

CONCLUSIONS

12th PERMANENT HIGH LEVEL GROUP MEETING

17 MARCH 2009, VIENNA

1. The meeting was co-chaired by Mrs. Mubera Bicakcic on behalf of Bosnia and Herzegovina as Presidency in office, and Mr. Fabrizio Barbaso for the European Commission.

AGENDA ITEM ONE – IMPLEMENTATION OF REGULATION 1775

2. The PHLG noted the report, prepared by the Secretariat, outlining the current situation and the outstanding issues for each of the Contracting Parties concerning the implementation of Regulation 1775. The Contracting Parties also specified the implementation status and indicated their concrete needs, taking the results of the workshop on the Regulation 1775/2005, which took place on 5th and 6th March, into account. The link between the proper implementation of Regulation 1775/2005 and the implementation of Directive 2003/55/EC was underlined.
3. As the deadline for the implementation has expired, the PHLG urged the Contracting Parties to consider explicit focus of attention on the open issues as specified in the Secretariat's report. The Secretariat is invited to continue the monitoring process and in parallel to continue providing operational support for the implementation. The workshop on the Regulation 1775/2005 was recognized as an important contribution within the technical support process. Further, PHLG noted its expectations that the implementation process is explicitly reflected in the report on the Treaty implementation for the Ministerial Council meeting in June 2009.

AGENDA ITEM TWO – SECURITY OF SUPPLY

4. The steps undertaken by the Contracting Parties so far along the Roadmaps for implementation of Directives 2005/89/EC and Directive 2004/67/EC were discussed in the context of the report, prepared by the Secretariat. It was recalled that – considering that the deadline for implementation is end of 2009 - the implementation of the two directives requires special attention. Further, the Secretariat is invited to provide operational support for implementation if required by the Contracting Parties. In this relation, the European Commission informed about the current consideration of a new legislation, which shall amend Directive 2004/67/EC and that PHLG shall be further informed on the developments.
5. The PHLG invited the Secretariat to prepare detailed information on the progress achieved for the 14th PHLG meeting.
6. The PHLG agreed on a List of Representative Organizations, proposed by the European Commission in line with Article 2(4) of the Procedural Act on the

Establishment of a Security of Supply Coordination Group, as regards industry, and agreed to further assess the representation of customer organizations.

7. The PHLG noted the information on the coming first meeting of the Security of Supply Coordination Group.
8. The PHLG asked the Contracting Parties to update the Security of Supply Statements which were provided for the first time in June 2007 and send the updated documents to the Secretariat by 20th May 2009.

AGENDA ITEM THREE – RENEWABLE ENERGY SOURCES

9. The Secretariat presented for information an outline of a Study on the implementation of the new directive on renewable energy sources. The PHLG welcomed the information and based on the envisaged time schedule for the performance of the study confirms the support offered to the successful bidder to perform the required activities under the contract.
10. The PHLG examined the Working Paper on the establishment of a Task Force on Renewable Energy, proposed by the Secretariat, and agreed that it is submitted to the Ministerial Council. In the meantime, the PHLG was invited to provide assistance to the consultants if necessary.

AGENDA ITEM FOUR – WORK PROGRAMME OF THE ENERGY COMMUNITY 2010-2011

11. The PHLG examined the proposal for Work Programme 2010 – 2011 of the Energy Community. Some concrete comments were made and discussed. The Secretariat was invited to update the programme on the ground of the comments, upon which it should be submitted to the Ministerial Council meeting in June 2009 with a proposal for approval. The European Commission informed PHLG that the proposal for a Work Programme has been considered in parallel with Commission' proposal for budgetary frame for the same period, which shall be presented for approval together with the Work Programme.

AGENDA ITEM FIVE – DISPUTE SETTLEMENT

12. The PHLG examined the proposals received by the Parties to the Treaty for members of the Advisory Committee under Article 32 of the Rules of Procedure for Dispute Settlement under the Treaty establishing the Energy Community and proposes the following three candidates for appointment to the Ministerial Council at its meeting in June 2009:

- Bosnia & Herzegovina – Ms Amela Alihodžić;
- European Community – Mr. Florian Ermacora;
- Serbia – Mr. Nikola Radovanović.

13. The PHLG took note of the information presented by the Secretariat on open cases under Article 90 of the Treaty and encouraged all Parties concerned to cooperate

with the Secretariat to the fullest extent possible. The PHLG emphasized the importance of enforcement procedures for the achievement of the Energy Community's objectives. The PHLG invited all Parties to full and unfettered cooperation with the Secretariat in its role as initiator and mediator of dispute settlement proceedings.

AGENDA ITEM SIX – GAS RING

14. The Chair of the ECRB Gas Working Group presented its paper "A Common Regulatory Approach for the Development of the Energy Community Gas Ring", approved by ECRB at its meeting in December 2008, which was noted by the PHLG as good basis for further discussions and in particular at the next Gas Forum.
15. The PHLG noted the proposal of the Secretariat on the cooperation on gas infrastructure investments and the respective proposal to create a Gas Ring Group (replacing the existing the Joint Gas Working Group). The PHLG agreed with the proposed approach and requested to be regularly informed on the outcome of the discussions within the group. Further, the issue shall be presented to the Ministerial Council within 2009.

AGENDA ITEM SEVEN – ENERGY EFFICIENCY

16. The Secretariat made oral report on the current state of play concerning the performance of the Energy Efficiency Task Force in accordance with its work programme. It was noted that the Work Programme is being strictly followed.
17. However, the Secretariat indicated its opinion that the work of the Task Force in concrete and in the area of energy efficiency in general needs to continue. The focus of the further efforts should target the actual implementation of the energy efficiency acquis. Therefore, it will be proposed to the Ministerial Council that the mandate of the Task Force should be extended.
18. The PHLG encouraged the Observer countries to take active participation in the work of the EETF.

AGENDA ITEM EIGHT – ACCESSION OF NEW CONTRACTING PARTIES

19. The EC informed the PHLG on the state of play of the negotiations with Moldova, Turkey and Ukraine.
20. Georgia informed the PHLG that it will apply for accession to the Energy Community and that its formal application is likely to be tabled in May 2009, in advance of the next Ministerial Council meeting.

AGENDA ITEM NINE – NEXT MINISTERIAL COUNCIL MEETING

21. The PHLG took note of the draft agenda prepared for the Ministerial Council meeting to be held in Sarajevo on 26 June 2009. Attention was drawn on agenda point 9 concerning the mandate of the Director.

AGENDA ITEM TEN – MISCELLANEOUS

22. The Chair of the Budget Committee briefed the PHLG on the outcome of the Energy Community Audit 2008, performed by ERNST&YOUNG.

23. The Secretariat briefed the PHLG on the status of signatures of the MoU on CAO and on the upcoming steps towards the CAO development. The PHLG welcomed the fact that 11 TSO/ISOs have already signed the MoU and invited those, which have not done this yet, to join at the earliest convenience.

24. The Director of the Secretariat informed the PHLG for the possibility of additional financing for reimbursement as to provide more active participation from the Contracting Parties and the Observers in the Energy Community events (in particular the workshops) as these support in concrete terms the process of implementation of the Treaty. This concerns institutions, funded by the relevant state budget. However, the Contracting Parties and the Observers were invited to make full benefit of these events.

25. The Secretariat provided information about the Workshop on Generally Applicable Standards (Vienna, 19-20 February 2009), which was noted by the PHLG. The PHLG asked the Secretariat to analyse the proposals/ideas on the next steps in the implementation process of the Generally Applicable Standards - provided by the attendees of the workshop – develop in parallel to the ongoing implementation process a concept on approaching the further needed requirements and discuss this proposal with the PHLG members.

26. The European Commission informed PHLG about the undertaken steps in relation to Article 24 of the Treaty.

27. Operational information on the Investment Conference in Sarajevo (30-31 March 2009) was provided by the Secretariat and the Presidency. The PHLG members were encouraged to consider active participation on political and expert level.

28. The Secretariat provided brief information about GTZ Open Regional Fund on Energy in South East Europe targeting Energy Efficiency and Renewable Energies through Regional Cooperation.

29. The Secretariat provided operational data on some administrative issues, concerning changes in the rules on reimbursement, rules for secondees and interns as well as on issues, concerning the staff.

30. The Secretariat and the Presidency recalled the events under the Energy Community Event Calendar for 2009. Operational information on the preparation of the outstanding events was provided. In this aspect, a short outline on the initially considered approach for the Workshop on Statistics was also elaborated.

31. The ECRB Section of the Secretariat presented summary data on the studies launched in relation to the ECRB.