

UPEI answer **is in red and highlighted in yellow**

2 December 2022

Emergency Oil Stocks

Introduction and identification

Introduction

This survey has been prepared by Trinomics and Insights Global for a contract we are delivering for DG Energy of the European Commission relating to oil security of supply and the green transition.

The study is intended to carry out a review of Directive 2009/119/EC on Emergency Oil Stocks in the light of the European Green Deal and the "Fit for 55" objectives. We are also considering the conclusions of the previous mid-term evaluation of the Directive and the lessons learnt from the COVID-19 pandemic and the events in Ukraine. Having collected views, experience and opinions we will propose appropriate measures and a potential tools to take the issues identified on board. We



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY
Directorate B – Just Transition, Consumers, Energy Efficiency and Innovation
B.4 – Energy security and safety

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To whom it may concern

Subject: External study – Oil security of supply and green transition – Contract ENER/B4/2021-289/SI2.864442

Dear Sir / Madam,

The European Commission's Directorate General for Energy (henceforth "DG ENER") has recently contracted an external study entitled "Oil security of supply and green transition". This study is being carried out by Trinomics B.V. in association with Insights Global (hereinafter "the Consultant").

The Consultant shall perform a critical review of Directive 2009/119/EC in the light of the Green Deal objectives and lessons learnt for the oil sector from the Covid pandemic and from the Ukraine war; it will feed into the Commission's ongoing reflection and provide input to future legislative proposals to improve resilience and better guarantee the security of oil supply in a cost efficient and sustainable manner.

Among the tasks assigned, the Consultant shall: (a) review whether the current rules can be improved, in particular concerning the eligibility of stocks (Annex III), the accuracy/completeness of definitions or the suitability of the provisions on crisis management; (b) address the compatibility of existing obstacles to cross-border stocks with the internal market rules; (c) analyse the reliability of emergency stocks held in the form of "tickets" and (d) assess the usefulness of including new tools, such as joint regional oil stockholding, coordinated demand restraint and joint purchase of emergency oil stocks, as well as the role of biofuels and e-fuels.

In this context, the Consultant intends to contact relevant stakeholders in order to gather information and additional insights on the current rules and practices in the EU Member States. We would greatly appreciate your availability to support the Consultant in this work and to contribute to the success of the study.

Yours faithfully,

Alejandro ULZURRUN

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will also analyse the expected impact of these measures and tools. This study is not a formal evaluation or impact assessment of the Directive but its findings could be used to help inform a impact assessment of any potential future proposal to review or to replace the Directive with alternative instruments to guarantee the security of oil and liquid fuels supply in a cost efficient and sustainable manner against the backdrop of the EU's transition towards decarbonisation.

As an important stakeholder in guaranteeing the security of oil supply we are very interested in collecting your views on the issues and approaches involved.

The first question of the survey will determine which questions you will be asked, as not all questions are relevant for all stakeholders (although you are very welcome to answer any of the questions).

Please answer as many questions as you are able to, but leave any that you cannot answer.

If you have any questions on the survey please contact oilstocks@trinomics.eu

The letter of support from DG ENER of the EC below is shown below.

1) Which of the following best describes your role with regard to emergency oil stocks?*

- Central Stockholding Entity (CSE)
- Oil Coordination Group (OCG) member
- Other - Please clarify:: *

2) Please give the name of the organisation you are responding on behalf of: **UPEI, Europe's Independent Fuel Suppliers Association**

3) Please provide your name: **Pierre Lucas**

4) What MS are you from? (Multiple Member States can be selected): **EU**

5) Please supply your email address. **pierre.lucas@upei.org**
You will get a copy of your results after completing the survey

6) How would you like your responses to be treated in terms of confidentiality?

- Ok for organisation name to be shared alongside responses - including quotes **yes**
- Ok for organisation type to be indicated but not named
- Opinions can be included in totals, opinions can be quoted anonymously

7) We will also be carrying out interviews to investigate certain issues in more depth. Would you be happy to take part in an interview to discuss your responses?

- Yes**

Rules

Reporting instructions

Background: The Directive allows MSs to mandate economic operators to hold part of the MS's emergency stocks, and requires MSs to submit a monthly statistical summary of the levels of commercial stocks held within their national territory. The MSs communicate reporting instructions to their obligated economic operators. We are looking to better understand the details of what each MS requires its obligated economic operators to hold (and report), and to assess the comparability of the approach between MSs.

8) In your Member State (MS), how are the economic operators subject to a stockholding obligation identified?

9) How is each obliged operator's stockholding obligation calculated and notified to them (see Art. 8(4) of the Directive)?

10) Which method has your MS chosen for the calculation of the levels of stocks held (as described in Annex III of the Directive), for the year 2021?

Method A) Include **all other stocks of the petroleum products** [...] and calculate the crude oil equivalent by multiplying the quantities by a **factor of 1.065** for calculating the stocks of petroleum products

Method B) Include **stocks of only the following products** [...] and calculate the crude oil equivalent by multiplying the quantities by a **factor of 1.2** for calculating the stocks of petroleum products

11) Has your MS switched methods across previous years? If so, why?

12) In practice, what oil products does your MS ask its obligated operators to report on (separately for emergency stocks and commercial stocks, if applicable)?

13) Has your MS ever changed these “eligible” products from one reporting period to the next? Why/why not?

14) Do these “eligible” products differ when it comes to reporting emergency stocks versus commercial stocks?

Yes

No

15) How does your MS require its obligated operators to make the differentiation between emergency stocks and commercial stocks in their reporting?

16) In your MS, is it possible for obligated operators to include Minimum Operating Requirements as

a) emergency stock

b) commercial stock

c) neither of the above

17) In your MS, is it possible for obligated operators to include working stocks as

a) emergency stock

b) commercial stock

c) neither of the above

18) How often and within what timeframe (i.e. how soon after measurement is the data reported) do obligated operators in your MS have to report on their stockholding obligations to the MS? Is there a difference between their emergency and commercial stock reporting?

19) In your MS, is the application of the “10% rule” (see Annex III of the Directive) part of the reporting requirements to the obligated operators, or do the MS authorities apply this reduction to the data that is reported to them? If the MSs apply the reduction, how do they do it?

20) With regard to the way in which your MS' reporting requirements are set up, could the quantity of crude oil or of oil products be counted both as part of emergency stocks and as part of commercial stocks? If so, how would this occur?

21) Is there any publicly available document (e.g., guidelines, circular, directive, decree, reporting template) that describes the above reporting requirements to obligated operators for your MS? If so, could you please share a web link?

22) If no link is available for sharing any publicly available document that describes the above reporting requirements to obligated operators for your MS, could you please directly share the relevant document(s) to this email oilstocks@trinomics.eu ?

23) Please, add any further details or comments relative to reporting instructions provided by your MS to its obligated operators.

Definitions

Background: Article 2 of the Directive includes definitions for certain terms; we are looking to understand whether these definitions are clear enough or should be modified to enable a better and more consistent understanding by all parties.

**24) Do you think there is a need/benefit in simplifying and/or clarifying the following definitions in Article 2 of the Directive?
(Multiple answers are possible)**

- Major supply disruption
- Emergency stocks
- Commercial stocks
- Specific stocks
- Please list any other definition that you think could be added or improved:

25) Why and how could the definitions you just selected be improved?

**26) Do you think there is a need/benefit in including definitions to Article 2 of the Directive for the following terms?
(Multiple answers are possible)**

- Economic operator
- Working stocks
- Minimum operating requirements
- Please list any other definition(s) you think should be added:

27) Why do you think there is a need/benefit in including this definition / these definitions in Article 2 of the Directive?

Limiting the eligibility of stocks to several categories of petroleum products

Background: The 2009 Directive allows for any oil product to be counted towards emergency stocks (except for the subcategory “specific stocks” (Art. 9)). This differs from the previous Directive where only a limited number of products was eligible. For reasons of simplification, the relevance of limiting the eligibility of stocks to only the most common oil products is investigated.

28) Do you think it would be useful/relevant to limit the eligibility of stocks to a reduced number of categories of petroleum products?

- Yes
 No

29) Why do you think it would be useful/relevant to limit the eligibility of stocks to a reduced number of categories of petroleum products?

30) Why do you think it would not be useful/relevant to limit the eligibility of stocks to a reduced number of categories of petroleum products?

We need to guarantee the EU's security of supply by ensuring that a wide range of stocks, including for new, renewable energies, can be made available in case of shock. Less products mean less flexibility in case of an emergency. Furthermore, it could become more difficult or expensive to find adequate storage for specific products (not every product can be stored in every tankstorage)

31) Which petroleum product categories do you think the obligation should be limited to?

- Crude oil
 Gasoline (including bio portion)
 Kerosene type jet fuel
 Gas/diesel oil (including bio portion)
 Fuel oil
 Other(s) - please specify: **low carbon and renewable fuels**

32) Does your country already limit this number of categories?

- Yes
 No

33) To which categories does your country limit the eligibility?

Criteria for the eligibility of stocks as “emergency oil stocks” (simplification of Annex III)

Background: Annex III rules were largely transposed from the IEA emergency mechanism which works slightly differently from the EC's, in particular when it comes to the eligibility of commercial stocks as

emergency stocks (under the EC's Directive, commercial stocks are not eligible to be reported as emergency stocks). As a result, there is a need to understand if all Annex III rules are fit for purpose within the context of the Directive, and whether any aspect of the Annex could be simplified and better aligned with the spirit of the Directive.

34) Do you think it is necessary/useful to simplify any of the following Annex III rules?

| | Yes | No |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|
| 1) No quantity may be counted as stock more than once. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) Crude oil stocks are reduced by 4%, which corresponds to the average naphtha yield. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3) Stocks of naphtha and petroleum products for international marine bunkers are not included. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4) The choice between 2 methods (where [option A = include all other stocks of the petroleum products [...] and calculate the crude oil equivalent by multiplying the quantities by a factor of 1.065] and [option B = include stocks of only the following products [...] and calculate the crude oil equivalent by multiplying the quantities by a factor of 1.2]) for calculating the stocks petroleum products. | <input type="checkbox"/> | <input type="checkbox"/> |
| 5) List of locations where stocks may be held or types of stocks that may be held (refinery tanks, bulk terminals, pipeline tankage, barges, intercoastal tankers, oil tankers in port, inland ship bunkers, storage tank bottoms, working stocks, large consumers). | <input type="checkbox"/> | <input type="checkbox"/> |
| 6) List of locations where stocks may not be held or types of stocks that may not be held (crude oil not yet produced and quantities held in pipelines, in rail tank cars, in seagoing ship's bunkers, in service stations and retail stores, by other consumers, in tankers at sea, as military stocks). | <input type="checkbox"/> | <input type="checkbox"/> |
| 7) "10% rule" ("When calculating their stocks, Member States must reduce the quantities of stocks calculated as set out above by 10 %. That reduction applies to all quantities included in a given calculation."). | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8) Treatment of specific stocks when calculated separately from emergency stocks: The exclusion of most quantities from the list of locations where stocks may be held and stock types that may be held when calculating levels of specific stocks where such stocks are calculated separately from emergency stocks. | <input type="checkbox"/> | <input type="checkbox"/> |
| 9) Treatment of specific stocks when calculated separately from emergency stocks: The waiving of the "10% rule" when calculating the level of specific stocks or the levels of the different categories of specific stocks where those stocks or categories are considered separately from the emergency stocks. | <input type="checkbox"/> | <input type="checkbox"/> |

35) Why would/wouldn't you modify the above-mentioned rules?

It is necessary to keep the commercial and strategic stocks separate in order to prevent conflicting interests between commercial opportunities and legal necessities

Naphtha should be excluded from the Directive. It distorts calculation of the required stock levels, and the 7% threshold creates distortions in stockholding.

Costs for some countries.

Improvement of Provisions of Article 20 "Emergency procedures"

Background: The energy crisis currently faced by many countries around the world constitutes an opportunity to better understand the efficiency and effectiveness of the Directive's emergency mechanisms (Article 20), as these have now been applied in practice. Particular issues of potential concern include the information flow and coordination between MSs and the EC. Currently, MSs contingency plans (Art. 20(2)) are only to be shared by MSs with the EC upon request, and the only specific data sharing requirement in case of an emergency procedure is within Art. 20(5) that relates to initial urgent response or local crisis, where MSs "shall inform the Commission immediately of the amount [of emergency and specific stocks] released".

36) Can you confirm that your MS has fully implemented Article 20?

- Yes
- No

37) Do you feel Article 20 is fit for purpose when it comes to making and following up on the international decision to release stocks (Art. 20(3))? Why/why not and how could Art. 20(3) be improved?

38) Do you feel Article 20 is fit for purpose when it comes to taking actions to help address EU/MSs supply difficulties (Art. 20(4))? Why/why not and eventually, how could Art. 20(4) be improved?

39) Do you feel Article 20 is fit for purpose when it comes to initial urgent response to or local crisis (Art. 20(5))? Why/why not and eventually, how could Art. 20(5) be improved?

40) In your view (based on recent experience), does Article 20 enable MSs to effectively coordinate in the event of a crisis? Why/why not?

41) In your view, would the effectiveness of Article 20 be improved if the MSs' were to systematically share their contingency plan with the EC, instead of only when requested (Art. 20(2))?

42) In your view, during or shortly after an emergency stock release

Should MSs report on the types (e.g., crude oil, which products; and whether stocks released where held nationally, in the form of tickets or as cross-border stocks) and quantities of stocks released?

Within how many days of the stocks release should MSs report on emergency stocks?:

Within how many days of the stocks release should MSs report on commercial stocks?:

43) Is there any other information/data relative to emergency procedures that would be most useful for MSs to report on, for an improved efficiency of Article 20? If so, which type of information/data and why?

Refinery case study

44) Does your country have refineries?

- Yes
- No

45) Are there any crude oil stocks held in those refineries that are reported as emergency stocks? If so, what share of total emergency stocks is crude oil held by refineries and what share of total crude oil held by refineries is reported as emergency stocks?

46) Are there any crude oil stocks held in those refineries that are reported as commercial stocks? If so, which share of total crude oil held?

Cross-border stocks

Questions with regard to cross-border stocks are closely related to those on tickets, because a substantial amount (about 1/3rd) of the oil stocks held abroad are held through tickets. There seems to be some variation between the MSs' approach and attitude toward this system. The following questions are aimed at mapping these differences and the potential consequences. The table below contains the information collected in 2016 on the approach in each MS.

| | Stockholding system 2016 by % of ownership | | IEA? | 2) Bilateral agreement/ MoUs needed? | 2) Bilateral agreement/ Agreement with | 2) Limits on the use of cross-border stocks (max in % of total obligation) | | | | 3) Specific requirements on cross-border stocks? |
|------------|--------------------------------------------|----------|------|--------------------------------------|--------------------------------------------|----------------------------------------------------------------------------|----------|-----------------------|----------|------------------------------------------------------------------------------------------------------------|
| | CSE | Industry | | | | CSE Owned stocks | Tickets | Industry Owned stocks | Tickets | |
| Austria | 73 | 27 | Yes | N.A. | None | Yes, 0% | Yes, 0% | Yes, 0% | Yes, 0% | N.A (cross-border not allowed) with the exception of some of the stocks held physically in Trieste (Italy) |
| Belgium | 100 | 0 | Yes | No | FR, EL, IE, LU, NL, | Yes, 30% | Yes, 30% | N.A. | N.A. | Location - Stocks to be held within 3-days sailing |
| Bulgaria | 33 | 67 | No | No | EL, HU, IT, SL | Yes, 30% | No | Yes, 30% | Yes, 30% | |
| Croatia | 100 | 0 | No | Yes | DE, HU | No | No | N.A. | N.A. | |
| Cyprus | 100 | 0 | No | No | EL, NL | | No | N.A. | N.A. | |
| Czechia | 100 | 0 | Yes | Yes | DE, EL | No | Yes, 0% | N.A. | N.A. | |
| Denmark | 70 | 30 | Yes | Yes | EE, FI, DE, IE, IT, LV, NL, SE | Yes, 5% | Yes, 5% | Yes, 30% | Yes, 30% | |
| Estonia | 100 | 0 | Yes | Yes | DE, DK, FI, LV, SE | No | Yes, 20% | N.A. | N.A. | |
| Finland | 60 | 40 | Yes | No | DK, LV | Yes, 30% | Yes, 30% | Yes, 30% | Yes, 30% | |
| France | 85 | 15 | Yes | No | BE, DE, ES, IE, IT, LU, MT | Yes, 10% | Yes, 10% | N.A. | N.A. | Domestic opportunities - Authorisation conditional upon explanation why the stocks must be held abroad |
| Germany | 100 | 0 | Yes | No | BE, CZ, DK, EE, FR, HR, IT, LU, NL, PT, SI | No | Yes, 10% | N.A. | N.A. | Location - Distance of stocks to Germany important for authorisation procedure. |
| Greece | 0 | 100 | Yes | Yes | BG, BE, CY | N.A. | N.A. | Yes, 30% | Yes, 30% | |
| Hungary | 100 | 0 | Yes | No | HR, IT, SI | Yes, 0% | Yes, 0% | N.A. | N.A. | |
| Ireland | 100 | 0 | Yes | Yes | BE, DK, DE, ES, FR, NL, SE | N.A. | N.A. | N.A. | N.A. | |
| Italy | 33 | 67 | Yes | Yes | BU, DE, DK, ES, HU, MT, NL, SI | Yes, 0% | Yes, 0% | No | No | |
| Latvia | 100 | 0 | No | Yes | DK, EE, FI, LT, NL | Yes, 75% | No | N.A. | N.A. | |
| Lithuania | 32 | 68 | No | No | LV | No | Yes, 75% | Yes, 30% | Yes, 30% | |
| Luxembourg | 0 | 100 | Yes | No | BE, DE, FR, NL | N.A. | N.A. | Yes, 92% | Yes, 92% | Location - Every importer has to maintain a minimum of 8 days domestically and of 35 |

| | Stockholding system 2016 by % of ownership | | IEA? | 2) Bilateral agreement/ MoUs needed? | 2) Bilateral agreement/ Agreement with | 2) Limits on the use of cross-border stocks (max in % of total obligation) | | | | 3) Specific requirements on cross-border stocks? |
|-------------|--------------------------------------------|----------|------|--------------------------------------|------------------------------------------------|----------------------------------------------------------------------------|----------|-----------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | CSE | Industry | | | | CSE Owned stocks | Tickets | Industry Owned stocks | Tickets | |
| Malta | 0 | 100 | No | No | ES, FR, IT, NL | N.A. | N.A. | No | No | days on regional territory (230 km around Lux) |
| Netherlands | 80 | 20 | Yes | Yes | BE, CY, DE, DK, IE, IT, LV, LU, MT, PT, SE, SI | No | No | No | No | |
| Poland | 60 | 40 | Yes | Yes | None | Yes, 5% | Yes, 5% | Yes, 5% | Yes, 5% | |
| Portugal | 55 | 45 | Yes | Yes | DE, ES, NL | Yes | Yes | Yes | Yes | |
| Romania | 0 | 100 | No | N.A. | None | N.A. | N.A. | Yes, 0% | Yes, 0% | Location - Distance of stocks to Romania important for authorisation procedure. |
| Slovakia | 100 | 0 | Yes | Yes | CZ | No | No | N.A. | N.A. | Domestic storage - authorisation requires proof that no domestic storage facilities are available |
| Slovenia | 100 | 0 | No | No | DE, HU, IT, NL | No | No | N.A. | N.A. | |
| Spain | 42 | 58 | Yes | Yes | FR, IE, IT, MT, PT | Yes, 40% | Yes, 40% | Yes, 40% | Yes, 40% | Security of supply assessment: If the percentage of cross-border stocks of a certain product exceeds 15%, a study measuring the impact on the security of supply by the National Commission of Energy is required |
| Sweden | 0 | 100 | Yes | Yes | DK, EE, IE, NL | N.A. | N.A. | Yes, 30% | Yes, 30% | |

47) Has the legal regime in your MS for cross border stocks changed since 2016?

- Yes
- No

48) What changes were made in the legal regime of your MS for cross border stocks since 2016?

49) Does your MS apply any restrictions on holding cross-border emergency stock?

- Yes
- No

50) Do you currently believe that you have restrictions in place regarding the holding of cross-border stocks? If so, do you think they comply with EU rules?

- Yes, there are restrictions in place and they comply with EU rules.
- Yes, there are restrictions in place but I am not sure if they comply with EU rules.
- No, there are no restrictions in place.

51) Please select which of the following reasons explains/describes best why your MS apply such restrictions:

- a) lack of transparency on stocks held abroad,
- b) lack of data (for example if the country in which the ticket seller operates does not oblige the seller to provide all data),
- c) willingness to balance commercial and emergency domestic stocks,
- d) lack of stocks availability due to storage asset,
- e) lack of stocks availability due to logistics,
- f) other - Please list:

52) Which kind of restrictions or condition on the quantity, location, ownership status and specification of stocks apply (Multiple answers possible)

- a) forbid stocks to be held abroad.
- b) impose number of days to be held domestically (at national level or regional level).
- c) impose number of days to be held in close vicinity.
- d) sailing clauses in call for tenders on emergency stock facilities (restrict to ensure the speedy availability of cross-border stocks to national markets).
- e) time duration.
- f) other(s):

53) What are the potential risks and/ or consequences from other MS restrictions? Or possibly problems already faced by their application?

54) Do the restrictions in your MS have an impact on the cost of emergency stocks holding? Can you quantify this impact?

55) Have private operators such as oil suppliers ever complained about your MS restrictions? Why?

56) Have private operators such as oil suppliers ever complained about other MS restrictions (regarding cross border stocks in your MS)? Why?

57) What would be the consequences of removing the restrictions in your MS? Where do you believe the stocks might be held?

58) Are any bilateral agreements relating to cross border stocks between your MS and another MS applied? Why? What is the purpose of these agreements and what do you feel the consequences would be if they were removed?

59) Would you recommend changes to the regulatory framework (i.e. the directive) or any other measure in order to ensure a free market to operate, allowing operators to hold cross-border stocks (with no restrictions), for the sake of cost-efficiency? What would be the risks for the security of supply?

60) Could you describe the changes or measures that would/could enable this? And the precise objective behind these suggestions?

Tickets

Tickets, namely the right on an oil stock during a supply emergency often with a three-month duration, have been a flexible tool to meet the oil stock obligations in the EU and the IEA. Tickets are primarily important for cross-border stocks (see task 2) to add to the overall national oil stock obligation, but also within a country where the obligations of different parties can be quickly reallocated with the help of tickets. The questions below aim at better understanding the situation in your MS on the role of tickets and the intensity of their use, among other issues.

61) Eurostat provides monthly data on cross-border emergency stocks held as tickets. However, there is no information about the amount of national emergency stocks that are held as tickets.

About 1/3rd of cross-border emergency stocks (9% of all emergency stocks) is held as tickets, hence about 3% of total emergency stocks.

Another 10% of emergency stocks is held as national tickets at EU27 level.

What share of the national emergency oil stocks are held as tickets within your Member State (not cross-border tickets held in another Member State)?

62) There is a lack of detailed knowledge on the national rules applicable to the use of tickets. In order to address this, we would like you to answer the following questions

Is the use of tickets limited to certain oil products?

- Yes
 No

Which ones?

Are the products always clearly identified in the ticket contract?

- Yes
 No

Can the economic operator use tickets to meet its obligation with different type of products every month?

- Yes
 No

63) From whom do economic operators, CSE, governments purchase tickets from? What are the volumes traded in crude oil and oil products? Please limit your answer to tickets supplied over the last 2-3 years (2020-2021-2020).

64) The list below names a number of economic operators known to be active in Ticketing. Please select the top 1-2 operator(s) who you think are most active in your MS (in traded ticket volume terms)

- AOT Trading AG BP Oil International Ltd Cargill International SA
 Exxonmobil Petroleum & Chemical BVBA Glencore Energy UK Ltd
 Gunvor SA Hainaut Tanking SA Litasco SA
 Mercuria Energy Trading SA Macquarie Bank Limited, London Branch
 Neste Oyj Plc Total Petrochemicals and Refining SA Tanscor Oil Services SA Varo Energy Belgium NV
 Valero Energy Ltd Varo Energy Germany GmbH Vitol SA
 None of the above Other

65) Can you indicate the country of the ticket supplier's location? (which could be more than one country)

66) Can you indicate the main economic operators (obliged by the national rules to hold stocks for the benefit of a given MS) that purchase tickets from this supplier (volume and product type per Member State)?

67) Can you indicate the total volume of tickets (in terms of storage capacity) offered by the key supplier?

68) Can you indicate the share of business represented by tickets trading for the key supplier?

69) What are your views on how well tickets would work and the level of confidence they have in their own tickets (where relevant) (and of others) in the event of a disruption?

70) Have you called in/ exercised any tickets this year (because of Ukraine or due to other events, such as low water levels in the Rhine)?

71) In a crisis situation where the oil supply has been disrupted (either nationally or at EU level), would your country release emergency oil stocks based on ticketing contracts first, i.e. with a higher priority than other physical stocks? If this not the case or if it is uncertain, please explain why.

72) For those emergency oil stocks that are held with ticketing contracts (and are included in your country's national stockholding obligation), in what manner could they be released during a crisis situation (please indicate which of the options below would apply)? Please clarify the circumstances for each release mechanism to be enacted.

Ticket holder does not purchase stocks; contract is terminated

Ticket holder does not purchase stocks; ticketed stocks are offered in the market

Ticket holder purchases stocks and resells them to national or other Member State market

Ticket holder purchases stocks and receives physical delivery of the stored oil

Other (please describe)

73) Do you have any suggestions/ views/ proposals on how to improve/ guarantee the availability of stocks covered by tickets in the event of a crisis?

74) In your opinion should the use of tickets be further restricted/ or even forbidden? (Yes/ No) Please explain why

New tools

These questions are primarily concerned with the possible need for new tools in the future i.e., 2030 and beyond. Given projections on the likely future mix of energy sources this brings in new challenges such as a potentially increased need for intra MS regional coordination and an increase in the importance / role of storing biofuels.

75) Joint stockholding is the joint holding of emergency oil and oil products stocks among multiple EU member states, possibly coordinated at the EU27 level.

To our knowledge there is currently no joint stockholding between Member States. Do you know of any joint stockholding regimes?

76) What do you see as the main advantages and disadvantages of joint stockholding between MS?

77) Could you describe the tender procedure you adopt for contraction tank capacity for storing of emergency stocks?

78) The main cost components of holding emergency oil stocks are oil purchase/ finance costs, storage costs, transport costs, insurance costs and other costs. Do you recognise these cost components?

Yes

No

79) Are there any missing cost components?

Yes

No

80) What cost components are missing?

81) In your country, what are the typical costs per ton of oil stored per year? (If possible, please provide this information by component)

82) What preconditions would you foresee for joint stockholding to be pursued? (Multiple answers are possible)

Proximity

Willingness to share costs

Similar size

Healthy existing political and energy relationships

Other -:

83) Do you think that setting up regional stockholding mechanisms would facilitate cost savings for single Member States?

Yes

No

84) What would be that cost saving potential? Please elaborate

85) Do you think that setting up regional stockholding mechanisms would be beneficial for the security of supply?

- Yes
- No

86) What would be beneficial for the security of supply?

87) If regional (i.e. cross MS) stockholding obligations were to be implemented in the Union, what percentage of emergency stocks (minimum numbers of days) do you think should be held within the national territory, to be able to cope with domestic crisis e.g.?

88) Is this number of days equal for crude oil, and for oil products?

- Yes

- No- Please elaborate:

89) Would there be any difference between different oil products?

- Yes - Please elaborate:

- No - Please elaborate:

List of demand restraint measures in the EU

| MS | Measures | Comment |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| AT | Reduced driving speed, Promotion of carpooling; Control of tyre pressure; Increased use of public transportation facilities; Reduction of short distance driving; Reduction of room temperature in households and public buildings; Control of burner adjustment for oil heaters; Fuel switching in heating systems (where possible). Speed limit reductions; Driving restrictions (i.e. one day per week, weekend driving, etc.); Prohibition of motor sport events. Heavy-handed measures: An allocation program for large consumers, determined by the Federal Chamber of Commerce, based on consideration by the Energy Steering Advisory Committee; Delivery restrictions and allocation among retail traders for small consumers; Private Sector: Rationing through coupons which would be made available by the Federal Ministry of Economics and Labour and distributed through motor vehicles registration offices; Public Sector: Distribution of coupons by local authorities on the basis of allocated contingents; Commercial Sector: Distribution of coupons by the Federal Chamber of Commerce. | |
| BE | | Belgium does not have a legal framework for demand |

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| | | restraint measures, nor a specific contingency plan to implement demand restraint measures in a disruption. Instead, the federal government has primarily focused on the release of strategic oil stocks in response to an international or national crisis situation |
| BG | | |
| CY | | |
| CZ | Soft measures: carpooling, eco-driving, public transport promotion; Hard measures: reducing the speed limits for motor vehicles on public roads, limiting commercial air transport, setting up regulatory measures for the use of crude oil and petroleum product for essential suppliers | |
| DE | Imposing or lowering speed limits, Sunday driving bans, prohibitions on the use of vehicles (including aircraft, boats, etc.), and prohibition of motor sports events. | |
| DK | | Demand restraint is not envisioned as an initial response to an oil supply crisis. In a severe and long lasting oil supply disruption, the Administration may consider light-handed demand restraint measures to supplement the use of compulsory stocks. |
| EE | About two-thirds of the savings potential come from the addition of public transport services, reducing the speed limit from 90 to 80 km / h and promoting eco-driving, while the remaining third would come from measures advocating teleworking and public transport usage. | |
| ES | | While the release of emergency industry oil stocks is Spain's primary means for responding to a supply disruption, short-term measures to reduce oil demand could also be implemented in a crisis. With the approved 2015 "Demand Restriction Measures Plan against Oil Market Crisis", the plan outlines measures to |

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| | | restrict oil consumption, such as limits to the usage of vehicles, more efficient driving modes, prioritizing the use of infrastructures etc. |
| FI | <p>Light-handed measures include: media campaigns; the lowering of speed limits; encouraging the lowering of room temperatures; and encouraging reduced usage of hot water.</p> <p>Heavy-handed measures include: compulsory restrictions on hot water and air conditioner use; limiting motor vehicle use; rationing transport fuels; rationing light/heavy fuel oils for heating; rationing of fuels for industrial and agriculture use; and rationing of electricity and district heating.</p> | |
| FR | | France has a wide range of oil demand restraint measures to complement emergency stock release – ranging from voluntary to compulsory, and short term to long term. These measures – 89 in total – are set out in the Hydrocarbon Resources Plan (PRH). |
| GREL | Restrict oil use in transport sector through driving restrictions, speed limit reductions, odd/even number plates restriction, restrictions of private aircrafts and yachts, reduction of frequency of ferries/buses, and promotion of LPG buses; Restrict oil use in buildings by limiting opening hours of shops, lowering heating temperatures, and limited public lighting, mandatory use of alternative fuels, restricted operation of industrial factories, restricted fuel supply to wholesale and retail companies | |
| HR | | |
| HU | <p>Publicity encouraging people to forego cars for short trips, Reducing the temperature of public buildings; Introducing driving and speed restrictions, Prohibiting driving one day a week or at weekends, Restricting the use of passenger cars based on registration numbers;</p> <p>Heavy handed-measures: Quotas for major consumers, Retail quotas, Introduction of rationing tickets for motor fuels in the private sector</p> | |
| IE | Individual measures include promoting economical driving, vehicle maintenance, and journey planning; Collective measures include promoting car-pooling, changing working practices, and the usage of public transport rather individual transportation; Legislative measures include reducing speed | |

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|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | limits, driving bans and implementing dedicated car pool lanes | |
| IT | Voluntary measures to limit consumption, a reduction in domestic heating, and possible driving restrictions like driving bans | |
| LT | | |
| LU | | In May 2018, the government decided to elaborate a PIU (Plan d'Intervention d'Urgence) in case of a major supply crisis that would necessitate demand restraint measures. This PIU will outline the crisis management bodies, determine emergency measures and establish emergency alert procedures to implement demand restraint measures. The draft for the PIU is currently in the finalisation process. |
| LV | | |
| MT | | |
| NL | The Dutch demand restraint programme focuses first on voluntary measures, such as reduction of speed limits, Sunday driving bans (allied with bans on pleasure boating and flights), requests for appropriate refinery action, and bans on filling containers to limit hoarding. If these prove to be inadequate, Dutch authorities can proceed to obligatory measures, aiming to reduce private and recreational use of petroleum products, while leaving basic economic activities untouched as much as possible. | |
| PL | Prohibition of fuel sales to fuel tanks not permanently installed in motor vehicles, a ban on the organization of motorized events, limits on the permissible speed of motor vehicles, limits on quantity of fuel that can be purchased at one time, limiting the opening hours of fuel stations, maximum daily volumes of fuels sold by fuel stations, restrictions on motorised vessels in internal and territorial waters, as well as restrictions on air traffic, restrictions on transport of goods and passengers, sale of fuels limited to holders of coupons specifying volumes of fuels at specified times | |
| PT | Restrictions on the use of passenger cars (e.g. driving bans, prohibition on the use of recreational vehicles and sports events with motor vehicles or reduction of speed limits); Volume restrictions placed on the sales of road | |

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|----|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | transportation fuels; Encouraging the use of public transport and the sharing of private transport; | |
| RO | | |
| SE | | The “Crisis Laws” framework provides the administration with powerful tools, including fuel rationing or limiting consumption. The Swedish Energy Agency (SEA) also maintains and updates a set of public information campaign messages for the reduction of fuel consumption in an emergency. A decision to implement demand restraint measures would be made by the government based on a proposal from the SEA. In a severe fuel disruption when allocation to priority customers becomes necessary, the decision-making and implementation would take place at the municipal level with the SEA coordinating and providing advice. |
| SI | | |
| SK | | |

90) We have identified the following list (see text above) of existing oil demand restraint measures foreseen in your country. Is this list correct and complete?

Yes

No

91) What is missing and/ or what is incorrect?

92) Do you have any historic examples of other oil demand restraint measures in your country?

93) What is your view on the effectiveness of oil demand restraint measures?

94) Do you have any data and/ or estimates to justify your view on the effectiveness of oil demand restraint measures?

- Yes
- No

95) Could this data and/ or estimates be shared? If so, please email them to oilstocks@trinomics.eu

96) Are there criteria to trigger the use of demand restraint measures in your country?

- Yes
- No

97) What criteria are there to trigger the use of demand restraint in your country?

98) What is your view on these criteria or triggers to use oil demand restraint measures?

99) Should these criteria or triggers to use oil demand restraint measures be improved/ standardised across MSs?

100) Joint purchase is the joint purchase of oil and oil products in a coordinated manner among multiple EU member states, possibly coordinated at the EU27 level.

What is your view on the feasibility of joint purchase (between MSs) of emergency stocks?

101) What are the advantages and disadvantages of joint purchase of emergency stocks?

102) What would be needed to make it happen?

103) Do you see any barriers to this?

104) Would you expect any cost savings (through joint purchase of oil emergency stocks)?

- Yes
- No

105) How much would these costs savings be (in %)?

106) What are the components of these cost savings?

107) What is the likelihood of these cost savings?

108) What are the risks of joint purchasing and why?

109) What rules are in place to ensure that only those biofuels are considered that are to be blended with petroleum products and that they will be used in transportation?

110) What are the specific instructions to operators on the consideration of biofuels in their stock reporting?

111) According to Eurostat only Austria has biofuels for blending that are being held as emergency stock. What is the current policy in your country regarding emergency stocks of biofuels? Is it expected to change and why?

112) Do you think you need to have emergency stocks for advanced biofuels, e-fuels or other new fuels? Please explain

113) What is your view on having emergency stocks by application instead of fuel? (E.g., road fuel, aviation fuel, marine fuel, others)

114) Does your MS include biofuels and additives in their emergency stock obligation?

Yes

No

115) What rules are in place to ensure that only those biofuels are considered that are to be blended with petroleum products in case of an emergency stock release?

116) What are the specific instructions to operators on the consideration of biofuels in their stock reporting?

117) What rules are in place to ensure that biofuels will be used in transportation?

118) What's your view on mandating fuel flexibility in, for example, Power and Energy Intensive Industry sectors so that installations in these sectors can run on more than one type of fuel?

119) What's your view on using fossil fuels like petroleum products as the mandated flexible fuel?

120) Do you agree that, after sufficient implementation of fuel flexibility, having emergency stocks of petroleum products will provide more security of supply for the Power or Energy Intensive Industry sector than having natural gas emergency stocks in case of a supply disruption in the natural gas markets?

121) Cross-cutting questions

Can you identify any other measures to enhance security of supply that should be harmonised at EU level? E.g., target for diversification of supply, flexible inter-connection / logistics and solidarity between Member States, refinery capacity target etc.

- We welcome the advancement of better regional coordination between member-states in order to secure supply in border-regions, which could save logistics-costs while maintaining supply-security

- The Directive has not sufficiently taken into consideration distortions of competition: it did not address the issue that CSO costs should represent an equal burden to all agents on top of its own commercial stocks requirement. Many Member States have not recognised this issue and the resulting CSO costs selectively penalise the business model of resellers.
- In terms of lack of harmonisation, too many different implementing scenarios can be driven from the Directive, for example the way systems are setup, or the lack of treatment of differences between distributors/refineries. The lack of harmonisation leads to huge differences in costs for fulfilling the CSO-obligation between Member States
- Products kept as emergency stocks should be harmonised across EU by name, type or linked with CN custom codes to represent the same recognisable products. The list of allowed products for emergency reasons should consist only of strategic products that can be needed and useful in emergency situation, and products such as petrol cake, paraffin, sulphur, bitumen, lubricant should be eliminated. On the other hand, the list of products where mandatory strategic storage is required should include the energy carriers of the future as well as those in use today;
- Rules on emergency/strategic storage should be reviewed frequently to ensure that the product mix stored reflects changing user needs.
- Sufficient public funds should be made available to make the investments needed and remedy market failures via public intervention.
- With regards to any compulsory stocking obligations of current and future energy carriers, permits should be fast tracked so that the bulk liquid storage sector can react quickly and appropriately to changing energy storage demand;
- In addition, different VAT treatment of stock holding fees cross countries restrict transactions. The problem mainly arises where a CSE is established by the Government and where CSO is juridical interpreted as a public obligation and therefore the CSE cannot charge VAT on top of the oil stock piling fee to be paid by the oil companies. Furthermore, when such stocks are held overseas, the agency is required to pay VAT on top of the storage costs without being able to reclaim the VAT. Given that oil stocks are managed on behalf of the end consumer or oil companies, CSO should be treated as a service (i.e., oil supply in case of oil disruption). Stock holding fees should therefore be treated as a service for VAT purposes.
- Other issues to take into consideration are the composition of the strategic stocks (finished product and source/crude product); ensuring rapid availability of the stocks; transparency and reporting on storage levels; release mechanisms; full product ownership by governments; and separation of commercial and strategic stocks.

External dimension: Should the Energy Community Contracting Parties be considered within the Directive (e.g., similarly to Regulation (EU) 2017/1938, on gas SoS)?

What lessons can be drawn from the Ukraine's crisis? E.g., type of products -diesel, other, location, etc.

The current number of days for stockpiling should be reviewed in the light of the time necessary for the on-going transition from Russian fossil fuels, bearing in mind the costs/benefits of such an adaptation.

Please add any other comment / proposal not addressed by this questionnaire

- On a more general level, it would be very helpful to have a clear outlook on the „future energy“-CSO requirements of the EU e.g. H2, e-Fuels, ammonia, electricity (batteries?) etc... This would help national authorities to tender long-term contracts, which in result makes it more

reasonable for companies to invest into upgrading their existing or new storage facilities already today.

- In general, the aim should be to also have natural-gas included into the CSO regime. The EU Member States are paying a high price this year for not having a CSO obligation on natural gas. This also seems to be unfair for oil as an competitive energy-product, where the industry is paying a lot of money since decades to comply with its CSO-obligation.
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Thank You! Many thanks for your time and efforts in responding to this questionnaire. If you have any questions, please contact oilstocks@trinomics.eu