

### About the ECRB

The Energy Community Regulatory Board is an Institution of the Energy Community established by Article 58 of the Energy Community Treaty.

The ECRB takes the role of a **coordination body of the national regulators** of the Energy Community for exchanging knowledge and developing common best practice solutions for implementing the Energy Community Treaty in a harmonized way.

### About the Energy Community

The Energy Community extends the EU internal energy market to South East Europe and beyond. The Energy Community has been established by the Treaty establishing Energy Community, signed in October 2005 in Athens and entering into force on 1 July 2006.

The general **objective** of the Energy Community is to create a stable regulatory and market framework in order to attract investments for a stable and continuous energy supply; create an integrated energy market allowing for cross-border energy trade and integration with the EU market; enhance security of supply and competition; and improve the environmental situation.

The **Parties** to the Treaty are the European Community, on the one hand, and eight **Contracting Parties**, namely, Albania, Bosnia & Herzegovina, Croatia, former Yugoslav Republic of Macedonia, Moldova, Montenegro, Serbia and UNMIK.

As of March 2009, 14 European Union Member States have the status of **Participants**<sup>1</sup>. Georgia,

<sup>1</sup> Austria, Bulgaria, Czech Republic, Cyprus, France, Germany, Greece, Hungary, Italy, Romania, Slovakia, Slovenia, UK.

Norway, Turkey and Ukraine take part as **Observers**.



The Energy Community

The Contracting Parties have committed themselves to implement the relevant *acquis communautaire* on electricity, gas, renewables, environment and security of supply. In addition energy efficiency and new aspects of renewable energy are discussed.

A strong **institutional setting** supports the process comprising the Ministerial Council (MC), the Permanent High Level Group (PHLG), the ECRB, the Fora (gas, electricity, oil and social) and a Secretariat (ECS).

### ECRB Objectives and Priorities

The key objective of the cooperation of energy regulators within the ECRB is to support the harmonized development of regulatory rules in the Energy Community.

Within the necessary range of national specificities, **streamlining of regulatory measures and providing a stable regulatory market framework** remains a key promoter for market integration, facilitation of investments, competition and security of supply.

The activities of the ECRB are characterized by the following **objectives and priorities**:

- Development of competitive national gas and electricity markets
- Integration of national markets and development of competitive regional markets in electricity and gas
- Identification and abolishment of barriers for cross border trade and competition
- Protection of customers and social issues
- Regulatory aspects of security of supply
- Network security and quality of service
- Regulatory aspects of renewable energy and energy efficiency

### ECRB Activities

The ECRB concentrates its work on three areas: gas, electricity and customer protection. In addition, specific work is dedicated to supporting the setting up of a South East Europe Coordinated Auction Office (SEE CAO).

#### • Electricity

Congestion management and transmission capacity allocation - regional balancing - compatible market rules - wholesale market opening - harmonisation of trading licenses - cross border cooperation of regulators related to cross border investments and monitoring.

#### • SEE CAO

The setting up to the SEE CAO follows the decision of the MC on 27 June 2008 to establish the so-called "8<sup>th</sup> Region". The MC decision aims at implementing a common procedure for electricity congestion management and transmission capacity allocation on regional level.

The 8<sup>th</sup> region is governed via the institutional framework of the ECRB.

Significant progress in establishing the SEE CAO has been made in 2008 and 2009 by the signature of a Memorandum of Understanding on setting up the SEE CAO by the involved TSOs; the MC's support for the SEE CAO operating in Montenegro; the development of a Business Plan and an Action Plan; and the setting up of a Steering Committee under the chairmanship of the Montenegrin TSO PRENOS responsible for guiding the work of a Project Team dedicated to establishing the SEE CAO.

- **Gas**

Regulatory instruments for facilitation of regional gas investments in the Energy Community ("Gas Ring") - compliance monitoring - cross border transmission tariffication



The Gas Ring Concept<sup>2</sup>

- **Customers**

Protection of vulnerable household customers - quality of supply and commercial services - tariffs/prices and transparency - quality of electricity service and smart metering - billing - gas distribution tariffs and quality of supply

<sup>2</sup> Source: SEE Regional Gasification Study (2008), ECA/Penspen/ Energy Institute Hrvoje Požar, financed by World Bank and KfW; March 2008, fig 6.

### Deliverables – Some Examples

Guidelines on Vulnerable Customers (2007) ■ SEE Gas Survey (2007) ■ Common Regulatory Approach for the Gas Ring (2008) ■ Monitoring report on compliance with Regulation (EC) 1228/2003 (2008) ■ ECRB Annual Report 2007, 2008 ■ Market Development Report 2008 ■ Study on Tariff Methodologies and Impact on Prices and Energy Consumption Patterns in the Energy Community (2008/9); study financed by the ECS ■ Legal requirements for setting up the SEE CAO (2009) - study financed by the ECS ■ Report on the Quality of Electricity Service - Standards and Incentives in Quality Regulation (2009)

### ECRB Formal Responsibilities

Based on the provisions of the Energy Community Treaty the ECRB is:

- **Advising** the MC, the PHLG and the EC on statutory, technical and regulatory rules
- **Issuing recommendations** to the Parties when so entrusted by the Treaty, and on cross-border disputes involving regulators upon request of any of them
- **Taking measures**<sup>3</sup>, if empowered by the MC
- **Facilitating** consultation, co-operation and co-ordination amongst regulatory authorities
- **Issuing recommendations** and preparing reports regarding the functioning of the energy markets
- **Issuing requests** in case of failure by a Party to comply with a Treaty obligation (Art 90, 92)

In performing its task the ECRB actively coordinates with the other Energy Community institutions.

<sup>3</sup> Under Title II (extension of the *acquis communautaire*), III (mechanism for operation of network energy markets) or IV (creation of a single energy market) of the Treaty.

This remains of utmost importance given the legal fact that any regulatory activity can only start from broader energy policy decisions and build on existing legal powers and framework rules.

### ECRB Structure and Organization

The ECRB is headed by a **Board** of high level representatives from Contracting Parties, Observers and Participants to the Energy Community. The Board meets four times a year at its **seat in Athens**.



The Board is headed by the ECRB President. The current ECRB **President** is Mr. Mirsad Salkić. The European Commission **acts as Vice-President**.

The three ECRB **Working Groups** are on gas, electricity and customer. As a fourth group, the South East Europe Coordinated Auction Office Implementation Group (SEE CAO IG), has been set up for supporting the creation of the SEE CAO. The group provides brings together regulators, traders, users and network operators. The ECRB's Groups are completed by task forces in charge of specific issues.

The ECRB activities are supported by the **ECRB Section** as part of the Energy Community Secretariat in Vienna.

### More information

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