

Energy law headlines from the EU & the SEE countries of the *Rokas* network

EU and EnC

Market

- Legislative Acts Enacting the EU Clean Energy Package
- National Energy Plans, Commission Comments, Increase of RES Targets
- Energy Charter Treaty Modernisation

Electricity

- The new Electricity Directive (EU) 2019/944 Adopted
- The New Electricity Market Regulation Adopted
- EU Regulation on Risk-Preparedness of the Electricity Sector
- EU Regulation 2016/631 into Force - Decision about the Criteria for Granting of Deviations

Competition & State Aid

- Stringent CO2 Emission Limits in the Italian Capacity Mechanism Approved (SA.53821)
- Commission Opens in-depth Investigation into Lithuania's Electricity Strategic Reserve Measure (SA. 44725 & SA.45193)

Energy Efficiency

- Recommendation on Implementation of Energy Performance of Buildings Directive

Environment

- Supplementary Guidelines on Reporting Climate-Related Information
- Consolidation of Climate Planning Processes in the Energy Community Contracting Parties

GREECE

Market

- Operational Independence of RAE

Electricity

- Long Term Interruptibility Service

Infrastructure

- Call for Tenders for Attica-Crete Interconnection

RES

- Amendments of the Ministry of Environment and Energy
- Change of FiT for Small RES and Limitation of Plants to Receive FiT
- Approval of Remuneration of DAPEEP for its Services Rendered to RES and CHP Producers for 2019
- July RES Auctions

Energy Efficiency

- Funding Program for the Energy Upgrade of Public Buildings

Environment

- Joint Ministerial Decision

ALBANIA

Electricity

- Lack of Unbundling of Electricity Distribution Operators in Albania
- Additional Frequency Containment Reserves (FCR) Characteristics
- All TSOs Network Methodology for the Establishment of a CACN Guide

Oil & Gas

- Approval of the Regulation on the Unified Accounting System in the Natural Gas Sector

BiH

RES

- District Court Cancelled the Environmental Permit for the Planned Buk Bijela Hydropower Plan

BULGARIA

Market

- Further Liberalisation on the Electricity Market at Production Level in Bulgaria

RES

- Bulgarian Regulator Proposes Increase of the Reference and Access to the Grid Price for RES

Oil & Gas

- Bulgaria Proposes Bill for Setting up a Gas Exchange Market

NORTH MACEDONIA

Electricity

- Opinion on the Certification of the Electricity Transmission System Operator MEPSO of North Macedonia

RES

- Tender on the Allocation of Construction of Solar Parks-Photovoltaics Locations

ROMANIA

Electricity

- Commercial Rules on the Collection, Aggregation and Transmission of Electricity Measured Values for Prosumers

SERBIA

Electricity

- Futures launched on Serbian Power Exchange

EU and EnC

Market

Legislative Acts Enacting the EU Clean Energy Package

by Kosmas Karanikolas (Athens)

On 22 May 2019, concluding two years of intense negotiations, the Council of the European Union adopted a series of legislative acts, forming a part of the Clean Energy Package. It is reminded that the Clean Energy Package constitutes a comprehensive update of EU's energy policy framework that has been adopted in order to facilitate the transition away from fossil fuels towards cleaner energy and to deliver on the EU's Paris Agreement commitments for reducing greenhouse gas emissions.

The aforementioned Clean Energy Package concerns five main subjects; (a) the Energy performance in buildings (EPBD) which is addressed by Directive 2018/844 that amended the pre-existent legal framework (Directives 2012/27 and 2010/31); (b) the promotion of energy generation from renewable sources which is dealt with in Directive 2018/2001 which constitutes a recast of the older Directive 2009/28; (c) the assurance of energy efficiency which is governed by Directive 2018/2002 amending Directive 2012/27; (d) the establishment of a governance system for the energy union, as stipulated by Regulation 2018/1999 which amends and codifies the pre-existent EU secondary legislation on that matter; (e) the enactment of a more flexible, market-oriented and better placed to integrate a greater share of renewables electricity market design. More specifically, the electricity market design element consists of four dossiers; a new Electricity Regulation, an amendment of the pre-existent Electricity Directive, a new Regulation on risk preparedness catering for the response to emergency energy instances and a new amended Regulation outlining a stronger role for the Agency for the Cooperation of Energy Regulators (ACER).

Among these acts, Regulation (EU) 2019/942 (issued on 5 June 2019) on the establishment of a European Union Agency for the Cooperation of Energy Regulators (hereinafter; ACER) stands out. More specifically, the aforementioned Regulation constitutes a detailed recast of Regulation (EC) 713/2009, which had established ACER, in view of the major amendments in the latter's scope of operation and its ever-growing responsibilities. It is reminded that ACER concentrates on the coordination of national actions and, where necessary, their completion within the Union level as far as, among others, the development of a harmonised European resource adequacy assessment, the administration of energy emergency incidents and the facilitation of cross-border exchanges of electricity and natural gas are concerned. In more detail, it should be noted that ACER bears the form of a Union body with legal personality and is composed of 4 separate instruments; (i.) an administrative board, (ii.) a board of regulators, (iii.) a director and (iv.) a board of appeal. The administrative board is empowered to establish ACER's budget, check its implementation, draw up internal rules, adopt financial regulations and appoint a Director. The latter is responsible for drafting and adopting documents containing opinions, recommendations and decisions, on which the Board of Regulators provides its opinions, comments and amendments. Finally, the Board of Appeal is an independent instrument before which the parties that are adversely affected by ACER's decisions have a right to lodge an appeal. Variable tasks are also numbered among ACER's duties which mainly concern; (a) the unimpeded cooperation of transmission and distribution system operators, (b) the development and implementation of network codes and guidelines, (c) the superintendence of national regulatory authorities, regional coordination centres and nominated electricity market operators, (d) the supervision, evaluation and possible revision of the methods employed for the assurance of generation adequacy and risk preparedness across the EU, (e) the monitoring of ongoing projects on energy infrastructure and (f) the safeguarding of integrity and transparency in the wholesale market. ACER is further empowered to issue opinions and recommendations addressed to legal entities operating in the energy field (e.g. transmission system operators, regional coordination centres etc), national regulatory authorities and the competent EU bodies. Moreover, ACER is entitled to submit non-binding framework guidelines to the Commission. Apart from the consultative competences of ACER, the latter approves and amends, where necessary, the proposals for methodologies and calculations related to the European resource adequacy as well as those for technical specifications for cross-border participation in capacity mechanisms. Finally, ACER issues decisions on certain matters (e.g. regulatory decisions on cross-border trade or cross-border system security or take decisions on investment requests), either on its own initiative or in cooperation with national regulatory authorities.

The Clean Energy Package also contains Regulation 2019/941 (issued on 5 June 2019) on risk-preparedness in the electricity sector, which lays down rules for the cooperation between Member States with the view of preventing, preparing for and managing electricity crises in full regard for the requirements of a competitive internal market for electricity. Furthermore, the third adopted Regulation, namely Regulation 2019/943 refers to the internal market for electricity setting fundamental principles for the establishment of well-functioning, integrated electricity markets, which ensure access to all resource providers and electricity customers in a non-discriminatory manner, empower consumers and ensure competitiveness on the global market. Finally, Directive 2019/944 deals with the introduction of common rules for the internal market for electricity, namely rules that address the generation, transmission, distribution, energy storage and supply of electricity as well as rules on consumer protection, with a view of creating truly integrated competitive, consumer-centred, flexible, fair and transparent electricity markets in the Union.

National Energy Plans, Commission Comments, Increase of RES Targets

by Leonidas Voulgaris (Athens)

On 25 January 2019, Greece submitted to the European Commission its draft integrated National Energy and Climate Plan (NECPs) issued by the Ministry of Energy and Environment in accordance with governance of the energy union and climate action rules. In regard to Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action which entered into force on 24 December 2018, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, as well as several EU Directives, each Member State is required to submit to the Commission such draft of its integrated NECP covering the period from 2021 to 2030 which will contribute for EU to fulfil the goals of the Paris Agreement on climate change.

The submission of this draft plan by Greece represents the basis and first step of the iterative process between the Commission and Member States for the purpose of the finalisation of the integrated NECP and their subsequent implementation. More specifically this Greek draft of integrated NECP covers the five dimensions of the energy union i.e. decarbonisation (which is broken down into two distinct sections: greenhouse gas emissions and renewable energy sources), energy efficiency, security of energy supply, energy market, and innovation and competitiveness. It also includes a section of national objectives and expectations alongside with specific policies and measures to be undertaken for the next decade regarding all five abovementioned dimensions of the energy union. Pursuant to Regulation (EU) 2018/1999, the Commission made on 18 June 2019 a comprehensive assessment of this Greek draft, taking into consideration the relevant elements of the abovementioned Regulation. This assessment is published on the same date alongside with the Commission's Recommendation concerning the National Energy and Climate Plan of Greece for the period 2021-2030. According to this assessment the Greek draft is a fairly well developed strategy that covers the bulk of the important areas and provides a comprehensive narrative of the objectives, policies and measures capturing the positive interactions between the dimensions to a good degree. However, according to the assessment, the Commission considered several steps to be taken by Greece in order to improve the plan. These are the following; a) preparation of a final plan concerning renewable energy with an indicative trajectory in order to enable a timely and cost-effective achievement of Greece's 31% contribution to the EU 2030 target for renewable energy b) substantially increase its ambition towards reducing both final and primary energy consumption with a timeline for the adoption and implementation of specific measures and policies in this regard, c) specification of the measures supporting the energy security objectives on diversification and reduction of energy dependency mostly by the inclusion of an assessment on how the infrastructure projects and regional cooperation contribute to the energy security objectives, d) inclusion of forward-looking objectives and targets concerning market integration, in particular measures to increase competition in the retail and wholesale markets e) further quantify the national objectives and funding targets in research, innovation and competitiveness so that they are readily measurable and fit for supporting the implementation of targets in the other dimensions of the integrated national energy and climate plan, f) intensification of the regional cooperation arrangements with Bulgaria and Cyprus as well as with the Central and South Eastern Europe Energy Connectivity (CESEC) countries, g) drafting of a list of all energy subsidies including fossil fuels, h) complementing the analysis of the interactions with air quality and air emissions policy with more quantitative information, and i) better integration of just and fair transition aspects, notably by the provision of more information on social, employment, skills and training impacts of planned objectives, and policies and measures.

Energy Charter Treaty Modernisation

by Andriani Kantilieraki (Athens)

On 14 May 2019, the European Commission submitted a recommendation for a Council Decision authorising the entering into negotiations for the modernisation of the Energy Charter Treaty (ECT), to which the EU is part. The Energy Charter Treaty (signed back in 1994) constitutes a trade and investment agreement applicable to the energy sector which was set up with the aim of developing the energy potential of Central and Eastern European countries and of ensuring the security of energy supply for the EU. The key provisions of the Treaty concern the protection of investment, trade in energy materials and products, transit and dispute settlement. Despite the success of the Treaty's provisions, most of them have not been revised since the 1990's thus creating issues especially in regards with the provisions on the protection of investment, which do not correspond to modern standards as reflected in the EU's reformed approach on the matter. Therefore, the main purpose of these negotiations is to revise the provisions of the Charter so that they reflect modern investment standards.

The recommendation mainly entails the clarification and better definition of the standards of protection for foreign investors and investments including but not limited to the following concepts: Most favoured nation treatment provision, including national treatment post-establishment; Right to regulate; Fair and equitable treatment, full protection and security; Expropriation (both direct and indirect); Umbrella clause; Allowance of free transfers relating to an investment, together with appropriate exceptions and safeguards for financial difficulties or crises; Denial of benefits. Moreover, self-standing provisions on sustainable development and corporate social responsibility are also proposed to be included. To that end, the Commission recommends that the ECT provides stronger provisions on climate change and the clean energy transition, in line with recently concluded agreements and EU positions in ongoing negotiations. Finally, the Commission proposes that the ECT also contributes to the promotion of human rights and international labour standards, including provisions on transparency and responsible business conduct.

Pursuant to the Recommendation, the European Council on 15 July 2019 gave a mandate to the European Commission to enter into the aforementioned negotiations. The Council further adopted corresponding negotiating directives according to which the objective

of the modernised ECT should be to facilitate investment in the energy sector in a sustainable way between the ECT Contracting Parties by creating a coherent and up-to-date legally binding framework that provides for legal certainty and ensures a high level of investment protection, thus allowing the ECT Contracting Parties to strengthen their institutional capabilities, public policies and legislative frameworks in the energy sector.

Electricity

The new Electricity Directive (EU) 2019/944 Adopted

by Mira Todorovic Symeonides (Athens)

Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity amending Directive 2012/27/EU (the new Electricity Directive) was adopted and published in the Official Journal of the EU L 158 as of 14.06.2019. The European Parliament adopted the Electricity Directive on 16 March 2019 while the Council finally approved it on 22 May 2019. The new Electricity Directive repealed Directive 2009/72/EC with effect from 1 January 2021 while certain of its provisions will apply from its entering into force in July 2019, and some from October or January 2020.

The objectives of the new Directive are digitised and sustainable energy system, market-based approach in the transition to renewable energy and integration of renewable energy into the market mechanism, central role of the energy consumer. All consumers should have the opportunity to participate directly in the energy market by adopting their energy consumption in response to market conditions. As a result, consumers will be able to benefit from lower electricity prices or other incentives and will have access to smart energy systems and electricity supply agreements with dynamic prices which are linked to the spot market. In order to attract (additional) investments in the electricity market, an attempt has been made to improve market signals, in addition, to improve the competitiveness of the electricity retail market by moving away from a policy of all-embracing price regulation.



The new Electricity Directive starts from the premise that the consumer should operate in the energy market as an active market participant. Consumers are encouraged to participate actively in the energy market by being given the opportunity to consume, store and sell electricity which they themselves produce. Active participation of the consumer also requires the consumer to be sufficiently well informed. Therefore, consumers must have access to clear and comprehensible information about their rights in relation to the energy sector. Finally, the new Electricity Directive introduces a framework for the regulation of "citizens' energy communities". Citizens' energy communities can fulfil different roles in the energy market, such as end consumer, producer, supplier, distribution system operator, handling energy storage or supplying charging services for electric vehicles.

Capacity mechanisms should not be used as a backdoor subsidy of high-polluting fossil fuels as that would go against our climate objectives. Consumers can also have more than one electricity supply contract at the same time, provided that the required connections and metering points are established. In addition, consumers should be free to buy and trade electricity services independently from their electricity supply contractors. Furthermore, EU member countries are expected to enable power producers to supply customers within their territories through direct lines, without being subject to disproportionate administrative procedures or costs. "Member states shall ensure that transmission system operators and distribution system operators, when procuring ancillary services, treat market participants engaged in the aggregation of demand response in a non-discriminatory manner alongside producers on the basis of their technical capabilities," it states.

The New Electricity Market Regulation Adopted

by Mira Todorovic Symeonides (Athens)

The Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity ("Electricity Market Regulation") was published in the Official Journal of the European Union L 158/ 14.6.2019. It repeals the Regulation (EC) No 714/2009 and, apart from certain provisions which apply from July 2019, it applies from 1 January 2020. The Regulation is binding in its entirety and directly applicable in all Member States.

The Regulation aims to:

- (a) set the basis for an efficient achievement of the objectives of the Energy Union and in particular the climate and energy framework for 2030 by enabling market signals to be delivered for increased efficiency, higher share of renewable energy sources, security of supply, flexibility, sustainability, decarbonisation and innovation;
- (b) set fundamental principles for well-functioning, integrated electricity markets, which allow all resource providers and electricity customers non-discriminatory market access, empower consumers, ensure competitiveness on the global market as well as

demand response, energy storage and energy efficiency, and facilitate aggregation of distributed demand and supply, and enable market and sectoral integration and market-based remuneration of electricity generated from renewable sources;

- (c) set fair rules for cross-border exchanges in electricity, thus enhancing competition within the internal market for electricity, taking into account the particular characteristics of national and regional markets, including the establishment of a compensation mechanism for cross-border flows of electricity, the setting of harmonised principles on cross-border transmission charges and the allocation of available capacities of interconnections between national transmission systems; and
- (d) facilitate the emergence of a well-functioning and transparent wholesale market, contributing to a high level of security of electricity supply, and provide for mechanisms to harmonise the rules for cross-border exchanges in electricity.

It provides for the main principles regarding the operation of electricity markets, Balance responsibility and organization of the Balancing market. It aims that the market rules deliver appropriate investment incentives for generation, in particular for long-term investments in a decarbonized and sustainable electricity system, energy storage, energy efficiency and demand response to meet market needs. The documents also provide indications for the balancing market, trading on the day-ahead and intraday markets, the dispatching of generation and demand response, and redispatching.

The Regulation includes requirements related to the development of renewable forms of energy and environmental policy, in particular specific rules for certain types of renewable power-generating facilities, concerning balancing responsibility, dispatch and redispatching, as well as a threshold for CO₂ emissions of new generation capacity where such capacity is subject to temporary measures to ensure the necessary level of resource adequacy, namely, capacity mechanisms. It clarifies that the priority dispatch should be deemed to be compatible with the participation in the electricity market of power-generating facilities using renewable energy sources.

EU Regulation on Risk-Preparedness of the Electricity Sector

by *Maria Ioannou (Athens)*

On 14 June 2019, Regulation (EU) 2019/941 on risk-preparedness in the electricity sector, repealing Directive 2005/89/EC, was published in the Official Journal of the European Union. The Regulation entered into force on 4 July 2019.

The aforementioned Regulation sets requirements for Member States to prepare plans on how to deal with potential future electricity crises, and put the appropriate tools in place to prevent, prepare for and manage these situations, aiming for better cross-border cooperation between Member States, while at the same time maintaining all requirements for a competitive internal electricity market. Thus, the Regulation aims to rule out inappropriate state interventions in electricity crises and to therefore reduce the risk of negative spill-over effects on neighbouring Member States. This is the case, because previous experience has shown that Member States respond to potential electricity crises with a tendency to disregard cross-border effects and frequently without informing other Member States. It is obvious that such behaviour does not facilitate the function of the interconnected European electricity market. It is also noted, that the repealed Directive 2005/89 had only set general objectives for the security of electricity supply, without specifically addressing how Member States should prepare for and manage crisis situations, and is also now considered to have been effectively superseded by legislation enacted subsequently. .

Following this, Member States are required for the purposes of this Regulation to follow a common framework of rules on how to prevent, prepare for and manage electricity crises using a common methodology i.e. to identify all possible electricity crisis scenarios on national and regional levels (with the partial exemption of Cyprus, due to the fact that it is not directly connected to another member State, and for as long as this condition persists) and to establish risk-preparedness plans based on these scenarios. The Regulation also sets out a framework for the Europe-wide monitoring of security of electricity supply via the Electricity Coordination Group ('ECG'), a forum set up -among others- for the exchange of information in the area of security of electricity supply.

More specifically, each Member State shall establish a risk-preparedness plan on the basis of regional and national electricity crisis scenarios identified according to the risk assessment procedure set out in this Regulation and following a methodology to be proposed by the European Network of Transmission System Operators for Electricity ('ENTSO for Electricity') and approved by the Agency for the Cooperation of Energy Regulators ('ACER'). These risk-preparedness plans shall ensure that all relevant electricity crises are covered, regional and national specificities are taken into account and environmental impacts of demand-side and supply-side measures are proposed. The risk-preparedness plans shall set out national, regional and, where applicable, bilateral measures, and clearly define the responsibilities of the competent authorities. These measures shall be technical and operational in nature, clearly defined, transparent, proportionate and non-discriminatory. They shall also fully comply with the rules governing the internal electricity market and system operation as well as non-market-based measures, such as forced demand disconnection, are to be taken only as a last resort, and should be proportionate, non-discriminatory and temporary.

Before the adoption of the risk-preparedness plan, each Member State must submit it for consultation to the competent authorities of the relevant Member States in the region, or to the competent authorities of directly connected Member States, as well as to the ECG. They shall also notify their risk-preparedness plans to the Commission without delay. After their adoption, the risk-preparedness plans shall also be made publicly available and be updated every four years thereafter, unless circumstances warrant a more frequent update. The first risk-preparedness plans should be adopted and published by 5 January 2022.

Regarding the management of electricity crises, wherever there is reliable information that an electricity crisis may occur in a Member State, the competent authority of that Member State shall, without undue delay, issue an early warning to the Commission, the competent authorities of the Member States within the same region and, where they are not in the same region, the competent authorities of the directly connected Member States, also informing on measures planned or taken to prevent such electricity crisis and on the possible need for assistance from other Member States. The information shall include the possible impacts of the measures on the internal electricity market. When confronted with such electricity crisis, the competent authority shall declare an electricity crisis and inform the competent authorities of the Member States within the same region and, where they are not in the same region, the competent authorities of directly connected Member States, as well as the Commission, without undue delay. In both situations, the measures set out in the risk-preparedness plan shall be followed to the fullest extent possible and the Member States shall cooperate in a spirit of solidarity in order to prevent or manage electricity crises. Assistance may be offered following an agreement of the interested Member States with regard to fair compensation.

Similar provisions are also made for the cooperation with the Energy Community Contracting Parties and the latter may be invited to participate in the ECG with regard to all matters with which they are concerned.

EU Regulation 2016/631 into Force - Decision about the Criteria for Granting of Deviations

by Anastasia Bolari (Athens)

On 27 of May 2019, the Commission Regulation 2016/631 establishing a network code on requirements for grid connection generators, issued on 14 April 2016 entered into force. The Regulation establishes a network code which lays down the requirements for grid connection of power generating facilities, namely synchronous power-generating modules, power park modules and offshore power park modules to the interconnected system. It therefore helps to ensure fair conditions of competition in the internal electricity market, system security and integration of renewable electricity sources, and to facilitate Union-wide trade in electricity.



In parallel this Regulation also lays down the obligations for ensuring that system operators make appropriate use of the power-generating facilities capabilities in a transparent and non-discriminatory manner to provide a level laying field throughout the Union. All connection requirements set out by the Regulation shall apply to new power generating modules which are considered "significant" according to the definition of the Regulation. It is worth mentioning that the relevant system operator shall refuse to allow the connection of a power-generating module which does not comply with the requirements set out at the Regulation. The only case where it is possible to allow the connection even if the requirements set are not met, is if the power-generating module is covered by a derogation granted by the Regulatory Authority. In Greece, the Regulatory Authority for Energy (RAE), issued on 30 August 2018, its decision on granting deviations in accordance with the Regulation. According to the RAE's decision, the application for deviation from the requirements set out in the Regulation shall be justified,

- (a) If the applicant or the relevant transmission system operator or the distribution system operator has provided an estimate that there are no
 1. significant dangers related to the non compliance by the applicant of the deviation or other relevant parts or connected clients
 2. adverse effects that can be avoided to the party requesting the deviation or other interested party or connected clients
 3. additional measures that may be taken to reduce the impact of non-compliance on the part requiring the deviation or other related parties or connected clients,
 4. exceptional objections by other parties that are substantially influenced by non compliance,
 5. competitive advantages for the party requesting the deviation due to the deviation, that the non-compliance with the non-compliance, it can not be dealt with or compensated by an appropriate mechanism,
 6. other reasonable options to deal with the non compliance that have not been taken into account
 7. undesirable effects on the interconnected commerce.
- (b) The applicant has presented a strong economic justification supporting the action it deems necessary to address non-compliance.
- (c) The applicant has presented a realistic and comprehensive implementation plan setting out at least the projects required to remedy the non-compliance, the timetable for such work will show a reasonable and feasible timeframe and termination of any mitigation measures for other parties will be taken until the noncompliance has been completed
- (d) The applicant has submitted supporting information related to the specific matter and the importance of the subject.

It is worth mentioning that all applications for deviation are examined according to the requirements of the Codes and the requirement that they do not negatively affect the interest of consumers.

Competition & State Aid

Stringent CO2 Emission Limits in the Italian Capacity Mechanism Approved (SA.53821)

by *Viktoria Chatzara (Athens)*

On 14 June 2019, the European Commission issued its decision on the case No. SA.53821 concerning amendments proposed by Italy to its already approved by the Commission (in February 2018) market-wide capacity mechanism. Italy has not yet implemented the aforementioned capacity mechanism, but notified the Commission of its intention to proceed with certain changes thereto. According to the information made available, said changes were to be applied to the first auction under the Italian capacity mechanism, which is scheduled to take place within this year. Specifically, the contemplated changes refer to new restrictions, according to which only capacity providers that comply with stringent CO2 emission limits will be allowed to participate in the auction. To be noted in this relevance that the new CO2 emission limits are the ones defined in the recently adopted by the Commission Electricity Regulation (part of the Clean Energy for All Europeans legislation), which is not yet compulsory, but contains rules on capacity mechanisms, which may be applied by the Member States as of 2025.

According to the Commission, the CO2 emission limits applied to the Italian capacity mechanism will prevent high-emission electricity generation (e.g. coal-fired power plants) from participating in the mechanism, while at the same time appropriate measures will be applied, in order to ensure that, despite the non-participation of such generation, the mechanism will remain competitive. Such measures may include the grant of incentives to new, greener generation capacity and other technologies (e.g. demand response and storage), to enter the capacity mechanism and gradually replace the existing and more polluting power plants. The Commission concluded that the Italian capacity mechanism, as amended, will continue ensuring security of supply, and will further increase the level of environmental protection. At the same time the new amendments were found not to unduly distort competition in the Single Market. As such, the Commission concluded that the capacity mechanism with the imposed stringent CO2 emission limits, is in line with the EU law and the Single Market.

Commission Opens in-depth Investigation into Lithuania's Electricity Strategic Reserve Measure (SA. 44725 & SA.45193)

by *Viktoria Chatzara (Athens)*

On 3 June 2019, the European Commission issued its decision to open an in-depth investigation on the cases concerning the support granted by Lithuania to the energy company AB Lietuvos Energija (cases No. SA.44725 and SA.45193). The issue under examination is whether the aid granted to the above mentioned company in the context of a strategic reserve measure may have granted the company with an undue competitive advantage and, thus, distorted the competition in the Single Market by violating the applicable EU State Aid rules. The case concerns a strategic reserve measure which was in place in Lithuania until 2018, with the aim to keep certain generation capacities outside the electricity market, in order for them to operate only in emergencies, in order to ensure security of electricity supply in the event of transitions or reforms in the electricity market which could cause sudden interruptions in the supply.

With respect to the history of the case, from 2013 to 2018 the Lithuanian government chose the Lithuanian Power Plant (LPP), owned by the aforementioned AB Lietuvos Energija, to provide strategic reserve services, in the sense described above, with the aim to increase the security of electricity supply in Lithuania. LPP was remunerated for these strategic reserve services it provided. During this measure's operation, in 2016, the Commission received a complaint against it, claiming that the operation was incompatible with the EU state aid rules. According to the Commission's preliminary ruling, this measure constitutes state aid, and Lithuania needs to demonstrate the need for this measure, its fitness for purpose, and that it was open to all capacity providers, in order for the Commission to be able to assess whether it unduly distorted the competition in the Single Market or not. In this context, and in order for the Commission to be able to examine whether the measure at hand was in line with the applicable EU State Aid rules or not, it will examine whether the strategic reserve was indeed necessary to ensure security of electricity supply between 2015-2018 (when Lithuania became more interconnected with neighbouring countries), whether it was appropriate for Lithuania to assign the service directly and exclusively to LPP, without considering any other capacity providers, and whether the design of the strategic reserve distorted the formation of market prices and undermined investments undertaken by other market operators.

Energy Efficiency

Recommendation on Implementation of Energy Performance of Buildings Directive

by *Ifigeneia Argyri (Athens)*

On 21 June 2019, Recommendation (EU) 2019/1019 dated June 7 2019, on building modernization, (notified under document C/2019/4135), was published in the Official Journal of the European Union. The aforementioned Recommendation followed the Recommendation on building renovation published on 16 May 2019 and was issued as a response to Member States' requests for clarification on the revised building modernization aspects of the Energy Performance of Buildings Directive (EPBD) 2018/844. More specifically, the Recommendation provides guidance on how to understand and transpose the EPBD, particularly those provisions

that concern technical building systems and their inspections, including; requirements on installing self-regulating devices and building automation and control systems (Article 8 and Articles 14 and 15 of the EPBD), electromobility recharging infrastructure (Article 8 of the EPBD), and the calculation of primary energy factors (Annex I to the EPBD).

Pursuant to the said Recommendation (EU) 2019/1019 on building modernization, the main aim of the provisions regarding the technical building systems is to ensure optimal performance of technical building systems and support the management of energy and the indoor environment while the aim of their inspections is the evaluation of system performance. To be more specific, there are requirements for the installation of self-regulating devices that are able to regulate indoor temperature in buildings, with the aim of improving the management of energy consumption while limiting costs. As far as the self-regulating devices are concerned, Member States must require the installation of self-regulating devices in all new buildings and in existing buildings when heat generators are replaced, where technically and economically feasible. The abovementioned Recommendation extends the definition of “technical building systems” and clarifies that technical equipment for building automation and control and technical equipment for on-site electricity generation have been added to the definition of technical building systems. It should be noted that the technical building system provisions under Article 8(1) and 8(9) of the EPBD apply when a technical building system is installed, replaced or upgraded. However, the provision on setting system requirements is obligatory only with regard to technical building systems in existing buildings. Nevertheless, regarding the heating systems and combined heating and ventilation systems as long as air-conditioning systems and combined air-conditioning and ventilation systems with an effective rating of 70 kW or lower no longer inspections are required. In cases in which inspections are needed, combined heating and air-conditioning and ventilation systems should preferably be inspected in a single visit by an expert qualified to inspect both. Also, to establish whether a system is over or under the 70 kW threshold, the respective heating and cooling effective rated outputs should be considered separately because the EPBD treats heating and air-conditioning systems separately (Article 14 and Article 15, respectively). Finally, the Recommendation (EU) 2019/1019 clarifies some technical terms as well as the exemptions from inspections.

It is worth mentioning that both the Recommendation (EU) 2019/786 and Recommendation 2019/1019 aim to ensure a uniform understanding across Member States in the preparation of their transposition measures. The said Recommendation does not alter the legal effects of the EPBD and is without prejudice to the binding interpretation of the EPBD as provided by the Court of Justice. To that end, it should be kept in mind that EU countries have until March 2020 to fully transpose the new and revised provisions into national law.

Environment

Supplementary Guidelines on Reporting Climate-Related Information

by Maria Ioannou (Athens)

On 20 June 2019, Commission’s Communication 2019/C 209/01 regarding the provision of Supplementary Guidelines on Reporting Climate-related Information was published in the Official Journal of the European Union. These Guidelines were prepared pursuant to Article 2 of Directive 2014/95/EU, which amended Directive 2013/34/EU as regards the disclosure of non-financial and diversity information by certain large undertakings (banks, insurance companies etc.), in order to assist with said disclosure in a more useful, consistent and comparable manner (henceforth, the ‘Non-Financial Reporting Directive’).

More specifically, the 2019 Guidelines supplement the Guidelines on Non-Financial Reporting previously adopted by the Commission in 2017. This was necessary since in 2018 the Commission published the Action Plan on Financing Sustainable Growth, the implementation of which depends on the disclosure of adequate sustainability-related information. Moreover, the Task Force on Climate-related Financial Disclosures (TCFD), established by the G20’s Financial Stability Board, published in 2017 recommendations which are widely recognised as authoritative guidance on the reporting of financially material climate-related information, whereas, later on, the Technical Expert Group on Sustainable Finance, which has been appointed by the Commission, provided recommendations on climate-related disclosures. The Commission’s 2019 Supplementary Guidelines take account of all the above, as well as of the feedback provided by relevant stakeholders.

It is to be noted that these Guidelines (as well as the 2017 Guidelines) do not create legal obligations nor are binding, therefore entities concerned (and any other entity that may wish to disclose climate-related information) may chose alternative approaches, provided that they meet certain legal requirements as per the relevant national legislation transposing the Non-Financial Reporting Directive, and that they ensure that their chosen approach to climate-related reporting is kept in line with the latest scientific evidence. This information should be disclosed in an easily accessible manner (e.g. either in the default location of the company’s management report or in a separate report). On the other hand, it is to be noted that the reporting entity may find that it benefits from reporting climate-related information through achieving e.g. better management, improved credit ratings for bond issuance, or better corporate reputation.

The information to be disclosed shall pertain -among others- to environmental and climate-change matters, to the extent that such information is necessary for the understanding of the company’s development, performance, position and activity impact. Therefore, the company must disclose such information that indicates the impact of climate change on the company, which is typically of most interest to investors, as well as such information that indicates the impact of the company’s activities to the environment and to

society, which is of interest not only to the society but also to company's investors in terms of assessing the impact of their investment portfolios. Companies should consider using the proposed disclosures in these Guidelines if they decide that climate change is a material issue for them in the long-term, from either of these two perspectives, i.e. as a company risk or/and a company opportunity (e.g. if the company contributes to climate-change mitigation through the development of energy efficient buildings). In doing so, companies must consider their whole value chain, i.e. upstream and downstream. Whenever it is concluded that climate is not a material issue, it is advised that a statement to that effect is made, explaining how that conclusion has been reached.

The 2019 Guidelines propose disclosures and provide guidance as regards each of the five reporting areas listed in the Non-Financial Reporting Directive: (i) business model, (ii) policies and due diligence, (iii) outcome of policies, (iv) principal risks and risk management, and (v) Key Performance Indicators. For the reporting, the principles of good non-financial reporting contained in the Commission's 2017 Guidelines should also be taken into account, including the principles about the disclosed information being material; fair, balanced and understandable; and comprehensive but concise. Furthermore, the 2019 Guidelines encourage the companies to disclose information in accordance with widely accepted reporting standards and frameworks, so as to increase comparability. Specific recommendations and further guidance regarding the information to be disclosed is further provided in a detailed manner.

Consolidation of Climate Planning Processes in the Energy Community Contracting Parties

by *Mirjana Mladenovic (Belgrade)*



On 7 June 2019, the Energy Community Secretariat (Secretariat) published the document under the name "Consolidation of climate planning processes in the Energy Community Contracting Parties" (Document). The Document was prepared in the frame of the cooperation between the regional GIZ project "Capacity Development for Climate Policy in the Countries of South-Eastern, Eastern Europe, South Caucasus and Central Asia, Phase III (CDCP'III)", ordered by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety as part of the International Climate Initiative, and the Secretariat, which provided technical advisory and feedback during the elaboration process of the Document. The objective of the Document is to provide Contracting Parties of the Energy Community with a brief and simple guidance on how they could consolidate their multiple climate change and energy planning processes including international obligations into one single process, providing efficiency and alignment. The Document contains the following sections: a) section which gives a more thorough overview of the various planning processes that are ongoing in the Contracting Parties; b) section which investigates in more

detail the opportunities for aligning the timing of outputs, and for consolidating them into one single planning process; c) section which gives a brief insight into the specific individual circumstances of each of the Contracting Parties, intended to serve as a starting point for further analysis and consideration; d) section which closes the guidance with a summary of recommendations for all Contracting Parties, based on the general guidance and the findings of the country case studies.

ALBANIA

Electricity

Lack of Unbundling of Electricity Distribution Operators in Albania

by *Manuela Cela (Tirana)*

The Energy Community Secretariat continues the ex officio preliminary dispute settlement procedures opened against Albania in January 2018 for the lack of an effective unbundling of the country's electricity distribution system operator, OSHEE. Albania was not able to remedy the arguments raised in the Secretariat's Opening Letter as regards the failure to comply with its obligations under the Energy Community Treaty: the country has not correctly transposed the requirements for unbundling of electricity distribution system operators into national legislation and has not taken measures to effectively implement legal and functional unbundling of OSHEE.

On 16 January 2018, the Energy Community Secretariat sent an Opening Letter to Albania in accordance with Article 12 of the Rules of Procedure for Dispute Settlement. In the Opening Letter, the Secretariat takes the preliminary view that Albania has failed to fulfill its obligations under the Energy Community Treaty, by failing to transpose the requirements of Article 26 of Electricity Directive 2009/72/EC on legal and functional unbundling of electricity distribution system operators in line with the deadline of 1 January 2015

provided by the *acquis*, by failing to transpose Article 26 paragraph 2 *littera* (c) and (d) of the Electricity Directive requiring independent decision making of the distribution system operator and the establishment of a compliance officer and program and by failing to adopt, within the prescribed time limit of 1 January 2015, the national measures to ensure legal and functional unbundling of the national electricity distribution system operator, OSHEE, in practise.

To the Secretariat's knowledge, Albania has not correctly transposed and enforced the rules for legal and functional unbundling in the electricity sector. Under these circumstances, it is in a state of non-compliance with Article 26 of Electricity Directive 2009/72/EC.

On 21 June 2019, the Secretariat sent a Reasoned Opinion to Albania for failing to transpose into national legislation Article 26 paragraph 2 *littera* (c) and (d) of the Electricity Directive 2009/72/EC requiring independent decision making of distribution system operators and the establishment of a compliance officer and program; and adopt national measures to ensure effective unbundling of the national electricity distribution operator in practice. In the view of the Secretariat the accomplished registration of separate legal entities responsible for distribution and supply in Albania, still does not sufficiently put in place effective operation of *de facto* unbundled companies. Albania was neither able to remedy the arguments raised in the Secretariat's Opening Letter of 16 January 2018 nor provided a reply to it. In its Reasoned Opinion the Secretariat therefore maintains the analysis and view brought forward in Opening Letter.

Despite that formally legal registration of three subsidiaries of OSHEE responsible for electricity distribution, universal supply and free market supply has been accomplished, these separate companies exist only on paper without any activities, assets or staff. OSHEE still performs both supply and distribution activities in units of its vertically integrated company structure under a common management. Assets or human resources have not been transferred to the three subsidiaries yet. Effective legal unbundling of the distribution company has been formally frozen until 20 December 2019 by decision of the national regulatory authority, ERE.

Albania is requested to rectify the issues of non-compliance with Energy Community law identified in the Reasoned Opinion within a time-limit of two months. Depending on the reply from Albania, the Secretariat may submit the case to the Ministry Council for a decision on the non-compliance of Albania with Energy Community law.

Additional Frequency Containment Reserves (FCR) Characteristics

by Manuela Cela (Tirana)

On 10 May 2019, the Albanian Energy Regulatory Authority (ERE) issued its decision No. 73 regarding the initiation of procedures for approving the "Proposal of all Continental Europe TSO's, for additional Frequency retention stocks (FCR) characteristics in accordance with article 154(2) of European Commission (EU) 2017/1485 of 2 February 2017, that determines the establishment of a guideline on Electricity Transmission System Operation.

ERE's decision was based on the following facts: OST sh.a. with letter no.2060 Prot., dated 15.03.2019, has forwarded to ERE for approval this proposal. This proposal comes under the provisions of Article 7 and Article 19, as well as Article 67 of the law no. 43/2015 "On the Electricity Sector" as amended, and in fulfillment of the obligations set forth by the Electricity Transmission Code, adopted with ERE's Board decision no.186 dt. 10/11/2017, respectively article 167 "Provision of FCR's ". This document comes as a joint proposal by all Continental Europe System Operators regarding the development of additional Frequency Containment Reserves characteristics.

All TSOs Network Methodology for the Establishment of a CACN Guide

by Manuela Cela (Tirana)

On 31 May 2019, the Albanian Energy Regulatory Authority (ERE) issued its decision No.88 regarding the initiation of the procedures for approving the "Proposal of all TSOs for a joint network methodology in accordance with article 17 of European Commission (EU) 2015/1222 of 24 July 2015, for the establishment of a capacity allocation and congestion management guide".

ERE's decision took under consideration the TSO's proposal dated 15 March 2019, by which this interference was requested. This proposal comes is based on the provisions of Law 43/2015 "On the Energy Sector Electricity" as amended by Law 8/2018, respectively Articles 7, 19, 23, 56 and 67, and in fulfillment of the obligations set forth by the Broadcasting Code adopted by ERE's decision no.186 dt. 11.10.2017. This document is a joint proposal drafted by all Electricity Transmission System Operators related to the creation of a joint network methodology.

Articles 35 and 45 of Law No. 43/2015 "On the Energy Sector Electricity ", providing that ERE has the right to approve a metered and standardized system of accounts for licensees in the electricity sector, based on Albanian legislation and international standards of accounting. The accounting system adopted by ERE for licensed companies in the electricity sector, constitutes the structure of keeping separate accounts for different energy services, including assets, equity, liabilities, income and expenses, for the purpose of calculating the prices and tariffs according to the relevant methodologies and is adapted to enable the proper monitoring of licensed activities. This accounting system will be applicable to all licensed companies in the Energy Sector.

Oil & Gas

Approval of the Regulation on the Unified Accounting System in the Natural Gas Sector

by *Manuela Cela (Tirana)*

On 31 May 2019, the Albanian Energy Regulatory Authority (ERE), proceeded to the analysis of the following facts: ERE has the authority to adopt the Regulation on the Unified Accounting System in the Natural Gas Sector, based on Article 16, point 14 of Law no.102/2015 "On the Natural Gas Sector", as amended. ERE, in consultation with USAID, has prepared a draft regulation on a single account system for regulated companies in the Natural Gas Sector, including account auditing. The proposed regulation will serve as accounting guidelines with the purpose of controlling, auditing and monitoring of the accounts of companies operating in the natural gas sector by ERE. This regulation has been prepared based on the best regulatory and accounting practices, accounting legislation in Albania, and the accounts structures in use by ERE for the electricity sector.

Based on these facts, ERE decided by virtue of decision no.76, to start the procedures for approving the "Regulation on Unified Accounting System for societies in the natural gas sector, including audit accounting".

BiH

RES

District Court Cancelled the Environmental Permit for the Planned Buk Bijela Hydropower Plan

by *Vuk Stankovic (Belgrade)*

On 13 May 2019, the District Court in Banja Luka, cancelled the environmental permit for the planned Buk Bijela hydropower plant with total envisaged capacity of 98 MW on the river Drina in Bosnia. The court procedure was initiated by the Aarhus Resource Centre in May 2018 and was based on procedural shortages impacts on the protected Tara Canyon in Montenegro, which is on the UNESCO World Heritage list. According to the court's decision, the developer and owner of the project, the state-owned power company, Elektroprivreda Republike Srpske, had failed to meet the legal deadline for renewal of the permit, despite the fact that the environmental assessment study claims that there would be no impact on the UNESCO-protected River Tara without however providing any evidence in line with law.



BULGARIA

Market

Further Liberalisation on the Electricity Market at Production Level in Bulgaria

by *Apostolos Christakoudis (Sofia)*

On 9 May 2019, the Bulgarian Parliament adopted a new Bill for the amendment and supplementation of the Energy Act. This adoption is part of the continuation of the efforts of the state authorities to further extend the number of stakeholders on the liberalised market at generation level. The Bill has been promulgated in State Gazette on 21 May 2019.

The most significant amendments concern the Renewable energy resources (RES). According to the Bill, producers with installed capacity above 1 MW can sell electricity at IBEX. These Producers should conclude contracts for compensation with premiums ("CfCPs") with the Security of the Energy System Fund ("FSES") and receive compensation up to the amount of the previously applicable feed-in tariffs for the produced electricity sold at free negotiated prices at IBEX. The RES producers will have the choice to

shift to the new regime. The deadline to conclude CfCPs with FSES is 31 August 2019 with an option to postpone their entry into force by 1 October 2019 the latest.

It is also provided that the new highly-efficient combined heat and electricity generation is to be built only upon a public tender procedure and under the condition that an existing installation is decommissioned or the approved state aid budget may cover the cost of purchasing the expected highly-efficient combined energy production. Important amendments are also being made with the abolishment of the electricity export fees. Finally, the Bill introduced the possibility for customers to require the electricity distribution companies to install smart metering devices for objects with a capacity of 10 kW and above.

RES

Bulgarian Regulator Proposes Increase of the Reference and Access to the Grid Price for RES

by Apostolos Christakoudis (Sofia)

On 27 May 2019, the Bulgarian Energy and Water Regulatory Commission (EWRC) published its draft report with a proposition concerning a substantial increase in the reference and access to the grid price for renewable energy. The draft report also concerns the electricity prices for the period 1 July 2019 to 30 June 2020 pointing out that the estimated reference price for main renewables (PV systems installed between 1 July 2011 and 30 June 2012) will be BGN 96.35 per MWh, up from the current price of BGN 79 per MWh. For overseeing access to the grid, the EWRC will receive a substantial increase of BGN 5.12 per MWh. Also the EWRC has proposed a substantial increase in the reference and access to the grid price for renewable energy, but will keep the Feed-in-Tariff (FiT) for small roof-top photovoltaic (PV) solar panels and for biomass.

This reference price is based on the additional quantities of electricity produced from renewable energy systems (RES) to be offered on the market during this period. An analysis of price levels in the months where solar energy creates higher quantities of electricity indicates that the cost of peak energy has been lowered significantly, leading to a reduction in prices for a base load. As a result, the release of a large amount of RES electricity will potentially lead to large surpluses at certain times. After the amendments to the May 2019 Energy Act, premiums for RES producers are to be set down in detail further to EWRC pricing decisions. All prices set down in the draft will go into effect on 1 July 2019.

Oil & Gas

Bulgaria Proposes Bill for Setting up a Gas Exchange Market

by Apostolos Christakoudis (Sofia)



On 19 June 2019, following recent discussions between the Energy Commission and the Bulgarian Parliament, the Bulgarian legislators suggested an amendment to the Energy Act, thus issuing a relevant Bill, in line with the last amendments to the Bulgarian Energy Strategy targeting the establishment of a Bulgarian Gas Exchange.

The main goals of the Bill are related to the transition from a price-regulated gas market to a market with freely negotiated gas prices in compliance with the rules for trade with natural gas and the introduction of a single license for organising the gas exchange market for the entire country.

While drafting the Bill the legislators mainly focused on de-monopolising the market and stimulating competition by the creation of a single trade platform where deals are forged with freely negotiated prices based on rules for trade with natural gas approved by the Regulator.

Other provisions of the Bill stipulate that the gas producers are obliged to offer at least 25% of their production to the gas Exchange. The public supplier is also obligated to offer 35% of the gas consumed during the preceding year to the Exchange until 2024. Furthermore, it is provided that end users and suppliers consuming more than 300 GWh of natural gas will have to buy certain volumes for their needs (i.e. 25% until 2024, calculated according to the volume purchased the preceding year) directly from or through a trader within the Exchange. In certain cases, the public supplier must be able to execute deals on freely negotiated prices, such as when operating as a supplier of liquidity volumes.

Finally, in regards with the procedural aspect of the matter, the Bill is expected to be voted by the Bulgarian Parliament for the first time as a whole. Following the first vote, proposals for changing separate provisions may be made within seven days.

GREECE

Market

Operational Independence of RAE

by Anastasia Bolari (Athens)

On 10 June 2019, it was published at the Official Journal (A' 89) law number 4618/2019 which introduced provisions for the strengthening of the operational independence of the Regulatory Authority of Energy (RAE). In Particular, article 5 provides that RAE's members and staff are not subject to any civil or criminal liability for acts or omissions, opinions, or proposals which they have supported or for any decision they have taken during the course of the performance of their duties. However, this is not the case if they acted in a fraudulent manner or violated the confidentiality of the information that came to their knowledge during their duties according to the Internal Operation and Management Regulation of RAE. RAE may also pay legal fees and costs for legal support and representation for its members and staff for matters relating to the performance of their duties. The costs are paid at the request of the person concerned and are charged to RAE's budget. It is noted that the deposit must first be approved by the plenary session or the President of RAE. It is also highlighted that the legal assistance of the abovementioned persons for acts or omissions during the performance of their duties may be assigned to an external lawyer appointed by the plenary session of RAE, with the exemptions of cases against RAE, while the lawyer's remuneration is also defined at that decision. However, if the lawsuit against the members or staff of RAE is accepted by an irrevocable court decision, the members are obliged to reimburse all the costs incurred by RAE for their legal support and representation. All the abovementioned provisions also apply to the members and staff of RAE who are not on active service.

The law also amended article 41 paragraph 2 of law 4001/2011, in regards with the hiring procedure for RAE. In article 5 para 3 it is noted that RAE's administrative and special technical staff are recruited in accordance with the provisions of law number 2190/1994 on a proposal from RAE defining the required qualifications in accordance with Presidential Order 50/2001 and the Internal Management Operation Regulation of RAE. On the other hand the special scientific staff of RAE is hired following a RAE announcement which has been subject to a legality check by ASEP. The announcement shall include the number by qualification of the staff to be recruited, the time limit for the submission of applications and the required supporting documents. The announcement is published on RAE's and ASEP's web site and in two newspapers. RAE assesses the applications and drafts temporary tables of the following categories: a. excluded b. classification and c. selected, which are published on RAE's website. Within ten days, interested parties may appeal to the ASEP against the provisional tables but only on grounds of legality. ASEP conducts a legality check on the provisional tables within one month of the publication of the tables and the submission of the objections. It then advises RAE to issue the final tables.

Electricity

Long Term Interruptibility Service

by Anastasia Bolari (Athens)

On 10 June 2019, law number 4618/2019 was published at the Official Journal (OJ A' 89/2019). The aforementioned law introduces the Long Term Interruptibility Service. The mechanism is designed to compensate certain energy extensive consumers located in the Greek Interconnected System for their availability to reduce their electricity consumption (Load Shedding) for a specific period of time upon receiving of the Power Reduction Order from the electricity TSO (IPTO). On that note, the eligible energy intensive consumers are determined by IPTO for a predetermined period, based on competitive auction procedures. The principles for the implementation of the mechanism such as the duration of the measure, the manner and the price of remuneration of the eligible consumers, the duration of the contracts between the eligible consumers and IPTO will be determined by a ministerial decision of the Minister of Environment and Energy, while the regulation for the long term Interruptibility Service will be approved by virtue of a decision by RAE. That regulation will set the rules for the participation to the mechanism, the obligations of the eligible consumers as well as a methodology for allocating charges to the electricity suppliers. After the first 4 years of implementation of the mechanism, and every 2 years thereafter, RAE will have to examine the results of its implementation and the effect on the Greek electricity model and propose measures of improvement to the Minister of Environment and Energy.

Infrastructure

Call for Tenders for Attica-Crete Interconnection

by Paraskevi Res (Athens)

Ariadne Interconnection S.P.L.C (the "Ariadne"), has been appointed by the independent Regulatory Authority for Energy (RAE) as the project implementation vehicle of the Attica-Crete interconnection by virtue of the decisions 816/2018 and 823/2018. Ariadne was founded in September 2018 as a subsidiary of the Independent Power Transmission Operator (IPTO or ADMIE) S.A. On 24 May 2019, Ariadne announced the call for tenders for the High Voltage Direct Current (HVDC) electricity interconnection between Crete and Attica, with a total budget of €915 million and set a timetable for the completion of the project within 2022. The Declaration for the electricity interconnection through cable with a budget at €600 million includes the study, supply and installation of two submarine cable systems (eastern and western circuits, 2 x 500 MW), of the underground cable sections and of the fiber optics. The deadline for submitting bids electronically expires on 30 August 2019. The Declaration for Alternate/Continuous Power Conversion Stations with a budget set at €315 million involves the study, supply and installation of two Conversion Stations and a GIS Substation. The deadline for submitting bids electronically expired on 22 July 2019.

The project of Attica-Crete interconnection along with the ongoing project on the construction of the second cable that will connect Crete with Peloponnesus will ensure the energy efficiency of Crete and will contribute to the protection of the environment since the units currently operating on oil will be closed. At the same time, the project will relieve Greek households throughout the country from charges for services of general interest of €300-400 million per year, as it significantly reduces energy costs. The project of Attica-Crete interconnection is considered to represent a strategically important HVDC interconnection with state-of-the-art technology, which creates new standards for island interconnections that will change the data in the Energy Transmission sector in Greece.

RES

Amendments of the Ministry of Environment and Energy

by Anastasia Bolari (Athens)

On 10 June 2019, law no 4618/2019 was published at the Official Journal (A' 89/2019) law number introduced amendments to several laws regulating issues of the energy sector. The law lays down amendments which facilitate the licensing procedure for RES projects. According to article 6, which amended the article 8 par. 4 of law n. 3468/2006 for the provision of installation and operation license, the RES or CHP power plants that have submitted application for granting of installation license accompanied with the documents required according to art. 8 of ministerial decision n. Δ6/Φ1/οικ.13310/18.06.2007 at least 45 days prior to the expiry of the Binding offer for connection to the grid, are granted an extension of the duration of the Binding offer for connection to the grid until the installation license is issued. However, the extension can not exceed a period of six months. This extended timeframe for the Binding offer for connection to the grid is also applied to power plants that have submitted the application and the documents required according to art. 8 of Ministerial Decision n. Δ6/Φ1/οικ.13310/18.06.2007 before the entry into force of this law.

Furthermore, article 7 introduces a new paragraph, 12A to article 3 of law number 4414/2016 for the support scheme of RES and CHP and a new paragraph 8C to article 7 of the same law, for the competitive bidding procedures for power plants from RES and CHP. Pursuant to article 12A the deadlines for operation (on normal or trial mode) of the plants that have signed the power purchase agreement before 31st of December 2015 (referred to in paragraphs 11 and 12 of Law 4414/2016) connected to High Voltage, are extended by 3 months, provided that an application has been submitted within the original deadlines for submitting a complete dossier to the responsible operator and a valid declaration that the required works have been carried out and the stations are ready for commissioning. Article 8C provides an extension to the duration of validity of the installation license to all power plants from RES or CHP that expire in 2019 until the end of the last competitive procedure corresponding to the station category for 2020. The precondition for this extension is that the station has participated in at least one competitive bidding procedure that has taken place within the initial period of validity of the installation license. Article 16 stipulates that the operational state aid contracts that were terminated due to the fact that a connection agreement was not concluded until the 31st March 2019 are revived automatically.

The law also provides for the operation of steam-powered plants for the production of electricity on Crete. Specifically, as of 1 January 2020 and until the completion of the interconnection between Crete and Attica, the established steam-powered plants for the production of electricity that are subject to the provisions of EU Directive 2010/75/EE and 2015/2193/EE, are allowed to operate in deviation from the Common Ministerial Decisions number 36060/1155/E.103/2013 and 6164/2018 as well as the executive Order number 2017/1442. During this period the emission limit values provided for the abovementioned steam-powered plants for the production of electricity in the Decision about the Environmental Impact Assessment according to EU Directive 2001/80/EC and 2008/1/EC are applied. In determining the emissions of steam power generating plants, it is ensured an equivalent level of environmental protection as a whole, which is a resource of the Green Fund and is not subject to the restrictions of Article 3 paragraph 4 of Law 3889/2010. By decision of the Minister of Environment and Energy, the measures of the environmental equivalence of the previous paragraph as well as the bodies for their implementation and management, the financing method, and the specific terms or any other technical issue related to the environmental equivalent will be determined, as well as the bodies for their implementation and management, the financing method, and the specific terms or any other technical issue related to the environmental equivalent.

Change of FiT for Small RES and Limitation of Plants to Receive FiT

by Mira Todorovic Symeonides (Athens)

In March 2019, law n. 4602/2019 (OJ A' 45/2019) introduced amendments to the RES support scheme particularly in regards to the amount of Feed-in-Tariff (FiT) to be received for small PV plants. PV plants with installed capacity up to 500 kW may opt to receive administratively determined FiT while PV plants above this capacity will have to participate in competitive procedures in order to receive the operational state aid. The FiT for these PVs which start operation in the period from January 2016 until the end of December 2019 is calculated in relation to the Average System Marginal Price (ASMP) achieved on the day-ahead electricity market, as follows: (a) for the PV with capacity >100 kW = $1,3 \times \mu \text{ASMP} - 1$, and b) for the PV with capacity ≤ 100 kW = $1,4 \times \mu \text{ASMP} - 1$. The FiT for these PV plants will from January 2020 be equal to the average price of the three consecutive competitive procedures for the same technology held previous to the one before the respective application, increased by 5%. Furthermore, PV units of Energy Communities with installed capacity up to or equal to 1 MW as well as PV with installed capacity up to 500 kW held by professional farmers will be equal to the average price of the three consecutive competitive procedures for PV (of the same category of PV or if such were not organised than of the PV which have been organised) held previous to the one before the respective application, increased by 10%.



RES FiT may be amended by a decision of the Minister of Environment and Energy, upon receiving opinion from the Regulatory Authority for Energy (RAE), which is issued within the first quarter of any calendar year, and is applicable to RES production plants from the second year after the year during which such Ministerial Decision has been issued. Exceptionally, for the above small PV plants, such Ministerial Decision (and the new FiT) is applicable from the first day of the next calendar year after the year during which it has been issued.

On 3 June 2019, the Ministry of Environment and Energy, provided a circular letter (Decision no. 50234/1658/2019) clarifying certain issues regarding the calculation of the new FiT. For the PV plants which start their operation after 1 January 2020 but before the first competitive procedure is held in 2020, and upon condition that two competitive procedures for PVs are held in 2019, the FiT will be equal to the average of the results of the category I of the competitive procedures held in July 2018 and December 2018 (i.e. 500 kW – 1 MW), and the category PV 500 kW-20 MW of the first competitive procedure in 2019, increased by 5%. In this case the results of the II category of the PV 1-20 MW of the July 2018 competitive procedure will not be taken into consideration. In case that only one competitive procedure is held in 2020 separate for PV plants, FiT will be equal to the average results of the category I (500 kW to 1 MW) and II (1-20 MWs) of the July 2018 competitive procedure and the category I of the December competitive procedure (500 kW – 1 MW), increased for 5%.

Approval of Remuneration of DAPEEP for its Services Rendered to RES and CHP Producers for 2019

by Anastasia Bolari (Athens)

On 24 June 2019, Decision number 476/2019 of the Regulatory Authority for Energy (RAE) was published at the Official Journal (B' 2372/2019)., By virtue of the aforementioned decision, RAE approved the unit price of RES and CHP ("UOCC") for the year 2019. RAE issued this approval on 6 May 2019 taking into consideration the lawful procedure, as described in articles 118 (2) and 118A of Law 4001/2011, as well as the provisions of the article 22 of the RES and CHP Code. In particular, at first the Minister of Energy and Environment approved the DAPEEP budget for 2019 at €4.000.000 including reasonable profit by Ministerial Decision YPEN/DPDA/7257/152. Following this approval, DAPEEP recommended to RAE that if the energy to be produced from the units of the RES and CHP and the KMSSHYA units, the owners of which are liable to pay a fee to cover the operational costs of DAPEEP, is 12.272.939 Mwh, the unit price should be equal to 0,326 €/Mwh. In this decision RAE approved the price unit ("UOCC") from RES and CHP for 2019 at 0,326 €/MWh.

July RES Auctions

by Nikoleta Nikolaou (Athens)

On 3 July 2019, the Regulatory Authority for Energy (RAE) published an announcement concerning the successful completion of the second period of the competitive offers procedures for P/V and wind parks. More specifically, according to RAE's Decision no 705/2019 concerning the first category of participants (P/V parks with power ≤ 20 MW) it is mentioned that on 1 July 2019 was conducted the Electronic Auction between the participants for tendered Power 143,041129 MW at a starting price of 69,26 € / MWh. A total of 68 projects and a total of approximately 275 offers were submitted to the Electronic Auction System. The reference prices ranged from 67,7 € / MWh to 61,95 € / MWh and the weighted average price is around 62,78 € / MWh, presenting fall from the starting price of around 9.37% while the unsold power was just 157,1894 KW.

In addition, regarding the second category of participants (wind parks with power up to 50 MW) it is also mentioned that on 1 July 2019 was conducted the Electronic Auction between the participants for tendered Power 186,964286 MW at a starting price of 69,18

€/ MWh. A total of 12 projects and a total of 37 bids were submitted to the Electronic Auction System. The reference prices ranged from 69,18 €/ MWh to 59,09 €/ MWh and the weighted average price was 67,32 €/MWh, presenting a fall from the starting price of 2.7%.

Undoubtedly, the auction of 1 July 2019 confirmed the prevalence of large business groups in the category of PV parks due to the economic feasibility of such projects. In conclusion, the auctioned quantities of each category were covered while there was a significant price reduction at the starting prices for the benefit of consumers and national economy. Given that prices will continue to move downwards, it is prescribed that soon the auctions will be prohibitive for small power projects.

Energy Efficiency

Funding Program for the Energy Upgrade of Public Buildings

by *Evrudiki Evangelopoulou (Thessaloniki)*

On 4 June 2019, a Joint Decision of the Ministers of Environment & Energy, Economy & Development, Infrastructure & Transport and Economic, regarding the implementation of the Program of Investment Loans of the General Government Institutions for the energy upgrade of public buildings was published in the Official Journal (B' 2597/2019). The program called "ELECTRA" defines the purpose, the coordination and management bodies along with their responsibilities, the eligible beneficiaries, the procedure for submitting proposals, the monitoring of the progress, the conditions and the justification for the grant. The main objective of the Program is to contribute to the achievement of the national indicative energy efficiency target. The financing of the projects included in the Program is carried out through investment loans granted by the Deposits and Loans Fund, while its total duration is set between 2019 up to 2025, with the possibility of extension.

Environment

Joint Ministerial Decision

by *Maria Ioannou (Athens)*

On 1 July 2019, Joint Ministerial Decision ΥΠΕΝ/ΥΠΡΓ/56257/7231 of the Ministers for Economy and Development as well as Energy and Environment, was published in the Official Journal (B' 2646/ .2019).

This Decision (hereinafter, "the amending Decision") amends the previous Joint Ministerial Decision 36060/1155/E.103/13-06-2013 regarding the establishment of a legal and procedural framework for the integrated prevention and control of environmental pollution caused by industrial activities, in line with Directive 2010/75/EE on industrial emissions (integrated pollution prevention and control) as amended and in force.

According to the amending Decision, Article 29 para. 4 of the previous Decision - which envisaged the exemption of combustion units from the obligation to conform with the set emission targets, as well as from being bound by the Transitional National Plan for the Reduction of Emissions, as long as they undertake the obligation not to operate these units more than 17,500 hours during years 2016 to 2023- is amended so as to include to the previously therein stipulated preconditions allowing for such exemption to be extended to units whose hours of operation do not exceed 32,000 hours, the additional precondition of providing the public network with district heating.

Furthermore, a new paragraph (paragraph 5) is added, according to the provisions of which, the aforementioned units, to which the aggregation rule provided for in Article 26 is applied, operate exclusively during the district heating periods (October to May) and possibly during periods of high energy demand (June 20th to August 25th, as defined in the Independent Power Transmission Operator Allocation Manual), so as to ensure energy supply and up to the point of having operated for 32,000 hours, as stipulated in the aforementioned paragraph 4.

NORTH MACEDONIA

Electricity

Opinion on the Certification of the Electricity Transmission System Operator MEPSO of North Macedonia

by *Simonida Shosholcheva Giannitsakis Zafirovic (Skopje)*

Based on article 10 of the Directive 2009/72/EC and Article 3 of Regulation (EC) 714/2009, the Energy Regulatory Commission (ERC) is obliged to issue a final decision in reference to the certification of electricity transmission system operators, with exclusive attention to the opinion of the Energy Community Secretariat.

According to the above, on 17 June 2019, the Energy Community Secretariat published its Opinion for the certification of the transmission system operator for electricity, MEPSO AD Skopje, under the Third Energy Package. Independence between the Ministry in control of MEPSO and the Government was subject to a more in-depth assessment by the Energy Regulatory Commission from the Republic of North Macedonia (ERC). According to the Opinion, the Energy Community Secretariat supports the certification of MEPSO in accordance with the preliminary decision of Energy Regulatory Commission (ERC).

RES

Tender on the Allocation of Construction of Solar Parks-Photovoltaics Locations

by *Simonida Shosholcheva Giannitsakis Zafirovic (Skopje)*

On 10 June 2019, the Ministry of Economy of the Republic of North Macedonia announced a tender for allocating locations for construction of solar parks – photovoltaics, as an alternative source of electricity production. That was first the tender for locations for photovoltaics.

The tender concerns the procedure for awarding state support for 35 MW of solar PV to be built on state-owned land in two locations, in Amzabegovo (Sveti Nikole) and Manastirec (Makedonski Brod). Makedonski Brod has locations for setting photovoltaics with a maximum power output of 10 megawatts, and Sveti Nikole has locations for setting photovoltaics with a maximum power output of 25 megawatts. This division of locations is meant to be able to compete all big and small investors. Investors will be able to decide where they will buy the equipment for photovoltaics, i.e. the government will not limit their choices.

Furthermore, the state will complete all administrative matters for arranging of the construction land. The investors who will provide the most financially preferable offer, will have a strong advantage in the electronic auction. Through this tender, the Government aims to help interested investors by reducing the administrative procedures for arranging of the construction land.

ROMANIA

Electricity

Commercial Rules on the Collection, Aggregation and Transmission of Electricity Measured Values for Prosumers

by *Raluca Vasile (Bucharest)*

On 21 June 2019, Order no. 71/2019 amending and supplementing the Commercial Rules on the collection, aggregation and transmission of the measured values of electricity, as approved by the Order no. 93/2018 of the National Regulatory Authority for Energy, was published in the Official Gazette of Romania.

The provisions of Order no. 93/2018 establish the framework for the collection, aggregation and transmission of data necessary to determine the payment obligations/collection rights related to balancing market transactions, imbalances concerning the license holders and aggregate imbalances at the level of the party responsible for balancing, imbalance notification from the Dispatchable Unit and reallocating additional costs or revenues to the Balancing Market based on the Measured Value/Approved Measured Value.

One of the changes brought forth by Order no. 71/2019 aims to extend the scope of the provisions of Order 93/2018 in the sense that the Rules on the collection, aggregation and transmission of the measured values of electricity, will also apply to the prosumer. The term "prosumer" is defined by Law 220/2008 as being the final customer who owns electricity generation installations, including cogeneration, whose specific activity is not the production of electricity, who consumes and can store and sell electricity from renewable sources produced in its building, including a block a residential area, a shared service facility, commercial or industrial, or the same closed distribution system, provided that in the case of autonomous non-household renewable energy consumers these activities do not constitute their primary commercial or professional activity.

At the same time, a new provision was introduced by the same regulation (Order no. 71/2019) according to which for the prosumers who own electric power plants for the production of electricity from renewable sources with an installed power of no more than 27 kW on the place of consumption and conclude electricity purchase contracts under the frame-contract approved by the Order no. 227/2018 of the National Regulatory Authority for Energy, as well as for the household customers holding electricity generation capacities, respectively electric and thermal power in cogeneration connected to the grid, with an electric power less than 100 kW, the aggregation of the measured values and the approved measured values, is performed as follows:

- a) the produced electricity is recorded as production related to the supplier who assumes the financial responsibility for payment of imbalances;
- b) the produced electricity is not included in the category of information pertaining to each producer's production, per dispatching interval.

SERBIA

Electricity

Futures launched on Serbian Power Exchange



by Vuk Stankovic (Belgrade)



On 3 June 2019, the European Energy Exchange AG (EEX), in close cooperation with SEEPEX a.d. Belgrade, opened the trade platform for futures of electricity with financial settlement for the Serbian market area. EEX introduced basic weekly, monthly, quarterly and annual auctions for futures products. The financial settlement has been made in relation to the day-ahead spot market price in Serbia, published by SEEPEX. On 7 June 2019, EEX registered the first trade in Serbian monthly financial product for July by the price of 51,45 €/MWh which represents the first







trade in Serbian power futures. Pursuant to the SEEPEX officials, implementation of Serbian electricity futures on EEX will contribute to the further development of liquidity and confidence in the Serbian power exchange, which is rapidly developing and becomes the main centre for cross-border trade in the region of Southeast Europe.

for further information, please contact **Editing authors**



	<p>Mira Todorovic Symeonides, LL.M. Partner Rokas (Athens)</p>	<p>R o k a s L a w F i r m 25 & 25A, Boukourestiou Str., 106 71 Athens, Greece T (+30) 210 3616816; F (+30) 210 3615425 E m.todorovic@rokas.com ; athens@rokas.com</p>
	<p>Andriani Kantilieraki, LL.M. Associate Rokas (Athens)</p>	<p>R o k a s L a w F i r m 25 & 25A, Boukourestiou Str. T (+30) 210 3616816; F (+30) 210 3615425 106 71 Athens, Greece, E athens@rokas.com</p>

Authors

Rokas (Athens)

	<p>Viktoria Chatzara, LL.M. Senior Associate</p>	<p>R o k a s L a w F i r m 25 & 25A, Boukourestiou Str. 106 71 Athens, Greece, E athens@rokas.com</p>
	<p>Paraskevi Res, LL.M. (UoA) Associate</p>	<p>R o k a s L a w F i r m 25 & 25A, Boukourestiou Str. 106 71 Athens, Greece, E athens@rokas.com</p>
	<p>Dr. Maria Ioannou Associate</p>	<p>R o k a s L a w F i r m 25 & 25A, Boukourestiou Str. 106 71 Athens, Greece, E athens@rokas.com</p>
	<p>Anastasia Bolari Associate</p>	<p>R o k a s L a w F i r m 25 & 25A, Boukourestiou Str. 106 71 Athens, Greece, E athens@rokas.com</p>
	<p>Ifigeneia Argyri Associate</p>	<p>R o k a s L a w F i r m 25 & 25A, Boukourestiou Str. 106 71 Athens, Greece, E athens@rokas.com</p>
	<p>Nikoleta Nikolaou Associate</p>	<p>R o k a s L a w F i r m 25 & 25A, Boukourestiou Str. 106 71 Athens, Greece, E athens@rokas.com</p>

Authors (cont.)

	<p>Kosmas Karanikolas Associate</p>	<p>R o k a s L a w F i r m 25 & 25A, Boukourestiou Str. 106 71 Athens, Greece, E athens@rokas.com</p>
	<p>Leonidas Voulgaris Associate</p>	<p>R o k a s L a w F i r m 25 & 25A, Boukourestiou Str. 106 71 Athens, Greece, E athens@rokas.com</p>

Rokas (Belgrade)

	<p>Vuk Stankovic, LL.M. Associate</p>	<p>I K R P & P a r t n e r s B e l g r a d e 30, Tadeusa Kosuskog Str., 11000 Belgrade Serbia, E belgrade@rokas.com</p>
	<p>Mirjana Mladenovic, LL.M. Associate</p>	<p>I K R P & P a r t n e r s B e l g r a d e 30, Tadeusa Kosuskog Str., 11000 Belgrade Serbia, E belgrade@rokas.com</p>


Rokas (Bucharest)

	<p>Raluca Vasile Associate</p>	<p>I . K . R o k a s & P a r t n e r s - Constantinescu, Radu, Ionescu SPARL 45 Polona Str., District 1, Bucharest Romania, E bucharest@rokas.com</p>
---	------------------------------------	---

Rokas (Skopje)

	<p>Simonida Shosholcheva Giannitsakis Zafirovic, LL.M. Partner</p>	<p>I K R P R o k a s & P a r t n e r s d . o . o . 53/1, Macedonia Str. (ex. Marsal Tito Str.), 1000 Skopje, North Macedonia E s k o p j e @ r o k a s . c o m</p>
---	--	---

Rokas (Sofia)

	<p>Apostolos Christakoudis Associate</p>	<p>Rokas Law Firm Branch Bulgaria, I. Rokas 12-16 Dragan Tzankov Blvd. Lozenetz Sq. 1164 Sofia, Bulgaria, E sofia@rokas.com</p>
---	--	--

Authors (cont.)

Rokas (Thessaloniki)



Evridiki Evangelopoulou
Associate

R o k a s L a w F i r m
Tsimiski & 3 G.Theotoka Str.
5 4 6 2 1 T h e s s a l o n i k i
Greece, E thessaloniki@rokas.com

Rokas (Tirana)



Manuela Cela
Associate

IKRP Rokas & Partners Albania sh.p.k.
Bulevardi "Dëshmorët e Kombit", Twin Towers, Kulla 1
Tirana, Albania, E tirana@rokas.com