

# *Regulation 994/2010 in the Energy Community*

32nd PHLG meeting

Brussels, 19 March 2014

## *Adopting the Regulation - on the EnC agenda*



*The Ministerial Council in October 2011 invited the Secretariat “...[t]o start a preparatory work to facilitate the future implementation of Regulation (EU) 994/2010, such as carrying out the risk assessments and preparing (on the basis of the their results) the Preventive Action and Emergency Plans”*

*The Gas Fora in 2012 and 2013 supported the initiative to adopt the Regulation*

*The Study on the Implementation of the new Regulation (EU) 994/2010 concerning measures to safeguard security of gas supply in the Energy Community finalized in 2013*

*SoS Group – Gas subgroup discussed potential area of adaptation: ECS was mandated to draft a proposal for the Regulation’s adaptation based on the discussion*

## *Rationale for adoption (I): benefits for the Contracting Parties*



*Clearly defines the responsibilities for security of supply at national level and targets the protected customers*

*Sets up the supply and infrastructure standards*

*Obliges the authorities to identify risk scenarios and to effectively mitigate such risks*

*Enables a gas market to respond in the event of an emergency and restricts undue burden on gas undertakings (transparent process)*

*Secures that emergency response will remain in the limits of previously agreed actions*



## *Rationale for adoption (II): benefits for both MSs and CPs*



*Improves transparency of preparation of the emergency and preventive plans*

*Obliges neighbouring countries (CPs,MS) to cooperate in an emergency and in the process of drafting the plans*

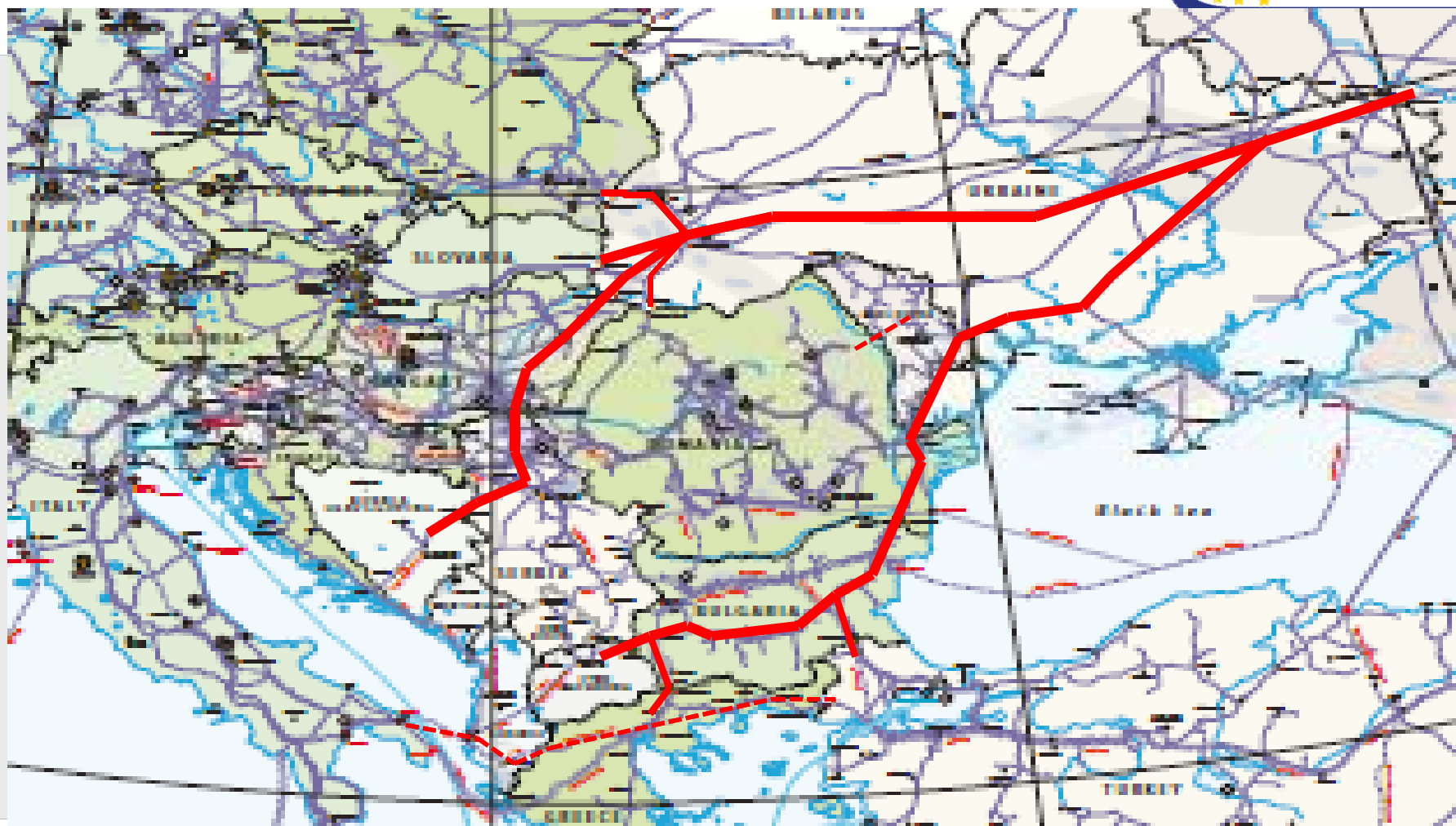
*Consolidates security of supply policy with the adopted Third package and the creation of an (Pan-European) internal gas market*

*Provides for enhanced security of MSs and of the CPs*

*Solidarity principle*

*...Increased security of gas supply in the whole Europe*

## Supply routes in the SEE



# *Main elements of Regulation 994/2010*



*Responsibility for security of supply - Competent Authorities*

*Protected Customers*

*Risk Assessment*

*Emergency Plans/Preventive Action Plans: market-based and non-market based measures*

*Regional Emergency*

*Supply Standard*

*Infrastructure N-1 standard*

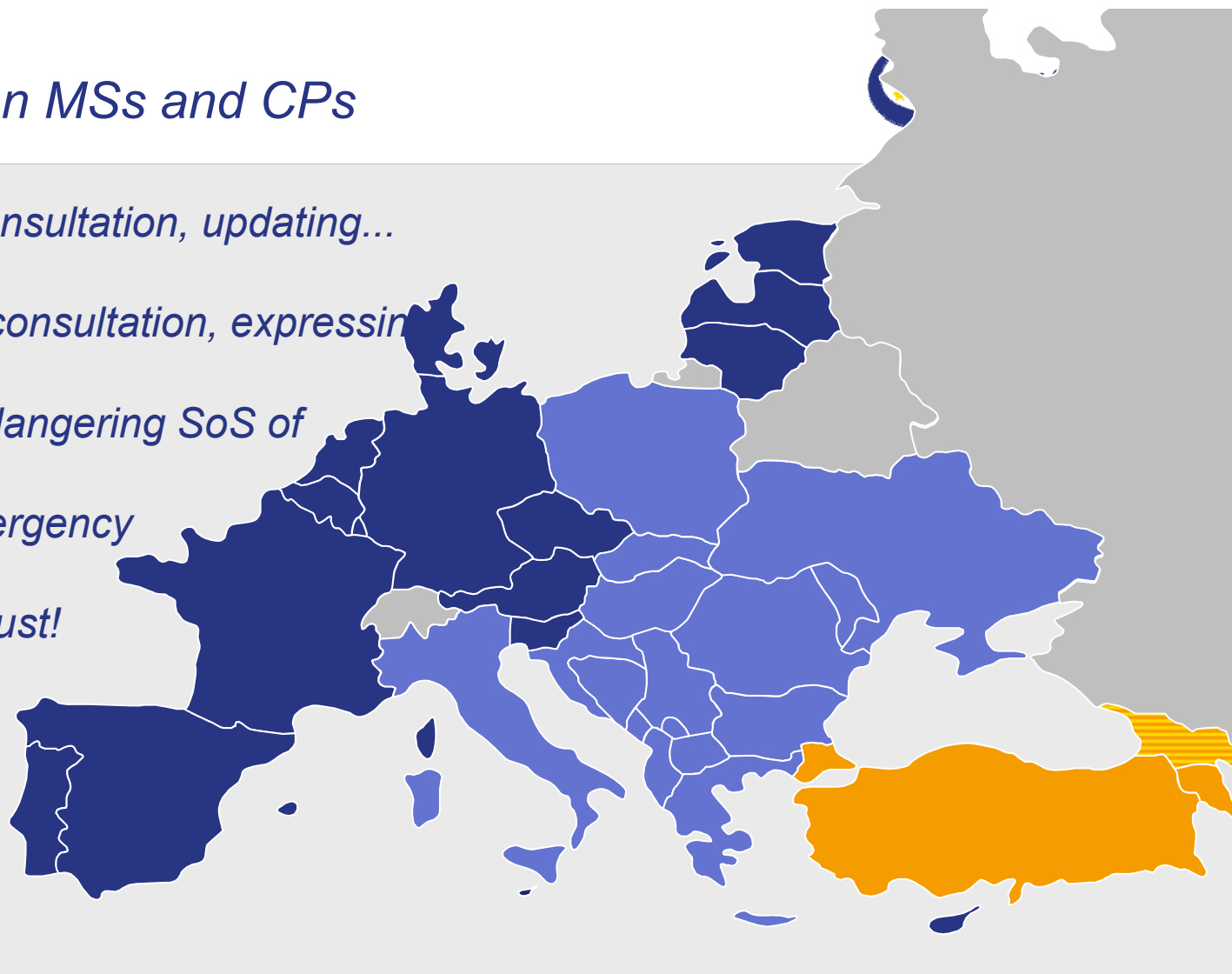
*Reverse flow*

*Gas Coordination Group*

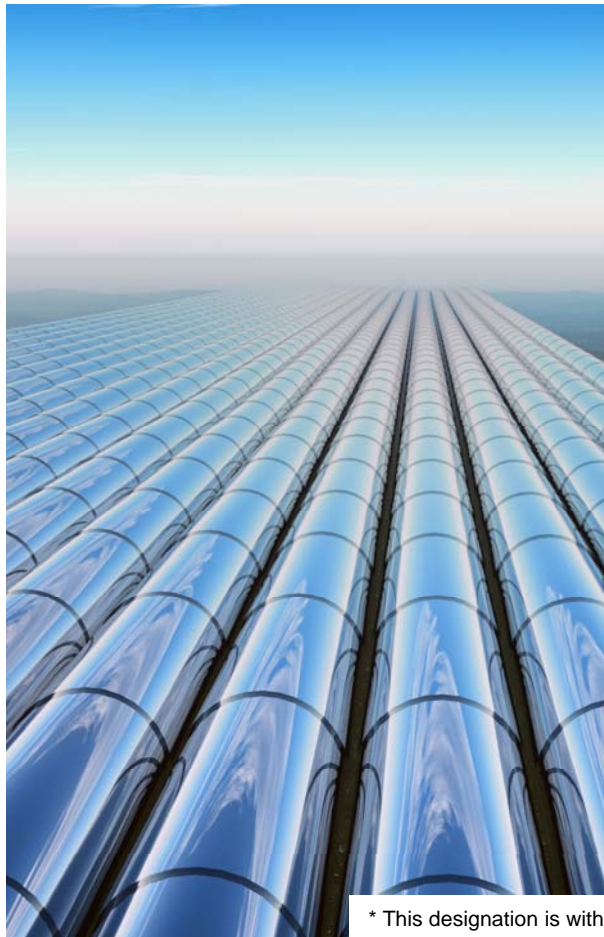
## *Interface between MSs and CPs*

- ✓ *RA, EP, PAP – consultation, updating...*
- ✓ *Joint RA, EP*
- ✓ *Reverse flows – consultation, expressing interest...*
- ✓ *Prevention of endangering SoS of a neighbour's*
- ✓ *Actions in an emergency*

*Cooperation is a must!*



## Areas for adaptation (proposal)



*Regional level; the notion of **neighbours** (neighbouring Member States)*

*Communication of the Emergency Action Plans (MSs-CPs)*

*Preventive Action Plan: **not** mandatory*

***Endeavours** to satisfy Supply Standard*

*Infrastructure standard-Bosnia and Herzegovina and FYR of Macedonia will **endeavour to meet**, subject to conditions*

*Arrangements to secure communications between the EnC SoS Coordination Group and the EU Gas Coordination Group especially in a **regional emergency***

*Overall derogations for Albania, Montenegro and Kosovo\**

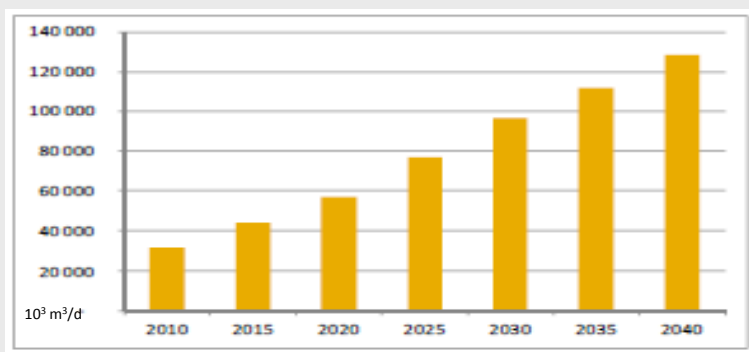
\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.



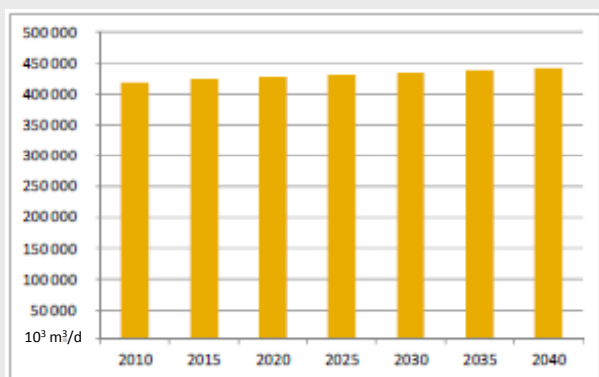
## Supply standard → Peak demand



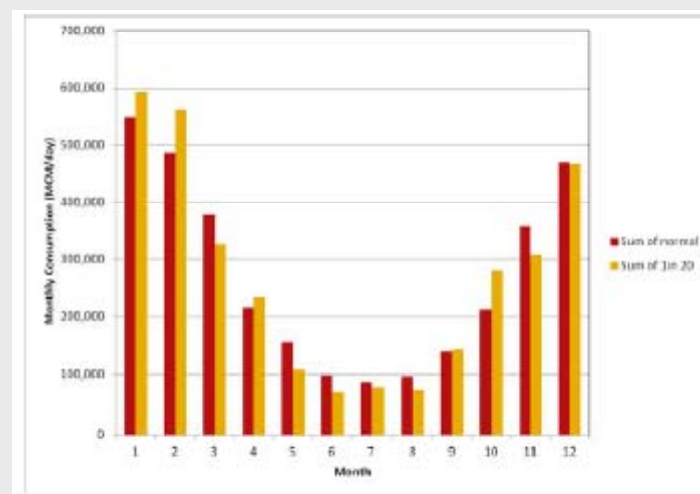
Evolution of average peak daily demand / WB Contracting Parties



Average peak daily demand / Moldova-Ukraine



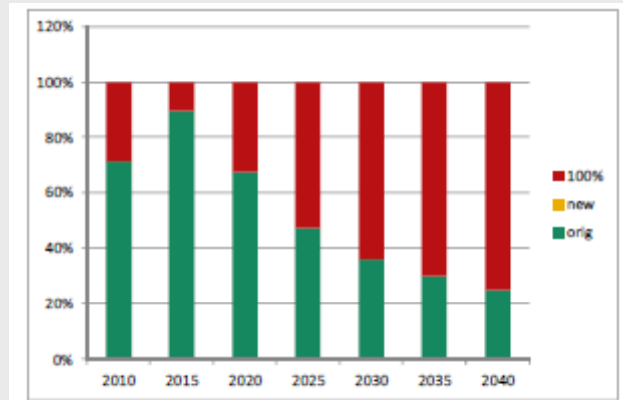
Typical annual demand curve



demand% for the protected customers?

Source: the Energy Community Study on security of gas supply  
[http://www.energy-community.org/portal/page/portal/ENC\\_HOME/AREAS\\_OF\\_WORK/Security\\_of\\_Supply/Study](http://www.energy-community.org/portal/page/portal/ENC_HOME/AREAS_OF_WORK/Security_of_Supply/Study)

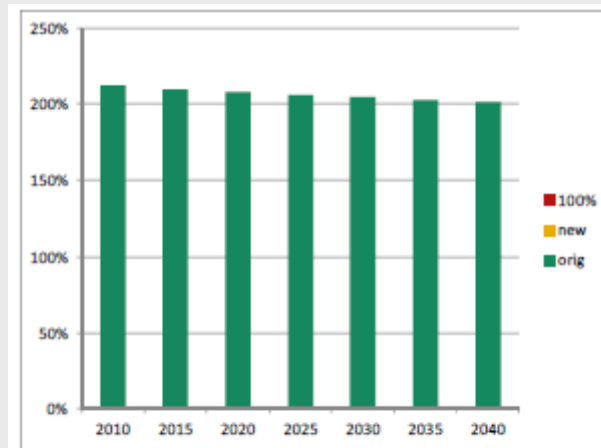
# Infrastructure (N-1) standard



Western Balkans Contracting Parties

Project / Scenario	Capacity [1000 CMD]	2010	N-1 and investment cost [million EUR]						
		2015	2020	2025	2030	2035	2040		
Albania									
Montenegro - Albania (IAP reverse)	13 699		180						
Eagle LNG	28 300		280						
Bosnia and Herzegovina									
Graditka-Banja Luka	3 200		30					N-1 not met	
Stobodnica-B. Brod	3 200		5						
Srbija Beilina	3 200		12						
Licka Jesenica – Trzaco pipeline	2 000		49						
Southern interconnection	4 000		100					N-1 met	
Croatia									
Montenegro - Croatia (IAP)	13 699		340						
Slovenia - Croatia (planned 2nd line via Roatjec)	15 000			120					
LNG Hrvatska phase 2	10 999		370						
Kosovo*									
Serbia - Kosovo*	8 219		110						
FYR of Macedonia - Kosovo*	4 000		86						
Albania - Kosovo* (IAP interconnector)	8 219			200					
FYR of Macedonia									
Extension of Bulgaria - FYR of Macedonia pipeline	400		20						
Greece - FYR of Macedonia	8 219		180						
Serbia - FYR of Macedonia	8 219			160					
Montenegro									
Albania - Montenegro (IAP reverse flow)	13 699		50						
Croatia - Montenegro (IAP reverse flow)	13 699		50						
Serbia									
Bulgaria - Serbia (Dimitrovgrad)	12 329		150						
Croatia - Serbia (Croatia TYNDP and PECl application)	16 438			175					
Banatski Dvor Extension	9 000		37						
Banatski Itbej	10 000			85					
EC South West no South Stream and TAP scenario									
TOTAL	209 697		150	1 899	740				

Moldova & Ukraine



Source: the Energy Community Study on security of gas supply  
[http://www.energy-community.org/portal/page/portal/ENC\\_HOME/AREAS\\_OF\\_WORK/Security\\_of\\_Supply/Study](http://www.energy-community.org/portal/page/portal/ENC_HOME/AREAS_OF_WORK/Security_of_Supply/Study)

## Deadlines adaptation (proposal)



Regulation 994	Deadlines according to the Regulation	Deadlines according to the Decision	Related to
Adoption	20 October 2010	18 September 2014	
Article 2 (1)	3 December 2011	2 November 2015	Protected customers
Article 3 (2)	3 December 2011	2 November 2015	Competent authority
Article 4 (2)	3 June 2012	2 April 2016	Exchange of the draft Plans
Article 4 (5)	3 December 2012	2 November 2016	Adoption and publication of the Plans
Article 6 (1)	3 December 2014	2 November 2018	Infrastructure standard
Article 9 (1)	3 December 2011	2 November 2015	Risk assesment
Article 13( 1)	3 January 2011	1 January 2015	PSOs made public
Article 13( 6)	3 December 2011	2 November 2015	IGAs communicated to ECS
Article 15	3 June 2012	2 May 2016	repeal
Article 17	-	18 September 2015	General implementation deadline



*Thank you  
for your attention!*

[www.energy-community.org](http://www.energy-community.org)