

CONCLUSIONS

14th PERMANENT HIGH LEVEL GROUP MEETING

24 SEPTEMBER 2009, BELGRADE

1. The meeting was co-chaired by Mr. Boris Maksijan on behalf of Croatia as Presidency in office, and Mr. Fabrizio Barbaso for the European Commission.

AGENDA ITEM ONE – RENEWABLE ENERGY SOURCES

2. The PHLG noted the information, provided by the Secretariat, concerning the Study on the implementation of the new EU directive on RES.
3. The PHLG urged the Contracting Parties and Observer Countries included in the Study to give full support to the Consultant for data collection in order to get reliable results.

AGENDA ITEM TWO – ENERGY EFFICIENCY

4. The Secretariat made oral report on the current state of play concerning the Energy Efficiency Task Force, its work programme and the current technical assistance offered for the implementation of its work programme.
5. The PHLG reviewed the proposed draft Decision concerning the implementation of energy efficiency legislation (Directive 2006/32/EC on energy end-use efficiency and energy services, Directive 2002/91/EC on the energy performance of buildings and Directive 92/75/EEC and the implementing Directives on the indication by labeling and standard product information of the consumption of energy and other resources by household appliances). Indicating the complexity of the issue, the PHLG agreed that the Contracting Parties provide to the Secretariat not later than 15.11.2009 written statements on the open issues they need to consider in the context of adequate implementation. On this ground, the Ministerial Council in December 2009 might take a principle decision on the implementation of the three mentioned Directives, with another decision on the details of adaptation to be taken by correspondence procedure, if necessary.

AGENDA ITEM THREE – ACCESSION OF NEW CONTRACTING PARTIES

6. The EC informed the PHLG on the state of play of the negotiations with Moldova, Turkey and Ukraine.

AGENDA ITEM FOUR – MINISTERIAL COUNCIL MEETINGS

7. The PHLG reviewed the proposed draft Decision concerning the amendment of Article 50 of the Treaty establishing the Energy Community in relation to the number of the MC meetings and agreed that it is submitted to the Ministerial Council for adoption. The PHLG members which still need to consult politically are requested to do so and comment the draft Decisions by 15.10.2009. With respect to the proposed amendments concerning adaptations to the initiation of correspondence procedures, it has been agreed that a revised proposal will be submitted to the next PHLG meeting (deleting indent b in Article 1 of the draft Procedural Act amending the Internal Rules of Procedure of the Ministerial Council).
8. The PHLG took note of the draft agenda for the Ministerial Council meeting in December 2009.
9. The PHLG recalled the obligation for updating the investment projects' list for the coming MC meeting.

AGENDA ITEM FIVE – COORDINATED AUCTION OFFICE

10. The Secretariat and the PHLG representative of Montenegro outlined the status of development of the Coordinated Auction Office. The importance of the process for the development of the electricity market in SEE in real terms and the explicit position on the topic by the Ministerial Council of the Energy Community and the European Commission (including the letter of Commissioner Piebalgs from 25.06.2009) were recalled.
11. The PHLG noted the progress achieved. However, the PHLG requested to be informed in details about the work on CAO. Therefore, PHLG supported the Secretariat's proposal for detailed discussion on the topic at the next PHLG meeting,. The PHLG also requested access to the relevant ECRB documents.

AGENDA ITEM SIX – IMPLEMENTATION OF THE TREATY – SECURITY OF SUPPLY

12. The Secretariat presented latest information on the steps undertaken by the Contracting Parties so far along the Roadmaps for implementation of Directives 2005/89/EC and Directive 2004/67/EC. In general, it was noted that – compared to March 2009 – almost no progress has been achieved. The PHLG recalled the overall deadline of 31.12.2009 for implementation of the directives. The Contracting Parties were urged also to make the best of the planned missions by the experts of the Secretariat as to achieve progress. In order to allow the experts of the Secretariat for preparation for and efficient discussion of this very important topic during the missions, the Contracting Parties were asked to provide their questions regarded as obstacles for timely implementation – taking the requirements related to substance as given in due time to the Secretariat.
13. The PHLG noted the information on the first meeting of the Security of Supply Coordination Group.
14. The Secretariat reiterated its concern regarding the implementation of Regulation 1775, recalling the key open questions for the Contracting Parties, which can implement the Regulation in real terms.

15. The Contracting Parties were asked to provide their questions - related as obstacles for the timely implementation of the Regulation 1775/2005 - in due time to the Secretariat in order to allow the experts for efficient discussion of these items during the missions.

AGENDA ITEM SEVEN – DISPUTE SETTLEMENT

16. The PHLG took note of the information presented by the Secretariat on the open cases under Article 90 of the Treaty and the undertaken steps and invited the Secretariat to present concrete report at the coming Ministerial Council meeting. The PHLG welcomed and supported all effort done in view of finding negotiated solutions.

AGENDA ITEM EIGHT – MISCELLANEOUS

17. PHLG welcomed the ECRB Working Paper on Wholesale Trade Licensing in 8th Region) as a solid basis for starting discussions on mutual recognition and harmonization of licenses and with a view to implementing Art 34 of the Energy Community Treaty. The PHLG agreed to in depth discuss the ECRB proposal at its next meeting (15th PHLG, December 2009).
18. The Secretariat informed the PHLG on the current work on energy statistics, done with the support of EC and IEA. The Secretariat presented objectives of the statistics workshop scheduled for 29-30 October 2009. It was recalled that the workshop will target statistic experts and policy makers in the Contracting Parties in order to ensure relevant expert opinions to propose common approach and next steps to develop and harmonize energy statistics in the Energy Community. Therefore, PHLG was invited to provide participation of relevant stakeholders from the Contracting Parties.
19. The PHLG took note of the information presented by the Secretariat on the possibilities for secondment. The Secretariat recalled that this information is publicly available on the web.
20. The Director of the Secretariat – further to the previous correspondence in this aspect – invited the Contracting Parties and the relevant Observers to consider actively support on the spot via missions of Secretariat's experts on all issues, related to the implementation process. The missions, planned so far by the end of 2009, were outlined.
21. The Director of the Secretariat noted the PHLG on the fact that the European Community (represented by the European Commission) has raised officially the issue of recovering the unused proportional part of the budget for 2007 and 2008. As the issue is related also to the other Parties, it will be officially brought to the attention of the Budget Committee for concrete guidance.
22. The Secretariat presented summary information on the studies (in addition to the one on renewables), which are being considered by the end of 2009.
23. The Secretariat emphasized the progress of some Contracting Parties related to the implementation of the Generally Applicable Standards. In order to encourage even a faster implementation by all Contracting Parties the Secretariat presented the advantages of the application of standards in terms of share in the GDP (finally in terms of money) based on the figures of Germany. Knowing that a similarity to the

German figures (as percentage) is only given to a certain extent, substantial benefits could be nevertheless achieved by the application of the mentioned Generally Applicable Standards. The experts will provide in the framework of the scheduled missions support to the Contracting Parties – if needed.

24. The Director recalled the correspondence related to timely support for visas. Further, as a specific case of concerns, the Secretariat indicated the participation of the UNMIK delegation at Energy Community events. PHLG requested the relevant authorities of the Contracting Parties, Participants and Observers to consider positively the necessity for providing possibility of access to the members of all delegations for Energy Community related events.
25. The Contracting Parties were invited to send to the Secretariat by 01.11.2009 summary information on whether they have renegotiated any of their intergovernmental agreements with third parties in the fields of energy after the Energy Community Treaty entered into force.
26. Following a request from the World Bank, the Secretariat addressed the PHLG in relation to the work on the SEE Wholesale Market Opening Study. The World Bank expresses its gratefulness to PHLG for the review and comments on the first draft. A revised draft of the Study will be issued in October 2009 for quick review before finalization – thus, the World Bank requests the Contracting Parties to also consider the revised draft upon its circulation. The Contracting Parties are also requested to indicate if they want help with their action plans (revised actions plans will be in the revised draft).
27. Further, as also requested by the World Bank, the Secretariat recalled the work, related to the Caspian Development Corporation. In this relation, the special presentation on the topic, made at the last Gas Forum (10-11 September 2009, Slovenia), was recalled. The Contracting Parties were invited to provide assistance to the consultants (CERA), which are working on the topic.
28. In relation to the MC agenda, the EC elaborated on the adoption of the EU 3rd energy package. The PHLG noted the information in the context of the work along the Energy Community and welcomed the EC proposal on a special workshop within the first half of 2010 focusing on the 3rd package and the consequence of its adoption for the Contracting Parties.
29. The events under the Energy Community Calendar by the end of 2009 were recalled. Further, the Secretariat presented for information initial views on the timing of the key meetings for 2010.