Extension of the Energy Community Acquis – Main challenges

Meeting of the PHLG
Vienna 23 March 2011
(I) Implementation of the Third Package

- “2nd Package” was repealed in the EU as from 3rd March 2011
- What changes? “Second package +”
  - Strong NRA
  - Unbundling
  - Third party access to gas storage facilities
  - Retail markets
- Ministerial Council Recommendation to the Contracting Parties to start implementing it
- Adaptations under Article 24 EnC needed
  - also for “old” provisions!
Legal basis - Title II of the Treaty
The extension of the acquis communautaire

Chapter I – Geographic Scope

Article 9
The provisions of and the Measures taken under this Title shall apply to the territories of the Adhering Parties, and to the territory under the jurisdiction of the United Nations Interim Administration Mission in Kosovo.

Chapter II – The Acquis on Energy

Article 10
Each Contracting Party shall implement the acquis communautaire on energy in compliance with the timetable for the implementation of those measures set out in Annex I.

Chapter VII – The Adaptation and Evolution of the Acquis

Article 24
For the implementation of this Title, the Energy Community shall adopt Measures adapting the acquis communautaire described in this Title, taking into account both the institutional framework of this Treaty and the specific situation of each of the Contracting Parties.
Amendments to the Energy Community Treaty

- Article 11 – reference to Third Package
- Article 59 – (ECRB composition) “The European Community shall be represented by the European Commission, assisted by one regulator of each Participant, and one representative of the European Regulators Group for Electricity and Gas (ERGEG).”
Adaptations to Third Package

- Role of the Secretariat (e.g. under certification, TPA)
- Role of ECRB
- References to ACER, ENTSO-E, ENTSO-G
- Adoption of Guidelines and Network Codes

<table>
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<tr>
<th>Event Description</th>
<th>EU Member States</th>
<th>EnC Contracting Parties</th>
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<td>Market opening (non-household)</td>
<td>1 July 2004</td>
<td>1 January 2008</td>
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<td>Market opening (all customers)</td>
<td>1 July 2007</td>
<td>1 January 2015</td>
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<td>Adoption of the 3rd Package</td>
<td>13 July 2009</td>
<td>6 October 2011</td>
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<td>Unbundling of TS and TSO</td>
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<td>Certification 3rd countries</td>
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Third Package – Next steps

- Commission Proposal to the Ministerial Council of the Energy Community under preparation
- Adoption expected in May
(II) Directive 2009/28 - Renewables

Ministerial Council Recommendation to the Contracting Parties – specific tasks

Challenges

- Legislative effort
- Administrative tools and practice
- Reliable statistics, monitoring and enforcement are key

Commission’s report

- Baseline: 2005 vs 2009
- Cooperation mechanism: technical and legal feasibility
Directive 2009/28 RES – Next steps

- Commission Proposal to the Ministerial Council of the Energy Community under preparation
- Adoption expected in May
(III) Directive 2009/119 – Oil stocks

- Emergency Oil Stocks Study to provide concrete data related to the possible implementation of Council Directive 2009/119/EC within each Contracting Party and Observer.

- 2nd Oil Stocks Workshop on 1st March 2011: differences between Contracting Parties

- Challenges
  - Need for reliable and harmonised statistics
  - Transparency and reporting obligations for the Contracting Parties
  - Supervision mechanisms foreseen in the Directive
  - Financial effort
Oil Stocks - Next steps

- Preparation of a Commission Proposal in the pipeline, but not in time for MC

- Contracting Parties to intensify efforts towards implementation of Directive 2009/119, taking into consideration the conclusions / recommendations of the Oil Stocks Study