

57th PERMANENT HIGH LEVEL GROUP

Cyberspace, 7 October 2020

1. The meeting was chaired by Ms Radmila Damjanović on behalf of Montenegro and Cristina Lobillo/Anne Charlotte Bournoville for the European Commission.
2. The Permanent High Level Group (PHLG) approved the agenda.

Treaty amendments

3. The PHLG members continued negotiations on the basis of an updated EU negotiation position that the European Commission transmitted to all Contracting Parties in the form a comprehensive table and written comments of 2 October, a draft Protocol on Denomination and other updates of the Energy Community Treaty and updated draft Procedural Act on the Exchange of Information and the Cooperation between the European Commission, the Secretariat and the Contracting Parties in the Fields of Compliance and Reciprocity.
4. The PHLG members expressed their satisfaction about the significant further progress made pointing that only few additional aspects need to be resolved. They confirmed their strong commitment to finalize the negotiations on Treaty amendments at the Ministerial Council meeting on 27 November 2020.
5. The PHLG discussed in particular Art. 18, 92' and 104' and the draft Protocol on the Denomination and other updates of the Energy Community Treaty.
6. During the discussion a compromise solution for the penalty payments related wording was designed that allows individual circumstances of Contracting Parties to be taken into account and offers a transitional period of 12 months of capping the penalty payment. In this context reference was made to two Procedural Acts concerning the method for calculation of penalty payments and their distribution.
7. This was agreeable in principle for majority of Contracting Parties. Additional dedicated meeting on that topic will be organised in the week of 26 October on PHLG level. All Contracting Parties were invited to submit written comments in a week. Serbia will perhaps need more time due to formation of a new Government.
8. The majority of Contracting Parties agreed with the text of Art 18, version 2, as proposed by the Commission. The remaining will inform about their position in a week.
9. Draft Protocol on Denomination initiated several discussions. Kosovo reiterated its request to be named as Republic of Kosovo. The Commission announced further bilateral discussion with Kosovo on that issue. A list of directives in the draft Protocol requests further clarifications and the Secretariat was invited to propose relevant footnotes.
10. The Contracting Parties supported the adoption of both Decisions related to implementation of two statistical Regulations (2019/2146 and 2019/803). The Commission is expecting they will be sent as official proposal before the Ministerial Council meeting on 27 November. This way they could be discussed during the MC meeting and voted by correspondence immediately after the meeting.
11. The Commission reiterated its intention to propose 2030 targets and adoption of the Clean Energy Package by the Energy Community Ministerial Council in 2021 and stressed the importance of continuation of preparatory process for National Energy and Climate Plans by all Contracting Parties.

The PHLG congratulated North Macedonia for being the first Contracting Party to formally submit its draft NECP to the Secretariat.

12. The Secretariat presented its approach and next steps in launching the stakeholder discussion for the preparation of the Clean Energy Package. The PHLG invites the Secretariat to organize discussions with all relevant stakeholders in due time to allow for adoption by the Ministerial Council in 2021, together with other elements of the Clean Energy Package.

13. The Secretariat followed up the 56th PHLG discussion with an update on the CACM and FCA adaptation process and the roadmap of further activities. The Commission stressed that without full implementation of CACM and FCA Network Codes, based on reciprocity, current status of trade arrangements could not be guaranteed anymore.

14. The Commission presented EU's renewed Amendment of Procedural Act No. 01/2011 PHLG-EnC of the Permanent High Level Group of the Energy Community of 23 March 2001 laying down the rules governing the arbitration procedure in staff matters.

15. Montenegro supported proposal of the Secretariat to engage ILO for employment disputes cases. Serbia expressed its reservation due to a lack of time after receiving a proposal.

16. The Secretariat and the Commission will continue the discussion on a technical level and will revert to the Contracting Parties.

17. The Secretariat informed that the current members of the Advisory Committee had consented to a possible reappointment for another term.

18. The Secretariat presented a project proposal for South East and East European Gas Platform aiming to connect pan European markets based on good experience of Ukraine becoming a liquid gas hub. The PHLG welcomes the presentation.

Done in Vienna on 7 October 2020

For the Permanent High Level Group,

THE PRESIDENCY

