

# **The Treaty Establishing the Energy Community – a step towards the pan-European energy market**

**Petar Maksimović**  
**Energy Agency of the Republic of Serbia**

**III. International Regulatory Forum for CEE Countries**  
**April 11-12, Prague**

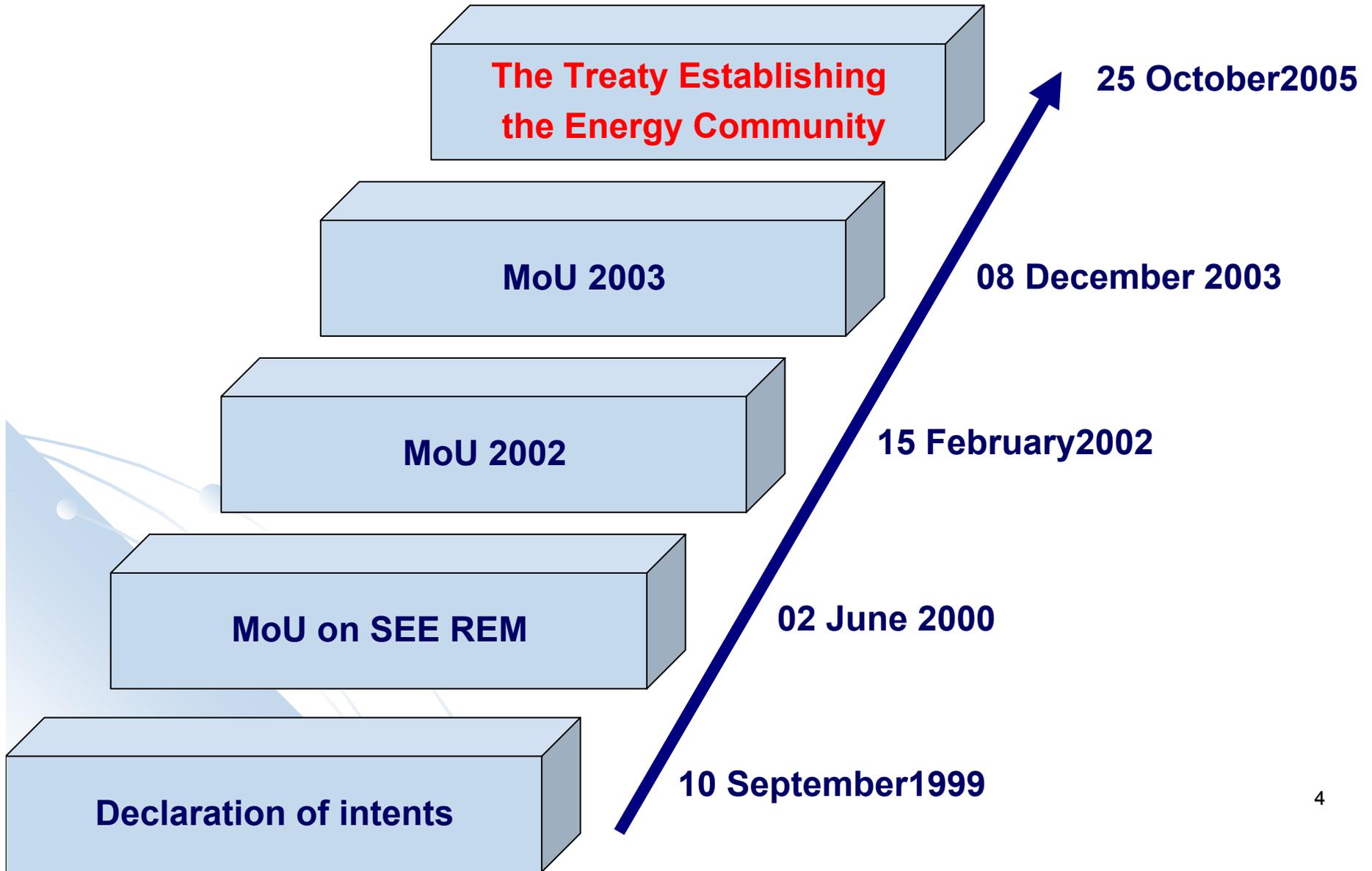
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# **SHORT HISTORY OF THE ATHENS PROCESS**



# Athens Process



# **MAIN STIPULATIONS OF THE TREATY**



# Parties, Contracting Parties, Participants and Observers

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

**Adhering Parties**

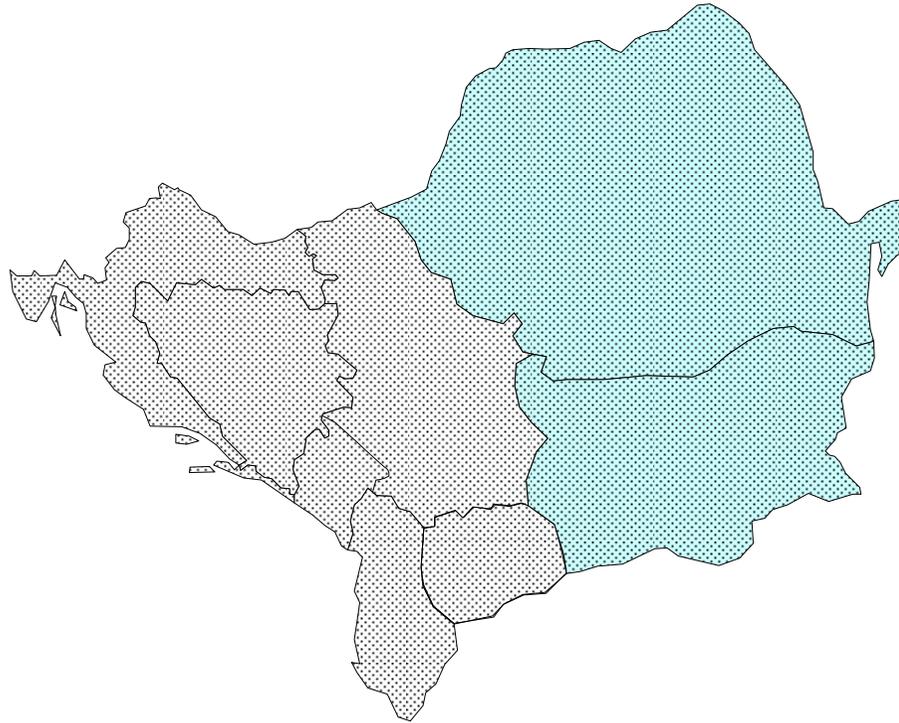
**Contracting Parties**

**Parties**

# Extension of the Acquis (Title II)

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

# Geographic scope



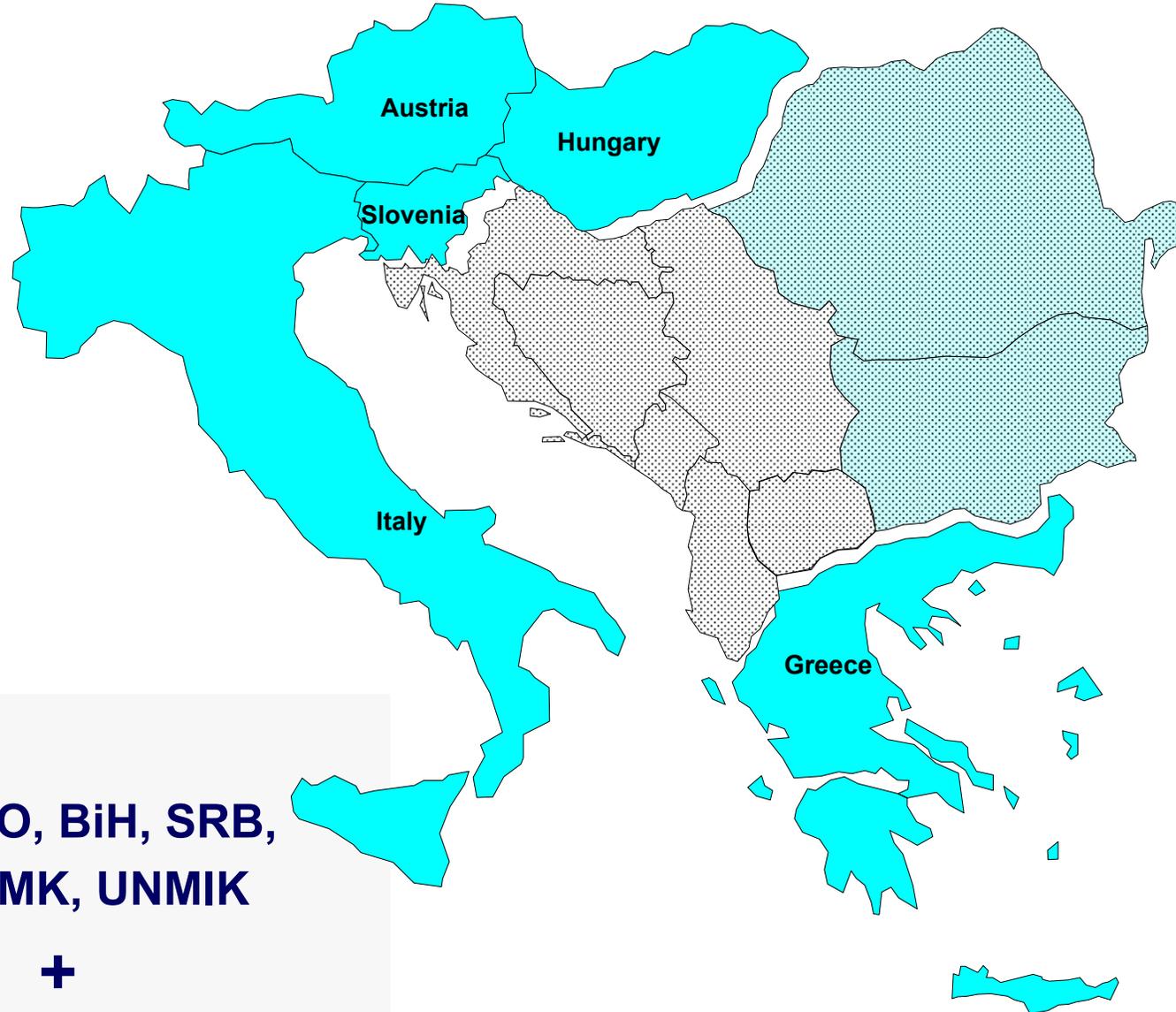
## **Title II:**

**ALBANIA, CROATIA, BOSNIA AND HERZEGOVINA,  
SERBIA, MONTENEGRO, UNMIK**

# SEE Regional market (Title III)

- **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**

# Geographic scope



## Title III:

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

+

AT, SLO, GR, HU, IT, BG, RO

# Pan- European market (Title IV)

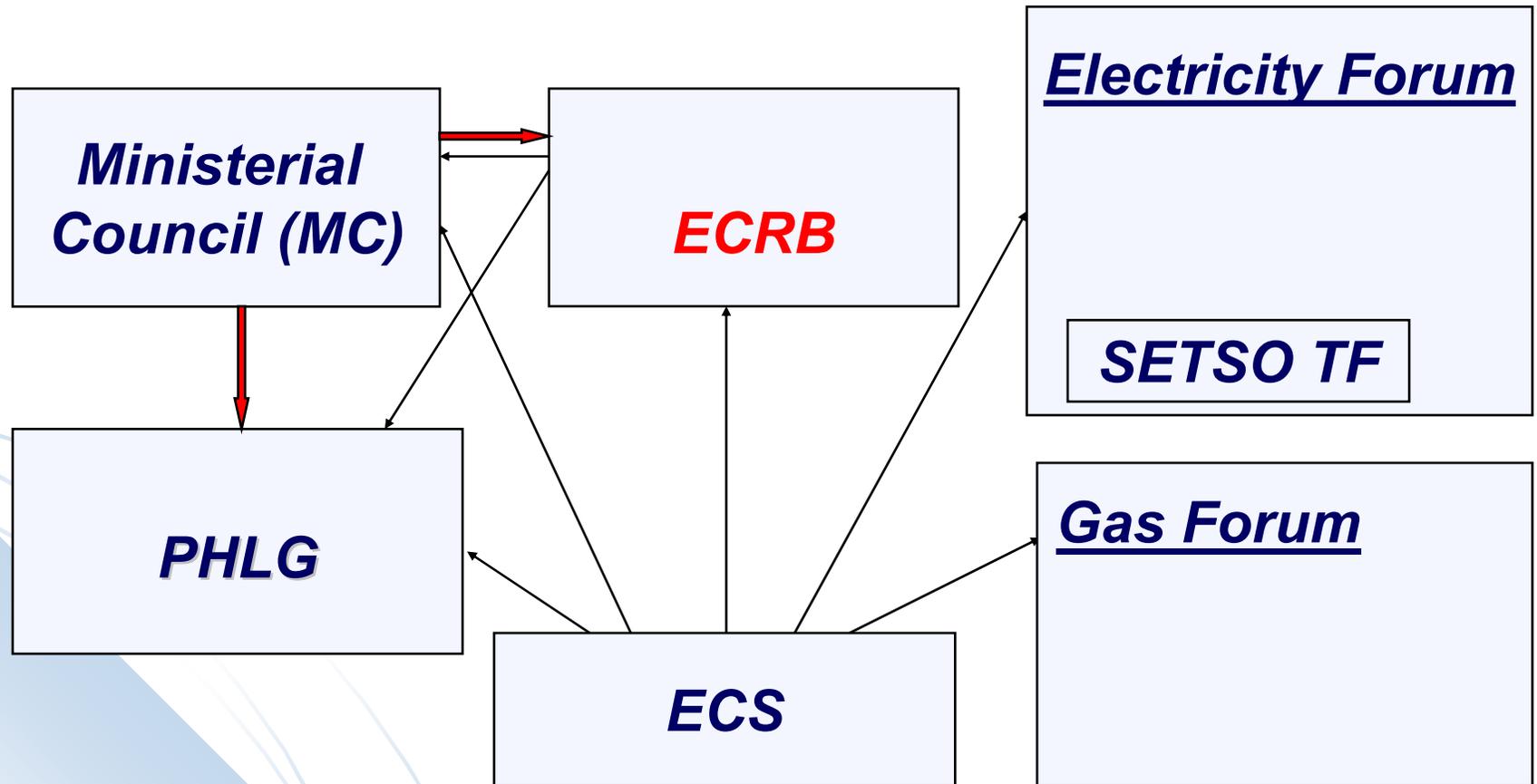
- **Prohibition of custom duties and quantitative restrictions**
- **External energy trade policy**
- **Mutual assistance in case of disruption**
- **Decision making: unanimity**

# Geographic scope

**Title IV**



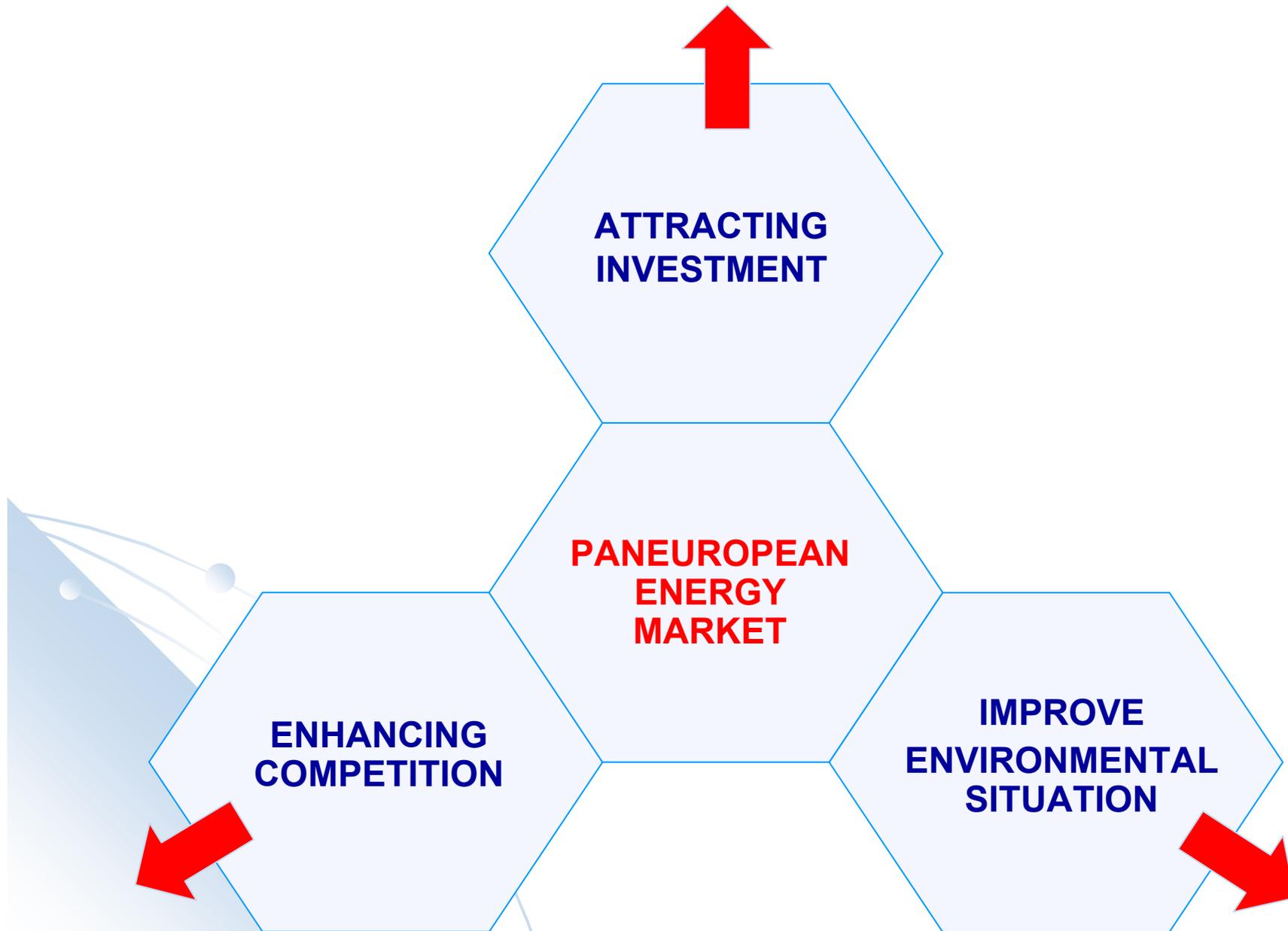
# Institutions of the Energy Community



# **OBJECTIVES OF THE ENERGY COMMUNITY**

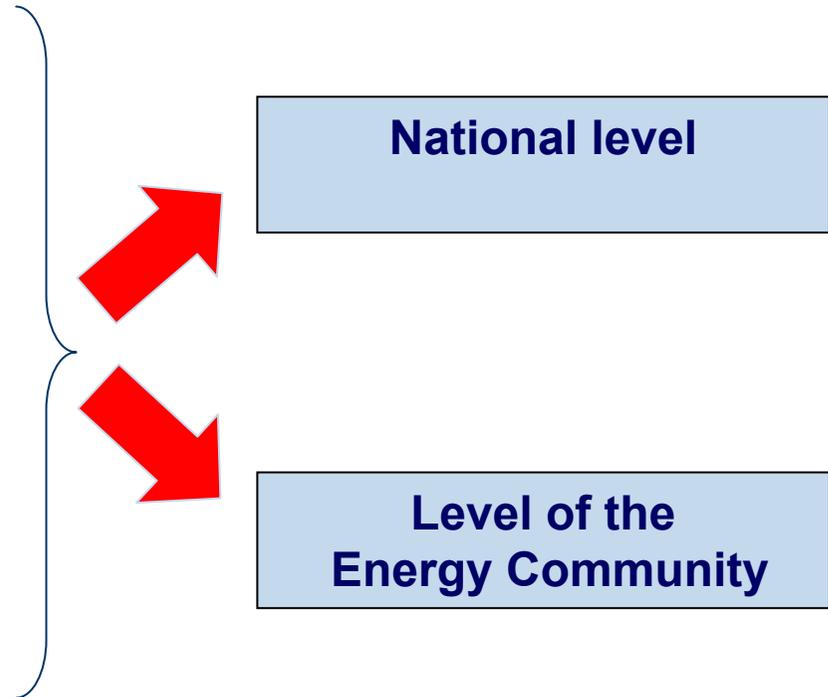


# Strategic goals of the EnC...



# ...and how to achieve them

- Legal framework
- Industry structure
- Institutional framework
- **Change management**



# **SEE AND THE PAN- EUROPEAN ENERGY MARKET**



# EU perspective

- 
- **Continued liberalization of national markets (further legal requirements?)**
  - **Development within regions (Regional Initiatives)**
  - **Coordination between regions**
  - **Single energy market**

# Developments in SEE- electricity (E) and gas (G)

- **E- SETSO ITC Mechanism**
- **E- Coordinated flow- based auctions**
- **E- SEE balancing mechanism**
- **E- Wholesale market opening**
- **E- Capacity support mechanisms/ investment optimization**
- **E- Transparency and market monitoring**
- **G- New Gas Infrastructure Investment Guidelines**

# Main action areas: comparison EU- SEE

## ● EU regional initiatives

- Availability of transmission capacity
- Availability and control of information
- Co- operation of network operators
- Compatibility of wholesale market arrangements

## ● SEE

- Coordinated flow-based auctions
- Market monitoring pilot project
- Optimization of transmission planning
- RBM, Proposals on wholesale market opening

# SEE REM-

## Opportunities and threats

### ● Opportunities

- Security of supply
- Increasing overall sector efficiency
- Contribution to regional economical growth
- Political benefits

### ● Threats

- Different pace of reforms
- Cost reflective tariffs
- Commercial losses and non-payment
- Social issues
- Compatibility of national and regional arrangements

# CONCLUSIONS



# Conclusions

- **Pan- European Market legally established**
- **Stepwise implementation**
- **Emphasis- Cooperation of TSO and regulators**
- **Change management crucial:**
  - **National level**
  - **Regional level**
  - **Energy Community level**

***Thank you for your  
attention!***

**Contact:**

**Petar Maksimović**

**Energy Agency of the Republic of Serbia**

**Terazije 5 / V, 11000 Belgrade**

**Tel: + 381 11 3033829; Fax: + 381 11 3225780**

**e-mail: [petar.maksimovic@aers.org.yu](mailto:petar.maksimovic@aers.org.yu)**

**URL: [www.aers.org.yu](http://www.aers.org.yu)**