

CONCLUSIONS

22nd PERMANENT HIGH LEVEL GROUP MEETING

05 OCTOBER 2011, CHISINAU

1. The meeting was chaired by Mr. Vadim Ceban for the Presidency in office of the Energy Community and Mr. Fabrizio Barbaso for the European Union as Vice-Presidency.

AGENDA ITEM ONE – MINISTERIAL COUNCIL MEETING

2. The Secretariat provided organizational information on the upcoming Ministerial Council meeting and drew the attention of the PHLG members to the very tight agenda and the need to keep interventions short.
3. The PHLG reviewed the documents for the Ministerial Council meeting, including Annex 20 on the appointment of the Advisory Committee in the context of the Dispute Settlement Rules, circulated at short notice before the meeting. The PHLG agreed on the composition of the Advisory Committee to be submitted to the Ministerial Council for appointment (see annexe).
4. The European Commission presented the proposed Procedural Act on the amendment of the Energy Community budget (Annex 1 for the PHLG meeting), which was endorsed by PHLG for presentation to the Ministerial Council.

AGENDA ITEM TWO – IMPLEMENTATION OF THE ENERGY COMMUNITY TREATY

5. The Secretariat presented its annual Implementation report, which is on the agenda of the Ministerial Council meeting for discussion.
6. The Permanent High Level Group expressed its satisfaction with the progress made in transposing the *acquis communautaire* over the past year in several Contracting Parties and thanked the Secretariat for its assistance. At the same time, the Permanent High Level Group reiterated its concern about persisting barriers to the establishment of open national and regional markets, including excessive price regulation. The Secretariat was invited to make proposals in that respect for the first meeting in 2012.
7. The PHLG took note of Bosnia and Herzegovina's request to extend the technical assistance to the gas legislation review.
8. The Contracting Parties expressed their views on the Report and provided additional information on the developments in their jurisdictions. New priority investment projects were proposed for consideration.
9. The Contracting Parties were invited to regularly submit to the Secretariat information on their progress in implementation of the Treaty together with the corresponding newly adopted acts or measures, for assessment of compliance and further consideration in the process of reporting.

AGENDA ITEM THREE – THIRD INTERNAL ENERGY MARKET PACKAGE

10. Further to the debates at its 21st PHLG meeting, whose conclusions were recalled, the delegations presented the final position of each Contracting Party on the draft Ministerial Council Decision on implementation of Directive 2009/72/EC, Directive 2009/73/EC, Regulation (EC) No 714/2009 and Regulation (EC) No 715/2009.
11. All PHLG members endorsed the draft Ministerial Council Decision, as amended to provide for a general implementation deadline extended until 1st January 2015. The Commission recalled that this should be considered as an end deadline and encouraged Contracting Parties to implement the Third Package as soon as possible.
12. Upon request of the Republic of Serbia, a specific reserve in the form of an unilateral statement was attached as an annex to the Ministerial Council Decision.
13. The other Contracting Parties understood that this specific reserve in the form of the unilateral statement of Republic of Serbia does not affect rights and obligations.
14. The Contracting Parties expressed their wish to be integrated at the earliest convenience into the work of the bodies established under the 3rd Energy Market package (ENTSO-E, ENTSO-G, ACER) in accordance with their statutory rules, as concrete support for timely implementation of the relevant acquis.
15. The Permanent High Level Group invites the Ministerial Council to adopt it as proposed.

AGENDA ITEM FOUR – REGIONAL ACTION PLAN (ELECTRICITY WHOLESALE MARKET)

16. The Secretariat and the ECRB President recalled the content of the Regional Action Plan for wholesale market opening in the Energy Community. This Plan was developed by a group mandated by the PHLG and the ECRB following the joint meeting of these institutions on 24th March 2011 and approved by the ECRB at its meeting on 21st June 2011.
17. Upon debates, the PHLG approved the Regional Action Plan (RAP) and committed to actively cooperate with ECRB and the Transmission System Operators of the region on building environment for regional electricity trading, as indicated in the Regional Action Plan. The PHLG recalled the need to ensure consistence between the RAP and the Ten Year Network Development Plan (TYNDP) and underlined the importance of convergence with the establishment of a Coordinated Auction Office in South-East Europe targeting the same rules and trading instruments of the EU Internal Market foreseen by ENTSO-e and ACER. The appointment of a coordinator was postponed to the next meeting of the PHLG.
18. The PHLG underlined the need for more concrete results in direction of the wholesale market opening. In addition, PHLG invited the Secretariat to continue its assessment of the gaps in the process of electricity market liberalization in the Contracting Parties and to support the development of individual Action Plans on Wholesale Market Opening in each Contracting Party in line with the Regional Action Plan.
19. In this context, the Secretariat presented its Policy Paper on the Wholesale Market Opening.

20. The PHLG invited the Secretariat to present a detailed analysis of the state of play on the market opening at the next Ministerial Council meeting.

AGENDA ITEM FIVE – MISCELLANEOUS

21. USAID presented its planned activities in relation to strategic planning and low emissions strategies. The PHLG thanked USAID for the initiative and welcomed the information. The Secretariat and all Contracting Parties were invited to operationally communicate with USAID as to make most efficient use of the proposed cooperation and support, with a view to the achievement of the objectives of the Energy Community, in close cooperation with the Regional Energy Strategy Task Force.
22. Embassy of Sweden presented its concept on coordination of the donors' activity in Moldova.
23. The Secretariat presented in brief the conclusions of the Gas Forum. Particular reference was also made to the Implementation Plan for Gas Infrastructure Development in the Energy Community, which is on the Agenda for the Ministerial Council meeting. The extended PHLG-ECRB meeting, hosted by the European Commission on 14.10.2011 in Brussels, was also recalled. The Contracting Parties were informed about the state of preparation of the meeting and were encouraged to participate and to actively contribute to the debates.
24. The agenda of the upcoming Electricity Forum in Athens (18-19.10.2011) was presented. All Contracting Parties are invited to take active part in the Forum.
25. The Secretariat proposed the organization of a fourth PHLG meeting in Vienna in 2011. The draft agenda shall be circulated in due time. The PHLG agreed on 13 December 2011 as a provisional date.
26. The Secretariat presented in brief the preliminary planning of activities for 2012. Brief information on the development and the main elements of the Event Calendar for 2012 were also presented.
27. PHLG thanked the European Commission for organizing the joint meeting with Eastern Partnership Energy Security Platform. The meeting focused on security of supply issues, and in particular on the development of the Gas Ring concept. The approach, presented by the World Bank, was strongly appreciated by the participants. There was a consensus that further common meetings should be considered.

Done in Chisinau on 06th October 2011

For the Ministerial Council


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Presidency

Annex – Composition of the Advisory Committee for appointment by the Ministerial Council

Members:

- Mr. Ben Van Houtte (European Union)
- Mr. Nikola Radovanović (Serbia)
- Mr. Visar Hoxha (UNMIK)

Alternate:

- Ms Amela Alihodžić (Bosnia & Herzegovina)