



# *General Policy Guideline Proposal*

## *Council Directive 2009/119/EC*

PHLG 42

Vienna 22, June 2016

# ***OIL STOCKS PROGRESS***



- **Current emergency oil stockholding system places the entire emergency stockholding obligation on industry**
- **Recently prepared a draft Law relevant to emergency oil stockholding and the draft Law foresees that a CSE will be created. Another oil stockpiling model is currently evaluating – joint efforts with industry**
- **Intention is to change the obligation on industry, starting in 2017, to 30 days, and begin progressively building emergency stocks of the CSE. However, definitive decisions on the issues have not been yet taken**
- **A detailed model was developed to make the key calculations necessary to be included in Albania's Action Plan**



- Currently - no legislation on compulsory stocks of oil and petroleum products in place
- **Bosnia and Herzegovina has established a working group for this purpose. First technical assistance was provided in May 2016**
- A potential stockholding models which could be adopted taking into account the two entities and the roles of their corresponding designated stockholding bodies is presented
- **The Secretariat considers the transposition of Directive 2009/119/EC on the state level as a priority**



- A new Law on emergency oil stockholding drafted in March 2014 , assisted and reviewed by the Secretariat
- The draft Law is expected to be adopted within the 3<sup>rd</sup> quarter of 2016
- No progress in 2015 and 1<sup>st</sup> half of 2016



- **The Law on Compulsory Oil Reserves entered into force in October 2014**
- **The Law was supposed to be applicable as of 1 January 2015. However, in December 2014 and 2015 it is postponed twice. Accordingly, this Law is envisaged to begin to apply as of 01 January 2018**
- **Preparation and approval of by-laws are essential in order to fulfil the requirements under the Law**
- **Action Plan and secondary legislation related to the transposition of the Annexes to Directive are in the final phase and are expected to be prepared/approved in 2016/2017**

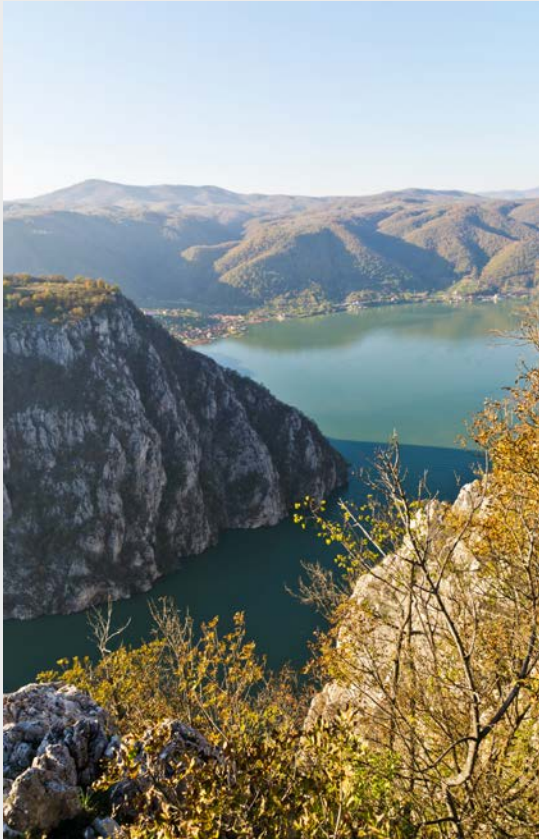


- No progress was reported regarding the legislative framework on oil stocks
- The Commodity Reserves Law deals with oil stocks by requiring the publicly owned State Material Reserves to keep oil stocked in the amount of 30 days of consumption in the previous year
- The Commodity Reserves Law includes procedures to release and report on such stocks which are, however, not in compliance with Directive 2009/119/EC
- Oil security and transposition of the Oil Stocks Directive should be given more attention in the near future in Moldova



- A decision has been taken to regulate emergency oil stocks by a separated law
- **Action plan for implementation of the Oil Stocks Directive approved by the Government in 2015**
- **Draft Law on Compulsory Oil Stocks is finalized and in public hearing phase**
- **Hopefully – primary and secondary legislation will be approved within 2016**





- February 2015 - The Energy Reserves Administration (ERA) established within the Ministry of Mining and Energy
- In 2014 and 2015 most of the work to establish the full legal framework necessary for implementing the Directive has been completed
- Action Plan - Long-term (10 years) and Mid-term (3 years) plans on emergency oil stockholding adopted by the Government
- It is clear that the work on emergency oil stockholding is progressing well – amount of stocks: around 14 days
- Intervention Plan - the only remaining secondary legislation not yet transposed - will be drafted and approved within 3<sup>rd</sup>Q-2016



- There is no legal framework in place for the establishment of emergency oil stocks
- In 2015, the Government tasked the State Reserves Agency (Agency) to lead a Working Group to develop the long term Action Plan (2016 – 2022) for creating an emergency oil stockholding system to meet the Directive
- A model for projecting key calculations for Ukraine's emergency stockholding and a preparatory paper for drafting the Ukrainian Action Plan were developed in Oct/Nov 2015
- The Preparatory paper provides the basis for the WG to prepare the Action Plan to be presented to the Government of Ukraine. This will set the groundwork for the planned Governmental decision on emergency oil stockholding model, which is expected to be taken by end-June 2016

# Suggested Updated Roadmap to the CPs

## CONTRACTING PARTIES ROADMAP Q2/2016 – 2022

No.	TASK	YEARS	2016	2017	2018	2019	2020	2021	2022
<b>A LEGAL</b>									
1	Government's decision appointing Working Group		█						
2	Gov. decision on Strategic action plan for emerg stockholding system		█						
3	Approval of the Law on Emergency Oil Stocks			█					
4	Secondary legislation required under the Law			█					
<b>B ORGANISATIONAL AND MANAGEMENT</b>									
1	Set-up Central Stockholding Entity (as required)			█					
2	Develop stockholding obligations for operating companies (if required)			█					
3	Development of Emergency Response Planning			█					
4	Development of Inventory monitoring and reporting system			█					
<b>C ENGINEERING</b>									
1	Securing Engineering Budget			█					
2	Assess and design additional tank capacity			█					
3	Engineering design for additional tank capacity			█					
4	Tender for storage construction			█					
5	Build required additional tank capacity			█	█	█	█		
<b>D STOCKBUILDING</b>									
1	Arrange financing for purchasing of emergency stocks			█	█	█	█	█	
2	Build-up emergency stocks			█	█	█	█	█	█
3	Report compliance progress to the EnC Secretariat		█	█	█	█	█	█	█



Progress in transposing the Directive varies substantially across the CPs:

1. In the early stages of considering possible options for a stockholding system - BA, MD, UA
2. More advanced stage of considering the most appropriate stockholding system and finalizing primary legislation - AL, KS\* and MN
3. Having formally adopted main legislation – MK
4. Having formally adopted main legislation and relevant secondary legislation - SRB

# ***NEXT STEPS***



## PHLG 41 – March 2016

**The Permanent High Level Group invited the Secretariat to prepare an overview of the state of play in the transposition of the Directive and propose further steps for a timely implementation for the next PHLG meeting**



## **Secretariat's Proposals – 42 PHLG:**

- ***A General Policy Guideline which represents the political consensus reached in the Ministerial Council concerning a Roadmap on Implementation of the Certain Deadlines of the Council Directive 2009/119/EC in the Energy Community***
- ***A number of proposals for adoption over a 3-year period***



## **Secretariat's Proposals:**

- ***The Contracting Parties are invited to communicate to the Secretariat by 31 March 2017 the text of the main provisions of the draft national law which they intend to adopt to transpose Directive 2009/119/EC and the Action Plan on the Establishment of Oil Stocks***
- ***All Contracting Parties are invited bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 31 December 2017***
- ***For the purpose of fulfilling the data reporting requirements under Annex I – IV of the Directive, all Contracting Parties are invited:***

***Begin regular monthly participation in the submissions of the JODI Oil Questionnaire before 1 January 2018***

***Communicate to the Secretariat by 31 March 2018 the proposed legal basis and Action Plan for collecting all oil data necessary to submit the Monthly Oil Statistics (MOS) Questionnaire***



The background is a satellite-style image of the Earth at night, showing city lights. Overlaid on this are numerous glowing blue lines that represent energy or data connections, curving across the globe.

*Thank you  
for your attention!*

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