



# **Risk Preparedness Regulation: Commission's Guidance (Art. 15)**

ECG 5th June 2020

# Main changes

- ✓ Assistance can only be triggered by a requesting Member State:
  - as a last resort if all options provided by the market have been exhausted or,
  - where it is evident that market-based measures alone are not sufficient.
- ✓ The trigger is defined based on:
  - an existing or imminent situation in which a MS cannot ensure protection against disconnection of users entitled to receive special protection, or;
  - the need to ensure the supply of electricity necessary for the purpose of protecting its public safety and personal security.
- ✓ Imbalance settlement prices after a crisis should reflect the cost to consumers of any disconnections to supply.
- ✓ Technicalities regarding effective disconnection of users.

**Article 15(7):** *Commission, by 5 January 2020, after consulting the ECG and ACER, has to provide for non-binding guidance on the key elements of the fair compensation and other key elements of the technical, legal and financial arrangement as well as on general principles of mutual assistance*

- **Assistance is a mechanism of last resort to prevent or manage electricity crises. Prices should be allowed to form based on supply and demand for as long as possible.**
- **Assistance can only be triggered by a requesting Member State as a last resort if all options provided by the market have been exhausted or where it is evident that market-based measures alone are not sufficient to prevent a further deterioration of the electricity supply.**
- **National measures in the requesting Member State's risk-preparedness plan must have been exhausted.**

*The objective is to provide legal certainty to all involved in providing or receiving electricity in an electricity crisis*

**L  
E  
G  
A  
L**

- **Member States concerned**
- **Request for assistance**
- **Electricity users entitled to receive special protection against disconnection for reasons of public safety and personal security**
- **Start and end of provision of assistance**
- **Roles and responsibilities**
- **Legal form of the regional and bilateral arrangements**
- **Assistance before agreements have been concluded**
- **Treatment of confidential information**

*The objective is to describe all necessary technical provisions and conditions that would enable the assistance mechanism to work in practice*

**T  
E  
C  
H  
N  
I  
C  
A  
L**

- **Technical solutions and coordination**
- **Technical information in the early warning and declaration of crisis and re-assessment once assistance is required during the crisis**
- **Operational security of networks**
- **Observance of market rules**
- **Activation of non-market-based measures:**
  - ✓ **Measures constituting a restriction of electricity flows between Member States**
  - ✓ **Market suspension**

*The objective is to ensure that electricity supplied under the assistance mechanism is paid for at an appropriate price*

**F  
I  
N  
A  
N  
C  
I  
A  
L**

- **Price of electricity:**
  - ✓ Market price
  - ✓ Administrative pricing / forced curtailment
  - ✓ Willingness to pay
- **Other categories of costs**
  - ✓ Associated transmission costs
  - ✓ Compensation for curtailment
  - ✓ Cost of judicial proceedings in Member State providing assistance
- **Indication of the method of calculating fair compensation**
- **Calculating the compensation**
- **Arrangement for payment**
- **Roles and responsibilities – who pays whom**