

Energy Community – Commission calls for reforms to boost investments

European Commission welcomes the achievements of the Energy Community but warns about the risks of not addressing outstanding shortcomings. A report released today calls for a radical change of attitude to bring about market reforms in the Energy Community countries – Albania, Bosnia and Herzegovina, Croatia, Kosovo (under UNSCR 1244/99), the former Yugoslav Republic of Macedonia, the Republic of Moldova, Montenegro, Serbia and Ukraine. These reforms are needed to allow free competition and attract investments in ageing electricity networks and gas pipelines.

The Energy Community faces paramount investment challenges. In the coming years a number of existing power plants will require replacement or rehabilitation, electricity networks and gas infrastructures need modernisation and further development. Strong energy regulatory authorities are needed, with enough powers, resources and independence to ensure non-discrimination, effective competition and efficient operation of the energy market. Energy efficiency and environmental standards have to be fully applied. So far unexploited renewable energy potential should be put in use.

In its role as a coordinator of Energy Community activities, the Commission will firmly push for:

- enforcement of the already adopted internal market rules and energy efficiency standards;
- adoption and application of the third internal energy market package and the Renewables Directive;
- development of a coordinated investment strategy.

The Commission will also provide clear incentives for the Energy Community countries to comply with the rules. In particular, it intends to:

- make financial assistance conditional on the effective implementation of the Energy Community *acquis*;
- link good progress on the enforcement of the *acquis* to a smoother advancement in the accession discussions of the EU candidate countries or potential candidates.

Background:

What is the Energy Community?

It is an international organisation that aims at creating an integrated energy market across the region which allows for cross-border trade, guarantees energy supply and takes into consideration climate and social aspects; the final objective is that the regional market should be fully integrated in the European Union's internal energy market.

The Energy Community activities are supported to a 98% by the EU Budget.

Who are the parties to the Energy Community?

In addition to the European Union, Albania, Bosnia and Herzegovina, Croatia, Kosovo (under UNSCR 1244/99), the former Yugoslav Republic of Macedonia, the Republic of Moldova, Montenegro Serbia, and Ukraine. Georgia, Norway and Turkey have the status of observers.

Further information:

http://www.energy-community.org/portal/page/portal/ENC_HOME/ENERGY_COMMUNITY