

73rd PERMANENT HIGH LEVEL GROUP

Vienna, 7 October 2024

1. The meeting was chaired by Ms. Branka Knežević for the Presidency and Ms. Yolanda Garcia Mezquita for the European Commission.
2. The Permanent High Level Group (PHLG) approved the agenda and finalized the Conclusions of the 72nd PHLG meeting.

Update of new *acquis* under preparation

3. The PHLG endorsed the European Commission's proposal for the Ministerial Council Recommendation on accelerating the deployment of renewable energy projects and implementing the energy efficiency first principle for its adoption by the Ministerial Council on 12 December 2024. Ukraine proposes that the terms and timelines for implementation be thoroughly discussed and agreed upon to ensure effective and timely compliance by all Contracting Parties, taking into account that implementation requires significant financial costs.
4. The PHLG discussed the draft Decision on the establishment of the list of PECEI under the TEN-E Regulation to be adopted by the Ministerial Council on 12 December 2024.
5. The PHLG agreed to adopt the Decision adapting and adopting Commission Implementing Regulation (EU) 2022/2299 of 15 November 2022 laying down rules for the application of Regulation (EU) 2018/1999 of the European Parliament and of the Council as regards the structure, format, technical details and process for the integrated national energy and climate progress reports at its next meeting in December 2024.
6. The PHLG acknowledged that the submission of the first Integrated Progress Reports is due by 15 March 2025, and the Contracting Parties require accelerated technical assistance as well as postpone the deadline for the first Integrated Progress Reports in accordance with the provided technical assistance, having in mind that it is very demanding and complex new obligation for CPs and requires establishment of national system for reporting regarding Regulation (EU) 2018/1999.
7. The Contracting Parties called upon the European Commission to present a proposal for adaptation of the Water Framework Directive, the updated Wild Birds Directive and the Habitats Directive and its adoption by the Ministerial Council 2025.
8. The Contracting Parties called upon the European Commission to present a proposal for a Decision on full REMIT adaptation and its adoption by the Ministerial Council under Title IV of the Treaty in 2025. The Contracting Parties invited the European Commission to consult relevant stakeholders.
9. The Contracting Parties called upon the European Commission to present a proposal for a Decision on the mutual recognition of guarantees of origin for its adoption by the Ministerial Council in 2025. The Contracting Parties invited the European Commission to consult relevant stakeholders.

10. The Contracting Parties called upon the European Commission to present a proposal for a Decision adapting and adopting Commission Delegated Regulation (EU) 2024/1366 of 11 March 2024 supplementing Regulation (EU) 2019/943 of the European Parliament and of the Council by establishing a network code on sector-specific rules for cybersecurity aspects of cross-border electricity flows to be adopted in 2025.

Implementation of the Treaty

11. The PHLG acknowledged the lack of compliantly designated NEMOs in the Contracting Parties, and urged them to nominate the NEMOs without further delay. The European Commission recommended to proceed with the official submission of the MCO Integration Plan by all EU NEMOs in order to accelerate market coupling.
12. The European Commission and the Secretariat called upon all Contracting Parties to submit by 15 October 2024 a clear timeline for the completion of the transposition and minimum implementation requirements for adherence to the SDAC and SIDC for the purpose of monitoring and reporting to the Market Coupling Steering Committee (MCSC) and by 25 October 2024 a clear timeline for the completion of the transposition and minimum implementation requirements for adherence to the EU balancing platforms.
13. The Secretariat provided an update about the transposition and implementation of the Electricity Integration Package as well as the dispute settlement cases proposed for decision by the Ministerial Council on 12 December 2024.

Decarbonisation Roadmap

14. The European Commission presented the state of play of the Impact Assessment on Carbon Pricing in the Energy Community, to be concluded in November and its results to be presented at the Ministerial Council on 12 December 2024.
15. The invitation of the Contracting Parties for the European Commission to present a proposal for an updated Decarbonisation Roadmap was further discussed. The Commission will present an update in due time, at least after the Impact Assessment on Carbon Pricing, currently in preparation, is concluded and its results are discussed.

Budgetary Matters

16. The PHLG was informed about the (a) the Report of the Director of the Energy Community Secretariat under Article 75 of the Treaty for the financial year 2023, (b) the Audit Report on Financial Statements 2023, (c) the draft Ministerial Council Decision on the discharge of the Director for 2023, (d) the Budget Committee Report on Audit 2023 and (e) the Budget Committee Annual Report for 2023.

AOB

17. The PHLG welcomed the list of candidates for the Advisory Committee established under Article 32 of the Rules of Procedure for Dispute Settlement (extensions of current mandates and appointments of new members) and invited all Parties proceed on that basis in view of an appointment by the Ministerial Council on 12 December 2024.

18. The PHLG welcomed the proposed new visual identity for the Energy Community.

Done in Vienna on 7 October 2024

For the Permanent High Level Group

THE PRESIDENCY

ANNEX

Statement of the Republic of Serbia

In reference to the discussions held at the 73rd Permanent High Level Group (PHLG) meeting held on October 7th, 2024, in Vienna, Austria, the position of the Republic of Serbia (RoS or Serbia) to present views and concerns related to the activities of the Energy Community particularly concerning the following:

- Regarding the Decision on full REMIT adaptation and its adoption by the Ministerial Council under Title IV of the Treaty in 2025, Serbia requested sufficient time to review the proposal for adapted REMIT and to ensure constructive participation of its national stakeholders and AERS in the adaptation process noting that the envisaged couple of months (October and November 2024) for consultation with the Contracting Parties would not be enough for meaningful discussion.
- Regarding the Decision on the mutual recognition of guarantees of origin and its adoption by the Ministerial Council in 2025, Serbia kindly requests recognition of the diligent efforts undertaken and the comprehensive transposition and implementation of obligations related to guarantees of origin within the Contracting Parties. Serbia requested to receive timely the draft decision, so that a negotiation position could be properly prepared .
- Regarding the Decision on Commission Implementing Regulation (EU) 2022/2299, which needs to be adopted by the PHLG under Article 17(4) of the Governance Regulation, The Republic of Serbia invites the Secretariat under Art.17(4) Governance Regulation to fulfill its obligations and inform the PHLG in one week from adoption of the Implementing Regulations. Serbia underlines that commitment to adopting any new legislation without having sufficient time for consultation and running the internal procedures for developing negotiations position and adoption at Governmental and/ or National Assembly level at national level is not feasible. Postponing the deadline for the first Integrated Progress Reports in accordance with the planned and still not started technical assistance, having in mind, that it is very demanding and complex new obligation for CPs and requires establishment of national system for reporting regarding Regulation (EU) 2018/1999.
- Regarding the Impact Assessment on carbon pricing and shared Interim Report, Serbia stressed that more detailed analysis of the conditions, effects and consequences of the application of the options of national carbon tax or national ETS is necessary, as well as further detailed analysis and assessment of some legal, technical, regulatory, economic, fiscal, institutional and political aspects of the application of the regional ETS. The specific comments submitted by Serbia are related, among other things to:

- The necessity of providing complete analysis of impact assessment for each Contracting Parties,
- Unrealistic assumption of phase out of coal until 2035 or 2040 in Serbia, replaced with only intermittent sources of renewable energy,
- The necessity of financial support from the EU for sustainable decarbonisation of of the Contracting Parties.