



EUROPEAN COMMISSION

*Brussels, 4.10.2016  
C(2016) 5795 final*

*Ms Laura Boldrini  
President of the Camera dei Deputati  
Piazza Montecitorio  
IT – 00100 ROMA*

*Dear President,*

*The Commission would like to thank the Camera dei Deputati for its Opinion on the proposal for a Regulation concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010 {COM(2016) 52 final}.*

*This proposal constitutes an important component of the Energy Union, the goal of which is to provide EU consumers – households and businesses – with secure, sustainable, competitive and affordable energy. It aims at strengthening the EU's overall resilience to absorb the impacts of a disruption in the supply of gas and its preparedness to respond effectively in the event of a gas supply crisis.*

*The proposal introduces mandatory cooperation between regions for the purposes of conducting risk assessments and drawing up emergency and preventive action plans, which aim at developing the right measures to reduce and remove the risks identified. The composition of these regions, as defined in the proposal, builds on existing regional cooperation structures established by the Member States and the Commission, particularly the regional groups set up under Regulation 347/2013 on guidelines for trans-European energy infrastructure (TEN-E Regulation)<sup>1</sup>. However, since the objectives of the proposal and those of the TEN-E Regulation are different, a number of additional criteria, listed in Article 3(7) of the proposal and which are broader than just a geographic criterion, were taken into consideration when drawing up the design of the regions. These criteria include the presence of existing and planned interconnections, taking into account their capacity, as well as the possibility to pool resources and balance out the risks to the security of gas supply across the region.*

---

<sup>1</sup> Regulation (EU) No 347/2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) 714/2009 and (EC) No 715/2009; OJ L 115, 25.4.2013, pp. 39-75.

*Another relevant criterion for the definition of regions is a limitation in their size in order to achieve meaningful cooperation. Moreover, the Commission has tried to strike a balance in terms of administrative burden by requesting all Member States to prepare only one set of regional emergency and preventive action plans, i.e. the plans for the region in which they are included according to the Commission's proposal, instead of asking certain Member States to prepare several sets of regional plans depending on the number of regions they belong to. To ensure that these plans are consistent across the regions, they will be subject to a review by peers, notably from Member States neighbouring the region that prepared them. In addition to this, all the plans and peer review reports will be discussed in the Gas Coordination Group, which is composed of representatives of Member States, European organisations of the gas sector and consumers, to ensure an EU perspective is respected.*

*The composition of regions resulting from the application of the above-mentioned principles would be consistent with the results of the stress tests that were carried out in 2014 and with the measures identified by Member States in the emergency plans they have prepared under the existing Regulation on the security of gas supply<sup>2</sup>. Furthermore, within the identified regions, the relevant Member States would be free to establish the cooperation mechanism that they find most suitable for their given region and the proposed definition of regions does not prevent Member States from cooperating with each other even where they are not members of the same region.*

*The proposal also introduces solidarity between Member States in case of a very severe emergency. Although such an emergency has never occurred in the EU, given its dependency on gas supply from the outside, the Commission considers it appropriate to increase the preparedness of Member States for such a situation. The Commission would like to stress that solidarity would apply between directly connected Member States, i.e. it is not limited to the regions. The proposal would make sure that any support mechanism in the framework of the solidarity principle is based on the principles of reasonable rights and obligations and a fair compensation mechanism. 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 response to the more technical points raised in the Opinion, the Commission would like to refer the Camera dei Deputati to the Annex to this letter. The points made above and in the Annex are based on the initial proposal presented by the Commission which is currently in the legislative process involving both the European Parliament and the Council, in which the Italian government is represented.*

---

<sup>2</sup> Regulation (EU) 994/2010 concerning measures to safeguard security of gas supply and repealing measures to safeguard security of gas supply and repealing Council Directive 2004/67/EC; OJ L 295, 12.11.2010, pp. 1-22.

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

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Maroš Šefčovič  
Vice-President*

## ANNEX

*The Commission has carefully considered each of the issues raised by the Camera dei Deputati in its Opinion and is pleased to offer the following clarifications.*

### *On the declaration of regional emergencies:*

*As regards the declaration of regional emergencies, the Commission decided to maintain the provisions contained in the existing Regulation on the security of gas supply, which were the result of discussions held in 2009 and which reflect the legislators' will in this respect.*

### *On the transparency requirements and reporting obligation:*

*In its proposal, the Commission explained that access to relevant information is an essential input for the design of security of supply policies by Member States' competent authorities and the Commission. In the impact assessment<sup>3</sup> accompanying the proposal, the Commission identified as one of the existing problems in this domain the fact that external risks are not properly factored into the design of security of supply policies, notably because the relevant information is not always available. To address this issue, the Commission has included provisions in its proposal regarding certain gas supply contracts that may have an impact on the security of supply. Gas companies will thus be obliged to automatically notify gas supply contracts where their duration exceeds one year and they cover at least 40% of the annual gas consumption in a Member State. Other long-term supply contracts that do not meet these criteria may still be relevant for security of supply and for such cases the competent authorities and the Commission will also have the power to request to see the concluded supply contracts, i.e. no automatic notification will apply in this case. The Commission considers that this approach strikes a balance in terms of administrative burden, makes the obligations clear for market participants and ensures access to security of supply relevant information.*

### *On the solidarity principle:*

*The provisions contained in the Commission's proposal are not limited to the region. These provisions apply between directly interconnected Member States as they would be the first and most immediate resort in case of a severe crisis in which rapid action is required. For solidarity provisions to be effectively applied through a non-EU country, the latter will likely have to envisage certain arrangements and imposing such obligations on a non-EU country falls out of the scope of the proposal*

### *On the emergency and preventive action plans:*

*The Commission proposes that emergency and preventive action plans be drawn up at the regional level. However, Member States would also be free to draw up national plans on the basis of the emergency and preventive action plans agreed within the region. Furthermore, the*

---

<sup>3</sup> SWD(2016) 25 final.

*regional plans would in any case have to contain national measures and/or national chapters in order to address those risks of a purely national dimension or to mitigate the impact of events which due to their limited size are to be addressed at the national level only.*

*On the suppliers of last resort:*

*This is a broader topic already covered in other pieces of legislation, such as the internal energy market rules<sup>4</sup>. While the Commission's proposal does not specifically mention them, it requires Member States to assess all possible risks affecting the security of gas supply and, should this topic be identified as a potential risk, Member States would be obliged to take measures to address it and reflect them in their preventive action and emergency plans.*

*On storage:*

*In its impact assessment, the Commission assessed the appropriateness of a more prescriptive approach on storage, for example via a certain level strategic stocks or storage obligations. However, the Commission concluded that imposing such measures on all Member States would have a significant impact in terms of costs for consumers that would not necessarily be compensated by the increases in security of supply, notably in markets with liquid hubs.*

*On the coordinated use of certain facilities:*

*The Commission proposes an increased regional approach to the design of security of supply policies among others to facilitate the exploitation of synergies between Member States, such as the cross border use of infrastructure facilities, including liquefied natural gas (LNG) and storage. This is further detailed in the Commission's Communication on an EU Strategy for LNG and gas storage.<sup>5</sup> However, the existing options vary from one region to another and consequently, need to be agreed and developed on a case by case basis.*

*On the definition of protected customers:*

*The Commission's proposal attempts to strike a balance between harmonisation and the flexibility needed due to differences that exist between Member States. Widening the definition bears the risk that the costs of supplying gas to protected customers will be very high. At the same time, a wide definition may not be acceptable to those Member States that prefer to narrow it down to households. It must be noted that Member States may always establish a priority order among non-protected customers and place some of them, for instance gas-fired power plants, in such curtailment order just before the protected customers.*

---

<sup>4</sup> See for example Directive 2009/73/EC concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC; OJ L 211, 14.8.2009, pp. 94-136.

<sup>5</sup> COM(2016) 45 final.