

The Treaty Establishing the Energy Community

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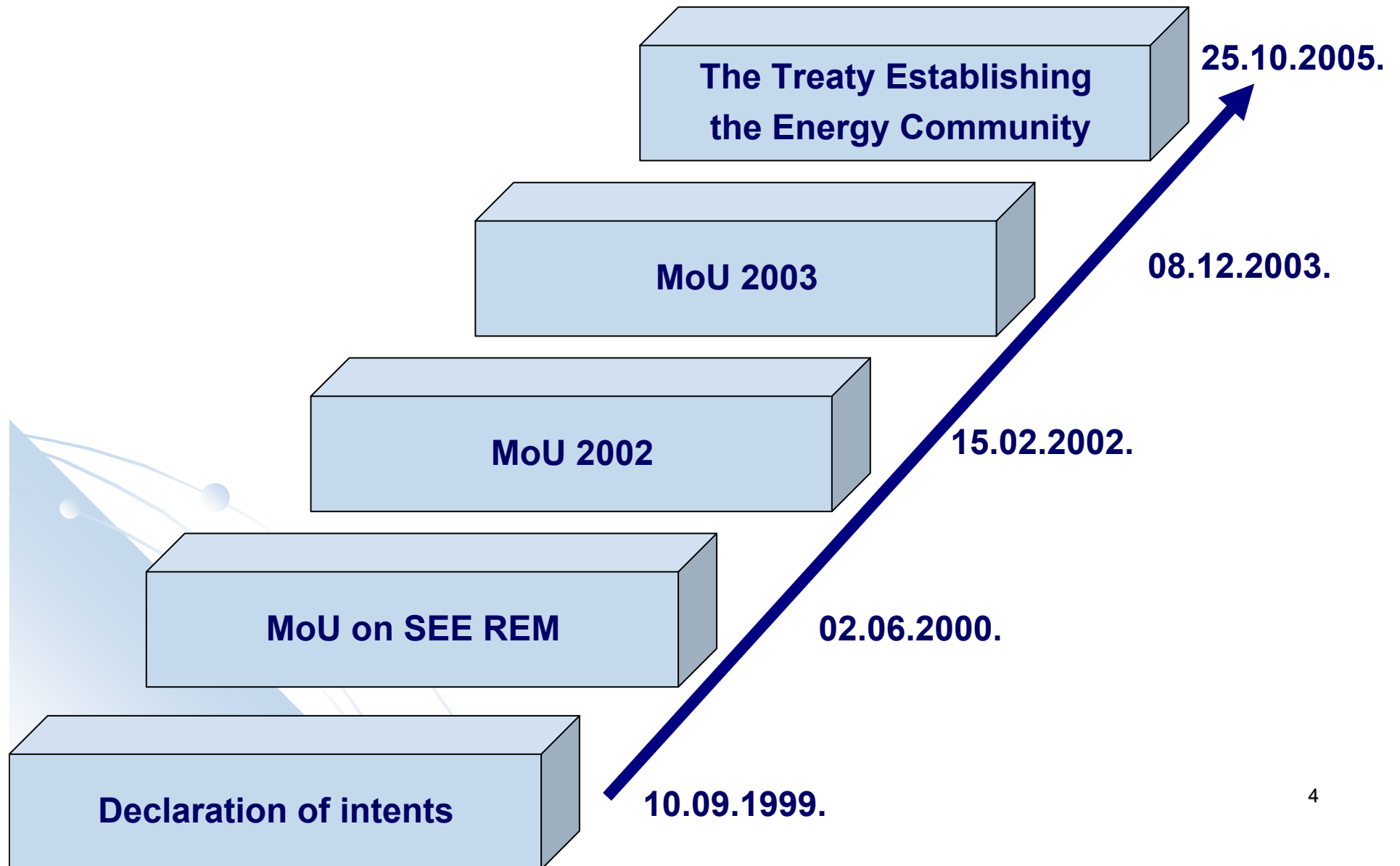
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- Opportunities and threats
- Conclusions

SHORT HISTORY OF THE ATHENS PROCESS



Athens Process



Athens Memorandum 2002

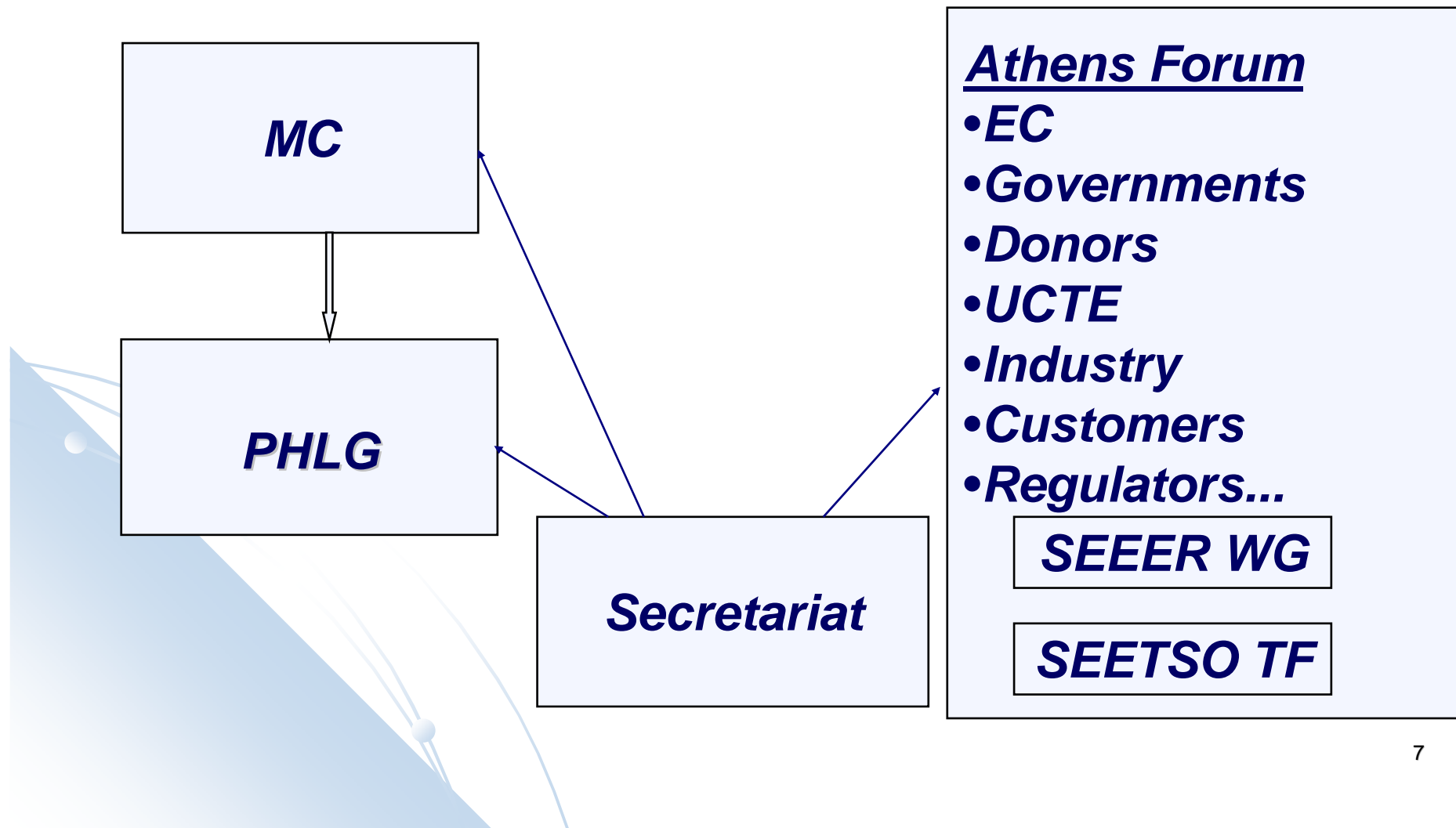
- Action plan of the reforms
- Regional investment optimization
- Market rules and grid codes
- National institutional framework
- Regional institutions
- Market opening

Athens Memorandum 2003

- Natural gas included
- IEM Directives 2003 transposed
- Environmental protection
- MoU 2002 still in force



Institutions established by the Athens Memoranda



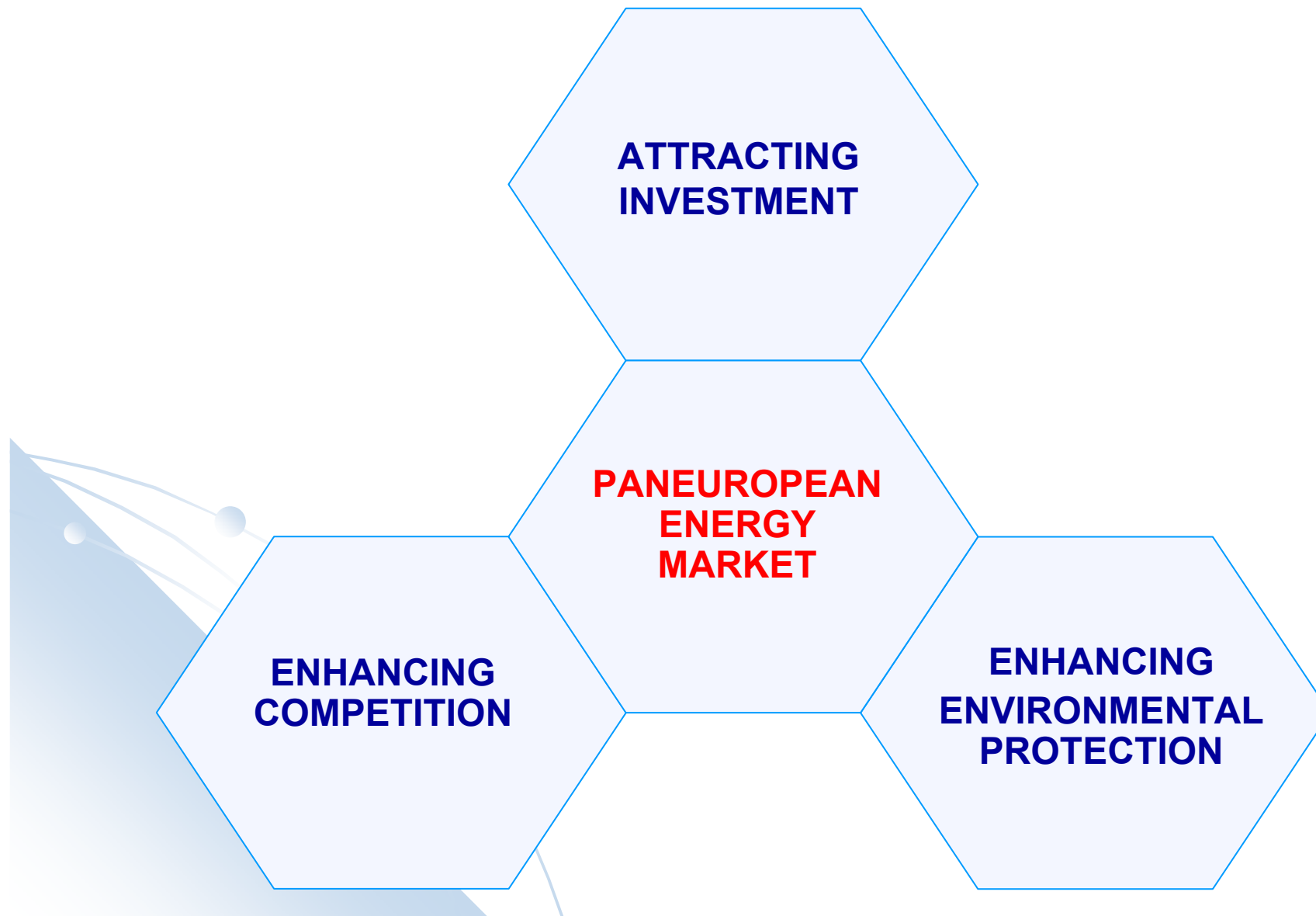
The Treaty Establishing the Energy Community

- Negotiations started in July 2004
- Several rounds during 2004 & 2005
- Treaty signed 25.10.2005.
- Treaty entered into force in July 2006.

OBJECTIVES OF THE ENERGY COMMUNITY

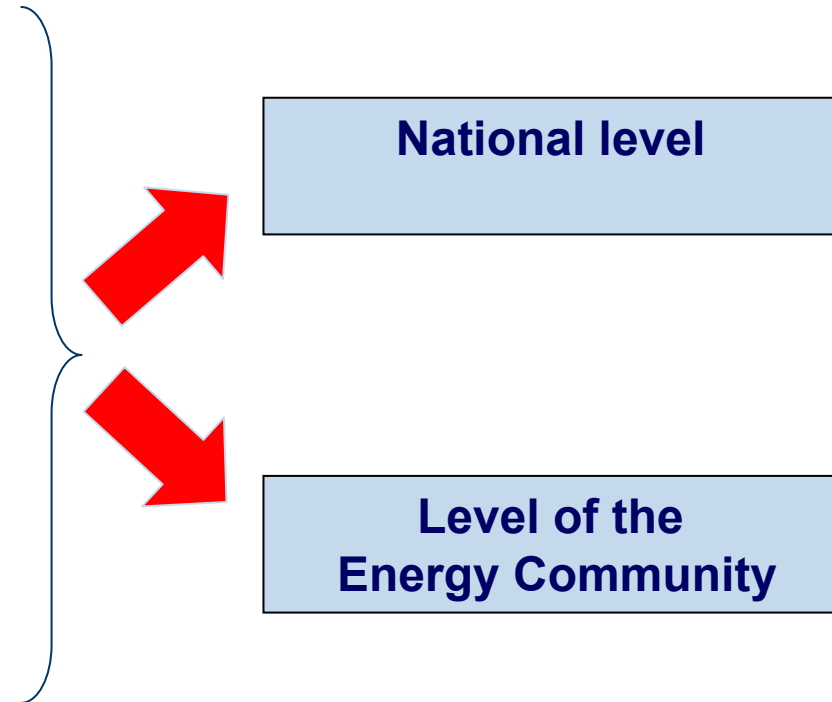


Strategic goals of the EnC



Prerequisites for achieving the strategic objectives

- Legal framework
- Industry structure
- Institutional framework



PARTIES



Contracting Parties, Participants and Observers

- European Community
- AL, BiH, CRO, SRB, MNE, MK
- UNMIK
- Participants and Observers

Adhering
Parties

Contracting
Parties

Parties

MAIN STIPULATIONS OF THE TREATY



Geographic scope (1)

Title II:

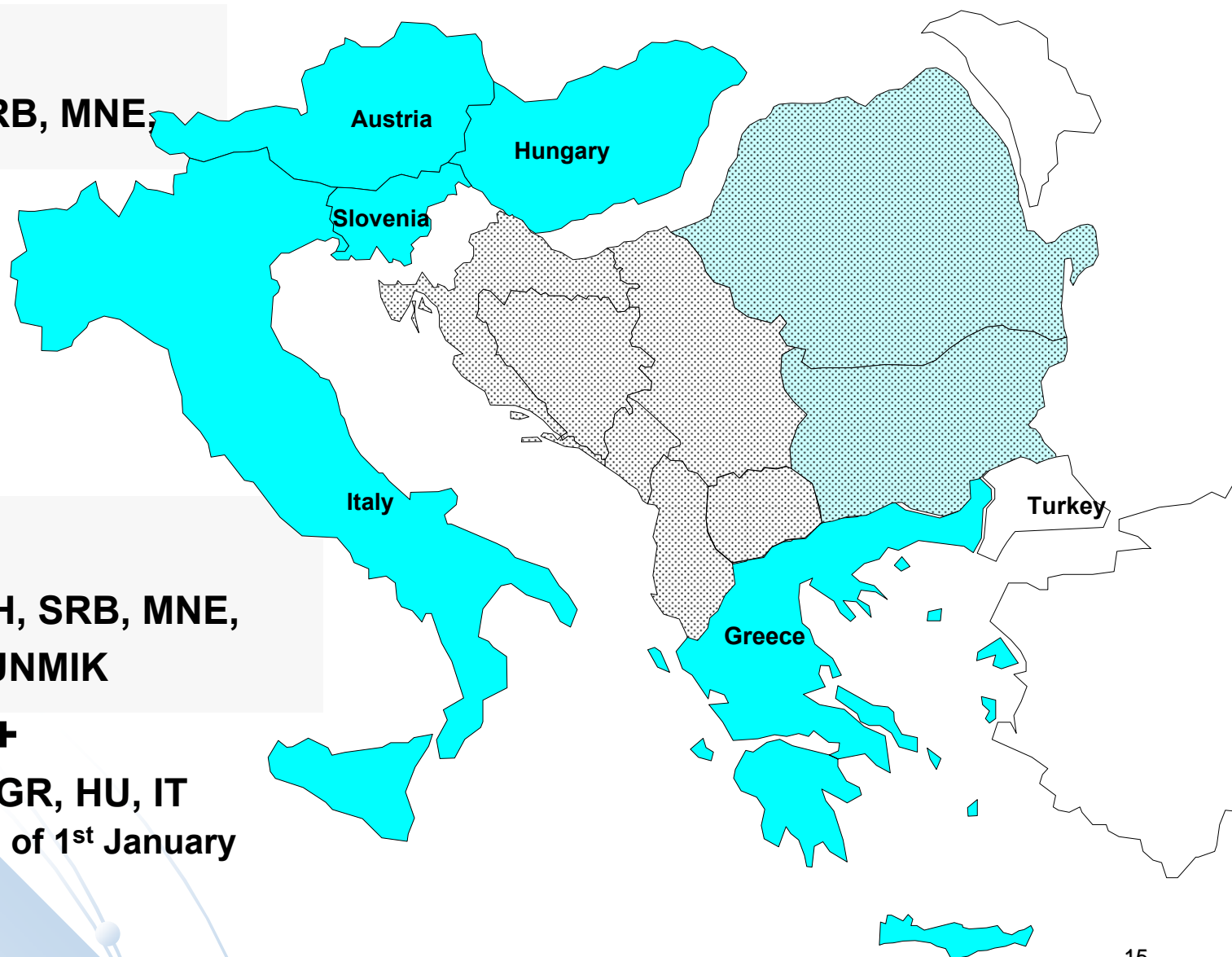
AL, CRO, BiH, SRB, MNE,
MK, UNMIK

Title III:

AL, CRO, BiH, SRB, MNE,
MK, UNMIK

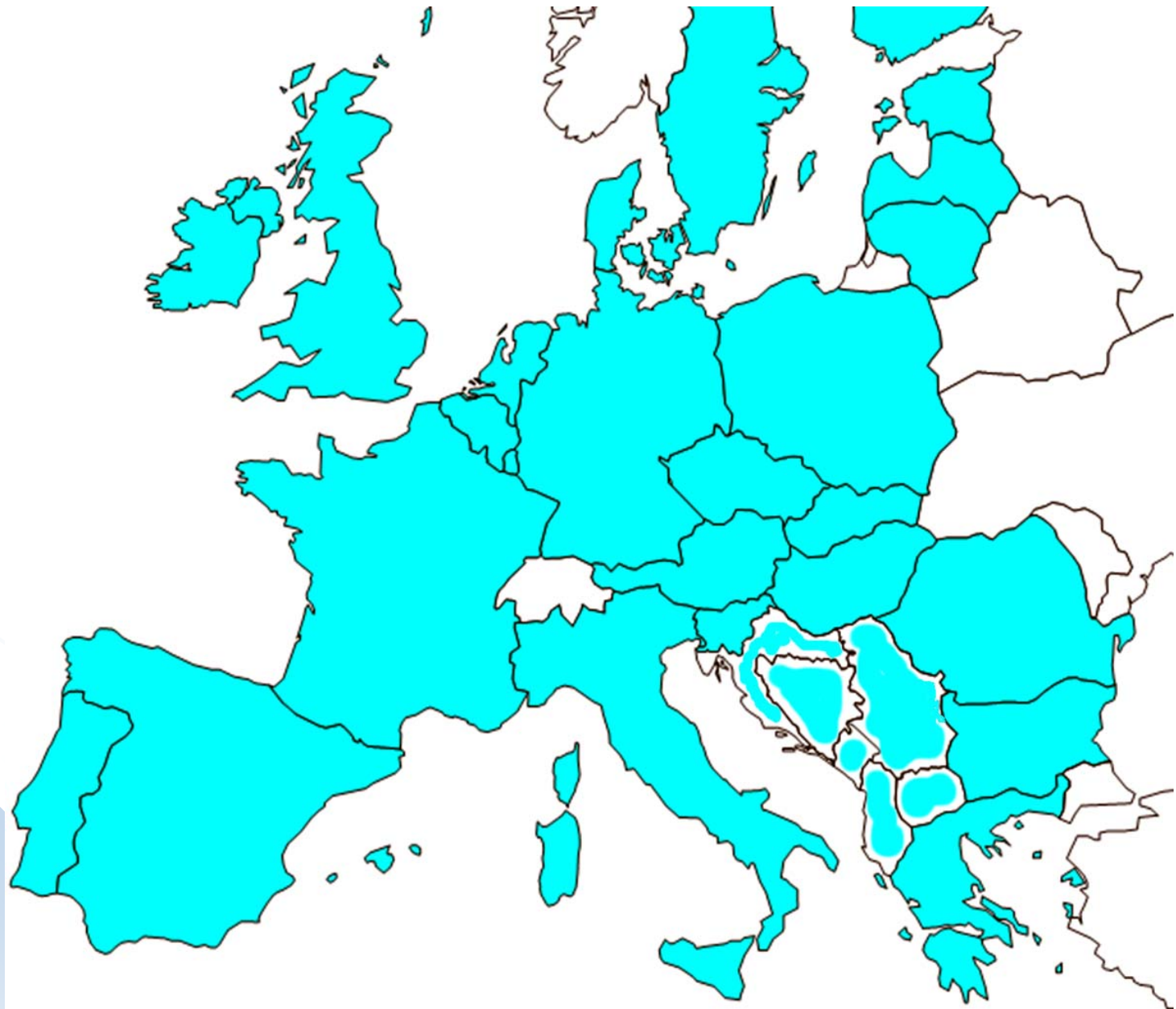
+

AT, SLO, GR, HU, IT
(and BG and RO as of 1st January
2007)



Geographic scope (2)

Title IV



Title II

Extension of the Acquis-a

- Implementation of the Acquis
- Compliance with technical standards EU
- Adaptation and evolution of the Acquis
- **Decision making:** simple majority on proposal of the EC

Title III

SEE Regional market

- Single mechanism for cross- border transmission/ transportation
- Security of supply
- Provision of energy to citizens
- Harmonization of market rules
- Renewables and energy efficiency
- Safeguard measures
- **Decision making:** 2/3 majority + positive vote of EC

Title IV

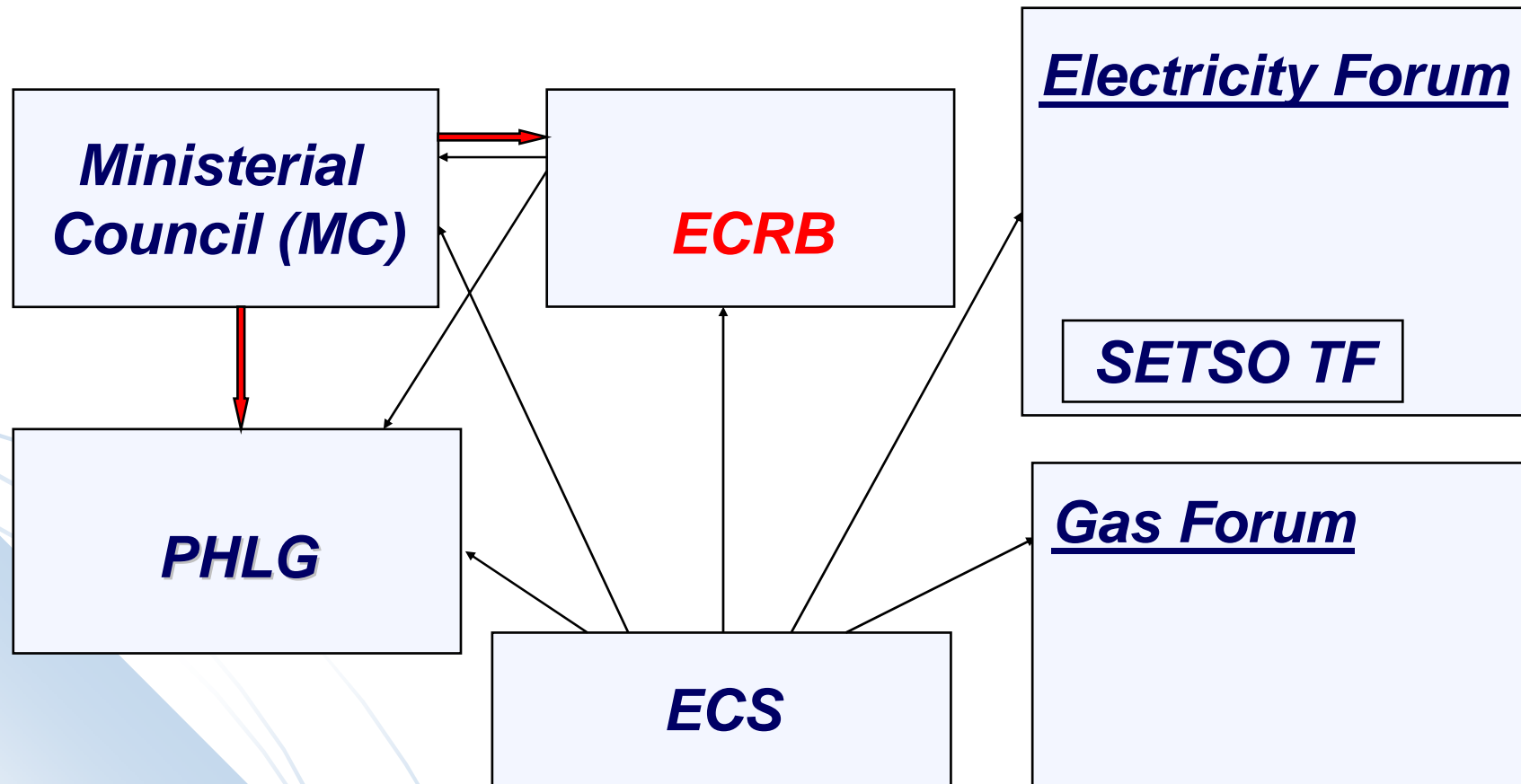
Pan- European market

- Prohibition of customs duties and quantitative restrictions on import and export of electricity and natural gas
- External energy trade policy
- Mutual assistance in case of disruption
- **Decision making:** unanimity

INSTITUTIONS OF THE ENERGY COMMUNITY

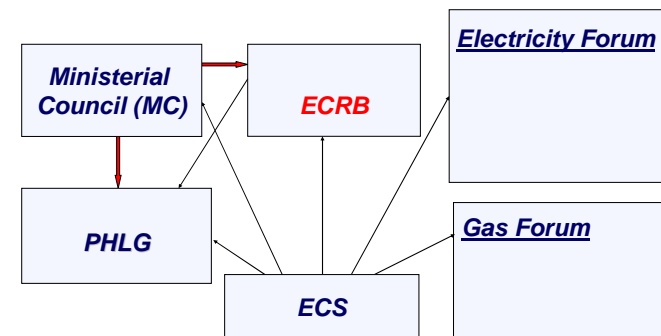


Institutions of the Energy Community



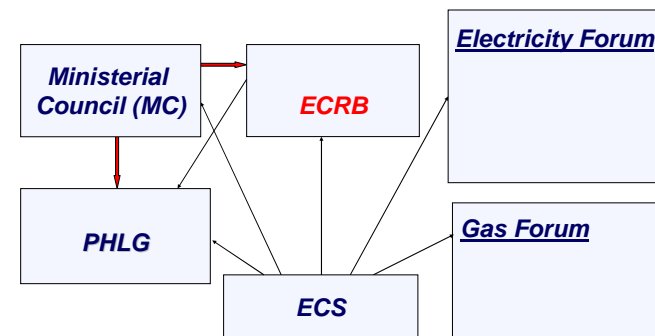
Ministerial Council

- Gives political guidance
- Takes Measures
 - Decisions
 - Recommendations
- Adopts Procedural Acts



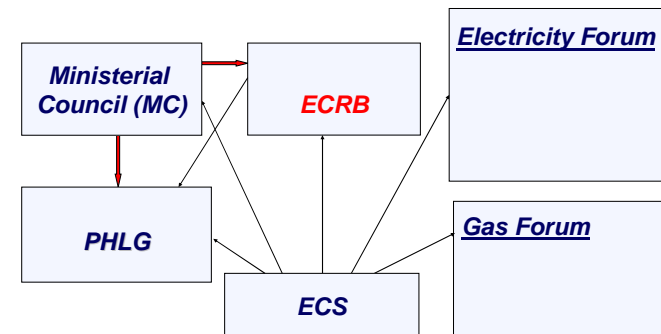
Permanent High Level Group (PHLG)

- Prepares the work of the MC
- Gives assent to technical assistance requests
- Reports to the Ministerial Council
- Takes Measures, if so empowered by the MC
- Discusses the development of the acquis communautaire described in Title II
- Adopts Procedural Acts



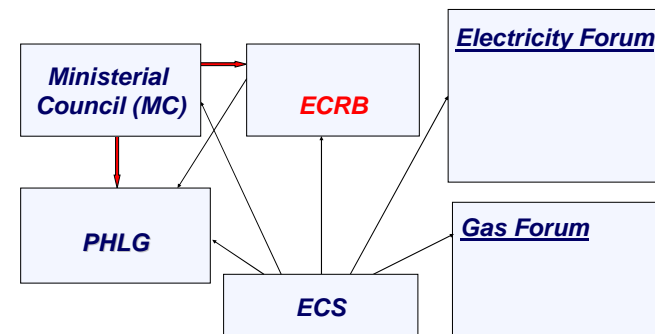
EnC Regulatory Board (ECRB)

- Advises MC or PHLG
- Recommendations on cross- border disputes
- Takes Measures
 - Decisions
 - Recommendations
- Adopts Procedural Acts



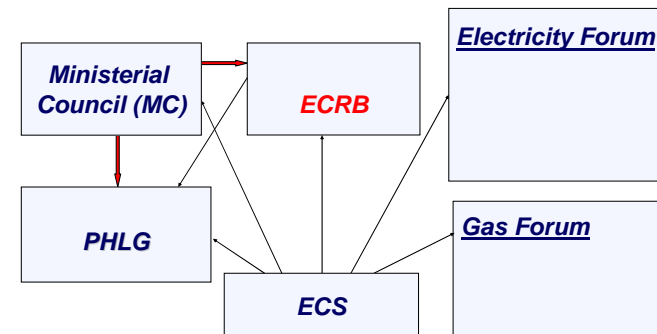
Fora

- Advisory bodies of the EnC
- Electricity and Natural Gas fora
- Composed of representatives of all stakeholders
- Conclusions adopted by consensus



EnC Secretariat (ECS)

- Administrative support to MC, PHLG, ECRB and Fora
- Monitors implementation of the obligations set by the Treaty
- Monitors donor's activities
- Carries out other tasks conferred to it by the MC
- Adopts Procedural Acts



Final remark

The Treaty on establishing the Energy Community only sets the rules of the game, while the results are dependant on the Parties



***Thank you for your
attention***



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