

## REVIEW

### Of the Procedural Act on the Establishment of a Security of Supply Coordination Group

The Energy Community Secretariat presents the current Review as to summarize its analysis of the Procedural Act on the establishment of the Security of Supply Coordination Group, and to propose next steps for improvement of its operational work.

The Security of Supply Coordination Group was established by Procedural Act 2008/02/MC-EnC adopted by the Ministerial Council on 11 December 2008 as a platform where national security of supply measures related to electricity and natural gas should be coordinated at a regional level.

Regardless of the legal framework in place, no meetings of the Group have taken place since 2009. In the absence of any activities as per se, **the main task is to put the forum into operation.**

The PHLG at its 24<sup>th</sup> Meeting on 23 March 2012 concluded:

1. An efficient communication procedure between the Contracting Parties and Secretariat should be established so as to ensure that the data provided to the Secretariat on regular basis and in the emergencies are in line with requirements from the Treaty and Directive 2003/54/EC, Directive 2003/55/EC, Directive 2004/67/EC and Directive 2005/89/EC;
2. The members of the Security of Supply Coordination Group shall be focal points from the Contracting Parties in charge of coordinating the communications with the Secretariat on safeguard measures, in order to ensure compliance with the obligations from the Treaty;
3. With regard to the critical dependence on electricity, gas and oil supply, the Group should have a mandate to address the security of supply in an integrated manner and propose mutually coordinated preventive measures to the PHLG.
4. The Secretariat was invited to present at the next PHLG meeting its assessment on the need to amend the mandate of the Security of Supply Group and to propose procedural rules, concerning its operational functioning and to submit it to the PHLG for discussion.

Furthermore, Article 5 of the Procedural Act envisages a review of the functioning of the cooperation mechanisms after three years.

The Secretariat revisited the 2008/02/MC-EnC Procedural Act and is of opinion that **the existing Procedural act contains all required elements and is adequate to address the main issues discussed at the PHLG meeting**, namely:

- The Procedural Act provides a solid basis on which basic communication among the participants of the Group is possible; the Procedural Rules would be developed in order to enable more efficient communication (especially towards the Secretariat in case of an emergency);
- The composition of the Group is described in detail, the obligations of the Contracting Parties, Participants and Observers are spelt out as well;
- The tasks of the Security of Supply Coordination Group are adequate for the role of such a body. Furthermore, it is stated that “the activities of the Security of Supply Coordination Group may relate to, but are not restricted to, all issues falling within the scope of Directives 2004/67/EC and 2005/89/EC as well as mutual assistance within the meaning of Chapter IV in Title IV of the Treaty and the handling of unilateral safeguard measures in accordance with Article 39 of the Treaty”, which provides the operational flexibility to this body;
- The Procedural Act also allows for ad hoc meetings, as the case may be, in addition to the regular annual meetings;
- The Treaty in Article 46 also allows for conferral of powers to the PHLG to take interim Measures as regards the mutual assistance in the event of disruption. Any future revision of the Procedural Act would focus on whether the conferral of powers to the PHLG would be an adequate manner to react in the event of disruption.

However, the Procedural act did not include **the oil dimension of the security of supply** and should be amended in this respect. At the last Oil Stocks Workshop held in Zagreb on 25/26 April 2012, the Secretariat presented a paper targeting the building up of oil stocks at regional level as part of the security of oil supply. All oil representatives of the Contracting Parties agreed that the considerations towards a regional approach on Energy Community level in relation to building up oil stocks are a sensible approach and underlined the need for further elaboration. A particular focus of attention in this respect was the establishment of a Coordination Group consisting of representatives of the Contracting Parties. The workshop invited the Secretariat and HANDA to elaborate in details on the concept of the Coordination Group of Security of Oil Supply and to present for feedback by mid July 2012, which will provide the possibility to discuss the topic in concrete during the upcoming Oil Forum in November 2012.

Thus, the Secretariat of proposes the following next steps:

1. The Contracting Parties, Participants and Observers are urged **to nominate the members of the Group**, and communicate their contact details to the Energy Community Secretariat immediately. The majority of the Contracting Parties have failed to nominate their members for a substantial period of time.
2. The Secretariat shall draft Procedural Rules for the Group and a Work Programme outlining the main topics to be discussed and timing of activities which shall be distributed to the members of the Group and adopted at the first meeting. These rules shall have the Guidelines on the Security of Supply Statements (as drafted by the Secretariat in 2011) in annex, a template of format for the necessary data on the long-term security of supply time scale, which are supposed to be submitted accord-

ingly, provisions on setting up emergency contact list(s) and principles of providing information to the Energy Community Secretariat in case of an emergency.