

The Energy Community DSO for gas Coordination Platform – 14th meeting

Minutes of the Meeting, 6 December 2022, 10:00-13:00, Hybrid

The 14th DSO-g Platform meeting took place as a hybrid meeting.

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

Besides the update on the activities since the last meeting (held in June 2022), the DSO-g Platform discussed the topics of methane emissions and gas quality, as well as the 2023 working plan.

The Secretariat presented updates related to new gas legislation and activities as triggered by the 2022 Russian invasion of Ukraine.

The Storage Regulation was adopted on 30 September 2022, in a written procedure by Decision 2022/01/MC-EnC, with an immediate entry into the force, only three months after it became law in the EU. The Contracting Parties with storages (Ukraine and Serbia) reached the mandatory 80% target set for 1 Nov 2022, applying a deduction of 35% of annual average consumption for Ukraine, as for MSs and CPs which UGS capacity overpasses annual consumption. In line with the implementation steps, on 15 November, the Secretariat adopted a decision on filling trajectories to reach the 90% target in 2023. Additionally, for Contracting Parties without storage, the Secretariat developed a draft burden-sharing agreement, as a tool to enhance cooperation with their neighbours and increase the security of supply.

The second element of the regulation is the certification of storage operators where the Secretariat is ready to assist Ukraine and Serbia to finalize the certification procedure; according to the Regulation, the Secretariat issues a binding opinion during the certification process.

As a follow-up to the REPowerEU, the European Commission on 24 November 2022 adopted the proposal, aiming to enhance solidarity through better coordination of gas purchases, exchanges of gas across borders and reliable price benchmarks. The target is to provide an additional tool for storage filling for the heating season 2023/24. The goal is to acquire at least 15% (14,5 bcm) of the storage volumes of Europe through this mechanism. The Contracting Parties' companies are eligible to participate in the Joint Procurement Mechanism.

The Secretariat provided an update on the Support TF for Ukraine, and established procedures 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 second tool, with a similar aim is the Support Fund, enabling governments and international financial institutions to provide emergency financial support to the Ukrainian energy sector. The Secretariat acts as a fiduciary of the Fund as well as an intermediary between the donors and the Ukrainian authorities.

The representatives of Ukrainian DSOs informed the Platform on work in war conditions: continuous repairs of damages after each attacks (such as in Vinnytsia, Zaporizhzhia, Kharkiv

regions) and the need to restore the operational capacity of the objects after regaining occupied areas (such as in Kherson region). Any support is welcome.

Representatives of DSOs from Bosnia and Herzegovina and Georgia expressed the support to Ukrainian colleagues in those difficult times and work conditions under attacks and huge system damages.

The Georgian representatives update the Platform on increased gas demand by 10% (due to war refugees), network development plans (to cover 85% of the country by gas network by 2024), DSOs' unbundling action plans submitted by Socar group to NEURC and new 5years tariff period which is just to be defined nowadays.

Sarajevogas (Bosnia and Herzegovina) representative update the Platform on provided USAID support to unbundling at distribution level and establishment of the new DSO in the country (Zenicagas).

The ECRB GWG chair presented the findings related to obligations imposed on TSOs and DSOs in regard the methane emissions, determination of methane emissions by legal acts, the distinction between different sources of methane emissions, regulatory treatment of network loses, leak detection and repair, as well as the strategies for methane emissions abatement, as in place in the Contracting Parties.

The Secretariat presented updates on methane emissions, with a focus on OGMP 2.0 and IMEO and LDAR elements. Gas quality, as a topic with increasing importance due to the acceptance of hydrogen and biomethane, has been also presented and discussed.

The DSO-g Platform adopted the working plan for 2023, which will be comprised of:

1. Regular (physical) meetings + Webinars
2. Meetings with other stakeholders
3. Joint meeting ECRB – DSO-g
4. Webinars on biomethane, hydrogen, and DSOs' role in the proposed decarbonization package
5. Implementation of Energy Units/sharing best practices
6. Continuous work related to methane emissions

The next DSO-g Coordination Platform meeting will take place in Q2 2023, most probably in Georgia.