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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Security of energy supply in the EU and further measures ahead of next winter
	- Exchange of views

Delegations will find in the Annex the Presidency non-paper on the above-mentioned subject in view of the Extraordinary Transport, Telecommunications and <u>Energy</u> Council on 26 July 2022.

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Security of energy supply in the EU and further measures ahead of next winter Presidency non paper

The Russian war against Ukraine continues to create hardship for populations and causes major disruptions in the EU's energy markets. In response to those disruptions, the Commission has been proposing a REPowerEU Plan with the double objective of ending the EU's dependence on Russian fossil fuels and tackling the climate crisis.

In parallel, the European Council of 30 and 31 May 2022 reviewed progress in phasing out the European Union's dependency on Russian energy imports as previously agreed at the occasion of the Versailles Declaration and called for further diversification of supply sources and routes. The European Council also insisted on the need to further accelerate the deployment of renewables, improve energy efficiency and interconnections. Finally, the European Council called, in the spirit of solidarity, preparedness for possible major supply disruption, in particular through the swift definition of bilateral solidarity agreements and a coordinated European contingency plan.

During the last two months, the Council has worked intensively on implementation of the May European Council conclusions, alongside the proposals contained in the REPowerEU Plan. The General Approaches on the Renewable Energy and Energy Efficiency Directives reached at the June Energy Council represent an important milestone to reduce EU's dependence on imported fossil fuels. It will be important that the inter-institutional negotiations process continues swiftly under the Czech Presidency. In parallel, the entry into force of the Regulation on Gas Storage has strengthened and enhanced EU's energy resilience and preparedness.

Nonetheless, due to further cuts in the gas supply from Russia and uncertainties around the prospect of a complete interruption of Russian gas imports, EU energy security ahead of the next winter is at risk. Gas storage filling targets might not be achieved, and EU consumers and industry might be confronted with sudden disruption of supply during winter with higher costs.

It is in this context, and as a follow up to the May European Council, that the Commission issued on 20 July the new 'Save gas for a safe winter' package including an EU demand reduction plan and a proposal for a Council Regulation on coordinated demand reduction measures for gas. This package of measures aims to assist the Member States in their preparations for a prolonged and possibly full disruption of gas deliveries from Russia. It identifies good practices for demand side measures and includes guidelines on criteria to identify critical sectors of industry and economy to be preserved during possible emergency.

Against this background, and in view of the necessary measures that are needed ahead of the next winter, Ministers are invited to exchange views on the initiatives proposed by the 'Save gas for a safe winter' Package, on their national measures and contingency plans, as well as further short-term actions to strengthen EU's security of energy supply.

In particular, Ministers are invited to express their views on the following three questions:

- How to stimulate a reduction of demand by protected customers before winter in order to reduce the risk of gas shortage for critical customers who are not protected?
- Which measures, next to sharing energy savings best practices, should be prioritized to enhance energy security ahead of the next winter whilst ensuring stable energy supply to our industry and citizens in the coming months?
- How do you intend to make use of the additional measures, including solidarity, proposed as part of the 'Save gas for a safe winter' package to make sure available gas resources are shared among Member States?