

50th PERMANENT HIGH LEVEL GROUP

Vienna 21 June 2018

1. The meeting was chaired by Mr Ismail Luma on behalf of the former Yugoslav Republic of Macedonia and Ms Megan Richards for the European Commission.
2. The Permanent High Level Group (PHLG) approved the agenda. FYROM requested the Commission to prepare a revision of decision related to FYROM RES target by 2020 for a Skopje Ministerial Council.
3. **Treaty amendments**
4. After presentations by the European Commission on the state of play of amendments to the Treaty. The Secretariat recalled that progress among Contracting Parties had been already achieved on other draft amendments under the assumption that a reciprocity will be introduced as discussed. The PHLG encouraged again the Commission to further continue its efforts at EU level to achieve tangible results possibly by the Skopje Ministerial Council in 2018.

New acquis

5. The PHLG thanked the Secretariat for its proposal for a Ministerial Council Decision for Mutual Recognition of Licenses for Supply to Wholesale Customers based on Title III of the Treaty. The Contracting Parties welcomed the draft Decision and invited the European Commission and Secretariat to progress with consultations with CESEC member countries during the Sofia High level meeting on 29 June to allow for adoption by the Energy Community Ministerial Council in 2018.
6. The PHLG welcomed the final text of an adjusted version of Regulation (EU) 1227/2011 (REMIT) agreed with the national regulatory authorities from the Contracting Parties, and invited the European Commission to propose a Decision on that basis for the Ministerial Council's 2018 meeting.
7. For the two above the Commission's proposed drafts, as discussed, should take into account the needed timelines for the transposition and implementation in Contracting Parties.
8. The PHLG welcomed the draft document on the envisaged adoption of Regulation (EU) 2017/1369 setting a framework for energy labelling and repealing Directive 2010/30/EU, and of the Delegated Acts (518/2014-Internet energy labelling; 1254/2014-Residential ventilation units; 2015/1186-Local space heaters; 2015/1187-Solid fuel boilers. The European Commission was invited to formalize and submit proposals for adoption by the Ministerial Council in 2018.
9. The PHLG welcomed the efforts undertaken to prepare and reach consensus on the adoption of two network codes in the area of natural gas, namely Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and and Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas. After discussion, the European Commission was invited to formalize and submit proposals for adoption by the PHLG at its next meeting. Ukraine urged the

need for reciprocal application on interconnection points between EU MSs and EnC CPs which needs to be reviewed before finalisation.

10. Serbia announced submission of comments on proposed draft acts.

Procedural Acts

11. The PHLG discussed the proposal for a Procedural Act amending Procedural Act 2008/02/M-EnC on an organizational framework for a high common level of security of network and information systems and of critical infrastructures in the Energy Community and establishment of a Platform of Distribution System Operators, presented by the Secretariat.
12. Recalling its conclusions from the 49th meeting in March 2018, the PHLG acknowledged that the Energy Community must take increasing threats to cyber-security more seriously and coordinate preparation and reaction. It discussed the proposal to establish, as soon as possible, an organizational framework for a high level of security of information systems and critical infrastructures within the Energy Community Security of Supply Coordination Group, defining the roles and responsibilities of the key actors at national and Energy Community level, as set forth in the amending Procedural Act and its Annex 1. The PHLG underlined the necessity also to integrate the Energy Community structures in a European framework. It invited the European Commission and the Secretariat to explore possibilities for participation of the Energy Community and of the Contracting Parties in the European Union Agency for Network and Information Security (ENISA) and report back to the PHLG.
13. The PHLG agreed with the Secretariat that the role of distribution system operators and their coordination within the Energy Community is to be strengthened, building on the existing activities within the ECDSO-E framework. It welcomed the Secretariat's proposal in this respect.
14. The PHLG discussed the Secretariat's initiative to follow-up on a requirement under the Procedural Act on Rules of Procedure for Dispute Settlement under the Treaty and its proposal for a Procedural Act on interim measures under the former's Article 18(3). The PHLG agreed to further assess the legal and procedural possibilities and limits of such interim measures and to follow-up on this issue.
15. The PHLG welcomed the Secretariat's initiative to develop organizational rules and procedures of the Parliamentary Plenum meetings and discussed the proposed document entitled "Energy Community Parliamentary Plenum Rules of Procedure". The PHLG also appreciated the active involvement of the participants in the Parliamentary Plenum meetings in this process. In view of the current institutional set-up as established by the Treaty, the PHLG recognized the need to modify the document and invited the Secretariat to develop a revised version as soon as possible and to consult this version with the Parliamentary Plenum meeting. The organizational rules and procedures should be tabled for adoption at the next Ministerial Council meeting.

Energy infrastructure

16. The PHLG took note of the preliminary list of Projects of Energy Community Interest (PECI) proposed by the Electricity, Gas¹ and Oil Groups, and invited the European Commission to start the procedure for adoption of a Ministerial Decision on the List of Projects of Energy Community Interest based on the proposal submitted by the Secretariat.

¹ In reference to this conclusion, a change request was announced by Kosovo* after the meeting.

17. The PHLG took note of the preliminary list of Projects of Mutual Interest (PMI) proposed by the Electricity, Gas and Oil Groups, and invited the European Commission to start the procedure for adoption of a Ministerial Recommendation on the List of Projects of Mutual Interest based on the proposal submitted by the Secretariat .

Budget

18. The Director of the Energy Community Secretariat presented the Report under Art. 75 of the Treaty for the financial year 2017 as well as Budget Committee's Report on Audit 2017, both already discussed and approved by the Budget Committee at its meeting on 20 June 2018. Both reports took into consideration the overall audit results as presented in KPMG's Audit Report for the financial year 2017. The reports were endorsed for adoption by the Ministerial Council in 2018.

19. As regards reporting requirement of the Budget Committee, the representative from the European Commission (in the absence of the Chair of the Budget Committee) informed about the work of the Budget Committee in the year 2017 and presented the Annual Activity Report. The PHLG took note of these reports.

20. Following the presentation of the financial reports, the European Commission Chair presented the proposal for decision discharging the Director of the Energy Community Secretariat from his administrative and management responsibility for the year 2017. The decision was endorsed for adoption by the Ministerial Council in 2018.

21. The Director of the Energy Community Secretariat informed about the organisational aspects of the Ministerial Council planned for the end of November 2018.

Done in Vienna on 21 June 2018

For the Permanent High Level Group,

THE PRESIDENCY