# Electric Power sector within the framework of Eurasian integration



#### **OUTCOMES**



19 November an agreement was signed "On ensuring access to the services of natural monopolies including the basis for pricing and tariff policy in the area of electric power"

7 April Calendar plan was approved for the development of documents to implement the Agreement

22 August documents for the implementation of the

Agreement were approved, in December terms of reference were approved for the development of the concept of a common electric power-market of the CES.....

Main principles were adopted for the development of the concept for the formation of a single Electric power sector (Instruction of the Council No 13 dated November 2013)

2012

2011

2013 2014



#### On May 28 2014 the EAEU Agreement was signed

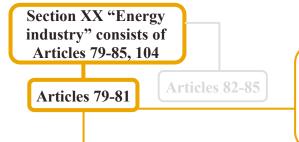
On May 8 2015 a decision by SEAEC approved the Concept for the formation of the common power market of EAEU

On December 26 2016 a decision by SEAEC approved the Program for the formation of the common power market of EAEU



# SECTION XX "ENERGY INDUSTRY" TO THE DRAFT TREATY ON THE EURASIAN ECONOMIC UNION (1)





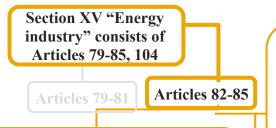
**Articles 79-80** regulate the relations in the area of fuel and energy supplies including the development of balance projections.

### Article 81 "Formation of a common electric power market"

- 1. The Member States shall gradually establish a common electric power market based on parallel electric power systems, taking into account the transitional provisions of paragraphs 2 and 3 of Article 104 of this Treaty.
- 2. The Member States shall develop the concept and programme for the establishment of the common electric power market of the Union to be approved by the Supreme Council.
- 3. The Member States shall conclude an international treaty within the Union on the establishment of the common electric power market based on the provisions of the approved concept and programme for the establishment of the common electric power market of the Union.

## SECTION XX "ENERGY INDUSTRY" TO THE DRAFT TREATY ON THE EURASIAN ECONOMIC UNION (2)





Articles 83-84 regulate relations in ensuring a c c e s s t o g a s transportation systems of the Member States and the formation of c o m m o n o il a n d petroleum product markets of the Member States.

Article 82 "Ensuring Access to Services of Natural Monopoly Entities in the Electric

### Power Sphere"

- 1. Within the existing technical capacities, the Member States shall ensure free access to the services of natural monopoly entities in the electric power sphere, provided the priority use of these services to cover the domestic needs of the Member States for electricity (power) in accordance with the common principles and rules specified in Annex 21 to this Treaty.
- 2. The principles and rules of access to services of natural monopoly entities in the electric power sphere, including fundamental pricing and tariff policy in accordance with Annex 21 to this Treaty, shall be applied to the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation. In case of accession of any new members to the Union, the annex shall be amended accordingly (presently changes are being introduced due to the accession of Armenia and Kyrgyzstan)

### Article 85 "Powers of the Commission in the Energy Sphere"

The Commission in the Energy Sphere monitors the execution of this section.

**Article 104 Transitional Provisions for Section XX** 

Annex 21 "Protocol on Ensuring Access to Services of Natural Monopoly Entities in the Electric Power Sphere, including Fundamental Pricing and



# SECTION XX "ENERGY INDUSTRY" TO THE DRAFT TREATY ON THE EURASIAN ECONOMIC UNION (3)



Section XV "Energy industry" consists of Articles 79-85, 104

#### **Article 104 Transitional provisions**

- Development of the Methodology for the formation of indicative (projected) gas, oil and petroleum product balances.
- 2. In order to create the common electric power market of the Union, the Supreme Council shall approve its concept prior to **July 1, 2015**, and the programme for its creation before **July 1, 2016**, providing a time frame for the implementation of the programme until **July 1, 2018**.
- 3. Upon completion of the programme for the creation of the common electric power market of the Union, the Member States shall conclude an international agreement within the Union on the establishment of the common electric power market of the Union, including the common rules of access to the services of natural monopoly entities in the electric power sector, and shall ensure its entry into force no later than on **July 1, 2019**.
- 4-7/ Issues of gas, oil and petroleum products
- 8. The Protocol on the access to services of natural monopoly entities in the electric power sector, including fundamental pricing and tariff policy

(Annex 21 to this Treaty) shall be valid until the entry into force of the international treaty referred to in paragraph 3 of this Article.