

Monthly energy law news from the EU and the SEE countries of the Rokas network

ENERGY MARKETS

EU: CEER's Reports on Implementation of TSO and DSO Unbundling Provisions

other news:

- ♦ EU: CEER's Report on Removing Barriers to Entry in EU Retail Energy Markets
- ♦ Serbia: Regulator Adopts Rulebook to Strengthen its Regulatory and Supervisory Role
- ♦ Ukraine: Draft Law on Energy Regulator Passes First Reading in the Parliament



ELECTRICITY

EU: ENTSO-E Launches Three Public Consultations on Network Codes Implementation

other news:

- ♦ EU: Second Phase of REMIT Data Reporting Started
- ♦ EU: ENTSO-E Publishes R&D Monitoring Report 2015
- ♦ EU: ENTSO-E Publishes Agreement on Regional Cooperation
- ♦ EU: Commission Sets up Expert Group for Electricity interconnection Targets
- ♦ EnC: Third Monitoring Report on Western Balkans 6 Energy Connectivity Initiative
- ♦ Greece: Further Steps in Application of the Interruptibility Service
- ♦ Greece: Report on Compliance of Network Operator with Obligations for Guaranteed Services
- ♦ Greece: RAE Issues Decisions on the Opening of the Electricity Market at the NII
- ♦ Bulgaria: Introduction of a Centralised Market for Bilateral Contracts by the Bulgarian Energy Exchange
- ♦ Croatia: Consultation on Amendments to the Rules on Electricity Market Organisation



OIL & GAS

Croatia: New Regulations in the Oil and Gas Sector

other news:

- ♦ EU: Study on Enhancing the Bargaining Power of EU Buyers in the Wholesale Gas Markets
- ♦ Greece: Declaration of Intent on Cooperation with Cyprus and Israel on Prevention of Environmental Damages
- ♦ Montenegro: Update on the Offshore Hydrocarbons Exploration Procedures
- ♦ Bulgaria: Public Consultation on Draft Acts on Natural Gas Balancing
- ♦ Poland: Public Consultation on Allocation Rules at the Interconnection Point Mallnow
- ♦ Ukraine: Amended Procedures for Obtaining Permit for Extraction Purposes
- ♦ Ukraine: New Methodology for Calculation of Connection Tariffs for Gas Transmission and Distribution Networks
- ♦ Ukraine: Ukrtransgaz Implements Operational Balancing Account



RENEWABLES

EnC: Albania, FYR of Macedonia and BiH Adopt National Action Plans

other news:

- ♦ EU: Study on Current and Future Heating/Cooling Fuel Deployment
- ♦ Greece: Announcements on Unimplemented RES Projects and on Available Power Margin for P/V at Crete
- ♦ Ukraine: Procedure for Determination of Ratio of Ukrainian Equipment Used for Construction of RES Installations



COMPETITION - STATE AID

EU: Commission's Interim Report on Electricity Capacity Mechanisms

other news:

- ♦ EU: Attorney General Interprets Conditions on Exemption from Notification Obligation
- ♦ EU: Commission Finds State Aid for Finnish LNG Terminal Compatible with the Single Market



ENERGY INFRASTRUCTURE

Greece/Albania: Developments regarding the Trans Adriatic Pipeline (TAP)

other news:

- ♦ EU: Project Data Collection for Ten Year Network Development Plan 2017
- ♦ EU: Financing of Key EU Energy Infrastructure Projects under CEF
- ♦ Romania: Urgency Ordinance on the Acceleration of Implementation of TEN-T projects
- ♦ Montenegro: Draft Rules for Drawing up and Monitoring Implementation of Ten-Year Network Development Plans



ENERGY EFFICIENCY

Poland: Draft Energy Efficiency Act Submitted to the Parliament

other news:

- ♦ EU: New Funding Available for Energy Efficient Projects
- ♦ EU: Assessment of the Implications for the European Union of the Paris Climate Agreement



ENERGY MARKETS

EU: CEER's Reports on Implementation of TSO and DSO Unbundling Provisions

by Mira Todorovic Symeonides (Athens)

On 1 April 2016, the Council of European Energy Regulators (CEER) issued two status review reports: one on the implementation of the TSOs' and another of the DSOs' unbundling provisions of the 3rd Energy Package. The reports explored issues as: branding; financial independence in terms of staff and resources; compliance programmes and officers; investments, joint-ventures and joint undertakings.

In the TSO report the focus was on certification and monitoring of the unbundled TSOs as well as on cross-border certification, in which coordinated certification by more than one National Regulatory Authority (NRA) is required, certification procedures conducted by the European Commission, measures for non-compliance and reopening of certification procedures. Firstly, the report points out that Cyprus, Luxemburg and Malta have been exempted to apply the unbundling provisions for both gas and electricity TSOs, while Estonia, Latvia, Finland and other MSs qualified as an emergent market or having substantial problems in a geographically limited area may exempt their gas TSOs from unbundling for a certain period of time. Generally, the prevailing unbundling model is full ownership unbundling (OU), with the difference that 70% of electricity and 40% of gas TSOs have been certified under this model. In the gas sector 44% of the TSOs have been certified under the Independent Transmission Operator (ITO) model. A limited number of MSs have used combination of two different models. In the majority of the participating MSs, the TSOs are owned/controlled by public entities, while in other MSs they are in private ownership. The report provides several case studies such as the certification of Interconnector UK Limited by UK Ofgem and the Belgian CREG NRAs and BBL interconnector connecting Dutch and British gas markets.

In the DSO report the focus was on the independence of DSOs, their rebranding, resources and compliance regime. There is significant diversity in the EU in regard to DSOs: in some MSs there are hundreds of DSOs and in other only one or two. In some they are part of the vertically integrated undertaking while in others they are unbundled from production and/or supply. Only in Netherlands the law requires full ownership unbundling of the DSO while in other MSs detailed rules, particularly on the independence of the staff and management of DSOs, have been introduced. In the majority of MSs the DSOs have independence within the limits of the approved financial plan or equivalent instrument. In certain MSs there are specific rules to ensure independence (in Belgium different rules exist in different regions). Most MSs provide that DSO branding / communication shall not create confusion with production or supply activities of the vertically integrated undertaking supply or production activities, however it does not work always in practice, thus there was a need for NRAs interventions. The majority of NRAs are satisfied with the compliance programmes and the fulfillment of compliance requirements by the DSOs. The compliance officers have sufficient information to perform tasks independently, particularly in the electricity sector.



more news on Energy Markets:

EU: CEER's Report on Removing Barriers to Entry in EU Retail Energy Markets

by Mira Todorovic Symeonides (Athens)

On 1 April 2016, the Council of European Energy Regulators (CEER) issued the CEER Benchmarking report on removing barriers to entry for energy suppliers in EU retail energy markets. The aim of the Report was to identify barriers for new suppliers of electricity and gas, both national and cross-border. The conclusions are based on the answers CEER received from 22 National Regulatory Authorities (NRAs). It includes examples of actions which several NRAs undertook to reduce or remove such barriers. The range of described barriers includes: lack of customer and market information to supplies; lack of price transparency; regulatory barriers such as regulated end-user prices in some Member States (MS) and inefficient unbundling; differences in processes and standards between MSs as well as some particular barriers which apply only to cross border entrants. The Report concludes that the majority of the NRAs consider that the main barriers are related to information access (thus proposing setting up a data hub with reservations regarding data privacy protection), regulated end user prices, lack of considering innovation in regulation, licensing and contracting processes, burden created by data management process, complicated switching processes and heterogeneity of legislation across MSs, which is particularly important for small markets which may be less attractive for new entrants. The solution for the last is viewed in increased regional cooperation. CEER further intends to prepare Guidelines of Good Practices on removing barriers to entry for energy suppliers in EU retail energy markets and plans to issue it within 2016.



Serbia: Regulator Adopts Rulebook to Strengthen its Regulatory and Supervisory Role

by Vuk Stankovic (Belgrade)

On 1 April 2016, the Council of the Energy Agency of the Republic of Serbia ("EARS") adopted the Rulebook on proceedings, imposition of measures and registry of imposed measures (Rulebook). The aim of the Rulebook is to fully activate the regulatory and monitoring role of the Agency and to comply with provisions set forth in article 59 of Energy Law (OG No. 145/2014; "Law"). The Rulebook regulates the mechanism for further strengthening the supervisory functions of EARS towards energy subjects and their obligations. Namely, in case of non-performance of obligations prescribed by the Law, EARS may, within its competences, address to the system operator, the electricity and natural gas public suppliers as well as the other electricity or natural gas suppliers, admonition or warning, or initiate appropriate proceedings before the competent court. The imposed measures shall be published on the EARS' website and recorded in the Registry of imposed measures kept by EARS. The imposed measures shall be erased from the Registry one year after the date of imposition, whereas the warning shall be erased within three years after the date of its imposition.

Ukraine: Draft Law on Energy Regulator Passes First Reading in the Parliament

by Tetyana Vyshnevskya (Kiev)

On 12 April 2016, the draft law no. 2966-д on the National Energy and Utilities Regulatory Commission (the Draft) passed the first reading by the Parliament. The Draft was prepared in close cooperation with the Energy Community Secretariat with the view to establish an economically, financially and politically independent energy market regulator in Ukraine in accordance with the requirements of the Third Energy Package, and thus ensure stable and effective regulation of the sector. When enacted, the law is expected to considerably contribute to the finalisation of the gas market and electricity market reform as well as to the fulfilment of Ukraine's commitments under the Treaty Establishing the Energy Community. As of the moment the Draft is being prepared for the second reading by the Parliament.

E L E C T R I C I T Y

EU: ENTSO-E Launches Three Public Consultations on Network Codes Implementation

by Lazaros Sidiropoulos (Athens)

On 18 April 2016, ENTSO-E launched three different public consultations relating to the implementation of EU market network codes and guidelines. The first two consultations, on “Day Ahead Firmness Deadline” and on “Intraday Cross Zonal Capacity Gate opening and closure time”, relate to the implementation of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (CACM),

which has entered into force in August 2015. The third consultation refers to the “Harmonised Allocation Rules (HAR) for forward capacity allocation” and is part of the early implementation of the Network Code on Forward Capacity Allocation (NC FCA), which has been adopted by the Member States in October 2015 and is currently under scrutiny by the European Parliament and the European Council.

CACM Regulation sets out rules for calculating cross-border capacity, defining and reviewing bidding zones and operating day ahead and intraday markets. It sets for this purpose requirements to determine by when day-ahead cross-zonal capacity should become firm, known as the day-ahead firmness deadline (DAFD). Article 2(35) of the CACM Regulation defines the DAFD as “the point in time after which cross-zonal capacity becomes firm”. In the context of the consultation now running ENTSO-E published a consultation document presenting the common proposal developed by all TSOs regarding the development of a DAFD in accordance with Article 69 of the CACM Regulation. More precisely, the TSOs proposal is that the DAFD shall be half an hour before the day-ahead market gate closure time. The proposed DAFD shall serve the objectives of optimising the calculation and allocation of cross-zonal capacity and of contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union as it lays the ground for the development of a pan European firmness regime for day-ahead market.

The second consultation on the Intraday Cross-Zonal Gate Opening Times (IDCZGOT) and the Intraday Cross-Zonal Gate Closure Times (IDCZGCT) was launched by ENTSO-E also as part of the implementation of the CACM regulation in accordance with Article 59 (1) thereof. In this regard, ENTSO-E published a respective Proposal document developed by all TSOs, accompanied also by an Explanatory Document outlining the background and rationale for the gate opening and closure times being proposed. Article 2 (38) of the CACM Regulation defines the IDCZGOT as “the point in time when cross-zonal capacity between bidding zones is released for a given market time unit and a given bidding zone border”, while Article 2 (39) of the CACM Regulation defines the IDCZGCT as “the point in time where cross-zonal capacity allocation is no longer permitted for a given market time unit”. According the Proposal of the TSOs, the IDCZGOT shall be 22.00 market time day ahead, while the IDCZGCT shall be 60 minutes before the start of the relevant intraday market time unit

Finally, the third consultation on the “Harmonised Allocation Rules (HAR) for forward capacity allocation” relates to the implementation of the NC FCA. The NC FCA sets out rules regarding the type and quantity of transmission rights which can be allocated in forward markets, the way in which they are allocated and the way in which holders of transmission rights are compensated in case their right is curtailed. Although this Network Code has not yet been finalised and entered into force, the TSOs have decided to begin the early implementation of a number of projects related to this Code, one of which is also the harmonisation of long term allocation rules. In the context of this consultation, ENTSO-E has issued a draft of the HAR, comprising a main document and several border specific annexes, seeking for feedback from the stakeholders.

All three above public consultations run from 18 Apr 2016 to 18 May 2016.



more news on Electricity:

EU: Second Phase of REMIT Data Reporting Started

by Dimitris Nisanakis (Athens)

On 13 April 2016, ACER announced that the second phase of data reporting under the EU Regulation on wholesale energy market integrity and transparency (REMIT) started on the 7 April as planned. Following the first phase of ACER's data collection of wholesale energy market transactions, which began 7 October 2015, the second phase covers contracts concluded "Over-The-Counter", standard and non-standard supply contracts and transportation contracts from market participants, as well as reportable fundamental data from Transmission System Operators, LNG System Operators and Storage System Operators. The first phase of data reporting exceeded all expectations, with more than 1 million data records submitted to ACER daily since 7 October 2015. ACER has developed a system for the purpose of data collecting and reporting (ACER's REMIT Information System, ARIS), which shall help in assessing and monitoring wholesale energy markets in order to detect and prevent trading based on inside information and market manipulation. The NRAs from the 28 Member States along with ACER will observe the progress on reporting to ensure that all entities with reporting obligations take adequate steps to comply with these obligations.

EU: ENTSO-E Publishes R&D Monitoring Report 2015

by Tetyana Vyshnevskaya (Kiev)

The European Network of Transmission System Operators for Electricity (ENTSO-E) published in March 2016 the Research & Development (R&D) Monitoring Report 2015 (hereafter: the Report) regarding the implementation of its R&D Roadmap 2013-2022 (hereafter: the Roadmap). The purpose of the Report is to assess current R&D activities in the European electricity sector and inform national energy regulatory authorities, funding institutions and other stakeholders about the progress made in the completion of the objectives set out in the Roadmap, the ongoing R&D projects (33 at the European level and 38 at the national level), the R&D results to be implemented by 2020 (concerning improved grid planning, transmission grid technologies, secure and efficient management of the transmission system, integration of renewables and distributed energy resources) as well as the existing gaps and recommendations in this regard. The findings of the Report shall be taken into account during preparation of the R&D Implementation Plan 2017-2019 and an updated R&D roadmap to be published in 2016.



EU: ENTSO-E Publishes Agreement on Regional Cooperation

by Stefan Pavlovic (Belgrade)

On 1 March 2016, the European Network of Transmission System Operators for Electricity (ENTSO-E) published a multi-lateral agreement regarding Regional Security Coordination Initiatives (RSCIs) that was signed on 10 December 2015 in Brussels (Agreement). The Agreement is part of a well-defined process of regional cooperation and specifies the five services that all RSCSPs will offer: (i) operational planning security analysis, (ii) outage planning coordination, (iii) coordinated capacity allocation, (iv) short- and medium-term adequacy forecasts, (v) individual and common grid modelling and data set delivery). Three RSCSPs are being created for the Nordics, the Baltics, and Southeast Europe. ENTSO-E ensures interoperability. It is important to note that even with RSCSPs, TSOs remain in charge of security of supply, and the final operational decision-making, therefore, rests with them. For security reasons, the line of responsibility in system operation cannot be watered down. TSOs need to implement further steps in operational coordination in the European electricity system, in order to ensure cross-regional coordination. The signing of the Agreement was welcomed by ENTSO-E as a means of enhancement of regional cooperation in operational security planning and security analysis, and of ensurance of interoperability of RSCIs.

EU: Commission Sets up Expert Group for Electricity Interconnection Targets

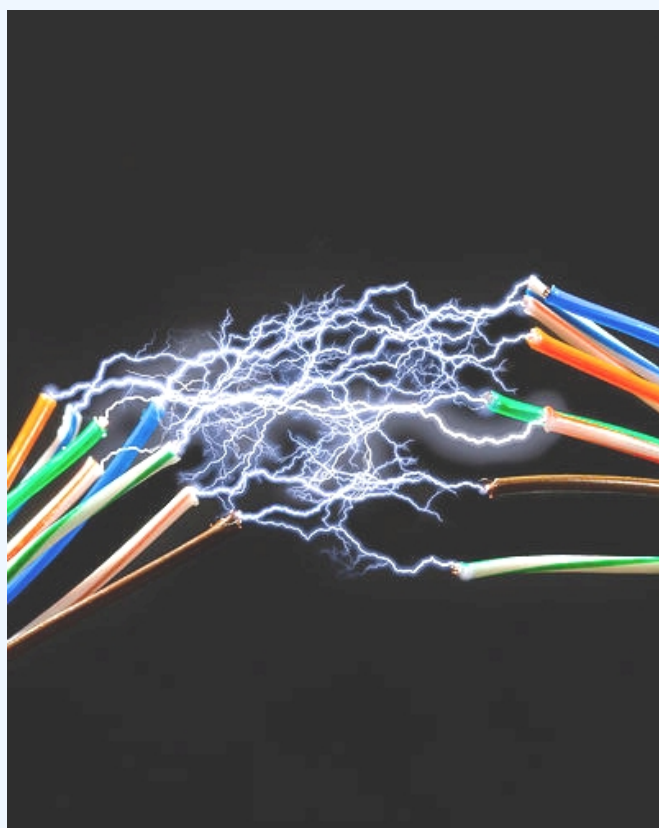
by Stefania Chatzichristofi (Athens)

On 9 March 2016, the European Commission issued a decision, which was then published in the Official Journal on 10 March 2016 (2016/C 94/02), concerning the creation of an expert group which shall provide the Commission and the regional cooperation structures with technical advice on how best to achieve the 10 % electricity interconnection target for 2020 and the 15 % respective target for 2030 which were set by means of a series of calls by the European Council and communications by European Commission starting from March 2014. The expert group shall consist of up to 15 members from ACER, the European Networks of Transmission System Operators particularly for Electricity, EU industry associations, research organisations with special focus on electricity and infrastructure as well as EU non governmental and international groups. The main objectives of this group shall be: i) to provide technical advice to the Commission in relation to the achievement of the interconnection target of 15% for 2030 while taking into account the costs and the commercial exchanges between regions and ii) to provide technical assistance if needed, in case the target of 10% for 2020 is not feasible and to propose ways of overcoming problems regarding financing of projects and granting procedures. All documents of the group will be available either in the register of expert groups either through a respective website link. The Commission decision for the creation of the expert group shall enter into force for a period of five years starting from the date of its adoption.

EnC: Third Monitoring Report on Western Balkans 6 Energy Connectivity Initiative

by *Stefan Pavlovic (Belgrade)*

On 31 March 2016, the Energy Community Secretariat published the third set of its monitoring reports on the developments in establishing a regional electricity market under the Western Balkans 6 Energy Connectivity Initiative (WB6). WB6 covers six Energy Community Contracting Parties, namely Albania, Bosnia and Herzegovina, FYR of Macedonia, Montenegro, Kosovo* and Serbia. The Monitoring Report includes six country reports on the progress of implementation of several energy soft measures covering market and institutional reforms at the respective six Contracting Parties. As the Paris Summit on 4 July 2016 approaches, nearly all WB6 countries now enter the most critical phase when they will have to act decisively to complete the overdue national tasks if they are to reach the targets agreed at the 2015 Vienna Summit of the Western Balkans 6 Initiative. Delays in the implementation of the national targets are becoming more visible. Nearly all Contracting Parties have missed the deadline to legally and functionally unbundle distribution system operation and supply of electricity. Regional activities have been initiated during this reporting period with respect to improving cross-border balancing cooperation and regional coupling of day-ahead markets. This requires stronger cooperation of all transmission system operators (TSOs) and all national regulatory authorities (NRAs) of the WB6 countries. This cooperation is to be formalised by the signing of a Memorandum of Understanding. Closer cooperation between Western Balkan countries and EU Member States, with the support of the European Commission and the Energy Community Secretariat, will also be needed to reach the regional targets.



Greece: Further Steps in Application of the Interruptibility Service

by *Mira Todorovic Symeonides (Athens)*

The interruptibility service, provided by the selected intensive energy consumers who commit to interrupt their consumption of electricity for an agreed period of time in case of need, is for the first time organized in Greece in accordance with the Ministerial Decision no. 184898 (OJ 2861/B/28.12.2015). Although introducing of this measure caused objection of the electricity producers, particularly those from RES, who will be charged for remuneration for these services, the required regulative procedures have progressed and the first auctions have been organized during the first quarter of 2016. Thus, on 25 February 2016 the Greek Energy Regulatory Authority (RAE) issued the Decision on Amendments to the Transmission System Operation Code (published in the OJ 697 B/2016 as of 21 March 2016) regulating the interruptibility load service. On 15 April 2016, RAE also launched a public consultation, which will last until 6 May 2016, on amendments to the Market Clearing Manual of the Transmission System Operation Code in order to regulate the clearing procedure, particularly the calculation of remuneration of the interruptibility consumers and the respective penalties in case of non-compliance with undertaken obligations. On 15 April 2016, the Greek electricity transmission system operator ADMIE published (after two public consultations launched on 23 March and 6 April 2016) the Rulebook on Auctions for Provision of Interruptibility Services.

Furthermore, on 23 March 2016, ADMIE issued a public invitation for participation in the first auctions for Interruptibility load services (ILS), which were to be provided in the period from 1 until 30 April 2016. The auction for two products (ILS 1 with 2 hours notification, maximum duration of 48 hours and maximum annual duration of 144 hours and ILS 2 with 5 minutes notification, maximum duration of 1 hour and maximum annual duration of 24 hours) was organised on 31 March 2016 and was open to all consumers listed in the Interruptibility Load Register (with capacity equal to or above 5MW per consumption site). On 31 March 2016, ADMIE amended the minimum capacity per consumption site from 5 to 3 MW in order to increase competition, thus enabling new registrations in the Interruptibility Load Register. The call for the second auction, scheduled for 27 April, was published on 12 April 2016.

Greece: Report on Compliance of Network Operator with Obligations for Guaranteed Services

by *Lazaros Sidiropoulos (Athens)*

On 21 March 2016, the Greek energy regulator RAE published a report regarding the compliance of the Greek electricity distribution network operator DEDDIE with its obligations under the Programme for Guaranteed Services of DEDDIE. This Programme includes obligations assumed by the network operator for certain services to be provided within a certain period of time, the breach of which results in payment of penalties to the customers. Among others, these services refer to issues such as connection to the network, installation of new meters and responding to complaints. The Greek incumbent energy supplier PPC applied since 2005 the Programme for Guaranteed Services which contained 10 guaranteed services. Since 1 April 2014, DEDDIE applies a revised Programme which includes 14 guaranteed services as per Decisions no. 665/2013 and 165/2014 of RAE. While this new Programme was initially foreseen to run until 31 December 2015, Decision no. 461/2015 of RAE extended its validity for a further period of one more year, until 31 December 2016.

Greece: RAE Issues Decisions on the Opening of the Electricity Market at the NII

by Lazaros Sidiropoulos (Athens)

On 15 April 2015, the energy regulator RAE announced the adoption of two Decisions, which were necessary in the context of the long-awaited opening of the electricity market at the Non-Interconnected Islands (NII) of Greece. Decision no. 46/2016 approves the methodology proposed by DEDDIE, which is the network operator at the NII, also in charge for the market operation there, as regards the method of estimation of the amounts of electricity to be charged to suppliers under consideration of the electricity consumed by their clients, on the one hand, and the electricity produced by local electricity producers, on the other hand, so as to proportionally allocate energy losses. Further, Decision no. 46/2016 approves the methodology proposed by DEDDIE as regards the method of estimation of the guarantees submitted by each supplier every semester to DEDDIE as a precondition for participation in the NII market. Both methodologies are meant to be of provisional character during the first period of application of the network code for NII, until respective detailed rulebooks and other necessary regulatory acts are developed.

Bulgaria: Introduction of a Centralised Market for Bilateral Contracts by the Bulgarian Energy Exchange

by Apostolos Christakoudis (Sofia)

On 22 March 2016, the Independent Bulgarian Energy Exchange (IBEX) announced that the company will expand its portfolio of services by introducing a centralised market for bilateral contracts. That shall provide new opportunities for all market participants enabling them to trade with long, medium and short-term contracts. For the achievement of these objectives, IBEX will be supported by the Bulgarian Energy Holding which is an affiliate of it. This support will consist in a capital increase by 460 000 BGN while the fixed capital of IBEX is already BGN 1 674 800. For the operation of the electronic trading platform for the contracts the affiliate of International Exchange, Inc., Trayport Limited, has been selected. Trayport is a leading provider of energy trading solutions to traders, brokers and exchanges worldwide. The name of the trading platform is GlobalVision Trading Trayport. The Trading System is an award-winning, multi-asset class electronic trading platform with a sophisticated matching engine and customisable front-end which is designed to enhance broker voice operations and facilitate an electronic hybrid brokerage model for the markets supporting an aggregated trading model.

Croatia: Consultation on Amendments to the Rules on Electricity Market Organisation

by Sanja Tolj Par (Zagreb)

On 15 April 2016, the Croatian Energy Market Operator (HROTE) announced the launch of a public consultation in the process of adoption of Amendments to the Rules on Organisation of the Electricity Market (Official Journal, 121/2015). Such amendments are adopted by the Croatian Energy Market Operator following the consent of the Croatian Energy Regulatory Agency and the opinions of the Croatian Transmission System Operator and the HEP – Distribution System Operator. Energy operators and interested stakeholders were invited to submit their comments, opinions and statements until 29 April 2016.



O I L & G A S

Croatia: New Regulations in the Oil and Gas Sector

by Sanja Tolj Par (Zagreb)

A series of new regulations has been recently introduced in the Croatian oil and gas sector. The Decision on the amount of tariff items for the public service of gas supply for the period 1 April 2016 to 31 December 2016 (Official Journal, 28/2016) has been adopted by the Croatian Energy Regulatory Agency setting the tariff system for the public service of gas supply for 2016. The Croatian Energy Regulatory Agency also adopted Amendments to the Methodology of determining the amount of tariff items for public service of gas supply and guaranteed supply (Official Journal, 25/2016). Furthermore, the Croatian Energy Regulatory Agency adopted the Decision on fees for gas market organisation (Official Journal, 23/2016) determining the amount and the method of collection of fees for organising the gas market of the Croatian Energy Market Operator.

On 25 March 2016, the Croatian Government adopted the Decision on the gas price at which the suppliers in the wholesale market are obliged to sell to suppliers in the public service of gas supply to household customers (Official Journal, 27/2016) setting the price at 0,1734 kn/kWh and the Decision on the gas price at which producers of natural gas produced in Croatia are obliged to sell to suppliers on the wholesale gas market (Official Journal, 27/2016) setting the price at 0,1369 kn/kWh.

The Croatian Chamber of Commerce adopted the Decision on the permitted amount of technological deficit in production, processing, handling, storage and transport of oil and natural gas, processing of oil and gas products, gas condensates, raw materials for the manufacture of lubricants and petroleum products, and natural gas distribution (Official Journal, 28/2016). Permitted technological deficits in relation to this Decision apply to technological losses and deficits incurred in the process of production, processing, handling, storage and transport of oil and natural gas, etc. as a result of the process and permissible errors in measurements, product characteristics and natural influences.



Moreover, the Deputy Minister of economy Zdeslav Matić announced at the 15. Gas Forum in Zagreb held on 14 April 2016 that the new strategy of energy development is to be adopted by the end of 2016. According to the Deputy Minister, Croatia's energy future lies in natural gas, which is why he also announced the upcoming adoption of the new Gas Market Act by the end of 2016. The Deputy Minister pointed out that, in relation to new gas exploration, it is clear that there will be no new exploitations this year. He also reiterated that the time is ripe for the construction of the LNG terminal on the Island of Krk.

Liberalisation of the natural gas market for households, which amounts to around 600 million cubic meters of gas annually representing about 25% of the overall natural gas market in Croatia, was also announced for the beginning of 2017. Croatian households have one of the lowest gas prices in the European Union, with only Romania and Hungary having lower gas prices, which is why the gas prices are expected to rise in the following years.

more news on Oil & Gas:

EU: Study on Enhancing the Bargaining Power of EU Buyers in the Wholesale Gas Markets

by Evridiki Evangelopoulou (Thessaloniki)

In April 2016, the European Commission published the final report of a study regarding the assessment of effects and impacts of collective purchasing and other arrangements to improve outcomes for buyers in EU wholesale natural gas markets. In the analysis Europe is divided into five regional gas markets. The distribution of observed market prices and characteristics, combined with economic theory of how markets work, suggest several possible channels for lowering prices in currently high-priced regions of the EU. In particular, the policy options compared with current market arrangements include: additional gas sellers, infrastructure, a less concentrated portfolio of sellers and collective purchasing of strategic reserves, as a possible tool for managing security of supply events. Especially, the policy of additional sellers establishes conditions such that new sellers enter the market to increase competition between sellers, reducing their individual bargaining power, while the policy of reducing the concentration of a portfolio of sellers facilitates access by smaller incumbents and new entrants. In the conclusion it is estimated that seller market power appears to be causing high prices and forgone consumer welfare, during normal market conditions, especially in the Baltics and Central Eastern Europe. It is also clear that there are potentially substantial benefits from additional sellers, better negotiation and better interconnected and integrated markets, all of which are well aligned with the direction of European gas policy and consistent with the development of a well-functioning market, while there are always the options of voluntary or mandatory collective purchasing.

Greece: Declaration of Intent on Cooperation with Cyprus and Israel on Prevention of Environmental Damages

by Sofia Athanasaki (Athens)

On 6 April 2016, a Joint Declaration of Intent for Cooperation in the Environmental Sector was signed between Greece, Cyprus and Israel confirming the importance of the strategic alliance and the strengthening of the cooperation of the abovementioned contracting parties, especially in the major issue of protection of the marine environment and the prevention of marine pollution that can be caused by ships, drilling or offshore hydrocarbons exploration activities and oil pipelines. Emphasis is placed on issues such as the assessment of the environmental impact of energy and fuel transmission projects, promotion of the green economy and sustainable development, combat of the desertification and climate change, and protection of biodiversity. The collaboration includes conducting of joint maritime pollution response exercises, sharing of best practices, scientific and technical information, and encouraging of partnerships between the public and private sectors, and joint research activities in the environmental field. At the same time, also a bilateral Declaration for Cooperation in the Environmental Sector was agreed between Greece and Israel, which focuses on the protection of the marine environment.

Montenegro: Update on the Offshore Hydrocarbons Exploration Procedures

by Stefan Pavlovic (Belgrade)

On 28 March 2016, the Ministry of Economy – Sector for Energy of Montenegro published a Presentation regarding the agreements for exploration and production of offshore hydrocarbons to be signed with the future concession holders ENI (Italy, operator with share of 50%) and Novatek (Russia, partner with share of 50%), as well as a draft decision on the award of the relevant concession agreement, a draft concession agreement, a draft joint operations agreement and a draft accounting agreement. The concession agreement for the production of hydrocarbons shall be signed with the future concession holders and shall regulate the relations between the Republic of Montenegro and the concession holders. The concession holders shall also sign two additional agreements, i.e. the joint operations agreement (regulating the relations between the partners of the joint venture and defining their rights and obligations) and the accounting agreement (regulating the methods of calculating the costs between the partners as well as the maximum costs that can be attributed to activities in Montenegro), which will become an integral part of the Concession agreement for production of hydrocarbons. The total area that is planned to be awarded to the future concession holders is 1228 km², while the duration of concession is split into two periods: the exploration period for a total duration of 7 years (2 stages, 4 years + 3 years); and the production period for a duration of 20 years (with possible renewal for further 10 years).

A recent activity in the context of the procedure of granting concessions for the offshore exploration and exploitation of hydrocarbons, which was initiated in 2013, was the Public Consultation on the Draft Report of the Strategic Environmental Impact Assessment launched on 28 December 2015 which lasted until 25 February 2016. Interested parties were invited to submit their comments to the Ministry of Economy and/or to attend a round table public discussion organised in February 2016 in Kotor and Bar.

Bulgaria: Public Consultation on Draft Acts on Natural Gas Balancing

by Gergana Hadjipanteleeva (Sofia)

On 11 March 2016, Bulgartransgaz EAD, in the capacity of a balancing party and an operator of the gas transmission system, launched public consultation on drafts of Balancing Rules on the Natural Gas Market, of a Daily Imbalance Charge Calculation Methodology and of a Contract for Natural Gas Purchase and Sale for Balancing Purposes (the Drafts). The public consultation was launched to meet the requirements for implementation of Regulation (EU) No. 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks. The initial term for submission of comments by interested parties (23 March 2016) was extended until 15 April 2016. Bulgartransgaz EAD will take into account all submitted comments in finalising the Drafts and then submit the latter for approval to the Energy and Water Regulatory Commission.

Poland: Public Consultation on Allocation Rules at the Interconnection Point Mallnow

by Piotr Kloc (Warsaw)

On 29 February 2016, Gas Transmission Operator GAZ-SYSTEM S.A. (OGP Gaz-System) and GASCADE Gastransport GmbH (GASCADE) launched a public consultation on maintaining the currently applicable allocation rules at the Interconnection Point Mallnow. The Commission Regulation (EU) 2015/703 establishing a network code on interoperability and data exchange rules ("INT NC") will come into force on 1 May 2016. Pursuant to Article 9 of INT NC, in respect of the allocation of gas quantities, the adjacent transmission system operators shall establish rules ensuring consistency between the allocated quantities at both sides of the interconnection point. The basic allocation rule foreseen by Article 9 (2) of INT NC is the use of an operational balancing account ("OBA-rule"). The application of the OBA-rule means that the quantities allocated to the network users at the connection point with the adjacent TSO shall be equal to the confirmed quantities. However, OGP Gaz-System and GASCADE consult with the market participants on maintaining the currently binding allocation rule at the intersystem connection point Mallnow in the direction Poland towards Germany. In order to maintain the current allocation rule, a public consultation is necessary as per Article 9 (4) of INT NC. The deadline for notifying objections is 29th of April 2016.

Ukraine: Amended Procedures for Obtaining Permit for Extraction Purposes

by Tetyana Vyshnevskaya (Kiev)

On 6 April 2016, the Cabinet of Ministers of Ukraine issued Resolution no. 277 on Amending Procedures Approved by the Resolutions of the Cabinet of Ministers of Ukraine no. 594 and 615 dated 30 May 2011 and Considering Void Certain Resolutions of the Cabinet of Ministers of Ukraine. Resolution no. 594 regulates the procedure for the auctioning of special permits for using ground under the surface and Resolution no. 615 is dedicated to the procedure of granting said permits. By means of Resolution no. 277 the Government intends to eliminate excessive regulation, specify and simplify procedures for obtaining permits for using ground under the surface for extraction purposes, make them more transparent and non-discriminative, create equal conditions and attract private investments in the hydrocarbons production in Ukraine in line with the provisions of Directive 94/22/EC on the conditions for granting and using authorisations for the prospection, exploration and production of hydrocarbons. Besides, the Government repealed thereby its Resolution no. 742 dated 15 July 1997 on Granting Special Permits for Using Ground under the Surface for Geological Research and Extraction of Strategically Important Mineral Resources as well as relevant amendments. The Resolution no. 277 came into force on 12 April 2016, although the provision on abolition of the state owned companies' prerogative to obtain a permit for geological research, research and commercial development, and extraction of mineral resources without an auction procedure shall become effective on 1 April 2017.



Ukraine: New Methodology for Calculation of Connection Tariffs for Gas Transmission and Distribution Networks

by Tetyana Vyshnevskaya (Kiev)

On 8 April 2016, the Resolution no. 3054 on Approval of a Methodology for Setting a Tariff for Connection to the Gas Transmission and Gas Distribution Networks, issued by the National Energy and Utilities Regulatory Commission (NEURC) on 24 December 2015, came into force. By this Resolution the NEURC aims to bring existing regulations in compliance with the requirements of the Law of Ukraine no. 329-VIII on Natural Gas Market, establish transparent rules and conditions for calculation of connection tariffs and other payments charged by gas transmission and distribution operators, as well as relevant thresholds. As a result of the entry into force of the Resolution no. 3054, the corresponding NEURC's Resolution no. 77 of 31 January 2013 became obsolete.

Ukraine: Ukrtransgaz Implements Operational Balancing Account

by Tetyana Vyshnevskaya (Kiev)

According to a statement of NJSC Naftogaz of Ukraine published on its website on 4 April 2016, PJSC Ukrtransgaz, the gas Transmission System Operator (TSO), is implementing as of 1 April 2016 an operational balancing account (OBA) with the TSOs of neighbouring countries, i.e. Slovakia (Budince), Poland (Hermanowice) and Hungary (Beregdaróc). The OBA shows the difference between the amount of gas ordered by suppliers and the amount of gas technologically transmitted by interstate pipelines, allowing for proper regulation of technological imbalances and reduction of financial risks of gas suppliers. Together with the recently enabled reverse flow (backhaul) of natural gas, the OBA is expected to contribute to the diversification of natural gas supply to Ukraine and the establishment of a competitive and liquid gas market in the country.

RENEWABLES

EnC: Albania, FYR of Macedonia and BiH Adopt National Action Plans

by Mira Todorovic Symeonides (Athens), Simonida Giannitsakis Sososlceva (Skopje) and Nebojsa Milanovic (Banja Luka)

On 12 April 2016, the Secretariat of the Energy Community announced that Albania, FYR of Macedonia and BiH rectified their breached in relation to their obligation to adopt their National Renewable Energy Action Plans (NREAP) which were identified in cases ECS 3/2014, 4/2014 and 5/2014. The BiH NREAP was published on 12 April, the Albanian one on 21 March and the FYR of Macedonia on 4 February 2016. In February 2014 the Secretariat had initiated dispute settlement procedures for failure of five Contracting Parties to adopt their NREAPs. The cases against Ukraine and Montenegro were closed as they adopted their NREAPs in October and December 2014 respectively. In May 2015 the cases for the rest three Contracting Parties were submitted to the Ministerial Council which on 16 October 2015, in its Decisions D/2015/03-05/MC-EnC, confirmed the failure of Albania, BiH and FYR of Macedonia to adopt their NREAPs and submit them to the EnC Secretariat.

The Albanian NREAP was adopted by the Albanian's Council of Ministers in January 2016. Now its English version is available on-line on the web page of the Energy Community.

On 30 March 2016, the Ministry Council of Bosnia and Herzegovina, upon recommendation of the Ministry of Foreign Trade and Economic Relationship, adopted the National Renewable Action Plan of Bosnia and Herzegovina. In line with the Treaty on the Establishment of the Energy Community, the Ministry Council of Bosnia and Herzegovina adopted on October 2012 Decision on Implementation Directive 2009/28/EC on promotion of use of energy from renewable sources. The Decision established a mandatory target on 40% of use of energy from renewable sources in the final consumption of energy and target on 10% use of energy from renewable sources in transport until 2020. In 2009, % on the final consumption of energy in Bosnia and Herzegovina 34 was from renewable energy sources. The Action Plan contains measures for reaching the RES targets in the final consumption of energy and estimations about the expected contribution and indicative directions for the participation of consumption of energy from the renewable energy sources (hydro plants, solar energy, wind energy and biofuel, separately).



FYR of Macedonia has prepared its draft Plan for the period 2014-2023 and submitted to the Secretariat for comments in June 2013. After receiving comments from the Secretariat the draft was finalised and sent for approval to the Government which requested additional comments and clarifications from different institutions. In June 2014 the Government refused to adopt the plan considering that the participation of the RES in the final consumption in 2020 proposed in the plan is not a realistic target compared to the RES participation in FYR of Macedonia in 2009 (the base year). Thus further energy consumption survey for households of the State Statistic Office was necessary to answer to this concern. Even though the new RES Action plan has been adopted in November 2015 by the Government and submitted to the EnC earlier this year, the Plan has not been accepted by the EnC. The main reason was the percentage of the use of renewable energy by the households. The adopted Action plan referred to 21% which is far below the one requested. The State Statistical Bureau, with a technical support by the IPA Program published a month ago the results of the use of biofuels by the households for 2014 and the results show higher use of biofuels by the households, than the percentages in the adopted RES Action Plan. The Government informed the EnC and undertook the obligation to adjust the data in the Action plan. In order for the Government to give the precise percentages as well as the predictions, it will be necessary for the Bureau of Statistics to undertake statistical operations for correcting the data in the previous years, reaching 2009 as a starting year used in the Action Plan. The corrected and updated RES Action Plan is expected to be finalised, adopted and submitted to EEC by the end of 2016.

more news on Renewables:



EU: Study on Current and Future Heating/Cooling Fuel Deployment

by *Stefania Chatzichristofi (Athens)*

In March 2016, the European Commission published a study on the analysis of current and future (2020-2030) Heating/Cooling Fuel Deployment regarding both fossil and renewables. The study focuses mainly on providing a comprehensive picture of the current situation of the EU's H/C sector as well as possible future trajectories until 2020 and 2030 by taking into consideration that the official data is not always available or is often incomplete. The study comprises an executive summary and two work packages: the first one regarding the final energy consumption for the year 2012 and the second concerning the evaluation of the technologies in 2012. The study aims at developing a detailed energy balance for the H/C sector by also providing an overview of the H/C conversion technologies currently in use throughout EU Member States plus Norway, Switzerland and Iceland, evaluating future trajectories for the diffusion of renewable energy sources in H/C until 2020 and 2030 based on scenario analysis, assessing the economic impacts of the faster deployment of RES, identifying the main barriers for their diffusion and providing policy recommendations.

Greece: Announcements on Unimplemented RES Projects and on Available Power Margin for P/V at Crete

by *Stefania Chatzichristofi (Athens)*

On 8 April 2016, the Independent Power Transmission Operator (ADMIE) announced a preliminary list of power plants from RES and CHP in its area of competence, whose Final Connection Offer shall expire automatically due to non-fulfillment of the provisions of Laws 4152/2013 and 4342/2015, namely the failure of the investors to submit the required letter of guarantee. The owners of the power stations included in the list shall not have the right to submit a new application for Final Connection offer before 1 February 2017. Further, on 11 April 2016, ADMIE published a supplementary preliminary list of additional power stations whose Final Connection Offer ceases that were omitted by mistake from the previous list.

Moreover, in the same direction, on 1 April 2016, the Greek Electricity Distribution Network Operator (DEDDIE), as an operator of the non-interconnected islands, announced a provisional table with projects in its area of competence, for which the Final Connection Offers issued before 1.2.2016 shall cease due to non-submission of the required letter of guarantee. Further, on 8 April 2016 DEDDIE issued the final list with its projects. In addition to the above, on 13 April 2016 DEDDIE also announced that from the current power margin for P/V in the island of Crete which is equal to 102.042 KW, a number of 4.635,03 KW is available for applications. Also, in the absence of interest by more investors there are only 99 pending applications for domestic rooftop PV systems with total power 893,69KW that shall follow the process of the respective Connection Offers.

Ukraine: Procedure for Determination of Ratio of Ukrainian Equipment Used for Construction of RES Installations

by *Tetyana Vyshnevskya (Kiev)*

On 10 December 2015, the National Energy and Utilities Regulatory Commission (NEURC) issued Resolution no. 2932 on approval of the procedure for determination of the ratio of using Ukraine-manufactured equipment at power facilities including construction stages of power facilities (start-up complexes) generating electricity from alternative energy sources (except for blast-furnace and cooking gas, and using hydro energy – only micro, mini and small hydropower stations), and establishing the relevant increment to the "green" tariff, which came into force on 26 February 2016. The purpose of the Resolution is to bring existing regulations in compliance with the Law of Ukraine no. 514-VIII on Amending Certain Laws of Ukraine Concerning Ensuring of Competitive Conditions for Electricity Production from Alternative Energy Sources, and provide relevant RES developers with a mechanism to prove their eligibility for an incentive (5-10% increment to a feed-in tariff) for using Ukrainian equipment during construction of RES installations commissioned between 1 July 2015 and 31 December 2024. By this Resolution the NEURC abolished its resolution no. 744 dated 27 June 2013 on the procedure for determination of the local content requirement and amendments thereto.

COMPETITION - STATE AID

EU: Commission's Interim Report on Electricity Capacity Mechanisms

by Mira Todorovic Symeonides (Athens)

On 13 April 2016, the European Commission published its Interim Report on the Sector Inquiry on Electricity Mechanism, accompanied by a Commission Staff Working Document and a Fact Sheet with invitation to the public to submit views to the Interim Report. The Report shows that, although capacity mechanisms increase security of electricity, in order to avoid that they contribute to distortion of competition and increase of electricity prices, the Member States (MSs) should first perform a thorough assessment of the actual need for capacity mechanisms and on their best cost-effective design. In April 2015, the Commission launched a state aid sector inquiry with the aim to examine whether the capacity mechanisms applied in the MSs ensure sufficient electricity supply without distorting competition or trade. During the one year of inquiry the Commission has gathered information from over 120 participants from 11 MSs.



The Staff Working Document presents the inquiry's findings in more details. It provides the background for the introduction of the capacity mechanisms, the concerns of the MSs, the current state of the electricity markets and the expected future adequacy problems. Further, it presents a number of choices regarding the design of capacity mechanisms, describes their current and planned design in the MSs and provides an assessment, within the framework of State aid rules, of the six main types of capacity mechanisms.

The Commission found 28 capacity mechanisms which can be categorised in six different types. They can be broadly divided into a) targeted mechanisms which only benefit specific operators (tenders for new capacity, strategic reserves and Interruptibility schemes) and b) market-wide mechanisms which are open to participation from all categories of capacity providers (central buyer obligations, de-central obligations and capacity payments). Almost 2/3 of the implemented mechanisms are targeted mechanisms, while most of the currently planned mechanisms are market-wide. The most common type currently implemented is a strategic reserve capacity mechanism by which the State pays a specific amount to power plants, not for actually delivered electricity, but for their availability in case of need.

The inquiry shows that many currently applicable mechanisms have been established without prior assessment whether they are actually needed. Almost half of the studied MSs have not established in advance what the appropriate level of supply security is for the respective MS. Many assessments take into consideration only the national market. There may be a need to harmonise among MSs the method to identify problems and calculate risks related to capacity mechanisms. Other problems identified in the Report include the method of determining of the price paid for electricity capacity (whether it is determined through a competitive process, regulated or bilaterally negotiated with the provider) which may lead to overpayment of the capacity provider which results in burdening consumers with unnecessary payments. Many capacity mechanisms limit the participation to certain categories of capacity providers and rarely allow providers from other MSs to participate in national capacity mechanisms, both of which affect and may increase the price paid for the capacity. In this way the capacity mechanism may distort competition and lead to higher electricity prices.

The Commission now invites the MSs and other interested parties to submit comments on the Interim Report and the annexed staff working document by 6 July 2016. After receiving the comments the Commission will issue a final report whose conclusions will also be used for proposing legislative changes to the electricity market design, which are currently being prepared by the Commission.

more news on Competition - State Aid:

EU: Attorney General Interprets Conditions on Exemption from Notification Obligation

by Viktoria Chatzara (Athens)

On 17 March 2016, the Attorney General, Mr. Nils Wahl, published his opinion on the questions for a preliminary ruling addressed to the Court of Justice of the European Union (CJEU) by the Federal Court for Tax Affairs of Austria. The case in question referred to a petition for return of energy tax submitted to the competent Austrian Authorities by a company providing services, which was denied on the basis of a new Law regulating the issue for 2011. The Law regulating energy tax returns was initially submitted by Austria to the European Commission, in accordance with the applicable EU Law provisions on exemptions from the obligation to submit prior notification of a state aid scheme; its amendment however, which was applied from the year 2011, was not timely submitted to the Commission, as described in the same EU provisions. According to the Attorney General, the prior notification obligation is the milestone of the system of state aid control by the Commission; therefore, all exemptions from it must be strictly interpreted, whereas each Member State is responsible to prove that all the necessary conditions for the exemption have been met. As such, the Attorney General is of the opinion that the CJEU's ruling on the Austrian court's questions must be that if a state aid scheme does not include a specific reference to the applicable EU provisions (as explicitly required by them), it does not fulfil the conditions to be exempted from the notification obligation. Moreover, a state aid scheme in the form of reduction of the energy tax may be exempted from the notification obligation, provided that the beneficiary pays at least the minimum tax rates set by the relevant EU Directive. Last but not least, a state aid scheme may be exempted from the notification obligation only if its duration is up to 10 years, regardless of whether it is explicitly mentioned in the text of the relevant national legislation.

EU: Commission Finds State Aid for Finnish LNG Terminal Compatible with the Single Market

by Viktoria Chatzara (Athens)

On 18 March 2016, the European Commission issued a decision declaring the state aid for investment costs with respect to the building of a small scale liquefied natural gas (LNG) terminal at Hamina, on Finland's South-East coast, in line with EU's state aid rules and the functioning of the Single Market. According to the project, Finland will provide a public funding in the amount of € 27,660,000 covering 30% of the total investment cost for the establishment of the above mentioned LNG terminal, which is part of a broader plan to create a network of small LNG terminals aiming at offering LNG fuelling stations for ships and ensuring an additional source of gas for Finland. Taking into account that currently there are no LNG terminals in Finland, which is dependent solely on one source for its gas imports, and that the project could not have been carried out without public funding, the Commission concluded that the state aid at hand is in line with the 2014 Environmental Protection and Energy State Aid Guidelines, since it will improve the security of energy supply in Finland. Furthermore, the establishment of the LNG terminal is expected to contribute to the reduction of carbon dioxide emissions and, thus, to the fulfilment of the relevant EU energy and environmental objectives. Last but not least, since the operator of the terminal will bear the obligation to provide access to interested users at a regulated price, it will be ensured that the aid is limited to the minimum necessary and, therefore, the project will not cause any undue distortions of competition and trade within the Single Market.



ENERGY INFRASTRUCTURE

Greece/Albania: Developments regarding the Trans Adriatic Pipeline (TAP)

by Dimitris Nisanakis (Athens) and Odisea Xhelita (Tirana)

On 31 March 2016, the Albanian energy regulator ERE issued the Decision No. 31/2016, on the final certification of TAP AG as an Independent Transmission Operator (ITO) of Natural Gas. ERE's decision has been taken having regard to the Directive 2009/73/EC of the European Parliament and the Council of 13 July 2009, the Final Joint Opinion of the Energy Regulators on TAP AG's exemption Application of June 2013, the Energy Regulator's Preliminary Decision on the certification of TAP AG, the Commission Opinion of 28 January 2016 on the Energy Regulator's Preliminary Decision on the certification of TAP AG, and the Energy Community Secretariat Opinion of 3 February 2016 on the Albanian Energy Regulator's Preliminary Decision on the certification of TAP AG.

The "Trans Adriatic Pipeline" (TAP), as a major new project aimed to facilitate the transportation of gas from the gas fields of Azerbaijan to Greece and, through Albania, to Italy and other European gas markets. The project is currently in its implementation phase as TAP AG is preparing for the construction of the pipeline.

Summarising the relevant conclusions, the present final certification decision is adopted subject to the fulfillment by TAP AG of the following conditions and obligations:



- ◆ full compliance with the requirements set out in Chapter IV of the Gas Directive and with the current functional unbundling regime in place at TAP AG approved by the Authorities;
- ◆ fulfillment of the remaining requirements set out in Chapter IV of the Gas Directive;
- ◆ review of the Compliance Programme in accordance with the obligations imposed by the Authorities on TAP AG;
- ◆ notification, in due time, to the Authorities of any change in its ownership structure that would result in a person or persons acquiring control of TAP AG;
- ◆ notification, in due time, to the Authorities of any change in the Shareholders Agreement;
- ◆ application of the independence rules under Articles 19(3), 19(4), 19(5) and 19(7) of the Gas Directive to TAP AG's staff and management.

The final certification decision came into force on 31 March 2016, it has been published to ERE's website of and was published on 28 April 2016 in the Official Gazette.

Respectively, on 13 April 2016, the Greek energy regulator RAE published the decision no. 45/2016 regarding the certification of TAP AG as an independent transmission operator of the Trans Adriatic Pipeline (TAP). Along with the two National Regulatory Authorities of Albania (ERE) and Italy (AEEGSI), this decision concludes the certification of TAP AG as an independent transmission operator for TAP, the pipeline that will bring Azeri gas to Italy, through Greece and Albania. The certification of TAP AG represents an additional step (following the approval of the Tariff Code and the Compliance Programme) towards the realisation of an infrastructure that will increase competition and diversification of gas sources as well as security of energy supply in the European natural gas market.

Moreover, in the period between 16 March and 1 April 2016, a series of Ministerial Decisions was published defining the route of the TAP through Greece. The ten Ministerial Decisions correspond respectively to the ten prefectures of northern Greece which will be crossed by the TAP, i.e. Imathia, Drama, Rodopi, Pella, Kastoria, Xanthi, Kavala, Florina, Kozani and Kilkis.

more news on Energy Infrastructure:

EU: Project Data Collection for Ten Year Network Development Plan 2017

by Paraskevi Charalampidi (Athens)

On 18 March 2016, ENTSO-G initiated a data collection project for the Ten Year Network Development Plan (TYNDP) 2017. The TYNDP has an important role in the European gas system development which is a vital instrument in achieving European energy objectives. ENTSO-G presented the data collection process for infrastructure projects for TYNDP 2017 on a five Stakeholders Joint Working Session. On 11 April 2016, ENTSO-G launched the collection process. Those promoters who want to be part of TYNDP 2017 have to submit their projects in the "Project Submission Phase" until 8 May 2016. Cooperation between promoters is necessary to ensure a thorough TYNDP analysis. To ease this cooperation, ENTSO-G will open the "Promoters Data Consistency Check" Phase. The collection of data will be exclusively through the ENTSO-G Project Data Portal.



EU: Financing of Key EU Energy Infrastructure Projects under CEF

by Dafni Siopi (Thessaloniki)

On 18 March 2016, the European Commission opened a call for proposals under the Connecting Europe Facility (CEF) to help finance key EU energy infrastructure projects. This call for proposals aims to enable projects of common interest to be prepared and implemented within the framework of the trans-European networks policy in the energy sector. In particular, the call shall contribute to supporting energy infrastructure projects of common interest that have significant societal benefits and that ensure greater solidarity among Member States, but which do not receive adequate financing from the market. The indicative amount to be allocated on the basis of this call for proposals to projects of common interest in the field of trans-European energy infrastructure is €200 million. This EU money is expected to act as a catalyst to speed up the implementation of the projects and attract investment from the private and public sectors.

Romania: Urgency Ordinance on the Acceleration of Implementation of TEN-T projects

by Corina Bădiceanu (Bucharest)

On 18 March 2016, an Urgency Ordinance regarding certain measures for the acceleration of the implementation of Trans-European infrastructure projects (TEN-T projects), as well as for the amendment of other normative acts was published in the Official Gazette under the no. 7/2016. According to this Urgency Ordinance, the building licenses, urban planning certificates, notices and agreements necessary for the Trans-European infrastructure projects valid at the time the Urgency Ordinance was enacted remain valid during the entire period of implementation of the said projects. The normative act also includes provisions regarding the content of the feasibility studies, the application of the expropriation procedure for certain lands as well as the amounts of the applicable sanctions. The provisions of the Urgency Ordinance are expected to facilitate the implementation of the TEN-T projects, the Ten-T policy being one of the high European added values, with important consequences on mobility of goods and passengers within the European Union and benefiting key sectors such as transportation, interconnectivity and energy.



Montenegro: Draft Rules for Drawing up and Monitoring Implementation of Ten-Year Network Development Plans

by Stefan Pavlovic (Belgrade)

On 8 April 2016, the Regulatory Agency for Energy of Montenegro (RAE) published a set of draft rules for drawing up and monitoring the implementation of ten-year network development plans for the electricity transmission and distribution networks, and launched a public consultation regarding the mentioned draft rules. Interested parties should submit their comments and suggestions by email to the address regagen@t-com.me before Thursday 28 April 2016, when the public consultation ends. Along with the mentioned way for submitting feedback, two round table discussions were also planned to be organised for the same purpose on 27 April 2016, with a focus on the draft rules regarding the transmission network, and on 28 April 2016, with a focus on the draft rules regarding the distribution network.

ENERGY EFFICIENCY

Poland: Draft Energy Efficiency Act Submitted to the Parliament

by Piotr Kloc (Warsaw)

On 14 April 2016, a governmental draft Energy Efficiency Act was submitted to the Polish Parliament. The draft Act aims to transpose Energy Efficiency Directive 2012/27/EU into national legislation. It will replace the energy efficiency act from 2011 commonly associated with "white certificates". The new Act is expected to come into force in 30 days after its publication. The draft Act is a response to the call of the European Commission for full adoption of 2012/27/EU Directive, which obliges the EU Members to achieve specific levels of energy efficiency. Several tools have been provided to secure the European efficiency obligations.

The draft act foresees to gradually withdraw from the "white certificates system". The system will not be abandoned at once, as according to the justification of the Draft, it is a good motivation tool of improving the energy efficiency. The current Efficiency Act from 2011 obliges distributors of energy to present before the President of the Energy Regulatory Office certificates which confirm the efficiency levels. If such certificates cannot be provided, distributors have to pay a substitute charge.

The public tenders for energy distributors will be replaced by an application procedure before the President of the Energy Regulatory Office. So far, the President chooses, by means of a tender, projects implementing energy efficiency measures, for which the white certificates are issued. The new system of applications will make the procedure faster and easier for entrepreneurs to obtain white certificates. The change reflects negative experiences from tenders gained in years 2013-2015. The application for obtaining a white certificate can be made via electronic devices, which obviously makes it more convenient for the interested. Distributors of energy are obliged to maintain the energy savings connected with the consumption of energy on the level of 1,5 % annual volume sales.

The Ministry of Energy will issue a 3-year national plan referring to the activities of energy efficiency. The plan shall comprise: strategies in particular economic sectors, national goal in the scope of energy efficiency, current efficiency situation or report of conducted audit of buildings in terms of energy efficiency. The plan would be sent to the European Commission for confirmation until 30th April 2017.

The Act implements an external audit system for entrepreneurs employing over 250 employees and achieving an annual turnover over approx. 12,5 million Euros. The entrepreneurs will be obliged to conduct an external audit of energy efficiency every 4 years. The audit should be conducted by an independent entity which has necessary qualifications for it. The audit shall apply to the detailed energy consumption: in the building, its particular parts, industrial installations, as well as, in transport. A report from the audit shall be delivered to the President of the Energy Regulatory Office within 30 days from its carrying out. Non-fulfillment of those obligations may result in the payment of an administrative penalty to be imposed by the President. The amount of a penalty may not exceed 10% of the annual turnover of each entrepreneur.



more news on Energy Efficiency:

EU: New Funding Available for Energy Efficient Projects

by Evridiki Evangelopoulou (Thessaloniki)

On 5 April 2016, a new call regarding funding available for innovative energy efficient technology projects was announced. The funding will be available under Horizon 2020, the EU's research and innovation programme, which was officially adopted on 13 October 2015 and a total amount of €194 million is going to be allocated for 2016 and 2017. Energy research under Horizon 2020 aims to support the transition to a secure, clean and efficient energy system for Europe. Namely, the Horizon 2020 Energy Efficiency call 2016-2017 provides support for innovation through research and demonstration of more energy-efficient technologies and solutions, as well as market uptake measures to remove market and governance barriers by addressing financing, regulations and the improvement of skills and knowledge. It focuses on five basic areas, i.e. Consumers, Buildings, Heating and Cooling, Industry, Services and Products and Finance for Sustainable Energy. The deadline to apply is 15 September 2016.

EU: Assessment of the Implications for the European Union of the Paris Climate Agreement

by Dafni Siopi (Thessaloniki)

On 2 March 2016, the European Commission presented an assessment of the implication for the European Union of the new global climate agreement adopted in Paris in December 2015. The Paris Agreement sets out a global action plan to put the world on track to avoid dangerous climate change acknowledging that this will require a global peaking of greenhouse gas emissions as soon as possible and achieving climate neutrality in the second half of this century. The EU needs to consolidate the enabling environment for the transition to a low carbon economy through a wide range of interacting policies and instruments reflected under the Energy Union Strategy, one of the 10 priorities of the Juncker Commission. The Energy Union Project, with all its dimensions, provides a broader framework within which the EU can provide the right enabling environment for the energy transition. The main impact of these climate plans is not only to scale up investment, but also to rebalance it across fuels and sectors and across supply and demand.



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