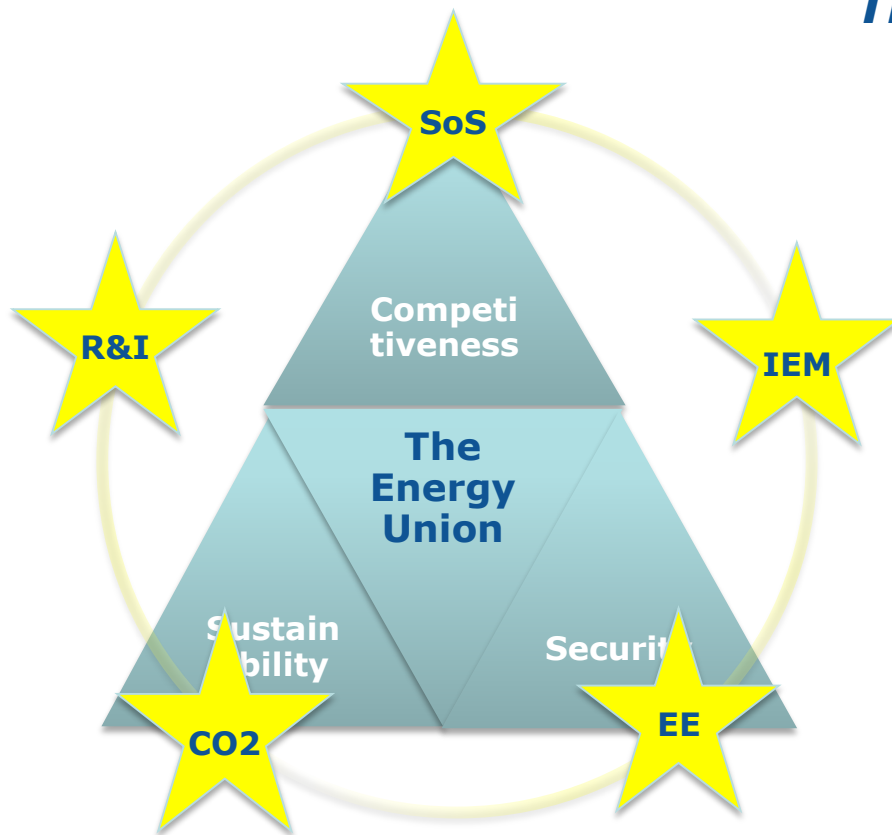




Implementation of the Energy Union - State of play

The implementation of the Energy Union is underway

The "Winter package" (Q1 2016)



Revised Gas Security of Supply Regulation

Heating and cooling strategy

LNG and storage strategy

Intergovernmental Agreements

Revision of the Gas Security of Supply Regulation

Prevention

Enhanced cooperation

Infrastructure

Supply standard

Mitigation

Protected customers

Emergency

Overview of responses - prevention

Prevention

Enhanced cooperation

- **Reinforce** regional cooperation: regional plans (voluntary or mandatory)
- Introduction of **templates**, keep them flexible
- More **effective assessment**

Overview of responses - prevention

Prevention

Infrastructure

- **N-1 generally supported but too optimistic**
 - ✓ Better **reflect reality** - stress test like approach
 - ✓ Majority for **regional N-1**
- **Reverse flow obligation (low response rate)**
 - ✓ **Corridor approach**
 - ✓ **Review period** - to be maintained or made longer

Overview of responses - prevention

Prevention

Supply standard

- **Scenarios**
 - ✓ Majority views **current scenarios as adequate**
- **Meeting supply standard**
 - ✓ Overall support for **result oriented approach**
 - ✓ **Market based vs. interventionist** depending on market development
 - ✓ **Responsibility** – same for all (majority)
- **Ensuring supply standard**
 - ✓ Market based as long as possible

Overview of responses - mitigation

- **Current definition**
 - ✓ Too wide
 - ✓ Regional approach
- **Solidarity mechanisms**
 - ✓ Agreed up-front between MS
 - ✓ Harmonisation of Protected Customers – pre-condition

Mitigation

Protected customers

Overview of responses - mitigation

- **National level**
 - ✓ Discretion of Member States vs threshold-based
 - ✓ Specific indicators
- **Regional**
 - ✓ Role of ENTSOG
 - ✓ Emergency exercises for regional TSO cooperation

Mitigation

Emergency

Revision Gas SoS Regulation: State of play

- **Impact assessment underway**
- **Drafting has started**



- **Strengthen regional approach**
- **'One size' does not fit all**
- **Least intervention in market functioning**
- **Better implementation**
- **Etc.**

Important tools for diversification and flexibility: LNG and storage strategy

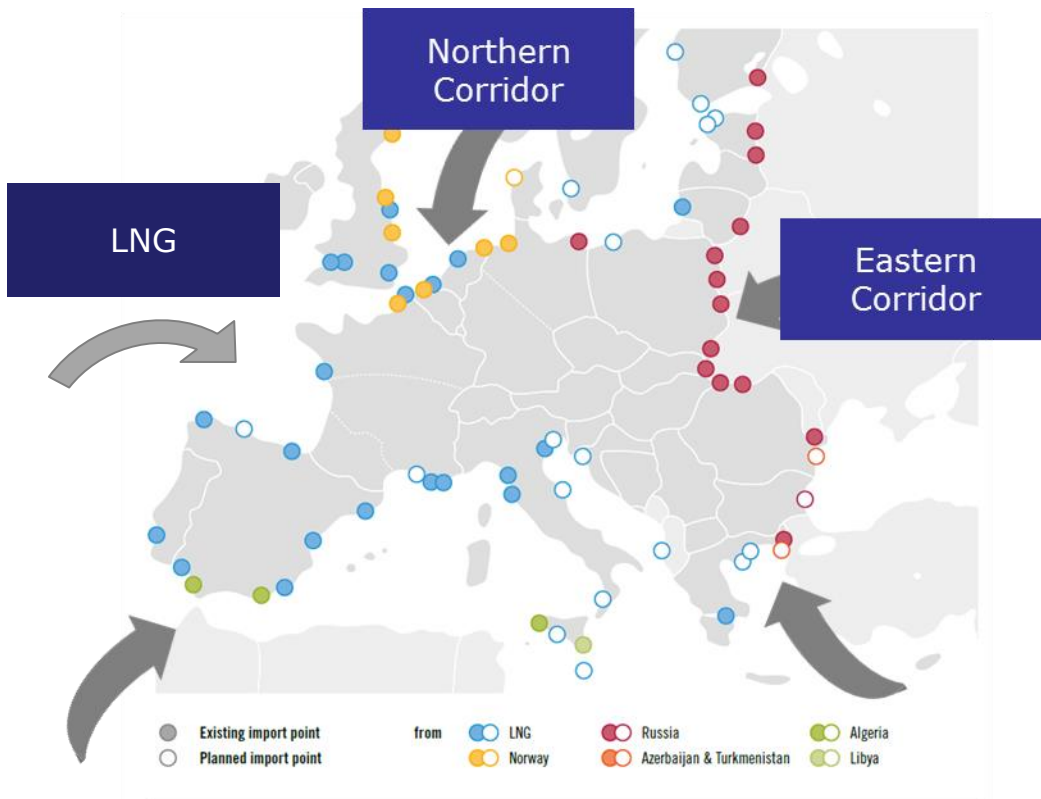


Figure 5.1: Existing and new import sources and routes²⁹

Objective:

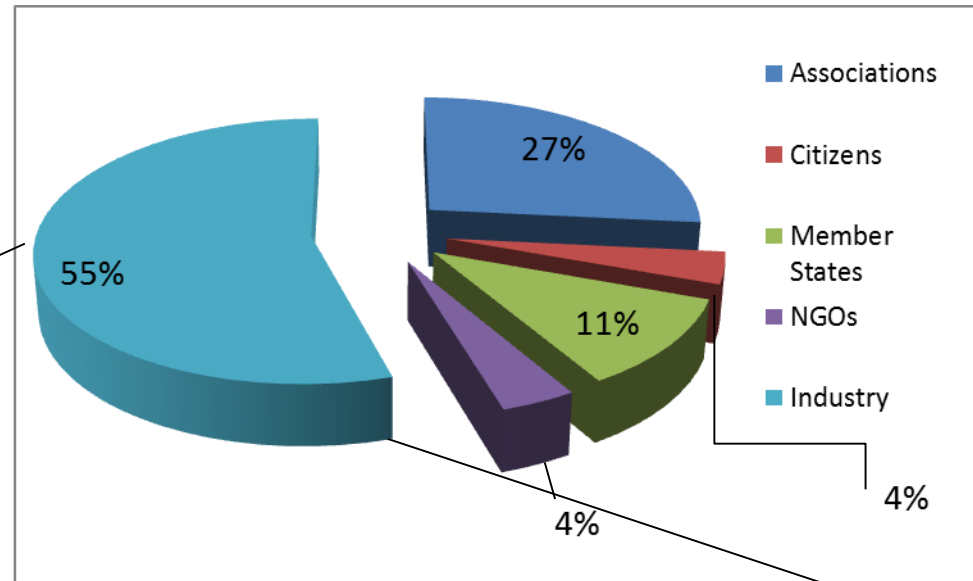
To make sure all Member States have access to LNG as an additional gas source and to sufficient storage capacity, in particular in vulnerable Member States, either directly or through other countries

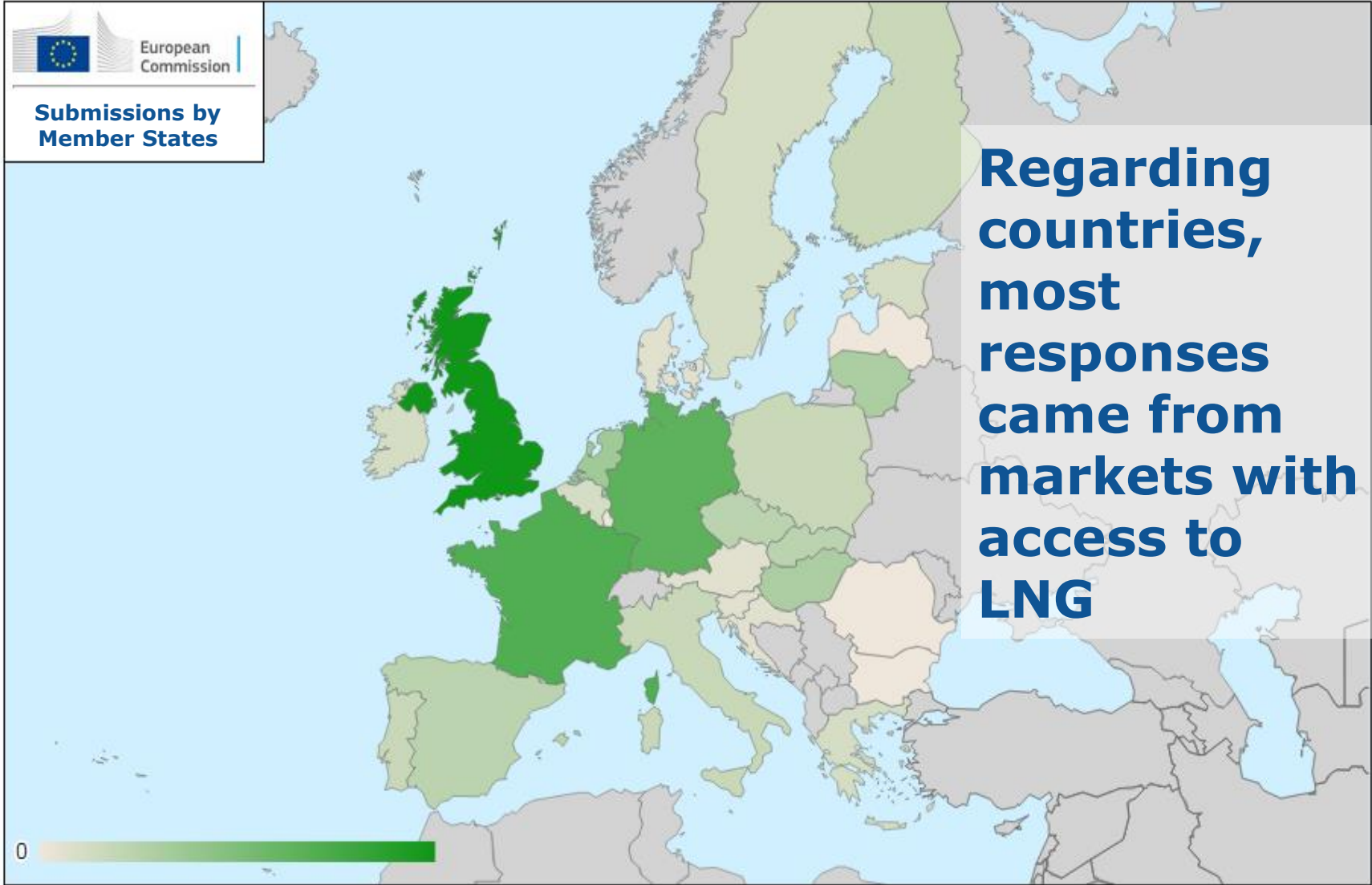
Public consultation:

- How to attract LNG?
- How to get it where it's needed?
- What role for the EU?

Most submissions came from the industry...

- Respondents cover the whole LNG value chain





(1) General/overall aspects

- **Role of gas**
 - The EU should give a clear message about the future role of gas in the energy mix
- **There is no 'optimal level/share' of LNG**
- **Low utilization is a characteristic of the LNG chain**
 - In EU: largely due to global market conditions
 - Low utilization rate doesn't mean it is a stranded asset
- **'voluntary demand aggregation' raises concerns and doubts**
- **Regionally tailored 'toolbox' approach supported**

(2) Main comments on LNG

- **Attract LNG: Complete the internal energy market!**
 - Fully implement EU energy legislation
 - Eliminate remaining barriers:
 - Regional cooperation: one size doesn't fit all
- **Get it where it's needed**
 - Infrastructure
 - Regional cooperation
- **Promote efficient global markets**
 - Pursue international cooperation / dialogue
 - Eliminate barriers to trade in LNG

(3) Wide range of proposals regarding storage

"hands-off"

***"market first but if not
working properly
intervention necessary"***

***Address market
failure: low probability
/high impact events***

Thank you for your attention!



<https://ec.europa.eu/energy/en/consultations/consultation-eu-strategy-liquefied-natural-gas-and-gas-storage>