market
GNERC	Georgian National Energy and Water Supply Regulatory Commission
ECRB	Energy Community Regulatory Board
EB GL	Electricity Balancing Guideline
EIP	Electricity Implementation Package
EnC	Energy Community
ERC	Energy and Water Services Regulatory Commission of North Macedonia
ERE	Energy Regulatory Authority of Albania
ERO	Energy Regulatory Office of Kosovo*
EU	European Union
EWG	Electricity Working Group
FDA UIOLI	Firm-day-ahead use-it-or-lose-it mechanism
GWG	Gas Working Group
IDM	Intra-day Market
JET EnC	Joint Expert Team Energy Community
MCO	Market Coupling Operation
MCO IP	Market Coupling Operation Integration Plan
MedReg	Association of Mediterranean Regulators
NEMO	Nominated Electricity Market Operator
NEURC	National Commission for State Regulation of Energy and Public Utilities of Ukraine
NRA	National Regulatory Authority
PECI	Projects of Energy Community Interests
PPAs	Power Purchase Agreements
RED II	Renewable Energy Directive II
REGAGEN	Energy and Water Regulatory Agency of Montenegro
REMIT	Regulation on Wholesale Energy Market Integrity and Transparency
REMIT FAQs	REMIT Frequently Asked Questions
REMIT PA	REMIT Procedural Act
REMIT WG	REMIT Working Group

ABBREVIATIONS



RES	Renewable energy sources
RPM	Reference price methodologies (s)
SDAC	Single Day-ahead Coupling
SERC	State Electricity Regulatory Commission of Bosnia, and Herzegovina
SIDC	Single Intraday Coupling
TAR NC	Tariff Network Code
TCMs	Terms, Conditions, and Methodologies
TEN-E	Trans-European Networks for Energy
TF	Task Force
WB6	West Balkan Six (Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, Serbia)
WG	Working Group