Security of gas supply:
Regulation (EU) 2017/1938 in the Energy Community

Energy Community Secretariat │ Gas Unit

Vienna, 5 July 2018

Security of gas supply: legal framework

Energy Community

Directive 2004/67/EC

Policies for securing gas supply

Specific (protected) customers

Supply standards

National emergency measures

Community mechanism

Gas Coordination Group / Security of Supply Coordination Group

Reporting & monitoring

Energy Community: mandatory since 2009

Regulation (EU) 994/2010

Competent authority

Protected customers

Supply & infrastructure standards

Risk assessment

Preventive Action Plans

Emergency Plans

National emergency measures / *voluntary joint* plans & measures

Crisis levels

Commission's role

Community mechanism

Gas Coordination Group

Information exchange, reporting, monitoring

European Union: 7 years of practice

Regulation (EU) 2017/1938

Competent authority

Protected customers (harmonised)

Supply standards

Improved infrastructure standards

Risk assessment (*regional*): content & template

Preventive Action Plans: content & template

Emergency Plans: content & template

National emergency measures / *mandatory regional* plans & measures

Crisis levels

Strong Commission's role

Community mechanism

Solidarity

Gas Coordination Group

Information exchange, reporting & monitoring

Security of gas supply: infrastructure

Gas networks of CPs
are better connected with
EU MSs than
with each other*

(*special case of Georgia)

**Decisive factor
for security of gas supply
(procedural & actual)**

Revision of the Regulation & adaptation for EnC

Period 2014-2017: revision of <u>Regulation (EC) 994/2010</u>

Aim was to create a fully operational framework for security of gas supply based on 4-years implementation experience and stress test in 2014

An ambitious process - revision and adaptation of the Regulation for the Energy Community

Contracting Parties and ECS were involved in the process to the extent possible

Commission's proposal for inclusion of EnC CPs in revised Regulation:

RECIPROCAL OBLIGATIONS	SWITCH-ON

• Extension of the application of the regulation to the Contracting Parties of the Energy Community (Article 15)
  ✓ Risk assessment, preventive action plans, emergency plans
  ✓ Enabling reverse flows
  ✓ Commitment not to take measures that negatively impact security of supply of the neighbours
  ✓ Participation in solidarity
  ✓ Participation in the Gas Coordination Group on certain issues
	• Joint Act of the Ministerial Council of the Energy Community introducing reciprocal obligations on the side of Contracting Parties in the relations with the Member States
	• Contracting Parties of the Energy Community implement the Joint Act including a request for the application of the provisions
	• Energy Community Secretariat notifies the implementation and a request to the Commission to confirm the applicability of reciprocal obligations
	• Commission confirms the reciprocal character of the obligations by a decision

Covering cross-border cooperation between EU MSs and CPs: from "Reciprocity & Switch-on" clauses proposed by the Commission to the finally adopted text of Article 16:

"Cooperation with the Energy Community Contracting Parties

1. Where the Member States and the Energy Community Contracting Parties cooperate in the process of the establishment of risk assessments and preventive action plans and emergency plans, such cooperation may include, in particular, identifying the interaction and correlation of risks and consultations with a view to ensuring consistency of preventive action plans and emergency plans across the border.

2. With respect to paragraph 1, Energy Community Contracting Parties may participate in the GCG upon invitation by the Commission on all matters of mutual concern."

Regulation (EU) 2017/1938 in the Energy Community

Energy Community

Competent authority

Protected customers (harmonised)

Supply standards

Improved infrastructure standards

National Risk Assesment: content & template

National Preventive Action Plans: content & template

National Emergency Plans: content & template

National emergency meausres

Crisis levels

Community mechanism

Gas Coordiantion Group / Security of Supply Coordination Group

Information exchange, reporting & monitoring

Transposition without difficulties

Potentially complicated transposition

Mandatory regional risk assessments, preventive action plans & emergency plans

Regional risk groups

Strong EC role / strong ECS role

Solidarity

1. Eastern gas supply risk groups:

   (a) Ukraine: Bulgaria, Czech Republic, Germany, Greece, Croatia, Italy, Luxembourg, Hungary, Austria, Poland, Romania, Slovenia, Slovakia; **Ukraine, Serbia, Bosnia and Herzegovina, Moldova, fYR of Macedonia**

   (b) Belarus: Belgium, Czech Republic, Germany, Estonia, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Slovakia; **Ukraine**

   (c) Baltic Sea: Belgium, Czech Republic, Denmark, Germany, France, Luxembourg, Netherlands, Austria, Slovakia, Sweden;

   (d) North-Eastern: Estonia, Latvia, Lithuania, Finland;

   (e) Trans-Balkan: Bulgaria, Greece, Romania. **Ukraine, Moldova, fYR of Macedonia**

4. South-East gas supply risk groups:

   (a) Southern Gas Corridor — Caspian: Bulgaria, Greece, Croatia, Italy, Hungary, Malta, Austria, Romania, Slovenia, Slovakia; **Albania, Georgia, fYR of Macedonia**

   (b) Eastern Mediterranean: Greece, Italy, Cyprus, Malta.

Ukraine

Serbia

Bosnia and Herzegovina

fYR of Macedonia

Moldova

Albania

Georgia

Montenegro

Kosovo *

But only:

Ukraine – Moldova &

Serbia – BiH

are connected

While waiting for adaptation & adoption for CPs

Dream legal possibility:

Annex I amended by EC to include Contracting Parties in relevant groups

Hope of the year:

Energy Community Treaty amendments to allow reciprocity in general

Compromise solution:

Adaptation to fit national measures and voluntary cooperation

Actually ongoing:

Voluntary transposition and implementation of certain elements (e.g. RA, PAP, EP) by individual CPs (Ukraine) with the help of JRC (UA, RS, MK, BiH... MD to come)

CPs invited to EU Gas Coordination Group

DREAM BIG

Thank you for your attention!

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