



Brussels, 23.3.2022  
COM(2022) 135 final

2022/0090 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulation (EU) 2017/1938 of the European Parliament and of the Council concerning measures to safeguard the security of gas supply and Regulation (EC) n°715/2009 of the European Parliament and of the Council on conditions for access to natural gas transmission networks**

(Text with EEA relevance)

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

- a) *Security of supply*

The potential threats to the security of gas supply of the EU, mainly linked to its dependence for primary energy from third countries, have already triggered preparations to deal with additional challenges. With the introduction of the European Green Deal in particular, upgrading and extending LNG infrastructure and the diversification of sources and routes of pipeline gas, it has already taken important steps to shield households and enterprises against supply shocks.

The international tensions have underlined the need of advancing plans and actions with the objective to become more independent from third countries. Accelerating the green transition will reduce emissions, reduce dependency on imported fossil fuels, and protect against price hikes. However, the current geopolitical situation requires additional short term measures to deal with the market imbalances for energy and for securing supplies in the years ahead. As supply disruptions of pipeline gas may occur anytime, measures introducing an insurance policy regarding the filling level of EU storage facilities are introduced. Well-filled gas storage contributes to more secure gas supplies for the winter 2022/2023.

- b) *Role of storage and current problems*

Gas storage contributes to security of supply by providing additional supply in case of strong demand or supply disruptions; storage supplies 25-30% of gas consumed in winter. During the heating season, storage reduces the need to import additional gas. Storage contributes to absorbing supply shocks.

Over the last six months, an unbalanced gas market has led to a sharp increase in gas prices. The EU level of filling of storage during the winter was largely below the level of the preceding years – 10% less in percentage points in January. This has amplified uncertainties as regards security of supply and the volatility of prices. This proposal seeks to address the three more specific problems below:

- The difference of gas prices between summer and winter is important to attract gas in storage. Given the ongoing geopolitical developments and high energy prices, an estimate of the foreseeable summer/winter spread is very unreliable. The situation is expected to be particularly problematic ahead of next winter, as prices may be higher in summer than in winter. This is expected to lead to a situation in which storage is not attractive to market participants and filling needs to be ensured by public interventions, including financial support to incentivise the use of storage.
- The Commission and the Gas Coordination Group carried out an EU wide reinforced risk preparedness analysis in February 2022. This analysis indicated that while the winter 2021/2022 was eventually safe, there could be risk of insufficient gas in storage ahead of the next winter 2022/2023. Optimising the storage capacities over the filling season would require immediate injection as from the start of the filling season (April 2022). Such early actions would reduce the risks of bottlenecks when filling storage during possible disruptions from the East that would require to transport gas to storage sites from other routes.
- Gas storage levels in 2021/2022 have proven to be particularly low at sites owned by third country entities. This has contributed to nearly half of the unusually low storage

level this year. Storage facilities are strategic assets and critical for the security of supply of the Union and its Member States. The control and use of storage facilities by third countries entities may create security of supply risks, impacting on other essential security interests, and undermine further the strategic autonomy of the EU.

*c) Objectives of the proposal*

This proposal aims at addressing the very significant risks for security of supply and the Union's economy resulting from the dramatically changed geopolitical situation. The proposal aims notably at ensuring that storage capacities in the Union, which are crucial to ensure security of supply, do not remain unused, to ensure that storages can be shared across the Union, in a spirit of solidarity.

For that purpose, a mandatory minimum level of gas in storage facilities will reinforce the security of supply ahead of the winter 2022/2023 and for the following winter periods. A mandatory certification of storage system operators will ensure that potential security of supply risks resulting from influence over the critical storage infrastructure can be excluded. Finally, the use of storage will be incentivised by allowing to exempt storage users from transmission tariffs at storage entry or exit points.

- **Consistency with existing policy provisions in the policy area**

This proposal amends two existing regulations, Regulation (EU) 2017/1938 concerning measures to safeguard the security of gas supply and Regulation (EU) 715/2009 on conditions for access to natural gas transmission networks. It builds on the existing framework for gas security of supply and internal gas market rules, adding further measures needed to ensure security of supply of natural gas in the Union in the context of the severe energy crisis caused by recent changes of the geopolitical situation.

The proposed rules on mandatory storage filling targets are related to a proposal on the use of storage which was included in Article 67 of the Commission's Proposal for a Regulation on the internal markets for renewable and natural gases and for hydrogen of 15 December 2021<sup>1</sup>. This Article proposed to insert a new Article 7(b) into Regulation (EU) 2017/1938 in order to incentivise Member States to use some storage-related measures to enhance security of supply, without introducing a mandatory storage obligation. However, since the geopolitical situation has significantly changed since December 2021, enhanced measures to ensure security of supply have become crucial. The Commission, in coordination with the Gas Coordination Group, carried out a dedicated risk analysis which showed that more stringent rules to ensure a better use of storage facilities in the Union are urgently needed.

A swift negotiation of the comprehensive Proposal for a Regulation on the internal markets for renewable and natural gases and for hydrogen of 15 December 2021 is key for the Green Deal and to lowering Europe's dependency on fossil gas. To avoid a disruption of the negotiation process on the proposal of 15 December 2021, the proposal for rules to enhance storage filling levels is made in a form of a separate Regulation, which is limited to three well-targeted amendments (storage filling obligation, storage certification and tariff rebate). The short and well-targeted proposal should allow Council and Parliament to adopt it within a short timeframe, since new rules to ensure storage filling in times of soaring energy prices are urgently needed.

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<sup>1</sup> COM/2021/804 final.

To avoid a legal conflict between Article 67 of the Proposal for a Regulation on the internal markets for renewable and natural gases and for hydrogen of 15 December 2021 and the current proposal, the validity of the proposed regulation shall be limited until the entry into force of the recast Regulation (EU) of the European Parliament and of the Council on the internal markets for renewable and natural gases and for hydrogen, based on the Commission's proposal of 15 December 2021.

The provisions related to the filling of storage in this proposal are meant to be adopted as soon as possible to ensure their effectiveness before the start of the heating season in October 2022. They could be easily integrated into the Regulation on the internal markets for renewable and natural gases and for hydrogen at a later stage.

- **Consistency with other Union policies**

The proposal is consistent with a broader set of initiatives to enhance the Unions energy resilience and prepare against possible emergency situations, notably the Commission's 'Fit for 55' proposals, in particular the revision of the Third Energy Package for gas (Directive 2009/73/EU and Regulation 715/2009/EU) which are designed to regulate competitive decarbonised gas markets and to create a sustainable energy sector for the long term, in the benefit of European consumers.

In October 2021, the European Commission presented a Communication to enact and support appropriate measures to mitigate the impact of the rising energy prices. The Communication also provides measures to secure affordable energy and sufficient level of storage, making the EU more resilient to future shocks.

Following the recent geopolitical developments, in March 2022, the Commission issued the 'REPowerEU' Communication for a Joint European Action for more affordable, secure and sustainable energy. According to the REPowerEU Communication, the Commission will make a legislative proposal so as to ensure an annual adequate level of storage by next winter. The Communication stressed not only the urgent need to full storage facilities in the Union, but clarified also that it is possible to use state aid for financial support to the filling of storages<sup>2</sup>.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

This proposal amends Regulation (EU) 2017/1938, whose legal base was Article 194(2) of the Treaty on the Functioning of the European Union. It also amends Regulation (EU) 715/2009, which was, since the Treaty on the Functioning of the European Union was not in force at that time, based on Article 95 of the Treaty establishing the European Community, now Article 114 of the Treaty on the Functioning of the European Union. This proposal is based on Article 194(2) of the Treaty on the Functioning of the European Union.

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<sup>2</sup> COM(2022) 108 final, section 1.2: *'To incentivise the refilling, Member States can provide aid to suppliers under Article 107(3)(c) TFEU for example in the form of guarantees ('two-way contract for difference')*.

- **Subsidiarity (for non-exclusive competence)**

The planned measures of the present initiative are fully in line with the subsidiarity principle. Because of the risk and the significant effect of possible gas supply interruption on the entire Union, there is a need for an EU level action.

Given the unprecedented nature of the gas supply crisis and its transboundary effects, and the fact that EU countries are connected through a joint gas network, action at Union level is warranted, as Member States alone cannot sufficiently effectively address the risk of serious economic difficulties resulting from significant supply disruptions in a coordinated manner. Only EU action motivated by a spirit of solidarity between Member States can ensure an effective preparedness against a supply disruption, which would lead to lasting harm for citizens and the economy.

- **Proportionality**

The initiative complies with the proportionality principle. In view of the unprecedented geopolitical situation and the significant threat for consumers and the EU economy in the event of gas supply disruptions, there is a clear need for coordinated and urgent action. Despite the urgency, the proposal takes into account that Member States will need some time to set up the necessary measures to ensure storage filling. The proposal therefore provides for a “phase-in” mechanism, ie rules which are less stringent for the year 2022 than for the following years (e.g. lower filling target, fewer intermediary targets, obligation for the Commission to take the limited time of application into account in its enforcement). Hence, the proposal does not go beyond what is necessary to achieve the objectives laid down in the current instrument. The proposed measures are considered proportionate and build to the extent possible on existing approaches. The support of solidarity measures and requirement of storage filling effectively ensure that security of supply risks are minimised at regional level. The choice of the required filling level has been carefully considered. It was discussed with stakeholders in the framework of the Gas Coordination Group and followed intensive consultations with sector experts and Member States. Based on these consultations, the proposed 90% filling rate is a necessary and appropriate level in order to ensure security of supply over the winter in case of serious supply disruptions, without putting an excessive burden on Member States, energy companies or citizens.

- **Choice of the instrument**

This is a proposal to amend two regulations, Regulation (EU) 2017/1938 and Regulation (EU) 715/2009, therefore the instrument chosen is an amending Regulation. Given that this is not a full revision of either Regulation, a recast is not considered appropriate.

### **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Stakeholder consultations**

Due to the urgency of the proposal, which is made in reaction to an unexpected geopolitical crisis and needs to be urgently adopted to ensure filled storages ahead of the heating season, stakeholder consultations had to be kept less formal. Nevertheless, targeted stakeholder consultations were carried out, including through the Gas Coordination Group, as well as manifold bilateral consultations with key stakeholders, sector experts and Member States.

The Commission published its Communication COM(2022) 108 final “REPowerEU: Joint European Action for more affordable, secure and sustainable energy” on 8 March 2022, which set out the main content of the current proposal on storage filling measures and already



- Legal implementation of the measures foreseen in the new Article 6d(7) (estimated yearly average: 5 warning decisions; 2 decisions on measures of last resort.) (2 FTE),
- Management of the LNG platform foreseen in the new article 6b(1) (5 FTE),
- Assessment of the notifications on burden-sharing foreseen in article 6c (1 FTE),
- Opinion on the certification of storage system operators (3 FTE),
- Administrative support (1 FTE).

For the implementation of the above-mentioned new responsibilities, the human resources of DG Energy need therefore to be reinforced by 12 additional FTE on a permanent basis plus 3 temporary FTE specifically devoted to certification till such time as this process is concluded.

Moreover, the implementation, coordination and follow-up of this amending regulation amongst MS will require additional administrative appropriations as follow: 150,000 €/year for missions and experts' meetings (notably: Gas Coordination Group).

## 5. OTHER ELEMENTS

- **Detailed explanation of the specific provisions of the proposal**

Article 1 amends Regulation (EU) 2017/1938.

Article 1(1) added definitions to Article 2 of Regulation (EU) 2017/1938, to define 'filling trajectory', 'filling target', 'strategic storage' and 'strategic stock'.

Article 1(2) inserts new Articles 6a to 6d.

- Article 6(a). This new provision will require the Member States to ensure that the storage infrastructures in its territory are, in principle, filled up to at least 90% of their capacity at Member State level by 1 November each year, with intermediary targets for each Member State in February, May, July, and September. A lower target and a different filling trajectory apply for 2022, taking into account that Member States have limited time to implement this Regulation. The Commission is mandated to ensure that the filling targets are met in case intermediate targets are missed.
- Article 6b sets out the measures Member States shall take to ensure that the mandatory filling targets pursuant to Article 6a are reached.
- Article 6c. A burden sharing mechanism is introduced, as although not all Member States have storage facilities in their territories, all will benefit from having a guaranteed high filling level, in terms of the insurance value against security of supply risks and price dampening effects in winter.
- Article 6d. This new provision provides for effective instruments to monitor the new filling obligations and reinforces the role of the Gas Coordination Group, giving it an explicit mandate to monitor Member States' performance in the area of gas security of supply, and to develop best practices on that basis. The updated of National energy and climate plans and the integrated national energy and climate progress reports adopted pursuant Article 17 of the Regulation 2018/1999 shall reflect the progress on the filling trajectories and the filling targets, and the planned policies and measures to achieve it.

Article 2 amends Regulation (EU) 715/2009.

Article 2(1) inserts a new Article 3a on the certification of storage system operators, under which Member States shall certify all undertakings which own a storage system operator, including transmission system operators, to ensure that the owner of the storage system operator does not put at risk the security of energy supply in the Union or any Member State.

Article 2(2) adds a new final paragraph to Article 13, applying a discount of 100 % to capacity-based transmission tariffs at entry points from and exit points to storage facilities.

Article 3 concerns entry into force.

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(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to Article 194(2) of the Treaty on the Functioning of the European Union,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

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

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

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) While short-term gas supply interruptions have occurred in the past, there are several factors which distinguish the current situation from previous security of supply crises. The escalation of the armed conflict in Ukraine since February 2022 has led to unprecedented price increases. These price increases are likely to fundamentally change the incentives to fill storage facilities in the Union. In the current geopolitical context, further supply disruptions of gas can no longer be excluded. This could severely harm citizens and the economy of the Union, as the Union is still to a significant extent dependent on external gas supplies which can be affected by the conflict.
- (2) The nature and consequences of these events are large-scale and Union-wide and therefore require a comprehensive response. The response should prioritise measures that can reinforce the security of supply at Union level, in particular to protected

consumers. It is therefore crucial that the Union acts in a coordinated manner to avoid potential risks resulting from a possible gas supply interruption.

- (3) Gas storage contributes to security of supply by providing additional supply in case of strong demand or supply disruptions, and well filled gas storage leads to secure gas supplies. Since supply disruptions of pipeline gas may occur anytime, measures regarding the filling level of Union storage sites have to be introduced to ensure supply for the winter 2022/2023.
- (4) Regulation (EU) 2017/1938 of the European Parliament and of the Council<sup>4</sup> introduced solidarity mechanisms designed to address extreme situations in which supply of protected customers, as an essential security need and a necessary priority, is at stake in a Member State. In the event of a Union emergency, an immediate response should ensure that Member States are able to provide enhanced protection to customers.
- (5) The impact of the armed conflict at the borders of the Union has shown that the existing security of supply rules are, however, not adapted to sudden major geopolitical developments, where supply shortages and price peaks may not only result from the failure of infrastructure or extreme weather conditions, but also for instance from intentional major events and longer lasting or sudden supply interruptions. It is therefore necessary to address the sudden greatly increased risks resulting from the current changes in the geopolitical situation.
- (6) Based on the Commission's analysis of adequate measures to secure gas supplies, *inter alia*, the EU wide reinforced risk preparedness analysis carried out in February 2022 by the Commission and the Gas Coordination Group, it is appropriate that Member States should, in principle, ensure that the storage infrastructures in their territory are full to at least 90% of their capacity at Member State level by 1 November, with intermediary targets for each Member State in May, July, September and February of the following year. This is necessary to ensure that European consumers are adequately protected against supply shortages. For 2022, a lower filling target of 80% and a reduced number of intermediary targets (August, September and October) will apply, taking into account that the Regulation will only become applicable after the start of the gas filling season and Member States have limited time to implement this Regulation.
- (7) A "filling trajectory" system shall enable continuous monitoring throughout the filling season (from 1 April to 30 September). From the year 2023 onwards storage shall also be specifically monitored in February (the 'February control point') to avoid sudden withdrawal of gas from storage in the middle of the winter, which could cause security of supply challenges before the end of winter.
- (8) The filling target and the filling trajectory can be adjusted by the Commission from 2023 onwards, by means of a delegated act, taking into account the annual ENTSOG simulations and the common analysis to be carried out by the regional risk groups defined in Regulation (EU) 2017/1938. The decision of the Commission to set the "filling trajectories" will be taken after consultation of the Gas Coordination Group.

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<sup>4</sup> Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010 (OJ L 280, 28.10.2017, p. 1).

- (9) Member States may not always be able to meet the filling targets on time due to technical issues such as problems related to the pipelines feeding the storage site or with the injection facilities. In such cases, it is appropriate that Member States should have the flexibility to meet the target at a later stage. However, the filling target should be met as soon as technically possible and no later than on the 1 December in order to ensure the security of supply for the winter period.
- (10) Moreover, Member States may not be able to meet the filling targets in case of an EU-wide emergency, that is in times of extreme scarcity of gas. Therefore, the filling targets should not apply where and for as long as the Commission has declared a Union or regional emergency pursuant to Article 12 of Regulation (EU) 2017/1938.
- (11) Competent authorities shall continuously monitor the filling of the underground storage facilities in order to ensure that their national filling trajectories are met. The national filling trajectories are defined considering a bandwidth of two percentage points. If the filling level of a given Member State is more than 2 percentage points below the targets of the filling trajectory, the competent authorities shall immediately take effective measures to increase the filling level. Member States shall inform the Commission and the Gas Coordination Group of such measures..
- (12) Substantial and sustained deviation from the filling trajectories can jeopardise reaching adequate levels of storage which are necessary to ensure security of supply in the Union, in a spirit of solidarity. In case of such substantial and sustained deviations, the Commission should therefore be empowered to take effective measures to avoid security of supply problems resulting from unfilled storages. When deciding upon the adequate measures, the Commission shall take into account the specific situation of the respective Member State, such as the size of the storage facilities in relation to the domestic gas consumption or the importance of the storage facilities for security of supply in the region. As this Regulation will enter into force after the start of the storage filling season in 2022, any measures taken by the Commission to address deviations from the filling trajectory for the year 2022 should take into account the limited time for the implementation of this Regulation at national level. The Commission should ensure that the measures do not go beyond what is necessary to maintain security of supply, without putting disproportionate burden on Member States, gas market participants, storage system operators or citizens.
- (13) Member States should take all necessary measures to ensure that the mandatory filling targets are met. With a view to the different regulatory regimes already in place in many Member States to support storage filling, no specific instrument to meet the filling trajectory and reach the filling target is prescribed, and Member States enjoy freedom to choose the instrument which is most appropriate in their national system, provided the conditions in Article 6(b)(2) and (3) are respected. Member States therefore have the freedom to choose which market participant(s) to oblige to ensure the filling of the storages. They can also decide whether regulatory means, such as measures to oblige capacity holders to free up unused capacity which are possible under existing EU market rules, may be sufficient to meet the filling targets, or if financial incentives, which might constitute State aid, are necessary. Member States should use coordinated instruments, such as platforms for the purchase of LNG, with other Member States to maximise the utilisation of LNG to fill storages, and reduce infrastructure and regulatory barriers to the shared use of LNG to fill storages.

- (14) The Commission Communication COM(2022) 108 final of 8 March 2022, entitled ‘REPowerEU: Joint European Action for more affordable, secure and sustainable energy’ has clarified in this respect that Union law allows Member States to provide State aid to suppliers under Article 107(3)(c) TFEU in order to ensure filling of storages, for example in the form of guarantees (‘two-way contract for difference’).
- (15) Any measure taken to ensure the filling of gas storage should be necessary, clearly defined, transparent, proportionate, non-discriminatory and verifiable, and should not unduly distort competition or the effective functioning of the internal market in gas or endanger the security of gas supply of other Member States or of the Union. In particular, such measures taken should not lead to strengthening a dominant position or windfall gains for undertakings controlling storage facilities or having booked but not used storage capacity.
- (16) The efficient use of the existing infrastructure, including cross-border transmission capacities, storage facilities and LNG facilities are important factors in ensuring security of supply in a spirit of solidarity. Open energy borders are key for security of supply, also in times of gas disruptions at national, regional or Union level. Therefore, any measure taken to ensure the filling of gas storage should not block or restrict cross-border capacities allocated in accordance with the provisions of Commission Regulation (EU) 2017/459.
- (17) The storage obligation will impose financial burdens on the relevant actors in those Member States, which have relevant storage facilities in their territory, while the increase in the level of security of supply will benefit all Member States including those Member States, which do not have storage facilities. To share the burden, in a spirit of solidarity, of ensuring that storage facilities in the Union are sufficiently filled to ensure security of supply, Member States without storage facilities should comply with the obligation to use storage in other Member States. In case there is no interconnection with other Member States, or limited cross-border transmission capacity or other technical reasons make it impossible to use storage facilities in other Member States, the obligation should be reduced accordingly.
- (18) However, Member States should not be subject to such an obligation if they jointly develop an alternative burden sharing mechanism with one or more Member States with storage facilities. Such alternative mechanism can take into consideration, among others, already existing equivalent legal obligations to store alternative fuels. Member States should notify such alternative burden sharing mechanisms to the Commission.
- (19) The measures by which Member States without storage facilities share the burden of the storage obligation with Member States with storage facilities may in turn have a financial impact on the relevant market actors. Member States without storage facilities may therefore provide financial incentives or compensation to market participants for the shortfall of revenues or for costs incurred by obligations imposed on them which cannot be covered by revenue. If the measure is financed through a levy, that levy shall not be allocated to cross-border interconnection points.
- (20) Effective monitoring and reporting is essential, both for the assessment of the nature and extent of the risks related to security of supply, as well as for the choice of the appropriate measures to counter such risks. Operators of storage facilities should report the filling levels to the national competent authorities on a monthly basis during the filling period. Owners and operators of storage facilities are also

encouraged to encode regularly the capacity and the filling level for each storage site at a central reporting platform.

- (21) The regulatory authorities should play an important role in monitoring security of supply, one of the tasks attributed to the regulators by the Internal Energy Market legislation, and ensure a balance between security and the cost of the measures for consumers. The Commission will monitor the filling levels, jointly with the competent authorities of Member States.
- (22) The role of the Gas Coordination Group should be reinforced, with an explicit mandate to monitor Member States' performance in the area of gas security of supply, and to develop best practices on that basis in that area. The Commission shall therefore regularly report to the Gas Coordination Group, which shall support the Commission in monitoring the filling targets, and in ensuring that the filling targets are met.
- (23) The Union considers that the storage system sector is of high importance to the Union, its security of energy supplies and its other essential security interests. Accordingly, storage facilities are considered critical infrastructure within the meaning of 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 protection. The Member States should take into account the measures under this Regulation in their national energy and climate plans and the progress reports adopted pursuant Regulation 2018/1999.
- (24) The Union considers that additional safeguards are necessary in the storage system network to avoid any threats to public order and public security in the Union and to the welfare of the citizens of the Union. Member States should ensure that each storage system operator, including such operators controlled by transmission system operators, is certified under this Regulation by the regulatory authority or another competent authority designated by the Member State to ensure that the influence over storage system operators does not put at risk the security of energy supply or any other essential security interest in the Union or any Member State. For the analysis of possible security of supply risks in other Member States, coordination between Member States in the security of supply assessment, is important and should not discriminate between market participants and should fully comply with the principles of a well-functioning internal market. In order to quickly alleviate the danger of low storage levels, the certification should be prioritised and carried out faster for larger storages and storages which have recently been filled at consistently low levels, so as to ensure that potential security of supply problems resulting from the control over such large storages can be excluded.
- (25) Regulatory authorities should refuse the certification if a person who directly or indirectly controls or exercises any right over the storage system operator may put at risk the security of energy supply or any other essential security interest Member State, regional or Union level. In this assessment the regulatory authorities should take into account commercial relationships that could negatively affect the incentives and ability of the storage operator to fill the storage facility, as well as the international obligations of the Union and any other specific facts and circumstances of the case. To ensure the consistent application of those rules across the Union, respect for the international obligations of the Union and solidarity and energy security within the Union, the regulatory authorities should take into utmost account the Commission's opinion when they take decisions on certification. Where a

regulatory authority refuses the certification, it should have the power to require any person to dispose of the shareholding or rights they have over the storage system operator and to set a time limit for such disposal, to order any other appropriate measure to ensure that that person or those persons cannot exercise any control or right over that storage system operator, and to decide on appropriate compensatory measures. Any measure taken in the certification decision to address security of supply risks or other essential security interests should be necessary, clearly defined, transparent, proportionate and non-discriminatory.

- (26) If enterprises are due to purchase more gas when such gas is expensive, this could further drive up prices. Therefore this Regulation is accompanied by the removal of entry and exit tariffs for transmission capacity to and from storage, making storage more attractive for market participants. Regulatory and competition authorities should also use their competences to effectively exclude undue increases of storage tariffs.
- (27) In view of the exceptional circumstances of the current situation and the uncertainties related to future geopolitical developments, Member States are encouraged to meet the filling targets as quickly as possible, and in any event no later than within the timeframes set out in this Regulation.
- (28) Considering the imminent danger for the security of supply brought about by the current armed conflict, this Regulation should enter into force the day after its publication in the Official Journal. In order to ensure coherence with the Commission Proposal COM/2021/804 final for a Regulation of the European Parliament and of the Council on the internal markets for renewable and natural gases and for hydrogen (recast), this Regulation should only apply until a regulation on the internal markets for renewable and natural gases and for hydrogen, following the above mentioned Commission Proposal COM/2021/804 final, is adopted and enters into force, reflecting the amendments introduced by this Regulation.

HAVE ADOPTED THIS REGULATION:

#### *Article 1*

#### ***Amendments to Regulation (EU) 2017/1938***

Regulation (EU) 2017/1938 is amended as follows:

- (1) In Article 2, the following points are added:
- “(27) ‘filling trajectory’ means several intermediary targets for each Member State as listed in Annex Ia and Ib;
- (28) ‘filling target’ means a binding target for the filling level of storage facilities for non-liquefied natural gas;
- (29) ‘strategic storage’ means storage of non-liquefied natural gas which is subject to public authority authorisation for release, cannot be sold to the market but only released in case of supply scarcity, a supply disruption or emergency.”
- (30) ‘strategic stock’ means non-liquefied natural gas purchased, managed and stored by transmission system operators exclusively for carrying out their functions as transmission system operators and for the purpose of security of supply. Gas

stored as part of a strategic stock shall be dispatched only where required to keep the system in operation under secure and reliable conditions in line with Article 13 of Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC or in case of a declared emergency under Article 11 and can otherwise not be sold on wholesale gas markets;’

- (2) The following Articles 6a to 6e are inserted:

*‘Article 6a*

***Mandatory filling target and filling trajectory***

- (1) Each Member State shall ensure that the filling target set out in paragraph 2 for the aggregated capacity of all storage facilities in their territory is reached by 1 November each year.
- (2) For 2022, the filling target shall be set at 80% of the capacity of all storage facilities on the territory of the respective Member States. Unless the Commission decides otherwise pursuant to paragraph 4, the filling target shall be set at 90% for the following years.
- (3) Member States shall take the necessary measures to fulfil the intermediary targets as indicated in Annex Ia and Ib for each Member State. For 2022, intermediary targets shall only be set for August, September and October. As of 2023 Member States shall ensure that intermediary targets for February, May, July and September are fulfilled.
- (4) The Commission is empowered, after consultation of the Gas Coordination Group, to adopt a delegated act amending Annex Ib to specify the filling target and a filling trajectory from 2023 onwards, in accordance with Article 19. That delegated act shall be adopted no later than 31 December of the year preceding the year for which the new filling target is set. The filling target and filling trajectory set by the Commission shall be based on an assessment of the general security of supply situation and the development of gas demand and supply in the Union and individual Member States, and set in a manner that ensures security of supply while avoiding unnecessary burden for Member States, gas market participants, storage system operators or citizens.
- (5) Where a Member State cannot meet the filling target due to specific technical characteristics of one or more storage facilities within its territory, such as exceptionally low injection rates, the Member State shall be allowed to reach the filling target only on 1 December. The Member State shall inform the Commission before 1 November, providing reasons for the delay.
- (6) The filling target shall not apply where and for as long as the Commission has declared a Union or regional emergency pursuant to Article 12.
- (7) Competent authorities shall continuously monitor the filling trajectory each year and report regularly to the Gas Coordination Group. If the filling level of a given Member State is more than 2 percentage points below the level of the filling trajectory pursuant to Annex Ib, the competent authorities shall, without

delay, take effective measures to increase the filling level. Member States shall inform the Commission and the Gas Coordination Group of the measures taken.

- (8) In case of substantial and sustained deviation from the filling trajectories, the following measures shall be taken:
- (a) after consultation of the Gas Coordination Group and the Member State in question, the Commission shall issue a warning to the Member State and recommend measures to be immediately taken;
  - (b) if the deviation from the trajectory is not significantly reduced within one month from the date of the warning, the Commission shall, after consultation of the Gas Coordination Group and the Member State in question, take a decision as a measure of last resort to oblige the Member State to take measures that effectively remove the gap to the trajectory, including where appropriate one or several of the measures listed under Article 6b(1), or any other measure to ensure the mandatory filling target pursuant to this Article is reached;
  - (c) when deciding upon the adequate measures pursuant to point (b), the Commission shall take into account the specific situation of the respective Member State, such as the size of the storage facilities in relation to the domestic gas consumption or the importance of the storage facilities for security of supply in the region. Any measures taken by the Commission to address deviations from the filling trajectory for the year 2022 shall take into account the short timeframe for the implementation of this Article at national level which may have contributed to the deviation from the filling trajectory for 2022;
  - (d) The Commission shall ensure that the measures do not go beyond what is necessary to maintain security of supply, without putting disproportionate burden on Member States, gas market participants, storage system operators or citizens.

#### *Article 6b*

##### ***Implementation of the filling target***

- (1) Member States shall take all necessary measures, including financial incentives or compensation to market participants, to ensure that the mandatory filling targets pursuant to Article 6(a) are reached. These measures may, in particular, include:
- (a) imposing an obligation on gas suppliers to store minimum volumes of gas in storage facilities;
  - (b) imposing an obligation on storage owners to tender their capacities to market participants;
  - (c) imposing an obligation on a transmission system operator to purchase and manage strategic stocks of gas exclusively for

- carrying out their functions as transmission system operators and for the purpose of security of supply in case of emergency;
- (d) using coordinated instruments, such as platforms for the purchase of LNG, with other Member States to maximise the utilisation of LNG and to reduce infrastructure and regulatory barriers to the shared use of LNG to fill storage facilities;
  - (e) providing financial incentives for market participants or compensation for the potential shortfall of revenues or for costs incurred by obligations on market participants which cannot be covered by revenues;
  - (f) adopting effective instruments to set obligation on storage capacity holders to use or release unused booked capacities.
- (2) The measures adopted pursuant to this Article shall be limited to what is necessary to achieve the filling target, clearly defined, transparent, proportionate, non-discriminatory and verifiable. They shall not unduly distort competition or the effective functioning of the internal market in gas or endanger the security of gas supply of other Member States or of the Union.
- (3) Member States shall take all necessary measures to ensure the use of the existing infrastructure at national and regional level, for the benefit of security of supply in an efficient way. These measures shall under no circumstances block or restrict the use of storage or LNG facilities across borders, and shall not limit cross-border transmission capacities allocated in accordance with Commission Regulation (EU) 2017/459.

*Article 6c*  
***Burden-sharing***

- (1) Member States without storage facilities shall ensure that domestic market participants have arrangements with storage system operators from Member States with storage facilities in place which ensure the use of storage volumes in those Member States by 1 November corresponding to at least 15% of the annual gas consumption of the Member State without storage facilities. Where cross-border transmission capacity or other technical limitations do not allow to fully use 15% of non-domestic storage volumes, only the technically possible volumes shall be stored outside the Member State without storage.
- (2) By way of derogation from paragraph 1, Member States without storage facilities may instead jointly develop a burden-sharing mechanism with one or more Member States with storage facilities. The burden-sharing mechanism shall be based on the relevant data of the latest risk assessment pursuant to Article 7 and take into account the following parameters:
- (a) the cost for financial support to ensure filling targets, without consideration of costs for filling of strategic storage obligations;
  - (b) the gas volumes needed to meet the demand of protected customers in accordance with Article 6(1);
  - (c) the technical limitations, such as the available storage capacity, technical cross-border capacity, withdrawal rates.

- (3) The jointly developed mechanism shall be notified to the Commission at the latest one month after the entry into force of this Article.
- (4) Member States without storage facilities may provide incentives or financial compensation to market participants for the shortfall of revenues or for costs incurred by obligations imposed on them which cannot be covered by revenue to ensure the implementation of the obligation to store gas in other Member States pursuant to paragraph 1 or the implementation of the jointly developed mechanism pursuant to paragraph 2. If the measure is financed through a levy, that levy shall not be allocated to cross-border interconnection points.

#### *Article 6d*

##### ***Monitoring and enforcement***

- (1) Storage system operators shall report the filling level at each of the control points established in accordance with Annex Ia and Ib to the competent authorities in the Member States where they are located.
- (2) The competent authorities of the Member States shall monitor the filling levels of the storage facilities in their territories at the end of each month and report the results to the Commission without undue delay.
- (3) Based on the information provided by the competent authorities of the Member States, the Commission shall regularly report to the Gas Coordination Group.
- (4) The Gas Coordination Group shall support the Commission in the monitoring of the filling targets and trajectories, and develop guidance to the Commission on adequate measures to ensure compliance in the case where Member States do not meet the targets of the filling trajectory or do not comply with the filling targets.
- (5) Member States shall take the necessary measures to reach the filling trajectory and the filling target and to enforce the storage obligations which are required to reach that trajectory and that target on market participants, including by imposing sufficiently deterrent sanctions and fines on them.
- (6) Member States shall inform the Commission without delay of the enforcement measures taken pursuant to this Regulation.
- (7) Where commercially sensitive information is to be exchanged, the Commission may convene meetings of the Gas Coordination Group in a format restricted to Member States.
- (8) The information exchanged shall be limited to what is required to monitor compliance with the requirements of this Regulation. The Commission, the regulatory authorities and the Member States shall preserve the confidentiality of commercially sensitive information received in the context of this Regulation.'

#### *Article 6e*

##### ***Scope of application***

The provisions of Articles 6a to 6d shall not apply to parts of LNG facilities used for storage.

- (3) The Annexes are amended in accordance with the text set out in Annex I to this Regulation:

*Article 2*

***Amendments to Regulation (EC) No 715/2009***

- (1) The following Article 3a is inserted:

**‘Article 3a**

**Certification of storage system operators**

- (1) Member States shall ensure that each storage system operator, including storage system operators controlled by transmission system operators, is certified by the regulatory authority under this Article, or another competent authority designated by the Member State concerned, in accordance with the procedure laid down in this Article. The obligation to certify storage operators under this Article also applies to storage system operators controlled by transmission system operators which have already been certified under unbundling rules pursuant to Articles 9 to 11 of Directive 2009/73/EC.
- (2) For storage system operators operating storage facilities with capacities above 3.5 TWh and which were filled on 31 March 2021 and on 31 March 2022 at a level which on average was less than 30% of their maximum capacity, the regulatory authority or the designated authority pursuant to paragraph 1 shall adopt a draft decision on the certification of storage system operators within 100 working days from the date of entry into force of this Regulation or the receipt of a notification pursuant to paragraph 8. For all other storage system operators, a draft decision shall be adopted within 18 months from the date of entry into force of this Regulation or the receipt of a notification pursuant to paragraphs 7 or 8. In considering the risk to the security of energy supplies, the regulatory authority or the designated authority pursuant to paragraph 1 shall take into account any security of supply risk at national, regional or Union-wide level resulting, for example, from:
- (a) ownership, supply or other commercial relationships that could negatively affect the incentives and ability of the storage operator to fill the storage facility;
  - (b) the rights and obligations of the Union with respect to a third country or third countries arising under international law, including any agreement concluded with one or more third countries to which the Union is a party and which addresses the issues of security of energy supply;
  - (c) the rights and obligations of the Member State or Member States concerned with respect to a third country or third countries arising

under agreements concluded with them, insofar as they are in compliance with Union law; or

- (d) any other specific facts and circumstances of the case.
- (3) The regulatory authority or the designated authority pursuant to paragraph 1 shall refuse the certification if it is demonstrated that a person which directly or indirectly controls or exercises any right over the storage system operator within the meaning of Article 9 of Directive 2009/73/EC may put at risk the security of energy supply or the essential security interests of any Member State or the Union. The regulatory authority or the designated authority pursuant to paragraph 1 may instead choose to grant the certification with conditions, which ensure that all risks which may negatively influence the filling of the storages as provided for under this Regulation are sufficiently mitigated, and provided that their workability can be fully ensured by effective implementation and monitoring.
  - (4) Where the regulatory authority, or the designated authority pursuant to paragraph 1 comes to the conclusion that the security of supply risks cannot be removed by conditions pursuant to paragraph 3 and therefore refuses the certification, it shall:
    - (a) require any person or persons that it considers may put at risk the security of energy supply or the essential security interest of any Member State or the Union to dispose of the shareholding or rights they have over the storage system operator and to set a time limit for such disposal;
    - (b) order, where appropriate, interim measures, to ensure that such person or persons cannot exercise any control or right over that storage system operator until the disposal of the shareholding or rights; and
    - (c) decide on the appropriate compensatory measures.
  - (5) The regulatory authority or the designated authority pursuant to paragraph 1 shall notify the draft decision to the Commission without delay, together with all the relevant information with respect to that decision. The Commission shall deliver its opinion on the draft decision to the national regulatory authority or the designated authority pursuant to paragraph 1 within 50 working days. The regulatory authority or the designated authority pursuant to paragraph 1 shall take utmost account of the Commission's opinion.
  - (6) The regulatory authority or the designated authority pursuant to paragraph 1 shall adopt its decision on the certification of storage system operators no later than 25 working days as of receipt of the Commission opinion.
  - (7) Before a newly built storage facility is put into operation, the storage system operator shall be certified in accordance with paragraphs 1 to 6. The storage system operator shall notify the regulatory authority or the designated authority pursuant to paragraph 1 of its intention to put the storage facility into operation.
  - (8) Storage system operators shall notify to the regulatory authority or the designated authority pursuant to paragraph 1 any planned transaction which would require a reassessment of their compliance with the certification requirements as set out in paragraphs 1 and 2.

- (9) The regulatory authority or the designated authority pursuant to paragraph 1 shall monitor the continuing compliance of storage system operators with the requirements of paragraphs 1 and 2. It shall open a certification procedure to ensure such compliance:
- (a) upon notification by the storage system operator pursuant to paragraphs 7 or 8;
  - (b) on its own initiative where it has knowledge that a planned change in rights or influence over a storage system operator may lead to non-compliance with the requirements of paragraphs 1 and 2;
  - (c) upon a reasoned request from the Commission.
- (10) Member States shall take all necessary measures to ensure the continued operation of the storage facilities on their territory. Those storage facilities may exit operations only following an assessment conducted by the regulatory authority or the designated authority pursuant to paragraph 1, taking into account an opinion of ENTSOG, which concludes that the exit does not weaken the security of gas supply at national or Union level. Appropriate compensatory measures shall be taken, where appropriate, if exit of operations is not allowed.
- (11) The Commission is empowered to adopt a delegated act setting out the details of the procedure to be followed for the application of this paragraph in accordance with Article 19.
- (12) The provisions of this Article shall not apply to parts of LNG facilities used for storage.

(2) In Article 13, the following paragraph 3 is added:

‘3. A discount of 100 % shall be applied to capacity-based transmission tariffs at entry points from and exit points to storage facilities, unless and to the extent a storage facility which is connected to more than one transmission or distribution network is used to compete with an interconnection point. The Commission shall re-examine this tariff discount 5 years after entry into force of the Regulation. It shall assess whether the level of the reduction set out in this Article is still adequate in view of the storage obligation pursuant to Article 6a of Regulation (EU) 2017/1938.’

### *Article 3*

#### ***Entry into force and application***

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

This Regulation shall apply until the date on which the Regulation (EU) of the European Parliament and of the Council on the internal markets for renewable and natural gases and for hydrogen, based on the Commission’s proposal of 15 December 2021, enters into force.

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*

## LEGISLATIVE FINANCIAL STATEMENT

### 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2017/1938 of the European Parliament and of the Council concerning measures to safeguard the security of gas supply and Regulation (EU) 715/2009 of the European Parliament and of the Council on conditions for access to natural gas transmission networks.

#### 1.1. Policy area(s) concerned

European Green Deal - Energy – Energy Security of Supply

#### 1.2. The proposal/initiative relates to:

a new action

a new action following a pilot project/preparatory action<sup>5</sup>

the extension of an existing action

a merger or redirection of one or more actions towards another/a new action

#### 1.3. Objective(s)

##### 1.3.1. General objective(s)

This proposal aims at addressing the very significant risks for security of supply and the Union's economy resulting from the dramatically changed geopolitical situation. The proposal aims notably at ensuring that storage capacities in the Union, which are crucial to ensure security of supply, do not remain unused, to ensure that storages can be shared across the Union, in a spirit of solidarity.

For that purpose, a mandatory minimum level of gas in storage facilities will reinforce the security of supply ahead of the winter 2022/2023 and for the following winter periods. A mandatory certification of storage system operators will ensure that potential security of supply risks resulting from influence over the critical storage infrastructure can be excluded. Finally, the use of storage will be incentivised by allowing to exempt storage users from transmission tariffs at storage entry or exit points.

##### 1.3.2. Specific objective(s)

Specific objective #1:

Adequate levels of gas storage in the EU in November 2022

Specific objective #2:

Adequate levels of gas storage in the EU in November 2023 and onwards

Specific objective #3:

Certification of EU storage system operators within 18 months

<sup>5</sup> As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

*1.3.3. Expected result(s) and impact*

*Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.*

Enhanced EU strategic autonomy  
Enhanced EU energy security  
Stability / reduced volatility in the gas markets

*1.3.4. Indicators of performance*

*Specify the indicators for monitoring progress and achievements.*

Storage filling rates in November from 2022 onwards  
Number of EU storage system operators certified

**1.4. Grounds for the proposal/initiative**

*1.4.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative*

The proposal follows the request of Heads of State and Government in Versailles and should be implemented immediately, including by an agreement with the legislators to accelerate the codecision process.

*1.4.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.*

Reasons for action at European level (ex-ante)  
Expected generated Union added value (ex-post)

*1.4.3. Lessons learned from similar experiences in the past*

The experience of this year shows that gas storages must be adequately filled by the onset of the heating season, and the withdrawal of gas must to be done in a way as not to put at risk the EU's security of supply. This is essential to protect European citizens and business against potential disruptions, and for the EU's strategic autonomy.

*1.4.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments*

The initiative falls under the umbrella of the European Green Deal, of which security of supply is a key pillar.

*1.4.5. Assessment of the different available financing options, including scope for redeployment*

The implementation of this piece of legislation will require additional human resources and also some administrative expenditures.

## 1.5. Duration and financial impact of the proposal/initiative

### limited duration

- in effect from [DD/MM]YYYY to [DD/MM]YYYY
- Financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

### ✓ unlimited duration

- Implementation with a start-up period from 2022 to 2027.
- followed by full-scale operation.

## 1.6. Management mode(s) planned<sup>6</sup>

### ✓ Direct management by the Commission

- ✓ by its departments, including by its staff in the Union delegations;
- by the executive agencies

### Shared management with the Member States

### Indirect management by entrusting budget implementation tasks to:

- third countries or the bodies they have designated;
- international organisations and their agencies (to be specified);
- the EIB and the European Investment Fund;
- bodies referred to in Articles 70 and 71 of the Financial Regulation;
- public law bodies;
- bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;
- bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;
- persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.
- *If more than one management mode is indicated, please provide details in the 'Comments' section.*

### Comments

n.a.

<sup>6</sup> Details of management modes and references to the Financial Regulation may be found on the BudgWeb site:  
<https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx>

## **2. MANAGEMENT MEASURES**

### **2.1. Monitoring and reporting rules**

*Specify frequency and conditions.*

This Legislative Financial Statement includes staff expenditure and possibly administrative arrangements. Standard rules for this type of expenditure apply.

### **2.2. Management and control system(s)**

#### *2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

Standard rules for this type of expenditure apply.

#### *2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them*

Overall, the initiative requires staff expenditure and possibly administrative arrangements. Standard rules for this type of expenditure apply.

#### *2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)*

Overall, the initiative requires staff expenditure and possibly administrative arrangements. Standard rules for this type of expenditure apply.

### **2.3. Measures to prevent fraud and irregularities**

*Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.*

Overall, the initiative requires staff expenditure and possibly administrative arrangements. Standard rules for this type of expenditure apply.

### 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

#### 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

*In order of multiannual financial framework headings and budget lines.*

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff. <sup>7</sup>	from EFTA countries <sup>8</sup>	from candidate countries <sup>9</sup>	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

- New budget lines requested

*In order of multiannual financial framework headings and budget lines.*

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

<sup>7</sup> Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

<sup>8</sup> EFTA: European Free Trade Association.

<sup>9</sup> Candidate countries and, where applicable, potential candidates from the Western Balkans.

### 3.2. Estimated financial impact of the proposal on appropriations

#### 3.2.1. Summary of estimated impact on operational appropriations

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

EUR million (to three decimal places)

<b>Heading of multiannual financial framework</b>	Number	n.a.
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DG: <.....>			Year N <sup>10</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
• Operational appropriations										
Budget line <sup>11</sup>	Commitments	(1a)								
	Payments	(2a)								
Budget line	Commitments	(1b)								
	Payments	(2b)								
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>12</sup>										
Budget line		(3)								
<b>TOTAL appropriations for DG &lt;.....&gt;</b>	Commitments	=1a+1b +3								
	Payments	=2a+2b								

<sup>10</sup> Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

<sup>11</sup> According to the official budget nomenclature.

<sup>12</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

		+3								
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• TOTAL operational appropriations	Commitments	(4)								
	Payments	(5)								
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)								
<b>TOTAL appropriations under HEADING &lt;...&gt; of the multiannual financial framework</b>	Commitments	=4+ 6								
	Payments	=5+ 6								

**If more than one operational heading is affected by the proposal / initiative, repeat the section above:**

• TOTAL operational appropriations (all operational headings)	Commitments	(4)								
	Payments	(5)								
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)		(6)								
<b>TOTAL appropriations under HEADINGS 1 to 6 of the multiannual financial framework (Reference amount)</b>	Commitments	=4+ 6								
	Payments	=5+ 6								

<b>Heading of multiannual financial framework</b>	<b>7</b>	'Administrative expenditure'
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This section should be filled in using the 'budget data of an administrative nature' to be firstly introduced in the [Annex to the Legislative Financial Statement](#) (Annex V to the internal rules), which is uploaded to DECIDE for interservice consultation purposes.

EUR million (to three decimal places)

		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
DG: ENER									
• Human resources		2,355	2,355	2,355	2,198	2,041	1,884	-	<b>13,188</b>
• Other administrative expenditure		0,080	0,150	0,150	0,150	0,150	0,150	-	<b>0,830</b>
<b>TOTAL DG &lt;.....&gt;</b>		<b>2,455</b>	<b>2,505</b>	<b>2,505</b>	<b>2,384</b>	<b>2,191</b>	<b>2,304</b>	<b>-</b>	<b>14,018</b>
		Appropriations							

<b>TOTAL appropriations under HEADING 7 of the multiannual financial framework</b>	(Total commitments = Total payments)	2,455	2,505	2,505	2,384	2,191	2,304	-	<b>14,018</b>
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EUR million (to three decimal places)

		Year N <sup>13</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
<b>TOTAL appropriations under HEADINGS 1 to 7 of the multiannual financial framework</b>	Commitments	2,455	2,505	2,505	2,384	2,191	2,304	-	<b>14,018</b>
	Payments	2,455	2,505	2,505	2,384	2,191	2,304	-	<b>14,018</b>

<sup>13</sup> Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

3.2.2. Estimated output funded with operational appropriations *n.a.*

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ↓			Year N		Year N+1		Year N+2		Year N+3		Enter as many years as necessary to show the duration of the impact (see point 1.6)						TOTAL			
	OUTPUTS																			
	Type <sup>14</sup>	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1 <sup>15</sup> ...																				
- Output																				
- Output																				
- Output																				
Subtotal for specific objective No 1																				
SPECIFIC OBJECTIVE No 2 ...																				
- Output																				
Subtotal for specific objective No 2																				
<b>TOTALS</b>																				

<sup>14</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

<sup>15</sup> As described in point 1.4.2. ‘Specific objective(s)...’

### 3.2.3. Summary of estimated impact on administrative appropriations

- The proposal/initiative does not require the use of appropriations of an administrative nature
- The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year N <sup>16</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
--	----------------------	----------	----------	----------	---	--	--	-------

<b>HEADING 7 of the multiannual financial framework</b>								
Human resources	2,355	2,355	2,355	2,198	2,041	1,884	-	<b>13,188</b>
Other administrative expenditure	0,080	0,150	0,150	0,150	0,150	0,150	-	<b>0,830</b>
<b>Subtotal HEADING 7 of the multiannual financial framework</b>	<b>2,455</b>	<b>2,505</b>	<b>2,505</b>	<b>2,384</b>	<b>2,191</b>	<b>2,304</b>	<b>-</b>	<b>14,018</b>

<b>Outside HEADING 7<sup>17</sup> of the multiannual financial framework</b>								
Human resources	0	0	0	0	0	0		<b>0</b>
Other expenditure of an administrative nature	0	0	0	0	0	0		<b>0</b>
<b>Subtotal outside HEADING 7 of the multiannual financial framework</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

<b>TOTAL</b>	<b>2,455</b>	<b>2,505</b>	<b>2,505</b>	<b>2,384</b>	<b>2,191</b>	<b>2,304</b>	<b>-</b>	<b>14,018</b>
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The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

<sup>16</sup> Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

<sup>17</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

### 3.2.3.1. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources.
- The proposal/initiative requires the use of human resources, as explained below:

*Estimate to be expressed in full time equivalent units*

	Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
<b>• Establishment plan posts (officials and temporary staff)</b>							
20 01 02 01 (Headquarters and Commission's Representation Offices)	15	15	15	14	13	12	-
20 01 02 03 (Delegations)	-	-	-	-	-	-	-
01 01 01 01 (Indirect research)	-	-	-	-	-	-	-
01 01 01 11 (Direct research)	-	-	-	-	-	-	-
Other budget lines (specify)	-	-	-	-	-	-	-
<b>• External staff (in Full Time Equivalent unit: FTE)<sup>18</sup></b>							
20 02 01 (AC, END, INT from the 'global envelope')	-	-	-	-	-	-	-
20 02 03 (AC, AL, END, INT and JPD in the delegations)	-	-	-	-	-	-	-
<b>XX 01 xx yy zz</b> <sup>19</sup>	- at Headquarters	-	-	-	-	-	-
	- in Delegations	-	-	-	-	-	-
01 01 01 02 (AC, END, INT - Indirect research)	-	-	-	-	-	-	-
01 01 01 12 (AC, END, INT - Direct research)	-	-	-	-	-	-	-
Other budget lines (specify)	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>14</b>	<b>13</b>	<b>12</b>	<b>-</b>

**XX** is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	<p>The proposal sets out a new, enhanced Gas Security of Supply architecture, with new obligations for Member States and, correspondingly, a reinforced role for DG Energy in a wide range of areas – namely:</p> <ul style="list-style-type: none"> <li>• Overall management and implementation of the Regulation (1 FTE),</li> <li>• Management of the reinforced Role of the Gas Coordination Group (0.5 FTE),</li> </ul>
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<sup>18</sup> AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

<sup>19</sup> Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

	<ul style="list-style-type: none"> <li>• Monitoring of filling rates and definition of technical implementation elements, such as filling trajectories (including economic and technical analysis and data management) (1.5 FTE),</li> <li>• Legal implementation of the measures foreseen in the new Article 6d(7) (estimated yearly average: 5 warning decisions; 2 decisions on measures of last resort.) (2 FTE),</li> <li>• Management of the LNG platform foreseen in the new article 6b(1) (5 FTE),</li> <li>• Assessment of the notifications on burden-sharing foreseen in article 6c (1 FTE),</li> <li>• Opinion on the certification of storage system operators (3 FTE),</li> <li>• Administrative support (1 FTE).</li> </ul>
External staff	n.a.

3.2.4. *Compatibility with the current multiannual financial framework*

The proposal/initiative:

- can be fully financed through redeployment within the relevant heading of the Multiannual Financial Framework (MFF).

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts. Please provide an excel table in the case of major reprogramming.

- requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation.

Explain what is required, specifying the headings and budget lines concerned, the corresponding amounts, and the instruments proposed to be used.

- requires a revision of the MFF.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. *Third-party contributions*

The proposal/initiative:

- does not provide for co-financing by third parties
- provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year N <sup>20</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body	-	-	-	-	-	-	-	-
TOTAL appropriations co-financed	-	-	-	-	-	-	-	-

<sup>20</sup> Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

**3.3. Estimated impact on revenue**

- The proposal/initiative has no financial impact on revenue.
- The proposal/initiative has the following financial impact:
  - on own resources
  - on other revenue
 please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative <sup>21</sup>				
		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)
Article .....						

For assigned revenue, specify the budget expenditure line(s) affected.

n.a.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

n.a.

<sup>21</sup> As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.