Measures to safeguard the security of gas supply

2016/0030(COD) - 12/09/2017 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 567 votes to 61, with 23 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010.

The European Parliament's position adopted at first reading following the ordinary legislative procedure amended the Commission proposal as follows:

Objective: the Regulation seeks to lay down provisions to safeguard the security of gas supply in the Union by ensuring the proper and continuous functioning of the internal market in natural gas, by allowing for exceptional measures to be implemented when the market can no longer deliver the gas supplies required, including solidarity measure of a last resort.

Responsibility: the amended text clarifies that the security of gas supply shall be the shared responsibility of natural gas undertakings, the Member States, in particular through their competent authorities, and the Commission.

For the purpose of the **risk-based approach**, risk groups should be defined based on the **major transnational risks to the security of gas supply** in the Union.

Those risk groups shall serve as the basis for enhanced regional cooperation to increase the security of gas supply and shall enable agreement on appropriate and effective cross-border measures of all Member States concerned within the risk groups or outside the risk groups along the emergency supply corridors.

The Commission may update the composition of the risk groups by means of a delegated act.

Annex I to the Regulation lists the risk groups of Member States which would serve as a basis for risk-based cooperation, namely risk groups supplied with gas via (i) the eastern corridor; (ii) the North Sea corridor; (iii) the North African corridor; and (iv) the Southeast corridor.

Risk assessment: competent authorities should assess all risk factors that could lead to the materialisation of the major transnational risk for which the risk group was created, including the breakdown of gas supply from the single largest supplier.

In order to contribute to common and national risk assessments, the European Network of Transmission System Operators for Gas (ENTSO) should conduct a **Union-wide simulation of gas supply failure** and infrastructure failures. This simulation should be repeated at least every two years.

Preventive action plans and contingency plans: the competent authority of each Member State should put in place such plans containing the measures necessary to eliminate or mitigate the identified risks. These plans should contain **regional chapters** when a Member State is part of different risk groups. The Commission would play a facilitating role in this context.

The Commission should assess the preventive action plans and emergency plans and **recommend that plans be reviewed**, in particular if they do not address the risks identified in the risk assessment, distort competition or adversely affect the functioning of the internal energy market or threaten the security of gas supply in other Member States.

The competent authority of the Member State should take account of the recommendations of the Commission. In case of disagreement with the Commission, the competent authority should make public the justification underlying its final position.

Protected customers: the Regulation aims to ensure that all necessary measures are taken to ensure the continuity of gas supply throughout the Union, in particular for protected customers.

The amended text clarified that the definition of solidarity protected customers should be limited to **households**, while still being able to include, under specific conditions, certain essential social services and district heating installations.

It is therefore possible for Member States to treat, in accordance with that framework, **healthcare, essential social care, emergency and security services as solidarity protected customers**, including where those services are performed by a public administration.

Solidarity: in order to guarantee cooperation with more vulnerable Member States, the Regulation provides for a **solidarity mechanism designed to deal with extreme circumstances** in which a Member State has the essential need to supply protected customers.

If a Member State has requested the application of the solidarity measure, a Member State which is directly connected to the requesting Member State or, where the Member State so provides, its competent authority or transmission system operator or distribution system operator shall as far as possible without creating unsafe situations, take the necessary measures to ensure that the gas supply to customers other than solidarity protected customers in its territory is **reduced or does not continue** to the extent necessary and for as long as the gas supply to solidarity protected customers in the requesting Member State is not satisfied.

At the same time, solidarity is a **measure of last resort** that applies only in an emergency and only under restrictive conditions. The Member State providing solidarity should be paid fair compensation promptly by the Member State receiving solidarity.

Transparency of contracts: in order to enable the competent authorities and the Commission to assess the state of gas supply security at national, regional and EU level, each natural gas undertaking shall notify the competent authority of certain details relating to gas supply contracts with a cross-border dimension and a duration of more than one year.

The amended text thus introduced the obligation to automatically notify the competent authority of contracts between a supplier and a buyer covering the equivalent of **28 %** or more of the annual gas consumption on the national market.

The notification obligation shall also cover **all commercial agreements** that are relevant for the execution of the gas supply contract, including relevant agreements that may be related to infrastructure, storage and any other aspect important for the security of gas supply.