

GENERAL QUESTIONS

1 Key objectives of the Energy Community

The central question for any future reform of the Energy Community is the following: How can the key objectives of the Energy Community – reforming inefficient and unsustainable energy sectors and integrating them with the EU – be preserved and the instruments available to achieve them under the Treaty be made more effective?

Energy sectors as we know them now in the region are inefficient and unsustainable, while we are simultaneously confronted with an increasingly serious economic, social, environmental crisis. In order to make the Treaty more effective in addressing these issues, there is an urgent need to:

- Increase the Secretariat's capacity to monitor and enforce existing commitments, including by automatically opening dispute settlement procedures in cases of non-compliance.
- Close all current environmental loopholes in the Energy Community Treaty, including by increasing the environmental component of the Treaty, possibly through an automatic and systematic update of the Treaty with the energy-related EU environmental acquis. Parties must also implement greenhouse gas emissions reductions targets as most of them are aspiring EU members. This would help to ensure a level playing field between the EU and the Energy Community countries. Due to the threat of carbon leakage or generating cheaper energy through lower environmental standards and disregarding external costs in Energy Community countries, it is crucial to pay as much attention to the environmental elements of the Treaty as the more strictly energy-related ones.
- To increase the credibility of a revised Treaty and engage more effectively its instruments, the involvement of all stakeholders is imperative. A democratic, transparent and more participatory Energy Community would rely on more openness of the functioning of its various decision-making bodies, including by allowing non-voting participants/observers from civil society to be present on meetings.

2 How to strengthen the Energy Community

Back in 2010, Notre Europe's paper "Towards a European Energy Community: A Policy Proposal" referred to the Energy Community as follows: it "is innovative in its institutional approach and works well in achieving the main goals that have been set for it e.g. that is extending internal market norms to partner countries. However, when dealing with external matters, its goals and as a result, the instruments available to it are modest. It is unlikely that it can function as an effective mechanism when it comes to facing large suppliers, or that it can avoid that its members are exposed to divide and rule tactics."

What is needed for the Energy Community to be strong enough to face strategic challenges?

The strategic challenges implied here seem to refer to the 'security of supply' paradigm and the perceived need to address this problem by diversifying suppliers and supply routes, especially for gas. However, the Energy Community needs to look beyond this short-medium term goal and work towards long-term solutions to this issue through energy efficiency and decarbonisation, which make maximum use of sustainable domestic energy resources.

3 Development of an internal energy market in wider Europe

One of the objectives of the Energy Community is the development of an internal energy market in wider Europe, i.e. encompassing both European Union Member States and Energy Community Contracting Parties.

Has this objective been achieved? How can the Contracting Parties be more effectively integrated in the EU internal energy market? Should the Energy Community have (more comprehensive) common internal market rules and/or an external foreign policy as envisaged by Title IV of the current Treaty?

Integrating the Energy Community countries into the EU energy market should not be seen as automatically positive unless they adhere to equal environmental and social legislation as the EU countries, otherwise there is a threat of carbon leakage occurring.

In addition, some of the Energy Community countries are undertaking projects for electricity export from renewable energy sources. In particular, according to Italy's Renewable Action Plan, it plans to import significant amounts of electricity from the Balkans. This may appear to be a positive development for the region's cash-strapped governments, however in the medium term it is highly risky for the countries concerned. All the countries in the Energy Community have committed to renewable energy targets for 2025 and as they join the EU are likely to have to increase the percentage of renewable energy in their energy mix by 2030. But if they sign away sites with renewables potentials for export in concession contracts lasting for several decades, they risk diminishing the amount of resources available to use for domestic consumption. Also in some cases, sites being chosen for export-oriented electricity projects are naturally valuable but not sufficiently protected by law and should not be used for major construction projects.

Until a level playing field is created, ways need to be found to incorporate external costs into the price of the energy imported into the EU. The EU cannot afford to have newly acceding members holding up progress towards the new 2030 climate goals or watering down future policy making, yet energy infrastructure planned and constructed now will mostly still be in operation when the countries accede. It is therefore of concern that several of the generation projects planned are coal or lignite-fired, which threaten to lock countries in to this type of production for decades to come.

4 Two main shortcomings

The Commission's report on the Energy Community identified two main shortcomings: (1) lack of implementation (gap between legal commitments and implementation in practice); (2) little impact on investments. Both may be two sides of the same coin.

How can the Energy Community solve these two shortcomings in a realistic way? Will this task be possible without addressing systemic failures, e.g. corruption, rule of law, political governance, etc. not directly linked to the energy policy / decision making? What would you advise to address effectively those shortcomings?

In the Energy Community countries failure to implement legislation and lack of investment are linked with dysfunctional governance and structural flaws in decision-making, as well as an abundance of corruption, and these urgently need to be addressed.

It is difficult to imagine that the implementation gap in the Energy Community can be closed without addressing these wider issues yet attempts to do so cannot be delayed. The Energy Community secretariat needs to be given more capacity to monitor implementation of the acquis and penalties for non-compliance and more capacity for training staff from the Parties.

On investments, those countries in the region which have energy strategies at all have mostly based them on unrealistic growth figures with insufficient attention to energy efficiency and savings potential, and on a few large-scale prestige projects rather than a move towards decentralisation of electricity production. The Energy Community could set a good example for its Contracting Parties to develop energy strategies that take into account also 2050 decarbonisation goals and are properly publicly consulted by doing the same with its own Regional Energy Strategy next time it is updated. It may also help governments directly with their energy strategies and to tone down governments' expectations about becoming energy exporters. It is often said that it is up to the Contracting Parties to decide on their energy mix, but at the same time they have committed to renewables targets and need to put decarbonisation into focus when doing energy planning.

For certain investments in the Western Balkans, there is quite a lot of interest in investing but unfortunately these are mostly either lignite power plants and there are cases such as Pljevlja II in Montenegro and Kostolac B3 in Serbia where no regular tender procedures are being carried out, or Ugljevik III where a quasi-tender only confirmed that the company which initiated the investment would be chosen. In order to address wider corruption issues, clear commitments need to be undertaken in the extended Energy Community Treaty in the area of corruption, public participation and the rule of law, which can then be subject to the same dispute settlement procedure as the energy and environment acquis within the Energy Community. Our proposals for the precise Directives are:

- **The Public Procurement Directive 2004/18/EC** – to ensure that public tenders take place in the construction of energy infrastructure
- **Article 108 (ex-Article 88) of the TFEU on the notification of State Aid** – to be adapted make the existing commitments under the Energy Community more functional.

5 Balance between liberalisation and public services

How can a sensible balance between liberalisation on the one hand and public services on the other hand be drawn or recalibrated?

Liberalisation is the means to an end: public services. If it at some point does not serve this goal, public services must be a priority over liberalisation itself. In order to prevent possible negative social impacts from liberalisation, much more needs to be done on energy efficiency measures and implementing social safety nets in the region, and these must be prioritised.

6 Defining the real added value of the Energy Community

What is the real added value of the Energy Community compared with other initiatives and programmes? What has this organisation to offer to present and future potential Contracting Parties, compared with the key motivations at the origin of this organisation? Which lessons could be learned for and from the Energy Community?

The Energy Community's added is that it sets a legislative framework in the Contracting Parties that contributes, along with the EU accession process, to addressing the environmental and social impacts of the energy sector. An example of the Energy Community's added value is the adoption of renewable energy targets. The adoption of Chapter III of the Industrial Emissions Directive also represents a very positive move by the Energy Community, and we hope that in the future Chapter II and the requirement for Best Available Techniques will also be included in the Treaty.

The extent of the Energy Community's added value varies. Looking from an environmental perspective, it has more value added for the countries which are further from EU accession, as they would not have otherwise made these commitments. However this potential has not yet been fully realised.

One example would be the insufficiently ambitious energy efficiency targets so far, although we note that the Energy Community is aiming to adopt the Energy Efficiency Directive 2012/27/EU in late 2014 and very much support this development. Another topic where the Energy Community's value added has not been fully realised is in the lack of GHG emission reduction targets will make it harder and harder for them to catch up with the EU countries later, as well as the lacking governance legislation mentioned above (public procurement and non-functional state aid provisions).

7 Investment promotion

Some progress was made over the past months on "investment promotion", through the elaboration of the Regional Strategy and selection of Projects of Energy Community Interest. The Energy Community Secretariat has moreover become an important actor on public investments, by coordinating requests from Contracting Parties and contributing to the assessment of projects in the context of the Western Balkans Investment Framework.

Is that only regional or also EU interest to strengthen energy infrastructure from and to the EU?

Some EU Member States' interest is evident in new renewables projects and large-scale energy efficiency projects, as well as in projects which promote the import of electricity from the Energy Community countries. However, as discussed above, grid initiatives which facilitate imports of electricity to the EU from Contracting Parties (with less strict environmental/climate standards) may in the long run may cause more harm than good to the EU's climate commitments as the Contracting Parties gradually become members of the EU but find it difficult to further develop their renewable energy potential because it is already signed up in contracts for export.

Infrastructure given the PECEI label must be compatible with existing EU climate and renewables targets as well as targets which can be reasonably expected during the coming years leading to almost complete decarbonisation by 2050. Based on this, the PECEI projects could expect to receive backing from EU public financing institutions such as the EBRD and EIB.

How could the Energy Community promote best investments, especially from private sources?

A pro-active active stance from the Energy Community is needed on helping countries with their energy strategies, bearing in mind long-term EU goals, in order to ensure that those investments which are encouraged are the right ones which will help lead to

decarbonisation and the sustainable use of renewable resources. One way to do this is to coordinate technical assistance/grants from EU governments and the EBRD to make sure the studies are conducted professionally and to increase public participation in their preparation.

It is not enough to encourage investments per se, as unsuitable projects often materialise from such an approach. The projects put forward within the Energy Community need to make a credible contribution towards the achievement of the Treaty's long-term goals. Private investors can be attracted to such initiatives when given a clean track record of application of environmental, planning and procurement processes in the Contracting Parties. Insisting on the highest standards of transparency throughout projects eg. tender processes would also help to stop delays related to suspicions of irregularities and would give investors a clear time-frame for return on investments.

Efficient investments can only result from thorough and transparent planning processes in which a wide range of stakeholders has been included to ensure widespread buy-in. Many of the investments now being planned in the Western Balkans at the moment are lignite power plants or renewable energy for export, which have not been planned with an adequate amount of planning or transparency, and these are not from our point of view the kinds of investment which the region needs. Examples include Pljevlja II in Montenegro and Kostolac B3 in Serbia where no proper tenders are being undertaken.

Another way in which investments need to be forward-looking is in terms of compliance with environmental legislation. Through the Energy Community, all of the Western Balkans countries have committed themselves to ensure that by 2018 all new power plants will be in line Chapter 3 of the Industrial Emissions Directive. This means that any plant built now needs to comply already. However the plants planned in Bosnia and Herzegovina, Montenegro and Serbia look unlikely to be in compliance, threatening to add massive extra costs for retrofits in a few years' time. The Energy Community also needs to have increased monitoring and enforcement capacity to ensure that countries' investments do not infringe the EU acquis or risk making regrettable investments in the medium-long term.

Should/could there be specific Energy Community Fund(s) financed from public money?

The Energy Community has a tendency to concentrate on projects of regional importance, which in our opinion means that such large projects tend to overshadow smaller and 'smarter' investments such as energy efficiency projects or small-scale renewables. Also, although energy efficiency investments are not sufficient at present, there do seem to be a number of funds available, so it may be better to consolidate the existing funds than make new ones.

What kind of advantages should be granted to the Projects of Energy Community Interest?

Unless the concept of the PECIs is significantly altered, we do not find it justified to grant specific advantages to such projects. Prioritisation of regional projects over smaller ones focuses on expensive and environmentally damaging supply side solutions while ignoring demand side solutions, especially residential energy efficiency.

What indicators can be used to measure success in this area? How can the incentives be conditioned upon/linked to implementation of the acquis?

- Incentives should be based on compliance with the Energy Community acquis obligations, and the Aarhus implementation Directive 2003/35/EC on public participation must be a pre-condition for incentives. ie. If a country is non-compliant in a certain area – including the environmental acquis - its projects should not be supported. Similarly, countries must have a good quality energy strategy if their energy project plans are to be seen as credible.
- The Energy Community would not lend its support to any new generation projects unless the host country is on track to meet its energy efficiency and climate targets.
- A decrease in absolute CO2 emissions from the energy sector and a decrease in energy intensity should also be an indicator. It will most likely not be possible to measure what exactly the Energy Community did to achieve the indicators as opposed to other actors in the region, but this is to be expected, and the main thing is the overall result.
- In the PECIs selection of the PECIs, contribution to renewables was an indicator – this is welcome but attention must be paid to environmental sustainability.
- Another indicator to be taken into account can be the health impact of a proposed project, both on a local and on a more integrated regional level. This is particularly relevant in countries where studies already show the damaging health impacts of coal fired energy generation (Kosovo, for example) and where projects should provide additionality in this respect. Health costs – which can be extremely significant and may change the whole economic picture of a project – must be included in the cost-benefit analysis and/or the analysis of change in socio-economic welfare.

II. INSTITUTIONAL SCOPE

8 The Energy Community's Institutional Setup

The Energy Community's institutional setup is made up of the Ministerial Council, the Permanent High Level Group, the Regulatory Board, the Fora (for electricity, gas, oil and social issues) and the Secretariat. Only the latter has staff and is the only "permanent" institution and main actor in this process, which creates some imbalance among institutions.

Is this institutional setup well adapted to the Energy Community's needs?

The institutional set-up is something that can best be judged by success in the Treaty's implementation. It is widely agreed that many obligations have so far not been well-implemented, and one of the reasons for this is the lack of monitoring and enforcement capacity of the Secretariat, especially in the environment and social fields. Having one environment specialist and one person covering both oil and social issues cannot bring the desired results and additional staff need to be recruited.

In addition there is a lack of ownership over the Energy Community among the societies in the region, and one way to start addressing this would be to allow civil society representatives from the environmental, social and industrial sectors to be present as non-voting participants or observers in the Energy Community's meetings.

If so, what is needed to make the other Energy Community institutions have real weight in the region?

Our answers to this have mostly been covered in other questions: a) to more proactively ensure that the Treaty obligations are operationalised by increasing the Secretariat's capacity to provide training and research and to include the Participant countries more in such activities and b) to increase the Secretariat's capacity to monitor and enforce obligations undertaken in the Treaty, if necessary through strengthening sanctions for non-compliance.

Should the institutions of the Energy Community receive stronger powers to address the shortcomings identified in the previous point?

One possibility is to make EU IPA funds as well as IFI financing conditional on meeting the Energy Community obligations.

We are also aware of proposals to set up a kind of Energy Community Court. If this goes ahead, it should be independent from the Contracting Parties to avoid politicisation; should have the last say in decisions rather than being subject to other Energy Community bodies and should treat the environmental acquis with equal seriousness as the energy one.

If not, how would an ideal institutional setup look like?

No comment.

9 Support of the Secretariat's experts

The support of the Secretariat's experts is highly appreciated by the Contracting Parties. Its staff members travel throughout the region and enjoy some moral authority derived from their high level of expertise and from the investigation powers granted to the Secretariat by the Treaty, as developed in the Ministerial Council Decision on the dispute settlement procedure.

How can we reach a balance between this proactive activity of the Secretariat and reaching the necessary ownership of the process by the Contracting Parties (how to build the necessary capacity and knowledge)?

The Secretariat's efforts so far have provided a positive first step, and its capacity for offering internships and fellowships should be increased. As mentioned above, Participant governments could also be more included to lighten the load on the Secretariat.

10 Integration of the Energy Community institutions into that of the EU

The EU Council conclusions on strengthening the external dimension of the EU energy policy (3127th Transport, Telecommunications and Energy Council meeting) called upon "continuing the analysis of the functioning of the Energy Community Treaty as well as establishing an operational roadmap allowing the accelerated modernization of energy sectors in Energy Community contracting parties, further enhancement of the Energy Community integration with the EU as well as adapting the decision-making and organizational structures of the Energy Community to future challenges".

Concerning in particular the "EU integration", to what extent can and/or should the Energy Community institutions be integrated in the EU institutions and bodies active on energy, e.g. ACER, ENTSO-E and ENTSOG?

No comment

III. LEGAL SCOPE

11 Limitations of the enforcement mechanisms

The limitations of the enforcement mechanisms have been highlighted, and they are essential to improve the compliance with the Energy Community acquis. The Energy Community Treaty provides a dispute settlement mechanism whereby the final decision corresponds to a political body, the Ministerial Council. In case of a "serious and persistent breach", the Ministerial Council might decide on the "suspension of certain rights" under the Treaty, as the strongest sanction.

How could the enforcement mechanisms be improved and made more effective?

- By strengthening the Secretariat's capacity for monitoring and implementation
- Linking the fulfilling of the obligations deriving from Energy Community Treaty with the accession process
- Strengthening the consequences of noncompliance by introducing financial penalties, for example withholding of IPA funds and IFI loans.

Would the establishment of a Court of Justice be possible / advisable, possibly following the example of the EFTA Court?

As mentioned above, if this idea goes ahead, it should be independent from the Contracting Parties to avoid politicisation; should have the last say in decisions rather than being subject to other Energy Community bodies and should treat the environmental acquis with equal seriousness as the energy one. An alternative, and probably more cost-effective option, would be to make EU IPA funds as well as IFI financing conditional on meeting the Energy Community obligations.

If so, what should be the extent of its competences? Should it be limited to dispute settlement cases only or should its competence be extended to direct actions against binding decisions taken by the institutions of the Treaty or even to provide preliminary rulings on the interpretation of the Energy Community rules?

If a court is founded, it should primarily ensure that Contracting Parties and the Energy Community bodies act in accordance with the Treaty and with the Energy Community acquis, but may also have a role in settling questions of interpretation of the acquis.

How could the rights of individuals (private persons and companies) be better protected, in line with the European Convention on Human Rights?

The Energy Community must take human rights as a horizontal basis for action, along with democracy. Thus it must be clear in the Treaty that Contracting Parties cannot be afforded privileges such as EU financial support or having projects prioritised unless human rights and democracy are respected.

12 Limited scope of environmental acquis

The limited scope of environmental acquis under the Treaty is being regularly criticized by NGO's as falling behind the standards of the European Union.

What can be done to address this question? Should, and if yes which, additional acquis be incorporated into the Treaty?

The environmental acquis needs to be expanded as laid out below in order to create a more level playing field between the Energy Community Contracting Parties and the EU countries. We note that **Directive 2012/27/EU on Energy Efficiency** is already under consideration by the Energy Community Contracting Parties and encourage its adoption at the 2014 Ministerial Council.

In addition the **2030 climate targets** currently under consideration on the EU level must be incorporated into the Energy Community Treaty in order to ensure that the countries of the Energy Community are not left even further behind in the transformation to an energy-efficient, renewables-based society. Reference also needs to be made in the Treaty to the EU's 2050 long-term climate goals in order to raise awareness of the Contracting Parties that they need to develop their energy sectors in line with a decarbonisation trajectory.

Chapter II of Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions

While the Energy Community's adoption of Chapter III of the IED is very welcome, we believe that Chapter II is also a very necessary addition, as it replaces the IPPC Directive, whose importance is already recognized by the Treaty, and stipulates the use of best available techniques (BAT) which are the most effective techniques to achieve a high level of environmental protection, taking into account the costs and benefits. BAT is crucial because it gives details on more substances than the basic emissions safeguards in Chapter III and helps to close the 'thermal efficiency loophole' – in other words, if an installation meets the emissions limits but has a low efficiency, ultimately more emissions have to be created in order to achieve the same amount of electricity output, so it is crucial that efficiency levels are regulated to be as high as possible. This is an important issue as several plants with low thermal efficiency levels are currently planned in the Energy Community countries.

Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe

Air pollution is a deadly problem in the Energy Community countries, and much of the pollution comes from the energy sector. Residents of places like Pristina, Tuzla and Pljevlja are losing years of their lives due to this pollution. While the emissions limits in the Industrial Emissions Directives are an important step forward to addressing this issue, it is also overall air quality that counts in the impact on people's health, and it is therefore crucial to have not only legislation on emissions but on air quality itself. The Directive also stipulates common methods for assessing air quality and ensuring that information on ambient air quality is made available to the public, both of which are essential preconditions to ensuring that the situation is improved.

Directive 2008/105/EC of the European Parliament and of the Council of 16 December 2008 on environmental quality standards in the field of water policy, amending and subsequently repealing Council Directives 82/176/EEC, 83/513/EEC, 84/156/EEC, 84/491/EEC, 86/280/EEC and amending Directive 2000/60/EC of the European Parliament and of the Council

The energy sector has serious impacts on water bodies, especially the coal and oil sectors. In the coal sector, intakes for cooling water, thermal impacts of discharged water, and direct pollution of water from waste containing heavy metals and radioactive material are all important, as well as pollution from open-cast mining of high-sulphur coal. The Environmental Quality Standards Directive would provide clear public benefits by assisting in reducing such pollution.

Directive 2006/21/EC of the European Parliament and of the Council of 15 March 2006 on the management of waste from extractive industries and amending Directive 2004/35/EC

This Directive is clearly relevant to mining related to the energy sector in the Energy Community countries and would help to ensure that mining waste is better managed and to limit its risks to public health and the environment. The Directive also ensures public participation in the permitting process for mining waste facilities, thus improving the quality of the process.

Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy

The energy sector uses water for various purposes – generation in hydropower but also extraction, cooling and processing in the coal sector, and also impacts it in many ways as mentioned above. As water pollution or other changes to water due to energy sector activities are more diffuse than for example emissions from stacks, legislation such as the Water Framework Directive is needed within the Energy Community Treaty to ensure that this aspect is not neglected in the Contracting Parties' energy sectors.

Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora

Energy investments, particularly in the hydropower or wind sector, can have a serious impact on natural habitats, flora and fauna, when not appropriately sited. So far, the Energy Community Contracting Parties have not adequately protected many of their valuable natural habitats, thus threatening to encourage them to 'build first, protect later' – by which time of course it will be too late for many species. Therefore a strengthening of the Energy Community acquis is needed in order to ensure that energy installations are not built at the expense of the natural value of the region.

IV. GEOGRAPHICAL SCOPE**13 Membership of the Energy Community**

The membership of the Energy Community has evolved over time. Three original Contracting Parties (Bulgaria, Croatia and Romania) have already joined the EU. Ukraine and Moldova joined the Energy Community and Georgia is in the process to become a member. What would be the optimal geographical scope for this organization? Shall / can we put borders on it?

The Energy Community currently contains countries ranging from EU candidates to countries which have weak or distant aspirations to join the bloc. This creates difficulties in ensuring sufficient incentives to implement obligations and take on new ones. Until implementation among current Parties is developing more smoothly, it seems inadvisable to expand it.

14 Gap between adopting EU rules and creating open and well-functioning energy markets

The Energy Community, as an international organization, is becoming more visible than ever and its Secretariat is gaining prestige and professionalism. The Energy Community keeps adopting EU rules and the number of events increases every year, but the main objective of creating open and well-functioning electricity and gas markets has not been achieved.

Is the Energy Community progressing too quickly with the adoption of new legislation and accepting new members? Do national markets need more time to absorb reforms?

While we have expressed concern above about accepting new members, above, while implementation of current legislation is at an early stage, with better enforcement and political will enhanced by broader citizen participation and support, we believe that a wider range of legislation could be adopted. Given the widespread distrust of politicians in the region, it is essential to build the Energy Community's profile as an organisation which brings clear improvements to people's lives in terms of a clean environment and efficient use of energy rather than being seen as an outside force which merely imposes market rules.

Do we need more flexibility when adapting EU rules to the specific situation of Contracting Parties? Should genuine Energy Community framework rules be developed on sensitive issues (price regulation, RES support schemes)?

Rules which will bring clear environmental and social benefits such as pollution legislation should not be treated flexibly. However for other issues such as price regulation that are extremely sensitive and whose impacts are mixed, any discussion should be based on quality in-depth studies and a frank and open debate between interested parties.

Can the Energy Community be made more flexible to allow for a membership "light" for countries without immediate EU accession perspective? Would a "two-speed Energy Community" be appropriate? Would such a variable geometry – possibly based on a "multiple-ring-structure" be feasible at all? What kind of consequences should that entail for institutions and law on substance?

Having countries with only distant or even no aspirations of EU membership does raise questions in terms of motivation and incentives to comply with EU legislation. However, if the main point of the Energy Community is to enable a common energy market, then common rules must be followed, irrespective of EU accession timeframes. Failure to do so creates an unfair situation where on one hand electricity companies from the Energy Community countries can profit from lower environmental standards than EU countries and thus gain a market advantage. At the same time people and the environment in those countries pay a high price with their health and the loss of biodiversity.