

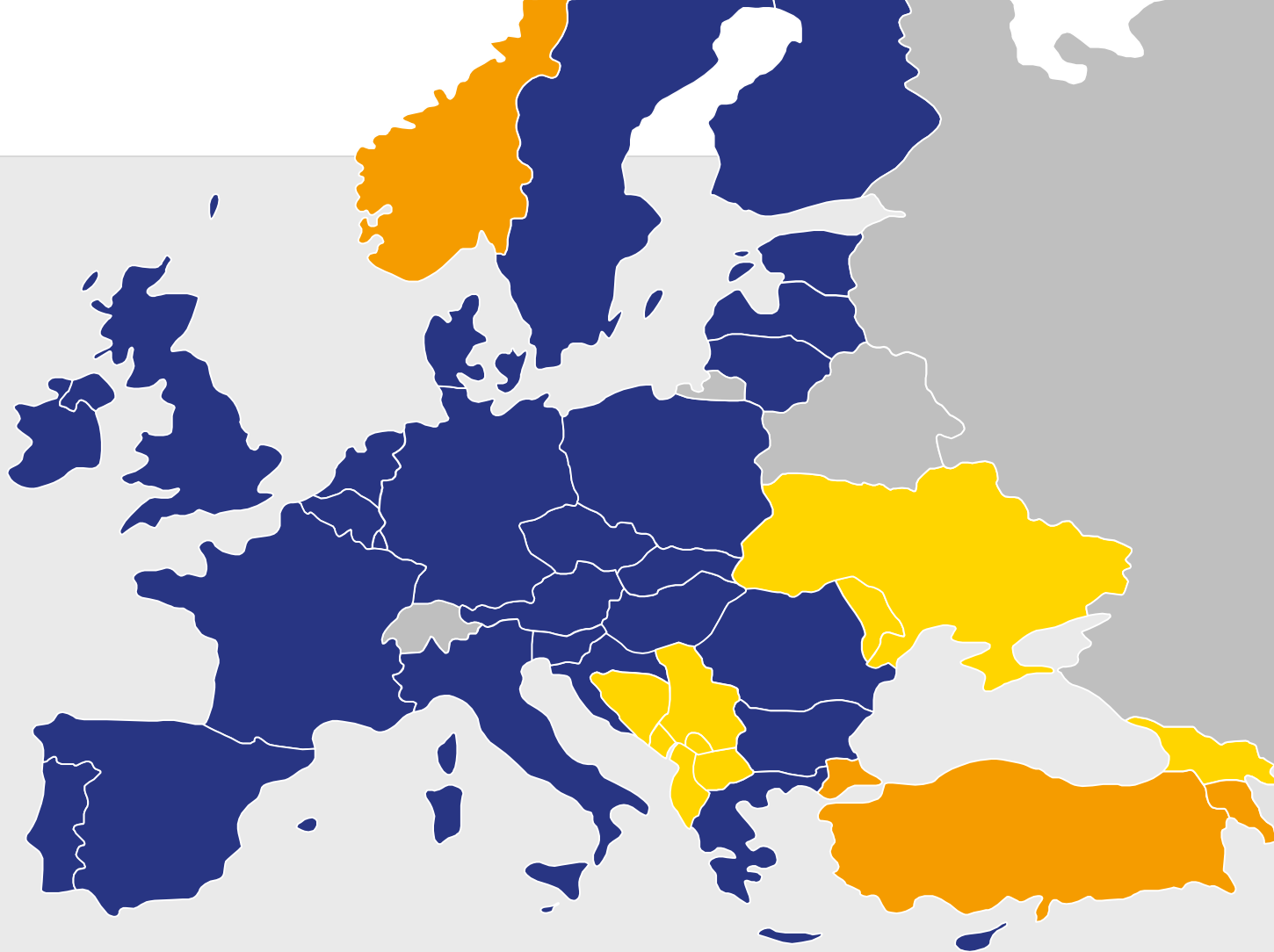
The background is a satellite-style image of the Earth, showing the continents of Europe and Africa. Overlaid on this are numerous glowing blue lines that represent energy transmission paths, connecting various points across the globe in a complex, web-like pattern.

*Implementation of the Energy Community
gas acquis – compliance record*

Predrag Grujicic, Head of Gas unit

Energy Community

-  European Union
-  Contracting Parties
-  Observers

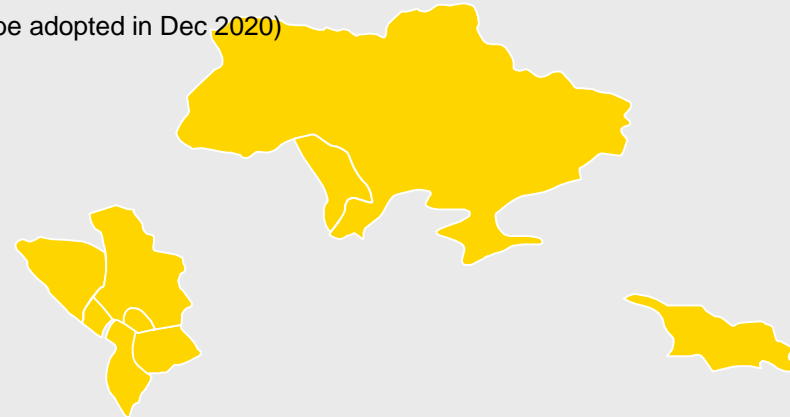


Directive 2009/73/EC & Regulation (EC) 715/2009 (1 January 2015 / 31 December 2020 for Georgia)

Network code on Interoperability and Data Exchange and Guidelines on Congestion Management Procedures (1 October 2018)

Network code on Capacity Allocation, Network Code on tariffs, REMIT (foreseen deadline by the feb 2020)

Network Code on Balancing (discussion on adaptation finalised, to be adopted in Dec 2020)





01/2018

10/2018

11/2018

03/2020

2019

?

1. **NC IO, CMP** adopted in January 2018

- Transposition and implementation deadline 1 October 2018
- Report on NC IO 1 April 2019 published by the Secretariat

2. **CAM, TAR** adopted in November 2018

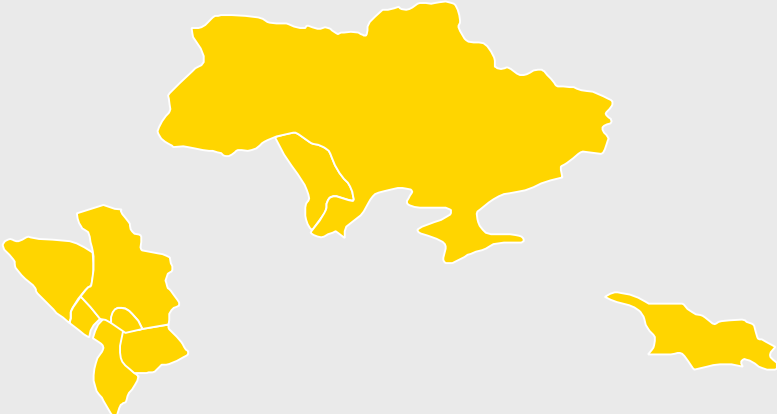
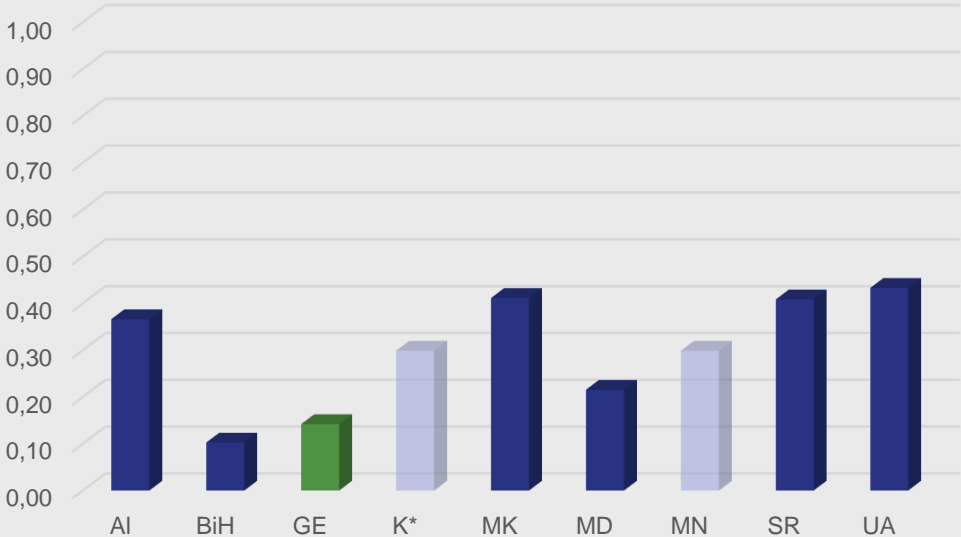
- Implementation + [15] months from adoption
- First capacity allocation scheduled for 1 July 2020

3. **Last remaining network code BAL**

- Negotiations finalised to be adopted in December 2019
- To be adopted in Dec 2019

Gas acquis implementation ratio

Gas implementation ratio 2018



Full market integration not yet there

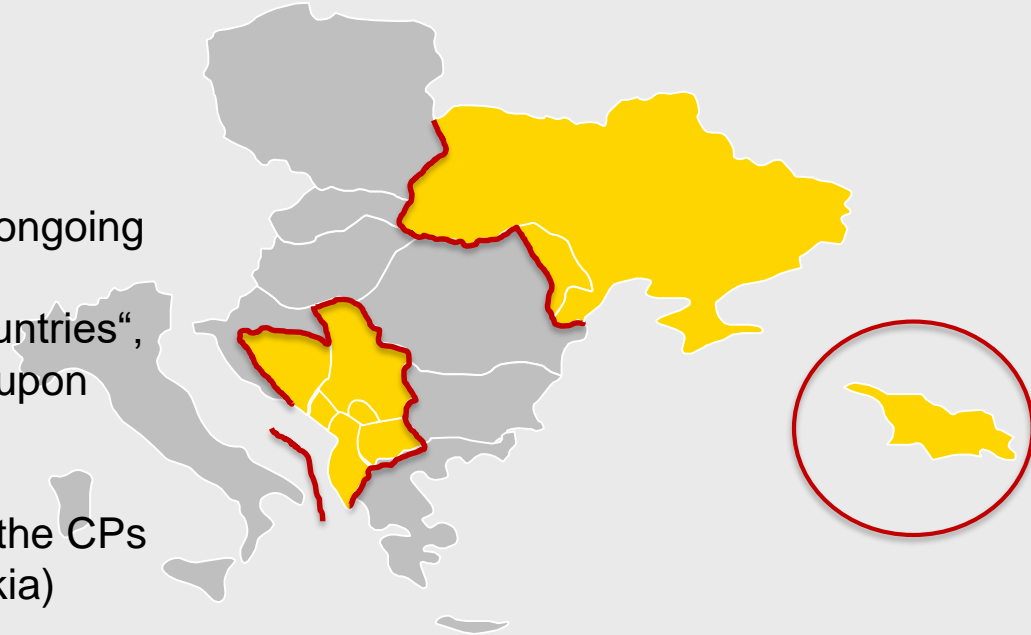
- Jurisdiction at the borders:
ACER-ECRB, EC-ECS, ENTSOG -?
- Rules at 2 sides of interconnectors:

For EnC CP network codes implementation ongoing

For EU MS Contracting Parties are „third countries“, implementation of network codes voluntary, upon decision by NRAs

MoU stating intention to implement NC with the CPs signed by all NRAs (with exception of Slovakia)

- SoS Regulation – postponed implementation
- EnC Treaty amendments pending



Future role of gas in CPs is shaped by factors different from EU's (politics) - mixed energy policy signals

Decarbonisation is not main concern

Lack of functioning el/gas markets lack of commercial test

Poor interconnectivity – infrastructure or legacy related; Questionable how much the region can benefit from LNG glut

2020 RES targets will be missed (2030 not yet set)

Construction of the coal-fired plants → job opportunities, reliable power supply and its security, lower dependence on external suppliers and in some cases lignite exploitation is the quickest way how to face poverty

Western Balkan members

Limited sources & routes of gas supply

Interconnectivity low

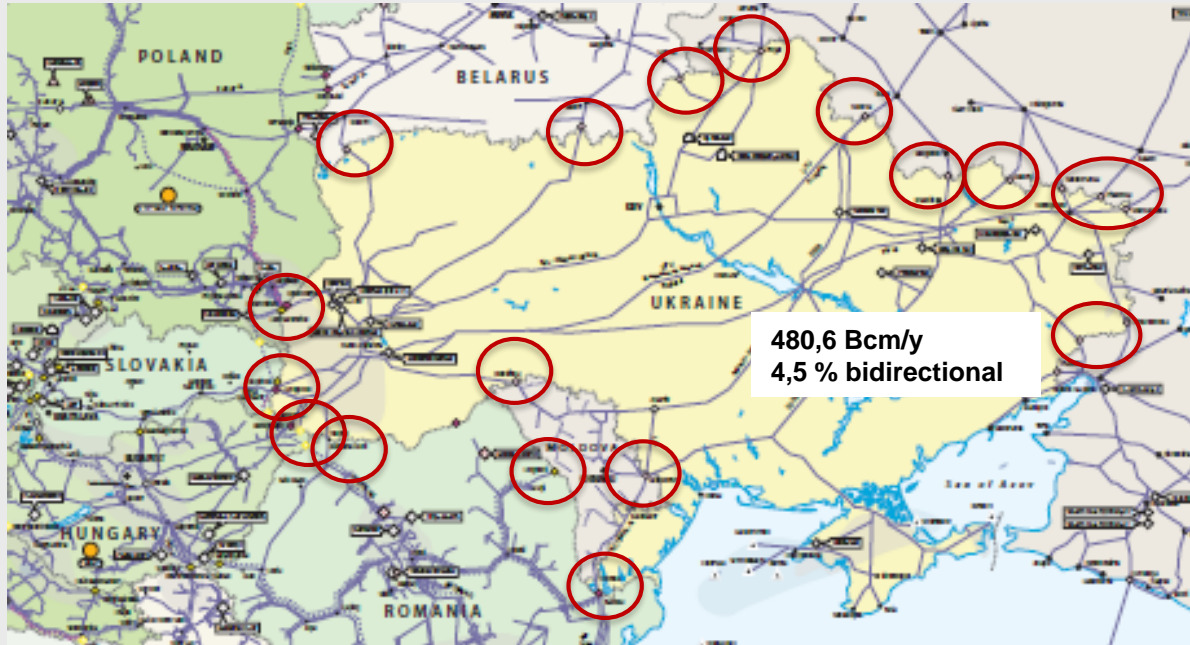
*Existing interconnection capacities limited,
But still not saturated*

Focus only on big projects to come

Lack of cooperation

National champions



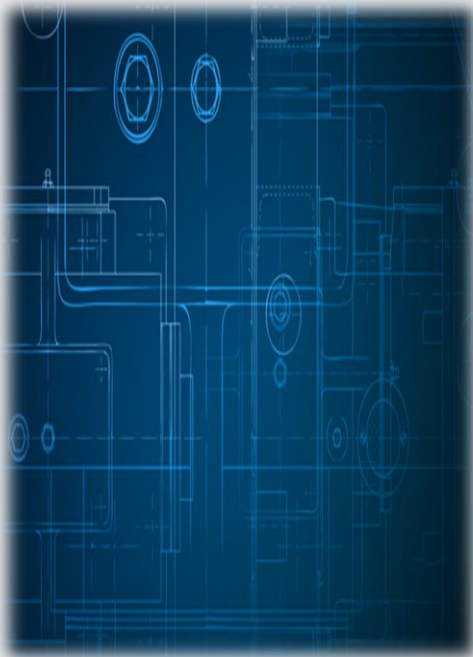


Well developed infrastructure and Interconnectors

How to keep the transit?

How to unlock interconnection points under the long-term transit contracts and apply EU rules?





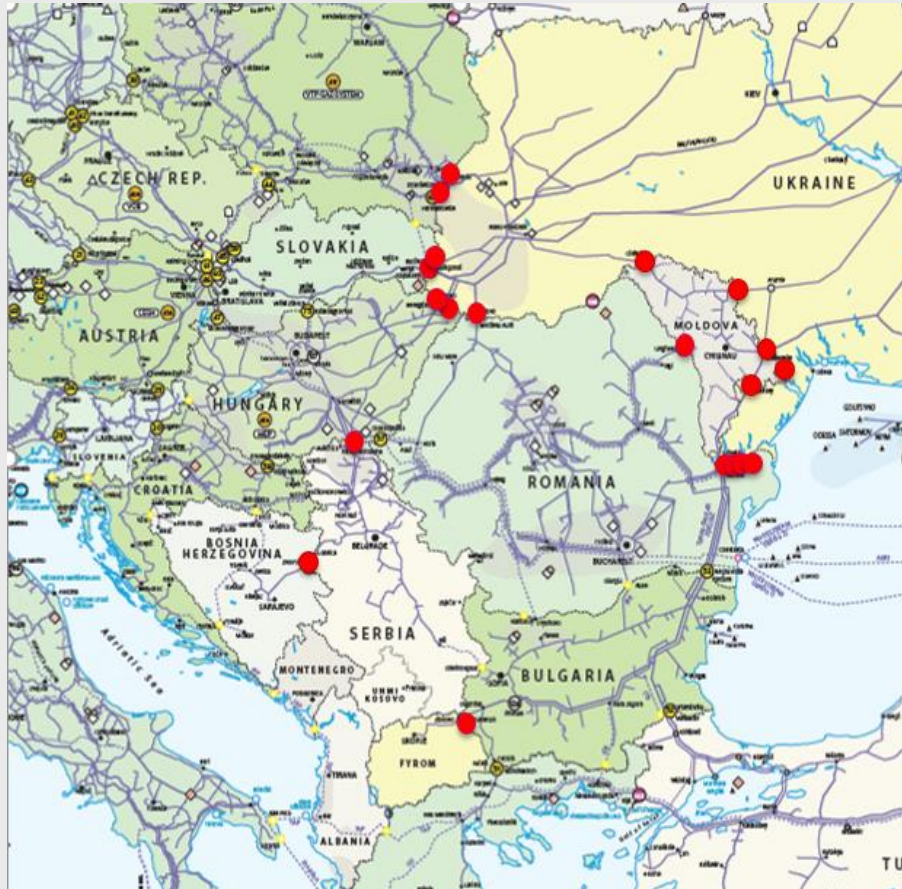
ECS published the IO NC implementation report on 1 April

In total 20 eligible Interconnection Points between the Contracting Parties and CPs and Member States were analysed

Interconnection agreements concluded so far for 7 Interconnection Points.

Obstacle: lack of legally sound ground to conclude the Interconnection agreements between a CP and a MS TSO

IO NC – implementation status quo



Questionnaires fulfilled by TSOs
Based on the ENTSOG template
The following TSOs provided replies:

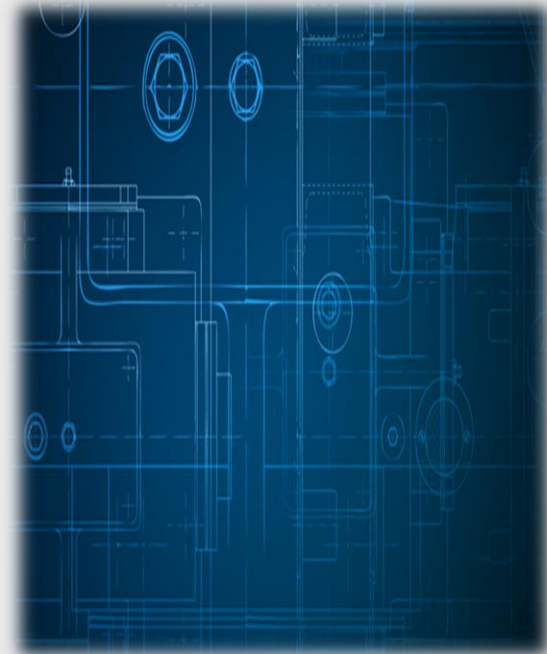
| Contracting Party | TSO |
|------------------------|-----------------------|
| Albania | No gas market |
| Bosnia and Herzegovina | Gas Promet AD Pale |
| Georgia | Exempted |
| Kosovo* | No gas market |
| Montenegro | No gas market |
| Moldova | Moldovatrangaz SRL |
| North Macedonia | GA- MA |
| Serbia | JP Srbijagas Novi Sad |
| Ukraine | JSC Ukrtransgaz |



No Contracting Parties formally notified the transposition – (EnCS aware Albania transposed the NC IO)

7 Interconnection agreements concluded so far by Ukrtransgaz and Srbijagas in general comply with the IO NC

units: low level of implementation
data exchange: TSOs do not comply



Joint initiative of EBRD, EnCS started in 2018, cont in 2019

Aims @ a fully functioning (clearing) gas exchange establishment in Ukraine

Blueprint of a gas exchange is supported by a wide stakeholders community

Next phase: securing support from the Government; launching tender documents; go alive in 2021

Obstacles: lack of unbundling of Naftogaz and consequently lack of a proper project driver

Market foreclosure imposed by a government PSO decree

The background is a satellite-style image of the Earth at night, showing city lights. Overlaid on this are numerous glowing blue lines that represent energy or data connections. These lines are curved and crisscross the globe, with some points of convergence that appear as bright blue starbursts.

*Thank you
for your attention!*

www.energy-community.org