Conclusions of the 39th ECRB EWG Meeting

Location: Sarajevo
25 October 2016

1. Minutes, Agenda

EWG agreed on the agenda and the minutes from the last meeting.

2. Report from the ECRB, PHLG

No conclusions required; agenda item for information only.

PHLG/MC/ general EnC developments: Mrs Grall informed that Georgia becomes new Contracting Party and Belarus observer to the Energy Community. Potential Treaty changes are discussed lately, especially regarding the adoption and applicability of Network Codes

MC approved the list of PECIs and PMIs, most of the later relating to UA-EU MS interconnections.

WB6: Sustainability Charter was adopted in Paris Summit meeting.

CESEC: Gas Connectivity in Southeast Europe (EC initiative) might become relevant for the electricity sector due to latest CESEC summits agenda contained electricity, referring to CACM Regulation. The idea is to have a mechanism to implement the Regulation in SEE. Widening CESEC project is bearing risk of potential duplication of WB6 initiative. Secretariat tries to mitigate this risk. No concrete proposals are on the table, however.

Gas: progress was made regarding Network Code implementation: two NCs are envisaged to be presented to December 2016 PHLG for adoption in March 2017.

ECRB: application for WG Chairs is open with a deadline of 15 December 2016. Mrs Grall informed that Mr Pointvogl is leaving the position of ECRB Electricity Expert. The Group thanked Mr Pointvogl for his support and expertise sharing.
3. **Round Table on 3rd Package implementation**

No conclusions required; agenda item for information only.

MNE: a law on cross-border activities was adopted (implementing Regulation 714/2009). Bylaws are under development and a whole set (16 acts) was adopted already. Competencies of NRA were expanded to also regulate water.

BiH: No progress on adoption of primary legislation for both gas and electricity has been achieved but may be close, however.

MD: new law on electricity (as 3rd energy package with gas law) passed the Parliament and was published and enforced in July. ANRE will have to develop many secondary acts according to a work plan. Besides that, also a new law on energy, covering amongst others issues regarding the functioning of NRA. The law passed the Parliamentary Committee, i.e. adoption of draft law was proposed, adoption in first reading was proposed, and is also expected to be discussed in second reading. An action plan was developed in cooperation with the EnC Secretariat, targeting the improving of the draft law in second reading.

GE: a working group was created to analyse EnC primary law, aiming to have new primary law in place soon. Secondary acts will have to follow through Georgian network codes. A new procedure for transmission connection and renewable installation (shallow interconnections) was developed and adopted.

AM: the transitional rules for the provision of access right to the electricity transmission and distribution network for the qualified (eligible) consumers and qualified suppliers in the electricity system were stipulated by the Public Services Regulatory Commission’s resolution N 241-N of August 31.

The Ministry of Energy Infrastructures and Natural Resources, in collaboration with the Public Services Regulatory Commission, shall elaborate an electric power market liberalization and interstate trade development action plan (timetable) as well as a draft Energy Law amendment that shall be submitted to the consideration of the Government of Armenia before May 31 of 2017. According to the mentioned amendment, clear separation of distribution and supply activities, formation of the institutions of suppliers and wholesale traders and other changes shall be implemented.

Currently, with support of the Energy Association of USA, electricity market greed code is being elaborated, which is planned to adopt during the first half of 2017.

AL: a new primary law was adopted in 2015. Secondary acts are in development. In July a new Market Model was adopted in accordance with the new law.

RS: development of secondary acts is underway. TSO and NRA are working on transposing the Transparency Regulation and a new Market Code, both of which are expected to be adopted in 2016.
UA: a new law on regulatory authority was adopted. The new law on electricity market is in adoption procedure. The development of all secondary legislation is underway and adoption will go swift after the adoption of the electricity market law.

4. Transparency & REMIT

The EWG welcomed the draft report on transparency presented by the ECRB Section, but also reiterated that the report should cover the entirety of the SEE Region. A new process for related data collection covering more countries will have to reemphasise the necessity to submit data. As regards compliance monitoring, this exercise is however only relevant for the EnC CPs. For the 2017 process, the snapshot (the time from which the data published is collected) is to be reported as part of the data collection process. EWG’s intention is to also include additional EU NRAs in the data collection report for 2017. For the 2016 report, HR data is to be excluded and only CP responses are to be covered. A disclaimer should be introduced on the discrepancy of the underlying time of data collected what could cause incorrect comparisons between published CPs results and it should be highlighted that the overall scoring is zero where no responses were received. ERCB Section is invited to submit the updated report for another review by the EWG within three days, taking in consideration already presented comments at the meeting and, afterwards, propose for ECRB adoption in December.

5. TF1 – Wholesale Market Opening

Mr Lanza provided information of the state of play of CACM implementation, focussing on “all NRAs” approval process - namely: the NEMO designation, Capacity Calculation Regions, Bidding Zone review, MCO plan, DA project, IDCZGOT issues, Congestion Income Distribution, monitoring of CACM implementation - and possible impacts on Contracting Parties. A discussion about the potential involvement of CP NRAs in the Energy Regulators’ Forum (ERF) within ACER took place. THE ERF is expected to approve all TSO and/or all NEMO proposals, based on all NRA WGs’ position papers, in order to facilitate and coordinate the “all NRA” approval process.

The possibility to present a unique official counterpart for EnC CP representation in the ERF was discussed. The EWG proposed to ECRB Section to draft and propose an ECRB President letter to ERF chair John Mogg about the possibility for a nominee to represent the EnC CPs in the ERF. EWG discussed inviting future or existing PXs in EnC CPs to consider approaching the All NEMO Committee for participation in order to start discussing the possible future adhesion to the “All NEMO Cooperation Agreement” (ANCA).

The EWG discussed the WB6 Initiative operability in the light of the fact that the EnC CPs NRAs are signatories to the WB6 MoU. The roles of the EnC NRAs and ECRB EWG, as potential NRAs platform for harmonizing regulatory positions and inputs prior to the WB6 Steering Committees meetings, were discussed. EWG Chair
was tasked to present EWG discussions at the next ECRB meeting and request ECRB final position on this topic. The future modalities of CP NRAs representation in the ERF were discussed at the meeting with the conclusion that this issue will be proposed to be discussed in the upcoming ECRB Meeting.

It was proposed that the well-established TF1 of the EWG contributes to the newly established WB6 Steering Committees on DA MI and Balancing in order to make best use of findings on regulatory barriers already identified and to avoid double structures.

TF1 Leader proposed that EWG TF1 proposes open issues to be tackled in WB6 DA MI and Balancing Steering Committees meetings: Starting point could be the missing extension of CACM to EnC CPs, especially, where it is identified as legal obstacle

Involvement of ECRB shall be sought to coordinate the position of EnC NRAs in WB6 DA MI and Balancing Steering Committees in order not to have conflicting position and incoherencies that could create problems, also to stakeholders, that should not receive conflicting signals.

SEE RAP Roadmap: After the Athens Forum, the document on the SEE RAP concept paper was sent to the ENTSO-E RG SEE RAP coordinator. His response was discussed and that the next steps remained unclear. The EWG discussed the NRA responsibility in setting, discussing and agreeing on the way forward regarding market integration and target model implementation targets. In order to do so, the SEE RAP Coordinator for NRAs (N.Stefanovic) will contact the TSO SEE RAP Coordinator again to clarify the next steps upon reviewing the concept paper of the EWG submitted earlier. For doing so, both co-chairs will propose to the TSO SEE RAP Coordinator (D.Medjimorec) to organise a telco with him.

6. TF2 – Balancing

The TF2 Leader reported that the missing responses to the survey were submitted, with no need for additional clarifications. The TF2 presented the draft Balancing Report and asked for feedback through the template made available in the e-mail of 24 October 2016. At least 5 comments per participant are expected until 25 November 2016.

SERC presented their balancing market and the experience in moving towards market structures. The high-level results of the Austrian balancing market development and opening were presented, too.

7. TF3 – SEE Market Monitoring

EWG concluded to include TF3 Leader in the communication towards the SEEAMMS monitor.
A template for the 2016 SEEAMMS report was presented by the TF3 Leader and the Consultant, covering the findings towards the clarifications and detections of deviations in the respective reporting period, the SEE TSOs answers, the NRAs reaction, and if the NRA has not accepted the explanation, what steps were taken next.

EWG invited the consultant to set-up a schedule for the bi-monthly monitoring duty for the future and agreed to continue to exchange notifications, explanations and deviations through e-mail. Comments to the Draft SEEAMMS Monitoring Report were discussed and agreed on for incorporation.

The EWG reiterate its invitation to the TF3 Leader to develop a paper highlighting which approaches should be used in order to harmonise methods and procedures for calculating TRM, Base Case Exchange (BCE), in order to harmonise the capacity calculation procedures for the cross-border capacities for all CPs, resulting in a EWG proposal for an ECRB recommendation.

After the successful migration of the SEEAMMS platform to the Energy Community servers the new e-mail contact for support is seeamms@energy.community.org

TF3 Leader presented the state of play on the following-up of the ACER data collection for the Market Monitoring Report (MMR). In order to define which data is available in the EnC CPs in which format, a questionnaire was developed and presented. As there is no time left for such EWG activity due to ACER decision that it will include the EnC CPs in the ACER Market Monitoring Report for 2016, EWG concluded to abort this activity, but to keep monitoring CPs compliance to the ACER data requests. ECRB Section informed that the data collection of ACER for the MMR 2017 will already start in 2016 and allow three months for replying. The data requests by ACER will be coming directly to the CP NRAs.

8. AOB

ECRB Section informed about the state of play of a Memorandum of Understanding between ECS and ACER.

EWG members were invited to submit ideas for the 2017 ECRB Work Programme until 11 November 2016 to Mrs Grall.


8/2/17

30/05/17

24/10/17