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the highlights...

ENERGY MARKETS

ENC: Annual Implementation Report for the period 2016 - 2017

On 15 October 2017, the Energy Community Secretariat (EnC Secretariat) published its Annual Implementation Report for 2016 - 2017 ("Report"). The Report which covers the period from 1 September 2016 until 1 September 2017, provides analysis of the progress achieved by the EnC Contracting Parties (i.e. Albania, Bosnia and Herzegovina (BiH), Kosovo*, former Yugoslav Republic of Macedonia (FYRoM), Moldova, Montenegro, Serbia and Ukraine) (CPs) towards the implementation of the EnC acquis on electricity, gas, regulatory authority, oil, renewable energy, energy efficiency, environment, climate, competition, infrastructure and statistics.

ELECTRICITY

EU/Bulgaria: C-347/16 Preliminary Ruling Regarding Second TSO License

On 26 October 2017, the Fifth Chamber of the EU Court of Justice (CJEU), in case C-347/16, issued the Decision on the request for preliminary ruling of the Sofia City Administrative Court, Bulgaria, in case pending before that court between the Bulgarian Energy Exchange (BEB) and the Energy and Water Regulatory Commission, Bulgaria (KEVR), concerning KEVR's refusal to grant BEB a license for electricity transmission and as balancing group coordinator and independent transmission system operator.

OIL & GAS

EU: European Commission Publishes New Gas Security of Supply Regulation

On 31 October 2017, the European Commission published the long-anticipated Regulation (EU) 2017/1938 ("new Regulation") of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing from 1 November 2017 the Regulation (EU) 994/2010 ("previous Regulation").

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

EnC/Montenegro: Regulatory Authority Receives Observer Status in ACER's Working Groups

by Maria Cheimona, (Athens)

On 8 November 2017, a Decision of ACER's Director was communicated to the Energy Community Secretariat and the National Energy Regulator of Montenegro (RAE), regarding the granting of the latter's observer status in the Gas and Electricity Working Groups of ACER. RAE is the first Energy Community Regulator to have received observer status, since the participation to the said working groups is limited, and based on strict criteria as well as needs to be approved by the Director of ACER. The fulfillment of such criteria and more precisely the legal compliance with third energy package and the regulatory independence is reviewed by the Energy Community Secretariat.

Ukraine: Government Approves National Emissions Reduction Plan

by Tetyana Vyshnevskya, (Kiev)

On 8 November 2017, the Cabinet of Ministers of Ukraine issued Resolution No. 796-r, approving the National Plan on Reduction of Emissions from Large Combustion Plants (the Plan), developed by the Ministry of Energy and Coal Industry of Ukraine (the Ministry). The main objective of the Resolution is to fulfill Ukraine's commitments under the Energy Community Treaty and the EU-Ukraine Association Agreement, namely, the requirements of Directive 2010/75/EU on industrial emissions (integrated pollution prevention and control). The Plan provides for the reduction of emissions of dust, sulphur dioxide and nitrogen oxide by heat generating plants with the installed capacity exceeding 50 MW during 2018-2033, starting 1 January 2018. The Ministry shall coordinate the execution of the Plan and is expected to draft an Action Plan for its implementation in 2018 by 1 December 2017.

In view of the above it should also be noted that on 1 January 2018 paragraph 15(3) of the Technical Regulation on requirements for motor petrol, diesel, vessel fuels and fuel oils (approved by the Governmental Resolution No. 927 of 1 August 2013) comes into force after a year-long deferral, implementing the provisions of the Sulphur in Fuels Directive. Therefore, all enterprises, organisations and institutions in Ukraine will be prohibited from producing and putting into circulation of fuel oil with sulphur content exceeding 1% by mass.



ENERGY MARKETS highlight...

ENC: Annual Implementation Report for the period 2016 - 2017

by Mirjana Mladenovic, (Belgrade)

On 15 October 2017, the Energy Community Secretariat (EnC Secretariat) published its Annual Implementation Report for 2016 - 2017 ("Report"). The Report which covers the period from 1 September 2016 until 1 September 2017, provides analysis of the progress achieved by the EnC Contracting Parties (i.e. Albania, Bosnia and Herzegovina (BiH), Kosovo*, former Yugoslav Republic of Macedonia (FYRoM), Moldova, Montenegro, Serbia and Ukraine) (CPs) towards the implementation of the EnC acquis on electricity, gas, regulatory authority, oil, renewable energy, energy efficiency, environment, climate, competition, infrastructure and statistics. The Report highlights the existing gaps and provides the respective recommendations (for the period 2017-2018) for each CP. According to the Report, the CPs achieved rather differing results in the fulfillment of their obligations under the EnC Treaty. The Report presented that low progress in the fulfillment of the requirements of the Oil Stocks Directive is present in all CPs which is reflected in continuous stagnation or delays regarding transposition and implementation of the acquis, with the exception of Serbia and FYRoM. Montenegro and Serbia continue to be the leaders in implementation of the sustainability policies comprising energy efficiency, renewables, environment and climate. In addition, the Report provides an update on dispute settlement cases against CPs and points out a persistent failure of BiH and FYRoM to transpose the Third Energy Package. The Report shows that the transposition and implementation of the statistics acquis is fairly high in all CPs.

The Report presented that the Ministerial Council (Council) adopted four decisions expanding the scope of the environmental acquis. The aim of these decisions is to align the outdated provisions of the Environmental Impact Assessment and Sulphur in Fuels Directives with the latest EU versions and introduce the Strategic



Environmental Assessment and the Environment Liability Directives to the extent they relate to the energy. The Council also adopted a non-binding Recommendation 2016/02/MC - EnC on the implementation of Regulation (EU) 525/2013 on a mechanism for monitoring and reporting greenhouse gas emissions. EnC Environmental Task Force has increased support to the CP in preparing the implementation of the new acquis. CPs supported by the Secretariat made progress in implementation of the three main areas covered by the Sustainability Charter endorsed at the 2016 Western Balkan 6 Summit: (i) improvement of the governance for energy efficiency; (ii) implementation of the smart support measures improving the sustainability of energy systems; and (iii) fostering climate action and transparency of sustainable energy markets.

The Report also stated that Georgia officially became the ninth EnC CP on 1 July 2017, making closer ties with the EU internal energy market. Georgia's accession also marks another milestone in the development of the EnC Secretariat.

Electricity what's new...

ACER: Second Report on the Implementation of the Balancing Network Code Available Online

by Theodoros Theodorou, (Athens)

On 16 November 2017, the Agency for the Cooperation of Energy Regulators (ACER) published its second report on the implementation of the Balancing Network Code, which introduces a tentative assessment of the effectiveness of the implementations within different balancing zones across EU. More specifically, this second report describes the status of the implementation and application of the Code by developing a Balancing Analytical Framework to allow effective balancing regime comparison. The framework reveals a variance between the balancing zones and especially to those Member States that have not yet enabled short-term markets. ACER's second report aims at providing information and evaluation of the different balancing regimes introduced by the new Code in order to further promote its full implementation across EU.

EU/ACER: Implementation Monitoring Report on Requirements for Generators

by Tetyana Vyshnevskaya, (Kiev)



On 7 November 2017, the Agency for the Cooperation of Energy Regulators (ACER) published its first Implementation Monitoring Report of the Network Code on Requirements for Grid Connection of Generators (NC RfG), established by Commission Regulation (EU) 2016/631 of 14 April 2016. The main objective of the Report is to identify existing challenges in implementation of the NC RfG, based on the input provided by National Regulatory Authorities (NRAs), and to give relevant recommendations in order to bring about more efficient implementation. Precisely, ACER analyzed the progress achieved in implementation of the NC RfG provisions on: a) non-binding guidance on implementation (Article 58); b) a list of the relevant information for implementation monitoring (Article 59.2); c) criteria for granting derogations (Article 61(1)) and d) transitional arrangements for emerging technologies (Articles 66-70), which were supposed to be implemented by mid-2017, and came to a conclusion that although NC RfG implementation is well on track, full implementation is still pending, especially as regards criteria for granting derogations and transitional arrangements for emerging technologies. Noteworthy, NRAs of Bulgaria, Greece, Poland and Spain provided no answers to ACER's questionnaires, thus it's been presumed that implementation is either incomplete or absent in these Member States.

EnC: Secretariat Publishes Western Balkan 6 Monitoring Report on Electricity

by Aleksandar Mladenovic, (Belgrade)

On 15 November 2017, the EnC Secretariat published its Western Balkan 6 Monitoring Report on electricity. The report provides an overview of the state of play of implementation of the soft measures and highlights the achievements made since the Trieste Summit of 15 July 2017. It presents the progress made at both national and regional level, as well as the sectors where continued implementation efforts are needed most. In particular, on national level, the most prominent advancement was made in the area of the creation of national power exchanges and implementation of unbundling rules under the Third Energy Package. Nevertheless, the report notes that the progress is slow and the governments will have to remove the remaining obstacles and enhance regional cooperation. On regional level, a set of projects aimed at facilitating the implementation of the regional day-ahead market and cross-border balancing is launched. Further, a regional project dedicated to the establishment of state-owned generation companies as traders in the market is ongoing and a number of projects to support national institutions, ministries, regulators, transmission and distribution system operators in implementing energy sector reforms in line with the WB6 targets and the Third Energy Package requirements were initiated.

EU: Public Consultations on Issues of Implementation of CACM Regulation

by Mira Todorovic Symeonides, (Athens)

On 3 November 2017, ENTSO-E launched two public consultations, which will last until 3 December 2017, regarding the All-TSOs proposal on the methodology for calculating scheduled exchanges resulting from a) single day-ahead coupling (the first consultation) and b) single intraday coupling (second consultation) both in accordance with Article 43 of the Commission Regulation (EU) No 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (CACM Regulation).

On 13 November 2017, all Nominated Market Operators (NEMOs) submitted, in compliance with the CACM Regulation, to all National Regulatory Authorities (NRAs), the following amended proposals: a) All NEMOs' proposal for the price coupling algorithm and for the continuous trading matching algorithm, also incorporating TSO and NEMO proposals for a common set of requirements, in accordance with Article 37(5) of the CACM Regulation; b) Proposal for a common set of requirements for the DA price coupling algorithm; c) Proposal for a common set of requirements used for the continuous trading matching algorithm; d) All NEMOs' proposal for products that can be taken into account by NEMOs in single day-ahead process in accordance with Article 40 of the CACM Regulation; e) All NEMOs' proposal for products that can be taken into account by NEMOs in intraday coupling process in accordance with Article 53 of the CACM Regulation; and f) All NEMOs' proposal for the back-up methodology in accordance with Article 36(3) of the CACM Regulation.

Greece: Public Consultation on the Implementation of Regulation 2016/631/EU

by *Andriani Kantilleraki, (Athens)*

On 17 November 2017, the Independent Power Transmission Operator (IPTO) for electricity launched the first public consultation on the implementation of Regulation 2016/631/EU regarding the enactment of a network code which will lay out the requirements for the connection of electricity producers with the grid. The main purpose of the consultation is to assess the recommendations of IPTO in regards with the designation of the maximum generating capacity levels for the determination of the generators' significance, in accordance with the provisions of the Regulation. The consultation shall last until the 18th of December after which date, the Operator will publish a list of participants and their remarks along with its final views and proposals which will be disclosed to the Greek Regulatory Authority for Energy in order to be approved.

EU/Greece: Decisions on Issues of Implementation of CACM Regulation

by *Mira Todorovic Symeonides, (Athens)*

On 19 October 2017, the Energy Regulatory Authority (RAE) issued two decisions (both published in the OJ B' 3977/15.11.2017) regarding the implementation of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (CACM Regulation). The first decision, no. 873/2017, approves the All TSOs' proposal for the establishment of a Single Allocation Platform (SAP) in accordance with Article 49 and for the cost sharing methodology in accordance with Article 59 of the CACM Regulation. The second decision, no. 874/2017, approves the All TSOs' Proposal for Amendment in accordance with Article 9(13) of the CACM Regulation of the Determination of the Capacity Calculation Regions as determined by the Agency for Cooperation of Energy Regulators (ACER).

Ukraine: Secondary Legislation for the Electricity Market

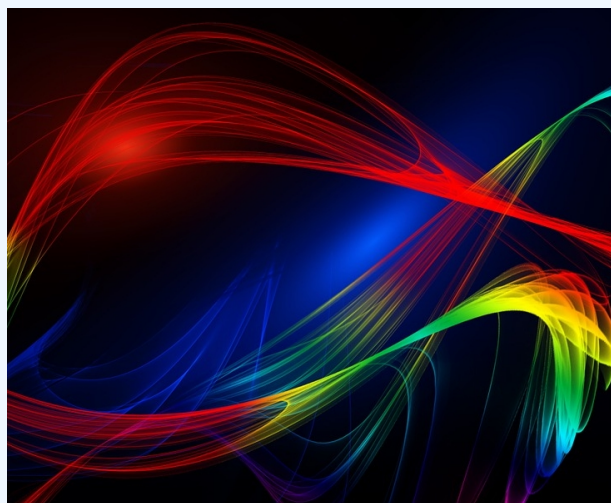
by *Tetyana Vyshnevskaya, (Kiev)*

In late October-early November 2017, Ukrainian authorities adopted and launched consultations on a number of secondary legislative acts necessary for the establishment and operation of the new electricity market in Ukraine, in accordance with the requirements of the Electricity Market Law (No. 2019-VIII of 13 April 2017).

In particular, on 9 November 2017, the National Energy and Utilities Regulatory Commission (NEURC) issued Resolution No. 1388 on Approval of Licensing Conditions for Carrying out Economic Activity of Electricity Transmission. The Resolution determines an exhaustive list of documents to be attached to the license application and requirements for the licensees. The Resolution will come into force on the day following the day of its official publication and shall apply as of the day of invalidation of the NERC Resolution No. 152 of 11 October 1999 on Approval of Conditions and Rules for Carrying out Business Activity of Electricity Transmission by Main and Interstate Electric Grids.

On 17 October 2017, the current electricity Market Operator SE Energorynok issued Orders No. 210 and No. 211 on setting up its affiliated entities "Guaranteed Buyer" and "Market Operator", as prescribed by the Electricity Market Law. The Guaranteed Buyer will be responsible for purchasing of "green" electricity from generators benefiting from the feed-in tariff during the transitional period as well as after the establishment of the full-scale electricity market in Ukraine (in July 2019), while the Market Operator is expected to ensure proper establishment and operation of the future day-ahead and intraday markets. Moreover, on 24 October 2017, Energorynok published for preliminary consultation the draft rules of the day-ahead and intraday markets, which include, inter alia: a) model agreements on participation in the day-ahead and intraday markets; b) model agreements on electricity sale-purchase at said markets; c) the procedure for determination of the price and volume of electricity traded at the day-ahead market and d) the procedure for calculation of the fixed fee and the tariff for trading at the day-ahead and intraday markets. In addition, on 2 November 2017, Energorynok held a discussion of the proposed rules with interested stakeholders.

Furthermore, the current electricity Transmission System Operator (TSO) NPC Ukrenergo published for preliminary consultation the draft rules of the electricity market on 23 October 2017 and held a discussion of said rules with interested stakeholders on 30 October 2017. The main objective of this document is to establish the rules for the participation in, operation at and settlements between the participants of the wholesale electricity market in Ukraine, including registration of bilateral contracts, procurement of ancillary services, calculation of imbalances etc. Likewise, on 6 November 2017, Ukrenergo launched a public consultation on the draft transmission system code (TSC) and draft commercial metering code (CMC). The draft TSC provides a set of requirements and rules for cooperation between the TSO and users of the electricity transmission system in respect of its planning, development and use, grid connection and access. The draft CMC determines the principles of commercial metering of electricity, processes and procedures of data collection on produced, transmitted, distributed, consumed, imported and exported electricity, other relevant procedures and requirements. The consultation ran until 15 November 2017.



ELECTRICITY highlight...

EU/Bulgaria: C-347/16 Preliminary Ruling Regarding Second TSO License

by Mira Todorovic Symeonides, (Athens)

On 26 October 2017, the Fifth Chamber of the EU Court of Justice (CJEU), in case C-347/16, issued the Decision on the request for preliminary ruling of the Sofia City Administrative Court, Bulgaria, in case pending before that court between the Bulgarian Energy Exchange (BEB) and the Energy and Water Regulatory Commission, Bulgaria (KEVR), concerning KEVR's refusal to grant BEB a license for electricity transmission and as balancing group coordinator and independent transmission system operator.

In December 2013, BEB applied to the KEVR for the grant of a license for "electricity transmission and balancing group coordinator, independent TSO". When the application was rejected, BEB in 2014 brought an action before the Supreme Administrative Court of Bulgaria for the annulment of the rejection. In 2015, the Court ruled that the KEVR decision was not sufficiently reasoned and declared it null and void. In October 2015, the KEVR issued a new decision rejecting the 2013 application as inadmissible in its entirety because, in accordance with the Bulgarian law only one license could be granted for exercising the activity of electricity transmission in Bulgaria and such license has already been granted to the Elektroenergien sistemen operator EAD (ESO) for 35 years. As regard the activity of balancing group coordinator, it is connected to the activity of electricity transmission and presupposed the exercise of the electricity transmission activity. Subsequently, BEB brought proceedings before the Sofia City Administrative court (the Referring court).

The request for preliminary ruling concerns the interpretation of the Electricity Directive 2009/72/EC;

Regulation (EC) no 714/2009 on conditions for access to the network for cross-border exchanges in electricity; Regulation (EU) no 1227/2011 on wholesale energy market integrity and transparency; Commission Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management; and Article 101 and 102 TFEU. The Referring Court requested preliminary ruling on six (6) questions, four (4) of them related to the issues of unbundling of a TSO in compliance with article 9 of the Directive 2009/72. These questions were found, by the CJEU, irrelevant and inadmissible as Bulgaria applied the unbundling type of the independent transmission system operator (articles 17-23 of the Directive) and not the ownership unbundling regulated by the article 9 of the Directive.

In regard to the question whether the Electricity Directive and the Regulations no. 714/2009, 1227/2011 and 2015/1222 authorise a Member State to limit the number of holders of electricity transmission license for a particular territory, the CJEU concluded that "they do not preclude, in circumstances such as those of the main proceedings, national legislation limiting the number of holders of electricity transmission licenses for a particular territory".

And finally, in regard to the sixth question, whether the legal limitation of the number of TSOs on the territory of Bulgaria, restricts competition within the meaning of Articles 101 and 102 TFEU, the CJEU concluded that it has not received sufficient material and explanation regarding why the Referring Court considers that the legislation at issue infringes Articles 101 and 102 TFEU, thus the question was regarded as inadmissible.



Oil & Gas what's new...

Albania: Minimum Technical Criteria for the Construction, Operation and Storage on the Natural Gas Sector

by *Odisea Xhelita, (Tirana)*

On 27 October 2017, the Council of Ministers (CM) of the Republic of Albania, by virtue of the Decision No.612/2017 approved the Technical Requirements for the Safety Criteria (Third Part), regarding the Construction and the Operation of the Transmission and Distribution Systems of the Natural Gas, as well as of the Plants Installations and Storage of the Liquefied Natural Gas. The approved rules on the transmission and distribution system, refer to the following topics: i) to adjust the gas pressure of the service lines for input pressures up to 5 bar; ii) the gas' steel pipe lines, with operating pressure up to 16 bar (construction); iii) the gas' polyethylene pipelines, with operating pressure up to 10 bar (construction); iv) the cathodic protection against corrosion in protective pipelines in traffic junction areas (the steel pipes of the product under the thrust procedure); v) the documentation to be kept from the transmission and distribution companies, regarding the pipeline networks. The Decision of CM No.612/2017, has come into force after the publication in the Official Gazette dated 31 October 2017.

EU: European Commission Proposes Amendment of Gas Directive

by *Stefania Chatzichristofi, (Athens)*



On 8 November 2017, the European Commission in an attempt to improve the functioning of the EU internal energy market and enhance solidarity between Member States (MSs) presented its proposal to update Directive 2009/73/EC (the "Gas Directive"). The proposal extends the scope of the Gas Directive to gas pipelines to and from third countries and allows MSs to grant cross-border pipelines certain derogations from the application of the Directive on a case-by-case basis, as long as such derogations do not harm competition or security of supply. More precisely, the said amendment will ensure that all major pipelines entering the EU territory comply with EU rules, are operated under the same degree of transparency, are accessible to other operators and are operated efficiently. This initiative is part of EU's Energy Union and more precisely refers to the solidarity aspect of the Energy Union. Further, the proposed amendments need to be agreed by the European Parliament and Council.

Greece: Hellenic Competition Commission Accepts Request for Revision of DEPA's Commitments

by *Viktoria Chatzara, (Athens)*

On 15 November 2017, the Hellenic Competition Commission (HCC) published its decision to accept a proposal from the Public Gas Corporation (DEPA) to revise a commitment adopted by virtue of earlier HCC decisions in 2012 and already revised in 2014. More specifically, following a complaint against DEPA before the HCC claiming that DEPA was violating competition law provisions in its behaviour towards its customers, DEPA proposed and HCC accepted several commitments, with the aim of rectifying said violation and restoring free competition in the relevant market. Namely, DEPA committed, among others, to offer its clients a particular type of Gas Selling Contract, not including any gas transfer service, to reduce its clients' dependency from it, and to adopt and implement since 30.11.2012 a gas selling program through electronic auctions (gas release programs). It was provided that the starting price in such electronic auctions would consist of (a) the weighted average cost of supply of the gas imported by DEPA, taking into account any applications for revision of the supply prices, and (b) DEPA's managing costs. The specific provisions concerning the implementation of the commitment for the electronic auctions were revised in 2014; however, said 2014 HCC decision specifically provided that DEPA's obligation to take ex ante into account any requests from/to its suppliers for the revision of the supply prices, when determining the starting price for the auctions, was not abolished. Following a relevant proposal from DEPA, and in collaboration with the Regulatory Authority for Energy (RAE), the HCC decided to abolish said term of the system of supply of natural gas through electronic auctions (annual and quarterly), effective as of 01.01.2018. According to the HCC, the annual auction for 2018 and the first quarterly auction for 2018, to be realized in 2017, will take place according to the previous HCC decision.

OIL & GAS highlight...

EU: European Commission Publishes New Gas Security of Supply Regulation

by Stefania Chatzichristofi, (Athens)

On 31 October 2017, the European Commission published the long-anticipated Regulation (EU) 2017/1938 ("new Regulation") of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing from 1 November 2017 the Regulation (EU) 994/2010 ("previous Regulation").

The revision of the previous Regulation started in February 2016 and the new Regulation follows a political agreement by the European Parliament, the Council and the European Commission in April 2017. The new Regulation aims at improving the security of supply in the EU and goes further than the previous one by requiring EU Member States to work together in regional groups in order to assess the potential for disruption to their gas supplies as well as agree on joint actions to prevent or mitigate the consequences.

Further, it includes a new "solidarity principle" according to which countries will need to help neighbouring

countries, to which they are directly connected, to provide gas to vulnerable customers in case of an extreme supply shortage. Although solidarity was present in previous Regulation, the "solidarity principle" as defined in the new Regulation is now clearly linked to specific, clearly defined obligations for the first time. This is expected to reduce the risk of dependency from external sources. Securing energy supplies to EU consumers is one of the key priorities of the EU's Energy Union strategy.

In addition, gas companies will also have to officially notify national authorities about major long-term supply contracts that may be relevant to security of supply. The new Regulation also requires the European Network of Transmission System Operators for gas (ENTSOG) to perform an EU-wide gas supply and infrastructure disruption simulation in order to provide a high level overview of major supply risks for the EU.



Infrastructure what's new...

EU: Extension of EU Gas Rules to Import Pipelines

by *Andriani Kantilieraki, (Athens)*

On 8 November 2017, the European Commission issued a press release regarding the proposed amendment of the EU Gas Directive (2009/73/EC). The main purpose of the amendment is the implementation of common rules for gas pipelines entering the European gas market, in the view of facilitating the effective functioning of the EU's internal energy market and enhancing solidarity between Member States. In this context, the Commission took under consideration the European Union's growing dependency on imported natural gas and proposed the amendment in order to clarify that the core principles of EU energy legislation (third-party access, tariff regulation, ownership unbundling and transparency) will apply to all gas pipelines to and from third countries up to the border of the EU's jurisdiction. Such a provision is bound to ensure compliance with EU rules and increase competition between gas suppliers, while diminishing conflicts of interests between infrastructure operators and gas suppliers. Once the amendment is adopted by the European Parliament and Council these changes will constitute a significant step towards the completion of the Energy Union.

EU: Report on 2030 Electricity Interconnection Targets

by *Tetyana Vyshnevskya, (Kiev)*



On 9 November 2017, the Expert Group on electricity interconnection targets, set up by the European Commission in March 2016 to provide specific technical advice on the increase of the electricity interconnection target to 15% by 2030 and any elements that may impact the development of interconnectors, presented its final report entitled "Towards a sustainable and integrated Europe" (the Report). The Report provides a detailed overview of the reasoning behind and the benefits of electricity interconnection, as well as prerequisites and challenges of the development of cross-border electricity exchange and infrastructure in accordance with the European electricity interconnection target, followed by a set of recommendations on the efficient use of the existing interconnection capacity, mandatory cost-benefit analysis of new interconnectors,

facilitation of public involvement at the early stage of interconnector development, regular review of the proposed methodological approach of measuring interconnectivity and its associated methodologies, and others. In certain cases, i.e. when specific thresholds for interconnection levels and/or price difference are met, Member States are strongly advised to consider and investigate development of additional interconnectors, and to apply for inclusion of such projects in the Ten Year Network Development Plan and future lists of Projects of Common Interest.

EnC: Call for Submission of Candidate PEI and PMI 2018 Selection Process

by *Vuk Stankovic, (Belgrade)*

On 27 October 2017, the Energy Community Secretariat launched a public tender for the submission of candidate Projects of Energy Community Interest (PEI) and Projects of Mutual Interest (PMI) (hereinafter "Priority Projects") for the 2018 selection procedure. The deadline for submission of the projects inquiries expired on 17 November 2017. In line with Regulation 347/EU/2013 adopted on 16 October 2015 (hereinafter "Regulation"), Priority Projects refer to infrastructure projects that comply with the prescribed criteria for trans-European energy infrastructure. The aim of the procedure is to select eligible investment projects, to create the Priority Projects list, to preserve timely development of such projects and to achieve the Energy Community policy goals for Gas, Oil and Electricity infrastructure. Pursuant to the Regulation, Priority Project list should be scheduled for adoption at the 2018 Ministerial Council meeting and adopted latest by 31 December 2018.

Greece: Gas Interconnection Greece -FYRoM in progress

by *Evridiki Evangelopoulou, (Thessaloniki)*

On 14 November 2017, a press release was issued on the gas TSO's website regarding a working meeting that took place between the Greek gas TSO (DESFA) and MER Skopje on the natural gas interconnection between Greece and FYRoM. The issues analysed during the meeting were: a) the commitment of the new government of FYRoM to the project of natural gas interconnection between Greek - FYRoM, b) the evaluation of the progress achieved so far and c) the next steps for the construction of the pipeline. The project is expected to offer to FYRoM the possibility of direct access to an alternative supply of natural gas from Greece as well as to give the opportunity to connect with other projects that are planned for this region. At the same time, a new gas market will be created for DESFA, resulting in great availability of natural gas extraction.

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

[EU/SA.46602: Commission Approves Belgian Nuclear Guarantee Scheme](#)

by Mira Todorovic Symeonides, (Athens)

On 24 October 2017, the European Commission notified the State of Belgium on its Decision, issued on 14 July 2017, finding that the Belgian nuclear guarantee scheme do not constitute state aid. The Decision was published in the Official Journal of the EU JOCE C/380/2017 as of 10 November 2017. According to the Decision, the 2016 amendments of the Belgian law aimed to comply with the amended Paris Convention on nuclear third party liability, increased the compensation for potential victims of a nuclear incident to up to €1.2 billion for up to 30 years after a nuclear incident and extended the scope of damages which can be compensated. The covered damages include injuries to persons and property, environmental damage, economic losses and the cost of preventive measures. As it is expected that the insurance cover for some of these nuclear damages cannot be found on insurance market, Belgium proposed a state guarantee scheme which would provide such cover in exchange for a premium. In addition the State would have the right to recover the paid damages from the nuclear operator. The Commission found that the premium to be paid by the nuclear operators was set at such a level that it will not give them an economic advantage; that the proposed measure would not distort competition in private insurance market; and that the aim of the measure is to improve compensation of victims without granting economic advantage to nuclear operators.

[EU/SA.45182: European Commission Approves Czech Scheme](#)

by Theodoros Theodorou, (Athens)

On 10 November 2017, the Decision of the European Commission on case SA.45182 dated 11 August 2017, regarding the approval of 45 million € support scheme to Czech Republic for refuelling and recharging stations for low emission vehicles was published in the Official Journal of the European Union. This measure complies with EU state aid rules and contributes to reducing CO2 emissions without unduly distorting competition in the Single Market. The primary target of this support scheme is to encourage the use of vehicles running on alternative fuels such as electricity, compressed natural gas, liquefied natural gas and hydrogen and thus contribute to the reduction of gas emissions and improvement of air quality. This economic support not only improves the energy efficiency of the country but also promotes the deployment of low-emission alternative energy across EU and comes in compliance with its environmental goals.

[EU/SA 42776: European Commission Approves Finnish St1 Biofuels Plant Support](#)

by Maria Cheimona, (Athens)

On 10 November 2017, the European Commission's Decision, dated 16 December 2015, on the state aid case no. SA 42776 regarding Finland's Individual aid to biofuel plant, was published in the Official Journal of the European Union. The Commission, after examining the provided information by the Finnish authorities, decided not to raise objections regarding the support to the construction of an advanced biofuel demonstration. More precisely, according to Finnish authorities, the share of energy from renewable sources in all forms of transport in 2020 in Finland shall be at least 20% of the final consumption of energy. In order to meet this target it is necessary to ensure that there will be high quality biofuels, which count double towards this target than conventional biofuels. It should also be noted that at the moment advanced biofuels are still in an early phase of development. Finland made available a budget for supporting biofuel plants, the beneficiary of which is St1 Biofuels Oy. The aim of the notified aid measure is to help Finland to achieve the long term climate change and energy sustainability targets in line with the EU 2030 strategy. The Commission found that the project pursues an objective of common interest and therefore concluded that it is compatible with the internal market on the basis of EEAG.



Renewables what's new...

Greece: Ministry of Environment and Energy Launches Public Consultation on Fuels

by Stefania Chatzichristofi, (Athens)

On 25 October 2017, the Greek Ministry of Environment and Energy launched a public consultation that remained open until 6 November 2017 regarding three draft laws on the quality and fuel allocation, as well as on the methods for calculating greenhouse gas emissions. More precisely, the first draft law transposes Directive (EU) 2015/652, which sets out the methods for calculating greenhouse gas emissions and reporting requirements as provided for in Directive 98/70/EC. The said consultation includes a Ministerial Decision on the methodology for calculating greenhouse gas emissions. The second draft law defines fuel quality standards by incorporating Directive (EU) 2015/1513 and amending Directive 98/70/EC. It also provides for amendments to the existing framework for biofuels and bioliquids, with a view of promoting the use of RES. The third draft law, accompanied by a Ministerial Decision, amends Article 15A of Law 3054/2002 with the aim to improve the biodiesel distribution framework, as well as to introduce the commitment to blend bioethanol with petrol.

Greece: Two Pilot Projects for Clean Islands

by Mira Todorovic Symeonides, (Athens)

On 18 October 2017, the Parliament adopted the Law on Control and Protection of Structured Environment and other provisions which was published in the OJ A' 167/03.11.2017. Articles 151 and 152 of the law regulate some issues of electricity production on the Non Interconnected Islands (NII). Namely, article 151 regulates organization of competitive procedures for construction and operation for two pilot projects of production of electricity from RES in combination with storing excess energy in battery storage system, smart metering and demand side management. The projects will receive Operational support for the produced electricity. A Ministerial Decision, to be issued at the proposal of the NII Operator and upon receiving of the opinion of the Regulatory Energy Authority (RAE), should regulate all details of the competitive procedures, selected techniques, construction of production units and operational support of the Pilot Projects. In June 2017, similar project on other Greek island - Tilos (smart microgrid and hybrid power station project) won the Energy Islands Award and the Citizens' Award in the EU Sustainable Energy Competition, organised as part of the EU Sustainable Energy Week. Further, the law, in article 152, provides for issuing of a ministerial decision regulating hybrid and RES power stations and district heating in one more Greek Island – Agios Efstratios, and particularly the issues related to issuing of construction licensees, Operational support and management of applications.



Serbia: Ministry of Mining and Energy Rendered New Regulation

by Mirjana Mladenovic, (Belgrade)

On 27 October 2017, the Ministry of Mining and Energy ("Ministry") published the Regulation on the Manner of Calculation and Presentation of the Shares of all types of Energy Sources in the Sold Electricity (Official Gazette of the Republic Serbia no. 96/2017) ("Regulation"), which entered into force on 4 November 2017. Acting in accordance with Article 87 Paragraph 5 of the Energy Law (Official Gazette of the Republic Serbia no. 145/2014), the Ministry rendered the Regulation which prescribes the manner in which the share of all types of energy sources in sold electricity is calculated and presented to the end customers, as well as the method of calculation's control. Among others, the Regulation prescribes the obligation of the energy suppliers to submit to the Energy Agency of the Republic of Serbia the prescribed information/data for the purpose of calculation until 31 July of the current year for the previous year.

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

EU: Forum on the Use of Energy Efficiency and RES in the Defence Sector

by Tetyana Vyshnevskya, (Kiev)

On 20 October 2017, the second phase of the Consultation Forum for Sustainable Energy in the Defence and Security Sector was launched by the European Commission and the European Defence Agency. The Forum, initiated by the Commission as a specific consultation mechanism, brings together experts from the defence sector and energy sector, working in parallel working groups to share information and best practices of using energy efficiency and renewable energy in the defence and security sector, as well as possible implications of the EU energy policy for the sector and its contribution to the Union and national strategic objectives. The main goal of the second phase of the Forum is to identify the bottlenecks which prevent the sector from fully benefiting from sustainable energy. This time the working groups will focus on energy efficiency, energy management, renewable energy sources and protection of critical energy infrastructure, as well as issues of financing, with the view to implement knowledge accumulated in the first phase (which lasted 24 months) and turn it into tangible defence sector energy projects.



Environment what's new...

EU: European Commission Presented the Clean Mobility Package

by Stefania Chatzichristofi, (Athens)

On 8 November 2017, the European Commission issued a press release announcing its Clean Mobility Package proposals setting a binding domestic CO₂ reduction of at least 40% until the year 2030, in line with the EU's commitments under Paris Agreement as well as establishing new rules to help secure a level playing field between industry actors in Europe. More precisely, the Clean Mobility Package includes: a) new CO₂ standards to help manufacturers to embrace innovation and supply low-emission vehicles to the market, including targets for both 2025 and 2030; b) the Clean Vehicles Directive; c) an action plan and investment solutions for the trans-European deployment of alternative fuels infrastructure; d) the revision of the Combined Transport Directive; e) the Directive on Passenger Coach Services; f) the battery initiative so that the vehicles and other mobility solutions and their components will be invented and produced in the EU. With the Paris Agreement the international community was committed to accelerate the transition to a modern low-carbon economy. The aforementioned package is the second mobility package that was presented in 2017 by the European Commission.

The Clean Mobility proposals will now be sent to co-legislators. The European Commission invites all stakeholders to work closely together in order to ensure the implementation of the said proposals.

EU/ CEER: Report on Power Losses

by Kostis Krimizis, (Athens)

On 26 October 2017, the European Parliament released a provisional edition of the resolution with regard to the prevention and remedying of environmental damage (the "ELD"). The state of play of the implementation of the ELD is currently not adequate, as additional efforts are required to enable regulatory standardization to take place across the EU. The scope of the framework of environmental liability should be broadened to include environmental rehabilitation and ecological restoration to the baseline condition after occupational activities have ended. Furthermore, insurance models are generally proving slow to emerge and half of the MS apply broader scope to the protected species and natural habitats. An additional issue that has lead to the insufficient harmonization of the ELD is the absence of publication of notifications or information about cases and the method followed to deal with them. Finally, the report calls on the Commission to provide a clear and coherent interpretation of the geographical scope of ELD, the favorable conversation status. An analytical description shall be made in order to distinguish among the EU territory; the national territory and the natural landscape are, in order to determine with ease the applicable rules for each place and incident.







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