NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee
No. Cion doc.: 13410/20 + ADD 1
Subject: ANNEXES to the Council Decision on the position to be adopted on behalf of the European Union in the Ministerial Council of the Energy Community and in the Permanent High Level Group of the Energy Community (Tivat, Montenegro, 16-17 December 2020)

This document contains ANNEX I and II to the Council Decision as set out in document 13502/20.
ANNEX I

Ministerial Council


3. DECISION 2020/.../MC-ENC ON THE ESTABLISHMENT OF THE LIST OF PROJECTS OF ENERGY COMMUNITY INTEREST

The position to be adopted on behalf of the European Union is to approve the draft Decision as set out in the Addendum to this Annex.
4. DECISIONS UNDER ARTICLE 91(1) ECT ESTABLISHING THE EXISTENCE OF A BREACH OF THE ENERGY COMMUNITY TREATY IN THE FOLLOWING CASES:

The position to be adopted on behalf of the European Union is to approve the draft Decision under Article 91(1) ECT establishing the existence of a breach in:

(a) Case ECS-13/17 (Serbia), on condition that the Advisory Committee of the Energy Community delivers an opinion supporting the findings of the Energy Community Secretariat prior to the meeting of the Ministerial Council and that the obiter dictum in point (71) of the Reasoned Request is removed.

(b) Case ECS-10/18 (Bosnia and Herzegovina), once the Advisory Committee of the Energy Community, following the hearing on 9 December 2020, has delivered an opinion supporting the findings of the Energy Community Secretariat and subject to new developments on the case.

5. DECISIONS UNDER ARTICLE 92(1) ECT ON THE ADOPTION OF MEASURES IN RESPONSE TO SERIOUS AND PERSISTENT BREACHES BY BOSNIA AND HERZEGOVINA OF THE ENERGY COMMUNITY TREATY IN CASES ECS-8/11S, ECS-2/13S AND ECS-6/16S; ON UKRAINE IN CASE ECS-1/18S AND ON SERBIA IN CASE ECS-10/17S.

The position to be adopted on behalf of the European Union is to approve the draft Decisions under Article 92(1) ECT on Bosnia and Herzegovina in Cases ECS-2/13S and ECS-6/16S. As regards Case ECS-8/11S on Bosnia and Herzegovina, the position to be adopted on behalf of the European Union in the Ministerial Council is to approve the draft Decision, with the exception of measures under Article 3(1) of Decision 2016/16/MC-EnC, whose extension should not be approved.
The position to be adopted on behalf of the European Union in the Ministerial Council on Ukraine in Case ECS-1/18S should be to approve the decision of the Ministerial Council determining the existence of a serious and persistent breach, on condition that the deadline for reporting to the Ministerial Council by Ukraine and for the rectification of the breach by Ukraine be set on the date of the Ministerial Council 2021.

The position to be adopted on behalf of the European Union in the Ministerial Council is to approve the Decision determining the existence of a serious and persistent breach under Article 92(1) ECT on Serbia in Case ECS-10/17S.


The position to be adopted on behalf of the European Union is to support the proposed appointments.
ADDENDUM TO ANNEX I

DECISION 2020/.../MC-EnC ON THE ESTABLISHMENT OF THE LIST OF PROJECTS OF ENERGY COMMUNITY INTEREST (‘ENERGY COMMUNITY LIST’)

THE MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY,

Having regard to the Treaty establishing the Energy Community (‘The Treaty’), and in particular Articles 2, 26, 27, 82 thereof,


Having regard to the proposal from the Energy Community Secretariat,

Whereas:


(2) Under Article 82 of the Treaty measures are to be proposed by a Party or the Secretariat.

(3) Projects proposed for the inclusion in the list of projects of the Energy Community interest ("PECIs") have been assessed by the Groups and meet the criteria laid down in the Regulation.

\(^1\) Decision D/2015/09/MC-EnC
(4) The draft preliminary list of PECIs was agreed by the Groups at technical-level meetings. Following the positive opinion of the Energy Community Regulatory Board ("ECRB") on the consistent application of the assessment criteria and the cost/benefit analysis, the proposed list was discussed in the 56th meeting of the Energy Community Permanent High Level Group ('PHLG') on the 16th of July 2020 and this Decision was finalised and endorsed by the PHLG acting as a decision-making body, for this purpose.

(5) Organisations representing relevant stakeholders, including producers, distribution system operators, suppliers, and consumer and environmental protection organisations were consulted on the projects proposed for the inclusion in the Energy Community list.

(6) The inclusion of PECI list is without prejudice to the outcome of the relevant environmental assessment and permit procedure. Under Article 5(8) of the adopted Regulation, a project that does not comply with Energy Community law may be removed from the Energy Community list. The implementation of PECIs, including their compliance with the Energy Community legislation, should be monitored in accordance with Article 5 of the Regulation.

(7) Pursuant to the second paragraph of Article 3(4) of the adopted Regulation, the Energy Community list is established every two years by way of a Decision under Title III of the Treaty.
HAS ADOPTED THIS DECISION:

**Article 1**

The list of PECIs is adopted as set out in the Annex to this Decision.

**Article 2**

This Decision shall enter into force on the day of its adoption.

The Decision is addressed to the Contracting Parties of the Energy Community.

Done in Tivat, on … 2020

For the Presidency
ANNEX

List of PECI in Electricity

<table>
<thead>
<tr>
<th>EL_01</th>
<th>Transbalkan corridor</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>New 400 kV OHL SS Kragujevac 2 (RS) – SS Kraljevo 3 (RS), with voltage level upgrade in SS Kraljevo 3 (RS) to 400 kV voltage level</td>
</tr>
<tr>
<td>b</td>
<td>New double circuit 400 kV OHL SS Obrenovac (RS) – SS Bajina Basta (RS) with upgrade of SS Bajina Basta (RS) to 400 kV</td>
</tr>
<tr>
<td>c</td>
<td>New 400 kV interconnection between SS Bajina Basta (RS) - Visegrad (BA) - Pljevlja (ME)</td>
</tr>
</tbody>
</table>

List of PECI in Gas

<table>
<thead>
<tr>
<th>Project name</th>
<th>Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas_13</td>
<td>Albania-Kosovo* Gas Pipeline - ALKOGAP</td>
</tr>
<tr>
<td></td>
<td>Supplying Kosovo competing projects’ cluster</td>
</tr>
<tr>
<td>Gas_26</td>
<td>North Macedonia–Kosovo Interconnector</td>
</tr>
<tr>
<td></td>
<td>Supplying Kosovo competing projects’ cluster</td>
</tr>
<tr>
<td>Gas_11</td>
<td>Interconnector Serbia-North Macedonia</td>
</tr>
<tr>
<td></td>
<td>Supplying North Macedonia competing projects’cluster</td>
</tr>
<tr>
<td>Gas_09</td>
<td>Interconnector Bulgaria-Serbia (PCI) as a competing project with TurkStream expansion in Serbia (Gastrans project)</td>
</tr>
<tr>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244(1999) and the ICJ Opinion on the Kosovo declaration of independence.
List of PECI in Oil

| Oil_01 | Ukraine - Poland oil pipeline (Brody - Adamowo) |
ANNEX II

PHLG


The position to be adopted on behalf of the European Union is to approve the draft Procedural Act in accordance with Commission Decision of 26 November 2020 (C(2020) 8437 final) establishing a Commission proposal to the Permanent High Level Group of the Energy Community for a Procedural Act of the Permanent High Level Group of the Energy Community amending the Procedural Act No 01/2011 PHLG-EnC of the Permanent High Level Group of the Energy Community of 23/03/2011 laying down the rules governing the arbitration procedure in staff matters under Article 14 of the Staff Regulations of the Energy Community.

Minor changes to the draft Procedural Act may be agreed to, in the light of comments from the Energy Community Contracting Parties or the Energy Community Secretariat before or at the PHLG meeting.

In this context, the Council confirms, subject to the adoption by the Permanent High Level Group of the proposed amendment of Procedural Act No 01/2011 PHLG-EnC, the appointment of Mr Manuel Kellerbauer as a permanent member of the Arbitration Committee representing the European Commission and Mr Lars Albath as a permanent alternate member of the Arbitration Committee representing the European Commission.

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