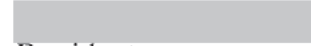


EUROPEAN COMMISSION
 DIRECTORATE-GENERAL FOR ENERGY

Director-General

Brussels,
 ENER/B2/BS/cs/S(2014) 2442927


 President
 GIE
 Avenue de Cortenbergh, 100
 B – 1000 Brussels
 Email: gie@gie.eu

Dear President,

At the June European Council, the Heads of State and Government welcomed the Commission's European Energy Security Strategy and supported the immediate implementation of a set of most urgent measures to strengthen Europe's resilience and increase its energy security in the short term, before the winter of 2014/2015.

The European Council agreed in particular that the assessments of the risk of short-term supply disruptions should serve as a basis for further measures to address this risk primarily in the most vulnerable Member States. With this letter, I inform you about the status and purpose of such an exercise and kindly invite you to cooperate with the Commission.

In order to carry out these assessments of short-term supply disruption risks ("energy security stress tests"), we have invited Member States as well as Energy Community Contracting Parties and candidates to produce specific country reports by the end of August 2014 analysing the impacts of and the measures to respond to a series of disruption scenarios of gas supplies to the EU, namely:

- Disruption of the Ukrainian route to the EU during a period of 1 month (1.2.2015 - 28.2.2015).
- Disruption of the Ukrainian route to the EU during a six month period (1.9.2014 - 28.2.2015)
- Disruption of all Russian supplies to the EU during a period of 1 month (1.2.2015 - 28.2.2015)
- Disruption of all Russian supplies to the EU during a six month period (1.9.2014 - 28.2.2015)

For the Baltic Member States and Finland, we asked to consider the following two scenarios instead of the simulation of the disruption of the Ukrainian route:

- Disruption of all Russian supplies to the EU during a period of 1 month (1.8.2014 – 31.8.2014)
- Disruption of all Russian supplies to the EU during a seven month period (1.8.2014 - 28.2.2015)

In the case of the one-month scenarios, we have chosen the most vulnerable period, i.e. February 2015, when the level of storages is usually low but cold spells may still occur. An average winter should be considered as a reference. For the long disruption scenario, a disruption starting already in summer, when the storages are not necessarily full, is to be considered. The main results from the simulation should be quantified, notably the missing gas volumes for households and other protected customers as well as for non-protected customers, such as industrial consumers, and the impact on the power sector and on district heating.

On the basis of the results of the aforementioned scenario analyses, country reports should outline what concrete emergency measures would be applied to address potential supply problems during the disruptions, notably considering possible simultaneous supply problems in several Member States. Furthermore, concrete preventive measures that could be put in place at short notice to improve, if necessary, the resilience of the country and/or the EU in view of a possible supply disruption should also be described. Due consideration should be given to the potential cross-border effects of the envisaged measures in different Member States.

The European Commission will assess the country reports, paying special attention to the consistency of the reports at regional and European level, the cross-border effect of the measures adopted at national level and the full exploitation of possible synergies. The Commission will present conclusions together with possible recommendations and proposals in a document to be adopted in time for the October European Council meeting and for which I would like to count on your cooperation.

I invite you to cooperate with my services and offer you the possibility to provide your views on the impact at European level of such scenarios given your expertise in the sector and technical capabilities. Your assessment of the scenarios and quantification of the potential impacts will be gratefully received. I would welcome if you could share with us your views on the concrete measures that could be adopted to respond to such disruptions and to fully exploit synergies at European and regional level, their feasibility and possible obstacles that could be identified. The Gas Coordination Group will be closely associated to the preparation of the Commission report.

For those regions which are particularly vulnerable, namely (i) the Baltic countries and Finland, (ii) countries in the South-East of the EU and (iii) the Energy Community Contracting Parties and candidates, the Commission, together with the Energy Community Secretariat where relevant, will work particularly closely with the national authorities throughout the process.

Where appropriate, the Commission will cooperate with the representatives of G7 partners and the International Energy Agency, in line with the G7 energy ministerial and Summit statements.

The Commission is fully aware that the information for this exercise may touch upon sensitive issues concerning security of supply you and Member States may want to keep confidential and is committed to preserving the confidentiality of information where so requested. Let me inform you that we will therefore not publish the final national reports nor your own views and assessments.

I firmly believe we need to act now if we want to be optimally prepared for the next winter, in particular in light of risks related to the Ukraine crisis, and I am confident I can count on your full cooperation.

Yours sincerely,

~~Dominique Rostri~~