

CONCLUSIONS

11th PERMANENT HIGH LEVEL GROUP MEETING

10 DECEMBER 2008, TIRANA

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

AGENDA ITEM ONE – IMPLEMENTATION OF THE TREATY

2. The PHLG noted the report, prepared by the Secretariat, outlining the current situation and the outstanding issues for each of the Contracting Parties in the areas of Renewables, Environment and Competition. In the area of competition, it is agreed that the performance as regards State aid control is to be improved. In the field of environment, the Secretariat will assist the Contracting Parties in the implementation of the air quality legislation under Article 16 of the Treaty. A workshop concerning the implementation of the Large Combustion Plant directive will be organized early 2009. Further, the PHLG asked the Secretariat to explore next steps towards improving climate change combating under the Kyoto Protocol within the scope of the Treaty.
3. The PHLG was informed by the Contracting Parties on the undertaken steps and planned activities in relation to fulfilling the Treaty obligations with respect to electricity and gas. In addition, the Contracting Parties informed about the operational difficulties they face in the implementation process.
4. The readiness of the Secretariat for continuing operational support to the Contracting Parties was recalled. In this relation, the Contracting Parties were invited to consider their objective needs and to notify the Director of the Secretariat officially in writing about their requests of support for the first half of 2009 by 15 January 2009.

AGENDA ITEM TWO – SECURITY OF SUPPLY

5. The steps undertaken by the Contracting Parties so far along the Roadmaps for implementation of Directives 2005/89/EC and Directive 2004/67/EC were discussed. It was noted that – although the deadline is by the end of 2009 - the implementation of the two directives requires special attention.
6. Further, information on the implementation of Regulation 1775 was presented. In general, it was noted that at this stage the Regulation is implemented only partially, even in those Contracting Parties, which have some developments along their gas markets.
7. The Contracting Parties shall present till 15.01.2009 a list of concrete outstanding issues, concerning the implementation of Directive 2003/55/EC and Regulation 1775, where they face difficulties in the implementation process, so concrete support

can be provided. The Secretariat – upon presentation of this information – is invited to consider next steps and propose these at the 12th PHLG meeting.

AGENDA ITEM THREE – WORK PROGRAMME OF THE ENERGY COMMUNITY

8. Upon the presentation of the Secretariat, the PHLG noted that in general the Work Programme of the Energy Community 2008 – 2009 so far is being performed as scheduled. The key tasks for the first half of 2009 were also discussed.
9. The Secretariat informed the PHLG that the Work Programme 2010 – 2011 is under intensive development as it might be presented for approval together with the budget 2010-2011 at the Ministerial Council meeting in June 2009.

AGENDA ITEM FOUR – COORDINATED AUCTION OFFICE

10. The Secretariat presented summary information on the progress update, concerning the so far developments related to the Coordinated Auction Office. The PHLG welcomed the fact that concrete steps in this direction have been taken and that others are under substantial analysis. The PHLG prepared the related agenda item of the Ministerial Council.

AGENDA ITEM FIVE – GENERALLY APPLICABLE STANDARDS

11. The Secretariat noted in its information that the practical implementation of the Generally Applicable Standards faces operational difficulties, which are of different nature for the different Contracting Parties. Therefore, the latter are again invited to specify the concrete difficulties, so possible operational assistance might be considered. Thus, the Contracting Parties welcomed the information that a special training on the topic shall be planned in 2009.

AGENDA ITEM SIX – EC LEGISLATION ON RES – RECENT UPDATE

12. The EC presented the new Directive on the promotion of the use of energy from renewable sources, which is in final stage of adoption by the EU Institutions. On this ground, possible opportunities for the Contracting parties were discussed.
13. The Contracting Parties welcomed the provided information and noted that RES is a particular issue for concrete focus in the work of the Energy Community. Therefore, the Secretariat was guided to pay due attention to the issue when developing the Energy Community Work Programme for 2010-2011 as well as to envisage relevant coverage of the topic in 2009.
14. The PHLG welcomed the proposal made by the EC to carry out a study in 2009 in order to identify how the new renewable directive could benefit to the Contracting Parties and to consider the creation of a task force on renewable energy, modelled on the existing Energy Efficiency Task Force. Further, due to the importance of the subject, the PHLG considered necessary to foresee an orientation debate at the June 2009 Ministerial Council.

AGENDA ITEM SEVEN – MINISTERIAL COUNCIL MEETING

15. The Presidency and the Secretariat provided operational information on the organization of the Ministerial Council meeting on 11.12.2008.
16. As regards the Decision for the extension of certain provisions of the Treaty to the oil sector and for the establishment of an annual Oil Forum, the PHLG agreed to propose Belgrade as location of the Oil Forum and to modify the draft Decision accordingly.

AGENDA ITEM EIGHT – MISCELLANEOUS

17. The PHLG took note of the applications received so far for the Dispute Settlement Advisory Committee. Contracting Parties are invited to consider the application received and to submit other possible applications by 31 January 2009. The Secretariat will prepare an appointing decision – with the names in blank – in view of the next PHLG meeting which will have to recommend three names to the Ministerial Council.
18. The Secretariat and the Presidency provided information about the first Social Forum of the Energy Community as well as about the envisaged next steps. The PHLG welcomed the successful development of this aspect of the Energy Community activities and requested to be regularly informed on the ongoing steps.
19. As to better streamline the support, provided by the Secretariat to the Contracting Parties, the Director of the Secretariat asked the PHLG that all requests for operational assistance, including via missions, analysis of legislation, etc., are submitted to him directly. In this relation, the Director was invited to send a separate letter to the Contracting Parties, specifying the procedural details.
20. The PHLG noted the information, provided by the President of ECRB Mr. Slave Ivanovski, concerning a Consultation Document "A Common Regulatory Approach for the Development of the Energy Community Gas Ring", approved by ECRB at its last meeting in December 2008, and welcomed his proposal that the issue is presented in more details at the next PHLG meeting.
21. Further, the PHLG was informed by Mr. Ivanovski about the appointment of Ms Nina Grall as new Head of the ECRB Section of the Secretariat and about the election of Mr. Ljubo Macic as ECRB President, starting 01.01.2009. PHLG thanked Mr. Ivanovski for his valuable contribution to the Energy Community process in his capacity of first ECRB President (2007-2008).
22. The PHLG expressed its gratefulness to Mr. Bujar Leka, representing the Albanian Presidency of the Energy Community, for the successful Presidency activities at PHLG level and welcomed Bosnia and Herzegovina as incoming Presidency within the first half of 2009.

For the PHLG,

Presidency
Tirana, 11 December 2008