

PRESS RELEASE

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## Council adopts regulation on reducing gas demand by 15% this winter

To increase the EU's security of energy supply, the Council today adopted a regulation on a **voluntary reduction of natural gas demand by 15% this winter**. The regulation foresees the possibility for the Council to trigger a 'Union alert' on security of supply, in which case the gas demand reduction would become mandatory.

The purpose of the gas demand reduction is to **make savings for this winter, in order to prepare for possible disruptions of gas supplies from Russia**, which is continuously using energy supplies as a weapon.

Member states agreed to reduce their gas demand by 15% compared to their average consumption in the past five years, **between 1 August 2022 and 31 March 2023**, with measures of their own choice.

Whereas all member states will deploy their best efforts to meet the reductions, the Council **specified some exemptions and possibilities to apply a partial or in some cases a full derogation** from the mandatory reduction target, in order to reflect the particular situations of member states and to ensure that the gas reductions are effective in increasing security of supply in the EU.

The Council agreed that member states that are not interconnected to other member states' gas networks are exempted of mandatory gas reductions as they would not be able to free up significant volumes of gas to the benefit of other member states. Member states whose electricity grids are not synchronised with the European electricity system and are more reliant on gas for electricity production will also be exempted in case they are desynchronised from a third country's grid, in order to avoid the risk of an electricity supply crisis.

Member states can limit their reduction target to adapt their demand reduction obligations if they have limited interconnections to other member states and they can show that their export capacities and their domestic LNG infrastructure are used to re-direct gas to other member states to the fullest.

Member states can also limit their reduction target if they have overshot their gas storage filling targets, if they are heavily dependent on gas as a feedstock for critical industries or they can use different calculation method if their gas consumption has increased by at least 8% in the past year compared to the average of the past five years.

Member states agreed to strengthen the role of the Council in triggering the 'Union alert'. The alert would be activated by a Council implementing decision, acting on a proposal from the Commission. The Commission shall present a proposal to trigger a 'Union alert' in case of a substantial risk of a severe gas shortage or an exceptionally high gas demand, or if five or more member states that have declared an alert at national level request the Commission to do so.

When choosing demand reduction measures, member states agreed that they shall consider prioritising measures that do not affect protected customers such as households and essential services for the functioning of society like critical entities, healthcare and defence. Possible measures include reducing gas consumed in the electricity sector, measures to encourage fuel switch in industry, national awareness raising campaigns, targeted obligations to reduce heating and cooling and market-based measures such as auctioning between companies.

Member states will update their national emergency plans that set out the demand reduction measures they are planning, and will regularly report to the Commission on the advancement of their plans.

The regulation was formally adopted through a written procedure. The adoption follows a political agreement reached by ministers at the Extraordinary Energy Council on 26 July. The regulation will now be published in the Official Journal and enter into force on the next day.

The regulation is an exceptional and extraordinary measure, foreseen for a limited time. It will apply for one year and the Commission will carry out a review to consider its extension in light of the general EU gas supply situation, by May 2023.

## **Background**

The EU is facing a potential security of supply crisis with significantly reduced gas deliveries from Russia and a serious risk of a complete halt, for which member states need to prepare immediately in a coordinated fashion and a spirit of solidarity. Although not all member states are currently facing a significant risk of security of supply, severe disruptions on certain member states are bound to affect the EU's economy as a whole.

It complements existing EU initiatives and legislation, which ensure that citizens can benefit from secure gas supplies and that customers are protected against major supply disruptions, notably Regulation (EU) 2017/1938 on the security of gas supply.

This regulation follows other initiatives already in progress to improve the EU's resilience and security of gas supply including a gas storage regulation, the creation of an EU Energy Platform for joint purchases and initiatives listed in the REPowerEU plan.

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