

Statement

on the consultation on the re- view of the Intergovernmental Agreements Decision

Berlin, 21th October 2015

General Remarks

The German Association of Energy and Water Industries (BDEW) represents 1,800 members of the electricity, gas and water industry. In the energy sector, we represent companies active in generation, trading, transmission, distribution and retail.

Background

To increase transparency on energy supply is one elementary goal of the Energy Union Strategy, as outlined in the consultation document on the Intergovernmental Agreements (IGAs). The Decision 994/2012/EU is capable of increasing the transparency in agreements between EU-Member States and third countries on the supply of energy, particularly gas, and hence of ensuring security as well as competitiveness and sustainability in natural gas supply to the citizens of the European Union.

BDEW-Statement on the IGAs Decision

From BDEW's point of view, regarding the possibilities for policy to interact in the field of international agreements on the supply of natural gas, the strict distinction and separation between commercial aspects and agreements on a political level is to be preserved in any further action regarding the IGAs Decision.

As mentioned above, to increase the transparency regarding agreements between Member States and third countries can help to further develop security, sustainability and competitiveness of natural gas supplies to the European gas market.

However, the implementation of commercial relations itself must remain in responsibility of the undertakings themselves. This includes the preservation of any confidential information regarding contracts with business partners.

BDEW welcomes the intention of the Commission to continuously strengthen the security, sustainability, competitiveness and affordability of natural gas supplies in the European gas market, including its important aspects of international gas supplies to the European Union. Agreements between Member States of the European Union and third states providing natural gas export capacities are an elementary basis for undertakings to establish commercial relations to supplying partners to cover individual gas demands.

The current Decision 994/2012/EU obliges Member States to submit existing IGAs to the Commission. By doing so, the Commission already holds an important instrument to check the compatibility of the IGAs with EU-law and to inform the Member State of any doubts in this respect. Thereby the Commission can provide advice during negotiations between a Member State and a third country to avoid incompatibilities. Additionally, the IGAs of Member States submitted to the Commission strengthen the Commission's oversight of the internal market relevant security of supply.

From BDEW's point of view, the strict distinction between responsibilities of commercial parties and those of regulatory authorities should be considered in any further actions regarding the IGAs Decision. In the implementation of commercial relations on the level of undertakings, politics should continue to play a supportive role only. However, intergovernmental agreements on their political level can build a promising basis for commercial relations in the field of natural gas supply. Hence, IGAs can help to strengthen the security, sustainability and competitiveness of natural gas supplies to the European Union. BDEW welcomes the development of the EU internal gas market towards one part of a resilient, cooperative and efficient Energy Union.

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