

The background of the slide is a dark blue globe with glowing blue energy lines and arcs connecting various points across the continents, symbolizing a global energy network.

15th meeting of ECDSO-g Coordination Platform

17 May 2023, Tbilisi

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MINISTERIAL COUNCIL

→ *Political and legislative decisions*

PERMANENT HIGH LEVEL GROUP

→ *Prepares Ministerial Council*

REGULATORY BOARD (ECRB)

→ *Advisory body*

SECRETARIAT

→ *Support, Monitoring, Enforcement*

**ELECTRICITY
FORUM**

**GAS
FORUM**

**OIL
FORUM**

→ *Advisory bodies*

Working groups, Task forces, Platforms.....

Why DSO Coordination platform?

- Treaty signed by a Contracting Parties
- Transposition and monitoring – by responsible Government / Ministry / Regulator
- Implementation – by energy market participants (including **DSO**)
- Transfer of knowledge and experience:
- Representatives of ministries, regulators – included
- Representatives of TSO – included
- Representatives of suppliers – included
- **Representatives of DSO – to be included**

Treaty consists of approx. 20 principle EU energy laws:

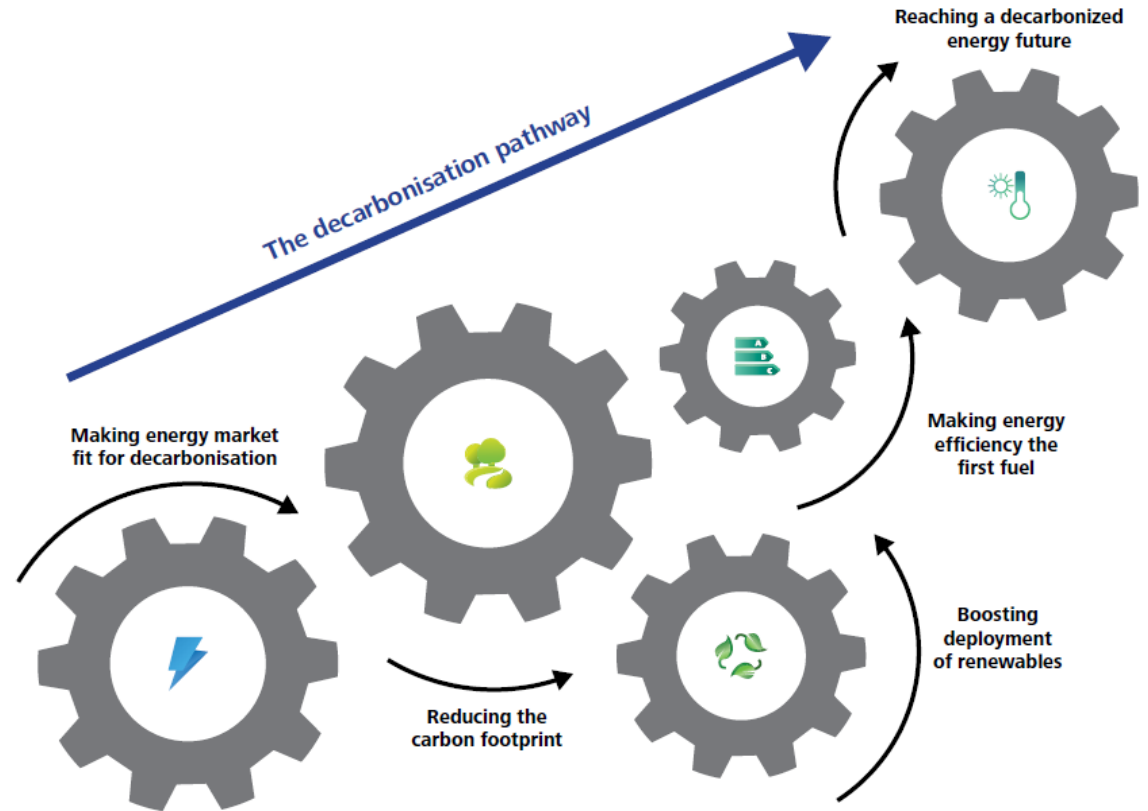
- ▶ Competition (some provisions of the EU Treaty) - Antitrust and state aid
- ▶ **Third Energy Package for electricity and gas – liberalisation, regulators, consumers**
- ▶ Oil stocks directive
- ▶ Trans-European **Energy Infrastructure** Regulation
- ▶ Environment protection in energy sector – EIA, sulphur content in fuels, LCP, industrial emissions
- ▶ Renewables - Renewable Energy Directive – binding targets for RES in electricity, heating & cooling, transport
- ▶ Energy efficiency – **Energy services**, performance of buildings, labelling...
- ▶ Statistics – monthly and annual energy balances; electricity and **gas prices**

Adoption process:

Law adopted in EU → Law proposed by European Commission for adoption in the Energy Community → Law (adjusted) adopted by Ministerial Council → transposition into national legislation of Contracting Parties

Drivers

- ✓ **Political commitments**
 - Paris Agreement
 - Sofia Declaration
- ✓ **Legal obligations**
 - Energy Community Treaty
 - Amendments to the Treaty
- ✓ **Plans, policies and measures**
 - Decarbonization map
- ✓ **Monitoring and Reporting**



Enhanced policy planning and reporting (NECPs)

- In line with the Governance Regulation 2018/1999;
- All CPs working on their drafts;
- Deadline: 1 July 2023
- Perfect to see all policies and measures in one place → in some cases consistency to be backed up by (modelling) figures;
- **Relevant for new gas infrastructure, future gas use.**

New legislation MC December 2022

1. Governance Regulation 2018/1999;
2. Renewables Directive 2018/2001,
3. Energy Efficiency Directive 2018/2002,
4. Electricity Directive 2019/944,
5. Electricity Regulation 2019/943,
6. Risk Preparedness Regulation 2019/941,
7. Network Codes and Guidelines*
8. **SoS gas Regulation 1938/2017**
9. **Storage regulation (Sep 2022)**

New policy pathway

- **Energy Community Decarbonization Roadmap**
- **Methane emissions regulation**
- **Hydrogen, biomethane, synthetic gases**
- Driver: to present a clear pathway for CPs in reaching 2030 objectives and decarbonizing their economies;
- Aim 1: consistent dialogue with CPs on the decarbonisation priorities and on coal phase-out;
- Aim 2: monitoring progress;
- Aim 3: agree on carbon pricing for the Energy Community;

Regulation 2022/1032

29 June 2022

In EnC 30 September 2022

Strengthen security of gas supply from a **supply perspective**

Regulation 2022/1369

5 August 2022

Demand-side measures to increase security of gas supply

Regulation 2022/2576

19 Dec. 2022

Improving **coordination** of gas purchases, reliable price benchmarks and cross-border gas exchanges

Regulation 2022/2578

22 Dec. 2022

Market Correction Mechanism to limit extreme gas prices

Hydrogen and decarbonised gas market package
Methane emissions Regulation

15 Dec. 2021

Amending some provisions on security of gas supply (EU-wide Risk Assessment, extension to low-carbon gases and hydrogen) -> Still proposal

In EnC, part of Decarbonisation Roadmap

Regulation 1938/2017 + Regulation 2022/1032

Update the SoS regulatory framework

Identify protected customers

Update demand reduction plans, identify and prioritize demand-side measures, and gas-heat-electricity sectors together

Organise emergency top-table exercises

Risk Assessment by 1 January 2024

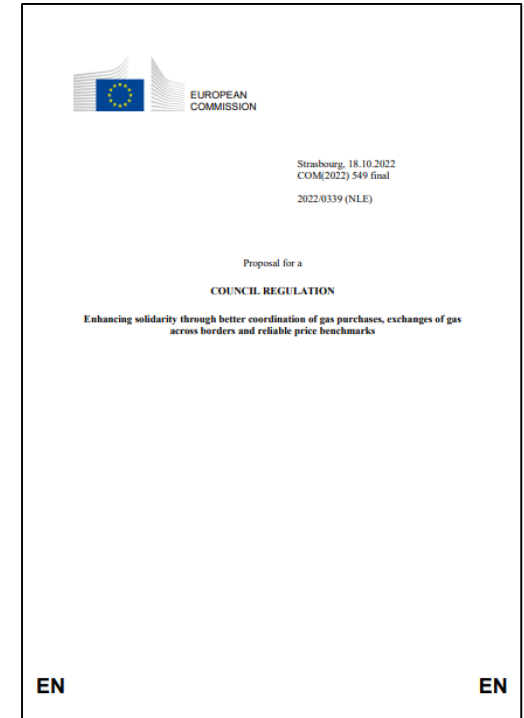
Prevention Action Plan & Emergency Plan by 1 May 2024

Contracting Parties without UGS

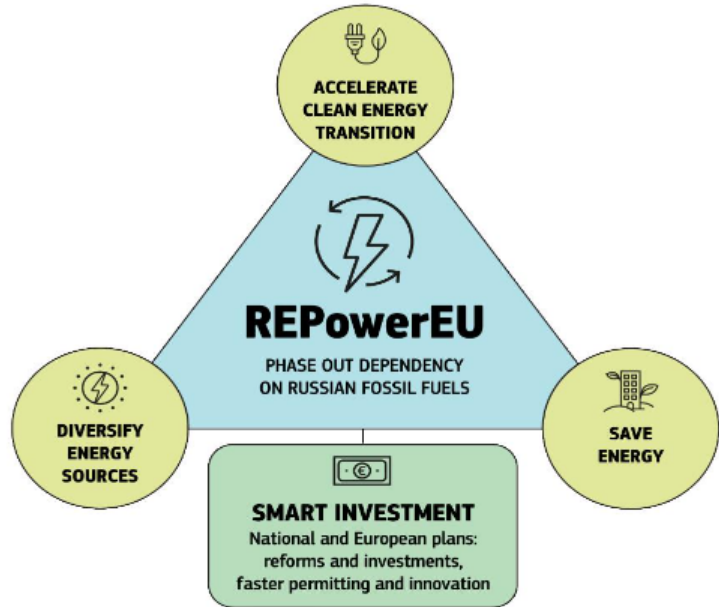
- arrangements with SSO or other market participants in Contracting Parties and/or Member States with UGS to at least 15% of the average annual gas consumption over the preceding five years
- where cross-border transmission capacity or other technical limitations prevent a Member State Contracting Party without UGS from fully using 15% of those storage volumes, that Member State Contracting Party shall store only those volumes that are technically possible
- CPs may develop a burden-sharing mechanism with one or more Contracting Parties and/or Member States with UGS

Focus in 2022/2023: Joint Purchasing – making EnC part of the mechanism

- Commission proposal (24 Nov 2022) enhancing solidarity through better coordination of gas purchases, exchanges of gas across borders and reliable price benchmark:
 - **Demand aggregation and joint purchasing of gas across borders**
 - Price correction mechanism in relation to the TTF
 - Default solidarity rules between Member States in case of supply shortages and allocation mechanism for regional/EU emergency
- The target is to provide an additional tool for storage filling for the next heating season. The goal is to acquire 15% (14.5 bcm) of the storage volumes of Europe through this mechanism
- **Contracting Parties companies are eligible to participate in the Joint Procurement Mechanism**



RePowerEU *or how to ensure enough fossil fuels to survive next winter(s) without losing decarbonisation from the eyes*



Increasing Energy Efficiency target from 9% to 13%
Energy savings by change of customers behaviour

Joint Purchase Mechanism
EU External Strategy

“the EU will support Ukraine, Moldova, the Western Balkans and Eastern Partnership countries, as well as our most vulnerable partners. With Ukraine we will continue to work together to ensure security of supply and a functioning energy sector, while paving the way for future electricity and renewable hydrogen trade, as well as rebuilding the energy system under the REPowerUkraine initiative.”

Boosting renewables, biogases, hydrogen
A biomethane action plan

Ready4H2 Phase 2; ECS to continue participation