

# The Energy Community Perspective



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**Workshop on the Implementation of the 3<sup>rd</sup> European Legislative Package on Energy**  
**Session III – Third countries involvement in the new institutional setting**  
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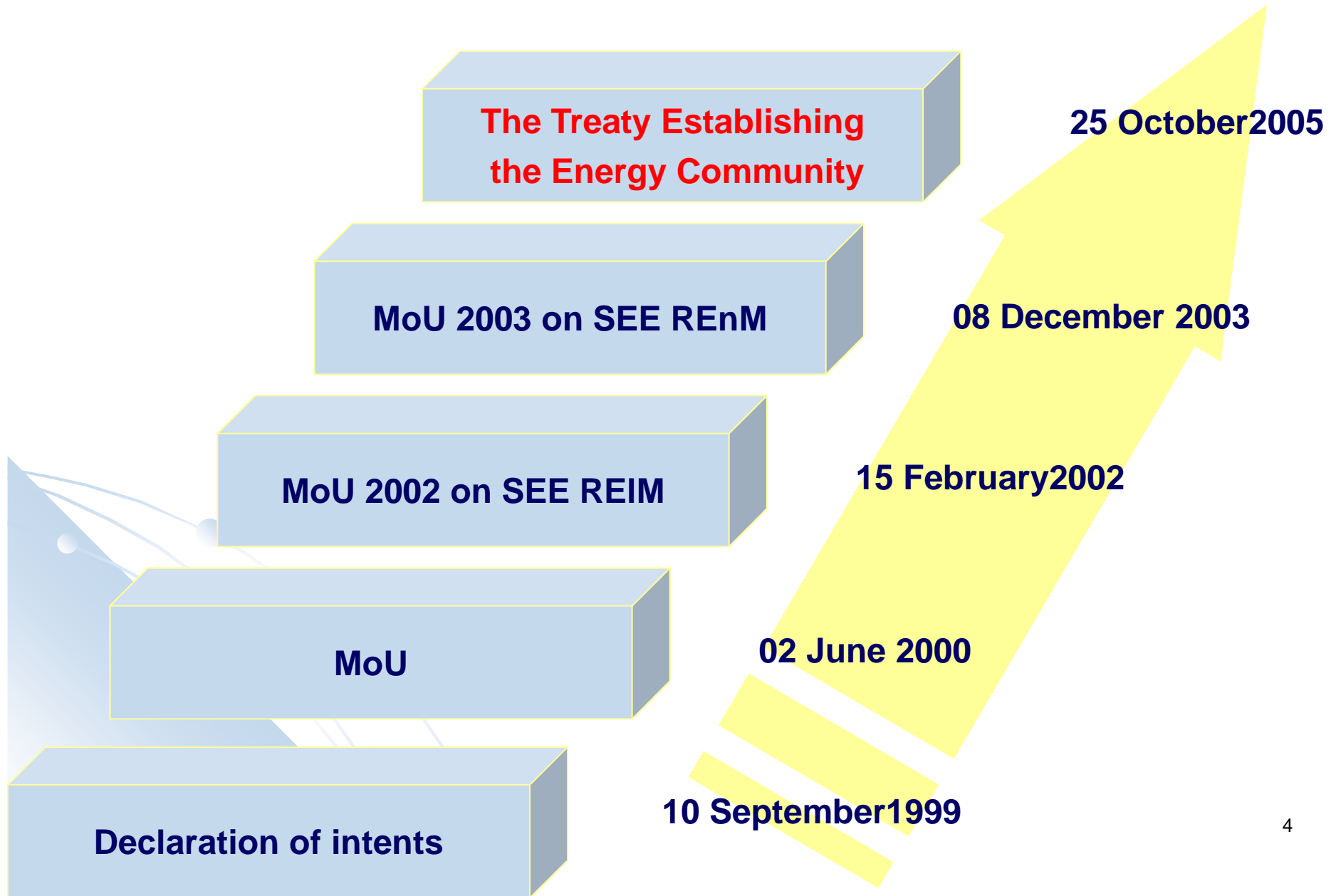
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# BACKGROUND



# Athens Process

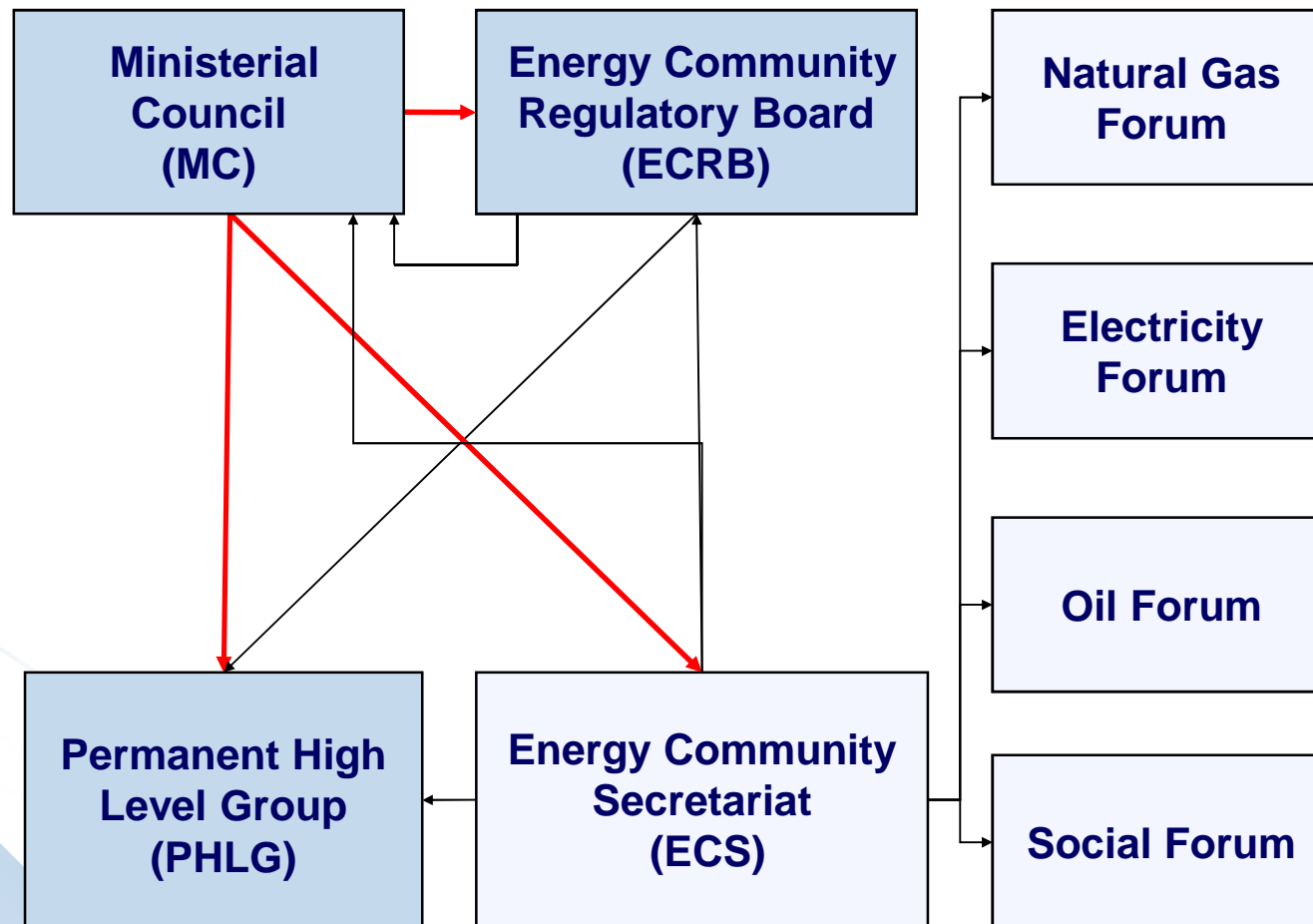


# The Treaty

## Establishing the Energy Community

- **Legally binding contract**
- **Institutional framework  $\approx$  ERI & GRI**
- **Scope**
  - **Implementation of the Acquis (non- EU countries)**
  - **Regional energy market (SEE- the 8<sup>th</sup> region)**
  - **Pan- European energy market (EU 27 + WB + MD + UKR)**
- **Integral part of the EU external policy**
  - **The Green Paper (2006)**
  - **Second Strategic Review (2008)**

# The Energy Community- institutional set-up



# Objectives of the EnC



- ✓ security of supply
- ✓ sustainability
- ✓ competition

MSOffice1

## Slide 7

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**MOffice1** Znam da po EU navode COMPETITION kao cilj, ali to nije cilj, nego sredstvo da se postignu dva prethodna cilja, ali da ne zakeramo.  
, 21/09/2010



# The Energy Community- status quo

- **2<sup>nd</sup> Package not fully implemented yet, but**
  - Amendments underway in BiH, MK, MN, SER
  - MD, UKR- Acquis transposed
- **Slow progress in establishing the REM**
  - Only one (inter)regional mechanism in place (ITC)
  - Licensing harmonization, CAO, regional market arrangements- under development
- **Barriers for establishing the REM**
  - High market concentration and vertical foreclosure
  - **Absence of market integration**
  - Low level of transparency
  - Competencies and coordination of NRA

**EU**<sup>TM</sup>

# **IMPLEMENTATION OF THE 3<sup>RD</sup> PACKAGE IN THE ENERGY COMMUNITY**



# Implementation of the 3<sup>rd</sup> Package in the EnC Contracting Parties

- **The Contracting Parties**
  - Fully implement the missing provisions of the 2<sup>nd</sup> Package
- **The EnC Ministerial Council (24<sup>th</sup> September 2010)**
  - Issued a Recommendation on implementation of the Directives 2009/72/EC, 2009/73/EC and Regulations 714/2009 and 715/2009
- **The Energy Community Secretariat (2010/2011?)**
  - Adapt the 3<sup>rd</sup> Package under ECT Art. 24 (propose the interface btw. Contracting Parties and EU 27)
- **The European Commission (2011?)**
  - Propose a Decision for the MC on implementation of the 3<sup>rd</sup> Package

# **INVOLVEMENT OF ENERGY COMMUNITY PARTIES IN THE NEW INSTITUTIONAL SET-UP**



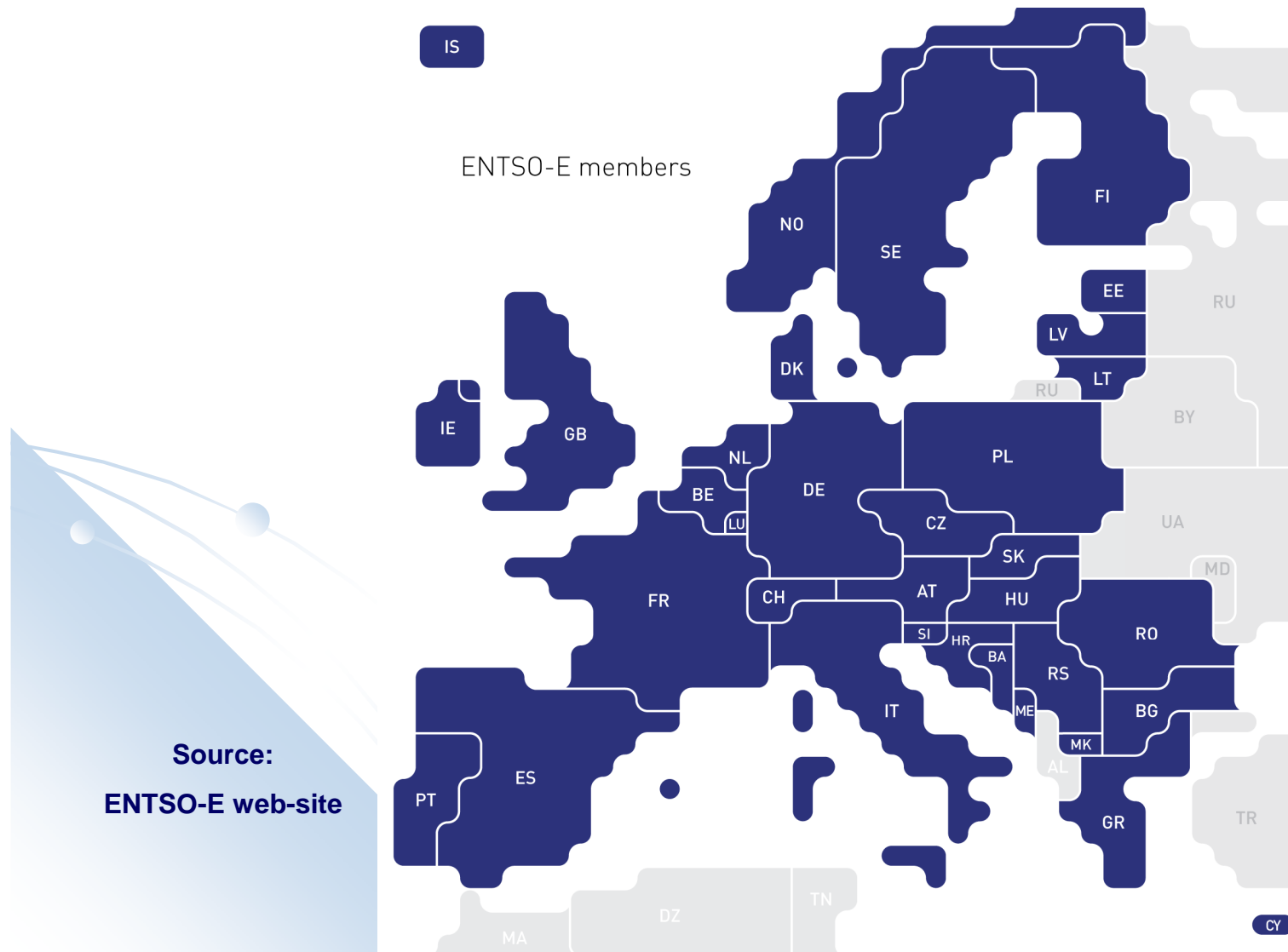
# Applicable policy and legislative framework

- **EU Energy Policy**
  - **The Green Paper (2006)**
  - **Second Strategic Review (2008)**
- **The Treaty Establishing the Energy Community**
- **The internal market directives**
  - **Recommendation on implementation of the Directives 2009/72/EC, 2009/73/EC and Regulations 714/2009 and 715/2009 issued**
- **Regulations 714/2009 and 715/2009-ENTSO-E, ENTSO-G**
  - **Adapt the 3<sup>rd</sup> Package under ECT Art. 24 (propose the interface btw. Contracting Parties and EU 27)**
- **Regulation 713/2009- ACER**
  - **Propose a Decision for the MC on implementation of the 3<sup>rd</sup> Package**

# ENTSO - E

- **Members**
  - 42 TSOs from 34 countries
- **Non-EU countries fully incorporated in the work of ENTSO-E**
  - UCTE, ETSO
  - ITC
- **Activities**
  - Articles of Association (Statute) & Work Program 2009/2010
  - TYNDP (includes non-EU countries)
  - Framework Guidelines- participation in the public discussion (grid connection, transparency, CA & CM...)
  - Network Codes
  - R&D (TSO R&D Plan)
  - Operational issues (common operational tools; cooperation of regions)

# ENTSO – E members



# ENTSO - G

- **Members**
  - 32 TSOs from 22 countries (no non-EU members)
- **Non-EU not eligible for membership**
  - Data collection
- **Activities**
  - Articles of Association (Statute) & Work Program
  - TYNDP (pilot 2010-2019 finalized; update 2011- 2020 expected)
  - Framework Guidelines- participation in the public discussion
  - Network Codes



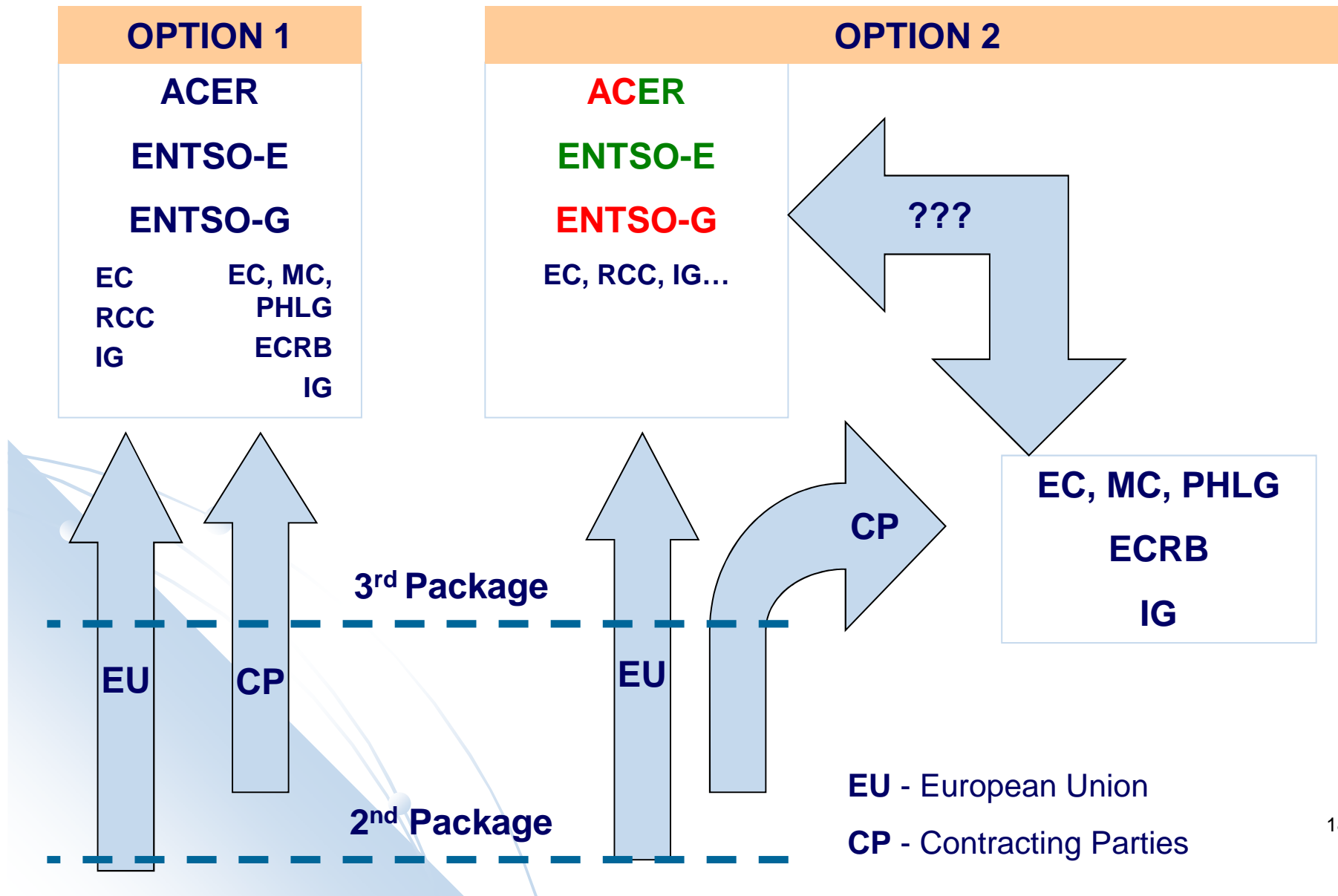
# ACER

- **Members**
  - EU NRA
- **Non-EU countries participation – ?**
  - 713/2009 (Article 31)- enables participation of 3<sup>rd</sup> countries:
    - Concluded agreement with the Community
    - Adopted and applying Community law
    - Financial contributions and staff
- **Activities**
  - 2011 Work Program
  - Opinion on ENTSO statutes, list of members, RoP
  - TYNDP (national and EU wide)
  - Developing the Framework Guidelines
  - Reviewing the Network Codes
  - Deciding on CA/CM and TPA Exemptions (under certain conditions)
  - ...

# To be considered...

- **EU external Policy → Pan-European Energy market**
- **Market integration (ITC, Euro- Pool)**
- **Massive RES integration in CP& flexibility mechanisms (TYNDP)**
- **Important E-W and N-S electricity flows in SEE (TYNDP)**
- **Single regulatory space including existing and planned gas transit routes and storages in CPs**

# The way forward - options #1



# The way forward- options #2

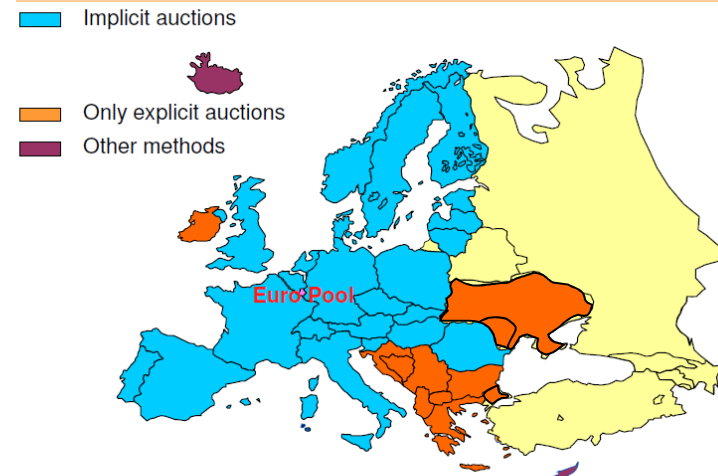
## 2015 - OPTION 1

Single market=EU+CPs



## 2015 - OPTION 2

2 market areas- EU & CPs



CEEPEX Workshop Vienna 12 April 2010

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# CONCLUSIONS



# Conclusions

- **Factors influencing the EnC CP integration**
  - Political factors (SAP, horizontal approach)
  - Energy policy (EU external energy policy)
  - Legal considerations (interface, staff, voting, 3<sup>rd</sup> package implementation)
  - **Functional considerations (ITC, market coupling, TPA exemptions, RES...)**
- **Leading role of the EC**
- **Need to avoid divergence btw. EU and CPs**
- **Change management crucial:**
  - National level
  - Regional level
  - Energy Community level

***Thank you!***

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