

Security of Supply Statement

update

Energy Community Secretariat

- ONE OF THE MAIN GOALS OF THE ENERGY COMMUNITY
 - article 2, para 1(c) “(...) enhance the security of supply of the single regulatory space by providing a stable investment climate (...)” and
 - article 3 (c) “(...) the coordination of mutual assistance in case of serious disturbance to the energy networks or external disruptions (...)”
- **FORMALLY** – OBLIGATION TO UPDATE THE SECURITY OF SUPPLY STATEMENTS
- **THE STATEMENTS** – TO BRING IN LINE REPORTING REQUIREMENTS OF THE TREATY / ACQUIS AND THE RELEVANT LEGISLATION
- **SUBSTANTIAL ROLE**
 - TO PROVIDE TRANSPARENCY IN THE PLANNING PROCESS
 - TO EXPLOIT REGIONAL ADVANTAGES FOR SECURITY OF SUPPLY

Article 29 of the Treaty calls the Contracting Parties to adopt **Security of Supply (SoS) Statements** starting one year after the entry into force of the Treaty.

- The Statements shall be communicated to Secretariat and updated every **two years**.
- SoS statement should **cover at least**:
 - diversity of supply
 - technological security
 - geographical origin of the imported fuels
- **Secretariat** provides guidelines and assistance

- In the Treaty

electricity sector and **gas sector** are considered as network energy (falling within the scope of EU Directives 2003/54/EC and 2003/55/EC respectively)

- Decision 2008/03 of the Energy Community Ministerial Council

extended this definition to the **oil sector**, implicitly introducing obligation for the Contracting Parties to include oil within SoS statements

- Article 4 of the Directive 2003/54/EC
 - requires monitoring and reporting on Security of Supply in the electricity market
- Article 7 of the Directive 2005/89/EC
 - refers to the reporting requirements on security of supply in the electricity sector also addressing adequacy of the system to cover projected demand for specified time horizons
- Reporting obligation
 - for the electricity sector it is fixed by the Acquis on the same 2 year time frame as it is in the Treaty

- **Electricity sector** – legal framework, authorities, market structure, operators and market players, authorization requirements and procedures, investment incentives and exemptions, security rules
- **Supply conditions** – electricity consumption and peak demand pattern, indigenous capacity structure, fuel mix and generation potentials, import of primary fuels and energy, trading patterns, demand balance, curtailments, energy intensity, customer protection rules, demand forecast information
- **Generation planning** – planned commissioning and refurbishments, new capacity structure, planned dependency on imports and supply pattern, planned functions in the electricity market, forthcoming generation projects and foreseeable sources of financing
- **Transmission planning** – available network capacity, operational security, access conditions, allocation and congestion management, forecasted capacity demand, investment intentions in transmission, sustainable development aspects

- Article 5 of the Directive 2003/55/EC
 - requires monitoring and reporting on Security of Supply in the gas market
- Article 5 of the Directive 2004/67/EC
 - refers to the reporting requirements on security of supply in the gas sector stipulated in Article 5 of the Directive 2003/55/EC with additional demands
- Reporting obligation
 - These articles impose to the Contracting Parties obligation to communicate a report on security of supply for the gas sector on annual basis.

- The SoS part related to gas should have detailed inputs as provided with the guidelines
- The emphasis should be to numbers/tables/graphs and on present status and future projections
- Reference should be made to TSOs/SSOs projections where available
- Regulator shall should report on any progress in major infrastructure projects and in particular important interconnection projects

- [Directive 2006/67/EC](#) of 24 July 2006 as part of the MC Decision 2008/03
- In parallel, the new [Council Directive 2009/119/EC](#) of 14 September 2009 was adopted
- Article 1 of this Directive lays down rules aimed at ensuring a high level of security of oil supply in the Community through reliable and transparent mechanisms
- [Reporting](#) obligation:
 - **Monthly:** Emergency stocks (Article 12); Specific stocks (Article 13); Commercial stocks (Article 14)
 - **Annual:** Copy of register incl. location, owner and nature of stocks (Article 6)
 - Report on measures taken to ensure stock availability
 - MS with less than 30 days of specific stocks (Article 9)

- Diversity of the crude oil/petroleum products supply
- Technological security of oil system, quality and maintenance of oil and petroleum products networks
- Oil infrastructure data
- Refinery upgrade programme and investments
- Increase of oil efficiency
- Geographical origin of imported energy products as defined in Section 4 of Annex B to Regulation (EC) No 1099/2008
- Import export capabilities of crude oil and petroleum products through pipelines, road tankers, rail and ship/ports
- Bio-fuels should be possible to be taken into account both when calculating the stockholding obligation and when calculating the stocks held

- The SoS Statements need to be updated along the indicated structure and submitted to the Secretariat by the end of July 2011
- Moldova and Ukraine are invited to submit their first Statements in the timeframe outlined in their respective Accession Protocols
- Starting with 2011, the Security of Supply Statement for the gas sector shall be submitted annually. Statements for the electricity and oil sectors shall be submitted every two years.
- It is expected the Statement to be approved by the Government of the Contracting Party before submission.
- The Security of supply statements will add value to regional strategy goals
- ...and assist in identifying shortfalls of the existing infrastructure or related issues and allow formulating the regional priority projects.