

## **The Energy Community DSO for gas Coordination Platform – 13<sup>th</sup> meeting**

### **Minutes of the Meeting, 5 July 2022, 14:00-16:30, WebEx**

The 13<sup>th</sup> DSO-g Platform meeting took place as an online meeting.

Only seven participants were present, representing the gas distribution system operators (DSO) from Ukraine and Moldova, together with the Energy Community Secretariat (ECS) representatives. Ms. Cegir, an ECS representative, chaired the meeting.

Two main topics were on the agenda: update on the activities in the first half of the year and plan on the next steps until the end of 2022.

The Secretariat presented a gas topic of the year: security of gas supply, as triggered by the 2022 Russian invasion of Ukraine. The ECS has focused on two aspects: an assessment for the next winter gas demand & supply for all Contracting Parties and the new EU storage regulation to be adapted and adopted for the Energy Community during the summer.

Concerns on the security of gas supply triggered EC actions, with an aim to end reliance on Russian fossil fuels before 2030 and proceed further to decarbonisation. Those actions have been framed with the REPowerEU proposal. Further, regional task forces have been established (SEE, CEE) where the Contracting Parties have been invited (North Macedonia, Serbia, Ukraine, Moldova) and the ECS provides support to the process.

The Russian invasion of Ukraine triggered actions within different frameworks and scopes: the Secretariat established the Support TF for Ukraine, with the purpose to support the Ukrainian ministry of energy in facilitating deliveries (equipment, goods) from the EU to Ukraine, for the urgent needs of energy companies (for reparations and keeping electricity and gas systems running). The Support Fund has a similar aim, support to the energy sector of Ukraine, but it has been arranged a bit differently. Upon request by the European Commission and in agreement with the Ministry of Energy of Ukraine, the Energy Community Secretariat set up the legal framework for the Ukraine Energy Support Fund to counteract the impact of the Russian invasion. The Fund will enable governments and international financial institutions to provide emergency financial support to the Ukrainian energy sector. The Secretariat will act as a fiduciary of the Fund as well as an intermediary between the donors and the Ukrainian authorities.

The representatives of Ukraine and Moldova informed the DSO-g Platform about relevant gas activities in the respective Contracting Parties. The main threat in Ukraine is of course exposure of networks to the destruction caused by the war, and main efforts are focused on reparation and reconnecting customers to ensure normal supply. RGC managed to reconnect 400.000 customers. The prices of materials needed for reparation and the gas prices (relevant for gas used for technological needs) increased tremendously, and consequently, the operational costs of DSOs increased tremendously. On another side, a sharp decrease in the collection rate (decrease of 20%, in occupied territories 50-100%) decreases the income and makes the gap between income and costs wider. An increase in gas prices and concerns about the security of gas supply are the focus of Moldavian DSOs, in particular small ones.

All those factors raise concerns about the gas market functioning in the future, due to possible structural changes caused by the current decisions (aimed at the security of supply, under martial laws).

Nevertheless, RGC also reported on its H2 projects, and consideration of biomethane acceptance in the distribution network.

The DSO-g working plan for second half of 2022 was discussed and updated. Some listed items, such biomethane and hydrogen, stay at the agenda, aiming to future projects, needs, and challenges for DSOs. Energy units are also one of the topics deserving the special attention, as well as follow up on methane emissions and cooperation with ECRB.

The work of DSO-g will continue by physical and online meetings, dedicated webinars and use of IT platform should be strengthened.