



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Assemblée nationale for its Opinion on the proposal for a Regulation of the European Parliament and of the Council concerning measures to safeguard the security of supply and repealing Regulation (EU) No 994/2010 (the proposal for a Regulation) {COM(2016) 52 final} and the proposal for a Decision of the European Parliament and of the Council on establishing an information exchange mechanism with regard to inter-governmental agreements and non-binding instruments between Member States and third countries in the field of energy and repealing Decision No 994/2012/EU (the proposal for a Decision) {COM(2016) 53 final}.

The Commission has taken good notice of the recommendations from the Assemblée nationale and is pleased to offer the following explanations.

To achieve a better prevention of crisis and a more effective and a better coordinated response in emergency situations, the proposal for a Regulation introduces a mandatory regional cooperation as a tool in conducting risk assessment and drawing up the Emergency and Preventive Action Plans. The existing Regulation No 994/2010 provides for voluntary regional cooperation between Member States. By introducing a mandatory regional cooperation in pre-defined regions in the field of security of supply based on transparent and objective criteria, the Commission seeks to address the shortcomings of the existing Regulation, which led to sub-optimal results as regards the risk preparedness of Member States in case of gas supply disruption. In particular, the Commission has emphasized the importance of cooperating at regional level for the development of cross-border measures to prevent and mitigate the impacts of a crisis should it nevertheless occur. Through such measures the effectiveness of the reaction can be greater and synergies can be fully exploited, thus reducing the costs of security of supply policies for consumers.

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The proposal for a Regulation also contains provisions for the application of the solidarity principle among Member States which are directly connected when the gas supply to households and essential social services is at stake. The concrete details governing such a mechanism, which has to be considered as a last resort measure to ensure the ultimate welfare of citizens, have to be agreed on a case-by-case basis among the Member States concerned on the basis of a set of principles contained in the proposal for a Regulation. Given the different roles that gas plays in the energy mix of Member States, the Commission considered that prescribing a detailed mechanism for all agreements among Member States would not be proportionate and therefore preferred to leave Member States a great margin of flexibility in the practical design of the concrete schemes for the application of the solidarity provisions. In any case, a dedicated meeting of the Gas Coordination Group took place on 8 September 2016 to discuss with Member States and other relevant stakeholders (e.g. industry, consumers) the details of the practical implementation of the solidarity provisions. The results of the discussion will serve for further reflection on the practical implementation and may be included in the proposal during the negotiation process.

In order to achieve solidarity and a better coordination of policies for safeguarding the security of gas supply, transparency is an indispensable element of the Member States' cooperation. On that basis, the proposal for a Decision aims to enhance the transparency and consistency of the EU's external energy relations, and to strengthen its negotiating stance vis-a-vis third countries. Thus, the proposal for a Decision complements the proposal for a Regulation, but also serves a wider risk-management purpose as it provides for a comprehensive, ex ante assessment of the compatibility of intergovernmental agreements and EU legislation in the areas of security of energy supply and the internal energy market. In the light of the above, the Commission will develop model clauses with the purpose of assisting the Member States in signing intergovernmental agreements compatible with Union law.

Another important element of the proposal for a Regulation is the improvement of the provisions regarding bi-directional capacity by enlarging its scope to cover not only the Member States on both sides of an interconnection point, but also other Member States that could be affected. The Commission shares the view of the Assemblée nationale that exemptions may continue to be necessary in order to maintain a proportionate approach, for example where the costs of enabling bi-directional capacity would significantly outweigh the prospective benefits for the security of energy supply. The proposal for a Regulation also contains provisions to ensure the allocation of costs is agreed by the National Regulatory Authorities concerned and takes into account the proportion of the benefits of the infrastructure investments for the increase in the security of supply of the Member States concerned.

The points made above are based on the initial proposals presented by the Commission which are currently in the legislative process involving both the European Parliament and the Council in which the French government is represented.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Assemblée nationale and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

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Member of the Commission*