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ENERGY MARKETS

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On 14 December 2017, during the 15th Ministerial Council of the Energy Community, the Contracting Parties (CPs) adopted the Recommendation 2018/1/MC-EnC on the development of integrated National Energy and Climate Plans (NECPs) ("Recommendation") that were proposed by the European Commission. The aim of this Recommendation is to encourage the CPs to prepare integrated NECPs as well as to promote regional cooperation between neighboring CPs. Another important novelty is the adoption of the Energy Community Parliamentary Plenum Preliminary Rules of Procedure ("Rules")...

ELECTRICITY

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On 18 December 2017, ERE issued Decision No 207 on approving the Regulation on the quality of supply and network security performance in the energy transmission system. On 28 December 2017, ERE also approved the Rules of the Albanian electrical energy market and participation Agreement in the Albanian Energy Stock Exchange (Decision No. 214), which will enter into force upon application of the Market Model, upon the Albanian Energy Stock Exchange starts to operate...

Bulgaria: Determination of the Marginal Price for Transactions on the Energy Balancing Market

By Decision № C-40 as of 29 December 2017, the Energy and Water Regulatory Commission (the Commission), determined the marginal price for transactions of balancing energy market. The Commission and the Independent Bulgarian energy Exchange EAD adopted amendments into the Rules for operation of the Centralized Market for Sale/Purchase of Electricity through Bilateral Contracts (OTC)...

OIL & GAS

EU: Case C-226/16 – Judgment in Eni Case - Security of Supply

On 20 December 2017, the Court of Justice issued a judgment following a request by Eni SpA, Eni Gas & Power France SA and Union professionnelle des industries privées du gaz (Uprigaz) for a preliminary ruling regarding the interpretation of Article 8(2) and (5) of European Regulation No 994/2010 of the European Parliament and of the Council of 20 October 2010 concerning measures to safeguard security of gas supply and repealing Council Directive 2004/67/EC. They claimed that the said Decree infringes Regulation No 994/2010, as it improperly extends the definition of "protected customers"...

Energy Markets what's new...

Greece: Constitution of a National Energy and Climate Committee

by Andriani Kantilieraki, (Athens)

On 28 December 2017, the Greek Ministerial Council in conjunction with the Minister for Environment and Energy decided upon the establishment of a National Energy and Climate Committee and published the relevant decision in the Official Gazette (No. 204/28.12.2017). The decision of the Council was taken after consideration of the need of an advisory body to represent governmental parties as well as representatives of the energy market. Thus, the Committee has been constituted in order to provide relevant suggestions and facilitate the preparation of a national action plan regarding energy and climate. On that note, the members of the Committee will be responsible for shaping the methodology in the energy sector, for processing and promotion of possible opportunities for the expansion of the country's energy systems and for monitoring of such efforts.

Greece: Adopted Energy Exchange Law and Amendments to NOME Auctions

by Mira Todorovic Symeonides, (Athens)

On 15 January 2018, the Parliament adopted the Law No. 4512/2018 (OJ A'5/2018) on Regulations regarding implementation of structural reforms of the Economic Adjustment Program and other provisions. The Law amends the Law on Target Model (4425/2016) and the Law on Energy (4001/2011), as described in more detail in our December 2017 Rokas Energy Newsflash issue, providing ground for the establishment and functioning of the Greek Energy Exchange (EXE s.a.).

The Law also amends articles 135 and 136 of the Law No. 4389/2016, which regulates the forward electricity products' NOME Auctions, particularly in regard to conditions which electricity suppliers should fulfil in order to be entitled to participate in these auctions. The participants should possess a license for supply of electricity; be registered in the Register of the Day-ahead Market and in the Register for NOME Auctions; but also provide or develop supply to third parties on the electricity retail market. As a condition for their registration in the NOME Register they should submit to the Market Operator (LAGIE) a three-year business plan regarding their planned activities and development on the electricity retail market, which should include an annual plan with three-month goals for the sale of electricity purchased at the NOME Auctions. LAGIE will control whether the suppliers fulfil the condition regarding the supply activity on the retail market: a) in case they are already active participants in the NOME Auctions, by controlling their Load Declarations at the Day-Ahead Market, and b) in case they are participating in the NOME Auctions for the first time, by controlling their business plans, not less than 3 days before each auction. All participants, including those already registered in the NOME Register, should submit their business plans to LAGIE who will further communicate these plans to the Energy Regulatory Agency (RAE). RAE and LAGIE should also develop control mechanisms for the participation of energy intensive consumers in the NOME Auctions.

ENERGY MARKETS highlight...

EnC: Latest decisions of the Energy Community Secretariat

by Mirjana Mladenovic, (Belgrade)

On 14 December 2017, during the 15th Ministerial Council of the Energy Community, the Contracting Parties (CPs) adopted the Recommendation 2018/1/MC-EnC on the development of integrated National Energy and Climate Plans (NECPs) ("Recommendation") that were proposed by the European Commission. The aim of this Recommendation is to encourage the CPs to prepare integrated NECPs as well as to promote regional cooperation between neighboring CPs. Also, by the adoption of the Recommendation, the Energy Community's Climate Action Group was renamed to Energy and Climate Committee. The Recommendation states, among others, the following: (i) the CPs should prepare the analytical, institutional and regulatory preconditions for the development and adoption of integrated national energy and climate plans for the period 2021 to 2030; (ii) the Climate Committee (formerly Climate Action Group) should discuss and elaborate integrated energy and climate policies and the national plans pursuant to Article 1; (iii) the CPs should identify the suitable areas for joint or coordinated planning and consult with each other; (iv) the Secretariat should report to the Ministerial Council every two years on the implementation of NECPs by CPs; (v) the preparation of NECPs should be an iterative and dynamic process that should start in 2018 and should be finalized as soon as possible, taking into consideration future developments of the Energy Community acquis. It should be noted that the Recommendation represents a milestone in the resolution of climate change issues and sustainability of the energy sector.

Another important novelty is the adoption of the Energy Community Parliamentary Plenum Preliminary Rules of Procedure ("Rules"). The Rules were adopted on 19 December 2017 by the National Assembly Delegation at the meeting of the Energy Community Parliamentary Plenum in Vienna. According to the Rules, the Members of the Plenum shall be appointed by their National Parliaments. The National Parliaments may appoint two representatives and two substitute Members. The Rules prescribe that the National Parliaments whose country has been granted an observer status under the Energy Community Treaty may appoint two representatives who may attend the Parliamentary Plenum Meetings, as non-voting observers. The main responsibilities of the Parliamentary Plenum are as follows: (i) assessing the implementation of the Energy Community Treaty; (ii) taking actions for the implementation of the Energy Community Treaty and the attainment of its objective; (ii) strengthening of the democratic legitimacy and transparency of the Energy Community process. The Parliamentary Plenum will have a President, three Vice-Presidents and a Bureau. According to the Rules, the Parliamentary Plenum Meetings shall be held publicly twice a year, unless the Parliamentary Plenum decides otherwise. One of the activities of the Parliamentary Plenum is the adoption of the reports and resolutions by which it will express its views and opinions on all matters falling within the scope of the Energy Community Treaty, with the exception of dispute settlement. In particular, the Parliamentary Plenum may prepare a report on the annual Energy Community Secretariat's progress report in accordance with Article 67(b) of the Treaty, which will be submitted to the Ministerial Council. The Parliamentary Plenum shall elect a Rapporteur who will be responsible for the preparation of a draft report and its presentation before the Parliamentary Plenum. Further, it is important to note that the procedure of adoption of the amendments to the Rules requires a quorum of two thirds of the members and delegations present of which each delegation has one vote.

Electricity what's new...

EU: Study on EU Electricity Markets in January and February 2017

by Mira Todorovic Symeonides, (Athens)

On 20 December 2017, the European Commission published the Study „EU Electricity Markets in January and February 2017 – Understanding the Impact of the Cold Spell and the Special Measures Introduced in Select Member States and Concerned Energy Community Contracting Parties". The Study focuses on the major measures imposed in January 2017 by the Member States and certain Energy Community Contracting Parties to address the perspective of distortions caused by colder weather, with particularly severe conditions in the Southeast Europe, in an otherwise functioning market, through their impact on cross-border electricity trading and the day-ahead market prices. In Bulgaria, the Minister of Energy issued on 11 January 2017 the Order No. 16-64, imposing an additional public service obligation consisting of the termination of access to the electricity transmission network of users exporting electricity generated in the country. The measure was applied from 13 January until 9 February 2017. In Greece, the export capacity was curtailed for two days, on 11 and 12 January 2017. In France, the capacity from France to Spain was reduced for certain hours on the following days: 14, 15 and 16-20 January 2017. In Italy, export capacities towards France were curtailed for a few hours on 18 and 19 January 2017.

The conclusions of the Study are that the non-market measures in Bulgaria were costly and were not necessary through the entire period. Further, that it is important to continuously assess the need for extraordinary non-market measures and search for pro-market measures, at least on a daily basis, against changing temperatures and market conditions, with the assessment based on the physical needs of the system dealt by the TSOs. Contrary to Bulgaria, in France, since the realized peak demand was much lower than forecasted, the decision and implementation of extraordinary measures was only for a limited period. This solution was much better and less expensive. It should also be kept in mind that decisions on export reductions or curtailments have larger implications on a regional scale, thus stricter cooperation among TSOs is necessary. TSOs should jointly develop short-term adequacy forecasts on different time horizons for the entire region. Thus, there is a need for more sophisticated short-term forecast methodologies together with the regional mid-term and seasonal outlooks.

EU: Proposal for Electricity Regulation Published

by Stefania Chatzichristofi, (Athens)

On 18 December, the Council upheld its negotiating position on a regulation (''Proposal'') regarding the establishment of the framework for an internal EU electricity market. This regulation is one of the legislative proposals and 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. This Proposal revises the rules and principles in order to ensure a well-functioning, competitive electricity market with the aim of enhancing decarbonisation and innovation as well as to meet the objectives of the Energy Union. The Proposal enables the Council to start negotiations with the European Parliament as soon as it adopts its position on the file. The main amendments of the proposed regulation include: i) that all market participants should take responsibility for balancing of supply and demand in the grid; ii) dispatching of power plants would generally be market-based, with priority dispatch for RES and high-efficiency cogeneration limited to small installations, pre-existing installations and demonstration project; iii) the proposal sets out a process for defining regional electricity markets that would maximise economic efficiency and cross-border trading opportunities as well as maintain security of supply; iv) 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; v) it 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; vi) 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.

EU/ENTSO-E: Consultation on CBA Methodology for FCR Proposal

by Tetyana Vyshnevska, (Kiev)

On 10 January 2018, ENTSO-E launched a public consultation on the proposal of all Continental European and Nordic Transmission System Operators' (TSOs) for the determination of Cost Benefit Analysis (CBA) assumptions and methodology to be used by the TSOs for assessment of the time period required for frequency containment reserves (FCR) providing units or groups with limited energy reservoirs to remain available during alert state. FCR are balancing reserves available for maintaining the system frequency after the occurrence of an imbalance (deviation from nominal value). The main objective of the proposed CBA methodology, developed in accordance with the requirements of Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation, is to select a solution – a combination of the minimum time period of full FCR activation during alert state, the share of FCR providing units or groups with limited energy reservoir and the total amount of FCR to be procured in the synchronous area – which would minimise FCR costs without jeopardising the system operational security. Upon consultation, the proposed CBA assumptions and methodology shall be approved by all national regulatory authorities of the Continental European and Nordic synchronous areas, and implemented by respective TSOs 12 months thereafter. The time period identified after the application of the CBA methodology will be used as a requirement for FCR providing units or groups with limited energy reservoirs for FCR provision. The consultation will last until 18 February 2018.

EnC: Cases against Albania, BiH and Ukraine for Lack of Unbundling of DSOs

by Aleksandar Mladenovic, (Belgrade)

On 16 January 2018, the Energy Community (EnC) Secretariat initiated ex officio preliminary dispute settlement procedures against Albania, Bosnia and Herzegovina and Ukraine for not having transposed the unbundling requirements of the Third Energy Package into national legislation and not having taken measures to implement legal and functional unbundling of their national electricity distribution system operators in practice. According to the Dispute Settlement Rules (revised by the 13th Ministerial Council of the EnC in October 2015), the Ministerial Council may determine the existence of a breach by a Party to the EnC Treaty of its obligations by way of a decision. In cases of serious and persistent breaches, the Ministerial Council may suspend certain rights deriving from the Treaty to the Party concerned. The unbundling of distribution system operators is one of the central elements of electricity market liberalisation and has been obligatory in the Energy Community since 2015.

Greece: Quantity of Electricity to be Sold in NOME Auctions in 2018

by Andriani Kantilieraki, (Athens)

On 25 January 2018, the Regulatory Authority for Energy (RAE) announced its Decision No. 82/2018 regarding the approved electricity quantities to be auctioned in the forthcoming NOME auctions in the course of 2018. With this decision, which was published in the Official Gazette No. 192/26.01.2018, RAE deviated from the recommendations of the Operator of Electricity Market in the sense that it approved higher quantities for 2018. In more detail, the annual quantities to be sold on NOME auctions in 2018 will be 1.711 MWh/h; there will be 4 term products (the first three for the amount of 400 MWh/h each and the fourth term product for the amount of 511 MWh/h) and 4 auctions organized on: 7 February (as postponed from the original date of 24 January), 18 April, 18 July and 17 October 2018.

Greece: Amendment of the Laws regarding PSO

by Stefania Chatzichristofi, (Athens)

On 12 January 2018, the amendment of the Laws no. 4067/2012 and 4389/2016 ("Amendment") was published in the Official Gazette as part of the Law no. 4512/2018 regarding provisions for the implementation of the structural reforms of the Economic Adjustment Program and other provisions. The Amendment refers to the Public Service Obligations (PSO) and provides for a strict timetable regarding the annual adjustment of the PSOs, so that the cumulative deficits would be avoided. Each September, the respective Operator will submit its recommendation with data and estimations of the annual amount of the PSO account and further, the Greek Energy Regulatory Authority (RAE) will submit its proposal to the Ministry of Environment and Energy.

Greece: EU Regulations on Connection to the Grid (Implementation and Derogations)

by Mira Todorovic Symeonides, (Athens)

On 4 January 2018, the Energy Regulatory Agency (RAE) issued information on the start of application of the three EU Regulations on the connection to the grid, namely: a) Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators; b) Commission Regulation (EU) 2016/1388 of 17 August 2016 establishing a Network Code on Demand Connection; and c) Commission Regulation (EU) 2016/1447 of 26 August 2016 establishing a network code on requirements for grid connection of high voltage direct current (HVDC) systems and direct current (DC) connected power park modules. All three Regulations provide for the possibility for energy regulatory authorities of the respective Member States to grant derogation from the application of one or more provisions of such Regulations under conditions which should be published on a regulatory authority's website and notified to the Commission within nine months of the entry into force of the respective Regulation. The Commission may require a regulatory authority to amend the criteria if it considers that they are not in line with this Regulation. Derogation could be granted: i) at the request of a power-generating facility owner or prospective owner or, for classes of power-generating modules connected or to be connected to their network, by relevant system operator or relevant TSO (for the first Regulation); ii) at the request of a demand facility owner or prospective owner, and a DSO/CDSO or prospective operator, relevant system operator or relevant TSO (for the second Regulation) and iii) at the request of HVDC system owners and DC-connected power park module owners, or their prospective owner (for the third Regulation).

In regard to the above possibilities to grant derogations, RAE also launched a public consultation, which will last from 4 January 2018 until 16 February 2018, asking the interested stakeholders to comment on the criteria for derogations proposed by RAE or to propose additional criteria to be considered by RAE.

Greece: Law 4513/2018 about Energy Communities

by Evridiki Evangelopoulou, (Thessaloniki)

On 17 January 2018, the Law on Energy Communities (No. 4513/2018) was published in the Government Gazette. According to the explanatory memorandum to the Law, the latter introduces the institutional framework for the establishment and operation of energy communities in Greece. Moreover, the Law aims to promote the social and solidarity based economy and innovation in the energy sector, to deal with energy poverty, to develop energy sustainability, to produce, store, distribute and supply energy, to enhance energy self-sufficiency and security in island municipalities, and to improve energy end-use efficiency at local and regional level.

FYR of Macedonia: Several Electricity Regulations and Rules Approved

by Simonida Shosholcheva, (Skopje)

On 10 November 2017, the Energy Regulatory Commission (the Commission) issued Decision No. 02-1866/1 on approval of the Harmonized Rules for allocation of cross-border transmission capacities (hereafter: the Harmonized Rules), applied by the Coordinated Auction Office in South East Europe (SEE CAO). The Harmonized Rules were submitted to the Energy Regulatory Commission for approval by the Transmission System Operator AD "MEPSO" Skopje, by letter No. 09- 6659 on 31 October 2017. It should be noted that, on 31 May 2016, AD "MEPSO" Skopje signed the Agreement on the procedures for participation in SEE CAO (Agreement on the procedure for MEPSO accession to SEE CAO). This agreement has been signed by Transmission System Operators from Albania, Bosnia and Herzegovina, Kosovo, Croatia, Turkey, Montenegro and Greece. Therefore, as regards allocation of cross-border transmission capacities, the Harmonized Rules applied by SEE CAO shall apply in all countries where Transmission System Operators signed the Agreement on the procedures for participation in SEE CAO. Due to the fact that there was no observance of the Harmonized Rules by National Regulatory Authorities of Contracting Parties to the Energy Community Treaty, the Energy Community Regulatory Board (ECRB) issued a letter on 31 August 2017, requesting approval of the Harmonized Rules by regulatory authorities of all Contracting Parties. The Commission fulfilled this requirement on 10 November 2017. The Harmonized Rules applied by SEE CAO are in accordance with the Forward Capacity Allocation Network Code (FCA NC) adopted by ENTSO-E and are applied in the majority of Member States of the European Union. Thus, with the approval of the Harmonized Rules, FYR of Macedonia ensured implementation of the Commission Regulation (EU) 1719/2016.

On the same date, the Commission approved the Rules for the provision of electricity to cover losses in the electricity transmission system (Decision No. 02-1869/1), submitted by AD "MEPSO" Skopje. Previously, the draft text of the Rules was adopted by the Board of Directors of AD “MEPSO” Skopje with the Decision No. 02-5751/1. Noteworthy, due to the fact that the Commission had no objections to the draft text of the Rules at the preparatory session, the Rules for the provision of electricity to cover losses in the electricity transmission system of the country were approved at its main session on 10 November 2017.

The Commission also issued Decision No. 02-1867/1 on approval of the Rules for allocation of cross-border transmission capacities to be applied at the Macedonian-Bulgarian border (hereafter: the Rules), submitted by AD "MEPSO" Skopje on 31 October 2017. The Rules consist of the Agreement between the Bulgarian electricity Transmission System Operator Elektroenergien Sistemen Operator EAD (hereafter: ESO) and MEPSO, including: Annual and Monthly Auction Rules for the Allocation of Cross Zonal Capacities between the Bidding Zones of ESO and MEPSO, and Daily Allocation Rules of Cross Zonal Capacities on the Border between the Bidding Zones of MEPSO and ESO. MEPSO, as a signatory to the Agreement on the procedures for participation in the Coordinated Auction Office in South East Europe (Agreement on the procedure for MEPSO accession to SEE CAO) as of 31 May 2016, together with other transmission system operators from Albania, Bosnia and Herzegovina, Kosovo, Croatia, Turkey, Montenegro and Greece, which signed the Agreement previously, is required to apply the Harmonized Rules for allocation of cross-border transmission capacities, applied by SEE CAO. Due to the fact that ESO has not signed the Agreement on the procedures for participation in SEE CAO yet, MEPSO was obliged to prepare appropriate Auction Rules for allocation of cross-border transmission capacities at the respective border, in accordance with Article 7 of the Rules for allocation of cross-border transmission capacities for the borders which are not covered by the Agreement with SEE CAO. The approved Rules are a final version achieved in a long alignment process between MEPSO, ESO, the Bulgarian Energy and Water Regulatory Commission and the Commission.

At the same session the Commission issued Decision No. 02-1868/1 on approval of the Rules for allocation of cross-border transmission capacities to be applied at the Macedonian-Serbian border (hereafter: the Rules). The Rules consist of the Agreement on congestion management on the Macedonian-Serbian border between MEPSO and its Serbian counterpart EMS AD Belgrade (EMS), including: Annual and Monthly Auction Rules for the Allocation of Cross Zonal Capacities between the Bidding Zones of EMS and MEPSO for 2018, Daily Auction Rules for the Allocation of Cross Zonal Capacities between EMS and MEPSO for 2018, and Rules for the Allocation of Intraday Cross Zonal Capacity between the Bidding Zones of EMS and MEPSO for the year 2018. The approved Rules are a final version achieved in the long alignment process between MEPSO, EMS, the Energy Agency of the Republic of Serbia and the Commission.

FYR of Macedonia: Amendments to the Electricity Market and to the Supply Rules

by Simonida Shosholcheva, (Skopje)

On 28 November 2017, the Energy Regulatory Commission (the Commission) adopted the Rules Amending and Supplementing the Electricity Market Rules. The amendments were introduced in article 28 point 4 of the Electricity Market Rules and relate to the cases of termination of the validity of the agreement of market participation. In particular, from now on the agreement for the participation in the electricity market will cease to be valid automatically with the commencement of the procedure for liquidation of the market participant. Before the amendments of 28 November 2017, article 28 point 4 of the Electricity Market Rules provided for automatic invalidation of the agreement for the participation in the electricity market once the bankruptcy and liquidation of the market participant have been initiated. Moreover, in accordance with the Amendments, article 28 of the Electricity Market Rules has been supplemented with a new paragraph, which imposes an obligation on the market participant to inform without delay the operator of the electricity market when a bankruptcy procedure has been initiated against the participant.

On the same date, the Commission issued a) Decision No. 02-1970/1 on approval of the Rules for electricity procurement on the open market by EVN Macedonia AD Skopje; During a preparatory meeting the Energy Regulatory Commission raised no objections to the draft text of the Rules, submitted by EVN Macedonia AD Skopje as the electricity supplier of last resort and electricity supplier for tariffs consumers, and approved it at the main session on 28 November 2017; and b) Decision No. 02-1971/1 on approval of the Rules for procurement of electricity to cover losses in the distribution network (hereafter: Electricity Procurement Rules); he draft text of the Electricity Procurement Rules was submitted to the Commission by the electricity Distribution System Operator EVN Elektrodistribucija DOOEL Skopje on 15 November 2017 (letter No. 02 - 4526/1). The Commission held a preparatory meeting on the draft text of the Electricity Procurement Rules and raised no objections to the submitted draft.

Serbia: NRA Approves Rules for the Allocation of Cross-border Transmission Capacities

by Vuk Stankovic, (Belgrade)

On 15 December 2017, the Council of the Energy Agency of the Republic of Serbia ("Agency") approved six Agreements on cross border capacity allocation concluded between the Serbian TSO and the TSOs of Hungary, Romania, Croatia, Bulgaria, FYRoM and Bosnia and Herzegovina on the procedure and method of cross-border capacity allocation as well as on the access to cross-border transmission capacity for 2018 ("Agreements"). On the same date and in addition to Agreements, the Agency approved Rules for Cross-Border Transmission Capacity Allocation on the Borders of TSO Control Area ("Rules"). The aim of the Agreements and Rules is to comply with European harmonised allocation rules and in particular with Capacity Allocation and Congestion Management ("CACM"), in order to facilitate annual, monthly and daily auctions via joint European platform. The Agreements shall enter into force upon confirmation and approval issued by Regulatory Agencies of the Contracting Parties.

Serbia: NRA Approves Transmission Network Code

by Vuk Stankovic, (Belgrade)

On 15 December 2017, the Council of the Energy Agency of the Republic of Serbia ("Agency") adopted the Decision on the approval of the Transmission Network Code ("Network Code") prepared by the Serbian TSO Elektromreža Srbije ("EMS"). The aim of the new Network Code is to align with the EMS corporate form amended in 2016 in line with third energy package and Energy Community acquis, as well as to support newly introduced information technology for daily plans. The Network Code regulates among other the conditions and obligations of users for the safe and reliable operations of the transmission system and conditions and obligations of the TSO.

Serbia: SEEPEX Publishes its Draft Operational Rules

by Aleksandar Mladenovic, (Belgrade)

On 15 January 2018, Serbian Energy Exchange (SEEPEX) published its Draft Operational Rules. The Draft Operational Rules define contract parameters and trading specifications, a detailed procedure on auction, conditions of general services (market activities, provisions relating to the technical systems data use and protection, and jurisdiction) as well as applicable entrance, annual and transaction fees, and the details of technical access rules.

EnC/Ukraine: Secretariat Initiates a Dispute Settlement Procedure for Lack of Unbundling of Electricity DSOs

by Tetyana Vyshnevska, (Kiev)

On 16 January 2018, the Energy Community Secretariat issued an Opening letter in Case ENC 06/17:Ukraine/electricity and thus initiated a dispute settlement procedure against Ukraine for its failure to transpose the requirements of Article 26 of Directive 2009/72/EC concerning common rules for the internal market in electricity as regards legal and functional unbundling of electricity distribution system operators (DSOs) by 1 January 2015, and to adopt, within the prescribed timeframe, the national measures necessary for legal and functional unbundling of national electricity DSOs in practice. Ukrainian authorities have two months to justify country's position or to comply with the requirements of the Energy Community law.

ELECTRICITY highlights...

Albania: Further Reform of the Electricity Market

by Erjola Aliaj, (Tirana)

On 18 December 2017, the Albanian Energy Regulator Authority (ERE) issued Decision No. 203 approving the general conditions of the supply service with energy for the end costumer. The procedure for the approval of the general conditions of the supply of electricity to end-costumers was initiated on 27 May 2016 by the ERE's Decision No 66. The Draft of these conditions was, after the initiation of the procedure, sent to all interested parties for comments and opinions. Within the specified period of time, two of them, namely the TSO - OST sh.a and the Ministry of Economic Development, Tourism, Trade and Entrepreneurship, submitted their comments, which were accepted and reflected in the draft of the general conditions.

Also on 18 December 2017, ERE issued Decision No 207 on approving the Regulation on the quality of supply and network security performance in the energy transmission system. The procedure was initiated on 27 January 2016 (ERE's Decision No. 5). The draft of the regulation was, after initiation of the procedure, delivered to the interested stakeholders for comments and opinions. Within the specified period of time, USAID proposed the establishment of transition period for the fulfilment of these obligations, due to the Albanian energy sector restructuring and the implementation of the New Market Model.

On 28 December 2017, ERE also approved the Rules of the Albanian electrical energy market and participation Agreement in the Albanian Energy Stock Exchange (Decision No. 214), which will enter into force upon application of the Market Model, upon the Albanian Energy Stock Exchange starts to operate. The procedure of approval was initiated on 19 January 2017. Draft decisions were submitted to the interested stakeholders for comments. Comments were received from the DSO (OSSHE sh.a.) and the Albanian Competition Authority.

On 4 December 2017, ERE by Decision No.201 approved the Methodology which determines the price of electricity paid by consumers to the last-resort supplier. According to this methodology, the price that the last-resort supplier

shall apply to the consumers includes the electricity purchase costs for the period of delivery and a supply margin determined by ERE, which will also monitor and control this price. The supply margin will be a fixed percentage applied on the energy purchase cost by the last-resort supplier, which should return to the supplier a reasonable return in order to compensate its supply risk. The retail margin must not exceed 10% of the electrical energy purchase cost. The calculation formula of the electrical energy sale price includes: the direct cost of the retail supply, the maximum purchase price of the electrical energy, and the transmission and distribution network usage tariff for the supply period. The formula does not include the obligations to pay the incentives for energy production by renewable sources and other tax liabilities that the last-resort supplier is obliged to identify in the electrical energy sale invoice for the end consumer. The last-resort supplier must supply the customers for a period not longer than 60 days, as well as assist to find an alternative supplier for the customer within the abovementioned period of time.

On 24 November, ERE, after taking into consideration the comments of OSHEE sh.a., by Decision No.193 approved the Temporary Rules on the electrical energy balancing mechanism.

Bulgaria: Determination of the Marginal Price for Transactions on the Energy Balancing Market

by Veronika Yordanova, (Sofia)

By Decision № C-40 as of 29 December 2017, the Energy and Water Regulatory Commission (the Commission), determined the marginal price for transactions of balancing energy market as follows: Marginal price for transactions of balancing energy market for upregulation amounted to 2,5 PMDF where the PMDF is the price of the base load of the Day-ahead Market according of the Independent Bulgarian energy Exchange EAD; Marginal price for transactions of balancing energy market for providing service system adjustment downward in the amount of 0.00 (zero) lev / MWh. The marginal rates of item above shall not apply in transactions market balancing energy for balancing energy that is purchased / sold from / to neighbouring energy systems under bilateral agreements or regional balancing market. This methodology will apply starting from 1 February 2018.

In order to analyze and assess the status of Balancing Market, a benchmarking with Romania market area was conducted, with which first unification may be expected. The adopted measure provides proportionality of costs to balance the market participants, depending on hourly market prices. Price reached at the Day-ahead Market operates as a minimum price proposals for upregulation and maximize such adjustment downwards. As the price for imbalances is higher than the electricity price at the Day-ahead Market, the market players are encouraged to participate in the market balancing. Since the situation in Bulgaria is similar to the one on the Rumanian Energy market, the Commission believes that implementation of the Romanian model to the price paid to the balancing energy providers would provide conditions for stability in the sector; security of supply; and reduce disputed. The marginal price for downward adjustment should be common for all market participants, whether used facilities are production and / or consumption. By thus provision the following should be achieved: a non-discriminatory and equal treatment of the production plants; offering balancing service; avoiding prioritizing some stakeholders at the expense of the others and preventing speculative behaviour of the market players.

According to of the amendments to the Energy Act, that were adopted by the General Assembly on 13 December 2017 (published in the State Gazette issue 102 from 22 December 2017) and the Decision № C-40 as of 29 December 2017 the Commission and the Independent Bulgarian energy Exchange EAD adopted amendments into the Rules for operation of the Centralized Market for Sale/Purchase of Electricity through Bilateral Contracts (OTC). The Market Operator published the new Operational rules for the CMBC on 2 January 2018. The Rules regulate the following: there will be a reduction in the amount of the financial limits and their unification for all trading screens; The financial limits would be released after a transaction is concluded; IBEX EAD will no longer be a party to the transactions concluded on the OTC Platforms; The terms and conditions of transactions concluded on the Continuous Trading and Hourly Products' Platforms will be standardized; Auto-matching mechanism for transactions will be introduced on the Continuous Trading and Hourly Products' Platforms; A session for submission of orders will be applied to the Continuous Trading Platform where the market participants have the possibility to submit orders for purchase or sale, which are automatically ranked but no transactions are concluded; The List of eligible counterparties will be valid for all trading screens of the OTC; The Initiators of auctions will be visible; and the terms and conditions of each auction will be determined by the respective Initiator.

Oil & Gas what's new...

EU: Commission Publishes its LNG Follow Up Study

by Theodoros Theodorou, (Athens)

In December 2017, the European Commission published its follow-up study on LNG and storage strategy. The objective of this study is to identify specific actions regarding the LNG and storage strategy in order to support their timely implementation. Furthermore, it provides results based on specific modelling, which focuses on the need for storage and related infrastructure development. More specifically, this study aims to test the resilience of the European gas infrastructure to supply and demand shocks, provides qualitative and quantitative analysis of the LNG markets and focuses on LNG quality issues from potential and future sources. Most of the projects provide satisfactory results in terms of utilization of LNG terminals, either under regular or in security of supply scenarios or in both. On the contrary, modelling showed that the aggregate volume of gas stored is decreasing over time, despite the current storage obligations in place in many countries. In terms of security of supply, the modelling made no point to any additional infrastructure need, although concluded that there is still progress to be made concerning international LNG market development.

EU/ENTSOG: Transport Contracts Main T&Cs Differences Report

by Tetyana Vyshnevska, (Kiev)

On 5 January 2018, ENTSOG published the Report on Transport Contracts Main Terms and Conditions Differences in accordance with the requirements of Article 20 of Commission Regulation (EU) No. 2017/459 establishing a network code on capacity allocation mechanisms in gas transmission systems. The main objective of the Report is to provide an overview of differences identified upon comparison of the main terms and conditions of existing transport contracts of transmission system operators (TSOs) for bundled capacity products, and the reasons for such differences. The main terms and conditions have been selected on the basis of a study conducted in 2012 (reviewed by ENTSOG at the beginning of 2017) and a public consultation conducted at the end of the first quarter of 2017. The Report shows a wide range of differences in contractual practices caused mainly by the specificities of national legal systems and the way national legislators chose to incorporate EU energy law's provisions into national law, as well as the level of maturity of each national market which results in different degrees of public intervention reflected in transport contracts between TSOs and network users. The clause by clause comparison demonstrates that some terms and conditions are already largely aligned (e.g. definitions, capacity allocation rules, nominations), others differ significantly but may be aligned to a certain extent, while possible alignment of some other provisions, strongly affected by fundamental differences in principles of national law and jurisprudence, is considered questionable (e.g. provisions on liability, hardship, termination or Price and Tariffs). Subsequently, ENTSOG is expected to develop and publish a template for main terms and conditions which are not affected by fundamental differences in principles of national law jurisprudence, although it should be noted that the findings of this Report do not prefigure the scope and content of the future template.

Albania: Change of the Natural Gas Supplier of Last Resort

by Erjola Aliaj, (Tirana)

On 24 November 2017, the Albanian Energy Regulator Authority (ERE), by Decision No. 192, initiated the procedure for approval of the regulation on the change of suppliers in the natural gas sector. On 04 December 2017 it approved the regulation, which defines the conditions and procedures for the change of natural gas suppliers, as well as the rights and obligations of the customers, natural gas suppliers and distribution system operator in relation to this procedure.

The procedure for the change of the suppliers may be initiated: a) by request of the customer to a new supplier, not later than three weeks before the expiration date of the existing supply contract. Upon receipt of the confirmation for the termination of supply from the current supplier, the new supplier will consider its validity. Three days after the receipt of a valid application, the new supplier will enter into a sale contract, which will be implemented from the date the system operator provides the data of the measurement for the customer exchange point; b) in case of bankruptcy or liquidation of the current supplier. The latter is obliged to inform customers and DSO on the day when the legal consequences of bankruptcy or liquidation have become effective, in any case not later than eight days after the day he became aware of inability to supply the customers. His customers shall be supplied by him until a new supplier may guarantee to provide the customer with natural gas; c) in case of unilaterally termination by the supplier of the sale contract with a customer, who has the right to public supply. The current supplier must inform DSO and the public supplier for the termination of the contract within three days and is obliged to continue supplying until the change of the supplier; and d) in case of termination of the sales contract due to not execution of monetary obligations. Upon submission of supplier's notice for the termination of the contract, the system operator must provide metering data on the termination date of the contract, when the operator will stop the distribution at the distribution point.

Ukraine: Ukrenergo Reorganization Action Plan and Transfer to RAB-based Tariff Regulation

by Tetyana Vyshnevska, (Kiev)

On 29 December 2017, the Ministry of Energy and Coal Industry of Ukraine issued Order No. 789 approving the Action Plan for the reorganization of State Enterprise "National Power Company "Ukrenergo" (current electricity Transmission System Operator - TSO) into a private joint stock company, 100% owned by the State. The Ministry's Order is a follow-up to the Government Order No. 829-r of 22 November 2017, and envisages an 18-step procedure focusing on the inventory and evaluation of the TSO's capital assets, full inventory of its assets and liabilities (by 31 January 2018), independent audit of company's bookkeeping data and financial reports, followed by the preparation and approval of the Charter, issue of shares and state registration of the new company. In addition, the Resolutions of the National Energy and Utilities Regulatory Commission No. 973-980 of 27 July 2017 came into force on 11 January 2018. Said Resolutions present a set of regulations necessary for the TSO's transfer to the Regulatory Asset Base (RAB) tariff regulation, i.e. introduction of the long-term incentivising tariff setting for main and interstate electricity grids instead of the existing system based on the principle 'expenses plus'. In order to proceed to the RAB-based tariff regulation in 2019 the TSO shall evaluate its assets in accordance with the approved Methodology and shall implement at least 95% of its investment program for 2018. The new tariff setting system shall incentivise investments in the modernisation and development of main and interstate electricity grids in accordance with the best European practices.

Ukraine: Draft Law Simplifying Land Use for Natural Gas and Oil Extraction Companies

by Tetyana Vyshnevska, (Kiev)

On 19 December 2017, the draft law No. 3096-d of 25 May 2017 amending certain legislative acts of Ukraine as regards simplification of certain aspects of the oil and gas sector passed the first reading by the Parliament. The main objective of the amendments to be introduced by the draft law is to improve and simplify land allotment and other authorisation procedures for oil and gas extraction companies, and thus facilitate investments and increase domestic oil and gas extraction. Inter alia, the draft law envisages that extraction companies: a) will be allowed to continue using land plots after the completion of exploratory development of oil/gas fields and during transition to their commercial development (while the documents certifying the land use right are being prepared); and to require establishment of land servitudes for construction and/or placement of oil/gas extraction facilities or pipeline transport; b) will no longer be required to obtain a mining claim and a special permit to strip and relocate top-soil of land plots; c) will not be required to register oil/gas wells and related facilities located outside settlements as they will no longer be considered construction objects and/or urban planning objects under the Law on Regulation of Urban Development; d) will be allowed to dispose the geological information they own without approval of state authorities or local self-governments. As of the moment, the draft law is being prepared for the second reading by the Parliament.

OIL & GAS highlight...

EU: Case C 226/16 – Judgment in Eni Case - Security of Supply

by Maria Cheimona, (Athens)

On 20 December 2017, the Court of Justice issued a judgment following a request by Eni SpA, Eni Gas & Power France SA and Union professionnelle des industries privées du gaz (Uprigaz) for a preliminary ruling regarding the interpretation of Article 8(2) and (5) of European Regulation No 994/2010 of the European Parliament and of the Council of 20 October 2010 concerning measures to safeguard security of gas supply and repealing Council Directive 2004/67/EC. This is the first time that the Court has been asked to interpret this Regulation, which concerns security of gas supply.

More specifically, the request was made in proceedings between "Eni" and "Uprigaz" against the Prime Minister of France and the Minister for the environment, energy and the sea of France, with regard to the lawfulness of Decree No 2014-328, concerning access to underground stocks of natural gas. On 12 and 14 May 2014, Eni and Uprigaz brought an action by applications before the Council of State requesting the annulment of the said Decree, which has been adopted. They claimed that the said Decree infringes Regulation No 994/2010, as it improperly extends the definition of "protected customers" set out in Article 2, para 2, point 1 of the aforementioned Regulation, constituting an obstacle by the imposition by a Member State on natural gas suppliers of additional obligation resulting from the inclusion among "protected customers", whose consumption contributes to defining the limits of the storage obligations designed to ensure continuity of supply, of customers who are not mentioned in Article 2(1) of that Regulation. Also, the Council of State asks whether Article 8(5) of the Regulation must be interpreted as precluding legislation of a Member State that imposes on natural gas suppliers an obligation to hold gas stocks on its territory, in order to guarantee security of supply in the event of a crisis, while providing that the Competent Authority takes account of the other "regulatory instruments" available to that supplier.

The Court, following the Opinion of Advocate General, held that, regarding the first question, Article 8 (2) of the said Regulation does not prevent the imposition by a Member State on natural gas suppliers of additional obligation extending to customers that are not covered by the definition given in that Regulation, provided that it is proven that the conditions laid down in Article 8(2) are strictly complied with. Regarding the second question the Court held that Article 8(5) precludes legislation of a Member State which requires natural gas suppliers to meet their obligations to hold gas stocks under Article 8 of the regulation necessarily through infrastructure located only within national territory. However, it is for the referring court to ensure whether the possibility offered by the national legislation to the minister responsible to take account of the other regulatory instruments of the suppliers concerned, guaranteed them an actual opportunity, in practice, to meet their obligations at regional or Union level.

Competition - State Aid what's new...

EU/SA.40348: Commission Raises no Objections to Spanish Scheme for Electricity Generation from RES, Cogeneration and Waste

by Viktoria Chatzara, (Athens)

On 22 December 2017, the European Commission's decision of 10 November 2017 on the Spanish state aid scheme concerning electricity generation from renewable energy sources (RES), cogeneration and waste (case No. SA.40348) was published in the Official Journal of the EU. The aid under the above mentioned scheme is granted to the entities owning and operating the eligible facilities, which include cogeneration plants, including cogeneration from biomass and waste, natural gas, coal or oil products, facilities using RES, and facilities that use at least 70% of a waste-to-energy source and facilities using black liquor, whereas under certain conditions hybrid facilities also fall into the scope of the scheme. The various facilities are classified under various types of standard facilities, and the relevant compensation benchmarks are established by ministerial order. The compensation granted in accordance with the scheme, is calculated on the basis of the standard facility's compensation benchmark and the features of the each facility (including parameters such as the initial investment value, the net asset value, the legal lifetime, the actual running hours, etc.), whereas the remuneration is paid as a premium in addition to the income generated from the market. Further to the above compensation, a compensation for investments also applies aiming to offset the investment costs which cannot be recovered through the sale of electricity, and the facilities also receive a compensation for operations corresponding to the difference between the operational costs and the revenue obtained from the market. With respect to facilities connected with electricity systems of non-peninsular territories, they may be also entitled to an additional investment incentive to reduce generation costs. Apart from the above, the beneficiaries of the scheme are subject to all Spanish energy law provisions; a register of beneficiaries has also been established, to monitor the application of the scheme, and the beneficiaries may be also required to submit to the Ministry of Energy, Tourism and Digital Agenda or other competent authorities any necessary additional information. The European Commission primarily concluded that the notified scheme constitutes state aid; however, following its evaluation, the Commission declared that the scheme is compatible with the internal market and, thus, raised no objections.

EU: Judgment in Case T-747/15 EDF vs Commission

by Stefania Chatzichristofi, (Athens)

On 16 January 2018, the General Court of the EU issued its Decision on Case T-747/15 by which it confirms the European Commission's decision ordering France to recover €1.37 billion in the context of state aid granted to the French company EDF. It should be mentioned that on 16 December 2003, the European Commission adopted a decision finding that the French State had waived a tax claim valued at €888.89 million, corresponding to the corporation tax due from EDF. According to the Commission, the effect of that waiver had been to strengthen EDF's competitive position, thus distorting competition. The European Commission calculated that the aid to be paid back by EDF amounted in total to €1.217 billion, including interest. EDF repaid that sum to the French State. From its side, the company EDF, supported by France, brought an action before the General Court for the annulment, in part, of that decision. By judgment of 15 December 2009, upheld by a judgment of the Court of Justice of 5 June 2012, the General Court annulled the European Commission's decision, claiming that the European Commission was not entitled to refuse to examine whether the French State had acted as a "private investor in a market economy". Following the judgments of the General Court and Court of Justice, the European Commission adopted a new decision on 22 July 2015 taking the view that the private investor test was not applicable in the present case; the Commission once more declared the aid measure incompatible with the internal market and ordered the recovery of that aid plus interest. The amount of the aid, fixed at approximately €1.37 billion, was repaid to France on 13 October 2015. Again EDF, supported by France, brought an action before the General Court for its annulment.

By today's judgment, the General Court examines, essentially, whether the Commission was entitled to find in its new decision of 22 July 2015 that the private investor test was not applicable. More precisely, the General Court recalls that the role of the State as shareholder of an undertaking, on the one hand, and the role of the State acting as public authority, on the other, must be distinguished and that the applicability of the private investor test ultimately depends on the State having conferred, in its capacity as shareholder and not in its capacity as public authority, an economic advantage on an undertaking belonging to it. The General Court also recalls that neither it in its judgment of 2009, nor in its judgment of 2012, the Court of Justice presupposed the applicability of the private investor test, thus leaving the Commission to determine whether the private investor test was applicable. The General Court concludes that the European Commission was right to find that the private investor test was not applicable, given that neither EDF nor France submitted evidence to establish unequivocally that the French State had, before or at the same time as conferring the advantage at issue, taken the decision to make an investment in EDF and had evaluated, as a private investor would have done, the profitability of the investment that would be made by conferring such an advantage on the company, EDF.

Renewables what's new...

Bulgaria: Civil Court Competent for Claims for Recovery of the Reduced FiT

by Galina Ruseva, (Sofia)

By issuing Decision No. 13 on 31 July 2014, the Bulgarian Constitutional Court declared as anti-constitutional items 2 and 3 to § 6 of the Final Provisions of the National Budget Act for 2014 (St.G.109/2013), which made changes to the Renewable Energy Sources Act thus reducing the amount of the feed-in tariff (FiT) payable for the production of electricity from RES. As a result, renewable energy investors in Bulgaria are now entitled to claim back part of the FiT retained by the state budget after 10 August 2014. After the unsuccessful approach to find an out-of-court solution on the matter before the Ministry of Finance, many investors initiated civil court proceedings to recover part of the FiT, which was wrongfully retained by the state budget. It was disputable whether the claims should be heard by the civil or administrative courts with regard to the legal nature of these receivables. In Ruling No. 634 dated 12 December 2017 in case No. 2496/2017, the Bulgarian Court of Cassation decided that civil courts are competent to rule upon the recovery of the 2014 FiT reductions for photovoltaic and wind energy producers. It suggests that the receivables shall not be considered as public state ones and therefore the administrative courts are not competent to hear these cases. These proceedings shall be considered as unjust enrichment cases and thus fall under the competence of the civil courts of Bulgaria.

Croatia: Amendments to the Law on RES and HECHP

by Sanja Tolj Par, (Zagreb)

On 28 December 2017, the Croatian Government adopted the Regulation on amendments to the Law on Renewable Energy Sources and High Efficiency Cogeneration (Official Journal, 131/2017). The Regulation extends again the deadline for fulfilling the obligation of electricity suppliers to take over the total net delivered electricity of eligible producers at regulated purchase price, and the start of the EKO balance group for an additional year (until 1 January 2019). The reasoning for the adoption of the Regulation was that the Croatian Energy Market Operator (HROTE), the head of the EKO balance group, would have to sell net supplied electricity purchased from eligible producers at variable market prices which would lead to significant lack of HROTE's financial resources required to meet the obligations under contracts with eligible producers. The Regulation defines a new extension of the one-year deadline for meeting the obligations of the electricity supplier and the start of the work of the EKO balance group to prevent the breach of contractual obligations that HROTE has based on concluded renewable energy purchase contracts, as no other models of incentives for RES electricity production is currently in place.

Greece: Public Consultation on the Participation of New RES and CHPs in the Market

by Stefania Chatzichristofi, (Athens)

On 26 December 2017, the Greek Energy Regulatory Authority (RAE) issued its public consultation that remained open until 19 January 2018 regarding amendments of the Electricity Transaction Code as well as the System Management Code so that the provisions of the Law no. 4414/2016 on the participation of new RES and CHP stations in the electricity market will be implemented. In particular, following the provisions of the article 3 of the Law no. 4414/2016 of 9 August 2016 (OJ 149 A/ 9.08.2016), starting from 1 January 2016, all RES and CHP stations that commence operation in the interconnected system shall be included in a support scheme in the form of an operating aid. They are also obliged to participate in the market even before the transition into the new target model is completed. Consequently, for the transitional period until the transition to the new target model, the participation of the new RES and CHP stations in the electricity market will take place via the existing day-ahead market.

Further, the Law no. 4512/2018 published in the Official Gazette A' 5/17.01.18 provides for amendment to the law no. 4001/2011 as it introduces a RES and Guarantees of Origin Code that will set out the financial and technical rules regarding the responsibilities of the RES and Guaranteed of Origin Operator. More precisely, through the Code the following issues will be defined, among others: i) the process and the terms of collaboration among the Operators; ii) the issues of management of the Special RES and CHP account as well as the process of publication of the respective data; iii) every regulation required for the efficient, transparent and efficient execution of the responsibilities of the RES Operator.

Greece: Decision on Implementation of RES and CHP Tenders

by Mira Todorovic Symeonides, (Athens)

On 13 December 2017, the Minister of Environment and Energy issued Decision No. APEEK/A/F1/oik. 184573 (OJ B4488/19.12.2017) on Determining technologies or/and categories of production plants using RES or CHP, which are included in the regime of Operational Support through competitive procedures of submission of offers, characterizing the competitive procedures as technology neutral or not, regulating methodology and procedures for allocation of capacity for participation in the competitive procedures of producers situated in the countries of the European Economic Area (EEA) under condition of active cross-border electricity trade with these countries, on the basis of article 7.2 of the Law 4414/2016. The Decision regulates that only the wind plants with capacity above 3 MW and the PV plants with capacity equal or above 500 kW will compete for the Operational Support. Other RES and CHP technologies will be included in the Operational Support without competitive procedures and will receive the support based on the Reference Price. However, if the annual total maximum production capacity of each of such technology exceeds the amounts determined in the Decision and there are more than 3 plants (more than 6 plants if they receive the Operational Support in the period between 2017 and 2020) in such category, producers using the technology in question will be included in the competitive procedures. Autoproducers of electricity from RES or CHP shall receive the Operational Support without competitive procedures for the electricity injected in the grid. Competitive procedures will be mostly organized separately for each technology (for energy from wind and PV plants). Exceptionally, competitive procedures may, in certain cases regulated by the Decision, be organized per region and technology, or as joint procedures for wind and PV, for instance in case of connection of one or more Not Interconnected Islands (NII) to the grid or for the regions characterized as saturated grid. There will be at least two joint pilot competitive procedures for wind and PV technologies. The Decision shall apply until 31 December 2020.

Ukraine: Further Amendments to Model PPA with Green Electricity Producers

by Tetyana Vyshnevska, (Kiev)

On 9 January 2018, the National Energy and Utilities Regulatory Commission (NEURC) issued Resolution No. 1 and thus introduced amendments to the Model Power Purchase Agreement (PPA) between State Enterprise Energorynok and a business entity which produces electricity using alternative energy sources, approved by the NERC Resolution No. 1314 of 11 October 2012. By means of the Resolution No. 1 NEURC aimed to improve provisions of the Model PPA and to bring them in accordance with international standards. In particular, the amendments include: a) the definition and the list of circumstances of insuperable force; b) particularities of dispute settlement between the Parties to the PPA (by means of negotiations, the Dispute Resolution and Negotiation Centre of the Energy Community Secretariat, Ukrainian commercial courts or an arbitral tribunal in Paris under ICC Arbitration Rules); c) introduction of amendments to the PPA in case of certain changes in the legislation or the Agreement between the Participants of the Wholesale Electricity Market of Ukraine; d) particularities of the termination of the PPA, including termination at the initiative of the “green” electricity producer. The Resolution No. 1 will come into force after its publication in the official journal.

Environment what's new...

Croatia: Amendments of the Regulation on Environmental Permit

by Sanja Tolj Par, (Zagreb)

On 11 January 2018, the Croatian Government adopted the Regulation on the amendments of the Regulation on Environmental Permit (Official Journal, 5/2018) pursuant to Article 95, Paragraph 4; Article 99, Paragraph 4; Article 107, Paragraph 4; and Article 111, Paragraphs 4 and 10 of the Environmental Protection Act (Official Journal, 80/2013). The Regulation more specifically defines the types and characteristics of facilities and other technical units in obligation to obtain an environmental permit, reporting obligations and the documentation necessary for issuing the permit. The Regulation proscribes the manner in which the public information process is conducted in issuing the permit, as well as implements the obligation for the Ministry to inform the public that facility could have a significant impact on the environment of another country, i.e. that the other country was notified and cross-border consultations have been held and that the decision depends on the results of cross-border consultations.

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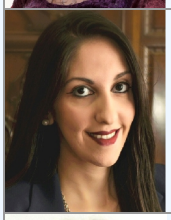

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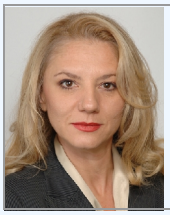

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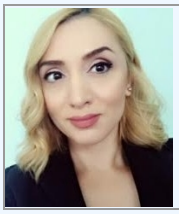

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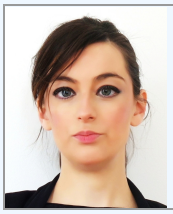

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