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ENERGY MARKETS

EU: Winter Package on Governance of the Energy Union

by Stefania Chatzichristofi, (Athens)

On 30 November 2016, the European Commission published its "Clean Energy for All Europeans" package, referred to as the "Winter Package", which consists of numerous legislative proposals together with accompanying documents, aimed at further completing the internal market for electricity and implementing the Energy Union. The Winter Package is part of an overall package of more than forty (40) planned measures, which was first announced in February 2015 and designed by the Commission to strengthen the EU energy markets. The Winter Package legislative proposals cover energy efficiency, renewable energy, the design of the electricity market, security of electricity supply and governance rules for the Energy Union. More precisely, the newly published Winter Package aims at: i) establishing a common power market design across the Union and ensuring the adequacy of the Union's power systems; ii) promoting the better integration of electricity produced from RES into the market and assessing the sustainability of bioenergy; iii) advancing energy efficiency and energy performance, including for buildings, in the industry (eco-design), in innovation and in transport, all of which, together with the support of RES, are needed to achieve the Union's climate goals; and iv) implementing rules on the governance of the Energy Union.



In this respect, the Commission published a proposal for a Regulation of the European Parliament and of the Council on the Governance of the Energy Union. The Regulation shall set out the necessary legislative foundation for reliable and transparent Governance to ensure the achievement of the objectives and targets of the Energy Union through complementary and ambitious efforts of the EU and its Member States (MS), while

promoting the Union's Better Regulation principles. This Regulation shall establish a Governance mechanism to implement strategies and measures designed to meet the objectives and targets of the Energy Union, and for the first ten-year period from 2021 to 2030 in particular the EU's 2030 targets for energy and climate; ensure the timeliness, transparency, accuracy, consistency, comparability and completeness of reporting by the EU and its MSs to the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement on Climate Change.

As regards the governance of the Energy Union, the proposal for the relevant Regulation is intended by the part of the MSs to promote an independent design and monitoring for both energy policy pillars, i.e. the internal energy market and climate change. These pillars were addressed separately so far, and consequently their effectiveness was limited. In this respect, the rules for the establishment of Integrated National Energy and Climate Plans covering ten-year periods are set. These plans shall set national targets for each of the five key dimensions of the Energy Union (solidarity clause, the free flow of energy, more emphasis on energy efficiency, transition to a low-carbon society and research, innovation, competitiveness), as well as the rules for the supervision of these plans by the part of the Commission and the progress achieved by the MSs. As of the year 2021, MSs' integrated national energy and climate progress reports, together with the Commission's assessment, shall monitor whether the national plans are being properly implemented. Systematic public consultations on national plans will ensure the participation of respective stakeholders, including citizens, business as well as regional and local authorities.

At the same time, MSs will have significant flexibility to take account of national specificities and preferences. Stable National Energy and Climate Plans up to 2030 and beyond will also make a real difference for regulatory stability and investment certainty. Draft national plans in the year 2018 will serve as the basis for the Commission's first assessment and recommendations to MSs on the objectives, policies and measures at national level to meet the common challenges.

The new Regulation would enter into force on the 20th day following its publication, and would be binding in its entirety and directly applicable in all MSs as from its date of entry into force for most, and as from 1 January 2021 for certain, provisions.

more news on Energy Markets:

EU/Ukraine: New Agreement on Strategic Energy Partnership

by Tetyana Vyshnevskya, (Kiev)

On 24 November 2016, the European Commission and the Ministry of Energy and Coal Industry of Ukraine signed a Memorandum of Understanding on a Strategic Energy Partnership between the European Union together with the European Atomic Energy Community and Ukraine (hereafter "MoU"). The MoU shall replace the Memorandum of Understanding on cooperation in the field of energy between the EU and Ukraine, signed on 1 December 2005. The main objective of the MoU is full integration of energy markets of the EU and Ukraine and strengthening of mutual energy security and environmental sustainability by means of aligning the energy strategies and expanding the instruments of cooperation in line with the EU acquis and Ukraine's commitments under the Energy Community Treaty and the EU-Ukraine Association Agreement. The progress in implementation of the MoU shall be assessed on an annual basis, accompanied by the preparation of annual work plans. The MoU is made for the initial period of ten (10) years and may be revised, amended or supplemented.

EU: Commission's Report on Energy Prices and Costs across Europe

by Andriani Kantilieraki, (Athens)

On 30 November 2016, the European Commission issued a Report on energy prices and costs in Europe. The Report provides information on the latest status of the energy prices in electricity, gas and oil. One of the most significant findings of the Report is that the wholesale prices have fallen significantly over the past few years, whereas retail prices remained unaltered. The wholesale electricity prices are reported to be at their lowest, with gas prices having reduced by 50% since 2013 and oil prices plunging down by 60%. This drop has also led to the reduction of the EU's energy import bill by 35% over the past three (3) years. On the other hand, the charging of networks and taxation in general have prevented retail prices from dropping and resulted in a rise in the electricity and gas sector. The Report further highlights the fact that energy costs for households are not high but energy-intensive industries may face higher costs and would require protection against unjust international competition. Conclusively, the need to mitigate the volatility of global fossil fuel prices has been manifested in the European Commission's plan to promote low carbon and renewable energy alternatives.

EU: Public Consultation of CEER on Energy Losses

by Andriani Kantilieraki, (Athens)

On 6 October 2016, the Council of European Energy Regulators (CEER) organised a workshop concerning energy losses. The workshop was hosted in Brussels, with the view to facilitate preparation of the upcoming CEER Benchmarking Report on Power Losses. The purpose of this Report is to present in a detailed manner the practices adopted by the European countries in regards to the definition of and regulatory response towards power losses. Furthermore, the Report will provide recommendations on the ways to facilitate a uniform treatment of losses on a European level. The purpose of the Workshop was to enhance the flow of information between the stakeholders and the CEER Electricity Quality of Supply Task Force (EQS TF) which is responsible for drafting the Report. Stakeholders who were unable to attend the Workshop were given the opportunity to express their views by completing a questionnaire by 16 December 2016.



EU: MoU on Energy Cooperation between the EU and the EBRD

by Maria Marda, (Athens)

On 8 December 2016, in London, the European Union, represented by Commissioner for Climate Action and Energy Miguel Arias Cañete, and the European Bank for Reconstruction and Development (EBRD), represented by its President Sir Suma Chakrabarti, signed a new Memorandum of Understanding (MoU) which replaces a respective document signed in 2007 and will be implemented through the coordination of policies and activities as well as through the optimisation of financing synergies. The existing cooperation between the EU and the EBRD is mainly focused on the energy security, energy efficiency and nuclear decommissioning, whereas with the new MoU this bilateral cooperation is expected to be enhanced and broadened to cover a significant number of areas, including: i) scaling-up energy efficiency financing, ii) increasing investment in renewable energy, iii) developing smart grids and enhancing resilience to climate change, thus establishing even closer relations between the EU and the EBRD regarding the previously mentioned issues. Furthermore, investment in areas such as energy efficiency, renewables and infrastructure will be promoted by the expertise and supported actions between the EU and the EBRD. The interconnectivity of energy systems, nuclear safety and decommissioning will be promoted by enhancing Europe's energy security.

Serbia: EMS Rules on Publication of Key Market Data Approved

by Stefan Pavlovic, (Belgrade)

On 9 December 2016, the Council of the Energy Agency of the Republic of Serbia (hereinafter: AERS) has approved Rules on Publication of Key Market Data, which were adopted by the Assembly of the Serbian electricity Transmission System Operator Joint Stock Company "Elektromreža Srbije" Belgrade (hereinafter: EMS). Upon the publication of the AERS' Decision in the Official Gazette of the Republic of Serbia, the Rules have been published on the website of the EMS and entered into force on 22 December 2016. The European Commission Regulation No. 543/2013 on market data transparency defines a list of key market data which must be published and available to all electricity market participants via European transparency platform. In line with the Energy Law, the adoption of these Rules enables compliance with the obligation to harmonise national legislation with the European Union regulations via the enforcement of this Regulation.



EU: Notification on IGAs with non-EU Countries

by Paraskevi Charalampidi, (Athens)

On 8 December 2016, the Negotiators of the European Parliament and the Council agreed that Intergovernmental Agreements (IGA) in field of gas and oil have to be notified by the EU Member States (MS) to and assessed by the European Commission before they are signed. The aim of this notification is to increase transparency on the gas market and to strengthen the EU's resilience to gas supply disruption. According to Maroš Šefčovič, European Commission Vice-President for the Energy Union, it is more than important to ensure energy security by seeking for full compliance of IGAs related to buying gas and oil from third countries with the EU law. In addition, this agreement on IGA notification, which was achieved in record time of only nine months after the proposal of the Commission, is considered to be a major achievement for the EU's energy security, as the new rules will allow the Commission to guarantee that no energy deal jeopardises the security of supply in an EU country, or hampers the functioning of the EU's energy market. Specifically, the following has been agreed: i) the introduction of a mandatory ex-ante compatibility check by the Commission of IGAs related to gas and oil; ii) the mandatory notification of intention to conclude such agreement; and iii) delaying the signing of such agreement until the Commission issues its opinion.

IGA related to electricity is agreed to be covered by a mandatory ex-post assessment, but a review clause has been inserted providing for the possibility to include the mandatory ex-ante assessment in the future, if agreed by the MSs. The official text will have to be formally approved by the European Parliament and the Council.

FYR of Macedonia: Monitoring of Energy Markets

by Simonida Shosholcheva Giannitsakis, (Skopje)

On 18 November 2016, the Regulatory Commission for Energy of the FYR of Macedonia (hereafter: "Commission") adopted Rules on monitoring the functioning of energy markets, published in the Official Gazette No. 207/16 on 22 November 2016. The Rules prescribe the manner and procedures for monitoring the functioning of energy markets and undertaking certain activities related to the collection, processing, analysis and publishing of data and information by the Commission and the transmission and distribution system operators. The Commission is responsible for monitoring the functioning of energy markets and, in case some irregularities are discovered, will issue decisions which restrict certain behaviour of energy entities or decisions which require taking appropriate measures. Holders of licences for energy activities are obliged to submit to the Commission the data and information necessary for its monitoring activities. Based on the data and information available to the Commission, the latter shall prepare respective annual monitoring reports.

The monitoring of the functioning of the electricity market and natural gas market is conducted separately for: a) the Structure of the electricity and gas markets and b) the Efficiency of the functioning of the electricity and gas markets. Monitoring of the market of crude oil, oil derivatives and fuels for transport comprises monitoring, analysis and reporting on conditions related to: import, export, transport and storage, functioning of the wholesale markets and retail markets for crude oil, oil derivatives and fuels for transport, and the refining of crude oil and production of oil derivatives, biofuels and fuels for transport. Monitoring of the district heating market comprises monitoring, analysis and reporting on conditions related to: production, distribution, supply, the procedure for changing the supplier, expenses for production and supply, and quality of district heating. The obligation for submitting reports, data and information is in force since 22 November 2016, when the Rules were published in the Official Gazette, and the obligation concerns the performance data of the licensees for their energy activities from 1 January 2016.



E L E C T R I C I T Y

EU: Commission Publishes Proposal of the New Electricity Market Rules

by Mira Todorovic Symeonides, (Athens)

The new rules on electricity market design are part of the broader package of measures proposed by the European Commission on 30 November 2016, also known as the Clean Energy for All package. In regard to the electricity market design, the Commission, upon conducting of the Evaluation to what extend the existing legislation was successful in achieving its goals, proposed the amendments of the Electricity Directive (2009/72/EC concerning common rules for the internal market in electricity), the Electricity Regulation (Regulation (EC) No 714/2009 on conditions for access to the network for cross-border exchanges in electricity) and the ACER Regulation (Regulation (EC) No 713/2009 establishing an Agency for the Cooperation of

Energy Regulators), being part of the Third Energy Package adopted in 2009 and subsequently supplemented with legislation against market abuse and legislation concerning electric trade and grid operation rules.

Some of the key findings of the Evaluation are that there is tangible progress in competition and performance of the internal electricity market (markets are in general less concentrated and more integrated than in 2009) while the set of new consumer rights introduced by the 3rd Package have improved the position of consumers in energy markets enabling them to make better use of emerging competition between different suppliers. On the other hand there are significant remaining obstacles such as: persisting barriers to cross-border trade and unused interconnector capacities, retail market prices increase for households as a result of significant increase in non-contestable charges in recent years, rising of energy poverty, failing to address the new developments by the existing rules, and a dramatic increase of state interventions in the electricity market.

Some of the main proposed amendments of the Electricity Directive include: the general principle that Member States (MSs) have to ensure that the EU electricity market is competitive, consumer-centered, flexible and non-discriminatory; defining a local energy communities which may engage in local energy generation, distribution, aggregation, storage supply or energy efficiency services; providing clarifications in regards to universal service and vulnerable consumers, ancillary services and the new Regional Operation Centres, as well as concerning the tasks of DSOs to ensure flexibility, the integration of electrical vehicles and data management and with respect to storage and recharging points for electric vehicles. National energy regulators will have an obligation to cooperate with neighbouring regulators and ACER (the Agency) in case of cross-border relevance.

In regard to the Electricity Regulation, the proposed amendments include a new article with key principles regarding national energy legislation in order to allow for a functioning internal electricity market as well as the main legal principles for the electricity trading rules within different trading timeframes (balancing, intraday, day-ahead and forward markets). The proposal defines the mission of the Regional Operational Centres and provides for criteria and a procedure for defining system operation regions covered by each Regional Operational Centre. It further sets up a European entity for DSOs, defines a procedure for its establishment and its tasks as well as detailed rules on the cooperation between DSOs and TSOs. It clarifies the legal nature and the adoption of network codes and guidelines and increases their possible content to additional areas such as distribution tariff structure.

The ACER Regulation updates the list of its tasks to include duties in the field of wholesale market supervision and cross-border infrastructure. ACER will have more responsibility regarding the submission of the final proposal for a network code to the Commission while ENTSO-E will maintain the role of technical expert. The Agency is given the competence to decide on terms, methodologies and algorithms for the implementing of electricity network codes and guidelines. A regional decision making process is introduced so the Director of the Agency will have to give his opinion on whether the issue in questions is of regional relevance. After that a regional sub-committee of the Board of Regulators should prepare a decision which would be taken or rejected by the Board of Regulators. The Agency will have a number of new tasks concerning the coordination of certain functions related to the Regional Operational Centres, supervision of Nominated Electricity Market Operators and the approval of methods and proposal related to generation adequacy and risk preparedness.

more news on Electricity:

EnC/Albania: Hearing on TSO Certification under Third Energy Package

by Stefan Pavlovic, (Belgrade)

On 14 December 2016, the Energy Community Secretariat (hereinafter "Secretariat") held a hearing on the certification of the Albanian Transmission System Operator for electricity (hereinafter "OST"). The hearing was attended by representatives of the Albanian National Regulatory Authority (hereinafter: "ERE"), the Albanian Ministry of Energy and Industry, the Albanian Ministry of Economic Development, Tourism, Trade and Entrepreneurship, OST, the European Commission, and KfW Development Bank, as well as the President of the Energy Community Regulatory Board. The hearing clarified the open questions in relation to the ownership unbundling of OST under the Third Energy Package. As required under Article 10 of Directive 2009/72/EC concerning common rules for the internal market in electricity and Article 3 of Regulation (EC) 714/2009 on conditions for access to the network for cross-border exchanges in electricity, the Secretariat is required to give its Opinion on the compatibility of ERE's Preliminary Decision on the certification of the transmission system operator.

Greece: Public Consultation on Drafting of Market Codes

by Andriani Kantilieraki, (Athens)

On 5 December 2016, the Energy Regulatory Authority (RAE) launched the public consultation regarding the Draft Guidelines and Principles for Drafting of Energy Markets Codes. In accordance with Regulations 714/2009, 1222/2015 and 1719/2016 concerning cross-border electricity transactions and energy networks, the Law No. 4425/2016 was introduced in order to harmonise the Greek legislation with the unified EU practice. According to the Law, new energy markets are to be formed. These markets will operate under administrators who will be responsible for drafting of the relevant Market Codes, defining the specific terms and conditions for operation of each market. Under Article 6.2 of the Law, the RAE is entitled to issue guidelines in order to assist the administrators and coordinate the transition to the new market model. Thus RAE issued the Draft Guidelines taking into consideration previous studies and recommendations made by the Independent Power Transmission Operator and the Operator of Electricity Market. The public consultation was concluded on 19 December 2016.

Greece: DEDDIE Announces Liberalization of the Electricity Market in Rhodes

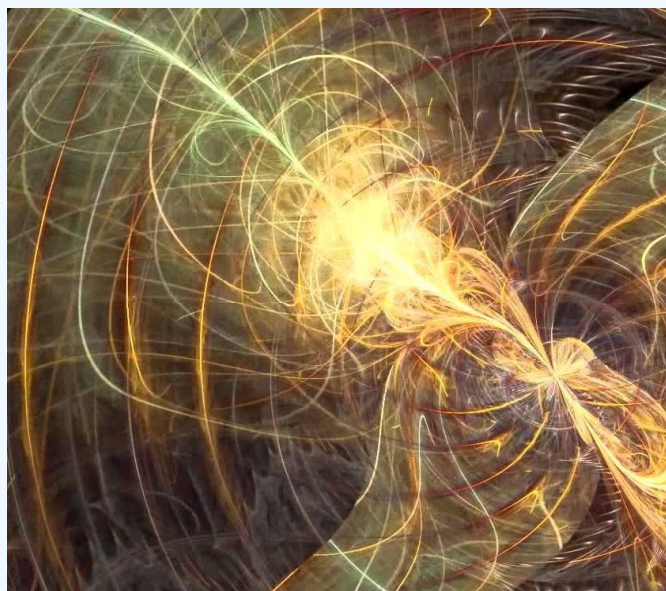
by Stefania Chatzichristofi, (Athens)

On 14 December 2016, the Greek Distribution Network Operator (DEDDIE), as the Operator of the Non Interconnected Islands (NII), announced that the opening of the electricity market in the island of Rhodes shall begin on 2 January 2017. In this way, Rhodes shall be the second island, Crete being the first, on which the retail electricity market will be opened for suppliers alternative to the incumbent Public Power Corporation, DEDDIE's parent company. DEDDIE published a list of the necessary registration formalities for the new suppliers, which includes: a) submitting to DEDDIE an Application for Registration of Suppliers of Rodos, accompanied with all the respective documents pursuant to Article 23 of the NII Code, as well as a Declaration of its registered meters and b) signing of the Contract on participation of the supplier in the NII, unless such contract has already been signed for Crete. Further, upon consideration of the submitted documents, DEDDIE shall inform the supplier in case any information/document is missing. Within three days from the completion of the submitted file, DEDDIE should inform the supplier about the amount of guarantee to be provided by the supplier.

Greece: Public Consultation on Cumulative Representation of the Last Resort

by Evridiki Evangelopoulou, (Thessaloniki)

On 5 December 2016, the Energy Regulatory Authority (RAE) launched a public consultation regarding the establishment of the Authority for Cumulative Representation of the Last Resort (hereafter: "Authority"), in order to gather stakeholders' proposals and views, which will be taken into account in formulating RAE's opinion on the issue to the Minister of Environment and Energy. In particular, according to the provisions of the paragraph 5 of Article 5 of Law No. 4414/2016, the Authority shall be established by a decision of the Environment and Energy Minister, after consultation with RAE, issued within three months from the entry into force of this act. The obligations, the operating framework and the charges imposed by this Authority for providing services to the holders of power plants shall be set out by the same decision. The charge imposed by the Authority on the holders of a power plant for the use of its services will be estimated based on the nominal income from the equivalent participation of this plant in the electricity market, while this charge escalates and increases the application as provided in par. 7. Further, according to the explanatory memorandum to the Law No. 4414/2016, the existing Market Operator for Electricity should be appointed as the Authority. The interested parties could have participated in the Consultation by submitting their views online until 12 December 2016. Finally, RAE is going to publish a list of participants in the Consultation and the content of the letters submitted.



BiH: State Electricity Regulatory Commission Joined the CEER

by *Nebojsa Milanovic, (Banja Luka)*

On 13 December 2016, the State Electricity Regulatory Commission of Bosnia and Herzegovina (SERC) has joined the Council of European Energy Regulators (CEER). The CEER General Assembly admitted SERC as an Observer with effect from 1 January 2017. In late 2015, the CEER opened its doors to the Contracting Parties to the Energy Community Treaty. SERC is the 5th national regulatory authority (NRA) from the Energy Community to join the CEER. The CEER serves as a platform for energy regulators within and beyond the borders of 28 Member States of the European Union. Its members and observers are the independent statutory bodies responsible for energy regulation at national level. CEER has been supporting regulatory cooperation and promoting competitive energy markets since it was established in 2000.



Bulgaria: Market Abuse Regulation for Energy Trade

by *Apostolos Christakoudis, (Sofia)*

As of 30 September 2016, the Law on the Measures against Market Abuse in Financial Instruments entered into force, repealing the current law. The new law aims to transpose the measures implementing the market abuse regulation into the national legislation. It directly affects the regulated markets and issuers of energy derivatives traded, admitted to trading on a regulated market or for which a request for admission to trade on a regulated market or multilateral trading facility has been made (as of 2018 the organized trading facilities will also be included), and large installations, regulated by the Emission Trading System and participating in the emission allowances market.

The new Law obliges energy traders to develop and implement specific procedures for protection from market manipulation, unlawful disclosure of inside information and financial instruments market manipulation. The energy traders' governing bodies should adopt the new procedures until 30 December 2016. The Law also provides for new rules on the development of special communication channels for reporting of violations. The energy traders, in their capacity as employers, will be required to ensure the protection of the rights and personal data of the personnel who would be willing to report on infringements.

FYR of Macedonia: Amendments to Regulation on Licensing of Energy Activities

by *Simonida Shosholcheva Giannitsakis, (Skopje)*

On 18 November 2016, the Regulations amending the Regulation on licensing of energy activities (hereafter: Amendments) were adopted by the Regulatory Commission for Energy of the FYR of Macedonia (hereafter: "Commission"), and published on 22 November 2016 in the Official Gazette No. 207/16. The Amendments refer to the content of the licence, in particular, apart from basic provisions which are contained in the licence, the latter should also include: the conditions, the manner and procedure for submitting of reports and other information necessary for monitoring the functioning of energy markets by the Commission. The Amendments provide for a 60 days deadline for the Commission to adopt a Decision for changing the licence. The Decision for changing the licence should be adopted within 60 days from the date of entry into force of the law or other regulations which caused changes in the conditions of performing energy activity. Further, there are some amendments in the procedure for transfer of the licence. When the Commission receives the request for transfer of a licence, it will adopt a conclusion on initiating a procedure of transfer of the licence for performing energy activity and submit the conclusion to the applicant. When the Commission conducts the procedure for transfer of the licence, it will adopt the relevant decision and will publish it in the Official Gazette of the FYR of Macedonia and on the web site of the Commission.

Montenegro: Decisions of the Montenegrin Energy Regulator

by *Stefan Pavlovic, (Belgrade)*

On 1 and 5 December 2016, the following decisions were issued by the Board of the Montenegrin Energy Regulator (REGAGEN): (i) Decision No. 16/2598-24 establishing the regulatory allowed revenue and fees for the electricity Market Operator (MO) for 2017 – per request made by the electricity MO "Crnogorski operator tržišta električne energije" Ltd. Podgorica; (ii) Decision No. 16/2607-8 establishing the prices and costs of ancillary services and balancing for the period 1 January 2017 - 31 December 2019 – per request made by the electricity Transmission System Operator (TSO) "Crnogorski elektroprenosni sistem" JSC; (iii) Decision No. 16/2609-41 establishing the regulatory allowed revenue and prices for the Montenegrin transmission system AD Podgorica for the period 1 January 2017 - 31 December 2019 - per request made by the electricity TSO "Crnogorski elektroprenosni sistem" JSC; and (iv) Decision No. 16/2610-24 establishing the regulatory allowed revenue and prices for using the electricity distribution system for the period 1 January 2017 - 31 December 2019 – per request made by the electricity Distribution System Operator "Crnogorski elektrodistributivni sistem" Ltd. Podgorica.

Serbia: Approval of Agreements on Cross-border Capacity Allocation

by *Stefan Pavlovic, (Belgrade)*

On 9 December 2016, the Council of the Energy Agency of the Republic of Serbia (hereinafter: AERS) approved Agreements between the electricity Transmission System Operator of the Republic of Serbia JSC "Elektromreža Srbije" Belgrade (EMS) and the transmission system operators of Romania (Transelekttrica), FYR of Macedonia (MEPCO), Hungary (MAVIR), Bulgaria (EAD), Bosnia and Herzegovina (NOSBIH) and Croatia (HOPS) on the procedure and manner of cross-border capacity allocation and access to cross-border transmission capacities for 2017. The enforcement of these agreements enables greater possibilities for system users and improves conditions for electricity market development in the South-Eastern Europe and its integration into the European market. It is important to note that the Organisation of Joint Auctions provides more efficient use of cross-border capacities in line with European regulations.

Serbia: Decision on Electricity Market Rules

by *Aleksandar Mladenovic, (Belgrade)*

On 9 December 2016, the Council of the Energy Agency of the Republic of Serbia (AERS) on its 355th session passed a decision giving consent to the: (i) Rules on the publication of key market data – these rules define each of the categories of market consumption and transmission data, production data and balanced energy data, with the aim to ensure timely publication of the key defined market data and their availability to all market participants, and hence represent a precondition for non-discriminatory functioning of the electricity market; (ii) Rules of Procedure of the electricity market – these rules determine the operation of the electricity market and in particular set out the rules on balance responsibility meaning the obligation of market participants to balance generation, consumption and internal and external transactions for purchase and sale of electricity. As a result of the adoption of these new rules, the old Rules of Procedure of the electricity market (OG RS No. 120/12 and 120/2014) shall be rendered out of force and shall be no longer applicable; and (iii) Rules for the allocation of transmission capacity on the borders with Hungary, Romania, Croatian, Bulgaria, FYR of Macedonia and Bosnia and Herzegovina – these rules have been published in separate sections for each of these borders in the section "Allocation of cross-border capacity" on the web site of the electricity TSO JSC Elektromreža Srbije (EMS). The above mentioned rules have been previously adopted on the EMS' 1st extraordinary assembly meeting on 29 November 2016. As a result thereof, the Rules have been published on the EMS' web site and are due to come into force after eight (8) days upon their publication, i.e. on 23 December 2016.

Serbia: Harmonization of Methodologies with New Energy Law

by *Stefan Pavlovic, (Belgrade)*

On 5 December 2016, the Council of the Energy Agency of the Republic of Serbia (hereinafter: AERS) adopted: (i) the Decision on amending the Methodology for determining the fee for access to the system for distribution of electricity and (ii) the Decision on amending the Methodology for determining the fee for access to the electricity transmission system. The amendments represent harmonisation of the mentioned methodologies with the new Energy Law (Official Gazette of the Republic of Serbia No. 145/2014). Both Decisions have been published in the Official Gazette of the Republic of Serbia No. 98/2016 and will come into force on 1 January 2017.

Ukraine: NEURC and TSO Attempt to Simplify Grid Connection Procedure

by *Tetyana Vyshnevskya, (Kiev)*

On 7 November 2016, the National Energy and Utilities Regulatory Commission (NEURC) issued Resolution No. 1946 on Approval of Amendments to the Methodology for Calculation of Fees for Grid Connection of Electricity Generating Plants, approved by the NEURC Resolution No. 115 of 12 February 2013. By means of these amendments the NEURC aims to simplify and improve the grid connection procedure for power plants with the capacity of 160 kW to 5000 kW in regards to calculation of connection costs, and ensure equal access to the grid. The Resolution No. 1946 came into force on 22 November 2016. In addition, according to the statement of 29 November 2016, as of 1 January 2017 the electricity Transmission System Operator PJSC Ukrenergo is going to introduce a one-stop shop for companies (primarily electricity producers with the installed capacity of generating facilities of 10 MW and more) willing to connect to the transmission grid. The model application for connection and samples of performance specifications for preparation of the power output schemes shall be drafted and published on the website of Ukrenergo.



O I L & G A S

Greece: Public Consultation on the Natural Gas Distribution Code

by Mira Todorovic Symeonides, (Athens)



On 8 December 2016, the Energy Regulatory Agency (RAE) has launched a supplementing public consultation, which lasted until 16 December 2016, on the draft Natural Gas Distribution Code. The initial public consultation on issuing of the Distribution Code was performed in December 2015. The Code regulates terms and conditions for providing access to the four natural gas distribution grids (of Attika, Thessaloniki, Thessalia and of the Rest of Greece). It was initially prepared by the distribution network operators and submitted to RAE for processing and approval. The purpose of the respective processing and supplementing consultation is to harmonise the proposals of the Distribution System Operators and to provide a unified Code for all natural gas distribution networks.

The Draft Code does not distinguish the proposed new amendments in comparison with the 2015 version but rather provides for unified text. It regulates all the major issues such as provision of Operation services (basis services of distribution, ancillary services and optional services), procedures of provision of information (communication data and publication of information regarding the network), Electronic identification codes on delivery points, coordination with Transmission System Operator and other Distribution System Operators, connecting, disconnecting and re-connecting of delivery points, criteria for connection of new delivery points, connection agreement and execution of connection works, agreement on the use of distribution network, quality of natural gas, operation of the network, maintenance and development of the distribution network and well as invoicing and payment procedures.



more news on Oil & Gas:

Greece: MoU on LNG between DEPA and Attica Group

by Paraskevi Charalampidi, (Athens)

On 8 December 2016, the Greek Public Gas Corporation (DEPA), in an effort to broaden the decentralized use of natural gas and the promotion of LNG in shipping, signed a Memorandum of Understanding with the Attica Group, which is a holding company of Superfast Ferries and Blue Star Ferries for the use of liquefied natural gas (LNG) by passenger ships. Thus, the use of natural gas in shipping not only would offer opportunities for the protection of the environment while simultaneously reducing the operating costs in the shipping industry, but would also ensure compliance with the existing legislation on the sulfur content of marine fuels and with the Decision of the International Maritime Organization (IMO) for adopting a European and global scale limit of 0.5 % of the sulfur content in fuel oil from 1 January 2017. To this end, DEPA and Attica Group participate in the European POSEIDON MED II program, which aims to import LNG as the main fuel for the shipping industry and the development of an adequate network of ships refuelling infrastructure for LNG. The said project will last five years and is planned to be finalised in 2020. Half of the financing will be provided by the European Commission.

Greece: Press Release on Sale of DESFA

by Dafni Siopi, (Thessaloniki)

On 30 November 2016, the Greek Ministry of Environment and Energy issued a press release regarding the sale of Hellenic Gas Transmission System Operator S.A. (DESFA). The Ministry announced that the Greek Government was discussing the selling of DESFA with the representatives of foreign enterprises SOCAR (Azerbaijan) and Snam (Italy). The climate during the discussions was constructive, but the proposal of the buyers could not be accepted, because the repayment in instalments was legally impossible and could lead to the cancellation of the procedure. Alternative proposals made by potential buyers were examined, in order to improve the value via guaranteeing mechanisms, which were found to be inapplicable within the Community's institutional framework. The Government's proposals aimed at improving the financial position of DESFA based on the increase in recoverable difference in the previous years under the existing legislation. These proposals were not accepted, resulting in the termination of the discussions.

Croatia: Public Consultation on the Rulebook on the Use of the Gas Storage System

by Sanja Tolj Par, (Zagreb)

The Croatian Gas System Operator – Underground Gas Storage Ltd. - launched a public consultation on the Proposal of the third edition of the Rulebook on the Use of the Gas Storage System. The public consultation lasted from 18 November to 5 December 2016. Underground Gas Storage Ltd adopted the second edition of the Rulebook on the Use of the Gas Storage System pursuant to Article 85 of the Gas Market Act (Official Journal 28/2013 and 14/2014) and the Decision on the approval of the Croatian Energy Regulatory Agency (Cl.: 310-05 / 14-02 / 235, reg. No.: 371-01 / 14-03) of 23 December 2014. The Rulebook was amended primarily in order to redefine the list of non-standard services of the Operator, to add new Annexes to the Rules of allocation of fixed services and the Rules on sale of stored gas in an open tender procedure.

FYR of Macedonia: Consultation on the Regulated Income of TSO for 2017 – 2021

by Simonida Shosholcheva Giannitsakis, (Skopje)

On 30 November 2016, the Energy Regulatory Commission of the FYR of Macedonia (hereafter: the Commission) has launched a public consultation to gather comments and suggestions of all interested legal entities and individuals in regards to the request No. UP-1 08-75/16 for approval of the regulated income and tariffs for natural gas transmission activities and management of the natural gas transmission system for the regulated period of 2017 – 2021, submitted on 18 November 2016 by Joint Stock Company GAMA Skopje as the holder of licences for respective energy activities. The stakeholders were able to provide their feedback to the consultation until 7 December 2016.



Ukraine: Recent Developments on Natural Gas Market

by Tetyana Vyshnevskaya, (Kiev)

On 15 November 2016, the Methodology for Determination and Calculation of Tariff for Natural Gas Distribution Services, approved by the National Energy and Utilities Regulatory Commission (NEURC) by means of its Resolution No. 236 of 25 February 2016, came into force. The Methodology provides for determining the expenses to be taken into account when calculating the distribution tariff, the expected revenue of the distribution system operator (DSO) based on the cost-plus system as well as tariffs paid as capacity fees, and incentivizing DSOs to increase operational efficiency. The new tariff calculation methodology shall contribute to stable operation of DSOs, maintaining an appropriate level of security and undertaking timely preventive and repair activities.

In addition, on 25 November 2016, a draft law No. 5459 on amending the Tax Code of Ukraine in order to introduce an incentive rate of rent for using ground under the surface for natural gas extraction from new wells was registered in the Parliament. The draft provides for a 12% rate of rent for extracting natural gas from new wells regardless of the depth of the deposit, given that drilling starts after 1 January 2017. This incentive is expected to increase investments in natural gas extraction from new and existing fields; however, it will not apply to natural gas produced under joint operating agreements. At present, the draft is under consideration of Parliamentary committees.

Noteworthy, during October-November 2016, the gas Transmission System Operator PJSC Ukrtransgaz has concluded contracts on natural gas transportation and storage in Ukrainian gas storage facilities with three (3) European gas traders, namely French ENGIE, Swiss DufEnergy Trading SA and British TrailStone Energy LLC. Thereby, Ukrtransgaz created conditions for equal access to the national gas transmission system and storage facilities, and opened the natural gas market for foreign companies, which were only able to import and extract natural gas within the territory of Ukraine heretofore. Test supplies of natural gas were expected to take place in December.

RENEWABLES

EU: Winter Package for RES

by Stefania Chatzichristofi, (Athens)

On 30 November 2016, the European Commission published its “Clean Energy for All Europeans” package, referred to as the “Winter Package”, which consists of numerous legislative proposals together with accompanying documents, aimed at further completing the internal market for electricity and implementing the Energy Union. In the field of renewables, the Proposal for a Directive on the Promotion of the Use of Energy from Renewable Sources is based on the existing Directive 2009/28/EC (OJ L 140, 5.6.2009) which remains in force. The provisions of the revised RES Directive are adapting the framework for renewable energy development to the 2030 perspective, provide certainty to investors and address the potential of renewable energy in a number of sectors. The significant change is that the rules on priority grid access for renewables have been removed. The revised RES Directive includes general principles that Member States (MSs) should follow when designing their support schemes which must be cost-effective and market oriented. Moreover, the RES Directive simplifies administrative procedures through a one-stop-shop and a time limit for the RES permit granting process as well as provides for a simple notification procedure to facilitate the repowering of existing RES plants and small scale projects.



In the heating and cooling sector the revised directive provides MSs with options to increase their share of renewable energy in heating and cooling supply, aiming at increasing the share of renewable energy by 1% per year in their total supply until 2030; opens access rights to local district heating and cooling systems for RES producers under certain conditions. In the transport sector the revised RES Directive introduces an obligation on European transport fuel suppliers to provide an increasing share of renewable and low-carbon fuels, including advanced biofuels, renewable transport fuels of non-biological origin (e.g. hydrogen), waste-based fuels and

renewable electricity (the level of this obligation is progressively increasing from 1.5% in 2021 to 6.8 % in the year 2030, including at least 3.6% of advanced biofuels). Further, it introduces national databases to ensure traceability of the fuels and mitigate the risk of fraud.

In addition, the revised RES Directive aims to: a) enable consumers to self-consume renewable electricity without facing undue restrictions, and ensure that they are remunerated for the electricity they feed into the grid; b) facilitate the participation of energy communities in the market and c) provide information on energy performance and energy sources of district heating and cooling systems. Also, in the field of EU sustainability criteria, the Directive includes the following new requirements: i) the sustainability criteria for biofuels are improved, including by requiring that (new) advanced biofuels emit at least 70% fewer GHG emissions than fossil fuels; ii) the EU sustainability criteria are extended to cover solid biomass and biogas used in large heat and power plants (above 20 MW fuel capacity); iii) the large-scale biomass electricity plants (above 20 MW) will need to use high efficient combined heat and power technology (reaching efficiencies above 80%). In the absence of MSs binding targets (as it was the case in the previous renewable energy Directive), one of the key challenges of the post-2020 energy framework is to ensure that the 2030 target is collectively met in a cost efficient-way while avoiding a disproportionate burden on some MSs. Consequently, the 2020 national targets will be established as baseline to build on the progress achieved with the current framework. MSs will not be allowed to go below their 2020 targets from 2021 onwards. Specific measures to close any possible gaps to the achievement of the renewables target will be introduced by the Energy Union Governance.

The Directive will enter into force on 1 January 2021 and (except for few provisions) should be transposed into national law by 30 June 2021.

more news on Renewables:

Greece: Decision of RAE on the Bidding Procedure for PV installations

by Stefania Chatzichristofi, (Athens)

On 12 December 2016, the Greek Energy Regulatory Authority (RAE) issued its Decision No. 570/2016 regarding the pilot competitive bidding procedure for photovoltaic (PV) installations that was completed successfully. More precisely, pursuant to RAE's announcement: i) all the tendered quantities have been sold and ii) there has been a significant reduction in price, of approximately 15%, in comparison to the starting prices. For the Category I that contains the PV installations with the installed capacity equal or less than 1 MWh, the auctioned power was set to 4,8MW and the starting price at 104 €/MWh. In total, thirteen (13) projects were submitted and thirty five (35) offers were accepted by the Electronic Auction System. The prices ranged from 94,97 €/MWh to 104 €/MWh. According to the tender procedure, from the auctioned power set, 4,797190 MW were finally awarded, i.e. just 0,00281MW (or 2,81kW) remained unsold. For the Category II that contains the PV installations with the installed capacity of more than 1 MWh, the auctioned power was set to 35,2 MW and the starting price at 94 €/MWh. In total, thirteen (13) projects were submitted and four hundred forty six (446) offers were accepted by the Electronic Auction System. The prices ranged from 79,97 €/MWh to 88 €/MWh. According to the tender procedure, from the auctioned power set, 35,1232 MW were awarded, i.e. only 0,07997 MW (or 79,97kW) remained unsold.

Greece: Public Consultation on the Proposed Model Contract for Hybrid Stations in the NII

by Stefania Chatzichristofi, (Athens)

On 9 December 2016, the Greek Energy Regulatory Authority (RAE) launched a public consultation, which lasted until 19 December 2016, regarding the draft model power purchase agreement (PPA) that owners of hybrid power plants in the Non-Interconnected Islands (NII) should sign with the Operator of the NII (DEDDIE). The Law No. 4414/2016 of 9 August 2016 (OJ 149 A/ 9.08.2016), that introduced a new support scheme for Renewable energy sources (RES) in Greece, in Articles 10 and 21 regulates the support scheme for hybrid power plants in NII (Operating Aid on the basis of a Fixed Price), also providing that a respective model PPA should be approved by a ministerial decision upon obtaining an opinion from RAE. After consideration with DEDDIE, RAE launched this Consultation in order to obtain opinion from the relevant stakeholders in regard to the form and the content of the model PPA. Before issuing of its proposal, RAE will publish the list of participants and the content of their letters on its website.



Greece: RAE's Opinion on the Model PPA for RES and CHP Plants

by Stefania Chatzichristofi, (Athens)

On 8 December 2016, the Greek Energy Regulatory Authority (RAE) issued a series of Decisions, namely Decision No. 6/2016, 7/2016, 8/2016, 9/2016, 10/2016 and 11/2016, providing opinion on the model Power Purchase Agreements (PPA) that the owners of RES and CHP power stations shall sign with their respective Electricity Operators (i.e. either LAGIE, in case of the interconnected system, or DEDDIE, in case of the non-interconnected islands (NII) of Greece), following the public consultation held by RAE on 29 September 2016 through 13 October 2016. More precisely, by means of the aforementioned Decisions, RAE opined on the scope of issuing the respective Ministerial Decisions regarding the type, content and process of signing the model Sliding Premium Operating Aid Contract (SEDP) for RES and CHP in the interconnected grid as well as the Fixed Price Operating Aid Contract (SEST) for the: i) interconnected system and grid; ii) wind and photovoltaic in the NII; iii) solar in the NII and iv) biomass in the NII, in accordance with the provisions of Articles 9 and 10 of the Law No. 4414/2016 of 9 August 2016 (OJ 149 A/ 9.08.2016).



Albania: Legislative Initiative on Promoting Renewables

by Odisea Xhelita, (Tirana)

On 6 December 2016, the Ministry of Energy and Industry (MEI) presented the draft law on the Promotion of Use of Energy from Renewable Sources to the Parliamentary Committee of Productive Activities. The draft law regulates different renewable energy sources (RES) related issues such as increasing the participation of Albanian RES producers in the domestic and regional market, creating an open and competitive RES energy market, as well as enhancing the security of supply, the usage of all national resources and the creation of opportunities for personal/households' energy production. By means of this legislative initiative, the MEI intends to implement a promotion scheme and an investment plan aiming to incentivize creation of new projects for energy production using wind and sun. The small RES projects, implemented by small companies or households, with the installed capacity of wind or solar power plants under 500 kW, will be authorized by the Ministry under the simplified procedures.

The RES producers will be responsible for balancing the energy production in accordance with the market rules, unless their project's installed capacity is below 2 MW or in case of demonstration projects (but not in cases such projects have the installed capacity of 3 MW or 3 production units). RES and other privileged producers may be awarded a financial support (premium), after a competitive bidding process. The premium is calculated as the difference between the bidding price (determined price) and the market price (reference price). Also, the financial support shall be given without any bidding procedures to projects with the installed capacity of less than 2 MW, or for demonstration projects. The draft law also regulates the establishment of a Renewables Energy Operator who will be responsible for the promotion of RES and who will be financed through an increase of the special tariff paid by all final consumers.

Romania: Amendments in the System Promoting Green Certificates

by Corina Bădiceanu, (Bucharest)

On 28 November 2016, the Order No. 77/2016 amending and supplementing the Regulation on the authorisation of producers of electricity from renewable sources for the application of the system related to the promotion of green certificates was published in the Official Gazette No. 957/28.11.2016. The Order, issued by the Romanian Authority Regulating the Electricity Domain (ANRE), regulates, among others, the documentation necessary for obtaining the authorisation issued by ANRE and the European Commission related to the promotion of green certificates.

The Order shall apply to the economic operators (including the natural persons) that own plants/units for production of energy from renewable sources that request authorisation for the application of the system related to the promotion of green certificates, and to the system operators.

COMPETITION - STATE AID

EU: Denmark's State Aid Scheme for Energy-Intensive Users

by Viktoria Chatzara, (Athens)

On 12 December 2016, the European Commission published its Decision No. SA. 44863 (2016/N) - Denmark on an amendment to the state aid concerning the reduced contribution to the financing of renewable energy sources (RES) support for energy-intensive users. According to the original state aid scheme, which was approved by the Commission Decision of 31 August 2015, compensation was granted to electro-intensive users having production units in the sectors listed in Annex 3 of the Guidelines on State aid for environmental protection and energy 2014-2020 (EEAG). The intended amendment to the original scheme aims to broaden the scope of the beneficiaries benefiting from aid in the form of reductions in the financing of RES support, by including undertakings having production units which meet the criteria established by par. 186 of the EEAG, i.e. which have a trade intensity of at least 4% at EU level and which also have an electro-intensity of at least 20%, calculated in accordance with Annex 4 of the EEAG. With respect to the criterion of trade intensity, the amendment will primarily cover all electricity-intensive undertakings having production units with main activities among the sectors listed in Annex 5 of the EEAG (extraction of crude petroleum, extraction of natural gas, mining of iron ores, operation of gravel and sand pits, processing and preserving of meat, etc.). Undertakings operating in other sectors will have to prove that they belong to a sector with a trade intensity of at least 4% at EU level, by submitting a relevant report prepared by an undertaking, a business or industry association, an independent body or other similar entity. Moreover, the support will also be granted to undertakings belonging to four horticultural sectors not listed in any Annex of the EEAG, but having a trade intensity of at least 4% at EU level.



According to the Commission, as the proposed amendment only affects the scope of the beneficiaries of the aid and not any other elements of the original scheme, the notified measure constitutes state aid. Taking into account that the amendment refers only to the conditions set out in par. 186 of the EEAG, the Commission examined its compatibility with the internal market in connection with this provision. Pursuant to the information provided by Denmark, the Commission concluded that the amendment to the original scheme meets the requirements of the EEAG. In view of this conclusion, in conjunction with the fact that all the remaining conditions of the original scheme are maintained, thus giving no reason for the Commission to depart from its previous decision, it was found that the broadened scope of beneficiaries for the reduced contribution to financing of RES support for energy-intensive users is compatible with the internal market. To be noted that the 2016 budget for new beneficiaries is estimated to the amount of DKK 10 million, whereas for the years 2017-2020 the budget will be equal to the amount of DKK 285 million for all categories of beneficiaries.

more news on Competition - State Aid:

EU: Romanian Support Measure for a Wind Power Plant

by Viktoria Chatzara, (Athens)

On 2 December 2016, the European Commission's Decision No. SA. 36728 (2016/NN) – Romania, concerning an individually notified Romanian state aid scheme regarding support to the Cogealac Wind Power Plant (CWPP) in the form of granting green certificates was published in the Official Journal of the EU. According to the applicable provisions, green certificates are granted by the National Regulatory Authority (ANRE) to producers of electricity from renewable energy sources, whereas energy suppliers are obliged to acquire annually a certain number of green certificates on the centralised green certificate market and/or on the bilateral contract market. The sale of green certificates constitutes a supplementary income for RES producers, which covers the additional costs arising from the use of RES. State aid, in the form of granting green certificates, shall be granted to CWPP, a wind power plant with a total electricity generating capacity of 252.5 MW, and with a small market share in the Romanian electricity market. CWPP will be receiving support for 15 years, within which it is estimated that it will receive green certificates of a total value of €450 million. After reviewing the details of the support scheme, the Commission concluded that it constitutes state aid. Taking into account that CWPP received green certificates at a time when the 2008 Community Guidelines on State Aid for Environmental Protection were in force, the Commission assessed the measure under the light of these Guidelines, therefore the measure was found compatible with the internal market.

EU: Polish Support Measure for Energy-Intensive Users

by Viktoria Chatzara, (Athens)

On 16 December 2016, the European Commission's Decision No. SA. 37345 (2015/NN) - Poland, concerning a notified Polish state aid scheme regarding support to energy-intensive users in the form of partial relief from the charges used to finance a support system for electricity from renewable energy sources (RES) was published in the Official Journal of the EU. For the purposes of supporting electricity production from RES, Poland introduced a system consisting of imposing an obligation on certain entities to acquire certificates of origin (CO) issued for electricity generated from RES, upon an application of the RES producer, confirmed by the competent TSO. According to Polish law, there is a number of entities that are required to purchase CO (such as energy companies engaged in electricity generation, commodity brokerage houses, etc.), passing on the CO cost to the end consumers, whereas the received funds are used to finance environmental protection instruments. With respect to energy intensive users, i.e. industrial customers representing specific industries in Annex 3 of the Guidelines on State aid for environmental protection and energy 2014-2020 (EEAG), having an electro intensity of at least 3%, the Polish law introduced a reduction of the burdens deriving from the above CO system. The level of the reductions will vary depending on the electro intensity rate. According to the Commission, both the CO system and the reduction of the burdens for energy intensive users constitute state aid measures. With respect to the CO system, it was found to be compatible with the 2001 EEAG, the 2008 EEAG and the 2014-2020 EEAG. Furthermore, the reduction for the energy-intensive users was also considered to be compatible with the internal market on the basis of the 2014-2020 EEAG.

EU: Commission Approves Four French RES Support Schemes

by Stefania Chatzichristofi, (Athens)

On 12 December 2016, the European Commission issued Decisions No. SA. 46898, SA 46655, SA. 45032 and SA. 43780 and thereby approved four (4) support schemes for renewable energy (RES) projects in France, for being in compliance with the Guidelines on State Aid for environmental protection and energy 2014-2020. The French authorities have notified the Commission about four different projects intended to boost electricity production from RES by granting a feed-in tariff or a top-up payment to the following installations: i) the ones using energy extracted from geothermal deposits; ii) the ones of less than 500 kW which use biogas produced by methanisation (i.e. gas produced from agricultural residues and organic waste); iii) hydroelectric plants of less than 1 megawatt (MW) and iv) wind farms which submitted a complete aid application in 2016. The aim of these state aid schemes, which are financed from the 'Energy Transition' account, is to help France meet its RES target as well as to minimize any distortion to competition. The Commission referred to the 2014 Guidelines on State Aid for Environmental protection and Energy, pursuant to which the Member States were allowed to support RES, subject to certain conditions. The Commission concluded that the state aid schemes at hand helped integrate RES producers into the French market in accordance with the Guidelines, only installations of less than 500 kW shall be eligible for Feed-in-tariffs (FiT) and installations with the capacity equal to or exceeding 500 kW shall receive support in the form of a premium on top of the market price, besides, the measures also include monitoring arrangements to prevent the installations from receiving excessive remuneration. With specific regard to installations using geothermal energy, the Commission has observed that the potential number of projects is too limited to organise a competitive tender. In such cases, the Guidelines allow for the aid to be granted without going through a tender procedure. It should be noted that the complete text of the Commission's Decision has not yet been published in the Official Journal of the EU.



ENERGY INFRASTRUCTURE

EU: Report on Implementation of Energy Infrastructure Funding and Communications on Clean Energy Innovation and Transport Systems

by Tetyana Vyshnevskaya, (Kiev)

On 28 November 2016, the European Commission (EC) issued a Report on the Implementation of the European Energy Programme for Recovery (EEPR) and the European Energy Efficiency Fund (EEEF). By means of this Report, the EC informed the European Parliament and the Council on the progress achieved in implementation of the EEPR projects on energy infrastructure and innovation and the EEEF during the period of 31 August 2015 - 30 June 2016, providing details of the projects and allocated funds. According to the Report, both the EEPR and EEEF proved successful in facilitating implementation of energy projects: a) out of 44 projects of electricity infrastructure, gas infrastructure and storage, and gas reverse flow, supported by the EEPR, 33 projects are already completed, 6 are on-going and 1 has been suspended (over €2.26 billion committed and over €1.36 billion disbursed to the beneficiaries by 30 June 2016); b) out of 9 off-shore wind energy projects 3 have been completed, 2 terminated (about €222 million paid); c) out of 6 projects in carbon capture and storage 1 has been completed, 3 terminated prematurely, 1 ended without completion and 1 is still in progress (over €432 million paid); d) in five years of its operation (from July 2011 till the end of 2015) the EEEF has signed contracts with 10 projects for €117 million, which have generated €219 million of final investments. According to the EC's estimates, the modernization and expansion of Europe's energy infrastructure shall require about €200 billion until 2020, with two-thirds of this amount to be spent on electricity and smart grids infrastructure.



In addition, on 30 November 2016, the EC issued Communication on Accelerating Clean Energy Innovation. The Communication is a part of the broader package of measures aimed at boosting clean energy transition (the Clean Energy for All Europeans) and contains a set of proposed actions in regard to: i) policy signals and regulatory frameworks: the EC outlines necessary changes in energy subsidies and energy-specific regulations, competition policies, public procurement and state aid rules etc.; ii) financial instruments to boost private investment: the EC intends to increase the budgets and expand the scope of such

instruments, establish a Cleaner Transport Facility to support the deployment of alternative energy transport solutions etc.; iii) funding energy science and technology and its market adoption: the EC intends, among other, to launch a flagship Energy Innovation inducement Prize for €5 to €10 million to reward a breakthrough innovation, to strengthen existing bottom-up approaches to innovation under Horizon 2020, explore other mechanisms, including a potential European Innovation Council, and deploy €2 billion from the Horizon 2020 work programme for 2018-2020 to support research and innovation projects regarding: a) decarbonisation of the EU building stock by 2050; b) strengthening of the EU leadership on renewable energy sources; c) developing affordable and integrated energy storage solutions; d) electro-mobility and a more integrated transport system. The results of implementation of the EC's initiatives shall be presented in the annual State of the Energy Union report.

Moreover, on 30 November 2016, the EC issued Communication on a European Strategy on Cooperative Intelligent Transport Systems (C-ITS), a milestone towards cooperative, connected and automated mobility. The Communication establishes priorities for a coordinated deployment of C-ITS, addresses issues like cyber-security, privacy and data protection, interoperability, and provides recommendations on actions necessary to commence full-scale deployment of C-ITS services in 2019. As regards legal framework, the EC shall adopt by 2018 the delegated act(s) on: ensuring continuity of C-ITS services, the practical implementation of the General Data Protection Regulation in the area of C-ITS and a forward looking hybrid communication approach; laying down rules to ensure security of C-ITS communications, rules on interoperability and rules on the compliance assessment processes. The deployment of C-ITS services should be supported through the Connecting Europe Facility, European Structural and Investment Funds and the European Fund for Strategic Investments.

more news on Energy Infrastructure:

EU: Consultation on Evaluation of Connecting Europe Facility

by Tetyana Vyshnevskaya, (Kiev)

On 28 November 2016, the European Commission launched a public consultation on the mid-term evaluation of the Connecting Europe Facility (CEF) Programme. The CEF was established by means of the Regulation (EU) No. 1316/2013 of the European Parliament and of the Council of 11 December 2013 with the view to accelerate investment in the field of trans-European networks, provide financial support to preparation and implementation of projects of common interest in the energy, telecommunications and transport sector. The main objective of the consultation is to gather stakeholders' views and suggestions on the implementation of the CEF Programme, and assess the progress in achievement of its objectives, efficient use of resources and its European added value. The results of the mid-term evaluation will be taken in account when deciding on the renewal, modification or suspension of Programme's measures. The deadline for submission of the feedback to the consultation is 20 February 2017.

Greece: Commitment and Capacity Allocation Auction for Kulata-Sidirokastro

by Evridiki Evangelopoulou, (Thessaloniki)

On 6 December 2016, the Energy Regulatory Authority (RAE) published Decision No. 518/2016 regarding the Auction procedure for the Commitment and Capacity Allocation at the Interconnection Point Kulata - Sidirokastro for the transitional period from 1 January 2017 until 30 September 2017. The Decision sets out the following binding capacity allocation rules: a) the transmission capacity shall be booked exclusively through auctions carried out by means of the Regional Booking Platform (RBP), in accordance with article 27 of Regulation (EU) 984/2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems, and the announcement of the Transmission System Operator (DESFA SA) of 15 September 2016; b) the right to participate in auctions for allocation of transmission capacity is granted to persons who are, as of the day before the auction day, both: (i) users of the transmission system and (ii) registered as users of the RBP; c) the proportion of the transmission capacity set aside and offered as a short-term standard capacity product at the annual quarterly capacity auction is set at 10%; d) the auctioned products are the following: a) the firm transmission capacity with the nine (9) months delivery, i.e. from 1 January 2017 until 30 September 2017, b) the firm transmission capacity with the three (3) months delivery, i.e. 1 January 2017-31 March 2017, 1 April 2017-30 June 2017 and 1 July 2017- 30 September 2017, and c) other products according to Regulation 984/2013 as appropriate and available under the Auction Calendar of the ENTSO-G for the current gas year. The TSO should disclose without delay the transmission capacity for delivery or collection to be auctioned, and the auction starting prices for each of these products. The users should submit guarantees to the administrator as provided for in the relevant approved Standard Contract and the Management Code.



Serbia: Public Consultation on the Draft TSDP for 2017-2026

by Vuk Stankovic, (Belgrade)

On 12 December 2016, the Serbian Energy Regulatory Agency (hereafter: "Agency") launched a public consultation on the draft Transmission System Development Plan for 2017-2026 (Plan), submitted by Jugorogaz – transportation doo, acting as the Transmission System Operator for Natural Gas (NGTSO). According to Article 249 of the Law on Energy, NGTSO is obligated to adopt a transport system development plan on an annual basis, for a period of at least ten years, and harmonise it with the plan of development of connected systems as well as with requests for the connection of storage facilities, producers and customers. Pursuant to the authorizations set forth in Article 53 of the Law on Energy, and after consideration of the views and recommendations provided by the interested stakeholders during the consultation, the Agency shall decide on giving the green light to the Plan. The consultation closed on 26 December 2016.

ENERGY EFFICIENCY

EU: Energy Efficiency in Clean Energy Package

by Tetyana Vyshnevskya, (Kiev)

On 30 November 2016, the European Commission (EC) presented the so called Clean Energy for All Europeans package, which is a set of regulatory proposals and facilitating measures aimed at speeding up the clean energy transition, modernising the economy and boosting investments. The package includes, among other, the proposals on revision of Directive 2012/27/EU on energy efficiency (EED), Directive 2010/31/EU on the energy performance of buildings (EPBD) and regulations on ecodesign and energy labelling, in view of the EU's commitments under the Paris Agreement on Climate Change of December 2015 and recent technological developments.

In regard to the EED, the amendments concern articles which need to be updated for the 2030 timeframe (Articles 1, 3, 7, Annex V) and the metering and billing provisions (Articles 9 and 10, Annex VII), but the rest of the EED shall remain the same. The EC proposes, inter alia: a) to set a 30% binding energy efficiency target for 2030 at EU level; b) to extend the energy saving obligation beyond 2020 to 2030, while retaining the rate of 1.5% and the possibility to use both energy efficiency obligation schemes and alternative measures, however, Member States will be required to take into account energy poverty when designing such scheme/measures; c) to make the metering and billing provisions applicable only to gas, and supplement them with similar and clear provisions applicable only to heating, cooling and domestic hot water supplied from central sources. Also, the proposal introduces a distinction between final consumers and final customers in order to clarify the applicability of metering and billing rules in sub-metered multi-apartment and purpose buildings. According to the proposal, the EC shall evaluate the EED and provide the European Parliament and the Council with a relevant report by 28 February 2024 and every five years thereafter.

The amendments to the EPBD are intended to accelerate the cost-effective renovation of the existing building stock, support further removal of specific barriers to energy efficiency and renewable energy in buildings (which fall within the scope of the EPBD), deliver the cost-effective reduction of greenhouse gas emissions and contribute to security of energy supply, including by means of: a) the extension of the definition of technical building systems to include on-site electricity generation and on-site infrastructure for electro-mobility; b) clarified and simplified requirements for feasibility studies before commissioning of buildings; c) using energy performance certificates (EPCs) to assess savings from renovations financed with public support (by comparing EPCs before and after renovation) and imposition of an obligation to disclose energy performance of public buildings with a surface over a certain threshold; d) streamlined provisions on inspections of heating systems and air-conditioning systems, more effective approaches to ensuring that building performance is maintained and/or improved; and e) improved transparency and consistency in the way energy performance is determined at national or regional level and taking into account the importance of the indoor environment. Article 4 of the EED on the long-term building renovation strategies will be removed from the EED and added to the EPBD for greater consistency and to facilitate decarbonisation of the building stock by 2050.

Moreover, the EC presented: a) a new Ecodesign Working Plan for 2016-2019, which outlines the EC's working priorities under the ecodesign and energy labelling framework, introduces new product groups (building automation and control systems, electric kettles, lifts, refrigerated containers, hand dryers, high pressure cleaners, photovoltaic systems) and determines how ecodesign will contribute to objectives of the circular economy; b) Guidelines on eco-design self-regulation measures for industry (voluntary agreements as an alternative to regulation); c) a draft Regulation implementing Directive 2009/125/EC establishing a framework for the setting of ecodesign requirements for energy-related products, with regard to ecodesign requirements for air heating products, cooling products, high temperature process chillers and fan coil units; d) draft Regulations on tolerances in verification procedures for all eco-design and energy labelling measures and e) Implementing Decisions on eco-design and energy labelling standardisation requests for solid fuel boilers and local space heaters. The EC's proposals shall be addressed by the European Parliament and the Council.



more news on Energy Efficiency:

EU: New Database on the Energy Performance of Buildings

by *Andriani Kantilleraki, (Athens)*

On 30 November 2016, the European Commission launched a new database on the energy performance of buildings, called the EU Building Stock Observatory. The database provides information on certain key building features and assesses the energy use and energy performance levels in general, both in individual countries and in the EU as a whole. The database accompanies the recently introduced package of measures regarding the EU's target on clean energy transition (a.k.a. the Winter Package) and is associated with the proposal of a new Energy Performance of Buildings Directive, included in the package. In addition, the Observatory monitors energy efficiency levels, is a solid indicator of energy poverty levels across the EU, and aims to promote the use of innovative and smart technologies for the efficient operation of the buildings sector, which accounts for 40% of Europe's energy consumption.

EU: Studies on Energy Efficiency Obligation Schemes

by *Tetyana Vyshnevskya, (Kiev)*

In December 2016, the European Commission (EC) published a set of studies on energy efficiency, undertaken in the course of 2016, including, inter alia: i) a Study on Costs and Benefits of Energy Efficiency Obligation Schemes (hereafter: "Study I"); ii) an Evaluation of Fiscal Measures in the National Policies and Methodologies to Implement Article 7 of the Energy Efficiency Directive (hereafter: "Study II") and iii) a Study evaluating progress in the implementation of Article 7 of the Energy Efficiency Directive (hereafter: "Study III"). According to Article 7 of Directive 2012/27/EU on energy efficiency, each EU Member State (MS) is required to set up an energy efficiency obligation scheme (EEOS) or alternative policy measure(s) (e.g. energy or CO₂ taxes, financing schemes and instruments or fiscal incentives, regulations or voluntary agreements that lead to application of energy-efficient technology or techniques and result in reduced end-use energy consumption, energy labelling schemes etc.) to achieve a cumulative end-use energy savings target by 31 December 2020. The detailed planned, proposed or legally defined design and methodology for the operation of the EEOS and/or the alternative measures shall be notified to the EC. Study I presents a comparative analysis of the costs and benefits of EEOS implemented in the United Kingdom, Denmark, France, Italy, Austria and the USA, to be used in future impact assessments and evaluations. Study II provides an overview of fiscal measures notified by the MSs in compliance with Article 7 (focusing on energy or CO₂ taxes) and their effect on energy savings, a comparison of approaches taken by Sweden, France, Germany and Spain, as well relevant recommendations for the EC's Directorate-General for Energy as regards revision of the Energy Efficiency Directive and associated guidance documents. Study III provides an assessment of the current status of implementation of the Energy Efficiency Directive (Article 7 and Annex V in particular), the expected energy savings from national policy measures notified by the MSs, the efficacy of current provisions for achievement of the required end-use energy savings as well as suggestions for necessary legal revisions and/or amendments. Study III is accompanied by the Policy Case Studies with the detailed analysis of the most commonly used policy measures. The findings of the Studies contributed to the review of the Energy Efficiency Directive.

Albania: Establishment of the Agency for Energy Efficiency

by *Odisea Xhelita, (Tirana)*

On 7 December 2016, the Albanian Council of Ministers has approved the Decision No. 852/2016 on the Establishment of the Agency for Energy Efficiency (AEE), functioning as a public institution under the ministry in charge of the power sector. AEE will be responsible for implementing the policies and measures promoting the energy efficiency, being entrusted, inter alia, with the following functional tasks: i) drafting, implementing and monitoring the policies and programs for an efficient energy use; ii) drafting and monitoring the National Action Plan for Energy Efficiency; iii) cooperating for the creation of and updating the necessary energy data; iv) drafting the secondary legislation; v) developing the standards, technical norms and regulations; vi) carrying out technical assessments of investment projects; vii) entering in voluntary agreements with the large energy consumers; viii) proposing financial support to be granted to energy efficiency projects and ix) imposing administrative measures.

The Decision No. 852/2016 came into force on 15 December 2016, has been published in the Official Gazette and on the official website of the Council of Ministers.



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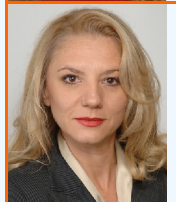


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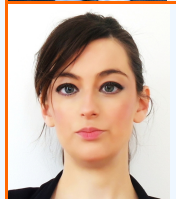


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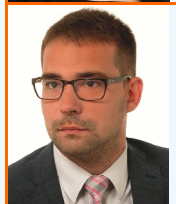


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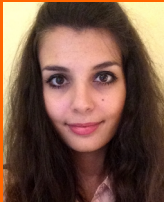
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