

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

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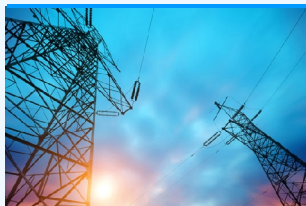
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ENERGY MARKETS

EU: Agreement on Information Mechanism regarding Intergovernmental Agreements

by *Nikolas Tampakopoulos (Athens)*



On 7 June 2016, the Council of the European Union agreed on a general approach on the proposal for a decision on establishing an information exchange mechanism with regard to intergovernmental agreements (IGAs) and non-binding instruments between member states and third countries in the field of energy (8945/16).

The desideratum of the proposed decision – which is one of the cornerstones of the Energy Union Strategy – is to correct shortcomings of the current information exchange mechanism, hence enhancing the transparency and consistency of the EU's external energy relations and strengthening its negotiation stance vis-à-vis third countries. It will also contribute to the proper functioning of the internal energy market.

The Commission argued that if certain provisions of an IGA are found to be irreconcilable with Union law (Directives 2009/72/EC and 2009/73/EC, Regulations (EC) No 714/2009 and 715/2009, commercial law and public procurement rules) it is very difficult for a member state to renegotiate the IGA with a third country.

A compromise on the proposal was found on the following basis: i) member states shall keep the Commission informed before the start of negotiations of all IGAs as well as regularly during the negotiations, ii) the Commission's ex-ante assessment of the IGA text will apply only to gas related IGAs and will last a maximum of 6 + 6 weeks, iii) member states may request the ex-ante assessment for other non-gas related IGAs, iv) all non-gas related IGAs will be notified to the Commission ex post ('upon ratification') and the Commission will assess these within 9 months, v) non-binding instruments will not have to be notified, and vi) the Commission will develop model clauses and guidance.

The Commission stressed that the current decision will contribute to making the EU a stronger actor on the international scene, in line with the general's goals of the EU energy strategy. The agreement on the general approach will allow the Council to start negotiations with the European Parliament with a view to the final adoption of the proposal.

Furthermore, the Council discussed the proposal for a revised regulation concerning measures to safeguard the security of gas supply (6225/16). The main purpose of the proposal is to minimise the impact of a potential gas disruption by improving the cooperation between member states and by building on the achievements of the internal energy market. It also aims to increase trust and solidarity at the regional and EU levels.

The main changes proposed in the revised regulation are the following: i) enhanced regional cooperation and coordination; ii) mandatory regional preventive action plans and emergency plans, as well as regional risk assessments, to be prepared jointly; iii) new solidarity principle which will have a mandatory application in extreme crisis scenarios; and iv) stricter obligations to ensure that the necessary infrastructure is available.

The proposed decision regarding the establishment of an exchanged information mechanism and non-binding instruments, together with the proposed regulation- concerning the security of gas supply, will contribute to the proper functioning of the internal energy market, as well as to the security of energy supply in the Union, which are two of the main goals of the Energy Union Strategy (Energy Union with a forward looking climate policy).

[more news on Energy Markets:](#)[EU: ACER Publishes Recommendation on Independence of Regulatory Authorities](#)*by Nikolas Tampakopoulos (Athens)*

On 2 June 2016, the Agency for the Cooperation of Energy Regulators (ACER) published a Recommendation to the European Parliament, the Council and the European Commission underlining the importance of preserving the independence of national regulatory authorities (NRA's) and of ACER itself. European energy regulators call on the European Commission to monitor the effective implementation of the provisions in the Third Energy Package safeguarding NRA's' independence and on all EU institutions to ensure that NRA's and the Agency are adequately resourced to fulfil their mandate. With this recommendation the Agency aims to provide an input into the European Commission's forthcoming legislative proposals on a new energy market design.

Specifically, the Agency recommends that: i) the European Commission continues actively to monitor the implementation of the requirements of the Third Energy Package regarding the powers and autonomy of NRA's and, where required, takes action to ensure compliance with its provisions; ii) NRA's budgets are determined in a manner that ensures adequate resources to allow NRA's to meet their legal obligations at both national and European level; iii) the procedures for the nomination, appointment and renewal of NRA's senior management (such as commissioners or board members) are transparent, fair, and guarantee the ability of those regulators to act independently; and iv) the Agency itself is adequately resourced to fulfil its statutory mandate, including through cost reflective fees for resource intensive services provided by the Agency, such as the registration of Registered Reporting Mechanisms under the EU Regulation on Wholesale Energy Market Integrity and Transparency (REMIT). The Recommendation also emphasises that reinforcing the autonomy of NRA's must be accompanied by appropriate checks and balances at national level.

[Greece: RAE Publishes Report on Written Complaints of Consumers in 2015](#)*by Stefania Chatzichristofi (Athens)*

On May 2016, the Greek Energy Regulatory Authority (RAE) issued an annual report regarding the written complaints submitted by energy consumers to RAE in the year 2015. The aim of this report is to inform all relevant stakeholders and participants of the energy market on problems faced by end-consumers. From RAE's side, the collection of the written complaints represents a significant part of its strategy to protect energy consumers, since these complaints illustrate the function of the energy market from the viewpoint of the consumers. The submitted complaints help RAE cure malfunctions of the existing regulatory framework and combat major problems faced by consumers with increased frequency. In this context, the report comprises two main parts: i) the first one describes the statistics of written complaints sent to RAE, the identity of the complainants, the types of complaints, the respective sector of the energy market they refer to, and the companies affected, while ii) the second part describes specific actions of RAE with a view to protection and information of energy consumers.

[Albania: Commencement of Procedures for Energy Market Rules](#)*by Odisea Xhelita (Tirana)*

On 7 June 2016, the Albanian Energy Authority (ERE) issued Decision No.77/2016 announcing the commencement of procedures on approving the Albanian Energy Market Rules. ERE has resolved as such after the request of the Operator of Transmission System (OST) No. 3299 Prot., dated 31 May 2016 and the Decision of the Council of Ministers No. 244, dated 30 March 2016 "On approving of terms of imposing public service obligation over the licensed on the electricity sector, who operate on production, transmission, distribution and supply activity" (DCM No.244/2016), and OTS' request dated 31 May 2016. According to the DCM No. 244/2016, ERE shall determine the specific rules on the public service obligations: i) taking into account the public interest; ii) explaining that imposing of public obligations is necessary, non-restrictive, and proportional; and iii) including such public service in the terms and conditions of the relevant license. In case the imposed public service obligations cause additional costs to the licensed, which are not included to the fees determined by ERE, the latter will be compensated financially or by other means. The decision No.77/2016 came into force on 7 June 2016 and has been published on the Official Gazette on 16 June 2016.

[Montenegro: Regulator Launches Public Consultation on Draft Rules on Licensing of Energy Activities](#)*by Stefan Pavlovic (Belgrade)*

On 1 June 2016, the Energy Regulatory Agency of the Republic of Montenegro (REGAGEN) published the Draft Rules on Licensing of Energy Activities and invited all interested parties to submit comments. The rules shall regulate the following: (i) the content of the form for submission of applications for license; (ii) the list of proofs to be submitted with the application; (iii) the content of the decision on granting of a license; (iv) the content of the license; (v) the deadline for the granting of a license; (vi) the method of controlling the fulfilment of conditions set in the license; (vii) the ways to exchange information with the energy entities; (viii) the method of payment of fees for the license; and (ix) the content of the registry of licenses. Opinions, remarks, comments and suggestions should be submitted before Thursday, 16 June 2016.

[Serbia: Regulator Launches Public Consultation on Draft Decision regarding Rights of End Consumers](#)*by Stefan Pavlovic (Belgrade)*

On 13 June 2016, the Energy Agency of the Republic of Serbia (AERS) published the Draft decision on the procedure for exercising the rights of end consumers to access information about their own consumption of electricity and natural gas and invited all interested parties to submit comments. The decision shall regulate the following: (I) the procedure for exercising the rights of end consumers to access information about their own consumption of electricity and natural gas; (II) type of available data regarding consumption; (III) deadlines for the system operator to provide the requested data; (IV) the form on which the requested data shall be presented to the end consumer. Opinions, remarks, comments and suggestions should be submitted before Monday, 27 June 2016.

E L E C T R I C I T Y

Greece: Electricity Auctions Scheme (NOME) Approved

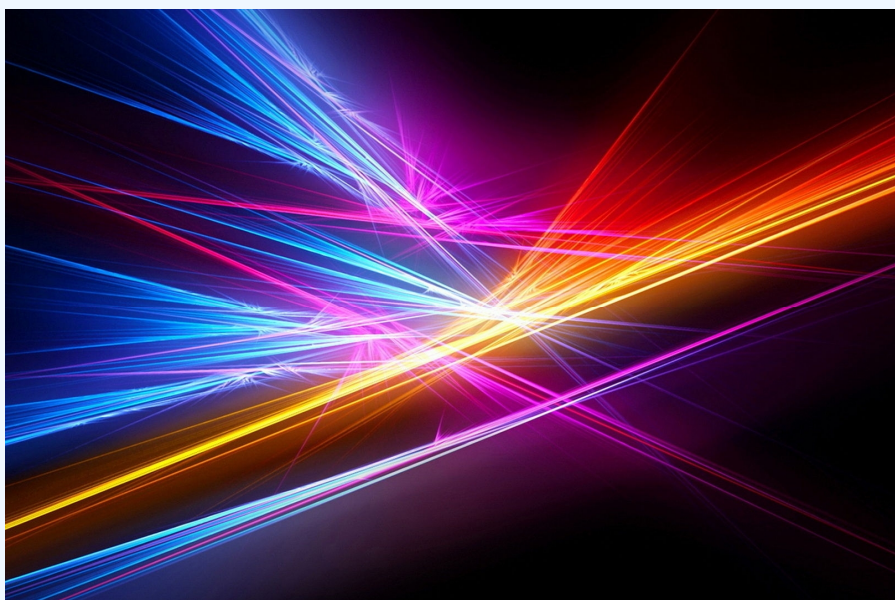
by Mira Todorovic Symeonides (Athens)

On 2 June 2016, the Greek Parliament voted the law no. 4393/2016 (OJ A' 106/06.06.2016), which amended certain provisions of the law no. 4389/2016 voted on 22 May 2016, which among other, introduced the sale by the Power Public Corporation (PPC) of electricity term products with physical delivery on auctions to eligible electricity suppliers (so-called NOME auctions). In regard to NOME auctions the above amendments of the law mostly clarify the provisions of the law 4389/2016 and highlight that the aim of these auctions is to secure healthy competition at the energy retail market. More precisely, the goal to be achieved by the NOME auctions is to reduce by the end of 2019 the retail market share of the PPC to less than 50%. The annual quantities of electricity to be sold on the auctions should gradually increase taking the quantities sold by PPC in August 2015 as starting point. Thus the increase would be as follows: in 2016 by 8%, in 2017 by another 12%, in 2018 by additional 13% and in 2019 by further 13%. Only duly registered suppliers will have the right to purchase electricity on these auctions, while the PPC and energy intensive consumers, even if they are holders of a supply license, will not be eligible, with the exception of the energy intensive consumers which perform electricity supply on the retail market as a separate activity. The first auction is planned for the beginning of September 2016.

A few days before, on 25 May 2016, the Government Council had approved the Electricity Auctions Scheme (OJ B'1473/25.05.2016) which regulates the requirements and procedure for performing of the NOME auctions. The Scheme provides that numerous legislative and regulative acts should be issued in order to conduct the auctions. It lists the following: Detailed design of NOME auctions; development of rules and specifications for the auctions of electricity term products; amendments of the current regulatory framework in order to introduce NOME in the Code of the Day-Ahead Market; methodology for calculation of the lowest initial price; and eligibility criteria for participation in the auctions.

The auctions will be organised by the Market Operator, LAGIE, who should prepare the draft Code on Auction Transactions for Term Electricity Products, to be approved by the Regulatory Authority of Energy (RAE). Only the licensed electricity suppliers registered in LAGIE's Register of Participants of the Day Ahead Market and Register of Eligible Suppliers for the Term Electricity Auctions (the latter is planned to be established for NOME auctions), which conclude supplementary agreements for term electricity products with LAGIE and PPC, may participate in the auctions. The Scheme allocates responsibilities regarding determination of the annual quantities of electricity to be sold through auctions, technical characteristics of the products to be sold and conducting of auctions to RAE and LAGIE. The initial price comprises the mixture of variable lignite and hydro production costs of the PPC production units. The variable lignite costs will be formed from the following costs: variable costs of PPCs mines on the basis of the company's financial data, cost of purchase of fuel from third parties, special levy for lignite, special initiation cost, variable costs of operation and maintenance and costs of purchasing of CO2 emission rights.

The Scheme further describes the functioning of the primary and secondary market of electricity term products. The eligible suppliers, which purchase products at the auctions (primary market), may further sell them on the secondary market of sub-products (monthly duration further divided into daily and hourly products). The products on the secondary market may be sold to other eligible suppliers, traders or may be exported.



more news on Electricity:

EU: NEMO Committee Announces Submission of Plan on Market Coupling to NRAs

by Tetyana Vyshnevskva (Kiev)

On 9 June 2016, Europe's 19 electricity spot exchanges that have been designated as Nominated Electricity Market Operators (NEMO) published a press release announcing that a NEMO Committee has been set up and has started operation. The main objective of the NEMO Committee, established according to the Interim NEMO Cooperation Agreement of 3 March 2016, is to facilitate joint development and operation of the European single day-ahead and intraday market coupling in accordance with the requirements of the Commission Regulation (EU) No. 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (CACM). On 19 April 2016, the NEMO Committee submitted a plan on setting up and performing the Market Coupling Operator (MCO) function (the MCO Plan) to the National Regulatory Authorities (NRAs) of 26 EU Member States (except Cyprus and Malta) and the Agency for the Cooperation of Energy Regulators (ACER). The MCO Plan details the rules for cooperation between the NEMOs and with third parties, and defines the transition from the existing day-ahead and intraday market coupling initiatives to the single day-ahead and intraday market coupling. The MCO Plan is expected to be reviewed and approved by the NRAs in the coming months and then implemented within twelve months following the approval.

Greece: Amendments of the Code of Electricity Supply

by Mira Todorovic Symeonides (Athens)

On 10 May 2016, the Greek Ministry of Environment and Energy passed amendments to the Code of Electricity Supply, published in the Official Journal no B' 1463/24.05.2016. The amendments limit the right of consumers to terminate supply agreements if they have outstanding debts towards the current supplier. More precisely, consumers may terminate their supply agreements in order to switch to a new supplier only if they have either paid all outstanding debts to the current supplier or have agreed with him a settlement of the outstanding debts. In the latter case, if the consumer fails to fulfil his obligations from the settlement agreement, the supplier has the right to order the system operator to interrupt the supply, even if the electricity is at that moment being supplied by another supplier. Different procedure for cancellation of supply agreements apply in case of certain types of vulnerable consumers (e.g. with serious health problems). The Code provides that the supply of electricity to all vulnerable consumers may not be interrupted during the winter months. According to the amendments, during the rest of the year, if a vulnerable consumer fails to pay his debts or to fulfil his obligations from the respective settlement agreement, after the supplier sends an interruption order to the System Operator, the consumer will be switched to the supplier of Universal Service, without actual interruption of his electricity supply. The amendments also regulate that consumers are obliged to pay a debt to their electricity supplier regardless of whether they have concluded an agreement with the supplier or not. This may be understood to be a different legal approach from the strictly formal written form of the supply agreement required by the Code.

Greece: RAE Launches Consultation and DEDDIE Makes Announcement regarding the Opening of the NII Market

by Lazaros Sidiropoulos (Athens)

On 9 June 2016, the Greek energy regulator RAE launched a public consultation on draft amendments to the Network Code for the Non-Interconnected Islands (NII) of Greece as well as to the respective RAE's Decision no. 47/2016 which was issued in March 2016. All amendments refer to the guarantees that need to be submitted by suppliers to the network operator at the NII (DEDDIE) as a precondition for participation in the NII market. The amendments aim to ensure reduction of the credit risk connected with eventual default in fulfilment by the suppliers of their respective guarantee payment obligations. The public consultation on the draft amendments has been open until 21 June 2016. Moreover, on 3 June 2016, DEDDIE announced that on 21 June 2016 the opening of the market at the NII of Crete shall take place. In this regard, DEDDIE published a list of the necessary formalities which the entrants of this market need to go through for this purpose.

Greece: Deduction of Energy Related Fees from Gross Income of Businesses

by Konstantinos Karetsos (Athens)

On 6 June 2016, the General Secretary of Public Revenues issued the DEAFB 1086181 document regarding the deductibility of the transitional fee of security of supply (MTAE) and the special fees of article 25 of L. 3468/ 2006 from the gross income of power plants. Article 143B of law 4001/2011 imposes to all power plants connected to the Interconnected System and Network a transitional fee of security of supply. To these plants are included all units that inject electricity to the Interconnected System and Network, i.e. both the conventional plants and the plants from Renewable Energy Sources. In addition, according to paragraph A.1 of article 25 of L.3468 / 2006, each producer of electricity from RES must pay a special fee by the commencement of the commercial operation of its unit. This fee corresponds to 3% of the, pre VAT, selling price of electricity to the Operator of the System or the Network or the Non-Interconnected Islands.

Point z of Article 23 of law 4172/2013 stipulates that the income tax is not deducted, including business tax and extra-ordinary contributions that are imposed on profits from business activities in accordance with the Income Tax Code, as well as Value Added Tax (VAT) attributable to non-deductible expenses, if they are not deductible as input VAT. The No 1113/2015 Circular of the Ministry of Finance states that the non-deductible taxes are exhaustively listed in point z of Article 23 of law 4172/2013 and therefore other taxes not included there are deductible. In conclusion the transitional fee of security supply of law 4001/2011 and the special fee of article 25 of law 3468/2006 are deducted from the gross business income of power plants that are connected to the Interconnected System and Network because they are not included in the restrictive point z of Article 23 of law 4172/2013.

Albania: Regulator Adopts Several Decisions regarding the Electricity Market

by *Odisea Xhelita (Tirana)*

On 27 May 2016, the Albanian Energy Authority (ERE) approved Decisions No.63/2016, No.64/2016, No.65/2016, No.66/2016, No.68/2016, No.69/2016 and No.70/2016, announcing the commencement of procedures on reviewing the investments plans, the prices' methodology, and the market rules on the Energy Sector.

Specifically, ERE has resolved to improve the impact of the energy market rules by ordering the commencement of the following procedures: i) examination and approval of the "Regulation on the procedures of submitting and approving the investment plans by the transmission and distribution operators of the electricity sector and the other licensees bearing public service obligations" (Decision No.63/2016); ii) examination and approval of the methodology of determining the selling price of electricity from the supplier of last resort (Decision No.64/2016); iii) examination and approval of the "Regulation on imposing the universal service obligation for the electricity market in Albania" (Decision No.65/2016); iv) approval of "the general terms of power service supply to final customers" (Decision No.66/2016); v) approval of an amendment to the "Rules of the electricity market" (Decision No.68/2016); vi) approval of OST's (Transmission System Operator) investment plan for 2016 (Decision No.69/2016); vii) approval of OSHEE's (electricity Distribution Network Operator) investment plan for 2016 (Decision No.70/2016).

The aforementioned decisions came into force on 27 May 2016 and have been published on ERE's website and finally in the Official Gazette on 13 June 2016.

Albania: Council of Ministers Adopts Decision on the Supplier of Last Resort

by *Odisea Xhelita (Tirana)*

On 15 June 2016, the Council of Ministers adopted Decision No.449 (DCM 449/2016) on approval of the terms and procedures to be attended by the Albanian Energy Authority (ERE) on choosing the Supplier of Last Resort (SLR). ERE chooses the SLR in case: i) of insolvency or bankruptcy of the previous supplier; b) the license of the previous supplier has been revoked or suspended; c) it is impossible for the client to find a supplier within the market. The election criteria are determined on the relevant ERE's decision; after 15 days of the announcement of such decision the interested suppliers may apply by submitting the following documents: i) extract issued from the commercial registry (NRC); ii) copy of the relevant license; iii) a description of the technical, organisational, professional and financial situation of the interested supplier; iv) any documents stating the weekly sell-purchase transactions; v) a certificate issued from the tax administration on the fulfillment of the fiscal and insurance obligations; vi) a certificate issued by the judicial authorities stating that the interested supplier has not been convicted by virtue of a final decision; vii) a certificate issued by the prosecutors authorities stating that the interested supplier is not subject of any criminal investigation, released by the prosecution; viii) detailed information on its supply experience, the supplied customers and when the supply of last resort shall be available. The DCM No.449/2016 has been published in the Official Gazette on 22 June 2016 and came into force on 23 June 2016.

Albania: Regulator Issues Decisions on Approval of Agreements between OST & KESH

by *Odisea Xhelita (Tirana)*

On 7 June 2016, the Albanian Energy Authority (ERE) announced the adoption of Decision No.78/2016 on approval of the selling/purchase agreement between OST (Transmission System Operator) and KESH (Albanian Electricity Company) for covering the technical losses in the transmission system during the period 1 January 2016 - 30 June 2016 as well as of Decision No.79/2016 on approval of the agreement between the same entities on ancillary services and system balancing concluded for the same period of time. According to ERE the Decision of Council of Ministers No. 338 dated 19 March 2008 "The Energy Market Model", as amended, (DCM 338/2008), does not apply any longer since the entry into force of the DCM No. 244, dated 3 March 2016 (DCM 244/2016) "On approval of terms of imposing public service obligation over the licensed entities on the electricity sector, which operate production, transmission, distribution and supply activities", but DCM 244/2016 does not apply retroactively capacity. Decisions No 78/2016 and 79/2016 came into force on 7 June 2016, they have been published on ERE's website and have been published on the Official Gazette on 16 June 2016.



Romania: Order on Suspension of the Operation of the Wholesale Electricity Market

by Corina Bădăceanu (Bucharest)

On 17 May 2016, an Order of the Romanian Energy Regulatory Authority (ANRE) on the suspension of the operation of the wholesale electricity market and applicable commercial rules was published in the Official Gazette under the no. 23/2016. The Order provides rules applicable to the balancing market during the suspension of the operation of the wholesale electricity market, rules applicable to notifications, the conclusion of electricity contracts on the wholesale market as well as rules applicable to the operation of the day-ahead market and of the intra-day market during such suspension. The Order is applicable to all the participants to the electricity market, including the balancing market operator and the transmission and system operator.

Bulgaria: IBEX Adopts Amendments to Operational Rules for Power Exchange

by Apostolos Christakoudis (Sofia)

On 17 May 2016, the Independent Bulgarian Energy Exchange (IBEX) adopted some amendments to the currently applicable Operational Rules for Organized Power Exchange (OROPX) and the Settlement Rules. As regards the OROPX, amendments were made to two Articles (23 and 25) applicable to the market participant application approval process and payment of applicable fees. Also, the possibility of additional portfolio activation is introduced in Article 52. Article 98 enables the option of cancellation of a submitted offer by a trading participant, only if the given offer prevents the successful conduct of clearing price calculation process or traded volumes allocation for the Bulgarian market zone. Further amendments refer to the deadline for determination of auction session results. The amendments to the settlement rules (SR) refer to the collateral amount calculation and the collateral amount release. As regards the collateral amount calculation, amendments under Article 11 and Article 15 were made with clarification purposes, concerning the mechanism by which the collateral amount of a trading participant is calculated on a daily basis. In Article 27 amendments were made regarding the deadline period for the partial release of the collateral amount. This period was reduced from one month to two-week time period.

Croatia: TSO Adopts Rules on Electricity Balancing

by Sanja Tolj Par (Zagreb)

On 31 May 2016, the Managing Board of the Croatian Transmission System Operator (HOPS) adopted, after obtaining prior approval of the Croatian Energy Regulatory Agency, the Rules on the balancing of the electric power system in accordance with Articles 28 and 31 of the Electricity Market Act (Official Journal, 22/13, 95/15 and 102/15). The Rules have been published on the website of HOPS. The Rules define the parties responsible for aberrations, the service providers of electricity market system balancing, their relationship with the Transmission System Operator and the Croatian Energy Market Operator, as well as the method of calculation of balancing energy and payments related to balancing energy. Considering that the application of the Rules is related to the provisions of the Rules of Organisation of the Electricity Market (Official Journal, 121/15) in the section referring to the model of balance groups, HOPS will be informing in a timely manner all market participants on future implementation activities.

Serbia: Regulator Approves Compliance Programme of Distribution Network Operator

by Stefan Pavlovic (Belgrade)

On 10 June 2016, the Council of the Energy Agency of the Republic of Serbia (AERS) has approved the Compliance Programme for the Provision of Non-Discriminatory Behaviour of the Distribution Network Operator (hereinafter "Programme") adopted by the Director of "EPS Distribucija", LLC, Belgrade. The Council has also approved the appointment of the compliance officer. The adoption of the Programme should ensure an additional level of independence of the "EPS Distribucija" from its founder, the Public Enterprise "Elektroprivreda Srbije". The given Programme provides guidelines for the staff of "EPS Distribucija" LLC, Belgrade, for the provision of equal treatment of all electricity suppliers in the Republic of Serbia, the protection of commercially sensitive data available to the company due to the nature of its activities, with the aim to ensure effective competition and efficient operation of the electricity market in Serbia and to create conditions for its further development.



Montenegro: Regulator Launches Public Consultation on Draft General Conditions for Electricity Supply

by Stefan Pavlovic (Belgrade)

On 26 May 2016, the Energy Regulatory Agency of the Republic of Montenegro (REGAGEN) published the Draft General Conditions for Electricity Supply and invited all interested parties to submit comments. The general conditions shall regulate, among others, the following: (I) the conditions for electricity supply; (II) the rights and obligations of buyers and suppliers of electricity; (III) the conditions and manner of metering, calculation and payment of electricity consumption; (IV) the conditions and the procedure for concluding supply contracts; and (V) the manner and the conditions of termination of supply contracts. Opinions, remarks, comments and suggestions should be submitted before Friday, 10 June 2016.

Montenegro: Consultation on Draft Methodology for Ancillary Services and Balancing

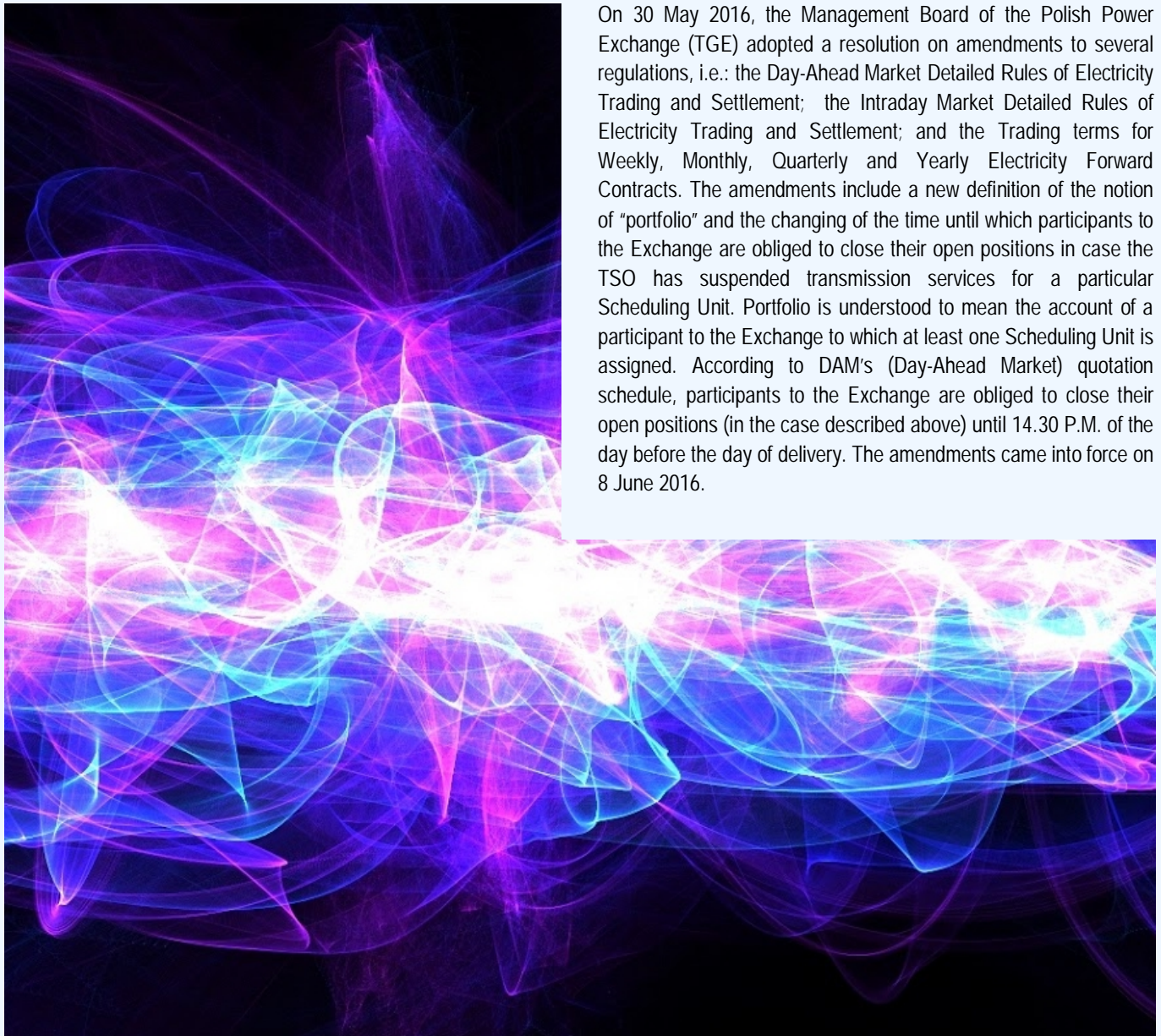
by Stefan Pavlovic (Belgrade)

On 2 June 2016, the Energy Regulatory Agency of the Republic of Montenegro (REGAGEN) published the Draft Methodology for the Provision of Ancillary Services and Balancing of the Electricity Transmission System and invited all interested parties to submit comments. The methodology shall regulate the manner of determining the price, terms and conditions for the provision of ancillary services and balancing services in the electricity transmission system. Opinions, remarks, comments and suggestions should be submitted before Friday, 17 June 2016.

Poland: Amendments to Rules of Electricity Trading and Settlement on Power Exchange

by Piotr Kloc (Warsaw)

On 30 May 2016, the Management Board of the Polish Power Exchange (TGE) adopted a resolution on amendments to several regulations, i.e.: the Day-Ahead Market Detailed Rules of Electricity Trading and Settlement; the Intraday Market Detailed Rules of Electricity Trading and Settlement; and the Trading terms for Weekly, Monthly, Quarterly and Yearly Electricity Forward Contracts. The amendments include a new definition of the notion of "portfolio" and the changing of the time until which participants to the Exchange are obliged to close their open positions in case the TSO has suspended transmission services for a particular Scheduling Unit. Portfolio is understood to mean the account of a participant to the Exchange to which at least one Scheduling Unit is assigned. According to DAM's (Day-Ahead Market) quotation schedule, participants to the Exchange are obliged to close their open positions (in the case described above) until 14.30 P.M. of the day before the day of delivery. The amendments came into force on 8 June 2016.



O I L & G A S

EU: ENTSOG Publishes Three Implementation Monitoring Reports

by Lazaros Sidiropoulos (Athens)

On 8 June 2016, the European Network of Transmission System Operators for Gas (ENTSOG) published three implementation monitoring reports regarding the implementation of the Balancing Network Code (BAL NC), the Network Code for Capacity Allocation Mechanisms (CAM NC) and the guidelines for Congestion Management Procedures (CMP). Pursuant to Article 8(8) of Regulation (EC) No 715 / 2009, ENTSOG is empowered to monitor and analyse the implementation of the network codes and the guidelines adopted by the Commission. The reports have been drafted based on the information provided by the TSOs in each EU country with the aim to present the results of the monitoring process in the 2016 Annual Report.

i) The BAL NC was published on 27 March 2014 as Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks. It applies to balancing zones within the borders of the EU and establishes rules for natural gas balancing including network-related rules on nomination procedures, imbalance charges, settlement processes associated with daily imbalance charges and provisions on operational balancing. Although it is applicable as of 1 October 2015, it provides the possibility to postpone its application until 1 October 2016 if allowed by the national regulatory authority ('NRA') following the TSOs justified request and in case that no interim measures are applied. According to the report, only few countries have already implemented the BAL NC provisions while the majority of countries must still undertake larger or smaller steps in order to implement the regulation. Due to the flexibility in implementation that BAL NC allows on the national level, this report illustrates the observed differences. It is concluded that the implementation progress is made by TSOs and NRAs, regardless of the fact that some countries still face low market liquidity and will require time to create a functioning wholesale market that enables network users and TSOs to balance in a market based manner.

ii) The Network Code for Capacity Allocation Mechanisms (CAM NC) was approved by the EU Gas Committee on 14 October 2013 as Commission Regulation (EU) No 984/2013. The implementation date was 1 November 2015 with the exception of Article 6 which had to be implemented by 4 February 2015. The report comes to the finding that, with the application date of CAM NC in 2015, massive progress was made towards achieving an integrated energy market. The vast majority of TSOs implemented all of the mandatory requirements from CAM NC on time, thus providing strong support for the integrated EU gas market. More precisely, out of 41 TSOs for whom the application of the CAM NC is mandatory, 30 TSOs have developed and applied all or at least all mandatory measures required by CAM NC, which means that they fully comply with the obligations defined in the CAM NC. Eleven TSOs claimed to have partially implemented CAM NC requirements, while five TSOs have been granted derogation by the EC under Article 49 of the Gas Directive. Nonetheless, one of these TSOs has partially implemented CAM NC. Furthermore, three TSOs operate only IPs that are not CAM NC relevant.

iii) The guidelines for Congestion Management Procedures (CMP) were developed by the European Commission in 2010 – 2011 and approved by the EU Gas Committee on 24 August 2012 as "Commission Decision on amending Annex I to Regulation (EC) No 715/2009". The implementation date was 1 October 2013. The report concludes that most ENTSOG members have already fully implemented the CMP Guidelines. Only a few members are still in the process of implementing some of the congestion management mechanisms. Most of the delays experienced in the application of the CMP Guidelines are not within the TSOs responsibility. The affected TSOs have already raised their proposals to implement the missing congestion management procedures and are currently waiting for a final decision from their NRA. This means that 40 out of 48 TSOs are applying all relevant congestion management procedures, taking into account that seven TSOs (out of these TSOs that are not fully compliant with the CMP Guidelines yet) are still in the process of receiving regulatory approval for applying the proposals they have submitted to their NRAs. From the current perspective, all TSOs are expected to become compliant during 2016.



more news on Oil & Gas:

IEA: International Energy Agency Publishes Medium-Term Gas Market Report

by *Nikolas Tampakopoulos (Athens)*

On 8 June 2016, the International Energy Agency (IEA) has published its 2016 medium-term gas market report. According to the report during the next five years the global gas trade will be reshaped because of the massive quantities of LNG exports coming on line while lower gas prices and the demand will continue to soften in traditional markets. Furthermore the annual IEA report gives analysis and five-year projections of natural gas demand, supply and trade developments. It sees global demand rising by 1.5% per year for the next five years, which compares to the 2% projected in last year's annual report. Slower primary energy demand growth and the decline in the energy intensity of the world economy are lessening demand growth for all fossil fuels, including gas, the report says.

Heavily oversupplied markets in the short term have triggered sharp investment cuts across the industry; if under-investment persists, it could sow the seeds of a classic bust-boom commodity cycle. Unlike previous downturns, however, this time there is greater uncertainty about future demand prospects. Caught between cheap coal and continued policy support for renewable, global gas demand has so far failed to react to the steep fall in prices. Industry participants are now wondering whether this is temporary or whether it marks the beginning of structurally lower growth for gas demand. How countries reassess environmental policies in the aftermath of the Paris Agreement will be key to determining what comes next for gas.

Furthermore, this report assesses these trends and provides a detailed analysis of global demand supply and trade development through 2021. It also explores the links between today's oversupply and emerging shifts in trade patterns, pricing mechanisms and market structures that have the potential to substantially reshape the global gas industry over the next few years.



EU: ACER Publishes Report on Congestion at IPs in 2015

by *Tetyana Vyshnevskva (Kiev)*

On 31 May 2016, the Agency for the Cooperation of Energy Regulators (ACER) published an Annual Report on Contractual Congestion at Interconnection Points in 2015 in accordance with the Commission Decision of 24 August 2012 on amending Annex I to Regulation (EC) No. 715/2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks. The main objective of the report is to identify the existence of contractual congestion at Interconnection Points (IPs) between entry-exit zones in the European Union, i.e. cross-border IPs, in-country inter-TSO IPs connecting entry-exit zones, IP sides with a third country and virtual IPs, for the period of 2015-2017. Based on the findings of the report, 41 IPs (including, among others, IP sides between Bulgaria and Greece, between Romania and Bulgaria, and between the Czech Republic and Poland) were found to be contractually congested. In relation to 19 of these IPs the National Regulatory Authorities (NRAs) shall require respective Transmission System Operators (TSOs) to implement and apply by 1 July 2016 the so-called Firm Day-Ahead Use-It-Or-Lose-It (FDA UIOLI) mechanism as a congestion management procedure prescribed by the Commission Regulation (EU) No. 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems. According to the report, 88% of contractual congestion is due to the non-offer of firm products with the duration of at least one month for use between 2015 and 2017. Upon consideration of the report's results, ACER provided the European Network of Transmission System Operators for Gas (ENTSO-G), NRAs and TSOs with recommendations as regards data availability, consistency and transparency as well as relevant policy recommendations for the European Commission.

EU: CEER Publishes Paper on Priorities for Revision of Regulation 994/2010

by *Tetyana Vyshnevskva (Kiev)*

On 23 May 2016, the Council of European Energy Regulators (CEER) published a paper Ref. C16-SoS-09-03 on CEER priorities for the Revision of Regulation (EU) No. 994/2010 concerning measures to safeguard security of gas supply (SoS Regulation). In this paper, CEER provides its views and suggestions as regards necessary amendments to the European Commission's proposal for a revised SoS Regulation, published on 16 February 2016 as part of the sustainable energy security package. CEER calls, inter alia, for greater involvement of NRAs in implementation of the SoS Regulation, regional approach as regards preparation and coordination of preventive actions plans and emergency plans, and coherence of procedures foreseen in the revised SoS Regulation and Regulation (EU) No. 347/2013 on guidelines for trans-European energy infrastructure (TEN-E Regulation). CEER points out the necessity to define preventive non-market based measures, ensure efficient and conditional application of the solidarity principle and revise the N-1 formula, which describes the ability of the technical capacity of gas infrastructure to satisfy the total gas demand in the calculated area in case of disruption.

Greece: Regulator Launches Public Consultation on Amendments to the Regulation on Natural Gas Licenses

by Evridiki Evangelopoulou (Thessaloniki)

On 21 June 2016, the Greek Energy Regulatory Authority (RAE) launched a public consultation on a draft amendment to the Regulation on Natural Gas licenses, according to the provisions of paragraph 6 of article 8 of Law no 4336/2015. As defined in article 90 of Law no 4001/2011, the Regulation of Natural Gas licenses is issued by decision of the Minister of Environment and Energy, following RAE's opinion. RAE's proposal for the modification of the Regulation on Natural Gas licenses includes all changes to the licensing of activities related to natural gas and needed to adapt the Regulation to the provisions of law 4001/2011, as amended by Laws 4336/2015 and 4337/2015. The consultation shall run until 18 July 2016.

Montenegro: Government Approves Draft Law Amending the Law on Hydrocarbons

by Stefan Pavlovic (Belgrade)

On 18 May 2016, the Government of Montenegro approved the Draft Law amending the Law on Hydrocarbons. The currently applicable law stipulates in article 22 the obligation of determining and submitting the Draft Law on the Fund for hydrocarbons to the Parliament of Montenegro until 31 December 2014. Given the fact that the prescribed deadline does not meet the complexity and difficulty of the subject matter that is regulated by law, it is suggested that the Government establishes a Fund for hydrocarbons by special act, no later than 31 December 2017. The founding act of the Fund shall determinate the status and responsibilities of the Fund, the methods of operation, the rules of using revenues from hydrocarbons and other issues relevant to the operations of the Fund.

Croatia: Regulator Launches Public Consultation on Draft Methodology for Determination of Tariff Items for LNG

by Sanja Tolj Par (Zagreb)

On 14 June 2016, the Croatian Energy Regulatory Agency informed interested parties about the launch of public consultations regarding the Draft Methodology for the Determination of the Tariff Items for the Unloading and Send Out of Liquefied Natural Gas. Energy operators/entities and other interested parties are invited to submit their comments, opinions or statements until the 5 July 2016. The Draft Methodology is based on the incentive regulation method, i.e. the method of maximum allowed revenue. The Draft Methodology determines, among other, the model of regulation of the energy activity of managing the LNG terminal, the formula and elements for calculating the allowed revenue of the LNG terminal operator, the tariff items and the manner, elements and criteria for calculating the amount of the tariff items, the coefficients for calculating the fee for the use of the LNG terminal, etc. The Methodology is one of the key preconditions for the announced development of an LNG Terminal on the Island of Krk.

Croatia: Regulator Passes Methodology for Determining Natural Gas Balancing Prices

by Sanja Tolj Par (Zagreb)

On 24 May 2016, the Croatian Energy Regulatory Agency at the session of the Governing Council adopted a Methodology for determining the energy prices of balancing the natural gas system (Official Journal, 49/2016) pursuant to Article 88, Paragraph 4 of the Gas Market Act (Official Journal, 28/13 and 14/14). The Methodology determines the equations for determining the price of balancing energy and the reference price of natural gas. According to the Methodology, the Gas Market Operator publishes the reference price of gas, the prices of positive and negative balancing energy for the gas day on its website no later than 8 PM on the previous gas day.

Ukraine: Gas Storage Development Plan and Revised Gas Transmission System Code

by Tetyana Vyshnevska (Kiev)

On 26 May 2016, the National Energy and Utilities Regulatory Commission (NEURC) issued Resolution No. 849 on Approval of the Development Plan of Gas Storages of PJSC Ukrtransgaz for 2016-2025, including the expected sources for its financing. The Resolution came into force on 9 June 2016. In addition, on 25 May 2016, the NEURC launched a public consultation on the new edition of the Gas Transmission System Code, drafted by the PJSC Ukrtransgaz (gas TSO) and NJSC Naftogaz of Ukraine (in Ukrainian and English). The main purpose of the revision is to bring Ukrainian legislation in line with the requirements of Regulation (EU) No. 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks. The NEURC invited stakeholders to provide comments and propositions without setting a deadline for their submission.



RENEWABLES

Greece: New Draft Law for Support Scheme for RES and CHP Power Plants

by Stefania Chatzichristofi (Athens)

On 17 June 2016, a new draft law entitled «New support scheme for power plants using renewable energy sources (RES) and cogeneration of electricity and high-efficiency heat (CHP)» was made available for public consultation by the Greek Ministry of Environment & Energy. The aim of this bill is to establish a new mechanism of support for RES and CHP power plants that would be also in line with the European Commission's «Guidelines on State aid for environmental protection and energy 2014-2020» with a view, among others, to establish a secure investment environment. The main goal of the bill is to promote the optimum use of Greek power generation capacity from RES in order to ensure the achievement of national energy objectives for RES and contribute to the development of Greek economy. The public consultation period is open until 27 June 2016.

More precisely, the new draft law regulates that the proposed scheme of compensation of RES producers is based on the development of a new operating aid mechanism for RES and CHP power stations (set up in operation by 1 January 2016), on the basis of a differential rate of compensation (premium), in addition to the price, as is recorded in the wholesale electricity market, for the electricity power generated and absorbed by the mainland grid of Greece. The premium shall be different for each RES technology according to a specific table provided and shall be calculated on a monthly basis by a specific methodology. It will be guaranteed for the period of validity of the support of each RES power plant and shall have the form of a differential value (Feed-in Premium), taking into account also the revenues from their participation in the electricity market. The premium shall be expressed in monetary value per unit of electricity injected in the network that shall be further balanced and invoiced. Further, the time limit for the support mechanism on the basis of differential rate of compensation or a fixed price is set up to twenty (20) years for RES and CHP power stations apart from thermal power stations and the ones included in the «Special Photovoltaic Systems Development Program in buildings and especially roofs and roofs of buildings» whose time limit is set to twenty-five (25) years. The amount of the aid could be either positive or negative.

Moreover, a key element of the proposed scheme is the participation of new RES and CHP units in the wholesale electricity market through respective contracts of integration into the network concluded with the Operator of the Greek market (L.A.G.I.E). In order to facilitate the participation of all RES producers in the market, a special operating framework of representative bodies of RES shall be introduced and further developed.

From 1 January 2017 a support scheme for power stations of RES and CHP through a competitive bidding process shall come into force in order to identify the optimal level of support of electricity from RES units required to achieve the national energy targets. The installed capacity limits and RES and CHP technologies, for which a competitive bidding process shall be held, shall be determined by Decision of the Minister of Environment & Energy, after consultation of the Greek Energy Regulatory Authority (RAE). More specifically, it is regulated that, within three months from the entry into force of the new law, there will be a pilot auction for 40 MW or more for new PV stations in 2016, by decision of RAE.

In particular, the notice of this competitive process, which shall comprise the terms and conditions for participation in the tender, the period for submitting applications, the tender guarantees, the evaluation process, the timing of the works, the penalties for non-compliance with the terms and conditions of the competition and the timetable for implementation, and any other issues and modalities for the conduct of this competitive process shall be determined by a decision of RAE. The draft law defines the maximum permissible bid price in the competitive process as follows: for PV plants over 1 MW at 94 €/MWh and for PV plants up to 1 MW at 104€/MWh. The maximum allowable capacity per submitted bid is set at 10 MW.

Furthermore, a Support Scheme Monitoring Committee for power stations of RES and CHP shall be created with its main task to monitor the performance and results of the support scheme for power plants from RES and CHP.



more news on Renewables:

Serbia: Government of Serbia Adopts Incentives for Renewables

by Vuk Stankovic (Belgrade)

On 13 June 2016, the Government of the Republic of Serbia adopted a set of bylaws providing Incentives for electricity production from RES ("RES regulations"), which entered into force three days later and consists of: (i) the Decree on the conditions and procedure of the acquisition, duration and termination of the status of privileged electricity producer, temporary privileged electricity producer and electricity producer from renewable energy sources ("OG RoS 56/2016"); (ii) The Decree on incentive measures for electricity generation from renewable energy sources and from high-efficiency cogeneration of heat and electricity ("OG RoS 56/2016") and (iii) the Decree on the power purchase standard model agreement ("OG RoS 56/2016"). The RES regulations were adopted mainly with the same content as the drafts released in September 2015 during the respective public consultation, except for some specific significant changes. Among others, unlike the mentioned drafts, the adopted RES regulations limit the step-in clause in the model agreement (between lenders, producer and off-taker) only to RES projects above 30MW.

Poland: Launch of Beta Version of the Internet Auction Platform for Sale of Electricity

by Piotr Kloc (Warsaw)

On 1 July 2016, the main provisions of the amendments to the Renewable Sources Act of 20 February 2015 ("RES Act"), which were signed by the President of Poland on 30 December 2015, will enter into force. The RES Act introduces an auction system for the sale of energy from renewable energy sources. The auction system is meant to replace the 10 years-existing model of "green certificates". The sale will be organised via a virtual platform managed by the Energy Regulatory Office. The release of a beta version of the virtual platform is a first stage of testing of external applications in which users will be able to: register an account (create a user profile), send a request for admission of one's installation to become part of an auction or send a declaration of accession of one's installation to the auction. These first actions shall enable the interested parties to participate in the second stage of testing of the application. The condition for activation of ones account is to fill in the registration form correctly and send at least one request for a certificate of admission to the auction or at least one declaration of accession to the auction. In the next stage of the platform's testing, scheduled for the end of June 2016 the simulation of auction's sales shall take place. In this second stage only members properly registered during the previous stage will be able to participate. Participating in the beta version of the platform will have no legal consequences (no rights or obligations will arise). The personal data used for the purpose of simulation will be deleted as soon as the testing is finished. All entrepreneurs interested in participating in the auction system for sale of energy from renewable energy sources are welcome to test the beta version.

Greece: Consultation on Fines for Non-Fulfilment of Biofuels Sustainability Criteria

by Dafni Siopi (Thessaloniki)

On 14 June 2016, the Greek Ministry for Environment and Energy launched a public consultation on a draft ministerial decision on categorisation of breaches and determination of fines for non fulfilment of the biofuels and bioliquids sustainability criteria, which are provided in Law 4062/2012. This draft follows the issuance of the Joint Ministerial Decision no. 175700/2016, on 26 April 2016, introducing a system of sustainability criteria for biofuels and bioliquids and regulating in the procedure to be followed for the verification of fulfilment of the sustainability criteria for biofuels and bioliquids. The draft categorises the breaches and sets out the limits of the fines relating to non fulfilment of biofuels and bioliquids sustainability criteria. It adjusts the maximum limit of the fines that might be imposed, as initially provided in Law 4062/2012, and determines the fining process and the procedure for submission and examination of objections against the enforcement decision. The public consultation will last until 29 June 2016.

Ukraine: Draft Roadmap for Solar Energy Development and News on PPA

by Tetyana Vyshnevskya (Kiev)

On 17 May 2016, the State Agency on Energy Efficiency and Energy Saving of Ukraine (SAEE) published the Roadmap for Solar Energy Development in Ukraine until 2020. The main objective of the Roadmap, prepared by the SAEE together with the Renewable Energy Institute of the National Academy of Sciences of Ukraine, is to encourage investments and thus promote development of the RES sector in Ukraine, and ensure implementation of the National RES Action Plan until 2020 (approved by the Governmental Order No. 902-r of 1 October 2014). Any stakeholders are welcome to provide their comments and propositions (without a time limit).

Moreover, according to a statement published at the official website of the National Energy and Utilities Regulatory Commission (NEURC) on 2 June 2016, the latter has allegedly obliged State Enterprise Energorynok (Market Operator and guaranteed buyer of electricity generated from RES) to amend existing power purchase agreements (PPAs) with RE producers by extending their duration until 1 January 2030, which is the expiration date for feed-in tariffs (FiT), as well as to further conclude PPAs with duration until the said date. As a rule, PPAs were concluded for a year with further prolongation for 6 months or a year, regardless of the legislative provisions on FiT. By means of its decision, the NEURC aims to eliminate possible uncertainty for RES developers caused by such a practice.



COMPETITION - STATE AID

EU: Commission Rules on German Scheme for Closure of Lignite-Fired Power Plants

by *Viktoria Chatzara (Athens)*

On 27 May 2016, the European Commission issued its decision concerning a German state aid scheme, which was notified in November 2015, concerning the public financing for the closure of lignite-fired power plants in Germany. According to the notified scheme, the main technology for electricity production in Germany is still lignite, representing 24% of the total electricity generated in 2015. Germany intended to grant €1.6 billion for mothballing and subsequently closing of eight lignite-fired power plants, representing 13% of the total capacity of the German lignite-fired power plants, in an attempt to meet the national emission target for 2020, pursuant to the announcements made by the German government regarding a reduction of the country's CO₂ emissions by 40% until 2020. Pursuant to the contemplated scheme, the eight lignite-fired plants are scheduled to stop operating from October 2016 (the first) until October 2019 (the last). The closure of all eight power plants is expected to result in a reduction of CO₂ emissions by 11–12.5 million tons per year, i.e. more than half of the additional contribution the German energy sector needs to make to achieve the national goals.

According to the scheme, as it was notified to the Commission, the costs for the closure of the power plants will be borne by the operators themselves. The above mentioned public financing concerns the compensation which will be provided to the operators for their foregone profits, as, after the closure of the power plants, they will not be able to sell electricity on the market. The Commission examined this compensation in order to ensure that it does not confer any undue advantage to the concerned operators. As described in the contemplated scheme, this remuneration shall represent the foregone profits that the operators would have earned, had their power plants continued to be operating for another four (4) years. Taking into account that this time period is shorter than the average expected lifetime of the plants, in conjunction with the fact that this scheme will significantly contribute to Germany reaching its environmental goals, the Commission concluded that the contemplated measure promoted the EU environmental goals, without unduly distorting the competition in the Single Market and, thus, it is compatible with the EU state aid rules. The non-confidential version of the Commission's decision is expected to be published in the EU Official Journal.



more news on Competition - State Aid:



EU: Commission Finds Contract between Danish TSO and DONG Energy Does Not Involve State Aid

by Viktoria Chatzara (Athens)

On 23 May 2016, the European Commission published its decision on a complaint it received concerning the contract concluded between the Danish transmission system operator (Energinet.dk) and DONG Energy for ancillary services, according to which DONG Energy was required to supply electricity to the network at short notice, to ensure the balance and technical stability of the Danish electricity system. According to the respective complaint, this contract conferred a selective advantage to DONG Energy, as it was not concluded on market terms, by using State resources. Taking into account that the contract also included the reservation of a specific connection in favour of DONG Energy, the complainant argued that such terms distort or threaten to distort competition within the internal market. The Commission, nevertheless, has concluded that the contract does not confer any selective advantage to DONG Energy and that the Danish TSO secured a competitive price for the required ancillary services. The public version of the Commission's decision is expected to be made available.

ENERGY INFRASTRUCTURE

EU: Commission Publishes Fact Sheet on Investment Plan for Energy in Europe

by *Evriddiki Evangelopoulou (Thessaloniki)*

On 14 June 2016, the European Commission published a fact sheet regarding the Investment Plan for Energy in Europe within the context of the Commission's goal of building an Energy Union. The Investment Plan for Europe is the European Commission's tool to kick-start sustainable growth in Europe. The European Fund for Strategic Investments (EFSI), its financial cornerstone, supports investments and provides financing instruments for risky operations.

The Investment Plan for Europe has already provided specific funding opportunities to the energy sector, such as: the European Energy Efficiency Fund (EEEF), an innovative public-private partnership dedicated to mitigate climate change through energy efficiency measures and renewables; the Private Finance for Energy Efficiency (PF4EE), a financial instrument funded by the EU through the LIFE programme and implemented via the European Investment Bank (EIB); the Connecting Europe Facility (CEF) for trans-European energy infrastructure projects and the European Structural Investment Funds (ESIF), with a dedicated fund for energy efficiency.

With key projects in energy infrastructure (in particular interconnections), renewable energy and energy efficiency, EFSI has allocated to the energy sector 29% of financing approved by the EIB. In addition, actions have been undertaken to leverage investments for small and medium enterprises, in particular through the European Investment Fund (EIF), which has channelled EUR 3.5 billion to financing agreements in the energy sector. Altogether, these operations in the energy sector are expected to have the knock-on effect on attracting additional investments of over EUR €16.9 billion in the coming years.

Twenty-four funded projects have already contributed to achieve a carbon-free electricity sector. By 2030 half of all Europe's electricity will be powered by renewables and it will be carbon-free in about 35 years. In addition to the funding, EU helps to make investments easier and more attractive. Energy stakeholders, both from the public and the private sector, can benefit from technical assistance by registering a project to reach potential investors worldwide through the European Investment Project Portal. They can also have access to the advisory services of the European Investment Advisory Hub (EIAH), which is engaging proactively in energy efficiency as well as in emerging areas.

Finally, opportunities of financing under EFSI are available on the EIB website, while projects can be directly submitted by promoters to the EIB or via established investment platforms.



more news on Energy Infrastructure:

Greece: Ministerial Decision Granting Installation Licence to TAP

by *Stefania Chatzichristofi (Athens)*

On 1 June 2016, Ministerial Decision No. 176524 was published in the Official Journal (B 1550) granting an installation license to the company Trans Adriatic Pipeline AG regarding the construction of the Trans Adriatic Pipeline (TAP), i.e. the pipeline that will bring Azeri gas to Italy, through Greece and Albania. More precisely, the Greek Ministry of Environment and Energy issued a three-year installation licence for TAP for the construction of the pipeline in Greece in the regions of Evros, Rodopi, Xanthi, Kavala, Drama, Serres, Kilkis, Thessaloniki, Pella, Imathia, Florina, Kozani and Kastoria. Through this decision, the pipeline construction activities shall be in line with the schedule of the project. The license is granted under the restriction of observance of safety and environmental protection rules, as well as of the relevant legislative acts. After the completion of the installation and during its validity period, a license for operation of the project shall be granted, upon request, by the Greek authorities.



Greece/Bulgaria: Interconnection Agreement Signed between the Greek and the Bulgarian Gas TSOs

by *Lazaros Sidiropoulos (Athens)*

On 26 and 27 June 2016, the Greek gas network operator DESFA announced on its website that an interconnection agreement was signed on 24 June 2016 with the Bulgarian gas network operator BULGARTRANGAZ regarding the interconnection point Kulata (BG) and Sidirokastron (GR). Aim of the agreement is to facilitate the cross-border trade and the maximum use of the capacity of the interconnected gas transmission networks at the interconnection point (IP) Kulata/Sidirokastron enabling reverse transmission of natural gas on commercial basis (backhaul). The agreement shall enter into force on 1 July 2016. In the same context DESFA also announced the business rules which will be applicable for the purpose of implementation of the interconnection agreement. These rules regulate issues such as the calculation of nominated / confirmed natural gas quantity, the matching process, the allocation of the transmitted gas quantities and the operational balancing account. Shortly before the conclusion of the agreement, the Greek energy regulator RAE had launched a short-term public consultation, which ran between 17 June and 22 June, regarding some amendments to the Greek regulatory framework, which were proposed by DESFA so as to enable implementation of the interconnection agreement.

Bulgaria: Bulgarian and Slovakian Gas TSOs Sign MoU regarding the Eastring Pipeline

by *Apostolos Christakoudis (Sofia)*

On 9 June 2016, the Bulgarian and the Slovak gas TSOs signed at the Gas Infrastructure Europe Annual Conference 2016, hosted in Sofia, a memorandum of understanding which is expected to allow the planned Balkan Gas Hub in Bulgaria to receive gas supplies from the pipeline Eastring. Eastring is a project linking the gas transmission systems of Slovakia, The Czech Republic, Ukraine, Hungary, Romania and Bulgaria. It is a corridor that will be constructed with the aim of diversification of the sources and routes of natural gas in the region in line with the principles of the European Energy Union. The Eastring gas pipeline could be realised at minimum costs, since it will use the existing infrastructure. The agreement between the two parties for the realization of project Eastring can play a key role for the creation of the Southern corridor, as defined in the European Energy Security Strategy. The two Parties highlight in the Memorandum that this is a project that strengthens the regional cooperation in the field of the development and integration of energy networks, thus contributing to the security of supply and the cross-border gas trade. Agreements are expected to be signed with the other project promoters, i.e. the Czech Republic, Ukraine, Hungary and Romania, as well.



ENERGY EFFICIENCY

Greece: Adoption of National Energy Efficiency Action Plan (NEEAP)

by Dafni Siopi (Thessaloniki)



On 20 May 2016, Greece adopted the National Energy Efficiency Action Plan (NEEAP) which includes a national energy efficiency target in final energy consumption for 2020. The NEEAP is a report which associates the previous Directive 2006/32/EU with the new Directive 2012/27/EU on the energy efficiency (Energy Efficiency Directive). The primary objectives of the 'Europe 2020' strategy include energy efficiency, safeguarding and creating jobs and ensuring smart, sustainable and inclusive growth. Energy efficiency is high on the European Union's (EU) list of priorities and may help to address the triple challenge of the current economic downturn, energy dependence and climate change.

In particular, the NEEAP provides information on measures already in place, and measures recently adopted or expected to be adopted in view of the requirements arising from the application of the Directive. Moreover, it presents the

measures falling within the scope of the existing institutional and regulatory framework with a view to adopting policies, commitments and strategies in all areas of the final and primary energy consumption to improve energy efficiency.

The energy efficiency target set for 2020 is to achieve final energy consumption levels of 18.4 Mtoe. It was decided to base the target on final energy consumption taking into account the fact that this determines the requirements and demand for energy and, at the same time, the calculation models for predicting the development and evolution of the energy system used to simulate final energy consumption more effectively.

Primary energy consumption in 2020 shall amount to 24.7 Mtoe, whereas the energy intensity of primary energy consumption and the energy intensity of final energy consumption in the Greek economy in 2020 shall be equal to 0.109 and 0.081 koe/€ respectively. The target for 2020 is derived from estimates of the development of both the Greek economy and the implementation of measures, actions and programmes for improving energy efficiency, penetration of RES and achieving energy savings in final consumption and primary energy production.

All the measures described in the NEEAP are expected to contribute to improving energy efficiency in accordance with the provisions set out in Directive 2012/27/EU.

more news on Energy Efficiency:

EnC: Publication on Regulation of Energy Efficiency in the EnC Contracting Parties

by Tetyana Vyshnevskva (Kiev)

On 1 June 2016, the Secretariat of the Energy Community (EnC) published a special edition on energy efficiency acquis applicable to the EnC Contracting Parties. The publication includes relevant European Directives (on energy efficiency, energy end-use efficiency and energy services, energy performance of buildings, indication by labelling and standard product information on the consumption of energy and other resources by energy-related products), implementing Directives and Delegated Regulation on energy labelling as well as Ministerial Council Decisions on implementation/adoption of certain Directives/Delegated Regulations. According to the preface, the only purpose of the publication is to provide a convenient compilation of legislation on energy efficiency under one cover, while the versions adopted by the legislature of the European Union and the EnC, as published in the Official Journal or on the website of the EnC respectively, shall prevail.

Albania: Announcement of Forthcoming Establishment of Energy Efficiency Agency

by Odisea Xhelita (Tirana)

The Ministry of Energy and Industry of Albania (MEIA) has announced a new legislative initiative, by which the establishment of a state institution operating in the energy sector, covering energy efficiency issues, shall be proposed to the Council of Ministers. The forthcoming agency, which will be under the Ministry covering the energy field, shall be named Agency for Energy Efficiency (AEE), will have legal personality, and will have its headquarter in Tirana and other regional branches. AEE shall, among others, be responsible for the following activities: to prepare, implement and monitor the policies and programs for energy efficiency; to prepare and monitor the National Plan for Energy Efficiency, and report annually its implementation to the Ministry; to cooperate for the creation of an energy efficiency data base and the implementation of measures for energy efficiency; to draft and propose to the Ministry the secondary legislation; to prepare the standards, norms and technical regulations for energy efficiency; to evaluate technically the investment projects; to propose to the Efficiency Fund the financing of relevant projects of energy efficiency; to coordinate energy efficiency programs; to develop and coordinate training programs; to support the public activities for the promotion of energy efficiency; to monitor and verify the accuracy of energy auditors; to maintain and update the database etc. This legislative initiative has been announced on MEIA's website, and according to the Albanian legislation, after considering the opinion of the other ministries, state institutions or groups of interests, shall be submitted for approval to the Council of Ministers.



Ukraine: New Energy Audit and Energy Management Standards

by Tetyana Vyshnevskva (Kiev)

On 29 April 2016, the national standardisation agency State Enterprise Ukrainian Scientific and Research Centre on Issues of Standardisation, Certification and Quality issued Order No. 125 on Adoption of Normative Acts of Ukraine Harmonised with the International Normative Acts. By this Order 5 energy efficiency standards were approved corresponding to ISO standards on energy audit and energy management, notably ISO 50002:2014, ISO 50003:2014, ISO 50004:2014, ISO 50006:2014 and ISO 50015:2014. The approved standards shall apply as of 1 September 2016.

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