



EUROPEAN COMMISSION

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*C(2017) 290 final*

*Mr Pietro Grasso  
President of the  
Senato della Repubblica  
Piazza Madama, 1  
IT – 00186 ROMA*

*Dear President,*

*The Commission would like to thank the Senato della Repubblica for its Opinion on the Commission's Communication on an EU strategy for liquefied natural gas and gas storage {COM(2016) 49 final}.*

*This Communication forms part of the Energy Security Package implementing the Energy Union and addresses the role liquefied natural gas (LNG) and gas storage can play to ensure that all Member States have access to liquid gas market and diversified sources of supply. This is in line with the objectives of the Energy Union which aims to provide EU consumers with secure, sustainable, competitive and affordable energy supplies. The Communication identifies specific actions designed to improve security of gas supply in the EU, in particular through diversification and the completion of a well-functioning and fully integrated EU gas market.*

*Looking at the EU overall, the level of gas diversification, access to sufficient LNG import and storage capacity is good. However, the energy security stress tests<sup>1</sup> showed that there are still vulnerable regions, especially in the South-Eastern part of the EU, where one-sided supply dependence and missing infrastructure do not yet allow for a competitive and secure gas supply. The stress tests also pointed out that in case of a supply crisis, LNG and storage are the two main elements of the gas system that would be relied upon to replace the missing volumes of gas. Therefore, the actions identified in the strategy aim to allow all Member States to have access to regional liquid gas hubs through a wide range of sources, including LNG, and to ensure sufficient storage capacity on a regional basis with a particular focus on vulnerable regions.*

*The Commission welcomes the view of the Senato della Repubblica that the EU needs a flexible energy system that allows diversification from many sources and suppliers and at the same time is able to respond to constantly changing market conditions; the Commission sees a well-functioning and fully interconnected EU energy market as key in achieving this.*

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<sup>1</sup> <https://ec.europa.eu/energy/en/news/stress-tests-cooperation-key-coping-potential-gas-disruption>.

*The Commission acknowledges the Senato della Repubblica's call to seize the opportunity of current low global LNG prices to the benefit of EU source diversification through increased international dialogue. The proposed strategy foresees that the Commission will continue and strengthen its dialogue with current and new major LNG supplier countries and consumers in order to make sure that the LNG market evolves towards increased flexibility and transparency. Regular discussions on LNG are already held with the United States, Australia, Japan and will be initiated in the coming months with Canada and other major suppliers and consumers. The Commission will also continue to closely follow the related trade and price developments.*

*The Commission is pleased that the Senato della Repubblica shares the view that focus should be on better use of existing infrastructure, including better utilization of and access to existing LNG terminals, for example by allowing bi-directional flows, before any new investments are pursued. This is why the strategy identifies only a limited number of projects, several of which are indeed aiming at reverse flow capability and better connecting markets to those with existing LNG import terminals. This approach also makes sure that environmental impacts are minimized. Better utilization of existing infrastructure is also pursued in the strategy through allowing operators to introduce new products and services targeting other uses of LNG, as well as small scale LNG.*

*The Commission welcomes the Senato della Repubblica's support to the actions aiming at exploiting the potential of LNG in transport where it can have a significant positive effect in reducing environmental impacts, in particular when it replaces dirtier fuels. The Commission also agrees that the use of LNG is particularly suited for long-distance road freight transport and vessels, for which alternatives to diesel are very limited. LNG in particular is the best option to meet the limits for sulphur content in marine fuels and limits for nitrogen oxides emissions in Emission Control Areas (ECA).*

*The Commission takes note of the remark of the Senato della Repubblica on the need for more harmonization of permitted levels of sulphur content in Member States. Limits for the sulphur content in marine fuels are regulated by the Sulphur Directive<sup>2</sup>. Levels permitted are dependent on whether Member States' marine waters are located in an ECA or outside; the designation of these ECAs – following an application submitted by a Member State – is under the authority of the International Maritime Organization. The Commission would welcome the designation of new ECAs on remaining EU marine areas, which would lead to a further harmonisation of requirements regarding sulphur limits within the EU.*

*The Commission also takes note of the remark of the Senato della Repubblica about the importance of disseminating information about the role and potential benefits of LNG. The Commission considers, however, that the promotion of a specific type of fuel or technology is*

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<sup>2</sup> Directive 2012/33/EU of the European Parliament and of the Council amending Council Directive 1999/32/EC as regards the sulphur content of marine fuels.

*rather a task for the relevant industry players and the Commission should stay neutral in this regard.*

*The Commission welcomes the overall support of the Senato della Repubblica to its strategy for LNG and storage. The Commission has presented the Communication to the Energy Working Party of the Council and the European Parliament adopted an own-initiative report on 25 October 2016. The Commission has already launched several work streams based on the actions defined in the Communication. Work under the specific regional groups in the Baltic Sea Region<sup>3</sup> and Central South-East Europe<sup>4</sup> has also started as a consequence. These work streams will still be followed by further actions with the aim of fully implementing the strategy set out in the Communication.*

*The Commission hopes that the clarifications provided in this reply address the issues raised by the Senato della Repubblica and looks forward to continuing our political dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Miguel Arias Cañete  
Member of the Commission*

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<sup>3</sup> Under the BEMIP (Baltic Energy Market Interconnection Plan) High-Level Group.

<sup>4</sup> Under the CESEC (Central East South Europe Gas Connectivity) High-Level Group.