

PRESS RELEASE

Skopje, 5 February 2010

EU Twinning Project "Institutional Strengthening of the Energy Regulatory Commission" Has Started

The Twinning project "Institutional Strengthening of the Energy Regulatory Commission," a joint project between Energie-Control GmbH (E-Control), the Austrian energy regulatory authority, the Agency for European Integration and Economic Development (AEI) and the Energy Regulatory Commission (ERC) has started with its implementation phase. On 3 February experts from E-Control and ERC conducted the first meeting to kick off the project. The project's objectives are to facilitate the institutional strengthening of the ERC, to provide support in the process of liberalisation and development of the national energy market, and in doing so, to contribute to the further integration of the ERC into the Energy Community of Southeast Europe (ECSEE).

In conjunction with further Twinning partners, namely the Energy Exchange Austria (EXAA), TÜV Austria, the Austrian standardisation agency, and AGEN-RS, the Slovenian energy regulatory authority, the project will draw on E-Control's vast know-how and experience with the liberalisation of the Austrian energy market to make the country ready for EU integration and implementation of the energy acquis. The project is funded by the European Union. The overall budget is EUR 600,000.

"We are pleased that we have been awarded this important project by the European Union. Together with our partners, we will offer our know-how to the ERC during the next 16 months to contribute to the further development of their tasks and business processes," says Walter Boltz, Managing Director of E-Control. "This is an important project for us in many respects: it contributes to the institutional strengthening of the Energy Regulatory Commission and helps increase stability in the country's energy sector; this will in turn impact positively on security of supply in the EU," adds Austrian Foreign Minister Michael Spindelegger.

"We very much welcome Austria as a strong partner in this project. It means one more step toward the European Union for us and greater efficiency of the energy market in the country," said Dimitar Petrov, President of the ERC.

The Twinning project, which will be completed within a 16-month period, will cover four components: license compliance monitoring; market monitoring; quality management, and cooperation with stakeholders.

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Delegation of The European Union In Skopje M.H. Jasmin 52v 1000 Skopje Tel: + 389 2 3248 500 Fax: + 389 2 3248 501 A project implemented By AEI

Heiligenstadter Lande 29 1190 Vienna Tel: + 43 1 7149403 Fax: +43 1 7149405 The European Commission is the EU's executive body.

The European Union is made up of 27 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a period of enlargement of 50 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples beyond its borders.



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Expected key results are as follows:

- Introduction of an effective license compliance monitoring system applied for the generation of
 electricity and heat; the transmission of electricity and natural gas; the distribution of electricity,
 heat and natural gas; the supply, trade and cross-border transmission (import, export, transit) of
 electricity, and adequate training on the compliance monitoring system; Establishment of market
 monitoring mechanisms that ensure non-discrimination, effective competition and the efficient
 functioning of the market;
- Review and implementation of quality management procedures, addressing inter alia internal communication procedures, archiving and document management procedures, as well as internal rules to reduce the risk of corrupt behaviour; and
- Cooperation with relevant stakeholders, enhancing the stakeholder network and improving the cooperation between the ERC and relevant bodies at the national, regional and European level.

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Notes:

Twinning is an initiative of the European Commission, established 11 years ago to prepare for EU enlargement. It is an instrument for targeted institutional cooperation that aims to help candidate countries strengthen their administrative and judicial capacity for the implementation of the acquis communautaire.

Twinning projects deliver important advances in institution building. Austrian institutions have participated actively in Twinning from the start, and have already implemented 222 projects in 26 different countries.

Every EU Member State (MS) designates a National Contact Point (NCP) for Twinning projects who serves as a pivot for all communication between the European Commission and the MS and acts as a contact point for other NCPs. Austria considers the EU external aid programmes in general and Twinning in particular to be very important external relations tools. The Austrian NCP is therefore part of the Austrian Foreign Ministry.





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E-Control is the Austrian regulatory authority for the electricity and gas markets. It was set up by the legislator on the basis of the new Austrian Energy Liberalisation Act and took up work on 1 March 2001. E-Control GmbH is headed by Mr. Walter Boltz as the Managing Director and is entrusted with monitoring, supporting and, if necessary, regulating the liberalisation of the Austrian electricity and natural gas markets.

AEI, the Agency for European Integration and Economic Development, has been working as a non-profit networking and incentive platform for Twinning projects since 2003. Among its members, the AEI counts several Austrian federal ministries and other federal organisations; together with its expert database, where over one thousand experts from all relevant sectors are registered, and the rapidly growing number of successfully completed projects in 19 countries, AEI has become one of the leading institutions for Twinning projects in Austria.

ERC, the Energy Regulatory Commission, is an independent authority as far as the operations and decision-making processes are concerned, and functions within the scope of the competencies stipulated in the Energy Law (Official Gazette, No. 63/06, 36/07 and 106/08). In accordance with the Energy Law, the Energy Regulatory Commission acts as a legal entity. The first members of the Energy Regulatory Commission were appointed on 23rd of July 2003, whereas the Energy Regulatory Commission became operational as of 01.01.2004. The Energy Regulatory Commission is authorized to regulate the energy activites related to electricity, natural gas, oil and oil derivates, thermal energy and geothermal energy. The Energy Regulatory Commission monitors the functioning of the energy market and proposes measures for its promotion, for the purpose of ensuring non-discrimination, efficient competition and efficient functioning of the market; ensures promotion of the energy users' rights; enacts regulated energy activities; adopts decisions on prices of certain types of energy, in compliance with the price setting methodologies and tariff systems for relevant types of energy, and prices of services in relation to the performing of the different energy activities; issues, amends and withdraws licenses, as well as monitors the compliance of the licensees for performing certain activities within the energy sector.

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