Internal market in natural gas: pipelines to and from third countries

2017/0294(COD) - 08/11/2017 - Legislative proposal

PURPOSE: to extend common rules for the internal market in natural gas to gas pipelines from third countries.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: an integrated gas market is the cornerstone of the Energy Union and a key priority of the European Commission. Directive 2009/73/EC (the Gas Directive) has made a significant contribution towards the creation of the internal market in natural gas. However, it does not explicitly set out a legal framework for gas pipelines to and from third countries.

The current practice is to apply the fundamental principles of the gas regulatory framework in relation to third countries, in particular through international agreements on gas pipelines entering the European Union. The Commission therefore considered that legislative action is required in order to **define and specify the regulatory framework applicable to all gas pipelines to and from third countries**.

The EU is to large extent dependent on gas imports from third countries and it is in the best interest of the EU and gas customers to have as much transparency and competitiveness also on pipelines from those countries.

The measures envisaged are intended to implement key objectives of the Energy Union, in particular as regards the dimension of energy security. They are part of an ongoing effort to ensure the integration and efficient functioning of the European gas markets.

The proposal seeks to implement key objectives of the Energy Union, especially in the dimension of energy security. It is part of an ongoing effort to ensure the integration and effective operation of Europe’s gas markets.

CONTENT: the proposal aims at complementing the **Gas Directive** (2009/73/EC) to render the rules currently applicable to EU-internal pipelines **also applicable to pipelines to and from third countries**.

Specifically, the proposed amendments are intended to make clear that the key principles of EU energy law (third party access to the network, tariff regulation, ownership unbundling and transparency) will apply to all pipelines to and from third countries up to the border of EU jurisdiction.

The proposal will also enable new pipelines to and from third countries to apply for an **exemption** from the above rules pursuant to Article 36 Gas Directive. As regards **existing pipelines**, which fall outside the scope of Article 36, Member States will be enabled to grant derogations from the application of the main provisions of the Directive, provided that the derogation would not be detrimental to competition, effective market functioning or the security of supply in the Union.

In the absence of an international agreement, an exemption for new infrastructure or derogation for infrastructure already in operation, the pipeline may only be operated in line with the requirements of Directive 2009/73/EC within the borders of EU jurisdiction.