

European Commission
Submission via an online form

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**Subject: EFET¹ response to the consulted amendments to Regulation (EU)
2017/1938**

EFET welcomes the opportunity to comment on the amendments to Regulation (EU) 2017/1938 (further referred to as “SofS Regulation”) implemented in view of the expansion of the gas grid and necessary changes to the risk groups composition. Indeed, regional cooperation in the spirit of solidarity ensured under the SofS Regulation is a major success of the European Union and an indispensable element of the internal gas market. We note that the works of the Gas Coordination Group have substantially contributed to that success through advising on the adequacy of measures necessary for efficient cooperation. We therefore fully endorse and stand ready to further support the works on the measures ensuring coordinated response to emergency situations that may threaten the stability of gas supplies.

We recognize the need to adjust the risk groups composition laid down in Annex I to provide legal certainty and to adequately reflect the risks associated with disruptions on each supply route. We take this opportunity to signal that since the groups bring together the Member States most affected by a given emergency to prepare common risk assessments, provisions enabling formal cooperation with the affected third countries should also be considered. While this cannot encompass full solidarity as between the Member States, legally sanctioned cooperation could improve the efficiency of the mitigating actions in many ways. Such arrangements would bring benefits to all the risk group members, allowing for a comprehensive overview of all the potential risks and opportunities brought about by the gas infrastructure they share.

We support the revision of Union-wide simulations that is to enable factoring in the new supply routes that are expected to commence operation in 2023. We also welcome the related amendments to the risk groups composition in order to properly reflect all the risks brought about by supply route disruptions. These amendments have been discussed in detail at the meeting of the Gas Coordination Group, giving us confidence that the revised setup properly reflects the changes to the physical gas network structure. Broadened composition of the risk groups should contribute to reinforcing the security of gas supply through allowing a more accurate risk assessment and expanding the scope for coordinated mitigatory actions.

On a related topic, EFET believes that future considerations on security of gas supply should also address the potential risks associated with gas oversupply. EU rules ensure that the

¹ The European Federation of Energy Traders (EFET) promotes competition, transparency and open access in the European energy sector. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. We currently represent more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org.

flexibility of the market mechanisms can be utilized at times of surplus deliveries just as is during shortages, through allowing for the commodity prices to go negative. Such common approach across the EU should encourage market participants to bring the gas system back to balance rather than a forced curtailment which may result in unnecessary contractual dispute.

Finally, we look forward to continued cooperation on how decarbonisation of the gas sector will impact security of supply, and how security of energy supply can be delivered in an integrated system.