Regulation on Security of Gas Supply

DG ENER

Brussels, 17 February 2016
Enhanced regional cooperation

- **Shift from national to regional approach**
  - Regional risk assessment, preventive action plans and emergency plans
  - Introduction of templates (Annex IV and V)
  - Member States to inform the Gas Coordination Group on the agreed cooperation mechanism
  - Commission as facilitator of the regional cooperation
  - Commission may propose mechanism for regional cooperation if Member States in the region do not come to an agreement
Enhanced regional cooperation (2)

More **effective assessment** of the plans (Article 7)

- Notification of the plans to the Commission upon adoption by all Member States in the region
- Peer review (Procedure in Annex VI)
  - One peer review team per region
  - Geographical balance and involvement of neighboring Member States
- Discussion of the plans (including peer review report) in the Gas Coordination Group
- Commission opinions with recommendations to review the plans
- Possible Commission decision requiring amendments to the plans
Proposal for the regions

- Proposal for the design of the regions based on existing regional groups to the extent possible
  - Geographical proximity
  - Existing and planned interconnections
  - Possibility to pool resources and balance risks for security of supply
  - Market development and maturity
  - Manageable number of Member States in the region
Infrastructure standards

- **N-1 calculation** is maintained but will be accompanied by **hydraulic calculations** and an EU-wide simulations carried out by ENTSOG.
- Obligation to enable **reverse flow** at all interconnection point is maintained.
- Streamlined **procedure** for enabling reverse flow or exemptions from the reverse flow obligation.
  - **Corridor approach** – impact on all Member States affected and Energy Community countries.
  - Involvement of ACER.
  - Revision of existing exemption decisions.
**Solidarity**

- Explicit introduction of solidarity principle in the Regulation (Art.12)

  - Priority of supplies to households, essential social services, and district heating in a Member State A under emergency over consumers other than those in a (directly connected) Member State B – application from 1 March 2019

  - Need for Competent Authorities to make necessary arrangements so that gas not supplied to other customers can be supplied to Member States in the emergency

  - Need for technical and administrative arrangements between the Member States shall be agreed before hand

  - If Member States fail to agree, the Commission may propose a mechanism
Improved risk assessment and risk prevention

- **Enhanced access to contractual information** irrespective of declaration of emergency – staged approach
  
  - Automatic notification of contractual information (no longer only in aggregate form, limited increase in scope)
  
  - Empowerment of Competent Authorities to request additional information from gas undertakings outside an emergency in duly justified circumstances
  
  - Automatic ex-post notification of gas supply contracts relevant for SoS (duration exceeding 1 year and covering more than 40% of annual gas consumption in the MS concerned)

- Obligation to assess **all relevant risks** (listed in the template, including control of SoS relevant infrastructures by third country entities) and address them by effective, proportionate and non-discriminatory measures
Energy Community I

RECIPROCAL OBLIGATIONS

- Extension of the application of the regulation to the Contracting Parties of the Energy Community (Article 15)

  ✓ Risk assessment, preventive action plans, emergency plans
  ✓ Enabling reverse flows
  ✓ Commitment not to take measures that negatively impact security of supply of the neighbours
  ✓ Participation in solidarity
  ✓ Participation in the Gas Coordination Group on certain issues
Energy Community II

SWITCH-ON

• Joint Act of the Ministerial Council of the Energy Community introducing reciprocal obligations on the side of Contracting Parties in the relations with the Member States

• Contracting Parties of the Energy Community implement the Joint Act including a request for the application of the provisions

• Energy Community Secretariat notifies the implementation and a request to the Commission to confirm the applicability of reciprocal obligations

• Commission confirms the reciprocal character of the obligations by a decision
Next steps for Energy Community

✓ **17 March: Gas Coordination Group of the EU**
  - Presentation of the proposal by the Commission

✓ **22 June: PHLG**
  - Information from the Commission and discussion in view of the future Joint Act

✓ **14 October: Ministerial Council**
  - Information from the Commission and discussion in view of the future Joint Act

✓ **After adoption of the EU Regulation: proposal of the Commission/EU on the Joint Act**
Thank you for your attention!