



# Proposal for a Regulation concerning measures to safeguard the security of gas supply

Directorate-General for Energy  
European Commission

Brussels, 3 March 2016 (EU-US Energy Council, Policy WG DVC)

## What has been done so far?

- Commission opinions on MS' Preventive Action Plans and Emergency Plans
  - 52 Plans submitted + 1 joint Plan (UK-IE)
  - 24 opinions adopted (available in our web) + 3 under preparation
- Report on the implementation of Regulation (EU) No 994/2010
- Stress test exercise
- Discussions with experts in the Gas Coordination Group
- Focus Groups, e.g. Baltic MS and Finland



# Why a revised Regulation now?

- Despite the improvements achieved with Regulation (EU) No 994/2010, there are still a number of problems:
  - Behavioural biases
  - External factors
  - Technical issues
- With the design of the current Regulation these problems cannot be overcome ➡ need for a revised Regulation

# What is new?

- Shift to a regional approach
- A new explicit solidarity principle
- More transparency to improve risk assessment and prevention
- Increased oversight of obligations under the supply standard
- More effective obligations regarding infrastructure
- Obligations between EU Member States and Energy Community Contracting Parties

# Shift to a regional approach

- Why?
  - The most effective tool to improve prevention (better estimation of risk magnitude, early identification of synergies and inconsistencies)
  - To ensure a consistent and larger response in a severe crisis
- Risk Assessments, Preventive Action Plans and Emergency Plans prepared at **regional level** (only)
- Mandatory **templates**
- Improved oversight:
  - Peer reviews
  - Gas Coordination Group
  - Commission's opinions and, ultimately, decisions





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## How?

- Definition of regions based, *inter alia*, on:
  - Existing groups (TEN-E), adapted to SoS needs.
  - Likely cooperation options, i.e. who needs to cooperate with who?
  - Market development and maturity
- Amendments are possible (delegated acts)



# A new explicit solidarity principle

- Based on a **two-step** approach:
  1. Reset to "default" values any increased supply standard upon the declaration of an emergency in a MS
  2. Where step 1 is insufficient and the supply to households, essential social services and district heating cannot be satisfied in a MS:
    - The gas supply to consumers other than households, essential social services and district heating cannot continue in MS directly connected
    - Those MS directly connected must take the necessary measures to ensure that gas will be supplied to the MS in the server emergency
- Applies among all MS (not limited to regions)



# More transparency to improve risk assessment and prevention

- Two main mechanism are added to improve access to information for MS and the Commission:
  - Targeted mechanism for access to information in specific circumstances
  - Automatic notification of certain contracts upon signature or amendment:
    - Contracts, individually or cumulative with other contracts, between a supplier (or its affiliates) and a buyer (or its affiliates) covering 40% of the national gas market
    - In duly justified circumstances, the MS or the Commission may require other security of supply relevant contracts.





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## Increased oversight of obligations under the supply standard

- New non-market based preventive measures shall be subject to an Impact Assessment before they enter into force, covering:
  - Impact in the national and internal market
  - Impact on other MS' SoS
  - Cost and benefits
  - Necessity and proportionality
  - Openness
  - Phase-out strategy
- The Commission may request amendments to the measures before they enter into force

➔ **NRAs**

# More effective obligations regarding infrastructure

- N-1 standard remains but is complemented by:
  - Hydraulic calculations at national level
  - Calculation of N-1 under several hypothesis
  - ENTSOG EU-wide scenarios
  
- Reverse flow obligations along the "supply corridor":
  - Joint decisions instead of 2 national decisions
  - ACER's involvement + Commission's decisions
  - Exemptions limited in time – existing ones to be revised following the new procedure



# Energy Community

- A number of obligations should also apply **between** EU Member States and Energy Community Contracting Parties (all measures with cross-border impact)
- Obligations would enter into force in practice when the Energy Community Contracting Parties have agreed and implemented reciprocal obligations towards EU Member States





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