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| Your message dated | Your reference | Our reference | Date |
| | | DT/SKA/ 2015-025 | 8 April 2015 |

Appendix(es)

Subject Consultation on the revision of (EU) Regulation 994/2010: Fluxys answer

Dear,

Fluxys wants to thank the Commission for the opportunity to provide comments on the revision of the Regulation (EU) 994/2010 concerning measures to safeguard security of gas supply.

We broadly support the responses provided by ENTSOG and GIE. On the potential revision of the Supply Standards however, we would like to draw the attention that an increase of Supply Standards would, in our view, generate additional costs for gas in Europe which will be detrimental for the competitiveness of gas compared with other energy sources. Therefore, we believe that the potential revision of the Supply Standard should be subject to an a priori cost-benefit analysis.

Moreover, according to us, three other aspects should be taken into account when addressing a review of the SoS regulation:

- Cross-border cost allocation of SoS costs: the degree of security of gas supply in Europe is currently very different from region to region. While we recognize that some regions may require additional measures (including infrastructure in neighboring regions) to guarantee a better level of security of supply, the costs related to these measures should not be borne by regions having already invested in order to reach a good level of SoS.
- Potential market distortions created when implementing national-specific SoS measures: as an example, the storage-obligations imposed by some member states to their national market are potentially distorting the EU market for gas storage. Indeed, through these national storage-obligations the national gas-storages might be favored which on its turn could hamper a well-functioning EU-market. The storage needs may vary from Member State to Member State, however in order to keep a level playing field, the impact of introducing non-market-based measures should be duly assessed at least on regional level.

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- The role of LNG to improve the SoS in Europe: we support LNG contributing to the improvement of the SoS of Europe. However, a mandatory role for LNG in this respect may potentially have very negative/costly consequences especially if implemented through national obligations which could favor infrastructures of specific Member States and hamper the market functioning. Note also that this could not be applied uniformly to all Member States, as all do not own LNG infrastructure.

Best regards,



Chief Financial Officer



Deputy Chief Executive Officer

