



# Identification of the main elements of the guidance on solidarity

Energy Community Security  
of Supply Coordination  
Group -  
8th meeting GAS sub-group

DG Energy, Security of Supply  
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# Article 12 Solidarity

## Article 12, para 4(a)

*"The Commission shall by 1 December 2017 and after consulting the Gas Coordination Group provide for legally non-binding guidance for the key elements of the **technical, legal** and **financial** arrangements especially on how to apply the elements described in paragraph 3 in practice."*

# I. Principles of solidarity

- A last resort mechanism
- MS' right not to ask for solidarity or reduce or suspend it based on their own needs
- Based as much as possible on market-based options
- No perverse incentives
- Compensation costs paid by the beneficiaries
- Compensation in conformity with the Treaties, the Charter of Fundamental Rights of the European Union and applicable international obligations
- Proportionality in terms of burden and associated costs
- The framework should provide certainty and security to the actors involved
- Transparency in advance about the likely amounts of gas

# II.1. Technical arrangements

- **Operational safety of networks**
  - Technical possibilities and constraints
- **Gas volumes or the methodology for their setting**
  - Solidarity protected customers
  - Critical gas fired power plants, if applicable
  - etc

- **Technical solutions**

*Comments from Gas Coordination Group:*

- *gas quality related solutions*

## II.2. Legal arrangements

- Concerned Member States and identification of third country, if applicable
- Competent authority, contact person to whom the notification requesting solidarity needs to be sent

*Comments from Gas Coordination Group:*

- *Responsibility of Member States, Competent Authorities and gas undertakings*
- *Conditions for requesting solidarity*
- *Obligations, e.g. making sure gas is used by solidarity protected customers*
- *Commitments to pay, clauses*
- *Arbitration proceedings – address 'moral hazard'*

## II.3. Financial arrangements

- Gas prices to be applied and/or methodology used

*Comments from gas Coordination Group:*

- *Auctions for demand-side response, use of balancing platform?*
  - *'security call option' (company2company tool)*
- Categories of costs to be covered by a fair and prompt compensation; compensation elements ; definition of 'fair'
- Calculation method of fair compensation
- Provisions allowing for the calculation of the compensation
- Arrangements for payment

# Discussion paper: Questions

- What other principles should be added?
- Are there any more elements that such arrangements should or could potentially cover?
- Are there any more ideas / examples under each of the points?
- What is the level of detail Commission should provide in the guidance?
- Are there any specificities for the Energy Community?



Thank you for your attention!

