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# EU and EnC

## Market

### Commission Publishes Assessment of National Energy & Climate Plans

*By Kosmas Karanikolas (Athens)*

On 17 September 2020 the Commission launched its cumulative evaluation of the National Energy & Climate Plans (NECPs), namely the 10-year schemes encompassing national measures aimed at ensuring compliance with the EU's existing energy and climate targets for 2030, submitted by the end of 2019, following the Commission's observations and recommendations on the formerly filled draft plans. It is noted that the obligation for drawing up of such plans derives from Regulation 2018/1999 on the governance of the energy union and climate action (Governance Regulation). The Commission's comprehensive overview of NECPs indicates that the presented schemes were rather extensive and thorough, as well as more ambitious than the initial draft plans, its establishment being the outcome of wide consultation and participation by stakeholders, providing for a strong sense of ownership of the energy and climate transition objectives.

Firstly, Member States presented through their NECPs a mix of sectoral and cross-sectoral measures aimed at mitigating greenhouse gas emissions to ensure compliance with the targets laid down in the Effort Sharing Regulation (ESR). Among the measures employed for the attainment of this objective, various countries, such as Germany, Luxembourg and Ireland, plan to augment and expand carbon pricing in activities currently not covered by the EU Emission Trading System (ETS) - which is confined to heavy energy using installations and airlines, the relevant revenues being directed to support the transition towards a climate-resilient economy. The anticipated reduction stemming from the application of such measures amounts to 32% in sectors not covered by the ETS and surpasses, in globo, the current EU target of diminishing gas emissions by 40% until 2030, compared to the figures observed in 1990.

Secondly, NECPs depict the targets set and the steps scheduled by each country concerning the amplification of the energy generated from renewable sources. On condition that the measures planned will be unimpededly implemented, the aggregate share of energy from renewables is estimated to surmount 33% at Union level by 2030, exceeding the relevant goal of 32%. Nevertheless, the Commission stresses that, given the close interconnection between renewable energy generation and the reduction of greenhouse gas emissions, Member States will have to intensify their efforts in order to raise renewables' share in gross energy generation up to 38-40% by 2030 to serve the objective of curtailment of greenhouse gas emissions by at least 55%. While only two countries, Austria and Sweden, intend to rely solely on renewables for electricity generation by 2030 and 2040 respectively, many Member States propose to launch significant projects on renewables, including the installation of offshore wind-parks (Denmark, Poland and France) as well as the establishment of solar farms and hydrogen infrastructure on former lignite mining sites (Greece and Portugal). In addition, given that the reinforcement of renewables' share is interrelated to Member States' commitment to gradually phase out coal, most NCEPs provide for completion of the decarbonisation process until 2030, 7 EU countries being already coal-free while, on the other hand, 6 Member States have not yet planned the relevant procedure. In this context, the use of coal is projected to decrease by 70% by 2030 compared to 2015, and renewable electricity will represent 60% of electricity produced in the EU.

Thirdly, as far as energy efficiency is concerned, the Commission underlines that, albeit the COVID-19 crisis contributed to a non-negligible mitigation of energy consumption, bringing the EU close to the 2020 energy efficiency targets, this is not the result of structural changes nor adaptations and will not be long-lasting, the recovery from the crisis signifying a rebound in energy consumption. Moreover, despite the increased targets for decrement of energy consumption by 2030, in comparison to the rather conservative scenarios furnished by the draft plans, an ambition gap of around 3% for both primary and final energy consumption remains. Regard being had to internal energy security, the COVID-19 crisis, which highlighted the vulnerability of energy infrastructures to shortages in the supply of strategic components and technologies, revealed the importance of a resilient energy system with appropriate business continuity plans and emphasized the need for protection against cyber attacks since the energy system is increasingly digitalized and decentralized. In terms of external energy security, it is noted that the EU remains dependent on imports for half of its primary energy consumption, in spite of the diversification of its supply routes, notably for natural gas. Upon this factual background, seven Member States (i.e. Bulgaria, Italy, Estonia, Germany, Poland, Croatia and Ireland) are planning further LNG capacities to ensure supply security and enhance competition on gas markets.

As a final remark, the EU-wide assessment of NECPs underlines that Member States are required to further specify their provisions on several fields, such as investment needs, mobilizing funding, research and innovation and regional cooperation, as well as develop clearer strategies to identify and measure the social, employment and skills consequences of the energy transition and give proper consideration on how to address these challenges. In this regard, the impending Commission's report on the "State of the Energy Union" will embody individual assessments of each final NECP and provide useful guidance for the implementation of the plans. Besides, NECPs do not constitute a one off exercise, but form an iterative process, as long as Member States will have to update and revise their NECPs in 2023 (drafts) and 2024 (final), taking into account the annual reporting of greenhouse gas emissions inventories and projections, as well as the national bi-annual implementation reports.

## EU: Judgment of the European Court on Case C-771/18

*by Andriani Kandilieraki (Athens)*

On 7 September 2020, ECJ's judgment on case C-771/18 was published in the Official Journal of the European Union. The aforementioned judgment of the ninth chamber of the European Court of Justice was originally released on 16 July 2020 and concerns a case of the European Commission against Hungary for the failure of the member state to fulfill obligations regarding conditions of access to the internal electricity and natural gas markets in accordance with European acquis, i.e. Regulation (EC) No 714/2009 - Article 14(1), Regulation (EC) No 715/2009 - Article 13(1) (tariffs, costs - setting the charges for network access), Directive 2009/72/EC - Article 37(17), Directive 2009/73/EC - Article 41(17) (Domestic remedies - Principle of effective judicial protection). In more detail, the case originated when the European Commission brought an action against Hungary under article 258 of the Treaty on the Functioning of the European Union, on the grounds that the aforementioned member state is in breach of its obligations: a) concerning the establishment of non discriminatory network access rules for cross-border exchanges in electricity, due to the fact that, when determining tariff costs, it did not take under consideration the actual cost born by the transmission system operators (TSOs) and b) concerning the failure to establish a proper and suitable mechanism under which a party affected by a decision of a regulatory authority has a right of appeal to a body independent of the parties involved and of any government.

The European Court examined the case in accordance with the European acquis, the manner of transposition of the aforementioned Regulations and Directives into Hungarian law and the respective Hungarian legislation. Based on the above, the Court held that Hungary was not in breach of its obligation for setting non discriminatory network access rules, but failed to fulfil its obligations under Article 37(17) of Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009, concerning common rules for the internal market in electricity by failing to safeguard the right to an effective remedy against the rules of the national regulatory authority setting the charges for network access, since the only remedy provided for in such cases is an action against Alkotmánybíróság (Constitutional Court) which would have to entail a significant constitutional matter under specific provisions of the Hungarian Law. Thus the Court accepted the action on the matter, dismissed the action as to the remainder and ordered the parties to bear their own costs.

## Infrastructure

### Approval of the Compliance Officer for TAP

*by Anda Musaraj (Tirana)*

On 18 April 2016, the Italian ARERA, the Greeks RAE and the ERE adopted their latest joint decision to certify the Trans Adriatic Pipeline AG (TAP) as an ITO subject to TAP AG fulfilling certain conditions and obligations; The Regulatory Compliance Program (RCP) is designed by TAP AG to provide a standard internal structure which aims to ensure that, as an Independent Transmission Operator, TAP AG and its Employees, shareholder representatives and Advisors must comply with the requirements as defined in the regulatory structure of TAP AG. The Compliance Officer (CA) is appointed by the TAP Board upon approval by the Authorities. Authorities may refuse the approval of the Compliance Officer solely on the grounds of lack of independence or professional competence. The conditions governing the mandate or conditions of employment of the Compliance Officer, including the duration of his / her mandate, must ensure the independence of the Compliance Officer and must be approved by the Authorities, in accordance with the Gas Directive and the Swiss Employment Law. In May 2020, TAP AG submitted to the Regulators the concrete proposal for the EO on the grounds why this proposal is in line with the third EU package and the Requirements of Directive 73/2009; Considering that TAP nominates the EO candidate and seeks his approval from the three Country Regulators; Albania, Greece and Italy, ERE approved the Contract for the Provision of Services of TAP Compliance Officer and TAP AG.

## Approval of the TAP code

*by Sofia Getimi (Athens)*

On 17 June 2020 the Energy Regulatory Agency (RAE), with its decision no. 1036/2020, approved the Network Code of the Trans Adriatic Pipeline pursuant to the joint decision of all three Regulatory Authorities of Greece, Italy and Albania as of 15 June 2020. The submission of the Network Code to the competent authorities no later than 12 months prior to the Commercial Operation Date, was a prerequisite imposed by the decision of the European Commission (dated 16 May 2013) and the subsequent decision of the competent authorities, which granted an exemption to TAP from a number of obligations on third party access, regulated tariff and ownership unbundling (i.e from the provisions of Article 9 (Underbundling), Article 32 (TPA) for the Initial Capacity of 10bcm/y and Articles 41.6, 41.8 and 41.10 of the Gas Directive 2009/73/EC which concern Regulated Tariffs) for a period of 25, pursuant to Article 36 of the Gas Directive.

## Gas Interconnection Agreement Bulgaria-Serbia (IBS)

*by Dimitris Mitsakos (Athens)*

On 21 May 2020, RAE issued its Decision n. 855/2020, by virtue of which the "Cross-Border Cost Allocation agreement between the Energy and Water Regulatory Commission of Bulgaria (EWRC) and the Regulatory Authority for Energy of Greece (RAE)" was approved.

EWRC and RAE have jointly assessed Bulgartransgaz EAD's Investment Request, taking into account the Recommendation issued by the Agency for the Cooperation of Energy Regulators (ACER) on 18 December 2015. After having consulted the project promoter, Bulgartransgaz EAD, EWRC and RAE have concluded that the cost of the "Gas Interconnection Bulgaria-Serbia on the Bulgarian territory (IBS)" project should be fully allocated to Bulgaria. The IBS Project is a pipeline (total length of 170km) which will connect the national gas transmission networks of the Republic of Bulgaria and the Republic of Serbia with physical flow from Bulgaria to Serbia. The total investment cost will amount to €81 million (excluding VAT), while the benefit for the Republic of Bulgaria is estimated to amount to €215 million.

It is noteworthy that Bulgaria will bear the total cost from the implementation of the Project, despite the fact that, according to the results of the Cost-Benefit Analysis, Greece, Republic of Serbia, Romania, North Macedonia, Hungary, and Bosnia and Herzegovina will receive net benefits as well. In more detail the resulting net benefits of the Project for Greece are significantly lower (15,84%) than for the hosting country, Bulgaria (53,34%). As a result, it was approved that Bulgaria will bear any of the investment and operational costs associated with the implementation of the Project and Greece will have zero costs.

## Competition & State Aid

### EU: Support Scheme for RES' Production in Ireland Approved (SA 54683)

*by Agori Michopoulou (Athens)*

On 20 July 2020, the European Commission announced its decision to approve, under EU State Aid rules, a new project to support electricity production from renewable sources in Ireland. The goal of the State Aid granted is to encourage Member States to meet the EU's ambitious energy and climate targets at the minimum possible cost for taxpayers. The new measure will contribute to the EU environmental objectives without unduly distorting competition and will introduce Ireland's transition to a low carbon and environmentally sustainable economy. Ireland will thus introduce a new aid measure, which is called the Renewable Electricity Support Scheme ("RESS"), in order to support electricity production from renewable sources, including solar photovoltaic and wind and achieving the national target of reaching a 70% share of renewables in the electricity mix by 2030. The estimated budget of the project ranges from €7.2 billion and €12.5 billion and is expected to run by 2025. It should be mentioned that Ireland declared a preferential treatment for a small quantity of energy from solar, as well as from offshore wind on the basis of the longer term potential of these technologies for the country.

Furthermore, according to the scheme, aid for the production of electricity from renewable sources granted under the RESS will be allocated through auctions, whereas successful applicants of the RESS will receive support over 15 years in the form of a premium on top of the market price. In addition, the competitive auctions through which the aid is granted will set a 'strike price', so as when the market price is below this 'strike price', beneficiaries will be entitled to receive payments equal to the difference between the two prices. However, when the market price is above the 'strike price', beneficiaries will have to make payments equal to the difference between the two prices. These payments will be returned to Irish consumers in the form of reduced electricity bills.

The Commission assessed the scheme under EU state aid rules (especially under 2014 Guidelines on State aid for environmental protection and energy) and found that the aid is necessary, as electricity prices do not fully cover the costs of RES generation while only renewable technologies will be eligible for support under the RESS scheme. The aid was also deemed proportionate and limited to the minimum necessary, as the amount of aid will be set through competitive auctions. Taking under consideration the above, the Commission reached the conclusion that the Irish RESS is in line with EU State aid rules, and the European Green Deal, without unduly distorting competition.

## RES

### Renewable Energy Financing Mechanism

*by Konstantinos Ntallas (Athens)*

On 15 September 2020, the European Commission issued the Implementing Regulation (EU) 2020/1294 on the Union renewable energy financing mechanism. This Regulation has been issued in order to support renewable energy projects, as foreseen under Article 33 of the Governance Regulation (EU) 2018/1999 of the Clean Energy for all European packages. It becomes operational from January 2021. With the aim of supporting the renewable energy deployment across the Union, the mechanism shall fulfil both the 'gap filling function' and the 'enabling function', in particular by providing support in the form of loans and grants. It will facilitate a more cost-effective deployment of renewables across the EU, in areas that are better suited for it in terms of geography and natural resources.

With regards to the financing, the actions under the mechanism may be financed by Member States, Union funds, or private sector contributions (to attract private sector contributions, the private entity that contributes to the mechanism may request to receive the guarantees of origins for the energy production that corresponds to its contribution). More specifically, every year, the Commission shall call on Member States to express their interest in participating as contributing and/or host Member State in grant award procedures organised by the mechanism. On one hand, contributing countries that are struggling to meet their targets can finance renewables projects elsewhere, which count towards their targets and are potentially more cost effective than renewables produced on their own territory. On the other hand, host countries receive additional local investment in renewables projects, and can therefore enjoy the benefits in terms of local employment, lower greenhouse gases emissions, improved air quality, modernisation of the energy system and reduced dependency on imports.

The Commission will run the whole process and will provide support by launching calls for proposals and evaluating the submitted proposals. Grants shall be allocated by a subsequent grant award procedure for investment support (granted to increase the capacity for renewable energy production) and for operating support (granted to incentivise the operation of renewable energy installations by providing premiums and market venues). To provide incentives for both host and contributing countries, the rules foresee that the statistical benefits of these projects should be split between the participants, reflecting their participation.

### Review of the RES and Energy Efficiency Directives

*by Maria Ioannou (Athens)*

Within the context of the ambitious goal of the European Green Deal to reduce EU greenhouse gas emissions by least 50% to 55% by 2030, and the post-COVID-19 Economic Recovery Package, a comprehensive EU and Member State policy reform effort has been initiated, including in the energy sector. In light of this, the Commission recently held initial public consultations on the need for review -and if necessary, reform- of the Renewable Energy Directive (2018/2001/EU) and the Energy Efficiency Directive (2012/27/EU as revised by Directive 2018/2002/EU), as both pieces of legislation aim at allowing a faster integration of renewables in all end uses.

As regards the review of the Renewable Energy Directive, an Inception Impact Assessment was announced in August 2020 by DG ENER along with the publishing of a roadmap which allowed stakeholders and the public to provide feedback on what changes should be made to ensure that the use of renewables (including renewable hydrogen), is increased and integrated in line with the new goals set by the European Green Deal. Furthermore, as Article 3 of the Directive already provided for the Commission to review upwards the 2030 target of minimum 32% renewables, this revision initiative also serves that obligation. It is proposed that the focus of the revision be on the heavy-duty transport, aviation, shipping, industrial and building heating and cooling sectors, where the use of renewables has not been as accelerated as in the electricity sector. Also, the inception impact assessment could factor in, where appropriate, criteria derived from the Energy System Integration and Hydrogen strategies, such as that of use of waste heat in a circular way; establishment of a certification system including greenhouse gas emissions, traceability and sustainability criteria.

Potential positive and negative economic, social and environmental implications, such as the creation of new jobs, the elimination of energy poverty and air pollution or on the other hand, the increased dependency on raw materials, will be examined. This assessment, along with the assessment of the National Energy and Climate Plans and other relevant EU policy initiatives, will help the Commission make a more informed decision on the prospect of a legislative proposal to amend the Directive, planned for June 2021.

As for the Energy Efficiency Directive, which is the main EU instrument for reducing primary and final energy consumption, its adequacy in view of the existing efficiency targets (increase of energy efficiency by at least 32.5% by 2030) and also the higher climate targets set by the European Green Deal and recent Commission initiatives (such as the Energy System Integration Strategy), will be reviewed through a combined Evaluation Roadmap / Inception Impact Assessment. Through this, the relationship of the Energy Efficiency Directive with the remaining regulatory and non-regulatory barriers and market failures will be assessed, and so will any potential ambition gaps concerning the 2030 as well as any higher targets, as regards collectively the targets set by the National Energy and Climate Plans. If the latter is the case, then additional EU-wide regulatory measures would be necessary. These would include measures concerning the renovation of public buildings, energy audits, heating and cooling, recovery of waste heat and energy services. As a matter of preliminary assessment, the DG ENER notes that a revised Energy Efficiency Directive could lead to positive effect on competitiveness, economic growth, technological advancement, health costs, energy security and the environment. It would also eliminate the risk of higher energy consumption in the post-COVID-19 era. Further public consultation is expected to take place in autumn 2020 and here, too, any legislative proposal is to be expected by June 2021.

### Policy Guidelines on Development of Small HPP projects

*by Agori Michopoulou (Athens)*

On 17 September 2020, the Energy Community Secretariat published its final Policy Guidelines on small hydropower projects in the Energy Community. Hydropower is a widely acknowledged and accessible source of renewable energy – at the same time, its development often raises concerns, criticism and public opposition due to its potential major environmental impacts and social consequences. The aim of the guidelines is mainly to provide assistance to developers (who are advised to take the recommendations under consideration at the beginning of the development of such projects) and the respective competent authorities of the Contracting Parties of the Energy Community Treaty, to ensure the full and complete implementation of these directives regarding hydropower projects, with a focus on smaller installations. The wider scope of the guidelines is to minimise the negative environmental effects of hydropower projects while providing for an adequate response to the growing public opposition and complaints rose before the Energy Community Secretariat. The Secretariat emphasised the need for ensuring compliance of the projects with environmental assessment processes, taking into consideration also other relevant issues such as the effect of support schemes and State aid implications.

## Energy Efficiency

### Guidelines for Energy Efficiency Funding

*by Evridiki Evangelopoulou (Thessaloniki)*

On 23 July 2020, the Energy Community Secretariat (EnC) in cooperation with the European Bank for Reconstruction and Development (EBRD) issued Policy Guidelines for designing and establishing effective centralized financing mechanisms to promote energy efficiency investments in contracting parties. These mechanisms can provide support through a number of ways, such as grants, tax relief, direct loans, financial support via third-parties, and provision of guarantees for loans etc. The newly-issued document complements prior Policy Guideline for structuring energy efficiency obligation plans published also by the same entities. More specifically, the current Policy Guidelines, in alignment with the Article 3 of the Energy Efficiency Directive according to which Energy Community Contracting Parties have to achieve a 20% improvement in energy efficiency by 2020, while new targets for 2030 have to be adopted asap, intend to support the design and establishment of procedures concerning design affairs, such as sources of funding, types of financial instruments, allocation approaches and good governance. The keys for a centralized energy efficiency financing mechanism are the funding source, the form of mechanism and the approach to allocation. Firstly, the core funding usually derives from government budget (general taxation), energy bills (socialized across bill payers), donors and IFIs. Moreover, as far as the form of mechanism is concerned, it is noticed that a number of financing mechanism support options have been proposed and utilized internationally. However, the most appropriate form for a particular context depends upon various factors, like the end-use sectors of the mechanism targeted, the nature of the energy efficiency measures (complexity, cost, heterogeneity) being used, the profile of the end consumers being targeted, as well as the market failures being addressed. Finally, the allocation of funding takes place via two main approaches: open-door and auctioning. The former approach runs on a first-come first-serve basis and basically allows any entity which meets the eligibility criteria to apply directly. Total funds will often be capped, while the funds for successful

applications are then disbursed until the depletion of the total amount. On the other hand, the latter approach has gained interest recently, due to its relative flexibility combined with cost effectiveness.

## Environment

### ECS-03/19 Dispute Settlement Procedure against Albania

*by Dimitris Mitsakos (Athens)*

On 14 September 2020, the Energy Community Secretariat addressed an Opening Letter to Albania in order to express concerns regarding the environmental impact assessment procedure of a planned hydropower plant situated on the Vjosa River at the village of Pocem. According to the Secretariat, the administrative procedures conducted for the project, which includes a dam of 23-25 meters in height and a reservoir covering a surface of 23.5 km<sup>2</sup> with a volume of 295 million m<sup>3</sup> of water, were not carried out in compliance with the provisions of Directive 2011/92/EU. In particular, the aforementioned procedures were deemed contrary to the Directive's stipulated requirements on the content of the environmental report and its public participation provisions. Albania will now have to officially respond within two months and to establish the full background of the case.

## ALBANIA

### Electricity

#### Supplier of Last Resort

*by Anda Musaraj (Tirana)*

On 08 July 2016, the Energy Regulatory Agency (ERE) issued the decision no115 on the determination of the supplier of the last resort for electricity, determining that OSHEE sh.a. in the capacity of Universal Service Provider, to perform the duties of the Last Resort Electricity Provider. In cases when a customer fails to obtain a supplier in the market due to an objective difficulties, the supply as a last resort is performed under the same conditions with the universal supply service according to the provisions of the Decision of the Council of Ministers no. 449, dated 15 June 2016. For the purpose of fulfilling the above obligations, the Regulation has been drafted, which has as its object, to determine the process of selection of the supplier of last resort who is required to perform the supply service in accordance with law no. 43/2015 "On the electricity sector", as amended and DCM no. 449, dated 15.6.2016. For all the above mentioned, the ERE decided on the initiation of the procedure for the approval of the regulation for determining the evaluation criteria and the selection of the supplier of last resort in the Electricity Sector.

Based on these facts, the Albanian Energy Regulatory Authority (ERE), with decision No.132, dated 29.08.2019, decided to initiate the procedures for reviewing and approving the draft of the "Regulation on the new connections on the natural gas network".

## RES

### Tariffs for Small RES up to 3 MW

*by Anda Musaraj (Tirana)*

The ERE is the authority responsible for determining the purchase price of electricity produced from small renewable sources from the sun with an installed capacity of up to 2MW and wind with an installed capacity of up to 3MW, in accordance with the methodology approved by the Council of Ministers. The companies "WINDSBAB" shpk, "MAX ENERGY" shpk and "SEMAN EOLIK" shpk are the only companies that have received final approval from the Ministry of Infrastructure and Energy for 2019 for the construction of wind farms with power up to 3MW; Despite the number of licenses issued over the years for the construction of wind farms in Albania, these companies are implementing for the first time this technology, bringing diversification of electricity production from renewable sources with lower cost investments. Based on the experience created for determining the purchase price of electricity produced by photovoltaic generation plants up to 2MW, the purchase price of electricity produced by wind farms with installed capacity up to 3MW has been calculated. From the application of the formula for the calculation of LCOE, for the determination of the price for wind farms, results a price of 75.64 Euro / MWh.

## BOSNIA & HERZEGOVINA

### Electricity

## Republic of Srpska adopted a New Law on Electricity

by Vuk Stankovic (Belgrade)

On 22 July 2020, the Parliament of the Republic of Srpska adopted new Law on Electricity (Law). The Law envisages the unbundling, the corporate reorganization of state-owned Elektroprivreda Republike Srpske (ERS), and thus harmonization with requirements from Energy Community Treaty. Particularly, all the electricity activities are divided into market and regulated activities. Only the network activities (i.e. distribution and transmission of electricity) are considered as regulated activities. Further, it provides legal frame for subsequent restructuring and reorganization of the electricity sector. Special part of the Law is dedicated to the energy protected customer as a socially threatened end-customer; to creation of the funds for the protection of end-customers; and conditions for acquiring the status of energy protected customer.

## BULGARIA

### Market

#### 10 years Energy Development Strategy

by Apostolos Christakoudis, (Sofia)

On 9 September 2020 the Bulgarian Ministry of Energy approved the draft Sustainable Energy Development Strategy until 2030 with a view to 2050. It should subsequently be approved by the Council of Ministers and adopted by the Parliament. Since the current Energy Strategy, adopted in 2011, is set to expire at the end of this year, the draft Sustainable Energy Development Strategy will cover the period from 2020 to 2030 and provide an outlook for further developments until 2050. According to the plan, Bulgaria plans to invest in renewable energy, energy efficiency, nuclear energy and natural gas in order to ensure the country's energy security. This includes introduction of 2.65 GW in renewable capacity by 2030, mostly in solar power plants. One of Bulgaria's major aims is by 2030 to reach 27.09% share of renewable energy from the gross-end consumption of energy. However, the plan does not envisage closing down its coal-fired power plants. Of the five major aims of the draft Sustainable Energy Development Strategy, three are directly related to the development of renewable-energy sources in the country and include: aim one – Guarantees for energy security and sustainable-energy development; aim four – Sustainable-energy development of clean energy and decarbonisation of the economy and aim five – Implementation of innovative technologies for sustainable-energy development. According to the draft Sustainable Energy Development Strategy: "The country has under-utilised potential for electricity production from renewable energy sources, which by 2030 and beyond will continue being utilised, which will secure the fulfillment of the national aim of the share of renewable energy from gross-end energy consumption in an economically viable manner. This potential is predominantly from photovoltaic and geothermal energy, biomass, including waste...". Regarding market integration, Bulgaria expressed the intention to work on the establishment of a single internal electricity market in Europe and the integration of the contracting parties of the Energy Community, particularly North Macedonia and Serbia. One of the goals is to unify the domestic day-ahead market with that of Serbia and Croatia and, separately, with North Macedonia, by 2022. In the same segment and the intraday, the integration with Romania and Greece is scheduled to be finished by early next year. The intraday market is envisaged to be unified with North Macedonia and Serbia by 2024.

## GREECE

### Market

#### Energy Exchange Update

by Aspa Pergamineli (Athens)

Following the completion of the Public Consultation conducted by the Regulatory Energy Agency (RAE), during the period 8-11 of September 2020, the Regulatory Authority for Energy (RAE) decided to designate 1 November 2020 (RAE's decision 1298/11.09.2020) as the Effective Date of Operation of the Intraday & Day-Ahead Market (hereinafter Electricity Markets), as well as of the Balancing Market, as a part of the unified set of the new Target Model. In this regard, over the past four months (i.e. from June to September 2020) RAE has issued a series of delegated Decisions in accordance with the provisions of the Hellenic Energy Exchange (HEnEx) & EnExClear Rulebooks, the Market Balancing Rulebook, as well as law 4425/2016, in order to regulate the

access to the Intraday & the Day- Ahead Market (hereinafter Electricity Markets), the obligations of the Clearing Members and the risk management measures both in the Electricity Markets and the Balancing Market. These Decisions are the following:

- Decision 934/2020 Approval of the Implementing Decision of EnExClear, regarding the "Risk management procedures in the Clearing System of the Electricity Markets and other related issues"
- Decision 945/2020 Methodology of imposing measures against the Participants in the Electricity Markets
- Decision 947/2020 Regarding Participants' access to specific Types of Orders in the Electricity Markets, their submission parameters as well as the technical details concerning their content
- Decision 950/2020 Fees and Charges for the operation of the Electricity Markets for the years 2020-2022
- Decision 955/2020 Approval of the Implementing Decision of EnExClear regarding the Methodology of imposing measures against the Clearing Members of the Balancing Market
- Decision 1034/2020 Approval of the Implementing Decision of EnExClear regarding the "Risk management procedures in the Clearing System of the Balancing Market Positions
- Decision 1007/2020 Approval of the Implementing Decision of EnExClear regarding the "EnExClear Fees and Charges for the clearing of transactions in the Electricity Markets for the years 2020-2022.

According to the aforementioned decisions, charges for the registration, installation, use and operation of technological infrastructure for the connection to the Trading System of the Electricity Markets are stipulated, per each type of participant. For the purposes of trading in the Electricity Markets, the technical parameters and characteristics of the accepted Types of Orders, as well as the restrictions of the Block Orders are also defined. In addition, the decisions specify the measures imposed on electricity market participants for any breach of their obligations pursuant to the HEnEx Rulebooks.

Furthermore, RAE acknowledged that the EnExClear is responsible for the Clearing and Settlement of Transactions conducted on the Electricity Markets and the Balancing Market, as a Clearing House approved its Implementing Decisions regarding the Clearing Member's obligations derived from their participation in the clearing system of EnExClear. In this regard, RAE Decisions provide for registration and annual subscription fees and charges paid by the Clearing Members to the EnExClear and for the contributions to the Default Fund. In the event that the Clearing Members do not comply with the EnExClear requirements, as further described in its Clearing Rulebook, the measures imposed on each clearing member category are specified depending on the gravity of the breach. Finally, another issue determined by the above Decisions is the risk management measures within the clearing system framework. More specifically, these provisions include technical procedures regarding the methodology of margin calculations, the acceptance type of collaterals for covering the margin requirements and the calculation methods for Default Fund.

## Electricity

### Registration of Providers to the Flexibility Mechanism

*by Kosmas Karanikolas (Athens)*

On 13 July 2020, ministerial decision no. ΥΠΕΝ/ΔΗΕ/66754/810/09.07.2020 of the Ministry of Environment & Energy, encompassing the New Transitional Flexibility Remuneration Mechanism, i.e. the fee paid to the selected (electricity) providers for the provision of the flexibility service, namely the reward for the rapid increase or decrease of the selected provider's injection or absorption electric power generated in order to meet the demand of the National Electricity Transmission System, was published in the Official Gazette of Greece (OJ B' 2852/2020). Enrollment in the registry of providers presupposes the submission of an application to the Transmission System Operator (ADMIE), while the prerequisites for registration include; (i.) the competence of the supplier to offer the so-called "flexibility service" (as defined in art. 1 para 2 of the ministerial decision), (ii.) the provider's connection either to the Transmission System or the Medium Voltage Network or the Low Voltage Network with the exception of Non Interconnected Islands (NII), as well as (iii.) the provider's non participation, as regards the power offer, in any other state aid scheme. Further conditions for providers' registration and the enrollment procedure are governed by the provisions of the Grid Control Code for Electricity. It should be noted that the New Transitional Flexibility Remuneration Mechanism is deemed to be in force, at a maximum, until 31.03.2021 or until the implementation of the Long-Term Compensation Mechanism regarding the Electricity System's Power Sufficiency, either of the two effectuated earlier.

## Oil & Gas

### Approval of the Tariff for the Use of the ESFA

by Dimitris Mitsakos (Athens)

On 19 June 2020, the Regulatory Energy Agency (RAE) issued its Decision 1038/2020 approving draft Tariff for the use of the National Natural Gas Transmission System (ESFA), starting from 01.01.2021, as submitted by the National Natural Gas System Operator (DESFA S.A.). According to Art.88 para 5 of the Law 4001/2011, as in force, the tariffs charged by the Natural Gas System Operator for providing of any of the Basic Activities, are prepared by the Operator in accordance with the Pricing Regulation and approved by RAE. For the purposes of determining the tariffs for each Entry and Exit of the ESFA the estimation of the Projected Contractual Capacity for each year of the Regulatory Period is carried out separately for each Entry and Exit of the Transmission System.

Furthermore, it is pointed out that in case of the creation of a new Entry Point connecting ESFA to another Transmission System, with LNG Installation or with Storage Installation, in accordance with the approved Development Program of the National Natural Gas Transmission System, the Operator shall submit to RAE a proposal for the adjustment of the respective tariffs. DESFA S.A. has proposed for pricing purposes the inclusion of the Entry Point, named "Sidirokastro-Kipoi", in the cluster of the two gas entry points located in the Greek-Bulgarian and Greek-Turkish borders. For the approval of the required revenue of the regulated activity, the Regulator is obliged, during the control of the costs and the related expenses, to weigh the amount of the user fees charged by the consumers, in compliance with the safety and service quality requirements of the infrastructure of the Transmission System. Hence, RAE calls DESFA S.A. to proceed immediately with the revision of the auction reference price published in accordance with the provisions of Regulation 2017/460.

## Infrastructure

### Extension of the Natural Gas Distribution Network

by Mira Todorovic Symeonides (Athens)

During the last several months, the Regulatory Authority for Energy (RAE) approved 3 five-year development plans for the extension of the natural gas distribution network. More specifically:

- RAE's decision 677/2020 approving the five-year Natural Gas Network Development Plan for Thessalonica and Thessaly) for the period from 2020 to 2024 was published on 22 July 2020 (OJ B' 2981/2020). The plan provides for the tension of Medium Pressure network (19 bar) for 36.6 km in Thessalonica and 7.7 km in Thessaly, and of Low Pressure for 250,5 km in Thessalonica and 175.9 km in Thessaly, significant increase of connections to the network and of the supply quantities. The extension budget is estimated to €145 million;
- RAE's decision 853/2020 approving the five-year Natural Gas Network Development Plan for the Rest of Greece (areas of Greece other than Attica, Thessaloniki and Thessaly) was published on 13 July 2020 (OJ B 2836/2020). It regulates the development of the network in the following 8 prefectures: Continental Greece, Central Macedonia, East Macedonia and Traci, West Greece, Peloponnesus, West Macedonia, Kozani and Epirus, with a total planned extension of approximately 130 km in Medium Pressure and 1.694 in Low Pressure distribution network. The extension is planned to be financed by 35% by ESPA (Greek State development fund financed predominantly by the European structural and investment funds) and by 65% from the Network Operator's own resources (loans and through the increase of capital). No tariff increase is planned for this extension. The extension budget is estimated to €270 million; and
- RAE's decision 673/2020 approving the five-year Natural Gas Network Development Plan for Attica was published on 6 May 2020 (OJ B' 1715/2020). The development includes reinforcement of the current network, increase in connections to the network and in supply as well as in the extension of the Low Pressure network for 665 km and Medium Presser network for 25 km in the next 5 years. The extension budget is estimated to €50 million.

Particularly ambitious, investment of approximately €270 million within the next 5 years, is the development plan for the Rest of Greece which will be implemented by the respective Network Operator – the Public Gas Distribution Networks (DEDA). The beginning of its implementation through launching of the first public procurement procedures has already attracted significant interest in the country. Namely, on 9 September DEDA launched two competitive procedures for the construction of networks in East

Macedonia and Thrace region: a) in the cities of Xanthi and Drama with the approximate budget of €17 million and b) in Alexandroupoli and Komotini, with an approximate budget of €16.3 million. The deadlines for the submission of the applications are 12 and 15 October 2020, respectively. The next tenders that are expected to be launched are for the cities of Orestiada and Kavala.

## RES

### Greek Green Funds

*by Konstantinos Dallas (Athens)*

On 7 August 2020, the Hellenic Development Bank of Investments S.A. (HDBI, ex TANEO) launched a new investment program entitled "Green Greek Funds", amounting to 400 million euros (public participation). Under this Call, HDBI invited interested parties to submit proposals for the establishment and management of investment schemes. This project seeks to engage the HDBI in newly established Venture Capital Funds / Private Equity Funds which will invest in businesses operating in Greece in the sectors of renewable energy production and technology, energy conservation infrastructure, sustainable development and the circular economy. These investment schemes should be managed by private sector entities based on private sector financial market criteria and will invest through equity participation and/or convertible bonds and/or rights bearing bonds, in new or existing SMEs or SPVs, which maintain an installation at the time of the investment in the Greek territory aiming at energy or other natural resources conservation (efficiency), the circular economy (recycling, biomass/biogas for energy production etc. etc.) or the production of energy from renewable sources, etc.

To that effect the HDBI has invited interested parties that intend to set up and manage Investment Schemes to submit proposals to HDBI over its likely participation in those Investment Schemes. The purpose of this call is to sign an investment agreement with all participants who express interest and meet the criteria for the call, until available resources have been exhausted. These participants are operated by management teams, which after receiving the approval of HDBI are invited to select their investment objectives and to implement their investments. The HDBI will accept proposals for Investment Schemes until the allocated funds are exhausted. HDBI regularly participates in investments, putting the required funds last and after the individual and institutional investors have preceded, while it also participates in the advisory committee of each fund. At the same time, HDBI normally receives the returns that are due to it, like any other investor. It is estimated that the investments that the Greek Green Fund will activate in the sectors of energy saving, the circular economy and the production of energy from RES are estimated at more than 4 billion euros.

### October Submission Cycle Cancelled

*by Mira Todorovic Symeonides (Athens)*

On 15 September 2020, law no. 4722/2020 was published in the OJ A' 177/2020. Article 87 of the aforementioned law, concerns the October submission cycle for the applications to the Regulatory Authority for Energy (RAE) for the issuing of Certificates or Certificates for Special Projects and stipulates that in the October 2020 submission cycle the following applications will not be submitted: a) New applications for granting of certificates and certificates for special projects; and b) Applications for amendments of a production license or certificates and certificates for special projects in case it relates i) to the extension of the land plots for the projects, unless it is required in the environmental licensing procedure and there is no overlapping of land in regards to already submitted applications, or ii) to an increase of production capacity above 10%. The next submission cycle will be from 1-10 December 2020.

### Simplification of RES production licensing procedure

*by Maria Ioannou (Athens)*

On 7 May 2020, an important new law, law 4685/2020 (OJ A' 92/2020), was enacted on the modernization of environmental legislation and the simplification of the RES production licensing procedure. This new law introduces provisions that aim, among other, to simplify and expedite the environmental licensing procedure (including the renewal and amendment of the environmental approvals). Thus, the duration of environmental approvals is extended from 10 to now 15 years, certain deadlines for completing the environmental licensing process are made shorter and certain stages of the licensing procedure have been merged.

As regards the RES regulatory framework, the new law envisages the replacement of the previously issued production licence with two different types of certificates, one for special RES projects and one for all other RES projects, both for a duration of 25 years with the possibility of extension for another 25 years. For the time being, these certificates will continue to be issued by the Regulatory Authority for Energy (RAE). The new law also affects the application procedure: Indeed, applications for the issuance of the

certificate are to be submitted via an electronic register currently being set up by RAE. Each year (in effect starting 2021, as this law was subsequently amended by the even newer law 4722/15.9.2020) there will be three application rounds, i.e. during the first 10 days of February, June and October. Of the two application procedures, the procedure for obtaining a special project certificate will inevitably be more complex and time consuming, as more documents and studies will have to be prepared, submitted and reviewed (e.g. detailed technical descriptions of the project). However, applicants will not be burdened with a fee for the issuance of such certificate. This is not the case for applicants for RES plants not falling under the special projects category, who will be required to pay a fee which shall depend on the plant capacity and shall range from €3,000/MW for plants with a capacity up to 1MW to €1,000/MW for plants with a capacity exceeding 100MW. In any case, this fee shall not exceed that which corresponds to a plant with a capacity of 250MW. In both cases, applicants are required to conclude the full licensing and electrification procedure within a reasonable timeframe envisaged in the law so as to avoid having their certificate automatically invalidated. A new Regulation defining the practical details of this new licensing procedure is expected to be issued in the near future. According to the Ministry for Environment and Energy this is the first step towards achieving the simplification of RES development RES in Greece -the next step shall be the simplification of the procedure for obtaining the two other major licences – namely, the licenses for the establishment and operation of a RES plant.

## July RES Auctions

*by Dimitris Mitsakos (Athens)*

On 27 July 2020, the Regulatory Energy Agency (RAE) issued Decision n. 1142/2020, following two RES auctions of 142.447.987W for PV power stations of up to 20MW and of 481.450.000W for wind power stations of up to 50MW, which took place on the same day. By virtue of this decision, the classification of the Participants – Owners of RES electricity generation stations, who were selected through the respective Competitive Procedures carried out for the Categories I (PV power stations) and II (Wind power stations), was approved. The Reference Prices regarding the PV power stations ranged from €62,45/MWh to €45,84 /MWh and the mid-weighted average is of €49,81 /MWh, i.e. a significant decrease from the starting price (€63/MWh) of 20,94%. In the meantime, the Reference Prices concerning the wind power stations ranged from €55,7/MWh to €53,86 /MWh and the mid-weighted average is of €55,67 /MWh, i.e. a significant decrease from the starting price (€62,99/MWh) of 11,62%. The remaining power for the next RES auctions is of ~340,1MW for PV power stations and of 9,625 MW for wind power stations and with starting price of €56,40 /MWh and €59,33 /MWh respectively.

## Energy Efficiency

### Enactment of Law for the Promotion of Electric Mobility

*by Sofia Getimi (Athens)*

On 21 July 2020 the Greek Parliament enacted the Law for the Promotion of Electric Mobility (published in the OJ A' 142/ 23.07.2020), through which it introduced a number of tax and other incentives for the promotion of electric vehicles as well as provisions for the organisation of the electric-vehicle market and provisions regarding spatial planning arrangements for the development and installation of charging stations. This law also transposed the Directive (EU) 2019/1161 on the promotion of clean and energy-efficient road transport vehicles into Greek law.

More specifically, the law provides, among others, that publically available charging stations and free parking spaces will be created for electric vehicles, that revenues from the environmental fee imposed to emission-generating vehicles will be used for the creation of incentives for the promotion of electric vehicles and that the cost for charging e-vehicles will be deductible for income tax purposes. Moreover, the law provides incentives to companies to purchase e-vehicles such as the possibility to deduct part of the purchasing cost of specific types of e-vehicles for tax purposes.

Furthermore, according to the Joint Ministerial Decision (OJ 3323 B/7.8.2020) issued pursuant to article 62 of the aforementioned law, purchasers of e-vehicles who are either natural or legal persons and taxi drivers are entitled to a subvention for the purchase of e-vehicles. For instance, natural persons are entitled to receive a 20% subvention on the purchase price of e-cars costing up to €30.000, up to a maximum subvention of €6.000 and a 15% subvention on the purchase price of e-cars costing €30.001-€50.000, up to a maximum subvention of €6.000. Natural persons are also entitled to receive a 20% subvention on the purchase price of e-motorbikes before VAT and a 40% subvention on the purchase price of e-bicycles before VAT, up to a maximum subvention of 800€. Further deductions to the purchase price may apply in case of the withdrawal of a previously held vehicle or if other special

conditions apply (eg. for large families, the disabled etc.) A subvention of €500 is also offered for the purchase of a charging station. The subvention offered for the purchase of hybrid vehicles is smaller than the one offered for pure electric vehicles.

Legal persons are also entitled to receive a 15% subvention on the purchase price of pure electric vehicles costing up to 50.000€ before VAT (retail price), up to a maximum subvention of €5.500 and a 15% subvention on the purchase price of hybrid vehicles (of up to 3.5 tons which are emitting up to 50gr CO2/km) costing up to €50.000 before VAT (retail price), up to a maximum subvention of €4.000. The subvention offered to legal persons for the purchase of e- motorbikes and e- bicycles is the same as that provided to natural persons. The aim of the law is to provide economic incentives to buyers to purchase e-vehicles and promote electric mobility. Natural and legal persons may apply to receive the abovementioned subventions until 31 December 2021.

## Environment

### Regulatory Framework and Environmental Licensing Classification gets updated

by Maria Ioannou (Athens)

In August 2020, the Minister of Environment and Energy issued Decision ΥΠΕΝ/ΔΙΠΑ/74463/4562 (OJ B' 3291/2020) by virtue of which the previous regulatory framework regarding the environmental classification of projects for the purposes of environmental permitting, as envisaged by Ministerial Decision ΔΙΠΑ/οικ.37674/10.08.2016 (OJ B' 2471/2016), was amended with regard to the classification of the renewable energy projects, in line with the new law 4685/2020. Indeed, the new Ministerial Decision lowers the classification for certain RES projects to categories A2 and even B, thus categorizing the respective projects as having a lesser negative impact on the environment. For example, RES PV projects up to 1 MW shall not require environmental permitting (unless located in a Natura 2000 area or less than 100 m from the coastal line), while RES PV projects of more than 1 and up to (or equal to) 10 MW and RES wind projects of up to 10 MW, which are now classified under category B, shall require Standard Environmental Commitments. RES projects classified under category A2 (e.g. RES PV projects with a capacity exceeding 10 MW) will still require an Environmental Approval, however these are expected to be obtained under the more beneficial terms provided in the new law 4685/2020.

For RES projects affected by this amendment and for which the environmental permitting file was already pending before the previously competent authority at the time the new Decision came into force, the prior framework is applicable, unless otherwise requested by the project operator explicitly and in writing. Lastly, the new Ministerial Decision also states that any power storage units connected to RES projects, will be environmentally classified the same as the main RES project.

Particularly for RES PV projects, it is to be noted that also Joint Ministerial Decision ΥΠΕΝ/ΔΑΠΕΕΚ/74123/2971 was issued (OJ B' 3149/2020) in line with new law 4685/2020. With this Decision, the issue of when final connection terms are to be granted to PV projects installed / to be installed on high productivity agricultural land, was regulated. More specifically, the Decision states that PV stations are allowed on high productivity agricultural land as long as their capacity does not exceed 1MW and as long as the total capacity of the PV projects already installed (whether in operation or not) / to be installed, on agricultural land per Prefecture Unit, does not exceed the thresholds envisaged in detail in the said Joint Ministerial Decision. The Decision is based upon the premise that one (1) installed MW typically requires 16,000 m<sup>2</sup> of land. The Decision also provides in detail for the relevant documentation to be submitted to the Transmission Operator or Distribution Operator (as per their competency) for the granting of final connection terms, following the environmental permitting of the project. In case the PV project under examination shall exceed, if licensed, the relevant threshold, the Operator examines by way of elimination based on the largest capacity whether the already approved PV projects are not/will not be installed on agricultural land. If that is not the case, then the application for the granting of final connection terms for the PV project under examination is rejected. The relevant data based on which the Operators make their decisions, are to be published on their respective websites every two (2) months.

## MONTENEGRO

### Energy

#### Energy Law Amendments approved by GoM

by Vuk Stankovic (Belgrade)

On 11 June 2020, the Government of Montenegro approved the Draft Law on Amendments to the Energy Law (Draft Law). The foremost aim of the Draft Law is to introduce the possibility of self-production and generation of the electricity to the end-customers. Furthermore, the Draft Law harmonizes targets with the Energy Policy of Montenegro until 2030 and other planning and strategic documents. In Draft Law it is prescribed that a privileged producer has the right to incentive measures valid at the time of applying for temporary status of privileged producer and has the right of priority in taking over the total produced electricity in the transmission or distribution system, unless the security of the system is endangered. The payment to such privileged producer for the produced energy at incentive rates is made for the amount of electricity measured at the place of connection of the generation facility to the system.

## ROMANIA

### Electricity

#### € 100 Million for PV Panels and Electric Vehicles Charging

by *Raluca Draghici (Bucharest)*

On 11 November 2019, the Regulatory Committee of the National Regulatory Authority for Energy ("NRAE") approved a series of documents necessary for the launch of the LIP 15 project to connect the intraday electricity market, respectively the Order of the NRAE President no. 202/2019 for the modification of the Regulation of programming of the production units and of the dispatchable consumers approved by the Order of the NRAE President no. 32/2013 and for the repeal of the Regulation for the organization and functioning of the intraday electricity market, approved by the Order NRAE President no. 73/2013, and the Notice no. 89/2019 by which the *Procedure for the operation of the Intra-Daily Electricity Market, developed by Opcom SA*, was approved.

The approval of the documents mentioned above was necessary for the launch on November 19, 2019, of the second wave of coupling of intraday electricity markets through local projects, Romania being part of the project called LIP 15, along with Bulgaria, Croatia, Czech Republic, Hungary, Poland and Slovenia. Thus, the intraday energy market in Romania was coupled on November 19, 2019 with similar markets in 20 other European countries, and the first quantities of energy have already been delivered. This means that all traders in Romania will have the same trading tools as in the other 20 European countries and there is the possibility to carry out cross-border energy transactions on the most efficient platforms and European rules. Coupling intraday markets means that practically all traders in the coupled countries use the same computer platform for trading, which offers complete transparency regarding the prices and volumes traded. All of this will lead to increased liquidity in the market and increased competition, ensuring a reduction in the market share of balancing and more precise balancing of participants, better use of production capacity and resources, optimal use of cross-border transport capacity and not least, as an indirect consequence, the increased safety in the supply of consumers in Romania. Five years ago, on November 19, 2014, Romania's spot energy market was coupled with those in Hungary, the Czech Republic and Slovakia.

## SERBIA

### Environment

#### Kolubara B TPP spatial plan and EIA Study

by *Aleksandar Mladenovic (Belgrade)*

On 8 July 2020 the Ministry of Construction, Transport and Infrastructure of Serbia decided to postpone the public debate on the draft spatial plan and environmental impact assessment for the project for the construction of thermal power plant Kolubara B due to a spread of COVID-19 in Serbia. The public discussion on the project was scheduled initially for July 15 2020, and following this decision the event has been rescheduled to an undisclosed date.

In March 2020, the state-owned power utility EPS signed a preliminary agreement on cooperation with Chinese company PowerChina on the construction of coal-fired thermal power plant Kolubara B. The construction of this energy facility was originally



planned in 1990s and now EPS plans to complete the 350 MW project in cooperation with Chinese company. The construction of a new unit represents replacement capacity for ageing TPP Morava and TPP Kolubara A and it is expected to start operations in 2021. However the project is deemed by certain experts as being controversial and unprofitable due to quality of lignite coal and carbon emission allowances Serbia may introduce in the near future. Also in September 2013, the EBRD reported that it is not interested in financing the plant, due to its policy for limiting lending for coal-fired power plants construction projects.

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