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## **Greece: The TSO will be able to conclude interruptible contracts with energy-intensive consumers**

*by Lazaros Sidiropoulos (Athens)*

As a means of reducing the energy costs for Greek energy-intensive industries, a new framework for interruptible contracts is included in a bill of the Ministry of Environment, Energy and Climate Change, which was submitted for voting to the Parliament on 19 September 2013. Pursuant to the bill, electricity consumers will be able to conclude interruptible contracts with the Independent Power Transmission System Operator (ADMIE), which will then be entitled to ask these consumers to have their power supply halted during hours of peak demand in return for a financial refund. For the purpose of funding this new procedure, a “specific reserve fund for the security of supply” will be established, whose revenues will come from a new fee imposed on all electricity producing units in Greece, both conventional ones and those using RES sources. The exact amounts to be paid by each category of electricity producers as well as other details in relation to the procedure of concluding the interruptible contracts will be regulated by a ministerial decision, which shall be issued further to the voting of the bill.

## **Bulgaria: Decision of the State Energy Regulatory Commission on the implementation of smart metering systems**

*by Gergana Hadjipanteleeva (Sofia)*

In compliance with Directive 2009/72/EC the State Energy Regulatory Commission recommended by its Decision No 1/31.07.2013 the implementation of smart metering systems at up to 20 % and not less than 10% of the electricity grid connections by 2020. The Commission based its decision on an overall assessment of the long-term costs and benefits to the market and the individual consumers. The assessment, based on analysis and information provided by the three electricity distribution companies acting in the Bulgarian market, came to the conclusion that implementation of smart metering systems in Bulgaria would be economically unreasonable and could lead to drastic increases in the electricity costs for consumers. Respectively, the State Energy Regulatory Commission recommended that this measure should be financed with public funds under EU Programmes and should not cause any increases in the electricity prices.



## EU: ACER issues guidance for the Guidelines for Congestion Management Procedures

by Mira Todorovic – Symeonides (Athens)

On the 9th of August 2013, the Agency for Cooperation of Energy Regulators (ACER) issued a non-binding guidance on Congestion Management Procedures Guidelines (the CMP Guidelines) for the National Regulatory Authorities (NRAs) with the aim to identify the areas requiring a harmonised approach between Member States and provide recommendations. The CMP Guidelines provided in the Decision of the European Commission no. 2012/490/EU on amending Annex I to Regulation No 715/2009 “on conditions for access to the natural gas transmission networks”, entered into force on 17 September 2012. The CMP Guidelines apply in the event of contractual congestion at interconnection points between two or more Member states or, in certain cases, within the same Member State. The ACER is authorised to monitor and analyse the implementation of the guidelines and obliged to publish monitoring reports. This ACER guidance particularly addresses the following issues: capacity increase through oversubscription and buy-back scheme, firm day-ahead use-it-or-lose-it, surrender of contracted capacity, long-term use-it-or-lose-it and the implementation of CMP measures in the interim period between the 1st October 2013 and the 1st November 2015, when the Capacity Allocation Mechanism Network Code shall start to apply.



## Greece: The energy regulator attests the reasonability of existing FITs for RES other than photovoltaics

by Lazaros Sidiropoulos (Athens)

Following the amendments to the legal framework for Renewable Energy Sources (RES) introduced in May 2013, including over 40% reductions of feed-in tariffs (FIT) for new photovoltaic systems, tariff reductions are now expected also for existing systems by means of a “new deal”, which is planned by the Greek Ministry of Environment, Energy and Climate Change and is probably going to have voluntary character. In anticipation of the final decisions, the Greek energy regulator (RAE) provided the Ministry with an assessment of the reasonability of the existing FITs for all other RES categories, except for photovoltaics. Pursuant to RAE’s assessment the returns for such RES categories are considered fully reasonable and correspond to the European averages. As a result, tariff cuts for these categories would not be justifiable.

## Poland: Provisions of the recently issued Little Energy Three-Pack relating to RES

by Agnieszka Binieda (Warsaw)

On 11 September the so-called "Little Energy Three-Pack" came into force introducing an initial reform of the Polish energy sector, by amending the Energy Law and some other acts. The purpose of those amendments was to adjust Polish law to the two EU Directives of the so called Third Energy Package (2009/72/EC and 2009/73/EC) as well as to the Renewable Energy Directive (2009/28/EC) which gave the name Three Pack. The latter Directive had to be implemented into Polish law until the 5th December 2010. In order to avoid the fines for the delay of implementation, the Polish Government decided to adopt as soon as possible the following initial amendments aiming to enhance investments in RES: From now on, the connection of RES micro installations (i.e. with no more than 40kW of total installed electrical capacity) to an energy distribution company's grid shall be easier. Such connections will be exempt from paying connection fees. It will also be no longer necessary to submit documents confirming the admissibility of the location of installation. Further benefits arise from the fact that individuals producing energy from micro installations are not obliged to set up an economic activity. In spite of the above benefits, the Little Energy Three-Pack does not fully implement the Renewable Energy Directive. For example there are not sufficient provisions regulating the preferential connection of RES to the electricity grid. All further necessary amendments relating to RES should be introduced by a new legal act expected to be adopted bearing the title "Act on Renewable Energy Sources", as a part of the significant reforms of the energy market in Poland which are planned for the near future.



## FYR of Macedonia: Compensation of damages by TSO(s) and DSO(s)

by Simonida Sosolceva Giannitsakis (Skopje)

In line with the obligations imposed by article 155 par. 4 of the Energy Law, pursuant to which electricity and gas generators "shall be entitled to compensation from the relevant System Operator (TSOs and DSOs for electricity and gas) for damages occurred due to decreased offtake or interruption in the offtake of energy in the system ..", the Energy Regulatory Commission has urged both electricity and gas Transmission and Distribution System Operators to prepare draft amendments to their Grid Codes containing the procedures for requesting, determining and compensating damages falling within the scope of this article. The focus shall be laid mainly on the procedure for determining the damage, the methodology for calculating the damage and the determination of the applicable energy tariff. Until today only the Electricity Distribution System Operator has submitted its draft amendments to the Code.



## EU: European Commission study on the implementation of the Energy Performance of Buildings Directive

by Antigoni Papadaki (Athens)

The European Commission published on 20 June 2013 a study about the impact of the implementation of the Energy Performance of Buildings Directive (EPBD) (Directive 2002/91/EC) and its recast in 2010 (Directive 2010/31/EU) on the prices of the buildings whether rented or sold. The EPBD Directive and its recast impose the obligation on the owners of a building to have an Energy Performance Certificate (EPC) issued, when the building is constructed, and to provide one to the prospective tenant or buyer. The aim of the research was to find whether there is a link between the sales or rental price of a building and the energy efficiency of the building as attested by the Energy Performance Certificate. The research was based on 22 studies that examined the effect of energy performance of a building on its sales and rental price. The research was also based on an assessment of the implementation of the EPBD Directive and its recast in a selection of EU Member States and regions. The study has indicated that an energy efficient building provides benefits to a prospective tenant or buyer such as a decrease in monthly household running costs and a higher value of the building in case of resale. Therefore, a prospective tenant or buyer is willing to pay more for a building with a better performance as attested by the EPC. Overall, the research proved that energy performance certification of a building affects its price on sale and rental market in a positive way.



## International: MoU between the European Atomic Energy Community and the International Atomic Energy Agency signed this month

by Mira Todorovic Symeonides (Athens)

On the 17th of September 2013 the European Commission, acting on behalf of the European Atomic Energy Community (EUROATOM), and the International Atomic Energy Agency (IAEA), both already cooperating in a number of areas and activities, signed a Memorandum of Understanding on nuclear energy, establishing a framework for extensive cooperation, defining specific areas of nuclear safety cooperation, supporting knowledge and best practice sharing and avoiding duplication of efforts. The MoU provides for numerous specific areas of cooperation including: nuclear safety standards, regulatory framework, installation safety, provision of peer reviews of the regulatory structure and nuclear installation safety of IAEA Member States, which are also Member States of



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EUROATOM, assistance to countries in further development of safety assessments and peer reviews, support for the implementation of IAEA Nuclear Safety Action Plan, and assistance to countries introducing a nuclear power program. For the purpose of achieving these objectives the Parties shall establish a Senior Officials Liaison Committee. The duration of the agreement is four years and may be renewed.



## ENVIRONMENT

### Croatia: New Law on Environment

by Mira Todorovic Symeonides (Athens)

On the 21st of June 2013, the Croatian Parliament adopted the Law on Environment. The aim of the law was to harmonise Croatian legislation with 11 EU Directives (2011/92/EC, 2003/35/EC, 2001/42/EC, 2010/75/EU, 96/82/EC, 2003/105/EC, 2003/4/EC, 2004/35/EC, 2008/56/EC, 2001/116/EC, 1999/94/EC) and provide the legal framework for introducing the following EU Regulations EC no. 66/2010, EC no. 1221/2009, EC no. 166/2006 and EC no. 401/2009. The Law establishes the Council for Sustainable development and Environmental Protection; regulates the activities of the Environmental Agency and provides the general framework for the Fund for Environmental Protection and Energy Efficiency, which shall be more specifically regulated by a separate law. The Law also regulates the issuing of environmental licenses and provides for a compulsory assessment of the environmental impact of projects implementing state, regional and local (for large towns only) strategies, plans and programmes, including those from the field of energy, industry and mining. The Government shall regulate in detail the issues related to environmental impact assessments, including the issues for whether such assessments are compulsory or not.

### EU: Commission decides to reduce free emission allowances

by Lazaros Sidiropoulos (Athens)

The European Commission announced on 5 September 2013 its decision to reduce by 5.7% the number of free emission allowances that will be distributed this year to the member states under the EU Emissions Trading System (EU ETS). The allocation of free allowances will gradually decline up to 17,6 % in 2020 compared with allowances requested by member states, in order to meet the standards set in the revised ETS Directive (2009/29/EC, amending Directive 2003/87/EC). The reduced free allowances will now be distributed to the European industries by the member states in a procedure expected to take one to three months.

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