

**CONCLUSIONS**  
**10<sup>th</sup> PERMANENT HIGH LEVEL GROUP MEETING**  
**24 SEPTEMBER 2008, ZAGREB**

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 welcomed the report, prepared by the Secretariat, outlining the current situation and the outstanding issues for each of the Contracting Parties in the areas of electricity and gas. The Secretariat was encouraged to continue actively the monitoring process and to provide operational support in further implementation of the electricity and gas market frameworks to all Contracting Parties as well as in preparation of the update report for the Ministerial Council in December 2008. In this relation, the Secretariat informed about the organized and planned missions to the Contracting Parties till the end of October 2008.
3. The PHLG was informed by Contracting Parties on the undertaken steps and planned activities in relation to fulfilling the Treaty obligations.
4. The Secretariat recalled about the upcoming deadlines for the implementation of Regulation 1775 and presented short information about its findings in this direction so far.
5. The Secretariat briefed the PHLG on the status quo of dispute settlement in accordance with the Procedural Act on Rules of Procedure for Dispute Settlement under the Treaty adopted by the Ministerial Council in June 2008. In this context, the Contracting Parties were also invited to propose candidates for members of the Advisory Committee established by Article 32 of the Rules by 01.11.2008.

**AGENDA ITEM TWO – SECURITY OF SUPPLY**

6. The PHLG welcomed the Secretariat's proposal for a Procedural Act on the establishment of a Security of Supply Coordination Group and decided to propose it to the Ministerial Council for adoption, subject to the editorial modifications as indicated in annex.
7. The PHLG welcomed the developed Roadmap templates for implementation of Directives 2005/89/EC and Directive 2004/67/EC as proposed by the Secretariat and asked the Contracting Parties to fill them in and provide the information to the Secretariat by 3<sup>rd</sup> of November 2008.

### **AGENDA ITEM THREE – OIL DIMENSION**

8. The PHLG discussed the draft Decision concerning the implementation to the oil sector of certain provisions of the Treaty and the creation of an Energy Community Oil Forum and agreed that it is submitted to the Ministerial Council for adoption, subject to the modification of Article 1 paragraph 2 to replace the word “infrastructure” by “pipe-lines, storage, refineries, and import/export facilities”.

### **AGENDA ITEM FOUR – INVESTMENTS**

9. The Secretariat presented summary information on the progress update, concerning the investment priority projects along the indicative list as agreed by the Ministerial Council. In view to update the list of priority investment projects, Contracting Parties were invited to report by 15 October 2008 the progress realized in 2008 to the Secretariat, using the same template (to be circulated by ECS).

### **AGENDA ITEM FIVE – NEXT MINISTERIAL COUNCIL**

10. The PHLG took note of the draft agenda for the Ministerial Council meeting in December 2008 as agreed by the Presidency.

### **AGENDA ITEM SIX – ARTICLE 24 OF THE TREATY**

11. Following up on the previous activities in this direction, the PHLG took note of the Summary Paper on the comments by the Contracting Parties to the text submitted by the Secretariat concerning measures adapting the electricity and gas related acquis to the institutional framework of the Treaty under Article 24. On this ground the European Commission will examine the draft and the comments and will consider next steps.

### **AGENDA ITEM SEVEN – MoU ON THE COORDINATED AUCTION OFFICE**

12. On behalf of SETSO, Mr Silvio Brkic reported on the finalization of the Memorandum of Understanding and the willingness of TSOs to sign it. SETSO indicated that the business plan is well advanced and shall be finalized before the end of the year.
13. The PHLG stressed the key importance of swift progress and expressed its support to SETSO. It was underlined that the setting-up of a CAO can be considered as a real test case for regional cooperation. Therefore, the PHLG proposed that the Memorandum of Understanding between the TSOs is signed at the occasion of the next Athens Forum (2-3 December 2008). This would allow the Ministerial Council to welcome this important step and to provide for political orientation in the matter, including the question of the location.

### **AGENDA ITEM EIGHT – GENERALLY APPLICABLE STANDARDS**

14. The Secretariat recalled the work done so far in this direction and took note of the comments from the Contracting Parties. The Secretariat presented its proposal for a Development Plan for Generally Applicable Standards for electricity and gas and

reconfirmed its readiness for further support in principle; however, it was noted that the major effort in this direction is already within the Contracting Parties. Thus, PHLG asked all Contracting Parties to inform on the status of implementation of the Generally Applicable Standards and the scheduled next steps during the 12<sup>th</sup> PHLG meeting (March 2009). The PHLG highlighted the need of a technical workshop on the subject that could be organized in the first semester 2009.

#### **AGENDA ITEM NINE – MISCELLANEOUS**

15. The Secretariat provided information on the preparation of the first Social Forum and on the development of Social Action Plans in line with the Social Memorandum.
16. The Chair of the Energy Efficiency Task Force presented the implementation of the Work Programme, especially with regards to Task 2: development of the Energy Efficiency Action Plans and Task 3: Energy Efficiency Acquis. The PHLG underlined the high importance of the work of the Task Force and thanked its Chair and its Members for the good progress achieved so far and encouraged further steps along the mandate provided by the Ministerial Council.
17. Pursuant to item IV.3.h of the Internal Rules of Procedure of the Budget Committee, the Commission informed about the relevant decisions of BC meeting dated 24 September 2008.
18. An outline of Indicative draft calendar of the Energy Community events for the year 2009 was notified to the PHLG.
19. IEA presented its Report "Energy in the Western Balkans" highlighting that the region is moving in the right direction. Further to the achieved progress in each of the Contracting Parties, the Report notes patchy and uneven common steps on regional level, together with a strong necessity to strengthen public energy administrations and market institutions across the area. The PHLG thanked IEA for the report and expressed its appreciation for the approach of sharing the findings with its members.
20. Mrs Mirjana Maric from the UK Embassy in Slovenia recalled the organization of a Governmental module within the Energy Training Programme for South East Europe. The PHLG members were encouraged to attend and to coordinate the participation from the relevant Contracting Parties.

For the Presidency

