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OIL & GAS

EU: Court of Justice Judgement for the Poland Case T 883/16

On 21 July 2017, the press release no. 83/17 was published regarding the judgement of the ECJ for the Case T 883/16 by which the President of the General Court rejected the applications of Poland for a stay of execution of the Commission's Decision by which is defined that 50% of the transport capacities of the OPAL gas pipeline are to be subject to a bidding procedure. According to the Judgement, the applicants have failed to prove that the harm suffered as a result of the contested Decision is serious and irreparable and therefore the Decision remains applicable until delivery of the judgments on its lawfulness.

Energy Markets **what's new...**

[EU: Study on the Impact Assessment of the EU Commission of the Electricity Market Design Initiative Published](#)

by Dafni Siopi, (Athens)

On June 2017, the Energy Economy Environment Modelling Lab, E3MLab/ICCS issued a modelling study regarding the impact assessment of the European Commission of the Electricity Market Design Initiative. The study uses modelling techniques based on the PRIMES model and newly developed sub-models for the electricity markets to contribute to the impact assessment. It consists of two parts: the first part focuses on electricity market operation assuming the sequential operation of organised markets at Day-Ahead, intraday and real time timeframes, while the second part focuses on the behaviour of investors and assesses the ability of markets to sustain adequate levels of investments in future years amid considerable uncertainties related to the transition. The purpose is to simulate dynamic projections of the EU electricity markets with and without the implementation of capacity mechanisms and place particular focus on the role of cross-border participation in national capacity mechanisms.



Electricity what's new...

Albania: ERE's Decision on the Closed Distribution Systems of Electricity

by *Odisea Xhelita, (Tirana)*

On 27 July 2017, the Energy Regulatory Entity (ERE) adopted its Decision No.110/2017, by which it sets the rules for the Closed Distribution Systems (CDS) of the electricity (the Regulation), after considering the opinions of the Competition Authority and the Port Authority of Durrës. The purpose of this Regulation is to determine the terms and procedures to be applied by ERE for the determination/classification of a CDS, licensing/registration of the market players meeting the conditions for a CDS, including the revocation procedures of such licenses. Further, the conditions to be met for obtaining the status of CDS consist on the ownership of the assets, on having a connection and a measurement point with the Electric Energy Distribution Operator (EEDO), as well as the proportionality of the consumed energy with the covered area. ERE's Decision No.97/2017 came into force on 27 July 2017 and was published on the Official Gazette on 9 August 2017.

Albania: ERE's Decision on Financial Guarantees for the Market Players

by *Odisea Xhelita, (Tirana)*

On 27 July 2017, the Energy Regulatory Entity (ERE) adopted Decision No.115/2017 regarding the financial guarantees to be applied on the Electric Energy Market (EEM), upon the registration of market players (the Regulation), after considering the opinions of the Competition Authority and the Electric Energy Distribution Operator (EEDO). Before registration, each market player of EEM should deposit on an Albanian bank a financial guarantee with beneficiary the Transmission System Operator (TSO) for the provision of the transmission service. The deposited financial guarantee shall be equal to 5% of the forecasted monthly physical program of the respective market player multiplied by 10 ALL/kWh. Nevertheless, such financial guarantee may not exceed the 20 million ALL neither may be less than 500 thousand ALL. ERE's Decision No.115/2017 came into force on 27 July 2017, and was published on the Official Gazette on 9 August 2017.

Albania: ERE's Decision on Transparency Program

by *Odisea Xhelita, (Tirana)*

On July 2017, the Albanian Energy Regulatory Entity (ERE) by virtue of its Decision No.112/2017, reviewed its Transparency Program (TP). According to the approved TP, ERE shall make available, on its website (www.ere.gov.al) and on its receptions any information and data regarding its organizational structure, the primary and secondary legislation, including the internal regulations and any other act with impact on the general public, the procedures of applications and of appeals, its location, the working hours and the appointed Information's Coordinator, as it concerns the high officials, their education, qualifications, the election, the decision-making procedures and the respective salaries, as it concerns the other employees, the payroll structures, the monitoring/ control mechanisms, its budget and the spending plan, the procurement procedures, the services which has competence to provide. ERE's Decision No.112/2017 came into force on July 27, 2017, and was published on the Official Gazette on 9 August 2017.

Greece/ADMIE: Transfer of Shares of ADMIE Holding to DES ADMIE

by *Stefania Chatzichristofi, (Athens)*

On 24 July 2017, the Greek electricity TSO, ADMIE S.A announced that the two transactions regarding the transfer of shares of ADMIE Holding S.A were registered by the Athens Stock Exchange. Following this registration, the Hellenic Republic owns 51% rate in ADMIE S.A. through DES ADMIE S.A., with the transfer of shares of ADMIE HOLDINGS Inc. owned by the Hellenic Republic and the Hellenic Republic Asset Development Fund S.A. The aforementioned procedure is in line with the article 142 para. 2 of the Law no. 4389/2016 as amended by the Law no. 4467/2017.

Greece: Invitation for a Public Consultation on the Provision of Services regarding NOME Auctions

by *Andriani Kantilleraki, (Athens)*

On 9 August 2017, the Greek Electricity Market Operator, LAGIE issued a press release regarding a public consultation on the provision of services for the electronic organization of auctions concerning electronic term products according to the provisions of law 4389/2016. LAGIE was to examine any remarks regarding the procedure and issue an announcement containing information of the stakeholders who took part in the consultation alongside with the acceptance or the justified dismissal of the remarks. The consultation lasted sixteen days (starting 9 August 2017) and was officially completed on Thursday 24 August 2017.

Serbia: AERS Approves Rules on the Operation of the Electricity Distribution System

by *Stefan Pavlovic, (Belgrade)*

On 19 July 2017, the Council of the Energy Regulatory Agency of the Republic of Serbia ("AERS") on its 374th session adopted its decision no. 382/2017-D-01 on the approval of Rules on Operation of the Electricity Distribution System ("Rules"), which were submitted to AERS by the Serbian electricity DSO "EPS Distribucija" ("DSO"). The Rules adopted on 13 July 2017 by the DSO were prepared by a team of experts from AERS as well as the DSO and regulate the relation between the DSO and the users of this system and are harmonised with the Energy Law of the Republic of Serbia. Among other things, the Rules shall enable (i) a rational development and efficient use of the system; (ii) a free access and an equal position of the system users. It should be noted that in regard to the previous rules, changes were made regarding (i) technical conditions of connection to the system; (ii) monitoring of the quality of electricity; and (iii) the measurement of electricity. The Rules came into force on the 8th day as of publication on the DSO website.

Serbia: AERS Certifies EMS as the Electricity TSO

by *Stefan Pavlovic, (Belgrade)*

On 4 August 2017, the Council of the Energy Regulatory Agency of the Republic of Serbia ("AERS") on its 376th session adopted its decision no. 312-3/2016-C-I on the certification of JSC Elektromreža Srbije ("EMS") as the Serbian electricity TSO. As a review of all steps in this certification procedure, the concise timeline of the most important events that took place shall be presented as follows: (i) on 25



October 2016, EMS submitted request for certification to AERS; (ii) on 26 January 2017, AERS issued decision which awarded certificate to EMS, with deadline of twelve (12) months prescribed to EMS to undertake all necessary actions before competent authorities of the Republic of Serbia in order to ensure independence as TSO and to register its ownership rights on the objects of which the electricity transmission system is consisted of and to provide additional necessary documents; (iii) on 13 February 2017, AERS submitted, in accordance with the Energy Law of the Republic of Serbia, the decision dated on 26 January 2017 to the Energy Community Secretariat ("Secretariat") in order to obtain Secretariat's opinion; (iv) on 26 June 2017, the Secretariat published its opinion no. 3/17 dated on 15 June 2017 regarding AERS decision. The Secretariat concluded that EMS is not unbundled in line with the ownership unbundling model as prescribed by Article 9 of the Electricity Directive and that EMS is still directly and indirectly controlled by stakeholders active in the production and/or supply of natural gas or electricity; (v) on 26 June 2017, the Law on Ministries of Republic of Serbia was amended so that the independence of TSO was ensured; (vi) on 27 July 2017, EMS notified AERS that all necessary actions before competent authorities regarding

registration of ownership rights were taken and that proofs of registered ownership rights shall be delivered as soon as obtained. Taking into consideration all taken actions by EMS, AERS decided as stated above. Both the AERS decision on certification dated on 4 August 2017 as well as the Secretariat's opinion no. 3/17 dated on 15 June 2017 are published in the Official Gazette of Republic of Serbia no. 76/17 of 9 August 2017.

Ukraine: NEURC Approves Electricity TSO Certification Procedure and New Licensing Conditions for Electricity Distribution

by *Tetyana Vyshnevska, (Kiev)*

On 10 August 2017, the National Energy and Utilities Regulatory Commission (NEURC) issued Resolution No. 1016 on Approval of the Procedure for Certification of the Electricity Transmission System Operator (TSO). The main objective of the Procedure is to make sure the future TSO complies with the unbundling and independence requirements stipulated by the Electricity Market Law. For this purpose it lays down the requirements for data, information and documents to be submitted to NEURC by a potential TSO, details the procedure for making a preliminary and final decision on TSO's certification with due account of opinion issued by the Energy Community Secretariat, and determines the pertinent timeframes and fees. Moreover, on 25 July 2017, NEURC issued Resolution No. 932, approving the Licensing Conditions for Business Activity of Electricity Distribution. The new licensing conditions determine a comprehensive list of documents to be attached to the license application as well as an exhaustive list of requirements, conditions and rules to be complied with when carrying out the licensed activities, including, among other, the requirements on mandatory audit of annual financial reports and on procurement of works, goods and services in accordance with the Public Procurement Law. The licensees performing electricity distribution shall bring their operations in line with the new rules and submit to NEURC all the required documents and information within six months after the Resolution's entry into force date. Both Resolutions No. 1016 and No. 932 will come into force on the day following their official publication.

Oil & Gas what's new...

EU/ENTSOG: Incremental Capacity Demand Assessment Reports

by Tetyana Vyshnevska, (Kiev)

On 27 July 2017, the European Network of Transmission System Operators for Gas (ENTSOG) published a set of Demand Assessment Reports of the Transmission System Operators (TSOs) for the first Incremental Capacity cycle, in accordance with the requirements of the Commission Regulation (EU) 2017/459 establishing a network code on capacity allocation mechanisms in gas transmission systems (the amended CAM NC). The main objective of the assessment, carried out during April-July 2017, was to evaluate the potential for incremental capacity projects from the market perspective, based on non-binding demand indications for incremental capacity at interconnection points submitted to the TSOs by network users. According to the findings of the Reports, non-binding demand indications were submitted at 17 market areas/interconnection points and, in regard to 9 of those, respective TSOs will have to initiate technical studies of the incremental capacity projects.

Bulgaria: MoUs Signed regarding Gas Issues

by Veronika Yordanova, (Sofia)

First of all, Bulgartransgaz EAD's Ten-year plan for development of the natural gas transmission and storage infrastructure has been developed for the period 2017-2026. The priority activities for development of Bulgartransgaz EAD infrastructure in the period 2017 – 2026 aim to improve and enhance the existing main and auxiliary gas transmission infrastructure and the associated equipment, its modernization, rehabilitation and expansion, the development of interconnectivity and the expansion of storage capacity. Their realization will give Bulgaria the potential to become an important regional gas hub. The major objective of the TYNDP is to give maximum transparency for the future prospects for development of the gas transmission networks and the natural gas storage facility.



Further, on 19 July 2017, a Memorandum of Understanding (MoU) on the realization of the Vertical Gas Corridor was signed by representatives of gas companies, namely Bulgartransgaz EAD (Bulgaria), ICGB AD (Bulgaria), DESFA SA (Greece), FGSZ Ltd (Hungary) and SNTGN Transgaz SA (Romania). The MoU adopted aims to enhance the cooperation among the gas companies for the realization of the two-way natural gas corridor that provides interconnections to networks of Bulgaria, Greece, Romania and Hungary. The promotion of projects of common interest as well as other necessary projects jointly and individually are among the objectives set out in the Memorandum for the Vertical Gas Corridor.

Moreover, on 1 August 2017, a MoU between the Bulgarian and Macedonian countries to explore the possibilities of building a new direct gas connection between the two gas systems was signed. To this end, a working group was set up, comprising of representatives of the Ministries of both countries as well as TSO experts. Within six months after the entry into force of the MoU, a feasibility study should be prepared to present the technical, legal, market, economic, financial and regulatory parameters required for the implementation of the project.

Greece: Public Consultations on the Amendments of Transmission Code

by *Mira Todorovic Symeonides, (Athens)*

On 8 August 2017, the Energy Regulatory Authority (RAE) launched public consultations on the proposed amendments of the National Gas Transmission System (ESFA) Code and other related documents, which will last until 15 September 2017. More precisely, the subject of the consultations are: amendments of the Transmission Code, amendments of the Framework Agreements on Gas Transmission, amendments of the Energy law (no. 4001/2011) and Draft Rulebook on Load Balancing, all proposed by the Gas TSO - DESFA. The amendments mainly concern the operation of the Balancing Platform which will be performed by DESFA on market based principles; creation of the Virtual Trading Platform on which the users of the system could purchase or sell natural gas without the obligation to book the capacity; implementation of the capacity allocation procedures in compliance with the Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) 984/2013; and regulating auctions of within-day firm capacities products at the Interconnection points.

Greece: International Hydrocarbon Competitions

by *Theodoros Theodorou, (Athens)*

On 7 August 2017 the Greek Ministry of Environment and Energy announced two international tenders concerning the permission of study and exploitation of Hydrocarbons in the Ionian Sea as well as in Crete. The announcement was initiated after the applications submitted by the Total-Exxon Mobil-Helpe joint venture, interested in the marine areas Southwest and West of Crete and the Energean Oil & Gas Company, interested in the marine areas of Western Greece. More specifically, the respective Ministerial Decisions have already been signed and have been published on 21 August in the Government Gazette (B 2885/21.08.2017). The interested parties are invited to submit offers to the Hellenic Hydrocarbons Resources Management S.A. within 90 days from the date of publication of the notice of invitation in the Official Journal of the European Union.

Greece: Public Consultation on the Technical Regulation on CNG

by *Stefania Chatzichristofi, (Athens)*

On 4 August 2017, the Ministry of Environment and Energy launched a public consultation that was completed on Monday 28 of August, regarding a draft Ministerial Decision on the Regulation governing the technical requirements of CNG stations as well as their ancillary devices. The approval of the Technical Regulation is expected to pave the way for the expansion of the use of natural gas in the Non-Interconnected with the National Natural Gas System areas and to ensure the continuous supply of the facilities of the end users. Further, it shall enhance the protection of the environment. All the respective stakeholders were invited to participate in the public consultation on the proposed draft Ministerial Decision.

Romania: Order no. 74/2017 Published

by *Corina Badiceanu, (Bucharest)*

On 4 August 2017, the Order no. 74/2017 on the approval of the regulated income, total income and transport tariffs for the activity related to the transport of natural gas through the National System of Transportation was published in the Official Gazette no. 639/04.08.2017. The provisions of the aforementioned Order establish the transport tariffs for the activity of transport of natural gas through the National System of Transportation for the period beginning from 1 October 2017 until 30 September 2018. The National Gas Transmission Company - TRANSGAZ SA will fulfil the provisions of the aforementioned Order and the respective departments of the Romanian Energy Regulatory Authority (ANRE) will supervise their compliance.



OIL & GAS highlight...

EU: Court of Justice Judgement for the Poland Case T 883/16

by *Stefania Chatzichristofi, (Athens)*

On 21 July 2017, the press release no. 83/17 was published regarding the judgement of the ECJ for the Case T 883/16 by which the President of the General Court rejected the applications of Poland for a stay of execution of the Commission's Decision by which is defined that 50% of the transport capacities of the OPAL gas pipeline are to be subject to a bidding procedure. According to the Judgement, the applicants have failed to prove that the harm suffered as a result of the contested Decision is serious and irreparable and therefore the Decision remains applicable until delivery of the judgments on its lawfulness.

It should be mentioned that the OPAL gas pipeline is the onshore section of the Nord Stream 1 gas pipeline which transports natural gas from Russia to Western Europe via the Baltic Sea. Its use is subject to the supervision of the German Federal Network Agency. Under the Commission Decision C(2009) 4694 of 12 June 2009 and a respective decision of the German Federal Network Agency of the same year, the capacities of the OPAL pipeline are exempted, for a period of twenty two (22) years, from the application of the provisions of the Directive concerning the internal market in natural gas. That Directive requires the pipeline managers to give gas suppliers non-discriminatory access to their services. By virtue of the said Commission Decision, Gazprom that has a dominant position on the natural gas supply market in numerous EU Member States, was authorised to reserve a maximum of 50% of the transport capacities of the OPAL pipeline. Nevertheless, the Decision provides that limit may be exceeded if Gazprom transfers a volume of 3 billion m³ of gas in the OPAL pipeline to the market under an open, transparent and non discriminatory procedure. The 50% of the capacities of that pipeline not reserved has however, ever been used, since Gazprom has never implemented the gas transfer programme.

Further, following the request of the German Federal Network Agency, the Commission, by its Decision of 28 October 2016, decided to open the non-reserved 50% of the capacities of the OPAL pipeline to competition. Despite the fact that in that context, the manager of the OPAL pipeline was thus required to take measures to promote access by gas suppliers other than Gazprom to that network, it cannot be ruled out that, after the bidding procedure organised to sell the liberalised capacities, the greater part of those capacities will be acquired by Gazprom, which would enable that company to increase the diversification of the transport of gas from Russia to

Western Europe. The Republic of Poland and the companies PGNiG Supply & Trading GmbH, Poland, and Polskie Górnictwo Naftowe i Gazownictwo S.A. brought actions before the General Court of the EU seeking the annulment of the 2016 Commission Decision. They also requested the President of the General Court to stay the execution of that Decision until the date of delivery of the judgments on the substance. They consider that the increase in transport capacities through the OPAL pipeline will necessarily lead to a reduction in the transports of gas via the Yamal-Europe and Fraternité gas pipelines (which also transport natural gas from Russia to Western and Eastern Europe) and accordingly, will threaten the security of the gas supply in Poland or will adversely affect competition. They consider that that irreparable harm is likely to materialise before that date. By orders of 23 December 2016, the President of the General Court granted a provisional stay of execution of the contested Decision until a definitive decision on the applications for a stay.

By its Decision of 21 July 2017, the President of the General Court finds that there are two contracts concluded by Gazprom which are currently applicable, namely a transit contract for the transport of natural gas via the Polish section of the Yamal-Europe pipeline to supply the Western European markets (including Poland) until the year 2020 and a contract concluded in 1996 with PGNiG for deliveries of natural gas until the end of the year 2022. Consequently, the use of the transport capacity of the Polish section of the Yamal-Europe pipeline and Gazprom's deliveries to the Polish market are, prima facie, guaranteed until the abovementioned dates. Thus, even if the certainty of the harm alleged by the Republic of Poland and the two companies were sufficiently demonstrated, it could occur at the earliest only on expiry of those contracts. In the light of the average duration of proceedings before the General Court, the judgments on the substance in the present cases will probably be delivered during the year 2019. Accordingly, the President of the General Court finds that Poland as well as the two companies have failed to provide sound evidence that they are unable to await the outcome of the proceedings in the main actions without being exposed to serious and irreparable harm. Since the harm alleged is not immediate, the President of the General Court finds that the requirement of urgency is not met and consequently, he rejects the applications for a stay of execution of the contested decision and lifts the stay of execution ordered on 23 December 2016.

Infrastructure what's new...

EU: ENTSOG Publishes Draft Updated Cost-Benefit Analysis Methodology for Gas Infrastructure Projects

by Tetyana Vyshnevskya, (Kiev)

On 24 July 2017, ENTSOG published a draft version of its second cost-benefit analysis (CBA) methodology for gas infrastructure projects. The updated CBA methodology was prepared by ENTSOG based on its experience in development of Ten Year Network Development Plans (TYNDP) for 2015 and 2017 and participation in 2nd and 3rd selection of Projects of Common Interest (PCIs), with due account of the feedback received from stakeholders, the Agency for Cooperation of Energy Regulators (ACER), National Regulatory Authorities (NRAs) and the European Commission (EC). The main changes concern simplification and transparency, as well as further monetisation and market modelling. The new CBA methodology is subject to approval by the EC, expected in the second quarter of 2018, and thus shall apply to the development of the TYNDP 2018 and to the 4th PCI selection process.

EU: ENTSOG Issues Capacity Conversion Model

by Tetyana Vyshnevskya, (Kiev)

On 24 July 2017, ENTSOG published a Capacity conversion model (CCM), developed in accordance with Article 21(3) of the Commission Regulation (EU) 2017/459 (the amended CAM NC). Pursuant to the amended CAM NC, Transmission System Operators (TSOs) are obliged to offer network users the capacity conversion service (based on the model developed by ENTSOG) in order to address the so called "capacity mismatch issue", i.e. when network users holding unbundled capacity bookings on one side of an interconnection point (IP) cannot find the equivalent unbundled capacity on the other side of the IP. To this end, the TSOs shall offer all network users holding unbundled capacity at one side of an IP the possibility to acquire capacity on the other side of the IP, without paying twice for the capacity on the side where they already hold unbundled capacity. Given that a network user has contracted existing unbundled capacity at one side of an IP and has successfully acquired bundled capacity in an auction at the same IP, the TSO shall convert such unbundled capacity into bundled capacity. Thus, the CCM sets forth the particularities of provision of the capacity conversion service. The TSOs are supposed to provide such service starting from 1 January 2018.



Competition - State Aid **what's new...**

EU: Commission Approves Three French RES Initiatives

by *Stefania Chatzichristofi, (Athens)*

On 4 August 2017, the Decision for the Case SA.47623 was published in the Official Journal. By this Decision, the European Commission endorsed three renewable energy (RES) French schemes that will allow France to produce more than seventeen additional GigaWatts in RES, as in line with the EU state aid rules. More precisely, the approved schemes consist of the following measures:



a) an onshore wind scheme which will grant support to fifteen Gigawatt of additional capacity over the next ten years, taking the form of a premium on top of the market price to operators of small-scale onshore installations of less than six turbines (with an individual limit of 3 megawatts per turbine); b) a solar support scheme for small-scale photovoltaic installations in buildings (below 100 kilowatt) through which France expects to develop 2.1 Gigawatt of solar power. Installations will receive a Feed-in Tariff (FIT) over twenty years. The remuneration varies according to the size of the station and the business model; c) a sewage gas support scheme, which is mainly expected to be applied to small installations, even the fact that it is also available for large installations. France estimates that 160 megawatts is the remaining potential of sewage gas installations in France that can be

supported, most of which are installations of less than 1 megawatt. Installations of 500 kilowatts or more will receive support in the form of a premium on top of the market price over twenty years. Installations below 500 kilowatts will receive a FIT over twenty years. The Commission assessed the aforementioned schemes under EU state aid rules, which ensure that the use of public funds is limited and there is no overcompensation. The Commission concluded that the measures will boost the share of electricity produced from RES, in line with the EU environmental objectives, while the distortion of competition caused by the state support is minimised.

EU: Commission Approves Amendment to the UK's CfD Scheme for RES

by *Viktoria Chatzara, (Athens)*

On 4 August 2017, the European Commission's decision dated 16 February 2017, on the state aid case No. SA.47267 concerning amendments proposed by the United Kingdom on its Contract for Difference (CfD) scheme supporting the development of renewable energy (RES), was published in the Official Journal of the European Union. The Commission, after evaluating under the Guidelines on State aid for environmental protection and energy 2014-2020 the proposed amendments to the initial state aid scheme, which was approved by means of the Commission's decision dated 23 July 2014, concluded that the amendments are in compliance with the internal market and, as such, decided not to raise any objections. Under the initial CfD scheme, aid would be granted in a competitive bidding process, whereas the RES technologies were divided into different groups; Group 2 covers the "less established", new and innovative technologies. According to the proposed amendment, a temporary cumulative maximum of 150 MW will be introduced for 2017 across three fuelled technologies within Group 2, the advanced conversion technologies (ACT), the anaerobic digestion (AD) and the dedicated biomass with combined heat and power (Biomass CHP). The UK stated that recent evidence suggested that the levelised costs of energy (LCOE) of the above fuelled technologies have evolved compared to the estimations presented in the 2014 initial Commission decision, showing that they can be below the LCOE of other technologies in group 2, thus putting at risk the long term potential of Group 2 technologies which cannot compete at the lower end of the fuelled technology cost range. The amendment of the CfD scheme in terms of the introduction of the 150 MW cumulative maximum is proposed in order for this risk to be mitigated, transitionally and until the review into the fuelled technologies is completed by the UK.

EU: Commission Clears German Scheme regarding the Transfer of Radioactive Waste Liabilities

by *Viktoria Chatzara, (Athens)*

On 4 August 2017, the European Commission's decision dated 16 June 2017, on the state aid case No. SA.45296 concerning the proposed by Germany transfer of radioactive waste liabilities, was published in the Official Journal of the European Union. The general principles applicable on radioactive waste and spent fuel management in the EU are that the operators of nuclear installations have the prime responsibility for the safe and responsible management of spent fuel and radioactive waste and that the Member-States have the ultimate responsibility for the responsible and safe management thereof. The scheme for the transfer of the radioactive waste liabilities is proposed in the broader context of the German decision to phase-out nuclear electricity production by 2022. According to the proposed scheme, the responsibilities concerning nuclear spent fuel and radioactive waste management will be reallocated between the nuclear operators that are located in Germany and the State. The operators will remain responsible and financially liable for the decommissioning of the nuclear power plants, the packaging of radioactive waste and spent fuel for interim storage, the manufacturing of the containers for interim storage, the transport of the containers from the plants to the interim storage facilities and the packaging in containers for final disposal for low-level radioactive waste (LLW) and intermediate-level radioactive waste (ILW), whereas the State will assume responsibility for the interim storage and remain responsible for the final disposal of LLW, ILW and high-level radioactive waste (HLW) and spent fuel produced and to be produced until 2022 in Germany, including the responsibility for the transport of the radioactive waste from the interim storage site to the final repository, the manufacturing of the containers designed for the final repository and the conditioning of the radioactive waste for final disposal. The above described reallocation of responsibilities takes place against payment by the German nuclear operators of a fee, composed of a basic amount and a risk premium. The Commission considered the proposed scheme to constitute state aid under the applicable EU law provisions. Taking, however, into account all the circumstances of the case, the Commission concluded that the transfer of radioactive waste liabilities is compatible with the internal market, under the provisions of Article 107(3)(c) TFEU and, as such, it decided not to raise any objections.

EU: Commission Decided Not to Raise Objections on Two RES Portuguese Schemes

by *Mira Todorovic Symeonides, (Athens)*

The European Commission has found a Portuguese scheme aimed at promoting renewable energy technologies to be in line with EU state aid rules. On 20 July 2017, the Commission communicated to Portugal its Decision not to raise objections in regard to the case SA.39347 Support scheme for experimental and pre-commercial renewable technologies which was published on 4 August 2017 in the Official Journal JOCE C/254/2017. Decision not to raise objection was in the case SA.40227 Windfloat project communicated to Portugal on 1 August 2017 and subsequently published in the Official Journal JOCE C/274/2017 on 18 August 2017. The schemes with the total installed capacity of 50 MW will support projects producing renewable energy from the ocean (wave energy, tidal energy) and innovative offshore wind technologies. The 25 MW of the above capacity have already been allocated to the "Windfloat project" which will test in real operating conditions wind turbines mounted on a floating platform instead of columns fixed to the seabed (floating offshore wind farms), which will allow deploying the technology in deeper waters. For the remaining 25 MW capacity, proposals for projects may be submitted until the end of 2017. The aid will be granted for 20 years in the form of a feed-in-tariffs, while it will be co-financed from the NER300 programme. The Commission assessed that the measures are compatible with its 2014 Guidelines on State aid for environmental protection and energy and that the projects contribute to increasing Portugal's share of RES energy by developing new generation technologies.

EU: Commission Does Not Raise Objections to Czech Support Scheme for High-efficiency CHP Installations

by *Viktoria Chatzara, (Athens)*

On 21 July 2017, the Commission's decision dated 7 March 2017, on the state aid case No. SA.45768 concerning the Czech scheme on the promotion of electricity from high-efficiency combined heat and power (CHP) generation installations commissioned since 1 January 2016 was published in the Official Journal of the European Union. The scheme refers to the grant of aid in the form of feed-in premiums to new high-efficiency CHP plants and to existing high-efficiency CHP plants, which have undergone full refurbishment, the duration of which is expected to be from 1 January 2016 until 31 December 2020. According to the applicable provisions, the Czech Ministry of Industry and Trade grants the aid, whereas the Czech Electricity and Gas Market Operator (OTE), which acts as the market operator, manages the payments of the aid, in the sense that it acts as a clearing centre, which operates the system of support. In order for a high-efficiency CHP plant to qualify as beneficiary, it must be located within the Czech Republic and it must be commissioned or fully refurbished in the period between 01.01.2016 – 31.12.2020. The aid will be financed partly from a levy included in the electricity price, in terms of a single payment by electricity customers and partly from State resources, whereas it will take the form of annually fixed feed-in premiums paid to the beneficiaries, in addition to the electricity market price. According to the Commission the notified measure constitutes state aid in the sense of the applicable EU law provisions. Following an evaluation under the Guidelines on State aid for environmental protection and energy 2014-2020, the Commission concluded that the measure is compliant with the internal market.

Renewables **what's new...**

EU: Study on Flexibility Portfolios to Facilitate Cost-efficient Integration of RES Electricity

by Tetyana Vyshnevska, (Kiev)

The European Commission has recently published on its website a Study on the impact assessment for a new Directive mainstreaming deployment of renewable energy and ensuring that the EU meets its 2030 renewable energy target. The main objective of the study is to provide Member States (MSs) with evidence-based analysis of the optimal deployment of flexibility options, which are meant to adapt the MSs' electricity systems to accommodate an increasing share of renewables in a cost-efficient manner. The findings of the study shall assist MSs in preparation of National Energy and Climate Plans, to be drafted by 2018, and in defining their flexibility portfolios by means of: a) evaluation of their flexibility needs (daily, weekly and annual); b) identification and characterisation of the locally available flexibility solutions (e.g. flexible generation, retrofitting of existing power plants, storage units, demand-response management, system-friendly RES-electricity technologies and interconnectors); and c) optimisation of flexibility portfolios with due account of specificities of the national electricity systems as well as possibilities of regional cooperation between MSs.

EU/CEER: White Paper on RES Self-Consumer and Energy Communities

by Mira Todorovic Symeonides, (Athens)

On 27 July 2017, the Council of European Energy Regulators (CEER) issued the White Paper no VIII on the European Commission's Clean Energy Proposals as of 30 November 2016 (Winter Package) regarding the Renewable Self-Consumers and Energy Communities. In this paper, CEER presents a number of recommendations particularly regarding the position of consumers. It has established seven core principles, including among other: a) that participation in local energy communities should be strictly voluntary and members of such communities must not lose their rights as household or active consumers, including the right to leave the local energy community and quickly switch suppliers; b) local energy communities acting as DSOs must have the same responsibilities and must fall under the same regulatory oversight as other DSOs; they should be allowed to operate networks only where there is no negative impact on consumers and if they cover a coherent area where they can manage network developments in an efficient way. National Regulatory Authorities (NRAs) should define and publish criteria for the local energy communities when operating networks (including regulation of data management, energy balancing, unbundling and quality of the network services) and should actively supervise them; c) there should be no cross-subsidisation between active and non-active customers, whether individuals or in energy communities; whenever consumption of self-consumers exceeds self-generation they should pay network tariffs that are cost-reflective as consumers who rely exclusively on the network for their energy supply. In the Member States where renewable (RES) schemes are being financed by a levy imposed on the kWh of electricity consumed, they are usually exempted from the payment of the RES levy on the share of self-consumed electricity. The amended RES Directive should regulate that self-consumers are subject to proportionate system charges that reflect the degree to which they benefit from the system. If (RES) self-consumers sell their excess electricity on the market they would be acting as generators and suppliers actively participating in the market and entailing the respective benefits and responsibilities; d) Definitions in the amended directives should make clear that the meaning of "active consumer" does not include "wholesale customer" but only the "final customer" who purchases for its own use. Thus local energy communities should consist only of final customers, not wholesale customers", in order to prevent that they are used by the energy companies to reorganise their businesses gaining the respective regulatory advantages applicable for the local energy communities.



Albania: ERE's Decision on the Purchase Price of electricity Produced by PV and Wind Stations

by *Odisea Xhelita, (Tirana)*

On 27 July 2017, the Energy Regulatory Entity (ERE) by virtue of the Decision No.120/207, determined the purchase price of the electricity produced by the small photovoltaic sources with an installed capacity exceeding 2 MW, as well as by the wind power plants with an installed capacity of exceeding the 3 MW. More precisely, for the current year, the applicable price for all plant constructions shall be as follows: i) for the photovoltaics sources 100 euros/MWh; & ii) for the wind power sources 76 euros/MWh. ERE's Decision No.120/2017 came into force on 27 July 2017, and was published on the Official Gazette of 9 August 2017.

Ukraine: Consultation on Draft Amendments to the PPA with RES Developers

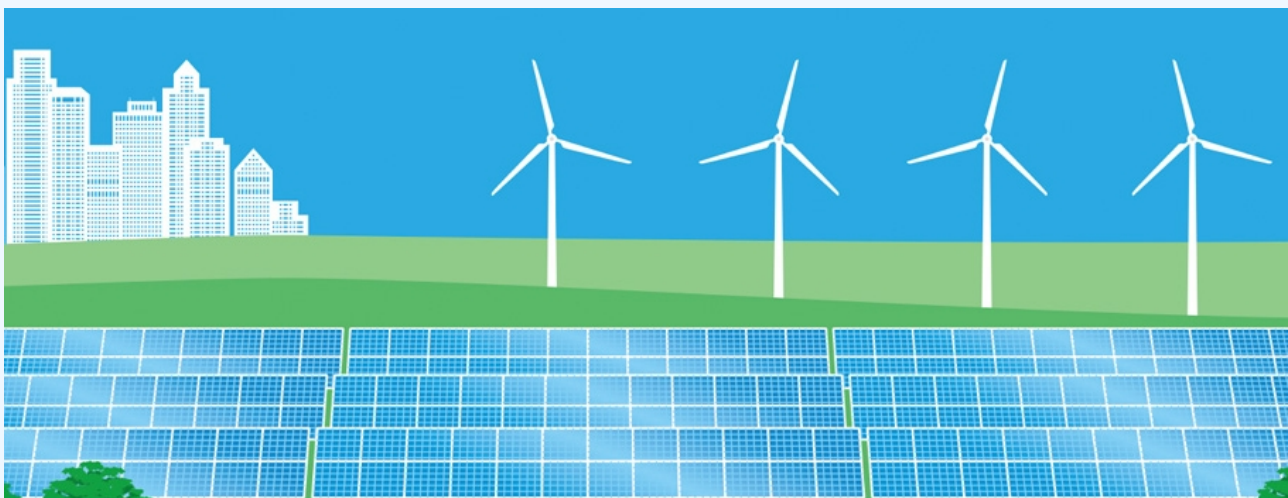
by *Tetyana Vyshnevska, (Kiev)*

On 1 August 2017, the National Energy and Utilities Regulatory Commission (NEURC) put up for public consultation the draft amendments to the Model Power Purchase Agreement (PPA) between the State Enterprise Energorynok (a wholesale buyer of green electricity) and a business entity producing electricity using alternative energy sources (AES). Thereby, NEURC aims to bring the Model PPA, approved by the NEURC Resolution No. 1314 of 11 October 2012, in compliance with the current legislation and to facilitate investments in this sector. Inter alia, the proposed amendments concern: a) the duration of the PPA; b) settlements between Energorynok and AES-electricity producers; and c) parties' obligations related to establishment of the fully operational electricity market (in July 2019). The stakeholders may provide their feedback to the consultation until 4 September 2017.

Ukraine: Electricity TSO Terminates Grid Connection Agreements with Certain Wind Energy Producers

by *Tetyana Vyshnevska, (Kiev)*

According to the announcement of 20 July 2017, current electricity Transmission System Operator (TSO) NPC Ukrenergo has terminated agreements on grid connection of wind power plants (500 MW and 42.5 MW) with two electricity producing companies (LLC Tyligulska WPP and LLC Azovinvestprom). The main reasoning behind the termination decision is investors' failure to honour commitments under the grid connection agreements, in particular, non-submission of the necessary project design and cost estimation documents within the prescribed time-limits. Furthermore, the TSO is consulting several other wind and solar energy producers as regards their potential non-compliance with commitments under respective grid connection agreements. Such measures represent the implementation of TSO's initiatives, announced earlier this year, which are expected to simplify grid connection procedures, release unused reserved capacities, and encourage investments in and completion of RES projects.



Energy Efficiency **what's new...**

[EU: Study on The Macro-level and Sectoral Impacts of Energy Efficiency Policies Published](#)

by Maria Cheimona, (Athens)

In July 2017, the final report regarding the macro-level and sectoral impacts of Energy Efficiency policies, was published by the European Commission. This report sets out the potential positive and negative impacts of improvements on energy efficiency in Europe, covering all three of the economic, social and environmental pillars. More precisely, six impact areas have been covered: economy and labour market, health, environment, social cohesion, public budgets and industrial competitiveness. Implementing measures to meet the energy efficiency targets have a positive impact on both Gross Domestic Product (GDP) and employment. Many jobs would be created in sectors directly relevant to energy efficiency, principally in the construction and engineering sectors, but there would also be increase in employment in other sectors of the economy. It is considered that unemployment in the EU could be reduced by up to 3 million people by the year 2030.

Moreover, considerable is the potential of energy efficiency measures to generate health-related cost savings. By 2030, moving from a 27% efficiency target to a 30% efficiency target would lead to annual health savings of €28.3bn. Going to a 40% target could result in savings of around €77bn each year. Most of these savings result from reductions in the emissions of particulates. Indoor air pollution accounts for a large proportion of the overall savings. Regarding the social impacts, the study suggests that more than 8 million households could be removed from fuel poverty if ambitious programmes to renovate and improve buildings were implemented and targeted at low-income households. Considering the environmental impacts in all the scenarios the 40% reduction target for 2030 is met and in the more ambiguous ones it is exceeded by up to 7 percentage points. Finally, key factors in implementing measures are the rebound effects, the crowding out effects and constraints on production and financing the energy efficiency, which influence the results across the different impact areas and could have important policy implications.



Environment **what's new...**

EU: Implementing Act regarding Large Combustion Plants

by Stefania Chatzichristofi, (Athens)

On 31 July 2017, the European Commission announced the adoption of an Implementing Act regarding the pollution caused by Large Combustion Plants, such as power plants and district heating plants that are considered as a key source of air pollution and emission, as they are responsible for about 1/3 of the total of air conventional pollutants from industry. The aforementioned Implementing Act brings into effect the "Best Available Technique" (BAT) conclusions for Large Combustion Plants. BAT refers to methods and techniques that achieve a high level of protection of the environment as a whole as well as that are developed to a scale that allows implementation within the respective industrial sector under economically and technically viable conditions. This Implementing Act, that is expected to be published shortly serves as a mandatory reference for the EU Member States in order to set appropriate permit conditions for the respective installations as well as to ensure a progressive harmonisation of the level of environmental requirements across EU for this sector. It is also highlighted that BAT have been developed over several years in intensive collaboration with EU Member States, industry and environmental NGOs.



EnC: Secretariat Initiates Case against Bosnia and Herzegovina

by Mirjana Mladenovic, (Belgrade)

On 28 July 2017, the Energy Community Secretariat (Secretariat) sent an Opening Letter to Bosnia and Herzegovina by which it initiates the case ESC-1/15 related to the environmental impact assessment of the planned thermal power plant in Republika Srpska Ugljevik III. Namely, the Secretariat reviewed the procedure of environmental impact assessment of Ugljevik and concluded that this procedure was not conducted in accordance with the provisions of the Environmental Impact Assessment Directive (Directive). Namely, it failed to fully address all direct and indirect impacts of the projects as well as its potential transboundary impacts and therefore the Secretariat initiated the case on the basis of Article 90 of the Energy Community treaty upon a complaint. Also, the Secretariat found that the Directive's provisions on public participation were not fully respected. One of the main goals of this initial step in the procedure is to give Bosnia and Herzegovina the chance to respond to the allegations of non-compliance with the Energy Community law and to provide Secretariat more information so that it can establish all necessary factual and legal background for the case.

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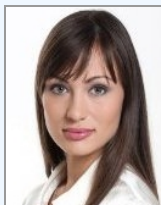
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