



European
Commission

Update on Regulation 2017/1938

Security of Supply Coordination
Group – 11th meeting GAS Sub
Group

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'New' Gas Security of Supply Regulation (EU) 2017/1938



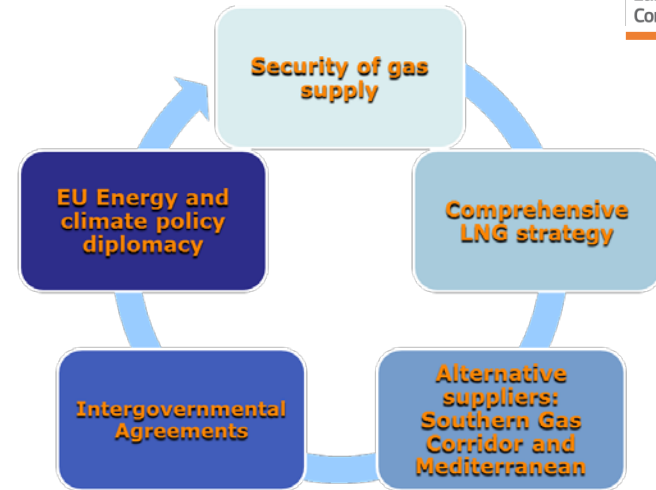
- Energy Union priority

- What is new?

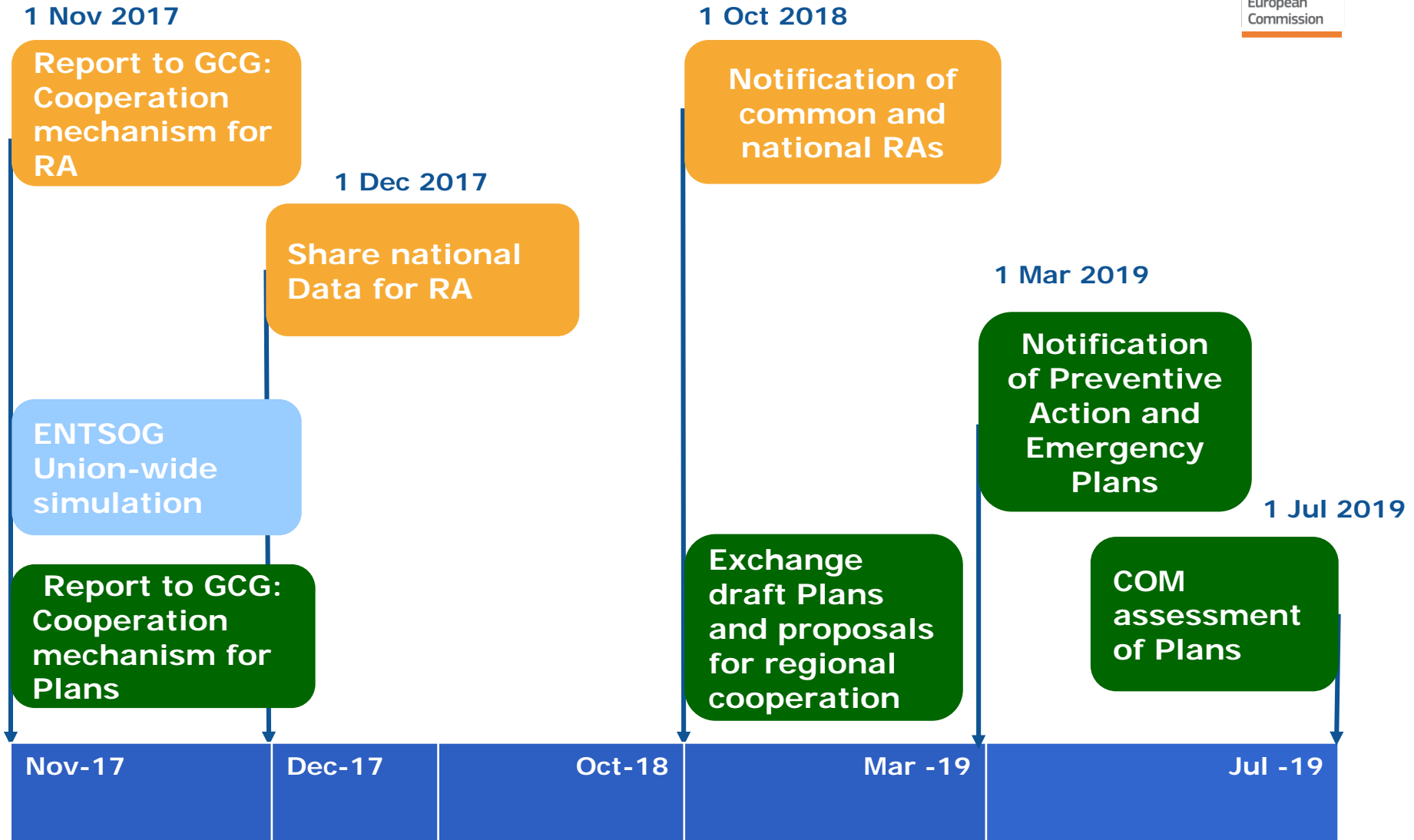
- Shift from national to regional approach

(regional risk groups, cross-border measures, Commission as facilitator, intervening if non-market measures)

- Explicit mechanism for solidarity
- Improved exchange mechanism for contracts
- Closer cooperation with Energy Community
- Corridor approach for reverse flows



Cooperation mechanisms



Cooperation mechanisms



- Coordinator: IT
- Members:
 - AT, BG, HR, CZ, DE, EL, HU,
 - IT, LU, PL, RO, SK, SI
- State of play:
 - Very good leadership
 - On time, regular meetings
 - Simulations of risk scenarios
 - Next, common risk assessment

> Ukraine



Cooperation mechanisms



- Coordinator: PL
- Members:
BE, CZ, EE, DE, LV, LT, LU, NL, PL,
SK
- State of play:
 - On time, physical and virtual meetings
 - Simulations of risk scenarios done
 - First draft of common risk assessment circulated

> Belarus



Cooperation mechanisms



- Coordinator: EL
- Members:
BG, EL, RO
- State of play:
 - Some delay but robust analysis (JRC)
 - Risk assessment and simulations underway
 - Next, common risk assessment
 - Importance for UA RG and EC Contracting Parties

> Trans-Balkan



Solidarity



Status

Notification of protected customers

- very good progress
- only 4 MS outstanding but working on it

Solidarity mechanisms

- in progress, deadline in October
- looking to share good practices
- Commission to propose a mechanism

Note:

categories include *a)* households; *b)* essential services and SMEs; & *c)* district heating

Solidarity

Protected consumers



Some of the encountered difficulties

- 1) Issue with data about the consumption of each category of end users as defined in the Regulation EU 2017/1938 - complicated to precisely identify who protected consumers are
- 2) Lacking information on gas consumption of essential social services - makes it hard to determine if SMEs and essential services exceed threshold of 20%

Notifications outside of emergency



Art. 14(6a)

- Gas undertakings notify to Competent Authorities (CAs) details of long-term gas contracts (LTCs) with a cross-border dimension
- By 31 September, CAs notify anonymised contract details to COM

Art. 14(6b)

- LTCs > 28% signed or modified after 1 November 2017 shall be notified to CAs immediately after conclusion
- By 2 November 2018 all LTCs >28% shall be notified to CAs
- In case of doubts CAs notify LTCs >28% to the COM
- Within three months assessment by CAs sent to COM (Art. 14(8))

Art. 14(10)

- By 2 May 2019, Member States set rules to ensure implementation

Handling sensitive information



Commission is ready to receive gas supply contracts

- Dedicated encrypted drive space
- Using state of the art encryption software
- Access on a need-to-know basis by B4/SoS Unit staff with a valid IT security certificate
- Access only at DG ENER premises
- Flexible notification system to be chosen by CAs (CIRCAB, USB and hard copies)

Exemptions from obligation of bi-directional flows



- Article 5(4) of Regulation (EU) 2017/1938:
"The Commission shall make public the list of exemptions and keep it updated"
- May 2018, draft list of reverse flow exemptions granted under the SoS Regulation consulted with GCG Members
- August 2018, list of exemptions was published

Closer cooperation with the Energy Community



- **Energy Community Contracting Parties (Article 16)**
 - Capacity building and cooperation: to ensure consistency across border of risk assessments and Plans
 - Participate in Gas Coordination Group
 - Amendment of the Energy Community Treaty with a view to implement reciprocal obligations under the Gas SoS Regulation

Thank you