

The Energy Community (EnC) is exposed to the current energy price hikes as the rest of Europe. The report published by the Electricity Working Group of the Energy Community Regulatory Board (ECRB) sheds light on the impacts of the 2021 price surge on the contracting parties' electricity markets and summarizes the measures taken by governments and regulators to protect consumers.

While the price surge has not impacted all contracting parties in the same way, the assessment shows that households and small commercial consumers have largely been sheltered from the impacts due to regulated prices and national electricity production being generally reserved for this part of the market. On the other hand, industrial consumers have been exposed to the currently high energy prices, and are bearing the cost of imports in most cases. This has forced some to temporarily shut down.

ECRB's assessment highlighted the following:

Net importing countries, namely Albania, North Macedonia, Moldova and Kosovo, are most impacted by the high import prices, whereas producers from net exporting countries, namely Bosnia and Herzegovina, reported the highest revenues;

Several countries, namely Albania, North Macedonia and Moldova, declared a state of emergency and decided on direct financial support to state-owned companies or consumers; Transmission and distribution system operators are to some extent impacted, in particular where network losses are procured on the market. This means that the network charges are likely to increase in the next tariff review by regulators.

The report underlines that regulators need to ensure that individual market segments like balancing reflect the scarcity in the market and eliminate any perverse incentives from the regulatory framework.

The report considers an increase of regulated prices for consumers likely, due to the higher wholesale prices (imports). At the same time, it warns that an increase fully reflecting the costs of electricity might bring the tariffs to the edge of affordability. It concludes that relief measures by Governments might be the only instrument to keep the tariffs at an affordable level.