



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Senato della Repubblica for its Opinion on the proposal for a Regulation of the European Parliament and of the Council concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010 {COM(2016) 52 final}.

The proposal is part of the Commission's Energy Security package adopted on 16 February 2016 that contributes to the implementation of the Energy Union, one of the Commission's ten political priorities. The Energy Union aims to provide EU consumers – households and businesses – with secure, sustainable, competitive and affordable energy supplies. Specifically, this package of proposals focuses on addressing the dimensions of energy security, solidarity and trust.

The Commission welcomes the Senato della Repubblica's general support to the proposal and has taken good note of its recommendations. In response to the specific comments in the Opinion the Commission would like to refer to the attached annex.

The points made in this reply are based on the initial proposal presented by the Commission. The proposal is currently in the legislative process involving both the European Parliament and the Council.

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

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Miguel Arias Cañete
Member of the Commission*

*Mr Pietro Grasso
President of the Senato della Repubblica
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ANNEX

The Commission has carefully considered each of the issues raised by the Senato della Repubblica in its Opinion and is pleased to offer the following clarifications.

On regional cooperation

In order to achieve a better prevention of crisis and a better coordinated response in emergency situations, the proposal introduces a mandatory regional cooperation for the purposes of conducting risk assessment and drawing up Emergency and Preventive Action Plans. It also includes a proposal for the composition of the regions, which to the extent possible 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 infrastructure¹ (TEN-E Regulation).

The current Regulation No 994/2010 includes a 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 improve the shortcoming of the current Regulation, which led to suboptimal results as regards 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 occur. Through such measures the effectiveness of the reaction would be higher and synergies would be fully exploited, thus reducing the costs of security of supply policies for consumers. The proposal on pre-defined regions should ensure that the regional cooperation is as operational as possible as from the entry into force of the Regulation.

Member States would be free to establish a cooperation mechanism that they find most suitable for a given region. The proposed definition of regions should not prevent the Member States from cooperation with Member States that are not part of their respective regions. The proposal also contains elements that strengthen the cooperation between the regions in the form of peer reviews of the Emergency and Preventive Action Plans.

The Commission has also proposed to define the regions in the Regulation in order to actively involve Member States in the decision-making process concerning the design of the regions through their participation in the on-going legislative process, i.e. the discussions in the Energy Working Party in the Council. In the recent months the proposal has been discussed in depth with representatives of all Member States in the Energy Working Party. The representatives of the Italian Government have contributed actively in those discussions.

As regards the empowerment of the Commission to amend the definition of the regions through delegated acts, the Commission would like to stress that the proposal does not give

¹ Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulation (EC) No 713/2009, (EC) 714/2009 and (EC) No 715/2009, OJ EU L 115 of 25.4.2013, p. 39.

the Commission full discretionary powers. First of all, any modification of the regions would have to comply with the substantive criteria laid down in Article 3(7) of the Regulation. Given the importance of this issue, the Commission would always consult the Member States in the Gas Coordination Group before proposing any changes. Finally, according to the Inter-Institutional Agreement between the European Parliament the Council and the Commission on Better Law-Making, the Commission would have to involve the expert groups.

On solidarity

The proposal introduces solidarity between the Member States in case of a very severe emergency. So far such an emergency has never occurred in the European Union. Nevertheless, given the dependency of the EU on gas supply from outside the EU, the Commission considers it appropriate to increase Member States' preparedness for such a situation. The Commission would like to stress that solidarity would apply between any directly connected Member States, i.e. it is not limited to the regions.

Furthermore, the proposal ensures that any support mechanism in the framework of the solidarity principle is based on a compensation mechanism. On 8 September 2016 detailed arrangements for implementing the solidarity provisions were discussed with experts from the Member States and with representatives of the sector in the Gas Coordination Group. The results of this meeting were fed into the legislative proposal.

On transparency of gas supply contracts

Another important new element of the proposal for a Regulation is the transparency requirements as regards certain gas supply contracts that may have an impact on the security of supply. Gas companies would be obliged to notify gas supply contracts with a duration of at least one year, covering at least 40% of the annual gas consumption in a Member State. The competent authorities and the Commission would also have the power to request details of other supply contracts that do not fulfil these criteria but could create a risk for security of supply. At the same time the Commission is aware that any disclosure of commercial information may cause serious damage to the business activities of the gas companies. The Commission would like to recall that the Commission has extensive experience in handling commercially sensitive information, in particular in the field of competition and nuclear energy. The same rules and procedures would be put in place to protect commercial secrets in the gas supply contracts.