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**Council of European  
Energy Regulators**



## **New EU Gas SoS Regulation**

**EU Russia Gas Advisory Council**  
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## What is new since 1 November 2017?

- Shift from MS to regional cooperation (Annex I)
  - ▶ Risk assessments, Preventive Action Plans (PAP) and Emergency Plans (EP)
- Corridor approach for reverse flow (art 5)
  - ▶ Benefits measured along the supply corridor
- Explicit mechanism for solidarity (art 13)
  - ▶ When market measures and EP measures are exhausted
- Improved exchange of information and transparency (art 14)
  - ▶ Adequate information in risk assessments and plans (PAP, EP)
- Closer cooperation with Energy Community (art 16)
  - ▶ Ensure consistency across border of risk assessments



## Regional cooperation

- **Defined risk groups of MS for risk associated cooperation**
  - ▶ 13 risk groups based on gas corridors (e.g. Algeria, Baltic Sea, Belarus, Denmark, Eastern Mediterranean, Low-cal gas, Libya, North-Eastern, Norway, Southern Gas Corridor, Trans-Balkan, Ukraine, UK)
  - ▶ MS may be member of several risk groups (e.g. Latvia in 2, BE in 5, DE in 7)
- **Risk assessments and plans (update 4y)**
  - ▶ national risk assessments & common risk assessments for each risk group
  - ▶ regional chapters in each MS' Preventive Action Plan (PAP)
  - ▶ regional chapters in each MS' Emergency Plan (EP)
- **Obligatory cooperation and deliverables**
  - ▶ Agreement on a cooperation mechanism for preparation of risk assessments and plans
  - ▶ Appropriate and effective cross-border measures
  - ▶ Commission Opinion on Plans after consulting Gas Coordination Group

## Reverse flow

- Benefits measured along the supply corridor
  - ▶ Infrastructure standard: N-1 Definition (remains the same) and Reverse flow
- Consistency with TEN-E process:
  - ▶ Joint submission
  - ▶ Cost-benefit analysis
  - ▶ Cross-border cost allocation
  - ▶ Role of NRA and ACER
- TSOs to submit joint proposal or exemption request
  - ▶ For all interconnections (existed on date of entry into force of the Regulation, 1 November 2017) before 1 December 2018 (unless valid exemption)
- Commission to publish
- Exemptions can be revised upon request of a MS or Commission



# Solidarity mechanism

- **Explicit mechanism for solidarity from 1 December 2018**
  - ▶ Priority of supplies to solidarity protected customers (households, essential social services) in a MS A under emergency over non-solidarity protected customers in a (directly, indirectly connected) member State B
- **Solidarity as a last resort, only after:**
  - ▶ Increased supply standard moved to normal level
  - ▶ Market based measures for as long as possible
  - ▶ Non-market measures are exhausted
- **In exchange of fair and prompt compensation**
  - ▶ Request for solidarity, offer of solidarity
  - ▶ Requesting MS is free to accept solidarity offer
- **Bilateral arrangements between MSs**
  - ▶ COM non-binding guidance on technical, legal and financial arrangements (OJ 6.2.2018)
  - ▶ Agreements between MSs



## Improved transparency

- Main purpose: regular inflow of contract related information in order to reflect information in risk assessments and plans (PAP, EP)
- Enhanced access to (contractual) information irrespective of declaration of emergency (art 14(4))
- Notification of details of all contracts with cross-border dimension and longer than 1 year (art 14(6(a)))
  - ▶ Each natural gas undertaking to relevant Competent Authority (CA)
  - ▶ CA to COM in anonymized form, new & modified contracts to be sent every September
  - ▶ Non-aggregated, excluding price information
  - ▶ Indication whether it falls under the 28% threshold
- Automatic ex-post notification of gas supply contracts relevant for SoS (art 14(6(b)))
  - ▶ All existing contracts (after 12 months); new and modified
  - ▶ 28% threshold based on annual consumption of most impacted MS
  - ▶ 2-step approach: to CA, and if doubts, to COM
  - ▶ CA to submit its SoS assessment to COM
  - ▶ Discretionary powers to request contracts for CA and COM (art 14(7))
  - ▶ Whole contract but only details of accompanying commercial agreements
  - ▶ No price information
  - ▶ Infrastructure contracts not included (unless relevant for the supply contract)
- Confidentiality of commercially sensitive information

## Energy Community

- Closer cooperation with the Energy Community Contracting Parties
- Capacity building and cooperation: to ensure consistency across border of risk assessments and Plans
- Participate in Gas Coordination Group
- Amendment of the Energy Community Treaty with a view to implement reciprocal obligations under the Gas SoS Regulation



**Thank you for your  
attention!**

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