

POLITICAL DECLARATION OF THE PENTALATERAL ENERGY FORUM ON THE ROLE AND REGULATION OF GAS STORAGES FOR A WELL-FUNCTIONING AND SECURE EUROPEAN ENERGY MARKET

The Ministers for Energy of the Pentalateral Energy Forum, consisting of Austria, Belgium, France, Germany, Luxembourg, the Netherlands and Switzerland, hereinafter referred to as the “signatories”, confirm their intention to enhance the role and regulation of storages for natural gas in view of fostering the well-functioning of the European energy market and ensuring security of gas supply.

The signatories acknowledge that

- Security of supply and a well-functioning European energy market are of utmost importance for European citizens and companies alike;
- Europe has been dependent on imported fossil fuels, including significant shares from dominant suppliers, and that this import dependency has contributed to an unprecedented price rally on European energy markets starting in 2021;
- the geopolitical situation in March 2022 calls for urgent coordinated measures to reduce European import dependency and to further accelerate European action to gradually phase-out the usage of fossil fuels with the objective to achieve climate neutrality in the EU by 2050 the latest;
- the Commission’s toolbox published in October 2021¹ proposes measures to tackle rising energy prices in a first instance;
- the Commission’s communication REPowerEU published in March 2022² proposes a set of further actions to tackle the over-dependence on single external gas supply sources and to unlock increased investments and reforms for more affordable and sustainable energy production, diversified supply sources, and enhanced regulation of gas storage;
- Regulation 2017/1938 provides important provisions to safeguard security of supply, including solidarity mechanisms amongst Member States, but does not foresee provisions regarding storage obligations;
- gas storages are a very important asset contributing to the well-functioning of the European gas market and to security of gas supply;
- European countries have different specificities concerning capacities and characteristics of gas storage facilities and gas consumption, as well as concerning legislative frameworks;
- the Commission intends to adopt as soon as possible a dedicated Regulation related to gas storages to ensure adequate filling levels in Europe for the coming winters, and has proposed a corresponding draft regulation³.

¹ COM(2021) 660 final of 13 October 2021 “Tackling rising energy prices: a toolbox for action and support”

² COM(2022) 108 final of 8 March 2022 “REPowerEU: Joint European Action for more affordable, secure and sustainable energy”

³ COM(2022) 135 final of 23 March 2022 “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) n°715/2009 of the European Parliament and of the Council on conditions for access to natural gas transmission networks.

The signatories share the position that

- filling obligations for gas storages are an important element of a well-functioning and secure European gas market;
- storage obligations should be complementary and compatible to existing rules and regulations, both on a national and European level, as well as with the work of the risk groups established according to Regulation 2017/1938;
- for seasonal storages an EU-level filling level of 90% by the beginning of the heating season appears to be a reasonable benchmark, while duly taking into account and addressing the circumstances of countries with significant storage capacity in order to ensure a fair balance;
- storage obligations come at a cost which needs to be distributed among countries in a fair and balanced way and in the spirit of solidarity while accounting for corresponding benefits in security of supply;
- ensuring adequate filling levels of gas storages requires a high level of European coordination, and further guidance from the Commission is needed related to cross-border participation (including European third countries) as well as fair cost sharing to facilitate swift implementation;
- complementary to the starting level at the beginning of the heating season, further checkpoints are necessary;
- storage obligations should be market friendly and compatible with the European internal energy market including strengthened supplier obligations and strategic reserves;
- cross-border use of storage facilities for complying with storage obligations should be possible, including European third countries, thus contributing to an open and efficient mechanism;
- countries with limited or no storage capacities should actively stimulate their national gas undertakings to make use of storage capacities in other countries;
- the countries of the Pentalateral Energy Forum stand ready to prepare and implement storage obligations, and to coordinate national activities and regulations;
- complementary to gas storage obligations, the countries of the Pentalateral Energy Forum will intensify their work at national, regional and EU level to accelerate the deployment of energy savings and renewable energy sources, and should consider increased ambition following the RePowerEU plan to be presented by the Commission.