

Energy Newsflash
80th issue | Southeast region



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Headlines

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Editor's note

Dear readers,

Welcome to the 80th Energy Newsflash of Rokas Law Firm. In this edition, we bring you insightful updates from Albania, Romania Bulgaria and Serbia highlighting the dynamic shifts in the energy sector across these nations.

One of the headline stories in this issue revolves around Albania's groundbreaking move towards transparency and sustainability in its energy sector. The launch of an electronic registry for guarantees of origin marks a significant milestone in the country's commitment to renewable energy sources. This innovative step not only enhances the credibility of Albania's renewable energy market but also paves the way for a more accountable and eco-friendly energy future.

In Romania, renewable energy producers are making their voices heard. They are advocating for crucial changes in auction conditions. This story sheds lights on the challenges faced by renewable energy stakeholders and their quest for a more equitable and supportive regulatory framework.

Bulgaria is undergoing a significant transformation in its energy sector with the recent amendments to the Energy Act. Liberalization takes center stage in these changes, reflecting the country's commitment to fostering a competitive and market-oriented energy industry.

In Serbia, a pivotal amendment to the Energy law focuses on enhancing control over energy transmission operators. This development underscores Serbia's dedication to ensuring the stability and reliability of its energy infrastructure.

As the energy landscape transforms, we remain committed to keeping you informed about the latest developments and their implications.

Thank you for your continuous interest in our Energy Newsflash. We look forward to bringing you more valuable insights and updates in the coming months.

Mira Todorovic Symeonides
Partner / Head of Energy Team
Rokas Law Firm



The launch of electronic registry for guarantees of origin in Albania

In June 2023, Albania signed the necessary documents in order to launch issuing and trade with guarantees of origin (GO) in the regional system among the Energy Community contracting parties.

With Decision No. 229, dated 20 December 2019 the Albanian regulatory authority - ERE approved the Regulation for the issuance, transfer and cancellation of guarantees of origin for electricity produced from renewable sources with the aim of creating the necessary regulatory framework for the creation of a system of accurate, reliable and transparent for the issuance, transfer and revocation of guarantees of origin, ensuring an equal and fair treatment for all producers of electricity from renewable sources, related to the issuance, transfer or revocation of guarantees of origin. This Regulation defines the criteria, procedures, and deadlines for issuing the guarantee of origin (GO), including the technical qualification procedure and, in particular, the time limit, in which ERE responds to the applications submitted and the technical documentation to be presented by the applicant.

On 23 March 2023, the Albanian Parliament decided to approve the law No. 24/2023 "On promoting the use of energy from renewable sources".



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The purpose of this law was to:

- promote the increase in the use of energy from renewable sources and to ensure a sustainable development of this sector and be in accordance with obligations under the Energy Community Treaty;
- reduce the import of fossil fuels, the emission of greenhouse gases and protect the environment in accordance with the international obligations of the Republic of Albania within the international agreements and treaties;
- promote the development of renewable electricity and its regional integration, as well as facilitate the participation of electricity from renewable sources;
- increase the diversification of energy sources and the security of energy supply;
- promote the development of rural and isolated areas by improving their energy supply.

Under the initiative of the Energy Community Secretariat to create the regional system for GOs, energy certificate registry provider Grexel was hired to develop nine registries for contracting parties: Albania, two entities that make up Bosnia and Herzegovina (Federation of BiH and Republika Srpska), Georgia, Kosovo, North Macedonia, Moldova, Montenegro, and Ukraine. The registrations were finalized in May 2022. The only requirement to go live were agreements of each GO issuing body with Grexel.

Since more than two issuing bodies have signed an agreement, they are now able to engage in the trading with GO through the regional system established by the service provider.

The Secretariat has evaluated the issuing bodies in Albania and Republika Srpska for the inauguration of electronic registers for GOs. He said the agreements ensure the full operation of the system in accordance with EU requirements, serving the interests of both renewable energy producers and end users.

This moment paves the way for the registries to become functional in line with EU standards, enabling consumers to exercise their preference in choosing their energy source and actively contribute to the ongoing energy transition. GOs play a crucial role in empowering consumers and facilitating corporate power purchase agreements (PPAs) by providing transparency and verification of renewable energy sources.

by [Blerta Topore](#) | Associate
ROKAS (Tirana)



Romanian RES producers require change of Auction Conditions

On August 21, 2023, the Ministry of Energy launched a public consultation regarding the draft Government Decision for the implementation and operation of the support mechanism through Contracts for the difference (CfD) for low carbon technologies. The objective of the CfD support scheme is to encourage priority investments in low-carbon power generation technologies and to strengthen the integration of renewables into the energy market for the benefit of both renewable project developers and energy authorities or grid operators.

According to the draft, the eligible generators will be selected through a competitive bidding conducted by the Transelectrica S.A., according to the information note published on the Ministry of Energy's website. The CfD will involve two rounds of tenders, each with separate bids for eligible power generation technologies - onshore wind and solar PV - with a total capacity of 5,000 MW.



Although in principle the renewable industry supports the Government's intention, there are many observations, the most important of which concern:

- request for prioritizing network access for RES capacities, which in case of capacities selected through the CfD mechanism should be without limitation;

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- request that beneficiaries receive payment for delivered electricity in the amount of the CfD reference price even during the periods of the negative market price;
- The maximum initial auction price to be calculated in a more realistic way, i.e. to take into consideration interruptions/limitations as well as the costs of balancing at the Balancing Market.

Some energy specialists say that the implementation of this support scheme "will be a mistake that will put a cross on the electricity sector, a mistake even bigger than the compensation scheme that has so unbalanced the state budget" according to economica.net.

So far there is no official position on the comments coming from the market, it remains to be seen to what extent the Government will take into account the proposals coming from the renewable industry and beyond.

by Alina Negrilă | Associate
ROKAS (Bucharest)



Liberalization – the key word in the new amendments to the Bulgarian Energy Act

On 27 July 2023, the Ministry of Energy launched public consultation regarding the proposed amendments to the Bulgarian Energy Act. The consultation lasted until 26 August 2023. The Act on the Amendments and Supplements to the Energy Act aims to transpose Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU. The transposition of the Directive, together with the European Green Deal and the urgent necessity to reform the national energy market, lead to considerable changes in the Bulgarian Energy Act and these are the main goals of the slightly belated amendments:

➤ The regulation of the prices for end consumers will be in force until the beginning of 2026. The lack of regulation of the prices is of great concern for the consumers and the consumers' associations that took part in the public discussions. It appears that their fear of dramatic increase in the electricity prices for the end consumers will make them insist for more legal amendments in the following years;

➤ Liberalization of the energy market – the key measure of the Bulgarian government led to the drastic increase of energy prices. As prescribed by Directive (EU) 2019/944 and being the only time-proven instrument to fight against high prices, the free and fair competition is at the heart of the amendments. Thus, the proposed measures are:

- removing the licensing regime for public delivery of electricity;
- removing the public regulation for the electricity prices between end suppliers and deliverers;
- removing the annual quotas for mandatory acquisitions of electricity from producers utilizing primary local energy sources; and
- introducing the new figures of active consumers, citizen energy community and aggregations which could now not only produce electricity for personal needs, but also sell it. The amendments will allow the new figures to even supply end consumers through a contractual agreement.



The aim of these measures is: increasing of the RES investments in the country; creating public energy initiative; opening of the energy market for smaller enterprises; increasing of competitiveness in the energy market; opening additional possibilities for the end prosumers.

However, the amendments, although criticized by the consumers and the consumers' associations, also provide for social stimuluses. The new concept for energy poverty of vulnerable consumers will allow the Government to identify the consumers in need of additional financial aid to cover their electricity needs.

The Amendments are expected to be adopted by the end of 2023, but the high social and economic importance of the changes lead us to believe that this will not be the final version of the Energy Act. Will have to keep a close eye in the following months.

by Yordanka Dimova
Senior Associate | ROKAS (Sofia)



Energy Law Amendment Regarding the Control of Energy Transmission Operators

On 26 July 2023, the National Assembly of the Republic of Serbia adopted the Law on Amendments to the Energy Law (Official Gazette of RS 145/2014, 95/2018 – other Law, 40/2021, 35/2023 – other Law and 62/2023) (hereinafter: the Law) which entered into force on 4 August 2023.

The amendments were intended for the harmonization of the national legislation with the EU energy acquis, the obligation assumed by the Republic of Serbia as a contract party to the Treaty on the Establishment of the Energy Community (Official Gazette of the RS no. 62/06). In particular, the Law transposed the provisions of the Directive 2009/72 from July 2009, which refers to common rules for the internal electricity market and the provisions of the Directive 2009/73/EK 2009/73/EZ on common rules for the internal market of natural gas regarding the unbundling of the transmission networks. Below is more detailed description of the amendments.

Establishment of the Republic Commission on Energy Networks

The Law regulates the establishment of the Republic Commission on Energy Networks as an independent body which will undertake the control of the electricity and natural gas transmission system operators (the Operators), while the Government of the Republic of Serbia will undertake the control of the state-owned companies for the production and distribution of electricity and natural gas. It is expected that this will facilitate the certification of operators in accordance with the above Directives.



Composition of the Republic Commission on Energy Networks

The Law regulates that the Republic Commission on Energy Networks will consist of the president and four members, which will be elected and revoked by the National Assembly and upon the proposal of the competent parliamentary committee for energy. The term of office of the president and the members of the Commission shall be 5 years. The Commission will be responsible for its work to the National Assembly.

Responsibilities of the Republic Commission on Energy Networks

Some of the most important responsibilities of the Commission are to propose to the National Assembly the Strategy for the Development and Management of Operators with an action plan for the implementation of such Strategy, to determine the general annual objectives of the Operators, to determine the content, to prepare and give consent to medium-term and annual business plans, to prepare annual reports on the achievement of the general annual objectives of the Operators, to appoint and dismiss the representatives of the Operators before the National Assembly.

These amendments are intended to service implementing the above Directives and to align national regulations with the Energy Community Treaty, but at the same time the aim is to significantly facilitate the process of certification of the Operators.

by Suzana Pavlovic
Associate | ROKAS (Belgrade)

