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PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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EUROPEAN
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Brussels, 27.2.2024
COM(2024) 101 final

2024/0054 (NLE)

Proposal for a

COUNCIL RECOMMENDATION

on continuing coordinated demand-reduction measures for gas

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

Following Russia's invasion of Ukraine, the flow of gas from Russia to the EU has been intentionally disrupted in a deliberate effort to use energy as a political weapon. The EU relied on Russia for ca. 45% of its gas supplies in 2021. Since February 2022, this share has continuously dropped. In 2023, the Union imported approximately 25 billion cubic meters (bcm) of Russian gas via pipelines. Russian gas accounted for 15% of the EU's total imports (pipeline and LNG) in 2023. Due to the supply disruptions and the tightness experienced on the market since February 2022, twelve Member States activated the first or second crisis level pursuant to the common EU classification, as foreseen by the Gas Security of Supply Regulation (EU) 2017/1938.

The disruption of gas supply had marked effects on the price and volatility of gas and electricity, on inflation, and on the EU's general financial and macroeconomic stability, as well as the economic well-being of its citizens. The 2022 wholesale price was on average more than five times higher than before the crisis triggered by the Russian invasion of Ukraine in February 2022 and even spiked above 300 €/MWh at the peak of the crisis in the summer of 2022. Since February 2022, price levels were at higher levels than in the pre-crisis period, with continued strong price volatility. Competitiveness of EU businesses, in particular energy-intensive industries, was negatively affected while citizens face reduced purchasing power.

In this context, the Commission proposed on 20 July 2022 a Council Regulation on coordinated gas demand reduction, which was adopted as Regulation (EU) 2022/1369 by the Council on 5 August 2022. Since the adoption of Regulation (EU) 2022/1369, Member States have implemented it by adopting measures to reduce their respective gas demand by 15%.

Regulation (EU) 2022/1369 provides for a voluntary Union-wide demand reduction of gas consumption of 15%. It also specifies that if voluntary demand-reduction measures prove to be insufficient to address the risk of a serious supply shortage, or on request from five or more competent authorities of Member States that have declared national alerts, the Council may, on a proposal from the Commission, declare a Union alert by means of an implementing decision. This Union alert would make the 15% demand reduction target mandatory and acts as a safety net in case of a crisis.

Since the adoption of Regulation (EU) 2022/1369, the EU already reduced gas demand by 18% on a voluntary basis between August 2022 and December 2023 (ca. 101 bcm saved). The continued need to keep reducing gas demand to ensure security of supply and contain price volatility led the Council to prolong the Regulation by 1 year until 31 March 2024. As showcased by Commission report COM(2024) 88, the demand reduction efforts were the largest contributor to replacing the missing Russian pipeline gas, with ca. 65 bcm of gas saved in 2023.

Member States need to remain prepared for possible severe shortages of gas in a coordinated fashion and in a spirit of solidarity. Despite the measures taken, severe difficulties persist in the supply of energy, which can affect the general energy security situation, if the demand does not remain below a safe level. The global gas markets remain tight and are expected to remain as such for some time as only very limited new LNG liquefaction capacity globally is planned to be operational before 2026.

Additional risks include a further deterioration of geopolitical threats affecting supplying regions, a possible rebound of LNG demand in Asia which can reduce the availability of gas on the global market, weather conditions which can affect hydropower storage and nuclear production and require a higher recourse to gas-fired power generation and further gas supply disruptions, which can affect the filling of underground gas storage facilities required for a safe winter 2024-2025.

Furthermore, Commission report COM(2024) 88 includes several scenarios, which, in case of a Russian disruption, highlight the need for a sustained demand reduction to ensure storage filling and security of supply for 2024-2025. A full Russian supply disruption is an important scenario to consider, among others due to the end of the current transit agreement through Ukraine by 31 December 2024 and potential further escalating geopolitical tensions. According to these scenarios, if demand were to rebound to pre-crisis levels in case of a Russian disruption (i.e. no sustained demand reduction), storages may be depleted already as soon as February 2025. This would leave the EU without the needed volumes to supply consumers during the remainder of the 2024-2025 winter. In addition, the EU would start the 2025-2026 storage filling season at record low levels, meaning that security of supply for 2025-2026 would be at risk as well. The risks to security of supply in case of a full Russian disruption are also acknowledged by the European Network of Transmission System Operators for Gas (ENTSOG) in its Winter Supply Outlook. ENTSOG concluded that although the general security of supply situation in the EU has improved, additional measures may be needed to secure gas supply and demand adequacy in case of a full Russian disruption. The European Union Agency for the Cooperation of Energy Regulators (ACER) also acknowledged in its opinion on the ENTSOG Winter Supply Outlook, that materialisation of risks may lead to supply scarcity, and that vigilance regarding the security of supply situation and implementation of gas demand reduction should continue.

To ensure that the EU is prepared for the winter 2024-2025 and to guarantee that Member States comply with the 90% storage filling target of 1 November 2024, careful management of storages remains pivotal and should remain at a sufficiently high level throughout the winter. In 2023-2024, like in 2022-2023, demand reduction has been essential to keep adequate storage levels at the end of winter and to provide the necessary flexibility in summer so that the 90% storage target could be met, while keeping prices to lower levels and containing volatility. The demand reduction measures played a crucial role in achieving the storage target already in August, well before the target of November. Consequently, European market participants began to store gas in Ukraine towards the end of the summer in 2023.

Therefore, considering the risks regarding the Russian supply, the currently deteriorating geopolitical threat landscape, the weather conditions and the global gas market developments, it is proposed to recommend that Member States continue their coordinated demand-reduction measures, after the expiration of the period of the Regulation (EU) 2022/1369. While Member States face a varying degree of exposure to supply disruptions, any gas supply shortages would cause harm to the economies of all Member States. As set out in the Communication “Save Gas for a Safe Winter” of 20 July 2022, it is economically more sustainable for citizens and industry of all Member States, in a spirit of solidarity, to continue reducing demand in a proactive and proportionate manner rather than face uncoordinated curtailments later. Proactive, coordinated and voluntary savings therefore reduce the risk of a negative impact that gas shortages would have on the competitiveness of industries.

Therefore, the proposed Council Recommendation on continuing coordinated demand-reduction measures recommends that Member States continue reducing their demand by 15% compared to the reference period of 1 April 2017 to 31 March 2022.

- **Consistency with existing policy provisions in the policy area**

The proposed instrument complements existing relevant EU initiatives and legislation, which ensure that citizens can benefit from secure gas supplies and that customers are protected against major supply disruptions. It also furthers the objective of diversification of natural gas supply.

It flows logically from existing initiatives, such as the “REPowerEU”, the proposal for a “Hydrogen and Gas Market Decarbonisation Package” and the “Save Gas for a Safe Winter” initiative, including Regulation (EU) 2022/1369 on coordinated demand-reduction measures for gas, amended by Regulation (EU) 2023/706. The provisions are complementary to the EU legislation on internal market and security of supply, in particular to Regulation (EU) 2017/1938. It also supplements Council Regulation (EU) 2022/2576 enhancing solidarity through better coordination of gas purchases, exchanges of gas across borders and reliable price benchmarks. Solidarity mechanisms are in place, ensuring that Member States cooperate across borders to ensure that energy is provided to those customers in a region who need it most, in case of supply disruptions.

Following the Russian invasion of Ukraine, the EU has set out the REPowerEU Plan with the aim to end the EU's dependency on Russian fossil fuels, as soon as possible and at the latest by 2027. To achieve this, REPowerEU sets out a plan to diversify energy supplies, save energy and accelerate the green transition. The proposed initiative is fully consistent with the goals set out in REPowerEU. This proposal for a Council Recommendation is therefore complementary to existing provisions and the recent initiatives in the energy sector, safeguarding the security of gas supply, helping to stabilise the market and keeping the prices in check, and contributing to saving energy.

The “Save Gas for a Safe Winter” Communication adopted on 20 July 2022 sets out the tools that the EU already has available for a coordinated demand reduction, and what else needs to be done, so that the EU is ready for full or partial disruptions. The proposed initiative responds to the increased risks resulting from Russia's war against Ukraine and is fully complementary to the existing security of supply rules.

- **Consistency with other Union policies**

. This proposal for a Council Recommendation is consistent other initiatives aiming to improve the Union's energy resilience and to prepare for possible emergency situations and is fully compatible with competition and market rules, as functioning cross-border energy markets are key to ensure security of supply in a situation of supply shortages. Recommending more coordinated demand reductions is also in line with the Commission's Green Deal and Fit-for-55 objectives.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The Recommendation which contributes to security of energy supply is to be adopted on the basis of Article 194(2) TFEU together with Article 292 TFEU. Article 292 provides the legal basis for the Council to adopt recommendations based on a proposal from the Commission. The initiative does not propose any extension of EU regulatory power or binding commitments on Member States. It is the Member States who will decide, based on their national circumstances, how they implement this Council recommendation. In the field of energy, the EU has a shared competence pursuant to Article 4 (2) (i) TFEU.

Regulation (EU) 2022/1369, amended by Regulation (EU) 2023/706, established the rules for coordinated demand-reduction measures and set a 15% demand reduction target, based on Article 122(1) TFEU. Regulation (EU) 2022/1369 expires on 31 March 2024.

This proposed Council Recommendation recommends that Member States continue their efforts of reducing gas demand, in the same spirit of solidarity as showcased while implementing Regulation (EU) 2022/1369.

- **Subsidiarity (for non-exclusive competence)**

The measures planned to be continued under the present initiative are fully in line with the subsidiarity principle. Because of the scale and the significant effect of further cuts in gas supply on the part of Russia, there is a need for coordinated action by Member States. A continued coordinated approach through Union-wide demand reduction, in the spirit of solidarity, is necessary to minimise the risk of potential major disruptions during winter 2024-2025 when gas consumption will be higher and where Member States will need to partly rely on the gas stored during the injection season.

Given the unprecedented nature of the gas supply crisis and its transboundary effects, as well as the level of integration of the EU internal energy market, action at Union level continues to be warranted as Member States alone cannot sufficiently effectively address the risk of serious economic difficulties resulting from price hikes or significant supply disruptions in a coordinated manner. Only continued EU action motivated by a spirit of solidarity between Member States can ensure that supply disruptions do not lead to lasting harm for citizens and the economy.

By reason of its scale and effects, the measure can be better achieved at Union level, hence the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union.

- **Proportionality**

The initiative complies with the proportionality principle. The policy intervention is proportional to the dimension and nature of the problems defined and the achievement of the set objectives.

In view of the unprecedented geopolitical situation and the remaining threat for citizens and the EU economy, there is a clear need for continued coordinated action. Hence, the proposal does not go beyond what is necessary to achieve the objectives laid down in the current instrument. The measures proposed to be recommended are considered proportionate and build to the extent possible on existing approaches, such as the existing crisis levels and emergency plans established in accordance with Regulation (EU) 2017/1938 and the provisions of Regulation (EU) 2022/1369 which are set to expire on 31 March 2024.

This proposal sets the final result that is recommended to be achieved, in the form of a voluntary gas reduction target for Member States, while giving Member States full autonomy in choosing the most effective means to meet such a voluntary target according to their national specificities and the measures already foreseen in the national emergency plans.

- **Choice of the instrument**

To achieve the objectives referred to above, the TFEU provides for the adoption by the Council of Recommendations notably in its Article 292 together with Article 194(2) TFEU,

based on a proposal from the Commission. A Council Recommendation is an appropriate instrument in this case, considering that it recommends continuing the coordinated demand-reduction set out in Regulation (EU) 2022/1369, amended by Regulation (EU) 2023/706, while nevertheless recognising that a legally binding reduction of demand is at this moment in time no longer necessary. As a legal act, albeit one of a non-binding nature, a Council recommendation signals the commitment of Member States to the measures included and provides a strong political basis for cooperation in these areas, while fully respecting Member State competences.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

• Stakeholder consultations

Due to the politically sensitive nature of the proposal and urgency to prepare the proposal so that it can be adopted on time by the Council before the expiration of Regulation (EU) 2022/1369 by 31 March 2024, a specific stakeholder consultation could not be carried out. However, lessons learned through applying Regulation (EU) 2022/1369 and reviewing that Regulation via Report COM(2023) 173 and Report COM(2024) 88 have been taken into account. Regular exchanges with Member States and stakeholders have taken place via, among others, the Gas Coordination Group on the application of Regulation (EU) 2022/1369, since its entry into force on 8 August 2022.

• Fundamental rights

No negative impact has been identified on fundamental rights. The measures under this instrument will not affect the rights of customers who are categorised as protected under Regulation (EU) 2017/1938, including all household customers. The instrument will enable to reduce the risks associated with gas shortage that would otherwise have major implications on the economy and society.

4. BUDGETARY IMPLICATIONS

This proposal does not require additional resources from the EU budget.

• Detailed explanation of the specific provisions of the proposal

This proposal for a Council Recommendation proposes to recommend the following:

- Continue ongoing demand-reduction measures by Member States in order to achieve a 15% gas demand reduction compared to the reference years of April 2017 – March 2022 until parts of Directive (EU) 2023/1791 of the European Parliament and of the Council¹ are transposed by 11 October 2025.
- Encourages Member States to continue their current demand reduction reporting to Eurostat, including a breakdown per sector.

¹ Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (OJ L 231, 20.9.2023, p. 1, ELI: <http://data.europa.eu/eli/dir/2023/1791/oj>).

Proposal for a

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on continuing coordinated demand-reduction measures for gas

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 292 in conjunction with Article 194(2) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) This proposal for a Council Recommendation aims at continuing the ongoing demand-reduction measures by Member States in order to achieve a 15% gas demand reduction compared to the reference years of April 2017 – March 2022. Its purpose is also to encourage Member States to continue their current demand reduction reporting to Eurostat, including a breakdown per sector.
- (2) Council Regulation (EU) 2022/1369⁽²⁾ was adopted in view of the gas supply crisis caused by Russia's invasion of Ukraine. It aims at voluntarily, and, if necessary, mandatorily reducing the Union's gas demand, facilitating the filling of storages and ensuring better preparation against any further supply disruptions. It was adopted in view of the imminent need for the Union to react with temporary measures in a spirit of solidarity between Member States.
- (3) Pursuant to Regulation (EU) 2022/1369, Member States were to use their best efforts to reduce their gas consumption by 15 %, firstly in the period from 1 August 2022 to 31 March 2023, and, after Council Regulation (EU) 2023/706³ extended its application, in the period from 1 April 2023 and 31 March 2024. Should the voluntary demand-reduction measures prove to be insufficient in addressing the risk of a serious supply shortage, the Council, acting on a proposal from the Commission, was empowered to declare a Union alert, which would trigger a mandatory demand-reduction obligation. Member States adopted measures to reduce their respective gas demand in a spirit of solidarity that resulted in effective gas demand reductions across the Union of more than 15 %, from August 2022 to December 2023.
- (4) Pursuant to Article 9 of Regulation (EU) 2022/1369, the Commission has to carry out a new review of this Regulation by 1 March 2024, in view of the general situation of gas supply to the Union and present a report on the main findings to the Council. The Commission presented the main findings of its review in its Report COM(2024) 88.

² Council Regulation (EU) 2022/1369 of 5 August 2022 on coordinated demand-reduction measures for gas (OJ L 206, 8.8.2022, p. 1, ELI: <http://data.europa.eu/eli/reg/2022/1369/oj>).

³ Council Regulation (EU) 2023/706 of 30 March 2023 amending Regulation (EU) 2022/1369 as regards prolonging the demand-reduction period for demand-reduction measures for gas and reinforcing the reporting and monitoring of their implementation (OJ L 93, 31.3.2023, p. 1, ELI: <http://data.europa.eu/eli/reg/2023/706/oj>).

- (5) In its Report COM(2024) 88 the Commission concluded that, although the gas security of supply situation has improved thanks to targeted investments and a number of measures, including demand reduction by Regulation (EU) 2022/1369, the general security of supply situation remains delicate. The global gas market remains tight and no significant improvements in global liquefaction capacities are expected before 2025-2027, while other downside risks remain that can deteriorate the current security of supply situation. It also concluded that demand reduction has significantly contributed to the phase out of circa 65 billion cubic meters (bcm) of Russian gas in 2023, primarily in the households and industries sectors. In 2023, demand reduction has been pivotal to end the winter with adequate storage levels and to provide the necessary flexibility in summer in order to meet the 90% storage obligation set by Regulation (EU) 2017/1938 of the European Parliament and of the Council⁴.
- (6) Recent episodes of significant price volatility including during the summer and autumn of 2023, when prices increased by more than 50 % within a few weeks, caused by events such as the strike in Australian liquefied natural gas (LNG) facilities and the disruption of the Balticconnector, show that markets remain fragile and susceptible to even relatively minor shocks regarding the demand and supply. Under such conditions, the fear that supply of natural gas would become scarce may trigger negative systemic reactions across the Union with serious repercussions on energy prices. Furthermore, due to the significant decrease in Russian pipeline gas imports over the past year, the availability of overall gas supplies to the Union has considerably decreased as compared to pre-crisis conditions. The Union has received approximately 25 bcm of Russian gas via pipelines and overall, Russian supplies accounted for only 15% of the Union's total imports (pipeline and LNG) in 2023, compared to 45% in 2021.
- (7) Due to the remaining tight supply and demand balance, gas supply disruptions can have a sizable impact on the gas and electricity prices and could cause harm to the economy of the Union, by affecting its competitiveness, and negatively impact European citizens. To that end, continued coordinated demand reduction by all Member States in a spirit of solidarity is recommended, among others to refill storage capacities in an efficient way and with minimum market disturbances, which contributes to ensuring the security of gas supply ahead of the winter of 2024-2025. Proactive, coordinated and voluntary savings reduce the risk of a negative impact that gas shortages would have on the competitiveness of industries.
- (8) Since the entry into force of Regulation (EU) 2022/1369, the level of preparedness in the gas market and the Union's security of supply have considerably improved. However, risks persist for the Union's security of energy supply as the global situation on the gas market remains tight and as prices are still higher than pre-crisis. This is exacerbated by market volatility stemming inter alia from tense geopolitical circumstances, currently illustrated by, among others, the crisis in the Middle East and the Red Sea. Due to the supply disruptions and the tightness experienced in past months on the market, twelve Member States are still in the first or second crisis level pursuant to the common EU classification, as set out by Article 11(1) of Regulation (EU) 2017/1938.

⁴ Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010 OJ L 280, 28.10.2017, p. 1, ELI: <http://data.europa.eu/eli/reg/2017/1938/oj>).

- (9) These possible difficulties for security of supply risk are exacerbated by a number of additional risks, including an end to the current gas transit agreement through Ukraine by 31 December 2024, through which ca. 14 bcm transited in 2023. Other risks are a possible rebound in Asian LNG demand that would reduce the availability of gas on the global gas market, a cold winter 2024-2025 that could lead to an increase of gas demand of up to 30 bcm, extreme weather events potentially affecting the hydropower storage and nuclear production due to low water levels, and the subsequent increase in demand for gas-fired power generation. Additional risks result from further disruptions of critical infrastructures, such as experienced with the acts of sabotage against the Nord Stream pipelines in September 2022 or the disruption of the Balticconnector pipeline in October 2023, and from the deterioration of the geopolitical environment, in particular in countries and regions relevant to Union energy security of supply, such as Ukraine and the Middle East.
- (10) Global gas markets remain tight and are expected to remain so for a certain period of time. As noted by the International Energy Agency (IEA) in its Medium-Term Gas Report 2023⁵, global LNG supply grew only modestly in 2022 (by 4 %) and in 2023 (by 3 %). In its World Energy Outlook 2023⁶, the IEA expects that market balances will remain precarious in the immediate future until new LNG capacities are set to come online in the period 2025-2027.
- (11) The recently adopted Directive (EU) 2023/1791 of the European Parliament and of the Council⁷ and Directive (EU) 2023/2413 of the European Parliament and of the Council⁸ will help to achieve the EU's decarbonisation goals and to structurally reduce demand in the near future, in line with the COP28 Global Stocktake⁹ which recognises the need to transition away from fossil fuels in the energy systems, in a just, orderly and equitable manner. Although the measures that Member States will adopt to transpose those Directives will largely not yet be in force during the application of this Recommendation, they will contribute to a gas demand reduction in the years after transposition. Considering that important measures of the above- mentioned directives will only have to be transposed in May 2025, it is appropriate to recommend gas demand reduction for the transitional period until this transposition.
- (12) Demand-reduction by Member States can contribute notably to the filling of underground storage facilities, to ensure adequate levels of security of supply for the winter 2024-2025 and to avoid perpetuating shortage in storage filling to the winter 2025-2026. Continuing to reduce gas demand will also help keep downward pressure on prices, to the benefit of the Union consumers and industrial competitiveness.
- (13) The recommendation to save gas should not affect the need to adhere to Member States' decarbonisation objectives. This Recommendation therefore should not

⁵ [Medium-Term Gas Report 2023 – Analysis – IEA.](#)

⁶ [World Energy Outlook 2023 – Analysis – IEA.](#)

⁷ Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (OJ L 231, 20.9.2023, p. 1, ELI: <http://data.europa.eu/eli/dir/2023/1791/oj>).

⁸ Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652 (OJ L 2023/2413, 31.10.2023, ELI: <http://data.europa.eu/eli/dir/2023/2413/oj>).

⁹ UNFCCC Global Stocktake, https://unfccc.int/sites/default/files/resource/cma2023_L17_adv.pdf

disincentivise Member States to continue to switch from coal to gas for e.g. electricity generation in case this helps Member States achieve their decarbonisation objectives, as set out in their integrated national energy and climate plans, established under Regulation (EU) 2018/1999 of the European Parliament and of the Council¹⁰.

- (14) The demand-reduction provisions of this Recommendation acknowledge specific national circumstances. Member States should be able to temporarily limit the recommended demand reduction target in case of such national specificities, among others, where a Member State faces an electricity crisis, as referred to in Regulation (EU) 2019/941 of the European Parliament and of the Council⁽¹¹⁾. Such a scenario could include a limitation proportional to a significantly increased use of gas for power generation, required to export significantly more electricity to a neighbouring Member State, due to exceptional circumstances, such as low hydropower or nuclear availability in the Member State concerned, or in the neighbouring Member State to which significantly more electricity is exported.

HAS ADOPTED THIS RECOMMENDATION:

- (1) Member States should address a situation of difficulties in the supply of gas, with a view to safeguarding Union security of gas supply, in a spirit of solidarity, through improved coordination, monitoring of and reporting on national gas demand-reduction.
- (2) Member States should use their best efforts to reduce their gas consumption over the period from 1 April 2024 to 31 March 2025 (the ‘reduction period’) at least by 15 % compared to their average gas consumption in the ‘reference period’ from 1 April 2017 to 31 March 2022.
- (3) For the purpose of reducing gas consumption in each Member State over the ‘reduction period’, gas demand should be 15 % lower compared to its reference gas consumption. ‘Reference gas consumption’ means the volume of a Member State’s average gas consumption during the reference period. For Member States where gas consumption increased at least by 8 % in the period from 1 April 2021 to 31 March 2022 compared to the average gas consumption during the reference period, ‘reference gas consumption’ means only the volume of gas consumption in the period from 1 April 2021 to 31 March 2022.
- (4) This Recommendation is not addressed to a Member State whose electricity system is synchronised only with the electricity system of a third country in the event it is desynchronised from that third country's system for as long as isolated power system services or other services to the power transmission system operator are required to ensure the safe and reliable operation of the power system.

¹⁰ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1999/oj>).

¹¹ Regulation (EU) 2019/941 of the European Parliament and of the Council of 5 June 2019 on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC (OJ L 158, 14.6.2019, p. 1).

- (5) This Recommendation is not addressed to a Member State for as long as that Member State is not directly interconnected to a gas interconnected system of any other Member State.
- (6) A Member State should have the option to limit the reference gas consumption used for calculation of the demand-reduction target pursuant to point 3 by the volume of gas equal to the difference between its intermediate target for 1 August 2022 set by Annex 1a of Regulation (EU) 2022/1032 and the actual volume of stored gas on 1 August 2022, if it fulfilled the intermediate target on that date.
- (7) A Member State should have the option to limit the reference gas consumption used for calculation of the demand-reduction target pursuant to point 3 by the volume of gas consumed during the reference period as feedstock. 'Feedstock' means 'non-energy use of natural gas' as referred to in energy balances calculations by the Commission (Eurostat).
- (8) A Member State should also be able to adjust the reference gas consumption used to calculate the demand-reduction target pursuant to point 3 by the volume of increased gas consumption resulting from the switch from coal to gas used for district heating, if that increase is of at least 8 % in the period from 1 August 2023 to 31 March 2024 compared to the average gas consumption during the reference period and to the extent that this increase is directly attributable to the switch.
- (9) A Member State should have the option to limit the demand reduction target by 8 percentage points, if its interconnection with other Member States measured in firm technical export capacity compared to its yearly gas consumption in 2021 is below 50 % and that capacity on interconnectors to other Member States has in fact been used for the transport of gas at a level of at least 90 % in the preceding month, unless the Member State can show there was no demand and the capacity was maximised, and that its domestic LNG facilities are commercially and technically ready to re-direct gas to other Member States up to the volumes required by the market.
- (10) A Member State should be able to temporarily limit any demand reduction targets in the case of an electricity crisis to mitigate the risk for electricity supply, especially if there are no economic alternatives to replace the gas necessary for producing electricity without seriously endangering security of supply. In that case, the Member State is recommended to inform the reasons for the limitation.
- (11) The measures chosen by Member States to reduce demand should be clearly defined, transparent, proportionate, non-discriminatory and verifiable.
- (12) When taking measures affecting customers, other than protected customers as defined in Article 2, point 5, of Regulation (EU) 2017/1938, Member States are recommended to follow objective and transparent criteria which take into account their economic importance as well as, among others, the following elements:
 - (a) the impact of a disruption on supply chains that are critical for society;
 - (b) the possible negative impacts in other Member States, in particular on supply chains of downstream sectors that are critical for society;
 - (c) the potential long-lasting damage to industrial installations;
 - (d) the possibilities for reducing consumption and substituting products in the Union.

- (13) When decided on measures to save gas, Member States are recommended to consider measures to reduce gas consumed in the electricity sector, measures to encourage fuel switch in the industry, national awareness-raising campaigns, and targeted obligations to reduce heating and cooling, to promote switching to renewable fuels and reduce consumption by industry when deciding on demand-reduction measures.
- (14) Member States are recommended to inform the Commission of new demand-reduction measures not yet notified to the Commission pursuant to Regulation (EU) 2022/1369.
- (15) Member States are recommended to monitor the implementation of the demand-reduction measures on their territory and Member States are recommended to report on their gas consumption (in terajoules, TJ) to the Commission via Eurostat at least every two months and not later than by the 15th day of the following month.
- (16) It is recommended that reporting to Eurostat includes a breakdown of gas consumption per sector, including gas consumption for the following sectors:
- (a) gas input for electricity and heat generation;
 - (b) gas consumption in industry;
 - (c) gas consumption in households and services.
- (17) For the purpose of the recommendation in this point, the definitions and statistical conventions established in Regulation (EC) 1099/2008¹² of the European Parliament and of the Council should be considered relevant.
- (18) It is welcomed that the Commission supports the implementation of this recommendation by monitoring demand-reduction achieved per sector and the demand-reduction measures taken, together with the Gas Coordination Group.

Done at Brussels,

*For the Council
The President*

¹² Regulation (EC) No 1099/2008 of the European Parliament and of the Council of 22 October 2008 on energy statistics (OJ L 304, 14.11.2008, p. 1, ELI: <http://data.europa.eu/eli/reg/2008/1099/oj>).