Energy Community Treaty: conclusion

2005/0178(AVC) - 29/05/2006 - Final act

PURPOSE : to conclude the Energy Community Treaty.

LEGISLATIVE ACT : Council Decision 2006/500/EC on the conclusion by the European Community of the Energy Community Treaty.

CONTENT : the Council adopted a decision approving the Energy Community Treaty aimed at creating an integrated market in natural gas and electricity in South-East Europe. The treaty was signed by the EU and nine countries of South-East Europe - Albania, Bulgaria, Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, Montenegro, Romania, Serbia and the United Nations Interim Administration Mission on behalf of Kosovo – in Athens on 25 October 2005.

More specifically, the Treaty will create a stable regulatory and market framework capable of attracting investment in gas networks, power generation and transmission networks, so that all Parties have access to the stable and continuous gas and electricity supply that is essential for economic development and social stability.

It enables a regulatory framework to be set up, permitting the efficient operation of energy markets in the region, including issues such as congestion management, cross-border flows, power exchanges and others. It therefore aims at promoting high levels of gas and electricity supply to all citizens based on public service obligations, and achieving economic and social progress and a high level of employment.

In special circumstances such as the event of disruption of network energy, security of supply needs to be ensured in the Energy Community. The mutual assistance mechanism of the Energy Community Treaty can help to mitigate the consequences of the disruption, in particular in the territories of the Contracting Parties within the meaning of that Treaty.

It should also be noted that the Energy Community Treaty enables interested adjoining States such as Moldova to become observers to the Energy Community.

In 2009, the Commission shall submit to the European Parliament and to the Council a report on the experiences gained from the implementation of this Decision, accompanied, if appropriate, by a proposal for further measures.

Lastly, this Treaty is concluded for a period of 10 years from the date of entry into force. The Ministerial Council, acting by unanimity, may decide to extend its duration. If no such decision is taken, the Treaty may continue to apply between those Parties who voted in favour of extension, provided that their number amounted to at least two thirds of the Parties to the Energy Community.

ENTRY INTO FORCE : this Treaty shall enter into force on the first day of the month following the date on which the European Community and six Contracting Parties have notified the completion of the procedures necessary for this purpose.