MINUTES OF THE 9th ECRB MEETING

Athens, 25 February 2009, 10:00 – 14:00

Hotel Crowne Plaza - Athens City Centre Hotel

Attendance – see Annex 1

1. Draft agenda of the 9th ECRB meeting (for approval)

Related document: R09-GA-09-01

Discussion: With a view to combine related topics it was agreed to procedurally combine discussions on agenda item 5.2 and 8.

Conclusions/actions: The draft agenda of the 9th ECRB meeting agenda has been approved.

2. Minutes of the 8h ECRB meeting (for approval)

Related document: R09-GA-09-02

Discussion: Questioning the agreement of the ECRB on the last sentence of the conclusions on agenda item 6.1, Mr. Maksimovic suggested canceling this sentence. The ECRB re-iterated the decision of the 8th ECRB deciding that the IG Chairman shall have the overall lead for coordination with regard to the SEE CAO but suggested to adjust the wording of the last sentence of the conclusions on agenda item 6.1.

Conclusions/actions: The minutes of the 8th ECRB meeting have been approved with the following modifications: (1) the last sentence of the conclusions on agenda item 6.1 shall read "the ECRB decided that the IG Chairman shall have the overall lead for coordination with TSOs with regard to the SEE CAO". (2) The word "decision" in the minutes will in general be substituted by "conclusions/actions".

3. ECRB Procedural Rules – ECRB Communication Rules (for approval)

Related document: Procedural Rules [R09-GA-09-03a (Cover Note) and R09-GA-09-03b]; Communication Rules [R09-GA-09-03d (Cover Note) and R09-GA-09-03c]

Discussion:

(1) PROCEDURAL RULES (PR): Ms. Grall informed about the suggested amendments of the PR and the related voting requirements. Instead of making reference to the voting procedures of 4.2 to 4.4 in the proposed paragraph 7.6, Mr. Maksimovic suggested including a new paragraph 7.7 which should summarize the voting procedures of paragraphs 4.2 to 4.4. This would improve readability and also clarify that election of WG chairs is not based on a Title of the EnC Treaty. The voting procedure in the proposed paragraph 7.6 would consequently need to refer to the new paragraph 7.7.

(2) COMMUNICATION RULES (CR): Ms. Grall informed about the suggested amendments of the CR aiming for facilitation of WG progress. The respective changes do not require specific approval procedures.

Conclusions/actions:

(1) PROCEDURAL RULES: (a) the Procedural Act[1] has been approved in line with the voting requirements and with the following modifications: (a) a new paragraph 7.7 has been included reading "The election of Working Group Chairs by the ECRB requires the presence of two thirds of Members and simple majority of the votes cast". (b) References to voting procedures in paragraph 7.6 are corrected to "7.7".

(2) COMMUNICATION RULES (CR): The proposed changes to the CR have been approved with the following amendments: in item 6.9 the spelling of the word "document" is corrected; in item 10 "General Assembly" is deleted from the heading.

[1] Decision of the Energy Community Regulatory Board on the amendment of the Internal Rules of Procedure, Procedural Act No. 01/2007.

4. ECRB Studies

4.1 ECRB Studies 2008 (for information)

Related documents: overview studies 2008 [R09-GA-09-04.1/meeting slides]

Discussion: Ms. Grall gave an overall update about the progress of the 2008 ECRB studies (see meeting slides).

Mr. Thomadakis updated the ECRB in more detail about the results of the "Study on the Improvement of Interconnection, Interoperability, Transparency and Harmonisation of Operational Rules for Natural Gas Transportation in the Energy Community" ("Gas Study")[2].. The GWG Chair underlined that concrete next steps can be deducted but that such planning needs to wait for the results of the March PHLG meeting and its political support for progressing with new gas infrastructure ("Gas Ring") in the CP. With regard to the study's suggestion to introducing a 10 year investment planning for the EnC Region, Mr.Preinstorfer pointed out the parallels to the currently discussed 10 year investment planning to be developed by ENTSO-E/-G ("3rd package"). Mr. Preinstorfer suggested that a respective EnC planning should be included in the ENTSO-E/-G planning. Mr. Hilbrecht agreed that there should be an interface and coordination to the maximum possible extent but underlined that responsibilities for developing 10 year investment planning for the EnC Region should remain with the TSOs of this region

Mr. Zametica updated about the results of the "Study on Tariff Methodologies and Impact on Prices and Energy Consumption Patterns in the Energy Community"[3] ("Electricity Tariff Study").. The CWG chair informed that the study actually supports the already ongoing and planned future activities with regard to (1) developing tariffs towards cost reflectivity and (2) addressing the social dimension.

Conclusions/actions: (1) The ECRB requested the GWG to develop concrete steps and milestones for the upcoming two years of GWG work from the Gas Study results, based on the results of the March PHLG meeting. (2) The ECRB invited WGs to ensure coordination and compatibility with the developments by ENTSO-E/-G on EU level when discussing the development of a 10 year (gas/electricity) investment plan for the EnC. (3) The ECRB invited the CWG Chair to present the final results of the Electricity Tariff Study to the next ECRB meeting, including the next steps deducted from the study for the upcoming two years of CWG work and also making reference to already ongoing CWG activities.

4.2 ECRB Studies 2009 (for discussion)

Related documents: overview slide [meeting slides]

Discussion: Ms. Grall presented a list of the WG requests for ECRB studies in 2009. Ms. Grall highlighted that a final decision on the possibility to finance the requests within the Energy Community budget would require a final picture of the consultancy needs. The GWG chair underlined that again final consultancy requirements for the GWG would depend on the results of the March PHLG meeting.

Conclusions/actions: Acknowledging the necessity to take into account the results of the March PHLG meeting with regard to GWG studies, the ECRB requested WG chairs to communicate the consultancy need for their WGs to the ECRB Section by Monday, 30 March 2009, the latest. The final list including the related Terms of Reference[4] shall be submitted to the next ECRB meeting for approval.

5. Electricity issues

5.1 Work Programme 2009: priorities, milestones, deliverables (for approval)

Related document: Presentation [R09-GA-09-05.1/meeting slides]

[2] Currently under evaluation by the Steering Committee for final approval.
[3] Final approval of the Steering Committee expected for the upcoming weeks.
[4] The Terms of Reference for the 2 requested CWG studies 2009 have already been approved by the CWG.

Discussion: With reference to the related request of the last ECRB meeting, Mr. Stefanovic presented the 2009 EWG priorities and milestones (see slide). With regard to those activities where results were indicated to depend on SETSO (related to CAO activities), the Vice-President asked for specification of an – at least – possible timing. The EWG chair informed that a principle planning would exist in the draft Action Plan for setting up the CAO, developed in the CAO IG. The Action Plan, however, still needs approval by SETSO, envisaged for the next CAO IG meeting in April.

Conclusions/actions: The ECRB requested the EWG to present missing milestones including their timing to the next ECRB meeting, taking into account the results of the April CAO IG meeting and the related discussions on the CAO Action Plan.

5.2 CAO Monitoring

Related document: summary [R09-GA-09-05.2a], background material [R09-GA-09-05.2b], meeting slides

Discussion: Mr. Stefanovic updated the ECRB on the ongoing EWG discussions and consultant advice with regard to the possible options for monitoring of the SEE CAO and raised some open questions.

Conclusions/actions: The ECRB concluded that the current level of evaluations would not be sufficient to allow for a final decision. The ECRB decided to set up an ad hoc Task Force (TF) comprising in particular Mr. Radovanovic (AERS) and Mr. Lelovitis (RAE) under the leadership of Mr. Koutzoukos for proposing a solution for monitoring of the SEE CAO to the next ECRB meeting, reflecting on:

(1) SUBSTANCE: (a) advantages and disadvantages of continuous vs. periodical monitoring; (b) advantages and disadvantages of national vs. regional monitoring; (c) the necessary kind of data and modality of data collection and processing necessary for the models addressed under (a) and (b).

(2) EXISTING MODELS: (a) an overview about the existing models; (b) the legal requirements for implementing these models, especially analyzing the legal possibilities for tasking a single national regulator with the monitoring responsibility (see e.g. German model); (c) the potential, technical and legal requirements for tasking the ECRB with the monitoring responsibility.

(3) PHASES: analysis shall always distinguish between the set up phase vs. monitoring the established SEE CAO.

(4) COSTS: The expected costs for implementing the suggested monitoring option.

(5) SEE CAO SETTING UP: (a) the necessary steps to be taken for the practical setting up of the SEE CAO including responsibilities, legal and technical requirements and milestones; (b) the legal requirements for regulatory approval of CAO related documents (e.g. auction rules; see draft Action Plan), especially analyzing the existing competences of national regulators for such approvals or the need for approval by the ECRB, including the legal requirements for the ECRB to take such decisions (e.g. specific empowerment needed?); (c) the legal requirements for enforcement of compliance with the approved rules, including all elements outlined under (d)..

The ECRB requested Mr. Koutzoukos to set up the ad hoc TF in order to commence the work at the earliest convenience. The ECRB requested the TF to ensure that the requested assessment will make use of already existing assessments and focus on the preparation of a possible solution to the next ECRB for approval.

5.3 EWG - short status report (for information)

Related document: meeting slides

Discussion: Mr. Stefanovic presented an update of the ongoing activities of the EWG (see slides). With regard to harmonization of licensing Mr. Ivanovski reminded that this analysis is part of the ongoing 2008 ECRB study on legal requirements for setting up the SEE CAO and reminded that work should not be doubled.

The Vice-President and IG Chair recalled the need for coordination between the EWG and ERGEG on the Regional Initiative (RI) and supported the reimbursement of the costs of the EWG Chair's participation in Electricity RI Task Force (ERI TF) meetings. Mr. Neykov informed that, according to the ECS reimbursement rules, only costs of EnC related meetings can be covered and expressed the need to raise the request for cost reimbursement to the Budgetary Committee Chair for approval (maximum one person per meeting).

The GWG chair clarified that no similar reimbursement request would be necessary for coordination with the Gas RI, since necessary coordination is already guaranteed by representation of RAE in the single groups of the RI and EnC.

Mr. Preinstorfer, supported by Mr. Koutzoukos and Mr. Thomadakis, suggested including the 8th Region in the reporting of the ERI. Mr. Hilbrecht in principle welcomed this approach but underlined that this would require official approval by ERGEG.

Mr. Koutzoukos proposed that the 8th Region should follow the transparency monitoring example practiced by the ERI.

Conclusions/actions:

(1) The ECRB took note of the suggestion for better cooperation between the 8th Region and the ERI and the proposal to include the 8th Region in the reporting of the ERI, however underlined that such approach would need official ERGEG approval. The ECRB invited Mr.Preinstorfer to clarify the possibility within ERGEG and report the conclusions to the next ECRB meeting.

(2) With regard to transparency monitoring the ECRB requested the ECRB Section to explore and explain to the next ECRB meeting which monitoring activities are expected from regulators in the framework of the transparency monitoring followed by the ERI.

(3) The ECRB requested Mr. Neykov to clarify reimbursement possibilities in order to allow for participation in the ERI TF meetings (one person per meeting).

6. Gas issues

6.1 Work Programme 2009: priorities, milestones, deliverables (for approval)

Related document: Presentation [R09-GA-09-06.1/meeting slides]

Discussion: With reference to the related request of the last ECRB meeting, Mr. Thomadakis presented the 2009 GWG priorities. Referring to the need to take into account the results of the March PHLG meeting, Mr. Thomadakis informed that milestones can be developed after the March PHLG meeting only.

Conclusions/actions: The ECRB requested the WG to present the milestones for GWG work 2009 to the next ECRB meeting, taking into account the results of the March PHLG meeting.

6.2 GWG - short status report (for information)

Related document: -

Discussion: *see 4.1 studies 2008*

Conclusions/actions: *see 4.1 studies 2008*

6.3 EC short and long term activities related to improving gas security of supply (for information)

Related document: -

Discussion: Against the background of the recent gas crisis, Mr. Hilbrecht updated the ECRB on the planned EC short and long term activities related to improving gas security of supply:

(1) SHORT TERM: the EC discussed the short term effects and possible remedies of the gas crisis in the Gas Coordination Group (GCG) which also involved EnC representatives. The discussions were successful in providing short term alleviations for the supply situation via mutual assistance. A monitoring team for observation of gas flow data from the Ukraine has been established. Its mandate will end by end of March.

(2) LONG TERM: based on a request of the European Council and against the background of the recent gas crisis, the EC envisages tabling an update of the Gas Security of Supply Directive still before summer 2009. Potential amendments include the development of an emergency crisis plan for cooperation on regional level to be agreed already before a potential crisis would happen and in order to allow for immediate action. A second consideration involves the application of the n-1 rule (known from electricity) to the gas sector.

Conclusions/actions: no action required, agenda item for information only.

7. Customer issues

7.1 Work Programme 2009: priorities, milestones, deliverables (for approval)

Related document: Presentation [R09-GA-09-07.1/meeting slides]

Discussion: With reference to the related request of the last ECRB meeting, Mr. Zametica presented the 2009 CWG priorities and milestones. Mr. Koutzoukos underlined the importance of developing a common and regularly updated database for gas and electricity tariff and prices and suggested to changing deliverable “Information on price data collection and comparison in accordance with Eurostat methodologies” to an A priority. The existing ERRA database would not be in line with Eurostat methodologies and can therefore not provide adequate comparison.

Conclusions/actions: The CWG priorities 2009 have been approved with the modification of changing deliverable “Information on price data collection and comparison in accordance with Eurostat methodologies” to an A priority. The milestones for the 2009 CWG deliverables have been approved without modification.

7.2 CWG - short status report (for information)

Related document: -

Discussion: Mr. Zametica updated on the CWG work and underlined the wish to present the results of the 2008 Electricity Tariff Study (see 4.1) to the Social Forum, Athens Electricity Forum and Social Workshop.

Conclusions/actions: no action required, for update only.

8. IG CAO Issues - update

Related document: Presentation [meeting slides]

Discussion: Mr. Koutzoukos gave an update about the recent CAO IG developments (see slides).

Conclusions/actions: *on CAO Monitoring – see conclusions agenda item 5.2.*

9. Work Programme 2010-2011

Related document: Draft EnC WP 2010-11 [R09-GA-09-09]

Discussion: Mr. Macic introduced the draft EnC WP 2010-11 and highlighted that only the ECRB related chapter would be for ECRB approval. The draft EnC WP 2010-11 is for approval by the March PHLG.

Conclusions/actions: The ECRB related part of the draft EnC Work Programme 2010-11 has been approved without modifications.

10. Next Meetings 2009

Related document: R09-GA-09-11

Discussion: Ms. Grall highlighted an overlapping between the timing of the 12th ECRB meeting (scheduled for 21 October 2009) and the World Energy Forum on Regulation (19-21 October 2009). Mr. Macic moreover suggested to split the dates of the EWG/IG meetings scheduled for 7/8 July 2009 from the ECRB meeting on 9 July 2009 in order to gain some time for preparation and submission of potential EWG/IG documents/results to the July ECRB meeting.

Conclusions/actions: (1) the 12th ECRB meeting has been moved from 21 October to Wednesday, 25 November 2009 (afternoon) – back to back to the Athens Forum on 26 November 2009. (2) The EWG and IG chair are invited to move EWG/IG the scheduled for 7/8 July 2009 to mid June and agree this change of date with the SETSO TF chair.

11. AOB - Publication ECRB Work Programme 2009, meeting calendar 2009 (for information)

Related document: -

Discussion: Ms Grall informed that the ECRB WP 2009 will be published on the ECRB website excluding details on milestones and priorities. Ms Grall moreover informed that – in line with the ECRB Rules – the 2009 meeting calendar has been published at the Energy Community website ("Events").

Conclusion/action: no action required, agenda item for information only.

Annex 1: List of Participants

Attendees 9th ECRB meeting			
Name	**Authority**	**Country**	**Function ECRB**
Ljubo Macic	Serbia – AERS	Serbia	ECRB President
Heinz Hilbrecht	EC / DG TREN		ECRB Vice President
Andras Hujber	EC/DG TREN		
Dietmar Preinstorfer	Energie-Control GmbH	Austria	
Mirsad Salkic	SERC (Bosnia and Herzegovina)	Bosnia and Herzegovina	
Edin Zametica	SERC (Bosnia and Herzegovina)	Bosnia and Herzegovina	
Zeljko Rajic	HR - CERA	Croatia	
Tomo Galic	HR - CERA	Croatia	
Slave Ivanovski	ERC	FYROM	
Philippe Raillon	CRE	France	
George Koutzoukos	RAE	Greece	
Dimitrios Lelovitis	RAE	Greece	
Michael Thomadakis	RAE	Greece	
Kostis Sakellanis	RAE	Greece	
Fabio Tambone	AEEG	Italy	
Milodarka Dautovic	REGAGEN	Montenegro	
Miodrag Djekic	REGAGEN	Montenegro	
Dana Conea	ANRE	Romania	
Petar Maksimovic	Serbia - AERS	Serbia	
Nenad Stefanovic	Serbia - AERS	Serbia	
Nysret Avdiu	Energy Regulatory Office	UNMIK	
Natalie McCoy	CEER Office	Brussels	
Slavtcho Neykov	Director ECS		
Nina Grall	Head of ECRB Section at ECS		

Annex 2: summary of decisions (for publication)

9th ECRB MEETING - ATHENS, 25 February 2009 - Summary of Decisions		
	Agenda item	**Decision/Agreed Action**
1	**Agenda 9th ECRB**	The draft agenda of the 9th ECRB meeting agenda has been approved
2	**Minutes 8th ECRB**	The minutes of the 8th ECRB meeting have been approved with the following modifications: (1) the last sentence of the conclusions on agenda item 6.1 shall read "the ECRB decided that the IG Chairman shall have the overall lead for coordination with TSOs with regard to the SEE CAO". (2) The word "decision" in the minutes will in general be substituted by "conclusions/actions".
3	**ECRB Procedural Rules**	The Procedural Act[5] has been approved in line with the voting requirements and with the following modifications: (a) a new paragraph 7.7 has been included reading "The election of Working Group Chairs by the ECRB requires the presence of two thirds of Members and simple majority of the votes cast". (b) References to voting procedures in paragraph 7.6 are corrected to "7.7".
	ECRB Communication Rules	COMMUNICATION RULES: The proposed changes to the CR have been approved with the following amendments: in item 6.9 the spelling of the word "document" is corrected; in item 10 "General Assembly" is deleted from the heading
4.1	**ECRB Studies 2008**	1) The ECRB requested the GWG to develop concrete steps and milestones for the upcoming two years of GWG work from the Gas Study results, based on the results of the March PHLG meeting. (2) The ECRB invited WGs to ensure coordination and compatibility with the developments by ENTSO-E/-G on EU level when discussing the development of a 10 year (gas/electricity) investment plan for the EnC. (3) The ECRB invited the CWG Chair to present the final results of the Electricity Tariff Study to the next ECRB meeting, including the next steps deducted from the study for the upcoming two years of CWG work and also making reference to already ongoing CWG activities.
4.2	**ECRB Studies 2009**	Acknowledging the necessity to take into account the results of the March PHLG meeting with regard to GWG studies, the ECRB requested WG chairs to communicate the consultancy need for their WGs to the ECRB Section by Monday, 30 March 2009, the latest. The final list including the related Terms of Reference[6] shall be submitted to the next ECRB meeting for approval.
5.1	**EWG Work Programme**	The ECRB requested the EWG to present missing milestones including their timing to the next ECRB meeting, taking into account the results of the April CAO IG meeting and the related discussions on the CAO Action Plan.
5.2	**CAO Monitoring**	The ECRB concluded that the current level of evaluations would not be sufficient to allow for a final decision. The ECRB decided to set up an ad hoc Task Force (TF) comprising in particular Mr. Radovanovic (AERS) and Mr. Lelovitis (RAE) under the leadership of Mr. Koutzoukos for proposing a solution for monitoring of the SEE CAO to the next ECRB meeting, reflecting on (1) substance, (2) existing models, (2) phases, (3) cost and (4) SEE CAO setting up. The ECRB requested Mr. Koutzoukos to set up the ad hoc TF in order to commence the work at the earliest convenience. The ECRB requested the TF to ensure that the requested assessment will make use of already existing assessments and focus on the preparation of a possible solution to the next ECRB for approval.
5.3	**EWG Update**	(1)The ECRB took note of the suggestion for better cooperation between the 8th Region and the ERI and the proposal to include the 8th Region in the reporting of the ERI, however underlined that such approach would need official ERGEG approval. The ECRB invited Mr.Preinstorfer to clarify the possibility within ERGEG and report the conclusions to the next ECRB meeting. (2)With regard to transparency monitoring the ECRB requested the ECRB Section

[5] Decision of the Energy Community Regulatory Board on the amendment of the Internal Rules of Procedure, Procedural Act No. 01/2007.
[6] The Terms of Reference for the 2 requested CWG studies 2009 have already been approved by the CWG.

		to explore and explain to the next ECRB meeting which monitoring activities are expected from regulators in the framework of the transparency monitoring followed by the ERI. (3)The ECRB requested Mr. Neykov to clarify reimbursement possibilities in order to allow for participation in the ERI TF meetings (one person per meeting).
6.1	**GWG Work Programme**	The ECRB requested the WG to present the milestones for GWG work 2009 to the next ECRB meeting, taking into account the results of the March PHLG meeting
6.2	**GWG Update**	For information, no decision required.
6.3	**EC short and long term activities related to improving gas security of supply**	For information, no decision required.
7.1	**CWG Work Programme**	The CWG priorities 2009 have been approved with the modification of changing deliverable "Information on price data collection and comparison in accordance with Eurostat methodologies" to an A priority. The milestones for the 2009 CWG deliverables have been approved without modification.
7.2	**CWG Update**	For information, no decision required
8	**CAO IG Update**	For information, no decision required. On CAO Monitoring – see conclusions agenda item 5.2.
9	**ECRB WP 2010-11**	The ECRB related part of the draft EnC Work Programme 2010-11 has been approved without modifications
10	**Next meetings**	(1) The 12th ECRB meeting has been moved from 21 October to Wednesday, 25 November 2009 (afternoon) – back to back to the Athens Forum on 26 November 2009. (2) The EWG and IG chair are invited to move EWG/IG the scheduled for 7/8 July 2009 to mid June and agree this change of date with the SETSO TF chair.
11	**AOB**	no action required