



ANNUAL REPORT

Storage Report

2025

Report on the implementation of Regulation
(EU) 1032/2022 – Storage Regulation

Reporting released:
20 May 2025

Report by the Energy Community Secretariat
on the Implementation of Regulation (EU) 2022/1032
(the Storage Regulation)

1. Background

The Energy Community adapted and adopted Regulation (EU) 2017/1938 on 30 November 2021. The adopted Regulation corresponds mainly to the original EU Regulation, except for the provisions related to the regional dimension and solidarity.

As a response to the uncertain security of supply situation in the wake of Russia's war of aggression against Ukraine, the EU adopted Regulation (EU) 2022/1032 (the Storage Regulation). The main objectives are to impose obligatory national storage targets and certification of storage system operators.

Within three months of its adoption in the EU, the Energy Community also incorporated the adapted Storage Regulation¹, which entered into force on 1 October 2022. It requires the Contracting Parties to ensure that their undergoing storage is filled up to at least 90% on 1 November 2023 and in subsequent years.

For countries with significant underground storage capacity, the Storage Regulation reduces the obligation to fill their underground gas storage facilities to 35% of their average annual gas consumption over the preceding five years. In the Energy Community, Ukraine is subject to such a reduction.

Beyond the filling targets, the adapted Storage Regulation obligates the Contracting Parties to ensure that storage system operators located on their territories are certified, in line with a binding opinion issued by the Energy Community Secretariat.

The implementation of the Storage Regulation contributed to stabilisation of the market conditions. The European Commission proposed extending the Storage Regulation by two more

¹ Incorporated and adapted by the Ministerial Council Decision 2022/01/MC-EnC adapting and implementing Regulation (EU) 2022/1032 of the European Parliament and of the Council amending Regulation (EU) 2017/1938 as adapted and adopted in the Energy Community by Ministerial Council Decision 2021/15/MC-EnC, and Regulation (EC) No 715/2009 as adapted and adopted by Ministerial Council Decision 2011/02/MC-EnC, with regard to gas storage.

years to ensure the continued security of energy supply across Europe. These amendments are accordingly under discussion in the Energy Community.

2. Legal basis and the context of the annual report

Article 17a of Regulation (EU) 2017/1938, as adapted and adopted for the Energy Community, states that the Energy Community Secretariat shall submit by 1 June 2023 and annually thereafter to the Ministerial Council, a report containing:

- an overview of the measures taken by the Contracting Parties to fulfil the storage obligations;
- an overview of the time needed for the certification procedure, set out in Article 3a of Regulation (EC) No 715/2009 as adapted and adopted by the Ministerial Council Decision 2011/02/MC-EnC;
- an overview of the measures requested by the Energy Community Secretariat to ensure compliance with the filling trajectories and the filling targets;
- an analysis of the potential effects of this Regulation on gas prices and potential gas savings concerning Article 6b(4).

3. Storage capacities in the Energy Community Contracting Parties

In the Energy Community, only two Contracting Parties have storage capacities: Ukraine and Serbia.

In Ukraine, *Ukrtransgaz* currently operates 10 underground storage facilities. All gas storage facilities are located in the territory controlled by Ukraine, except for two smaller storage facilities (0.82bcm) situated in the territory illegally occupied by the Russian Federation and not operated by *Ukrtransgaz*. *Ukrtransgaz* is wholly owned by *Naftogaz*, a state-owned vertically integrated undertaking. Ukraine's storage operation framework is well-developed based on the Third Energy Package. Ukraine is subject to a reduced storage obligation (35% of the average annual demand for the past five years) because of its vast capacities compared to its yearly demand.²

² Similar to Latvia in the EU

The storage capacity operated by *Ukrtransgaz* can satisfy more than Ukraine's annual demand for natural gas. The average demand in the last five years has always been at or below the total storage capacity (estimated at an average of 24 bcm for 2020-2024). The withdrawal rates of the Ukrainian storages are large enough to cover the total demand on a typical cold winter day.

Serbia's only storage capacity, *Banatski Dvor Ltd*, is 450 mcm in working volume capacity. UGS *Banatski Dvor* is majority-owned by *Gazprom Export* (51%), while *Srbijagas* (a 100% Serbian state-owned company) holds 49% shares. The existing legal and regulatory framework for storage in the Republic of Serbia is not applied to UGS *Banatski Dvor*.

The other Contracting Parties with existing gas markets (Moldova, North Macedonia, Bosnia and Herzegovina) do not have storage facilities in their territories. Nevertheless, like the EU Member States, which do not have storage facilities, they must comply with the storage obligations.

Bosnia and Herzegovina, Moldova, North Macedonia, Serbia, and Ukraine are referred to in this report as the Contracting Parties concerned. Albania, Kosovo*, and Montenegro are currently without gas markets and hence not concerned. Georgia is exempted from the obligations under the Storage Regulation until it is interconnected with another Party to the Energy Community Treaty; it envisages exploring the possibilities of developing gas storage capacity in the coming years.

Ukraine adopted a Law on the Certification of Gas Storage Operators in December 2022 to transpose the Storage Regulation relevant to certification. The legislation partially transposed the provisions on Storage filling obligations.

Moldova drafted amendments to the Gas Law to upgrade its storage-related provisions, enlarging the scope to ensure the supplies to the Left Bank as well. Moldova thus followed up on the Letter of Intent signed with the European Commission in February 2025, to secure safe winter seasons. It is expected that the amendments will be adopted in summer 2025. In addition, Moldova adopted the Preventive and Emergency Plans aligned with the Secretariat's Opinion.

North Macedonia transposed the Security of Supply and Storage Regulations in May 2025.

Complete transposition of the Storage Regulation is still pending with the other Contracting Parties concerned.

4. Overview of measures taken by Contracting Parties to fulfil the storage obligations

All Contracting Parties concerned are required to implement measures to meet the filling targets.

While market-based measures should be implemented by default, other measures, such as regulatory or financial incentives, are also possible. The Regulation lists a non-exhaustive inventory of such measures. The Secretariat has been in permanent communication with the Contracting Parties concerned, regarding the fulfilment of the Storage Regulation obligations. The SoS Group was regularly convened in the reporting period and the members exchanged the relevant information. Ukraine regularly notifies the Secretariat about the fulfilment of trajectory targets monthly.

Most measures reported in the previous Reports have remained unchanged. Demand reduction and the overall situation on the gas market contributed to better market conditions during the 2024 injection season.

- In *Ukraine*, the Government imposed obligations on the state-owned companies (in practice, to *Naftogaz*) to fill storage up to 13,2 bcm before the heating season. Ukraine also ensured the booked capacities were effectively used using a use-it-or-lose-it mechanism. The storage tariffs have been stable and unchanged, the storage code offers various capacity products, and the unique custom warehouse regime has proved attractive. However, all those factors were insufficient to overcome two issues that were not working towards filling the storage by foreign traders: insufficient summer–winter gas price spread and intensified attacks on transmission and storage infrastructure, which continued over the entire year. Production facilities were also attacked, decreasing the gas production notably until reparations were not done, which, combined with cold months in 2025, resulted in record-low levels in the UGS at the end of the heating season. However, supply for all domestic customers has been ensured through the entire reporting period.
- In *Serbia*, *Srbijagas* is responsible for taking care of stocks in Serbia's working volume share of the *Banatski Dvor* underground storage facility and stocks in the Hungarian storages. The cooperation with Hungary is based on a signed memorandum of understanding regarding the continuation of the partnership with Hungary. No formal government decisions or market-related measures are in place.
- In *Moldova*, as per the existing legislation, *JCS Energocom* (state-owned company which acts as Designated Entity), using a financial product offered by EBRD, provides natural gas stocks, which includes *i*) security stocks and *ii*) commercial stocks, which combined should amount to at least the volume of gas covering 15% of the average annual gas consumption of final consumers on the Right Bank.

Moldova's security stocks are intended to ensure emergency gas supply in case of disruptions and may only be used following a decision of the Government. The required volume is at least 10 days of average daily winter consumption, i.e., approximately. 47-50 mcm. A mix of sources could cover the costs of the Designated Entity - the state budget, external financial assistance, or loans. In practice, retail gas suppliers provide mandatory financial contributions, allocated proportionally to their market share and recover their costs per the regulated methodology.

On the other hand, commercial stock volume is calculated by subtracting the amount already held as security stocks from the total required. The volume equivalent to 15% of the Right Bank's annual gas consumption amounts to approx. 150 mcm of gas. Commercialization follows a regulated process - gas is sold to retail suppliers in 3 sessions at a price approved by the national regulatory authority, ANRE, under EFET-based contracts. Unclaimed volumes are reallocated for further sessions or sold on the open market at a price with a regulated minimum value. Any excess profits must be reinvested in future storage or used to offset potential financial compensation/losses. If a deficit remains, the Government may grant financial support based on ANRE's calculations.

Although the Secretariat prepared a draft of the Burden-Sharing Agreement template in 2022, Moldova has not reached a formal agreement with Ukraine or Romania, and the template has not been operationalized.

The efforts and measures implemented by Ukraine and Serbia exceeded the binding 90% filling target on 1 November 2024.

5. Overview of the time needed for the certification procedure

Under the Storage Regulation, Contracting Parties must ensure that each storage system operator is certified by a national regulatory authority or other designated authority (certifying authority). The emphasis of the certification of storage facilities or storage system operators is on assessing whether any elements could negatively affect the incentives and the ability of storage operators to fill the gas storage facility.

The Storage Regulation requests that the certifying authority issues a draft certification decision in respect of storage system operators operating facilities with a capacity of over 3,5 TWh where, regardless of the number of storage system operators, total storage facilities were filled on 31 March 2021 and on 31 March 2022 at a level which, on average, was less than 30%

of their maximum capacity by 27 February 2023 or within 150 working days of the date of receipt of notification. No such cases existed in the Energy Community Contracting Parties.

In respect of all other storage system operators, the certifying authority shall issue a draft certification decision by 31 March 2024 or within 18 months of the date of receipt of a notification. The amended Gas Regulation requires the Secretariat to deliver a *binding* opinion on the draft certification decision to the certifying authority within 25 working days of such notification. The certifying authority shall comply with the Energy Community Secretariat's opinion henceforth by issuing the final certification decision within 25 working days.

Ukraine certified its storage system operator, *Ukrtransgaz*, in line with the Storage Regulation. *Ukrtransgaz* submitted to NEURC a request for certification of *Ukrtransgaz* on 27 January 2023. NEURC's preliminary decision was notified to the Secretariat on 3 March 2023. The Secretariat issued a binding opinion on 31 March 2023, with which the NEURC complied and adopted a final certification decision on 7 April 2023.

Serbia has not yet initiated the certification of its storage system operator, *Banatski Dvor Ltd*. To assist Serbia in this process, the Secretariat developed draft amendments to the national energy law and shared them with the Serbian competent authority, the Ministry of Energy. The amendments would empower the national regulatory authority to certify the storage operator. The certification was due by 31 March 2024. At the moment, Serbia has undertaken no activities to remedy this incompliance.

6. Compliance with the Storage filling objectives

The Storage Regulation requires Contracting Parties to achieve the mandatory filling targets on 1 November and maintain determined filling levels throughout the year. Moreover, the Regulation requires Contracting Parties to keep the filling targets following filling trajectories. For the two Contracting Parties with underground gas storage on their territories, Serbia and Ukraine, the Secretariat adopted a Decision on 6 November 2024³ which set intermediate gas storage filling targets for 2025.

The Regulation obliges Serbia and Ukraine to meet the following targets to reach the 90% gas storage target by 1 November of that year, reducing the target for Ukraine to 35% of last five

³ [https:// Energy Community Secretariat Decision 01/2024](https://energy-community.org/secretariat/decisions/01/2024) [Energy Community Decisions - Energy Community Homepage](https://energy-community.org/secretariat/decisions/01/2024)

years' average consumption, as defined by the Storage Regulation for the countries having UGS capacities exceeding the annual consumption. The targets for Ukraine have been calculated, including the long-term stored gas.

The Energy Community filling trajectory with intermediate targets for 2024:

Contracting Party	February 1 st Intermediate target	May 1 st Intermediate target	July 1 st Intermediate target	September 1 st Intermediate target
Serbia	23%	30%	62%	93%
Ukraine* ⁵	74%	41%	61%	80%

The Energy Community filling trajectory with intermediate targets for 2025:

Contracting Party	February 1 st Intermediate target	May 1 st Intermediate target	July 1 st Intermediate target	September 1 st Intermediate target
Serbia	23%	30%	62%	80%
Ukraine* ⁴	60%	32%	55%	77%

The Energy Community Security of Supply Coordination Group discussed and endorsed the adoption of the filling trajectories and intermediary targets for 2025. The trajectory itself is determined on multiple factors, including data submitted by the Contracting Parties, the average filling rate during the preceding five years, a thorough assessment of the general security of the gas supply situation, and an analysis of the evolving gas demand and supply dynamics within the Energy Community and individual Contracting Parties.

This report covers the interval from 1 June 2024 to 1 June 2025. Both Contracting Parties with storage facilities complied with the intermediary targets in 2024 and the 1 November 2024 target.

Ukraine surpassed the filling trajectory targets in 2024 by 25% to 5% respectively (1 July, 1 September, 1 November). The intermediate targets in 2025 were under the minimum filing levels, deviating by 7% on 1 February and 13% on 1 May. The deviation surpassed the minimum allowed 5%. Considering the actions which remained out of Ukraine's control, such as attacks

⁴ For the Contracting Parties falling under Article 6a(2), the pro rata intermediate target shall be calculated by multiplying the value indicated in the table by the limit of 35 % and by dividing the result by 90 %.

on the energy infrastructure, the Secretariat inquired about the measures taken as required by Article 6a (10) of Regulation 2017/1938 to bring the storage levels to the needed levels. The Group acted similarly. The competent authority reacted by ensuring that additional gas imports are stored and the funds for these imports are allocated. Warmer weather in March and the end of the heating season at the beginning of April helped to stop further decrease from the minimum deviation, and the filling levels are on an upward trajectory as of 17 April 2025. However, the level of storage reached a historical minimum.

The cessation of Russian gas transit on 1 January 2025 did not impact the supply or the gas system's operation.

Serbia's intermediary targets in *Banatski Dvor* were above the targets, standing at 58% on 1 February and 1 May 2025.

In Moldova, the government set security stocks at 47.1 mcm. The government decision decreased the level of commercial stocks from 102.4 mcm to 50.0 mcm in October 2024. However, the market participants licensed in Moldova maintained storage levels higher than the administrative targets, which would have fallen below the obligatory target. As of 1 November, according to the Ministry of Energy, *Energocom* held 95,6 mcm of natural gas *under* security and commercial stocks. In parallel, the supplier under the public service obligations, *Moldovagaz*, reported holding 448,15 mcm of gas in November, procuring for the entire 2024–2025 heating season (65,5% of the needs).

The gas stocks established by Moldova's market operators in the winter season of 2024/25 ensured that supplies to the final consumers, without disruptions and/or supply incidents. Thanks to these reserves, the security of supply for consumers on the Right Bank has improved significantly, especially when compared to Left Banks consumers, who were left without gas (and thus without heat and with limited electricity supply) for over 40 days at the beginning of 2025 due to a supply cut by Gazprom.

7. Analysis of the potential effects on gas prices

The Secretariat recalls the European Commission's Report on the implementation of the EU Storage Regulation⁵, which acknowledges that the very high storage filling observed since late

⁵https://energy.ec.europa.eu/publications/report-solidarity-and-certain-aspects-concerning-gas-and-storage-based-regulation-eu-20171938_en

autumn 2022 has been an important element in easing the market tension and driving gas prices down. However, during late autumn 2024 and early 2025, the report notes that in a context of a tight market and higher demand due to colder weather, the European gas market started to experience a negative summer-winter spread.

The Energy Community has not transposed Regulation (EU) 2022/1369⁶ on coordinated demand-reduction measures for gas. Yet most of the Contracting Parties implemented some reduction or efficiency measures. Current and future gas demand reduction measures are expected to facilitate storage injections and fulfill the gas storage target.

8. Conclusion

In 2024, all storage targets were met and surpassed. On 1 November 2024, Ukraine and Serbia surpassed the binding 90% target.

Compliance with the storage targets enabled the Contracting Parties to be better prepared for the winter seasons, which is especially true of Moldova for the 2024/25 season.

Whilst Serbia complies with the binding target and delivers on the intermediary targets, the transparency and overall regulatory framework of the operation, maintenance, and development of *Banatski Dvor* are unsatisfactory. Serbia has not yet certified that its UGS keeps violating the Storage Regulation.

While the Contracting Parties with storage complied with the targets for the third year in the row, transposition of the missing elements of the Storage Regulation in their national laws is still pending.

The Contracting Parties without storage should follow Moldova's example and implement the storage obligations in line with the Storage Regulation to store at least 15% of their national demand in neighbouring countries. The Secretariat commends Moldova's effort to make its storage target framework more market-friendly.

All Contracting Parties should use the template for the burden-sharing mechanism developed by the Secretariat, which can be used among them and with the EU Member States.

⁶ Council Regulation (EU) 2022/1369 of 5 August 2022 on coordinated demand-reduction measures for gas

Ukraine made significant efforts in 2024 to improve the market environment for the business storage case. Last year, low summer winter spreads in the European market did not support bigger injections during the summer, and the Ukrainian storage filling level on 1 November, whilst still in compliance with the target, was lower than usual and by more than 4bcm less than on 1 November 2023. Ukraine entered the last winter season without additional stored gas, despite the apparent risks in summer 2024, when the foreign traders' injections did not materialize.

Naftogaz did not procure gas until very recently in April 2025, and *Ukrtransgaz*, as a storage system operator, purchased some quantities on the market for the buffer gas.

The attack on the infrastructure during the winter exacerbated the seriousness of the security of supply situation. Although Ukraine passed through the winter without interruptions in customer supply, the storage levels were unprecedentedly low, as the risks were high.

However, *Ukrtransgaz* proved to be a reliable and prudent operator. Its role in the Ukrainian energy system should be reassessed from the perspective of gaining more independence and interacting with the transmission system operator.

Given the potential extension of the Storage Regulation, it should be considered, from the security of supply and energy system transition grounds, to increase and value the role of Ukraine's vast storage capacities for Ukraine and the EU.

The Secretariat invites the Contracting Parties to use more market-based measures to the most significant extent possible, such as tendering the capacities to market participants, having a mechanism in place for when the total capacity subscribed is below the minimum filling level, for example, pre-agreed terms with market participants for the complementary volume; ensuring that the capacities booked are effectively used by applying a 'use it or lose it' mechanism or imposing penalties for non-compliance.