



**EUROPEAN COMMISSION**  
DIRECTORATE-GENERAL FOR ENERGY

Directorate A - Energy policy  
**A.1 - Energy Policy & Monitoring of electricity, gas, coal and oil markets**

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**NOTE FOR THE FILE**

**Subject: Minutes of the Oil Supply Group Meeting, 2 October 2012**

**1. OVERVIEW**

The meeting of the Oil Supply Group (henceforward the Group) took place on 2 October 2012 in Commission premises from 9:30 to 13:00. 24 Member States, 1 candidate country and the International Energy Agency (IEA) were represented (see participants' list). The meeting was chaired by Ms Mechthild Wörsdörfer (Head of Unit ENER A1).

**2. INTRODUCTORY PROCEDURES**

The chairperson welcomed Mr Martin Young, the representative of the IEA who attended the meeting of the Group for the first time in his new capacity as head of the Emergency Policy Division.

The draft agenda of the meeting was approved, including two additional points (oil supplies on the Druzhba pipeline and control of cross-border stocks). The draft summary minutes of the previous meeting of the Group (25 May 2012) were approved.

**3. UPDATE ON OIL STOCK LEVELS IN MEMBER STATES**

The Commission presented the latest data on emergency oil stocks in the EU. Member States were invited to check the data compiled by the Commission on the basis of latest reports so that the summary tables could be uploaded on the website of DG Energy.

Overall stocks levels are comfortable for all three product categories. Member States with insufficient stock levels were invited to give further explanation.

Consumption has decreased from 2010 to 2011, especially in Category III. A few Member States were reminded to send 2011 consumption data.

#### **4. RECENT MARKET DEVELOPMENTS**

The Commission gave information on the sanctions against Iran and its impact on the European and global market. This was followed by a discussion with Member States, especially those previously importing from Iran, commenting on the impacts of the import ban and the way of replacing Iranian oil from other sources. In line with the sanctions, all Member States stopped importing Iranian oil after 1 July.

Member States also exchanged views on crude oil flows through the Druzhba pipeline. The Czech Republic reported on the recent reduction of supplies through this route; other Member States have not experienced similar problems.

#### **5. REVIEWING EMERGENCY PREPAREDNESS**

The Commission recalled that the new oil stocks directive allows it to carry out "reviews of emergency preparedness and stockholding". The directive requires the Commission to take into account efforts undertaken by other international organisations.

The IEA presented its "emergency response reviews", the legal basis, the topics covered and the process of carrying out these reviews. In addition to oil, the IEA reviews cover security of gas supply and, from the next cycle starting in 2013, they will also cover electricity. The IEA expressed its willingness to work with the Commission and avoid duplication of efforts.

The Commission presented the relevant article of the directive which does not explain how a review is to be carried out but provides some important indications. The Commission outlined some possible options with respect to the frequency and the format of the reviews and the possibility of aligning the reviews with those of the IEA. It stressed the limited resources and the importance of avoiding duplication of work.

Participants had a first discussion about the possible way of carrying out such reviews. Member States generally agreed that resources have to be used efficiently and the duplication of reviews is to be avoided. The possibility to access documents and facilities was highlighted. There was a suggestion to extend the cooperation between the Commission and the IEA to exercises.

Delegates were invited to send written comments.

#### **6. TRANSPOSITION OF THE NEW OIL STOCKS DIRECTIVE**

The Polish delegate made a short presentation on the current stockholding regime and the progress of transposition. Relatively few changes have to be made in the existing stockholding law. The Material Reserves Agency will become the Polish CSE and will hold more stocks by 2018 as it takes over part of the obligation of companies in exchange for a fee. Cross-border stocks will continue to be subject to bilateral agreements but the system could become more flexible. In the future, the possibility to hold specific stocks will be inserted in the law but for the time being Poland does not plan to hold such stocks.

Other Member States were asked whether they want to make an update on their transposition efforts. In Belgium, the new draft law was approved by the minister and would go to the Council of Ministers in early October, and then to the Parliament.

The Commission said it would shortly publish a FAQ (frequently asked questions) document based on questions received from Member States but stressed that binding interpretation of EU legislation is the exclusive competence of the Court of Justice of the European Union (subsequently circulated to members on 9 October 2012).

The Netherlands raised that the new directive does not require bilateral agreements for cross-border stocks and argued that the element of control of such stocks is missing from the directive. Possible solutions to this problem were raised. Other Member States were less concerned about this issue. Several Member States indicated that current bilateral agreements would be retained. Others argued that the same internal procedures should be used for all stocks held on national territory. One country explained that it has a contractor which checks the stocks held abroad. The Commission stressed that the Member State for whose benefit the stocks are held remains ultimately responsible for the availability of stocks. The Commission continues to consider this issue and, if needed, is ready to facilitate a solution.

#### **7. PROPOSAL FOR PUBLISHING STOCK DATA FROM 2013**

The Commission outlined the current practice of publishing stock data and the publishing requirements pursuant to the new oil stocks directive. While the legal requirements are limited (cover only commercial stocks), publishing stock data can contribute to transparency. On the other hand, data should be clear and understandable. Some possible tables were presented which could be published on the website of DG Energy.

Delegates were invited to send written comments.

#### **8. CONCLUDING REMARKS**

Delegates were invited to attend the ensuing expert meeting on reporting petroleum product prices. The next meeting of the Group will take place in December 2012 or January 2013.

Mechthild Wörsdörfer  
/signed/

Head of Unit

Enclosure: Participants' list

Cc: F. Barbaso, J.-A. Vinois, T. Marquez Uriarte, P. Abreu Marquez, K. Gross, Z. Tasnadi, F. Soupart, S. Rezessy, M. Westrup, M. Lippold (ENER), C. Kroeppl (ESTAT)

**ANNEX: PARTICIPANTS' LIST**

<b>Name</b>	<b>Country/Organisation</b>
Angela SIEBENHANDL	Federal Ministry of Economy, Family and Youth Austria
Matthias NEUBAUER	Federal Ministry of Economy, Family and Youth Austria
Luc THYS	Federal Public Service Economy, SMEs, Self-employed and Energy Belgium
Christophe GILLIQUET	Federal Public Service Economy, SMEs, Self-employed and Energy Belgium
Rositsa STANKOVA	State Agency "State reserve and wartime stocks" Bulgaria
Damir STAMBUK	Ministry of Economy Croatia
Michal MARES	Ministry of Foreign Affairs Czech Republic
Jitka HOLUBCOVA	Ministry of Foreign Affairs Czech Republic
Jan BARTOS	Administration of State Material Reserves Czech Republic
Uffe STRANDKJAER	Danish Energy Agency Denmark
Svend WEST HANSEN	FDO Denmark
Priit ENOK	Estonian Oil Stockpiling Agency Estonia

Frederic PELCE	Ministry of Ecology, Energy, Sustainable Development and Sea France
Olivier TRIQUET	Ministry of Ecology, Energy, Sustainable Development and Sea France
Hanna GOETERS	Permanent Representation to the EU Germany
Zsuzsa BERES	Ministry of National Development Hungary
Aoife MACEVILLY	Department of Communications, Energy and Natural Resources Ireland
Giovanni PERRELLA	Ministry of Economic Development Italy
Zanda SPROGE	Ministry of Economics Latvia
Anta LEITE	Ministry of Economics Latvia
Dainius BRAZIUNAS	Ministry of Energy Lithuania
Georges LANNERS	Ministry of Economy and Trade Luxembourg
Philip CARUANA	Malta Resources Authority Malta
Frans WIELEMAN	Ministry of Economic Affairs The Netherlands
Elzbieta PISKORZ	Ministry of Economy Poland
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