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COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**concerning measures to safeguard security of gas supply
and repealing Directive 2004/67/EC**

{SEC(2009) 977}

{SEC(2009) 978}

{SEC(2009) 979}

{SEC(2009) 980}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The Commission proposes a Regulation which will repeal the existing Directive 2004/67/EC concerning measures to safeguard security of natural gas supply¹. This Directive is no longer sufficient in a context of growing import dependence and increased supply and transit risks in third countries as well as increasing gas flows and the development of the internal gas market within the Community.

In response to the Russian-Ukrainian gas crisis in January 2009 causing an unprecedented disruption of gas supplies to the Community via Ukraine, the European Council and the European Parliament have called for an accelerated revision of the existing Directive. Another major gas supply disruption cannot be excluded and may even occur in the near future. The Community therefore has to prepare for the event of future gas supply disruptions.

The January crisis demonstrated to need to define more clearly the roles of the gas industry, Member States and the Community institutions to deal with a supply disruption in the short term and to provide for the necessary infrastructure in the longer term. A lesson from the crisis is that for measures to be consistent and effective, they have to be prepared well in advance and to be coordinated at Community level.

This proposal for a Regulation is consistent with the objective of the Union, especially those concerning the establishment of a functioning internal market for gas and the security of energy supply.

2. CONSULTATIONS WITH INTERESTED PARTIES AND IMPACT ASSESSMENT

Public consultations

On 13 November 2008, the Commission published a Communication on the implementation of the existing Directive - COM(2008) 769. The publication was followed by the public consultation of the interested parties (Member States, industry, regulators, and citizens) which took place between November 2008 and March 2009. Detailed consultations on a revised legislation for security of gas supply have also taken place in the Gas Coordination Group, consisting of the representatives of Member States, the gas industry and customers through their European associations (Eurogas, OGP, GIE, IFIEC, BEUC, Eurelectric) at its meeting on 23 February, 2 April, and 13 May. Member States gave their views at the Energy Council on 12 January and 19 February 2009 and several Member States have subsequently submitted written observations to the Commission.

Impact assessment

The impact assessment has considered five policy options: 1) No new Community action; 2) Better enforcement of the 2004/67/EC Directive; 3) Voluntary approach by industry; 4) A revised directive; 5) A new regulation.

¹ OJ L 127, 29.4.2004, p. 92.

With regard to option 1 and 2 the Commission carried out an evaluation of the implementation of the existing Directive. It concluded that the existing Directive is insufficient given the growing import dependence and increased supply and transit risks in third countries as well as, increasing gas flows and the development of the internal gas market within the Community. With regard to option 3, a major disadvantage of a voluntary approach is that participation of all players in a consistent manner cannot be guaranteed. Moreover, the extra capacity to ensure security of supply is not necessarily provided for by market forces. With regard to options 4 and 5 (choice of legal instrument) the Commission considers that a Regulation is a more appropriate instrument than a Directive for the following main reasons: A Regulation is directly applicable to the competent authorities in the Member States, to natural gas undertakings and to customers; it does not require lengthy transposition; it ensures clarity and coherence of standards and obligations across the Community and it defines directly the involvement of Community institutions.

3. LEGAL ELEMENTS OF THE PROPOSAL

Legal basis

The legal basis for the proposal is Article 95 of the Treaty establishing the European Community. The main objective of the proposal is to increase the security of gas supply by creating the incentives to invest in necessary interconnections to meet the N-1 indicator, as well as the reverse flows. Those interconnections are at the same time necessary for the proper functioning of the internal gas market.

The Regulation places the main emphasis on the role of the internal gas market to ensure the security of gas supply. The provisions aim at enabling natural gas undertakings to supply their customers across the Community for as long as possible and without restrictions at national level. The Regulation allows the recourse to non-market based measures decided by the competent authority only as the last resort in emergency situations when all market based measures are exhausted and the natural gas undertakings are no longer able to deal with a supply disruption. The Commission is also given a stronger role to ensure that the internal market works for as long as possible and that measures decided at national level are compatible with this principle.

Subsidiarity principle

This proposal aims at strengthening Community security of supply. With the realisation of the internal energy market and as illustrated by the gas supply disruption of January 2009, the security of gas supply is a concern whose Community dimension is becoming more and more important, therefore justifying the involvement of Community institutions and the Commission in particular. In a Community emergency situation, the Commission is best placed to coordinate the actions of the Competent Authorities of the Member States and to facilitate the dialogue with third countries. To prevent and prepare for gas supply disruption, the best guarantee for security of supply is a large, well interconnected and competitive internal market, offering diverse supply sources and routes and dispersing the impact of a supply disruption on individual Member States or supply undertakings.

Proportionality principle

The proposal complies with the proportionality principle; it does not go beyond what is necessary in order to achieve the objectives. Member States will continue to be responsible

for their security of supply and will enjoy considerable flexibility in the choice of arrangements and instruments to ensure security of supply, taking into account their national characteristics in the field of gas.

4. Budgetary implications

The proposal will have a limited impact on the Community budget, in particular to cover the costs of meetings of the Gas Coordination Group and, in the case of deployment, the costs of the monitoring task force which can be deployed to monitor and report the gas flows within and outside the Community. Missions outside the Community in the moments of crisis may draw on funds from the Instrument for Stability.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**concerning measures to safeguard security of gas supply
and repealing Directive 2004/67/EC**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 95 thereof,

Having regard to the proposal from the Commission²,

Having regard to the opinion of the European Economic and Social Committee³,

Having regard to the opinion of the Committee of the Regions⁴,

Acting in accordance with the procedure laid down in Article 251 of the Treaty⁵,

Whereas:

- (1) Natural gas (hereinafter: gas) is an essential component in the energy supply of the Community, constituting one quarter of primary energy supply and contributing mainly to power generation, heating, feedstock for industry and fuel for transportation.
- (2) Gas consumption in Europe has increased rapidly during the last ten years. With decreasing domestic production, gas imports have increased even more rapidly, thus creating a higher import dependence and the need to address security of supply aspects.
- (3) Council Directive 2004/67/EC established for the first time a legal framework at Community level to safeguard security of natural gas supply and to contribute to the proper functioning of the internal gas market also in the case of supply disruptions. It established the Gas Coordination Group which has shown to be useful to exchange information and define common actions between Member States, the Commission, the gas industry and consumers. The Network of Energy Security Correspondents (NESCO) endorsed by the European Council in December 2006 has improved the capacity to collect information and has provided early warning of potential threats to the security of energy supply. The new internal energy market legislation adopted by

² OJ C , , p. .

³ OJ C , , p. .

⁴ OJ C , , p. .

⁵ OJ C , , p. .

the Council in June 2009 constitutes an important step to complete the internal energy market and has an explicit objective to enhance the Community's security of energy supply.

- (4) However, under the current measures regarding the security of gas supply that have been taken at Community level, Member States still enjoy a large margin of discretion as to the choice of measures. Where the security of supply of a Member State is threatened, there is a clear risk that measures developed unilaterally by that Member State may jeopardise the proper functioning of the internal gas market. Recent experience has demonstrated the reality of that risk. To allow the internal gas market to function even in the face of a shortage of supply, it is therefore necessary to provide for a more coordinated response to supply crises, both concerning preventive action and the reaction to concrete disruptions of supply.
- (5) Gas routes and sources for the Community should support the security of supply of the Community as a whole and its Member States individually. Security of supply will depend in the future on the evolution of the fuel mix, the development of production in the Community and in third countries supplying the Community, investments in storage facilities and in routes within and outside the Community including Liquefied Natural Gas facilities.
- (6) A major disruption of gas supply to the Community can affect all Member States and Contracting Parties of the Energy Community Treaty and lead to severe economic damages across the Community economy. Likewise, the disruption of gas supply can have severe social impacts in particular on vulnerable groups of customers.
- (7) The December 2008 report on the implementation of the European Security Strategy highlights the growing reliance on imported energy as a significant additional risk for the Community's security of energy supply and stresses energy security as one of the new challenges for security policy. The internal gas market is a central element to increase the security of energy supply in the Community and to reduce the exposure of individual Member States to the harmful effects of supply disruptions.
- (8) The failure of the largest single gas infrastructure or gas supply source, the so-called N-1 principle, is a realistic scenario. Using the failure of such infrastructure or supply source as a benchmark of what Member States should be able to compensate is a valid starting point for ensuring their security of gas supply.
- (9) Sufficient gas infrastructure within a Member State and across the Community is essential for tackling supply interruptions. Common minimum criteria on security of gas supply should ensure a level playing field for security of gas supply and should create significant incentives to build the necessary infrastructure and to improve the level of preparedness in case of crisis. Demand side measures such as fuel switching may have a valuable role to play in ensuring energy security where they can be applied quickly and reduce demand appreciably to react to a supply disruption.
- (10) Investments in new gas infrastructure should be strongly promoted. They should enhance the security of gas supply while ensuring the proper functioning of the internal market in natural gas. Where an infrastructure investment is of cross-border nature the Agency for the Cooperation of Energy Regulators established by Regulation (EC) No .../... of the European Parliament and of the Council ("ACER") and the

European Network of Transmission System Operators for Gas ("ENTSO-G") should be closely involved in order to take better account of the cross-border implications.

- (11) Different sources of Community funding are available to support Member States to finance the necessary investment in indigenous production and infrastructure, notably loans and guarantees from the European Investment Bank or funding from regional, structural or cohesion funds. The European Investment Bank as well as the Community external instruments such as ENPI, IPA and DCI can also finance actions in third countries in order to improve security of energy supply.
- (12) This Regulation should enable natural gas undertakings and customers to rely on market mechanisms for as long as possible when coping with disruptions. It should also provide for emergency mechanisms to be used when markets are no longer able to deal adequately with a gas supply disruption. Even in an Emergency, market based instruments should be given priority to mitigate the effects of the supply disruption.
- (13) Following the adoption of the third internal energy market package⁶, new provisions will apply to the gas sector, creating clear roles and responsibilities for Member States, regulators, transmission system operators and ACER, as well as improving the transparency of the market for the benefit of its well-functioning and the security of supply.
- (14) The completion of the internal gas market and effective competition within that market offer the Community the highest level of security of supply for all Member States, provided that the market is allowed to work fully in case of disruption of supply affecting a part of the Community, whatever the cause of the disruption. To this end, a comprehensive and effective common approach to security of supply is required, particularly through transparent and non-discriminatory policies compatible with the requirements of the market, avoiding market distortions and undermining of market responses to disruptions.
- (15) The precise definition of the roles and responsibilities of all natural gas undertakings and Competent Authorities is therefore crucial in maintaining the well-functioning of the internal market, particularly in supply disruptions and crisis situations.
- (16) Sufficiently harmonised security of supply standards covering at least the situation that occurred in January 2009, taking into account the difference between Member States, should be defined, without imposing unreasonable and disproportionate burdens on natural gas undertakings including new entrants and small undertakings.
- (17) It is essential for the well-functioning of the market that the necessary investments in indigenous production and infrastructures, such as interconnections, equipment allowing physical bidirectional flows on pipelines, storage, and LNG re-gasification facilities, are made by the natural gas undertakings in time, bearing in mind possible supply disruptions such as the one that occurred in January 2009.
- (18) It is important that gas supply is maintained, particularly as regards household customers, as well as other protected customers such as schools and hospitals, in cases

⁶ OJ L

in which the market cannot continue to supply them. It is essential that the measures to be taken during a crisis are defined in advance of any crisis.

- (19) A large choice of instruments is available to comply with security of supply obligations. These instruments should be used in a national, regional and Community context, as appropriate, to ensure that they deliver a consistent and cost-effective result.
- (20) The security of supply aspects of long-term planning of investments in sufficient cross-border capacities and other infrastructures, ensuring the long-term ability of the system to guarantee security of supply and meet reasonable demands, are addressed by Directive .../.../EC of the European Parliament and of the Council [concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC]⁷. Meeting the security of supply standards may require a transitional period to allow the necessary investments to be made. The 10-year network development plan drawn up by the ENTSO-G and supervised by ACER is a fundamental tool to identify the required investments needed at Community level.
- (21) The ENTSO-G and ACER, as members of the Gas Coordination Group, should be fully involved in the process of cooperation and consultations at Community level.
- (22) In order to ensure the highest level of preparedness in case of supply disruption, Emergency Plans should be established by all natural gas undertakings together with the Competent Authorities. Such plans should be mutually consistent. Their content should follow best practices among existing plans and should define clear roles and responsibilities for all concerned natural gas undertakings and Competent Authorities. Joint emergency plans at regional level, should be established where possible and necessary.
- (23) To strengthen the solidarity between Member States in the case of a Community Emergency and in particular to support Member States which are exposed to less favourable geographical or geological conditions, Member States should devise specific measures to exercise solidarity, including measures such as commercial agreements between natural gas undertakings, compensation mechanisms, increased gas exports or increased releases from storages. Solidarity measures may be particularly appropriate between Member States for which the Commission recommends the establishment of joint preventive actions plans or emergency plans at regional level.
- (24) European solidarity should also, where needed, take the form of civil protection assistance provided by Community and its Member States. Such assistance should be facilitated and coordinated by the Community Civil Protection Mechanism established by Council Decision 2007/779/EC, Euratom⁸.
- (25) The sovereign rights of Member States over their own natural resources are not affected by this Regulation.

⁷ Directive XXX

⁸ OJ L 314, 1.12.2007, p. 9

- (26) Council Directive 2008/114/EC of 8 December 2008 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection⁹ lays down a process with a view to enhancing the security of designated European Critical Infrastructures, including certain gas infrastructures, in the Community. Directive 2008/114/EC together with the present Regulation contribute to creating a comprehensive approach to the energy security of the Community.
- (27) Emergency Plans should be updated regularly and published. They should be subject to peer review and tested.
- (28) The Gas Coordination Group, established by Directive 2004/67/EC of 26 April 2004 concerning the measures to safeguard security of natural gas supply¹⁰, should act as adviser to the Commission to facilitate the coordination of security of supply measures in the case of a Community emergency. It should also monitor the adequacy and appropriateness of measures to be taken according to this Regulation.
- (29) This Regulation aims at empowering natural gas undertakings and Competent Authorities of the Member States to ensure that the internal gas market works effectively for as long as possible in the case of a supply disruption, prior to measures being taken by Competent Authorities to address the situation in which the market can no longer deliver the required gas supplies. Such exceptional measures should be fully compliant with Community rules and should be notified to the Commission.
- (30) Since gas supplies from third countries are central to the security of gas supply of the Community, the Commission should coordinate the actions with regard to third countries, working with producer and transit countries on arrangements to handle crisis situations and to ensure a stable gas flow to the Community. The Commission should be entitled to deploy a task force to monitor gas flows in crisis situations within and, in consultation with the third countries involved, outside the Community and, where a crisis arises due to difficulties in a third country, to assume a mediation and facilitation role.
- (31) In February 2009, the Energy Council concluded that transparency and reliability should be increased through meaningful exchange of information between the Commission and Member States level on energy relations, including long term supply arrangements, with third countries while preserving commercially-sensitive information.
- (32) Since the objectives of the action to ensure the security of gas supply in the Community cannot be sufficiently achieved by the Member States only and can therefore, by reason of the scale or effects of the action, better be achieved at Community level, the Community may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (33) Directive 2004/67/EC should be repealed.

⁹ OJ L 345, 23.12.2008, p. 75.

¹⁰ OJ L 127, 29.4.2004, p. 92.

HAVE ADOPTED THIS REGULATION:

Article 1

Subject-matter

This Regulation establishes measures aimed at safeguarding the security of gas supply so as to ensure the proper and continuous functioning of the internal market for gas by providing for a clear definition and attribution of responsibilities and for a coordination of the response at the level of the Member States and the Community regarding both preventive action and the reaction to concrete disruptions of supply.

Article 2

Definitions

For the purpose of this Regulation the definitions of Directive 2009/xxx/EC¹¹ (the "Gas Directive") and the Regulation 2009/xxx/EC¹² (the "Agency Regulation") shall apply.

In addition the following definitions shall apply:

- (1) "protected customers" means all household customers already connected to a gas distribution network, and, if the Member State concerned so decides, can also include small and medium-sized enterprises, schools and hospitals provided that they are already connected to a gas distribution network;
- (2) "Competent Authority" means the national regulatory authority or national governmental authority designated by the Member States to be responsible for security of gas supply. This is without prejudice to the choice of Member States to allocate certain tasks in this Regulation to other authorities than the Competent Authority. These tasks shall be performed under the supervision of the Competent Authority and shall be specified in the plans referred to in Article 4.

Article 3

Responsibility for security of gas supply

1. Security of gas supply is a task of the natural gas undertakings, Competent Authorities of the Member States, the industrial gas customers, and the Commission within their respective areas of responsibility. It requires a high degree of cooperation between them.
2. Each Member State shall designate a Competent Authority responsible for the implementation of the security of gas supply measures provided in this Regulation. The measures shall include the biennial risk assessment, the establishment of the Preventive Action Plans, the establishment of the Emergency Plan, and the continuous monitoring of security of gas supply at national level. Competent

¹¹ Directive 2009/xxx/EC of the European Parliament and of the Council amending the Directive 2003/55/EC concerning the common rules for the internal market in natural gas (OJ L []).

¹² Regulation of the European Parliament and of the Council establishing an Agency for the Cooperation of Energy Regulators (OJ L []).

Authorities shall cooperate with each other to prevent a supply disruption and to limit damages in case it occurs.

3. Each Member State shall notify to the Commission the designated Competent Authority by [30 June 2010; 3 months from entry into force] at the latest.
4. The Commission shall coordinate the Competent Authorities at the Community level through the Gas Coordination Group in particular in the case of a Community Emergency.
5. The measures to ensure the security of supply shall be clearly defined, transparent, proportionate, non-discriminatory, verifiable, and shall not unduly distort competition and the effective functioning of the internal market.

Article 4

Establishment of Preventive Action Plan and Emergency Plan

1. By [31 March 2011; 12 months from entry into force] at the latest, the Competent Authority, after consultation of the natural gas undertakings, of the relevant organisations representing the interests of household and industrial customers and of the regulatory authority, where it is not the Competent Authority, shall establish:
 - (a) A Preventive Action Plan containing the measures needed to mitigate the risks identified; and
 - (b) An Emergency Plan containing the measures to be taken to mitigate the impact of a gas supply disruption.
2. Before adopting those Plans the Competent Authorities shall exchange information and consult each other and the Commission to ensure that their Plans and measures are mutually consistent at the appropriate regional level. These consultations shall cover, as a minimum, interconnections, cross-border supplies, storage across borders and the physical capacity to transport gas in both directions.
3. During the process mentioned in paragraph 2 the Commission may recommend at which regional level the exchange of information and consultations shall take place. The Commission, after consultation of the European Network of Transmission System Operators for Gas ("ENTSO-G") and the Agency for the Cooperation of Energy Regulators ("ACER"), may also recommend the establishment of a joint Plan at regional level.
4. Member States may also decide to establish joint Plans at regional level, instead of or in addition to separate national Plans.
5. The Competent Authority shall publish its Plans, including amended versions according to paragraph 6, and notify them to the Commission without delay.
6. Within six months after the notification of the Plans by the Competent Authorities, the Commission shall assess the Plans of all Member States. The Commission shall consult ENTSO-G, ACER, the Gas Coordination Group and other concerned stakeholders on those plans. Where the Commission considers that a Plan is not

effective to mitigate the risks as identified in the risk assessment or inconsistent with the risk scenarios or the Plans of other Member States, or that it does not comply with the provisions of this Regulation or other provisions of Community law, it shall require the revision of the Plan.

Within 2 months from notification of the Commission's request, the Competent Authority concerned shall amend its Plan and notify the amended Plan to the Commission or shall set out to the Commission why it does not agree with the request. In that case, the Commission may amend or withdraw its request.

If within 2 months the Commission decides not to amend or withdraw its request, the Competent Authority shall comply with the Commission's request within 3 months after notification of the Commission's decision.

Article 5

Content of the Preventive Action Plan

1. The Preventive Action Plan shall contain:
 - (a) the measures to fulfil the infrastructure and supply standards, as laid down in Articles 6 and 7; these measures shall include at least the planning to meet the N-1 standard, volumes and capacities needed to supply the protected customers in the defined high demand periods, the demand side measures and obligations imposed on natural gas undertakings and other relevant bodies;
 - (b) the risk assessment as laid down in Article 8;
 - (c) the preventive measures to address the risks identified;
 - (d) information on the relevant Public Service Obligations.
2. The Preventive Action Plan, in particular the actions to meet the infrastructure standard as laid down in Article 6, shall be based on and consistent with the ten year network development plan to be elaborated by the ENTSO-G¹³.
3. The Preventive Action Plan shall take into account economic effectiveness, effects on the functioning of the internal energy market and environmental impact.
4. The Preventive Action Plan shall be updated every two years.

Article 6

Infrastructure standard

1. By [31 March 2014; 3 years after entry into force] at the latest, the Competent Authority shall ensure that in the event of a disruption of the largest gas supply infrastructure, the remaining infrastructure (N-1) has the capacity to deliver the necessary volume of gas to satisfy total gas demand of the calculated area during a

¹³ Article XX of Directive OJ L

period of sixty days of exceptionally high gas demand during the coldest period statistically occurring every twenty years.

2. Following the recommendation of the Commission referred to in Article 4(3) or in situation referred to in Article 4(4), the obligation set out in paragraph 1 may be fulfilled at the regional level. The N-1 standard shall also be considered to be fulfilled where the Competent Authority demonstrates in the Preventive Action Plan referred to in Article 5 that a supply disruption may be sufficiently and timely compensated for by demand side measures.
3. The methodology for calculating the N-1 standard as provided in Annex I shall be used. It should take into consideration the network configuration and actual gas flows **as well as the presence of production and storage capacities**. The calculated area as referred to in Annex I shall be extended to the appropriate regional level, where necessary.
4. Each Competent Authority shall report to the Commission without delay any non-compliance with the N-1 standard.
5. The transmission system operators shall enable permanent physical capacity to transport gas in both directions on all interconnections within two years from the entry into force of this Regulation, except in cases where at the request of a Competent Authority, the Commission decides that the addition of a bi-directional flow capacity would not enhance the security of supply of any Member State. Such decision may be reviewed if circumstances change. The level of the bi-directional flow capacity shall be reached in a cost efficient way and at least take into account the capacity required to meet the supply standard set in Article 7. Within that two year period, the gas transmission system operator shall adapt the functioning of the transmission system as a whole so as to enable bi-directional gas flows.
6. Member States shall ensure that any new transmission infrastructure provides for the security of supply by means of sufficient number of entry and exit points, and contributes to the development of a well connected infrastructure.
7. National Regulatory Authorities shall take into account the costs of fulfilling the N-1 standard and the costs of enabling the permanent physical capacity to transport gas in both directions in their approval of tariffs in line with Article 41(8) of Directive [.../...EC]. In the case of costs incurred in more than one Member State, the national regulatory authorities of all Member States concerned shall jointly decide on cost allocation. Article 8(1) of Regulation (EC) No .../... shall apply.

Article 7
Supply standard

1. The Competent Authority shall take the measures to ensure the gas supply to the protected customers of the Member State in the case of:
 - a) extremely cold temperatures during a seven days peak period statistically occurring once every twenty years; and

- b) any period of sixty days of exceptionally high gas demand during the coldest weather periods statistically occurring every twenty years.
2. The Competent Authority shall take the measures to ensure the gas supply to the protected customers for the period of sixty days also in the event of an Emergency as defined in Article 9(2). The Competent Authority shall endeavour to maintain the supply for the protected customers as long as necessary.
3. The obligations imposed on natural gas undertakings for the fulfilment of the supply standard as laid down in paragraph 1 and 2 , shall be non-discriminatory and shall not impose an undue burden on market entrants and small undertakings.
4. The Competent Authority shall allow the natural gas undertakings to meet these criteria on a regional or Community level and shall not require that these standards are met based on infrastructure located only within its territory.
5. The Competent Authority shall ensure that conditions for supplies to protected customers are established without prejudice to the proper functioning of the internal gas market and at a price respecting the market value of the commodity.

Article 8

Risk assessment

1. By [30 September 2010; 6 months after entry into force] each Competent Authority shall fully assess the risks affecting the security of gas supply in its Member State by:
 - a) using the standards specified in Articles 6 and 7;
 - b) taking into account all relevant national and regional circumstances;
 - c) running various scenarios of exceptionally high demand and supply disruption, such as failure of main transmission infrastructures, storages, LNG terminals, and disruption of supplies from third country suppliers;
 - d) identifying the interaction and correlation of risks with other Member States.
2. The natural gas undertakings, the relevant organisations representing the interests of household and industrial customers and the regulatory authority, where it is not the Competent Authority, shall cooperate and provide all necessary information for the risk assessment.
3. The risk assessment shall be repeated every two years before 30 September of that year.

Article 9

Emergency Plan and Crisis Levels

1. The Emergency Plan shall:
 - (1) Build upon the crisis levels according to paragraph 2;

- (2) Define the role and responsibilities of the natural gas undertakings and of the industrial customers, and their interaction with the Competent Authority and where appropriate with the regulatory authority;
- (3) Define the role and responsibilities of the Competent Authority;
- (4) Establish detailed procedures to be followed for each crisis level, including the corresponding schemes on information flows;
- (5) Designate a crisis manager or team and define its role;
- (6) Identify the contribution of the market based measures listed in Annex II for coping with the situation in the Alert level and mitigating the situation in the Emergency level;
- (7) Identify the contribution of the non-market based measures planned or to be implemented for the Emergency level listed in Annex III and assess the degree to which the use of non-market based measures is necessary to cope with the crisis, assess their effects and define the procedures to implement them;
- (8) Describe the mechanisms used to cooperate with other Member States for each crisis level;
- (9) Detail the reporting obligations imposed on the natural gas undertakings in the Alert and Emergency level;
- (10) A list of predefined actions to make gas available in the case of an Emergency, including the compensation mechanisms and commercial agreements between the parties involved in such actions. Such actions may involve cross-border agreements between Member States and/or natural gas undertakings.

2. The three main crisis levels shall be as follows:

- (1) Early warning level (Early Warning): when there is concrete, serious and reliable information, possibly triggered by an Early Warning Mechanism, that an event may occur which will deteriorate the supply conditions;
- (2) Alert level (Alert): when a supply disruption or exceptionally high demand occurs but the market is still able to resolve the situation without the intervention of the Competent Authority;
- (3) Emergency level (Emergency): when an exceptionally high demand occurs or when there is a disruption of the supply through or from the largest infrastructure or source and there is a credible risk that the supply standard to the protected customers can no longer be met with market based instruments alone.

3. The Emergency Plan shall ensure that cross-border access to the storage facilities is maintained also in case of emergency. The Emergency Plan shall not introduce any measure unduly restricting the flow of gas across the borders.

4. The Competent Authority shall immediately inform the Commission and provide it with all the necessary information when it declares any of the crisis levels. In the event of an emergency which may result in a call for assistance from the EU and its Member States the Competent Authority of the Member State concerned shall without delay notify the Commission's Civil Protection Monitoring and Information Centre.
5. When the Competent Authority declares an Emergency it shall follow the pre-defined actions as defined in its Emergency Plan and shall immediately inform the Commission in particular of the actions it intends to take according to Article 9(1). The Commission may convene the Gas Coordination Group.
6. The Commission shall verify within one week whether the declaration of an Emergency is justified and whether it does not impose an undue burden on the natural gas undertakings and on the functioning of the internal market. The Commission may, in particular, ask the Competent Authority to modify measures imposing an undue burden on natural gas undertakings and to lift its declaration of Emergency if the Commission considers it not or no longer justified.

Article 10

Community emergency responses

1. The Commission may declare a Community Emergency at the request of one Competent Authority or when the Community loses more than 10% of its daily gas import from third countries as calculated by ENTSO-G. It shall declare a Community Emergency where more than one Competent Authority has declared Emergency following the verification in accordance with Article 9(6). It may declare a Community Emergency for specifically affected geographical regions comprising more than one Member State.
2. The Commission shall convene the Gas Coordination Group as soon as it declares Community Emergency.
3. In a Community Emergency, the Commission shall coordinate the actions of the Competent Authorities. In particular the Commission shall ensure the exchange of information, ensure the consistency and effectiveness of the actions at Member State and regional level in relation to the Community level, and shall coordinate the actions with regard to third countries. The Commission may convene a crisis management group composed in particular of representatives of the industry and the Member States concerned by the Emergency.
4. When the Commission considers that in a Community Emergency, an action taken by a Competent Authority or natural gas undertakings is inappropriate to deal with the Emergency, or that it seriously endangers the situation in another Member State, the Commission shall require the Competent Authority or natural gas undertaking to change its action.

Within three days from notification of the Commission's request, the Competent Authority concerned shall change its action and notify the Commission or shall set out to the Commission why it does not agree with the request. In that case, the Commission may amend or withdraw its request.

If, within three days, the Commission decides not to amend or withdraw its request, the Competent Authority shall comply with the Commission's request without delay.

5. The Competent Authority or natural gas undertakings shall not introduce any measure restricting the flow of gas within the internal market at any time.
6. In a Community Emergency, the Member States shall ensure that cross-border access to the storage facilities is maintained and shall not introduce any legal provisions which unduly restrict the flows of gas to the affected markets.
7. The Commission shall establish a permanent reserve list for a monitoring task force consisting of industry experts and representatives of the Commission. This monitoring task force may be deployed when necessary and shall monitor and report on the gas flows within and outside the Community, in cooperation with the supplying and transiting countries.
8. The Competent Authority shall provide to the Commission's Civil Protection Monitoring and Information Centre the information on any need for assistance. The Civil Protection Monitoring and Information Centre shall assess the overall situation and provide advice on the assistance that should be provided to the most affected Member States, and where appropriate to third countries.

Article 11

Gas Coordination Group

1. A Gas Coordination Group is established to facilitate the coordination of measures concerning the security of supply. The Group shall be composed of representatives of the Competent Authorities, ACER, ENTSO-G and representative bodies of the industry concerned and relevant customers. The Commission shall decide on the composition of the Group ensuring its representativity and shall chair the Group. The Group shall establish its rules of procedure.
2. The Gas Coordination Group shall assist the Commission in particular on issues related to:
 - (a) security of gas supply, at any time and more especially in times of Emergency;
 - (b) all information relevant for security of gas supply at national, regional and Community levels;
 - (c) best practices and possible guidelines to all the parties concerned;
 - (d) the level of security of supply, benchmarks and assessment methodologies;
 - (e) national, regional and Community scenarios and testing the levels of preparedness;
 - (f) coordination of measures to deal with Emergency within the Community, Energy Community Treaty Countries and with third Countries;
 - (g) implementation of the Plans;

- (h) assistance needed by the most affected Member States.
3. The Commission shall convene the Gas Coordination Group on a regular basis.

Article 12

Information exchange

1. The Competent Authority during the Emergency shall have in particular the following information available on a daily basis:
 - (a) daily gas demand and supply forecasts for the following three days;
 - (b) hourly flow of gas at all cross-border entry and exit points as well as all points connecting a production facility to the network, storage, LNG in mcm/d;
 - (c) period, expressed in days, during which it is possible to ensure gas supply to the protected customers
2. The Commission is entitled, in the case of a Community Emergency, to request the Competent Authority to provide it without delay at least:
 - (a) the information as laid down in paragraph 1;
 - (b) information on the measures planned to be undertaken and already implemented by the Competent Authority to mitigate the Emergency, and their effectiveness;
 - (c) the requests made for additional measures to be taken by other Competent Authorities;
 - (d) the measures implemented at the request of other Competent Authorities.
3. The Competent Authorities and the Commission shall ensure the confidentiality of commercially sensitive information.
4. The Competent Authority shall provide to the Commission information on the deployment of its Emergency Plan and the measures taken.
5. After an Emergency, the Competent Authority shall without delay provide to the Commission a detailed assessment of the Emergency and the effectiveness of the implemented measures, including the assessment of economic impact of the Emergency, the impact of the fuel switching on the levels of the emissions, the impact on the electricity sector and the assistance provided to and/or received from the Community and its Member States.
6. By [30 September 2010; 6 months after entry into force] at the latest in order to allow the Commission to assess the situation of the security of supply at Community level:
 - a) Member States shall submit to the Commission the existing inter-governmental agreements concluded with third countries which have an impact on the development of gas infrastructures and supplies; before concluding new inter-

governmental agreements, the Member States shall inform the Commission to assess their compliance with the internal market legislation;

- b) Natural gas undertakings shall notify the Commission of the following details of the contracts concluded with suppliers from third countries:
- Contract duration and extension provisions;
 - Contracted volumes in total, on an annual basis and the average volume per month;
 - Flexibility of contracted volumes, including provisions related to take-or-pay obligations.
 - Contracted delivery points.

Article 13

Monitoring and reporting of security of gas supply

1. In addition to the monitoring and reporting obligations provided for in Article 5 of the Gas Directive the Competent Authority shall publish and forward to the Commission a report by 31 July each year containing the following data:
 - (a) calculation of N-1 indicator and data necessary for such calculation, **progress made in investments needed to cope with N-1, country specific difficulties encountered in the implementation new alternative solutions;**
 - (b) annual amounts, durations and supply country covered by gas supply import contracts;
 - (c) maximal interconnection capacity of each entry and exit points to and from the gas systems;
 - (d) the main elements of the relevant intergovernmental agreements concluded with third countries.
2. The Competent Authorities and the Commission shall ensure the confidentiality of commercially sensitive information.

Article 14

Monitoring

By [...] the Commission, having assessed the notified Plans and after consulting the Gas Coordination Group, shall draw conclusions as to possible means to enhance security of supply at Community level and shall report to the European Parliament and the Council on the implementation of this Regulation. The report shall include, where appropriate, recommendations for improvement of this Regulation.

Article 15

Repeal

Directive 2004/67/EC is repealed.

Article 16

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

ANNEX I: CALCULATION OF THE N-1 INDICATOR"

1. Calculation of the N-1 indicator

The N-1 indicator describes the ability of the gas infrastructure's capacity to supply the gas for maximal demand in the calculated area in case of disruption of the largest infrastructure.

"Calculated area" means a geographical area for which the application of N-1 indicator is calculated.

Technical capacity¹⁴ of all remaining available gas supply infrastructure in the event of disruption of the largest infrastructure should be at least equal to the total gas demand of the calculated area during a period of sixty days of exceptionally high gas demand during the coldest period statistically occurring every twenty years. The N-1 indicator, calculated as below, should be at least equal to 100%.

$$N-1[\%] = \frac{IPm + Pm + Sm + LNGm - Im - Tout}{Dmax} * 100, N-1 \geq 100\%$$

Definitions required for the calculation of the N-1 indicator:

Supply side definitions

IPm – Maximal technical capacity of import pipelines (mcm/d) means a sum of maximal technical capacity of gas pipelines supplying gas to the calculated area.

Pm – Maximal production capacity (mcm/d) means the sum of maximal possible rates of production in the calculated area from all gas production facilities taking into account critical elements like field recovery;

Sm – Crisis deliverability (mcm/d) means the maximal rate of withdrawal of all storages in the calculated area which is possible to maintain during each of the sixty days of the disruption period. This rate could be established by a combination of the withdrawal rates of various types of all storages of the calculated area used during the sixty days period.

LNGm – Maximal LNG facility capacity (mcm/d) means the sum of maximal possible capacities at all LNG terminals for the liquefaction of natural gas or the importation, offloading, ancillary services, temporary storage and re-gasification of LNG, taking into account critical elements like maximal ships and storage capacities availability and technical send-out capacity to the system, providing gas in a 60 days period to the calculated area.

Im – Capacity of the largest gas infrastructure (mcm/d), which supplies the calculated area with the highest share of gas.

¹⁴ Draft Regulation (EC) No .../... of the European Parliament and of the Council on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 Article 2(18) "technical capacity" means the maximum firm capacity that the transmission system operator can offer to the network users, taking account of system integrity and the operational requirements of the transmission network.

Where the calculated area provides a transmission capacity from more than one pipeline or entry point and it is not the largest infrastructure ($I_{pm} \neq I_m$), the remaining transmission capacity of the calculated area also needs to be subtracted in the numerator.

Tout – Transmission outflow capacity (mcm/d) is the sum of remaining technical capacity for transmission of gas via the calculated area in the event of disruption of the largest infrastructure.

Demand calculation

Dmax – means a capacity to supply the relevant daily gas demand of the calculated area which is related to the coldest day with exceptionally high gas demand statistically occurring every twenty years.

ANNEX II: LIST OF MARKET BASED SECURITY OF GAS SUPPLY MEASURES

In developing the Preventive and Emergency Plans the Competent Authority shall take into account the following indicative and non-exhaustive list of measures:

Supply side

- Increased production flexibility
- Increased import flexibility
- Commercial gas storage – withdrawal capacity and volume of gas in storage
- LNG terminal capacity and maximal send-out capacity
- Diversification of supplies and routes
- Reverse flows
- Coordinated dispatching by transmission system operators
- Long-term and short-term contracts
- Investments in infrastructure
- Contractual arrangements to ensure security of gas supply

Demand side

- Interruptible contracts
- Fuel switch possibility – alternative back-up fuels in industrial and power generation plants
- Increased efficiency
- Increased use of renewable energy sources

ANNEX III: LIST OF NON-MARKET BASED SECURITY OF GAS SUPPLY MEASURES

In developing the Preventive and Emergency Plans the Competent Authority shall consider the contribution of the following measures only in the case of an Emergency:

Supply side

- Strategic gas storage
- Forced fuel switch
 - Use of stocks of alternative fuels (e.g. in line with 90 days of oil stocks obligation)
 - Use of electricity generated from other sources other than gas

Demand side

- Various steps of compulsory demand reduction

LEGISLATIVE FINANCIAL STATEMENT

This document is intended to accompany and complement the Explanatory Memorandum. As such, when completing this Legislative Financial Statement, and without prejudice to its legibility, an attempt should be made to avoid repeating information contained in the Explanatory Memorandum. Before filling in this template, please refer to the specific Guidelines that have been drafted to provide guidance and clarification for the items below.

1. NAME OF THE PROPOSAL :

"Regulation of the European Parliament and the Council concerning measures to safeguard security of gas supply" (Activity related to missions of monitoring experts)

2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities:

06: Energy and transport

06 04: Conventional and renewable energies

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B..A lines)) including headings :

06 01 01: Expenditure related to staff in active employment of 'Energy and transport, policy area'

06 04 03: Security of conventional energy supplies

06 01 02: External and other management expenditures in support of 'Energy and transport, policy area'

3.2. Duration of the action and of the financial impact:

Start: 2010 End not determined

3.3. Budgetary characteristics (*add rows if necessary*) :

Budget line	Type of expenditure	New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
--------------------	----------------------------	------------	--------------------------	---	---

06.01.01	Non-comp	Non-diff ¹⁵	NO	NO	NO	N°5
06.04.03	Non comp	Diff	NO	NO	NO	N°1a
06.01.02	Non cmp	Non diff	NO	NO	NO	N°5

¹⁵ Non-differentiated appropriations hereafter referred to as NDA

4. SUMMARY OF RESOURCES

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no.		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
------------------	-------------	--	--------	-------	-------	-------	-------	-----------------	-------

Operational expenditure¹⁶

Commitment Appropriations (CA)	8.1	a	0.5	0.5	0.5	0.5	0.5	0.5	3
Payment Appropriations (PA)		b	0.5	0.5	0.5	0.5	0.5	0.5	3

Administrative expenditure within reference amount¹⁷

Technical & administrative assistance (NDA)	8.2.4	c							
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TOTAL REFERENCE AMOUNT

Commitment Appropriations		a+c	0.5	0.5	0.5	0.5	0.5	0.5	3
Payment Appropriations		b+c	0.5	0.5	0.5	0.5	0.5	0.5	3

Administrative expenditure not included in reference amount¹⁸

Human resources and associated expenditure (NDA)	8.2.5	d	0.24 4	0.24 4	0.24 4	0.24 4	0.24 4	0.24 4	1.464
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	e	0.15	0.15	0.15	0.15	0.15	0.15	0.9

¹⁶ Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

¹⁷ Expenditure within article xx 01 04 of Title xx.

¹⁸ Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05.

Total indicative financial cost of intervention

TOTAL CA including cost of Human Resources		a+c +d+ e	0.89	0.89	0.89	0.89	0.89	0.89	5.364
TOTAL PA including cost of Human Resources		b+c +d+ e	0.89	0.89	0.89	0.89	0.89	0.89	5.364

Co-financing details

If the proposal involves co-financing by Member States, or other bodies (please specify which), an estimate of the level of this co-financing should be indicated in the table below (additional lines may be added if different bodies are foreseen for the provision of the co-financing):

EUR million (to 3 decimal places)

Co-financing body		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
.....	f							
TOTAL CA including co-financing	a+c +d+ e+f							

4.1.2. Compatibility with Financial Programming

- Proposal is compatible with existing financial programming.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Interinstitutional Agreement¹⁹ (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on Revenue

- Proposal has no financial implications on revenue
- Proposal has financial impact – the effect on revenue is as follows:

¹⁹ See points 19 and 24 of the Interinstitutional agreement.

NB: All details and observations relating to the method of calculating the effect on revenue should be shown in a separate annex.

EUR million (to one decimal place)

		Prior to action [Year n-1]	Situation following action					
Budget line	Revenue		[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5] ²⁰
	a) Revenue in absolute terms							
	b) Change in revenue	Δ						

(Please specify each revenue budget line involved, adding the appropriate number of rows to the table if there is an effect on more than one budget line.)

- 4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later
Total number of human resources	2	2	2	2	2	2

5. CHARACTERISTICS AND OBJECTIVES

Details of the context of the proposal are required in the Explanatory Memorandum. This section of the Legislative Financial Statement should include the following specific complementary information:

- 5.1. Need to be met in the short or long term

As proposed in the "Regulation of the European Parliament and the Council concerning measures to safeguard security of gas supply", the Commission shall establish a permanent monitoring task force consisting of industry experts and representatives of the Commission. The monitoring task force shall be deployed in case of disruption or potential disruption of gas supplies and shall monitor and report on the gas flows within or outside the European Union, in cooperation with the supplying and transiting countries.

²⁰ Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years

5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

As demonstrated in the recent gas crisis of January 2009, the issue of security of gas supply cannot be tackled only with initiatives at Member States level. Community involvement is needed to ensure a coordinated action within the Union to minimize the impact of the crisis as well as implementing coherent initiatives vis-à-vis suppliers and transit countries.

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

As is has been outlined in the January 2009 gas crisis the Community need to be provided with tool to deploy, at very short notice a monitoring team including expert from the industry to assist Commission officials during gas crisis.

5.4. Method of Implementation (indicative)

Show below the method(s)²¹ chosen for the implementation of the action.

X Centralised Management

x Directly by the Commission

í Indirectly by delegation to:

í Executive Agencies

í Bodies set up by the Communities as referred to in art. 185 of the Financial Regulation

í National public-sector bodies/bodies with public-service mission

í Shared or decentralised management

í With Member states

í With Third countries

í Joint management with international organisations (please specify)

Relevant comments:

²¹ If more than one method is indicated please provide additional details in the "Relevant comments" section of this point

6. MONITORING AND EVALUATION

6.1. Monitoring system

The activity of the monitoring team will be assessed and included in a report produced every year.

6.2. Evaluation

6.2.1. Ex-ante evaluation

Not applicable

6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)

Not applicable

6.2.3. Terms and frequency of future evaluation

Not applicable

7. ANTI-FRAUD MEASURES

The monitoring activity will be assessed once a year and a report will be produced. The activity of the monitoring team will be subject to standard antifraud control measures implemented in the Commission.

8. DETAILS OF RESOURCES

8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	Year n		Year n+1		Year n+2		Year n+3		Year n+4		Year n+5 and later		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
OPERATIONAL OBJECTIVE No.1 22																
Action 1 mission of the monitoring team	Payments for mission of experts (estimated 10 mission for 50 days each)		10	0.5	10	0.5	10	0.5	10	0.5	10	0.5	10	0.5	50	2.5
- Output 1																
- Output 2																
Action 2.....																
- Output 1																
Sub-total Objective 1																
OPERATIONAL OBJECTIVE No.2 1																
Action 1.....																
- Output 1																

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As described under Section 5.3

Sub-total Objective 2																
OPERATIONAL OBJECTIVE No.n ¹																
Sub-total Objective n																
TOTAL COST			10	0.5	10	0.5	10	0.5	10	0.5	10	0.5	10	0.5	50	2.5

8.2. Administrative Expenditure

8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)					
		Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5
Officials or temporary staff ²³ (XX 01 01)	A*/AD	2	2	2	2	2	2
	B*, C*/AST						
Staff financed ²⁴ by art. XX 01 02							
Other staff ²⁵ financed by art. XX 01 04/05							
TOTAL		2	2	2	2	2	2

8.2.2. Description of tasks deriving from the action

Implementation of monitoring missions in Member States and or third countries as necessary on the occasion of gas crisis. The results of the mission will be reported back to Members States through mission reports and in meetings of the Gas Coordination Group.

8.2.3. Sources of human resources (statutory)

(When more than one source is stated, please indicate the number of posts originating from each of the sources)

- Posts currently allocated to the management of the programme to be replaced or extended
- Posts pre-allocated within the APS/PDB exercise for year n
 - Posts to be requested in the next APS/PDB procedure
 - Posts to be redeployed using existing resources within the managing service (internal redeployment)
 - Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

²³ Cost of which is NOT covered by the reference amount

²⁴ Cost of which is NOT covered by the reference amount

²⁵ Cost of which is included within the reference amount

8.2.4. Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)

EUR million (to 3 decimal places)

Budget line (number and heading)	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
1 Technical and administrative assistance (including related staff costs)							
Executive agencies ²⁶							
Other technical and administrative assistance							
- <i>intra muros</i>							
- <i>extra muros</i>							
Total Technical and administrative assistance							

8.2.5. Financial cost of human resources and associated costs not included in the reference amount

EUR million (to 3 decimal places)

Type of human resources	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later
Officials and temporary staff (XX 01 01)	0.244	0.244	0.244	0.244	0.244	0.244
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)						
Total cost of Human Resources and associated costs (NOT in reference amount)	0.244	0.244	0.244	0.244	0.244	0.244

Calculation– *Officials and Temporary agents*

Reference should be made to Point 8.2.1, if applicable

²⁶ Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

2 AD FTE (full time equivalent) 122.000 €/official/year* 2= 244.000 €

Calculation– *Staff financed under art. XX 01 02*

Reference should be made to Point 8.2.1, if applicable

8.2.6. Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
XX 01 02 11 01 – Missions							
XX 01 02 11 02 – Meetings & Conferences	0.15	0.15	0.15	0.15	0.15	0.15	0.9
XX 01 02 11 03 – Committees ²⁷							
XX 01 02 11 04 – Studies & consultations							
XX 01 02 11 05 - Information systems							
2 Total Other Management Expenditure (XX 01 02 11)							
3 Other expenditure of an administrative nature (specify including reference to budget line)							
Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)	0.15	0.15	0.15	0.15	0.15	0.15	0.9

Calculation - *Other administrative expenditure not included in reference amount*

Periodic meeting of the Gas Coordination Group in which issues related to gas security of supply are discussed (30 experts x 1000€ x 5 meetings).

²⁷ Specify the type of committee and the group to which it belongs.