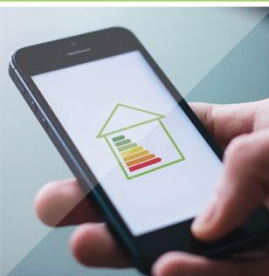




European
Commission



The Risk Preparedness Regulation

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European Commission, ENER-B4
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Why Risk Preparedness?

When preparing or managing crisis situations, Member States follow different approaches and tend to disregard the situation across their borders

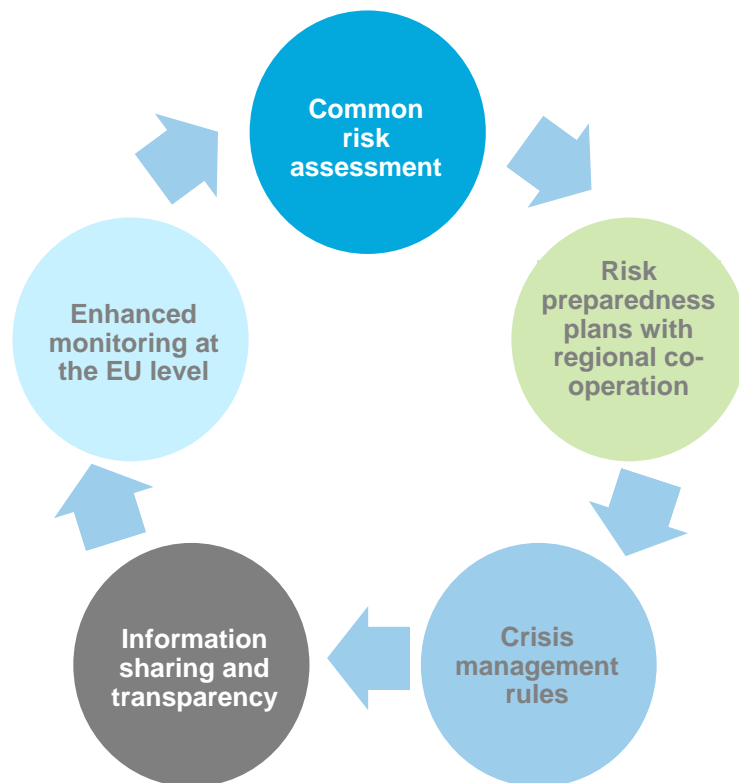
- Crisis plans and actions tend to remain national in focus (regional co-operation remains very limited)
- Lack of information sharing and transparency
- No common approach to identifying and assessing risks



Un-coordinated action undermines market functioning and threatens security of supply

HOW?

COMMON RULES & REGIONAL CO-OPERATION



RISK ASSESSMENT AND PLANS

Common risk identification and assessment

- ✓ Common methodology for:
 - Identifying electricity crisis scenarios
 - Assessing possible short-term adequacy issues
- ✓ To be developed by ENTSO-E and approved by ACER, following and inclusive consultation process
- ✓ Identification of crisis scenarios in regional context

Risk preparedness plans

- ✓ National plans based on common rules and templates, drawn up by competent authorities. Plans have to be published
- ✓ Some measures must be co-ordinated in advance at the regional level
- ✓ Prior consultation of other Member States and Electricity Coordination Group (ECG)
- ✓ Commission can issue opinions on the plans

MANAGING ELECTRICITY CRISIS

Crisis management principles

- ✓ Market comes first: non-market measures can be taken only as a last resort measure
- ✓ Cross-border co-operation and assistance

Information sharing and transparency

- ✓ Obligation to inform EC and Member States:
 - In case of electricity crisis
 - "Early-warning"
- ✓ Information on the reasons of crisis, measures and need for assistance

EVALUATION AND MONITORING

EU level monitoring

- ✓ Ex-post evaluation of electricity crisis situations by Member States concerned
- ✓ More systematic monitoring (via the Electricity Coordination Group) and reporting on Member States' performance in terms of security of supply, based on common indicators

Cooperation with the Energy Community Contracting Parties (Art. 20)

- Possible crisis does not stop at EU border
- Close cooperation with Energy Community Contracting parties, especially regarding:
 - Defining an electricity crisis
 - Identification of electricity crisis scenarios
 - Establishment of risk preparedness plans
- Participation in the Electricity Coordination Group upon invitation by the Commission

Regional approach to security of supply

- **Definition of region (Art.2.16):**

- Means a group of Member States whose TSOs share the same regional coordination centre as referred to in Article 36 of Regulation 2019/943

- **Identification of regional crisis scenarios (Art. 6):**

- ENTSO-E shall, in close cooperation with the ECG, regional coordination centres (RCCs), competent authorities and regulatory authorities, identify the most relevant electricity crisis scenarios for each region
- ENTSO-E may delegate this task to the RCCs

- **Short-term and seasonal adequacy assessments (Art. 9):**

- ENTSO-E shall carry out seasonal adequacy assessments in accordance with methodology developed pursuant to Article 8
- ENTSO-E may delegate tasks related to adequacy assessments to the RCCs
- RCCs shall carry out week-ahead to at least day ahead adequacy assessments in accordance with Regulation 2017/1485 on the basis of methodology adopted pursuant to Article 8

Regional cooperation and assistance

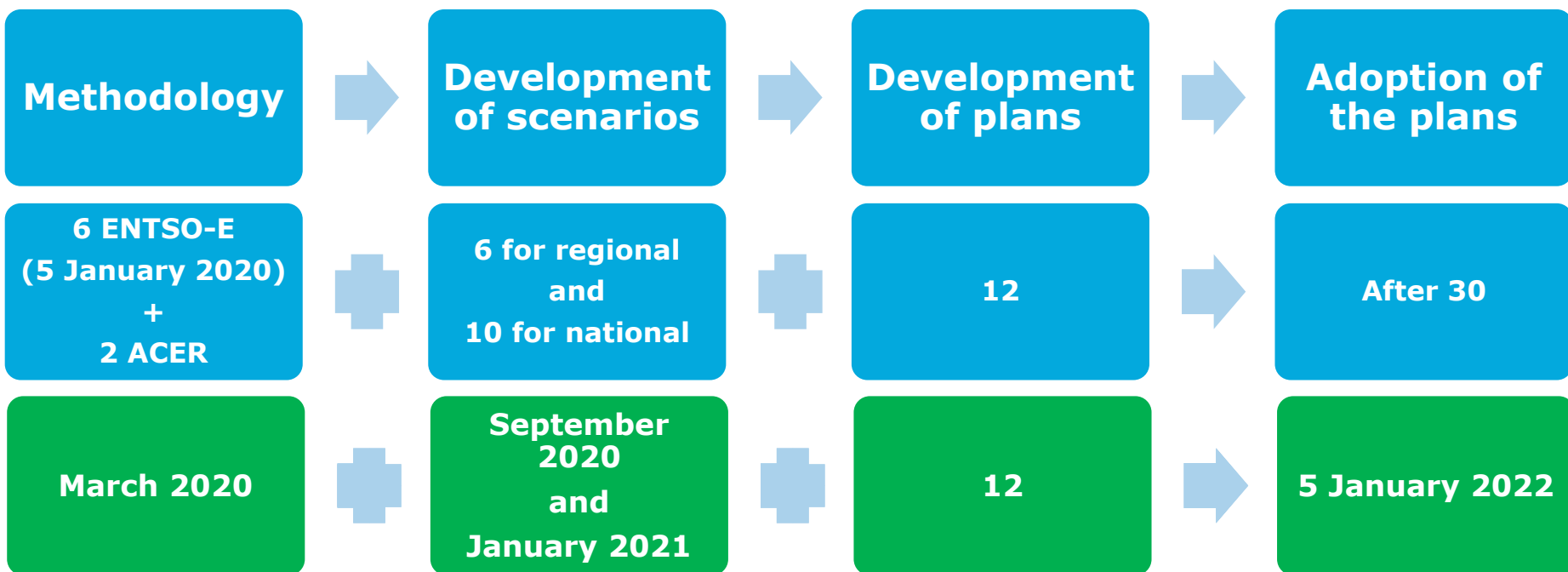
- Regional and bilateral measures (Art. 12):

- Regional and bilateral shall include:
 - a) The designation of a crisis coordinator;
 - b) Mechanism to share information and cooperate;
 - c) Coordinated measures to mitigate the impact of an electricity crisis, including a simultaneous crisis, for the purpose of assistance in accordance with Article 15;
 - d) Procedures for carrying out annual or biennial test of the risk-preparedness plans;
 - e) The trigger mechanism of non-market-based measures that are to be activated in accordance with Article 16 (2).
- Member States shall agree on the measures after consulting the relevant RCCs
- The Commission may request ACER and ENTSO-E to provide technical assistance to Member States with a view to facilitating an agreement
- With the involvement of relevant stakeholders, the competent authorities of each region shall carry out biennial simulations of electricity crisis

• Cooperation and assistance (Art. 15):

- Member States shall act and cooperate in a spirit of solidarity to prevent or manage electricity crisis
- Member States shall offer each other assistance through the measures agreed
- With the purpose of protecting public safety and personal security, Member States shall agree on regional or bilateral measure of their choice to deliver electricity in a coordinated manner
- Member States shall agree on the necessary technical, legal and financial arrangement for the implementation of the regional or bilateral measures before assistance is offered
- Arrangement shall specify, inter alia, the maximum quantity of electricity to be delivered, the trigger for any assistance and for suspension of assistance, how the electricity will be delivered, and provisions on fair compensation
- Assistance shall be subject to a prior agreement between Member States concerned with regard to fair compensation
- By 5 January 2020, the EC has to provide guidance on key elements of fair compensation

ROADMAP FOR THE IMPLEMENTATION



*Entry into force 4th July 2019

** Numbers refer to number of months

State of play

- **Methodologies (Art. 5 and Art. 8):**
 - Public consultation launched by ENTSO-E (8 July to 8 October 2019)
 - ENTSO-E presented the results of the public consultation together with the proposed methodology to the Electricity Coordination Group (meeting of 22 November 2019)
- **Guidance on the key elements of fair compensation (Art. 15):**
 - By 5 January 2020, the EC has to provide guidance on key elements of fair compensation and other key elements of the technical, legal and financial arrangements, and on general principles of mutual assistance
 - The EC consulted the Electricity Coordination Group and ACER
 - The EC presented for consultation the draft proposal of Commission's Recommendation at the Electricity Coordination Group meeting of 22 November 2019



Thank you for your attention!

<https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/clean-energy-all-europeans>