Conclusions of the 77th Permanent High Level Group

Location: Energy Community Secretariat, Vienna
Date: 10 October 2025

1. Opening and adoption of the Agenda

01. The meeting was chaired by Ms. Ana Gogoladze for Georgia and Ms. Yolanda Garcia Mezquita for the European Commission.
02. The Permanent High Level Group (PHLG) approved the amended agenda of the meeting.

2. Finalization of the Conclusions of the 76th meeting

03. The PHLG finalized the Conclusions of the 76th meeting on 25 June 2025.

3. *Acquis* in preparation

i. For adoption in 2025

04. The European Commission presented the status of the new environmental *acquis*: the Habitats Directive, the Birds Directive, as well as the Water Framework Directive and its Daughter Directives, in view of adoption at the Ministerial Council on 18 December 2025. Some Contracting Parties expressed concerns about the proposed timeline of adoption and transposition. The PHLG invited the Environmental Task Force to review the adopted versions of the proposals in view of these concerns. The Contracting Parties invited the European Commission to share the proposals with the Contracting Parties for comments as soon as possible.
05. The European Commission presented the proposal for a Ministerial Council decision prolonging the Gas Storage Regulation. The draft, already presented to the Energy Community Security of Supply Coordination Group (subgroup for gas) at its meeting on 24 September 2025. The Contracting Parties invited the European Commission to share the proposal with the Contracting Parties for comments as soon as possible The Contracting Parties invited the European Commission to share the proposal with the Contracting Parties for comments as soon as possible of adoption by the Ministerial Council on 18 December 2025.
06. The European Commission presented the proposal of a Ministerial Council Decision on the extension of the operational hours of opted-out large combustion plants in Ukraine in view of adoption at the Ministerial Council on 18 December 2025.

ii. Others

07. The Contracting Parties invited the European Union to present a proposal for the full adaptation of REMIT, in due time for obtaining comments by the Contracting Parties, for possible adoption by the Ministerial Council in 2026. The European Commission, in cooperation with the Energy Community Secretariat, invited Contracting Parties to

bilateral meetings to discuss the key implementation aspects of the full REMIT adaptation in the Energy Community.

08. The Secretariat informed the PHLG about the technical exchanges at the Renewable Energy Coordination Group, regarding the delegated acts under Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources and Commission's decisions under Directive 2009/28/EC. The Contracting Parties invited the European Commission to present draft proposals of adapted acts for possible adoption decision in 2026.

09. The European Commission presented the draft Decision of the Ministerial Council on the mutual recognition of Guarantees of Origins in view of possible adoption at the Ministerial Council in 2026. The Commission invited the Contracting Parties to submit their feedback on the draft Decision by 10 November 2025. While noting the update, several Contracting Parties reiterated their reservations and the need for further clarification regarding the proposal.

10. The PHLG renewed its invitation to the Renewable Energy Coordination Group to discuss at its meeting on 20 November 2025 the draft Decision with the Commission and report on the feedback to the December 2025 PHLG meeting.

4. Electricity Market Integration

11. As mandated by the Ministerial Council in December 2024, the Secretariat updated the PHLG on the progress achieved by the Contracting Parties in the transposition of the Electricity Integration Package. The European Commission and the Secretariat reiterated that the EIP, consisting of nine legal acts as adopted by the Ministerial Council in 2022, constitutes the agreed legal basis for market coupling.

12. The Secretariat provided an update on the process of verification of the compliant transposition of the Electricity Integration Package in the Contracting Parties. The Contracting Parties expressed concerns about the late notification and the administratively burdensome requirements of the verification process, and they called for acceleration of the verification procedure of national EIP legislation submitted in line with the letter of 7 August 2025. The Commission recalled that a comprehensive transposition and the quality of documents received (clear concordance tables in English language) will facilitate a timely completion of the verification process. The Secretariat acknowledged that the administrative requirements associated with the verification process are commensurate to the implications market coupling will have for the single electricity market.

5. NECPs

13. The Secretariat reported on the status of adoption and implementation of NECPs in the Contracting Parties and urged Bosnia and Herzegovina, Kosovo* and Montenegro to urgently finalise their NECPs and notify to the Secretariat.

6. MRVA and carbon pricing

14. The Secretariat provided an update on the implementation of the Monitoring, Reporting, Verification, and Accreditation (MRVA) framework for all Contracting Parties and called for the imminent finalization of the adoption of the relevant legislation, for which the deadline was December 2023, as well as urgent progress towards implementation, for which the deadline expires on 31 December 2025. This will prevent infringement proceedings under the dispute settlement rules of the Treaty.
15. Following the discussion at the Informal Ministerial Council, the European Commission and the Secretariat, recognising that the Energy Community Treaty provides political and legal tools—such as general policy guidelines or measures of the Ministerial Council—will explore options for coordination of carbon pricing, including a common implementation timeframe, sectoral coverage, and/, and will present them for possible conclusions of the Ministerial Council on 18 December 2025.

7. Budgetary matters

16. The PHLG was informed about the (a) the Report of the Director of the Energy Community Secretariat under Article 75 of the Treaty for the financial year 2024, (b) the Audit 2024 Final Report, (c) the draft Ministerial Council Decision on the discharge of the Director for 2024, (d) the Budget Committee Report on Audit 2024 and (e) the Budget Committee Annual Report for 2024.
17. The PHLG was also briefed about the Energy Community budget for the years 2026-2027.

8. AOB

18. As mandated by the Informal Ministerial Council, the Secretariat presented its Report on the assessment of the capacities of energy regulators in the Energy Community.

UNILATERAL STATEMENT OF THE REPUBLIC OF SERBIA

While noting the update, the Republic of Serbia and several Contracting Parties reiterated their reservations and the need for further discussion about the proposal for Ministerial Council decision on the mutual recognition of Guarantees of Origins.

Serbia remains firmly committed to the goals of the Energy Community and to full alignment with the EU renewable energy and electricity *acquis*. Our country is continuously strengthening its legislative and institutional framework to support the energy transition, and we are fully aware of the obligations we have undertaken under the Treaty.

However, the current proposal on the mutual recognition of guarantees of origin introduces conditions that go far beyond the legal and technical scope of this mechanism.

Instead of focusing on the technical reliability, traceability, and transparency of guarantees of origin — which are the essence of this market instrument — the proposal links their recognition

to the complete transposition and implementation of several complex energy packages, including those on market coupling and system operation. The rules related to system operation or readiness for risks have nothing in common with the implementation of guarantees of origin.

Such an approach effectively turns a market-based decarbonisation tool into a political compliance mechanism. It does not accelerate alignment — it penalises countries that are already investing in renewable energy and low-carbon industry.

Moreover, the requirements to participate in the regional system is not acceptable to the Republic of Serbia. We are already members of AIB, which is the European "umbrella" organization, and thus we shall not participate in a regional system, especially if the regional system does not meet the high requirements established in AIB; certain Contracting Parties cannot ensure the basic requirement of the system, namely "avoidance of double counting".

The timeline for assessment is incredibly long – if the process and the deadlines remain as proposed, in a best case a decision on recognition of guarantees of origin could be taken in mid-2029 at earliest.

The practical impact would be significant and harmful:

- Our industries would be unable to demonstrate the green origin of their electricity and would lose competitiveness in EU markets;
- Renewable energy producers would be deprived of a key source of revenue needed to finance new projects;
- The credibility of the Energy Community as a shared European framework for transition would be weakened.

Hence, the Republic of Serbia cannot support this proposal in its current form.

Guarantees of origin are a market instrument for decarbonisation, not a political conditionality tool. Recognition must depend solely on the technical integrity, transparency, and reliability of national systems — not on the political pace of transposition.

Serbia remains fully committed to fulfilling all of its obligations under the Energy Community Treaty and to advancing alignment with EU rules. But we must not allow industries and investors — those who are actually driving decarbonisation — to become collateral damage of overextended conditionality.

If our common goal is to accelerate the green transition, then mutual recognition of guarantees of origin should be a bridge between the EU and the Energy Community — not a barrier.

Serbia will send detailed comments to the draft decision an dstands ready to work constructively with the European Commission, the Secretariat, and fellow Contracting Parties to establish a fair, transparent, and technically sound system that supports renewable energy investment across our region and strengthens the credibility of our shared European energy space.