

Internal market in natural gas: pipelines to and from third countries

2017/0294(COD) - 11/04/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted the report by Jerzy BUZEK (EPP, PL) on the proposal for a directive of the European Parliament and of the Council amending Directive 2009/73/EC concerning common rules for the internal market in natural gas.

As a reminder, the proposal aims to complement the Gas Directive (2009/73/EC) to render the rules currently applicable to EU-internal pipelines also applicable to pipelines to and from third countries.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission proposal as follows:

Scope: the rules established by the Directive for natural gas, including liquefied natural gas (LNG), should also apply, on a non-discriminatory basis, to **biogas and gas from biomass, green hydrogen and synthetic methane** produced from renewable energy sources or other types of gas, insofar as it is technically feasible to inject and safely transport them into the natural gas network.

The applicability of Directive 2009/73/EC for gas pipelines to and from third countries **remains confined to the territorial limit of Union's jurisdiction**. As regards offshore pipelines, the Directive shall be applicable in the territorial waters and exclusive economic zones of the Member States, in accordance with the United Nations Convention on the Law of the Sea (UNCLOS).

New infrastructures: major new gas infrastructure, i.e. gas interconnectors, LNG and storage facilities starting commercial operation after 1 January 2019, may, upon request, be exempted, for a defined period of time of **not longer than 5 years**, from the provisions of the Directive if a number of cumulative conditions are fulfilled.

Members stipulated that the exemption must not be detrimental to competition in the relevant markets which are likely to be affected by the investment, to the effective functioning of the Union's internal market in natural gas, the efficient functioning of the concerned regulated systems, or to the diversification and security of supply of natural gas to and within the Union or any Member State.

Before adopting the decision, the national regulatory authority shall consult:

- **the national regulatory authorities** of the Member States the markets of which are likely to be affected by the new infrastructure; and
- **the relevant authorities of the third countries**, where the infrastructure in question is under the jurisdiction of a Member State and one (or more) third countries. Where the third country authorities subject to such consultation do not respond to the consultation within 3 months, the national regulatory authority concerned may take the necessary decision.

Derogations for existing gas infrastructure: Members considered that the Commission should be involved in decisions on such derogations.

Any draft derogation shall be **notified without delay** to the Commission, the Gas Coordination Group and the Agency for the Cooperation of Energy Regulators.

Within three months of receipt of the notification, the **Commission shall issue a recommendation** on the compliance of the derogation with applicable rules on competition, effective market functioning, security of supply in the Union and with the relevant Union energy policy principles and core objectives, including those of the Energy Union.

The Member States concerned shall take utmost account of the Commission's recommendation and provide a well-substantiated justification when they decide to depart from it. The derogation shall be **limited in time** and shall be subject to conditions which contribute to the achievement of the above conditions.