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ANNEXES 1 to 2

## **ANNEXES**

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### **COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL on the short term resilience of the European gas system**

**Preparedness for a possible disruption during winter 2014/2015**

{ SWD(2014) 322 final }  
{ SWD(2014) 323 final }  
{ SWD(2014) 324 final }  
{ SWD(2014) 325 final }  
{ SWD(2014) 326 final }

## Annex 1: Specific recommendations for most affected Member States

Member State	Exposure <sup>1</sup>	SPECIFIC RECOMMENDATIONS
<b>Estonia</b>	204 mcm  100%	<ul style="list-style-type: none"> <li>- Ensure the political support necessary to reach key agreements on joint emergency measures covering sensitive issues such as the volumes of gas to be shared and its market destination.</li> <li>- Adopt swiftly a joint Emergency Plan and a joint Preventive Action Plan.</li> <li>- Finalise an agreement with Lithuania before December for the supply of protected customers in case of an emergency from Klaipeda LNG terminal.</li> <li>- Consider increasing the level of stocks for fuel switching to ensure installations can continue to operate during an emergency while new alternative fuel deliveries arrive.</li> <li>- Explore market solutions, such as interruptible contracts to deal with or alleviate gas needs in case of a disruption.</li> <li>- Ensure third party access to the gas system despite the derogation from the Third Energy Package.</li> <li>- Ensure clear political will to accelerate investments in infrastructures such as the Baltconnector (Estonia-Finland interconnector) and the Regional LNG terminal.</li> </ul>
<b>Latvia</b>	39 mcm  15%	<ul style="list-style-type: none"> <li>- Ensure the political support necessary to reach key agreements on joint emergency measures covering sensitive issues such as the volumes of gas to be shared and its market destination.</li> <li>- Adopt swiftly a joint Emergency Plan and a joint Preventive Action Plan.</li> <li>- Ensure third party access to Incukalns storage facility and to the Latvian gas transport system, despite the derogation from the Third Energy Package.</li> <li>- Consider market-based solutions as well as demand side measures to mitigate the impacts of a crisis.</li> <li>- Revise the definition of protected customers to align it with other Member States in the region and with Regulation (EU) 994/2010.</li> </ul>
<b>Lithuania</b>	693 mcm	<ul style="list-style-type: none"> <li>- Ensure the political support necessary to reach key agreements on joint emergency measures covering sensitive issues such as the volumes of gas to be shared and its market destination.</li> <li>- Adopt swiftly a joint Emergency Plan and a joint Preventive Action Plan.</li> <li>- Consider increasing the level of stocks for fuel switching to ensure installations can continue to operate during an emergency while new alternative fuel deliveries arrive.</li> </ul>

<sup>1</sup> Missing gas volumes per affected country over 6-months period in Russian supply cut and cold spell scenario (total shortfall in mcm and largest relative monthly shortfall in %)

<b>SPECIFIC RECOMMENDATIONS</b>		
<b>Member State</b>	<b>Exposure<sup>1</sup></b>	
	59%	<ul style="list-style-type: none"> <li>- Continue the work on the upgrade of the Klaipeda-Kursenai pipeline to allow for an enhanced use of Klaipeda LNG terminal.</li> </ul>
<b>Finland</b>	2255 mcm  100%	<ul style="list-style-type: none"> <li>- Ensure the political support necessary to reach key agreements on joint emergency measures covering sensitive issues such as the volumes of gas to be shared and its market destination.</li> <li>- Adopt swiftly a joint Emergency Plan and a joint Preventive Action Plan.</li> <li>- Ensure the feasibility of fuel switching during emergencies by removing possible obstacles affecting the replacement of stocks, notably as regards logistics.</li> <li>- Ensure clear political will to accelerate investments in infrastructures such as the Balticconnector (Estonia-Finland interconnector) and the Regional LNG terminal.</li> <li>- Continue the work on the development of the local LNG terminals (Turku, Pori, Tornio).</li> </ul>
<b>Bulgaria</b>	670 mcm  100%	<ul style="list-style-type: none"> <li>- Sign electricity-gas emergency exchange MoU with Greece focusing on balance of interest.</li> <li>- Consider similar electricity-gas exchange with Turkey.</li> <li>- Contingency plan with cogeneration and heating sector and industry on large-scale switching.</li> <li>- Finalize Romania-Bulgaria interconnector</li> <li>- Commit to enable gas flows to the former Yugoslav Republic of Macedonia</li> <li>- Increase gas sector transparency and expedite implementation of internal market rules affecting trade.</li> <li>- As a last resort, European Commission to consider short-term special derogation from environmental legislation to Varna coal-fired power plant.</li> </ul>
<b>Greece</b>	109 mcm  18%	<ul style="list-style-type: none"> <li>- Sign electricity-gas emergency exchange MoU with Bulgaria focusing on balance of interest.</li> <li>- Contingency plan with cogeneration and heating sector and industry on large-scale switching.</li> <li>- Develop economic security of supply contingency plan.</li> <li>- Consider agreement with Turkey to secure gas supplies also in case of a supply disruption.</li> </ul>
<b>Romania</b>	1361 mcm  31%	<ul style="list-style-type: none"> <li>- Define protected customers in line with Security of Gas supply Regulation</li> <li>- Finalize Romania-Bulgaria interconnector</li> <li>- Cooperate with Moldova on conditions under which gas supplies on main network can take place</li> <li>- Investigate Romanian system options to increase throughput of Hungary-Romania interconnector</li> <li>- Publication of storage data by Romgaz on Gas Storage Europe transparency platform</li> </ul>

<b>SPECIFIC RECOMMENDATIONS</b>		
<b>Member State</b>	<b>Exposure<sup>1</sup></b>	
<b>Hungary</b>	2170 mcm  35%	<ul style="list-style-type: none"> <li>- Increase transparency in the energy sector</li> <li>- Commitment to resolve testing-related issues on Slovakia-Hungary pipeline allowing commissioning in 1 January 2015</li> <li>- Agreement with bordering countries allowing full use (receipt and sending of gas) of interconnectors under market conditions and on the basis of solidarity principle in a security of supply emergency. In this regard, implement expediently security of supply-related aspects of intergovernmental agreement with Croatia enabling also reverse flows into Hungary</li> </ul>
<b>Croatia</b>	41 mcm  12%	<ul style="list-style-type: none"> <li>- Reassess high share of protected customers</li> <li>- Implement expediently security of supply-related aspects of intergovernmental agreement with Hungary enabling also reverse flows into that country</li> </ul>

## Annex 2: Specific recommendations for Energy Community Contracting Parties

		<b>SPECIFIC RECOMMENDATIONS</b>	
<b>Contracting Parties</b>	<b>Exposure</b>		
<b>Bosnia and Herzegovina</b>	139  100%	<ul style="list-style-type: none"> <li>- Increase the heating oil stocks to allow switching of heat production from gas by the end of November 2014.</li> <li>- Apply a limited definition of protected customers and allow for market opening at national level for electricity and gas markets most importantly for non-household customers by the end of November 2014.</li> <li>- Tackle major reform of gas sector on national level allowing third party access to all entities and unbundling of operators leading to flexible use of infrastructure by January 2015.</li> <li>- Engage in cooperation with Serbia and Hungary on drafting and implementation of technical provisions to operate the third party access regime on existing pipelines in a coordinated way. Start consultations in November 2014.</li> </ul>	
<b>former Yugoslav Republic of Macedonia</b>	126  100%	<ul style="list-style-type: none"> <li>- Since the direct consumption of gas by households is marginal, ensure that the supply of heating oil on market terms is ensured to allow for fuel switching (November 2014).</li> <li>- Prepare for each individual industrial plant gas consumption reduction plans that could be applied in terms of emergency. (November 2014).</li> <li>- With high share of consumption by the industry it is crucial to introduce definition of protected customers for gas that is limited to households and most sensitive sectors (such as public administration) only and to allow for full market opening at national level for electricity and gas markets for at least non-household consumers (January 2015).</li> </ul>	
<b>Moldova</b>	N/A	<ul style="list-style-type: none"> <li>- Establish in details the potential for demand side measures (reduction of consumption a switching to oil for heating and to electricity) at the level of individual companies as well as in the households sector and the public administration. Include this in the Action Plan under preparation by November 2014.</li> <li>- Issue all necessary permits and licenses needed to operate the pipeline Iasi – Ungheni between Romania and Moldova, apply non-discriminatory gas tariffs for imports from Romania. Complete these actions by November 2014.</li> <li>- Undertake the necessary construction works on connecting infrastructure to distribute gas from the interconnector in the territory of Moldova urgently.</li> <li>- Cooperate with Ukraine and Romania on conditions on which Ukraine and Romania would be ready to</li> </ul>	

<b>SPECIFIC RECOMMENDATIONS</b>		
<b>Contracting Parties</b>	<b>Exposure</b>	
<b>Serbia</b>	631  64%	<p>supply Moldova from the main pipeline networks. Request Ukraine regarding conditions to access and use of the storage capacity at Bogorodchany in West-Ukraine. Start consultations in November 2014.</p> <ul style="list-style-type: none"> <li>- Establish exact and realistic scope of potential curtailments for industrial sectors whilst limiting the group of protected customers to households and most sensitive sectors only (by end of November 2014).</li> <li>- Implement unbundling and ensure effective third party access to unused capacities on the existing pipelines and the gas storages in line with the detailed provisions of the Third Package by January 2015.</li> <li>- Coordinate with Hungary and Bosnia and Herzegovina on drafting and implementation of technical provisions to operate the third party access regime in a coordinated way. Start consultations in November 2014.</li> <li>- Take all necessary steps to start the construction of the Bulgaria-Serbia interconnector to make it operational in 2015.</li> </ul>
<b>Ukraine</b>	5000 mcm <sup>2</sup>	<ul style="list-style-type: none"> <li>- Find a mutually satisfactory agreement for resumption of supply of Russian gas to Ukraine over the winter period on the basis of the proposal for an "interim winter package" which the Commission has made in the on-going trilateral talks (by October 2014).</li> <li>- Urgently increase fuel stocks in the country while exploring all possible means to increase gas supplies from indigenous sources as well as imports (by November 2014).</li> <li>- Examine the full potential for demand-side measures as well as fuel switching both for district heating, in the different industrial sectors as well as by households and in the public administration as part of the National Energy Contingency Plan. (by October 2014).</li> <li>- Review and update all emergency procedures in the different energy sectors, taking account of the specific threats for the upcoming winter, in line with the recommendations of the National Energy Emergency Plan (by October 2014).</li> <li>- Continue urgently with the reforms of the gas sector including opening of the gas and electricity markets, operation of the pipelines and storages and unbundling (by January 2015).</li> </ul>

<sup>2</sup> Exposure according to own assessment in national report

<b>SPECIFIC RECOMMENDATIONS</b>		
<b>Contracting Parties</b>	<b>Exposure</b>	
<b>Montenegro, Kosovo* and Albania</b>	N/A	<ul style="list-style-type: none"> <li>- In view of the lack of gas in the energy balance of Montenegro, Kosovo* and Albania, the impact of a gas supply disruption can be only indirect – by an increase in the demand for electricity at a regional level. The Commission recommends monitoring of the situation of supply and demand of electricity closely.</li> </ul>