Minutes of the 50th ECRB Meeting

30 November 2021, 10:00-18:00

RAE premises – Athens, Peiraios 132 and virtual

1. Opening

The ECRB President, Mr Bislimoski, welcomed Mr Kuen, representing the ECRB Vice-Presidency, the Vice-President of RAE, Mr Psychoyios, and the regulatory authorities´ participants. Mr Bislimoski confirmed the (physical and virtual) presence quorum necessary for ECRB decision making. The President thanked RAE for hosting the ECRB meeting as well as the Energy Community Secretariat ('Secretariat') for inviting to the 50th ECRB dinner.

The RAE Vice-President welcomed the ECRB members and underlined the importance of regulatory cooperation and exchange of best practices between Contracting Parties' and EU regulators under this umbrella.

2. Agenda of the 48th ECRB meeting (approval)

The President introduced the draft agenda and opened the floor for comments. Mr Radheshi suggested.to discuss the current price surge developments under the REMIT WG agenda item. Mr Bislimoski proposed to also focus on these developments and related regulatory measures under the agenda item on recent national developments.

Conclusions / Action Points: The agenda has been approved including the suggested changes.

3. Minutes of the 47th ECRB meeting (approval)

Mrs Grall informed that comments on the draft minutes have been received by SERC. No other comments were raised.

Conclusions / Action Points: The draft minutes will be uploaded to the Energy Community website (short version public; long version restricted).

4. ACER developments (information)

[Ref. presentation Mr Hesseling]

Mr Hesseling updated the participants on recent ACER developments (ref. presentation Mr Hesseling). He informed that the ACER annual monitoring report's edition on gas and electricity retail market, to which

also ECRB is contributing on the related developments in the Contracting Parties, is envisaged to be published ahead of the usual schedule with a view to present more up-to-date information. This proved to become relevant also in context with the impact of the recent price surge on retail market prices.

Mrs Knezevic informed that a survey on the impact of the price surge and related regulatory and governmental measures will be prepared by the ECRB EWG.

Conclusions / Action Points: no conclusion required; agenda item for information.

5. Recent Energy Community developments (information)

Mr Kuen, Mrs Grall, Mrs Marsenic and Mr Kllokoqi informed the participants about the following Energy Community developments:

- adoption of Clean Energy Package (CEP) Electricity Directive and Risk Preparedness Regulation is scheduled for the Ministerial Council on 30 November 2021;
- Adoption of the CEP Electricity Regulation and delegated Guidelines is envisaged for the 2022 Ministerial Council. After agreement of adapted files between the European Commission ('Commission') and the Secretariat, the proposals will be circulated for negotiations with stakeholders in quarters 1 and 2/2022. Coordination of regulatory views is foreseen under the activities of the ECRB EWG work program 2022;
- The Secretariat started review of compliance with the electricity transparency requirements in the Contracting Parties based on related regular activities of the ECRB EWG, separate consultation of transmission system operators (TSOs) and, finally, dedicated letters to the Contracting Parties' regulatory authorities with a request for clarification and explanation of the pending areas of compliance. Based on this, the Secretariat will assess the for opening infringement cases;
- the Secretariat is analysing potential infringement cases on the penalty regimes in the Contracting Parties with a view to address shortcomings on penalty level thresholds required by the Energy Community acquis under the Gas and Electricity Directives as well as the REMIT Regulation, including their effectiveness in cases where penalties cannot be issued by regulators but have to be referred to court;
- The Secretariat has published a study on energy poverty and envisages follow up activities, such as the establishment of an energy poverty platform and dedicated workshops;
- The Secretariat launched a study on energy market flexibility and will organise dedicated workshops in the course of 2022;
- Mr Artur Lorkowski has been appointed by the Ministerial Council as new Director of the Secretariat.

Conclusions / Action Points: no conclusion required; agenda item for information.

6. Recent regulatory developments in the Contracting Parties (information)

[Ref. presentations] The ECRB President invited participants to focus their updates on the impact and effects of the recent price surge.

- Albania: State emergency has been declared by the government in October 2021 as a reaction to the recent price surge; KESH made profit from the price developments due favorable hydro conditions; one customer left to the SOLR; the electricity balancing market proved to work will thus not requiring any actions by ERE so far; also, the USS tariff is not supposed to be increased based on related governmental decision
- Bosnia and Herzegovina: cf. presentation; despite the lack of an organised electricity market, the bilateral market functions well in reaction to the price surge; a price increase of 38% is expected for the non-regulated market sector while there is reluctance of publically owned utilities to increase the regulated prices for small customers and households; discussions on decarbonisation has raised intensive protest of miners – Mr Zametica underlined that the decarbonisation process has to be performed in combination with a just transition;
- Georgia: GNERC approved criteria for derogation from the electricity connection network codes; due to governmental changes to the market design the go-life of the electricity power exchange has been postponed to early 2022; the price surge did not affect Georgia so far; certification of the gas TSO has been rejected by GNERC, a new application is awaited; certification of the electricity TSO is pending;
- Kosovo*: cf. presentation; RO participates in a technical working group set up by the government for discussion of necessary measures to address price surge developments; a tariff increase of 40% has been requested by TSOs/DSOs/USS to cover the price surge impact on which ERO has to take a decision within 45 days according to national legislation; the technical working group is assessing potential measures other than a 40% increase of tariffs which would not be affordable for customers;
- Moldova: cf. presentation; ANRE is working on harmonised tariffs for compliance with the gas balancing network code;
- Montenegro: cf. presentation; CGES is so far not impacted by the price surge as the company currently has a surplus which might however change over time – a related regulatory tariff review is supposed to consider a possible spread of financial impacts over a longer tariff period; allocation of annual electricity cross-border transmission capacities for the interconnector Montenegro-Italy for 2022 has been performed by SEE CAO;
- North Macedonia: cf. presentation; Mr Bislimoski stressed TSOs should react more pro-actively to behavior of market participants in the balancing market that do not correspond with the market rules – ex post reaction of regulators, e.g. by revoking licenses, comes only at a moment were damage to customers has already been caused; a working group has been established to discuss possible measure for addressing the price surge;
- Serbia: cf. presentation;
- Ukraine: cf. presentation.

Mr Kuen noted that it should be most important to have well-market based rules in place in the Contracting Parties, including efficient use of electricity interconnections. Price-hikes have been also experienced in

EU Member States but market coupling between Contracting Parties and Member States and implementation of the REMIT Regulation should be necessary tools. He further stressed that governmental measures should be used other than regulatory tariff increase (only) to address the price surge. The Commission published a related 'toolbox' outlining a number of potential measures.

Conclusions / Action Points: discussion of the consequences of the price hikes in the Contracting Parties at the next ECRB Electricity Working Group and publication of the ECRB EWG survey on the impact of the price surge in the Contracting Parties including related regulatory and governmental measures.

7. Customers & Retail Markets Working Group (information)

[Ref. presentation Mr Zametica]

Mr Zametica provided an overview of the ongoing CRM WG activities (ref. presentation) and presented the draft ECRB retail market monitoring report as well as the CRM WG work program 2022 for approval.

Mr Hesseling informed that the 2022 retail market edition of the ACER annual monitoring report is expected to include additional information on mark-ups, complaint handling and price comparison tools. Mr Zametica explained that related information is already now part of the ECRB retail market monitoring and can be therefore provided in 2022 to the ACER monitoring report as well.

Conclusions / Action Points: the ECRB retail market monitoring report as well as the CRM WG work program 2022 have been approved.

8. Electricity Working Group (information)

[Ref. presentation Mrs Knezevic]

Mrs Knezevic provided an overview of the ongoing EWG activities (ref. presentation) and presented the annual SEAMS monitoring report as well as the EWG work program 2022 for approval.

Conclusions / Action Points: ECRB approved the annual SEAMS monitoring report as well as the EWG work program 2022 and agreed on written approval of the report on RES integration into the balancing market as well as the report on the regulatory investment framework in the ECRB and CEER countries.

9. Gas Working Group (information)

[Ref. presentation Mrs Stratulat]

Mrs Stratulat updated on recent GWG developments (ref. presentation). Cf agenda item 2 as regards the update of the GWG 2021 work program.

Conclusions / Action Points: no conclusion required; agenda item for information.

10. REMIT Working Group (information)

[Ref. presentation Mr Radheshi]

Mr Radheshi updated on ongoing REMIT working group developments (ref. presentation).

Conclusions / Action Points: ECRB approved the REMIT WG work programme 2021.

11. AOB

Mrs Vilic updated on the planned organisation of a next Eastern Partnership regulatory workshop in cooperation of ECRB, EC and CEER in 2022. Further details are to be still confirmed,

Conclusions / Action Points: ECRB in general agreed on organisation of a next Eastern Partnership regulatory workshop in cooperation of ECRB, EC and CEER in 2022. Further details are to be still confirmed.

12. Next meeting

The next meeting will take place on 30 December 2021 in Athens (to be replaced by a virtual meeting, if needed in case of continuation of COVID-19 lockdowns).

Annex – List of Participants

Name	Institution
BERNATH, Georgina	HERA
BISLIMOSKI, Marko	ECRB President
BUCAJ, Gani	ERO
FEJZULLAHU, Ymer	ERO
GACHECHILADZE, Zviad	GNERC(online)
GALANTE, Maria Teresa	ARERA
GRALL, Nina	ECS
HESSELING, Dennis	ACER (online)
IHNATENKO, Yaroslav	NEURC
KLLOKOQI, Arben	ECS
KNEZEVIC, Milica	EWG chair, REGAGEN
KUEN, Nicolas	Vice Presidency
MAGDA, Oleksii	NEURC
MARSENIC, Branislava	ECS
NASHI, Agim	ERE
PEJIC, Nikola	SERC
RADESHI, Elton	ERE
STEFANOVIC, Nenad	AERS
STRATULAT, Elena	GWG chair, ANRE
TASEV, Andrej	ERC
VELJANOVSKA, Natasha	ERC
VILIC, Daniela	E-Control
ZAMETICA, Edin	CRM WG chair, SERC