GENERALLY APPLICABLE STANDARDS

DEVELOPMENT PLANS FOR IMPLEMENTATION
BY THE CONTRACTING PARTIES
(ART. 22 OF TREATY)

11th PHLG Meeting, 10th December 2008, Tirana
Chapter VI of the Treaty – „Compliance with Generally Applicable Standards of the EU“

MC adopted List of Generally Applicable Standards on 29th June 2007

Article 22 of the Treaty: Contracting parties shall within 1 year of the adoption of the list, adopt development plans to bring their Network Energy sectors into line with these Generally Applicable Standards
HARMONIZATION — NEED?

- Not harmonized track width — consequences:
  - **Reloading**
  - **Contract for reloading = additional transaction costs**
  - **Insurance for reloading**
  - **Loss of time**
Standardization determines:
- Voltage
- Power outlet in terms of possibility to plug in the plug
- Plug

In case one is on vacation in USA one needs adapter because:
- Different voltage
- Different power outlet
- Different plug

Any Additional costs:
- Yess for adapter

Is it convenient: NO

Does Standardisation determine producer and process: NO
HARMONIZATION – NEED?

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- Does it determine how to produce electricity: NO; generation via 
  - Hydroturbine 
  - Gasturbine 
  - Wind 
  - etc

- Advantages from producer perspective: 
  - Bigger market 
  - Lower production costs since not tailored to a specific customer, hence economies of scale/site and scope possible 
  - Lower marketing costs 
  - Etc.
**PURPOSE**

- **Standards in particular open standards:**
  - Generate unification of interfaces/partially unification of products
  - Decrease market segmentation hence:
    - Increase the number of product options (different suppliers options)
    - Thus improving competition
    - Finally reduce the prices
  - Enlarge the market from the producers perspective:
    - Provides the framework for economies of scale, size and scope
    - Production costs can be decreased
    - Marketing costs can be decreased
    - Transactions costs can be decreased
  - References to standards reduce contract negotiations (transaction costs)
  - Allow for compatible interfaces between subsystems within a complex system

- **Generally Applicable Standards = mostly technical standards, necessary for operating network systems safely and efficiently**

- **Harmonised technical standards = precondition for regional investments**
STEPS, TAKEN SO FAR

- Easeegas recommendations not to be considered as obligatory

- At 8th PHLG meeting (March 2008), ECS presented approach concerning development of CP’s plans for implementation of Generally Applicable Standards.

- The PHLG requested ECS to review time line with view to report to MC Dec. 2008,

- PHLG requested ECS to officially contact in writing the ministers, responsible for energy matters, to raise awareness of needed steps as to ensure a timely adoption of the requested implementation plans

- In July 2008, the ECS presented to PHLG members a Template for Development Plan for implementation of Generally Applicable Standards - asking for further consideration and comments

- During 10th PHLG meeting (September 2008), the ECS took note on received comments by CPs and presented its proposal for a Development Plan for Generally Applicable Standards for gas and electricity

- PHLG decided to review performance in March 2009
STEPS TO DEVELOPMENT PLANS

- Evaluation of Generally Applicable Standards in relation to applied standards
- Assessment of the impact of the application
- Sequence of the adoption of standards
- Determination of length of conversion period
- Submission of standards to Standardization Body and transposition
EVALUATION OF GENERALLY APPLICABLE STANDARDS
IN RELATION TO APPLIED STANDARDS

- BACKGROUND / ADVANTAGES
  - Long tradition of implementation technical standards in all CPs
  - Orientation to EU technologies, equipments for a long time
  - Established Standardization Bodies in almost all CPs
  - Memberships in international standardization organizations
  - Implementation will not start from the zero level

- EVALUATION of ADOPTED LIST
  - Cooperation between all needed bodies/institutions/standard users
  - Identification of those standards which are already in force
  - Identification of those standards which are not adopted yet
  - Identification of deviations
Assessment of the impact of the application (non-adopted standards yet)

- National standardization body to assess transposition in terms of:
  - Length of period needed taking into account:
    - Available resources
    - Discussions with users

- TSO(s) and DSO(s) shall assess transposition in terms of:
  - Impact on new projects (lead time, costs, advantages, etc.)
  - Impact on rehabilitation of projects (lead time, costs, advantages etc)
  - Impact on connection with existing infrastructure (lead time, costs, advantages etc)
  - Impact on their spare part stocks
  - Impact on their procurement (costs, choice of manufacturers/producers, delivery time etc.)
Sequence of the adoption of standards

Based on previous mentioned assessments:

- Possibility to improve security of supply
- Provisions of the proper framework for competition
- Other crucial goals of the Treaty
Determination of length of conversion period

- Involvement of PHLG, National Standardization Bodies, TSO(s) and DSO(s)

- Considering previous steps reasonable period to be determined:
  - On Contracing Partie’s level
  - On Regional level
Submission of standards to Standardization Body and transposition

- Time schedule by National Standardization Body reflecting:
  - Human Resources of National Standardisation Body and other relevant stakeholders
  - Capital resources of National Standardisation Body and other relevant stakeholders
**Workshop – Generally Applicable Standards**

### Workshop to focus on:

- Role of Ministries – future steps
- Steps to be done from the Standardization Bodies
- Impact and next steps by TSOs/DSOs
- Equipment producers perspective

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