

Measures to safeguard security of gas supply

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This Commission Staff Working Document reports on the implementation of Regulation (EU) 994/2010 and its contribution to solidarity and preparedness for gas disruptions in the EU.

To recall, Regulation (EU) 994/2010 aims to ensure that each Member State puts in place appropriate tools to prepare for and to manage the effects of a gas shortage caused by either a supply disruption or exceptionally high demand.

The present report is aimed at feeding into the wider discussion on upcoming improvements to the security of supply framework announced in the European Energy Security Strategy.

The main findings as regards the implementation and the assessment of these elements are as follows:

The supply standard and protected customers: as regards the definition of protected customers, some Member States have explained to have technical difficulties in distinguishing protected from non-protected customers which led them to include a broader group (i.e. all customers connected to the distribution grid) to the protected customers. Very often **basic information to verify the fulfilment of the supply standard is missing**. Member States have pointed to difficulties in interpreting the supply standard as one of the reasons for the missing information. One of the **main weaknesses** in the implementation of Regulation 994/2010 is that it has failed to bring about a clear system in which the supply standard is monitored and enforced in a systematic manner. As a result thereof, it appears that customers remain unequally protected across the EU.

The infrastructure standard including the N-1 rule and the obligation to install bi-directional capacity: the Commission services are of the view that the N-1 infrastructure standard is a crucial indicator to test whether the entry capacities into a gas transmission system are sufficiently balanced and are not overly-concentrated on a single trunk pipeline or underground gas storage facility. Member States have effectively made use of the N-1 standard in their Risk Assessments to examine the resilience of their network in various disruption scenarios. The N-1 standard is only one factor in testing accurately the resilience of a gas system.

As regards **bi-directional capacity**, the report noted that the share of bi-directional cross-border interconnection points within the EU has increased from only one-quarter (24%) in 2009 to almost half (40%) of all points by 2014. This means that the gas flows via almost every second interconnection point between Member States can physically be turned around.

The Risk Assessment, Preventive Action Plan and Emergency Plan: the Risk Assessments and Plans have no doubt had a positive impact on security of supply. However, weaknesses have been identified. The Risk Assessments and Plans have remained nationally focussed only and that the co-ordination between Member States has overall been poor. In their Preventive Action Plans and Emergency Plans, Member States must pay attention to the cross-border impact of their policies and factor in the impact of neighbouring countries' measures.

The notification of intergovernmental agreements (IGAs) and details of commercial agreements: the Commission carries out a detailed compliance check of the IGAs with the EU acquis and follows up in the form of letters to the concerned Member States.

As concerns the requirement to submit long-term commercial supply contracts, it has to be noted that the importance of such contracts for the gas market has overall decreased in the last years. Often the information provided on the long-term contracts has given just a broad overview. In many vulnerable Member States without supply diversification and gas hubs, long-term contracts remain an important element for security of supply. It should therefore be considered to introduce a more flexible and focused reporting obligation for long-term contracts.

Responsibilities and coordination in case of an emergency: emergency management represents another basic pillar of security of supply beside prevention. The Commission is tasked to **monitor the security of supply situation** on Union level. It has five days at its disposal to **verify whether a declaration of emergency is justified** and whether the measures do not breach the relevant principles and they follow closely the actions listed in the Emergency Plan.

Upon the request of several Competent Authorities that face a gas crisis simultaneously, the **Commission can declare a Union emergency or a regional emergency** for a specifically affected geographical area.

Since the entry into force of the Regulation the **national crisis levels have been declared on the occasion of two events.**

Lastly, the report concludes that Regulation 994/2010 has been instrumental in putting in place the basic building blocks of gas supply security on national level and thus improving the resilience of Member States in a gas crisis. However, there is scope to strengthen the EU's preparedness and capacity to respond effectively to gas supply crises further.