

TRANSPOSITION NOTE – GREAT BRITAIN

EU DIRECTIVE – GAS DIRECTIVE (2019/692)

1. This Transposition Note explains how Directive 2019/692 (“the Revised Gas Directive”) is implemented in GB (GB).

2. The table seeks to explain how the main elements of the Revised Gas Directive are being transposed by the existing regulatory framework and by the Gas (Internal Markets) Regulations 2020 (“the Regulations”).

3. These Regulations do more than is necessary to implement the Directive to ensure a consistent GB regulatory framework exists for the extended application of EU gas internal market rules to gas transmission pipelines with third countries.

Gas Directive 2019/692

Article	Objective	Implementation
2.17	Expands the scope of the definition of interconnector to include connections between an EU member state (MS) and a third country.	No implementation action is required as the definition of “gas interconnector” in section 5(8) of the Gas Act 1986 extends to connections with third countries.
9.8, 9.9 & 14.1	Extends the relevant provisions to a transmission system between a MS and a third country where that transmission system was owned by a vertically integrated undertaking as at 23 May 2019.	GB had no gas transmission pipelines with a third country (as defined by the Gas Directive) as at 23 May 2019, therefore no implementation action is required.
34.4	Extends the requirements, in the case of a cross border dispute involving an upstream pipeline network originating in a third country and connecting with at least one MS, for the relevant MS to consult with the third country concerned to ensure the Gas Directive is consistently applied.	Dispute resolution relating to upstream pipeline networks is governed by sections 82-91 of the Energy Act 2011. These provisions extend to disputes in connection with a pipeline which originated in a third country. Section 82 sets out the consultation requirements whose scope would extend to a third country. No implementation action is required.
36.1.e	Amends the criteria which apply when granting exemptions to major new infrastructure from certain Gas Directive obligations, such that the exemption must not be detrimental to competition in relevant markets or to security of supply.	<u>Gas storage facilities:</u> Regulation 4 amends section 19A(8)(e) of the Gas Act 1986 to include the requirements that the exemption must not be detrimental to competition in relevant markets or to security of supply. <u>LNG facilities:</u> Regulation 5 amends section 19C(7)(e) of the Gas Act 1986 to include the

		<p>requirements that the exemption must not be detrimental to competition in relevant markets or to security of supply.</p> <p><u>Interconnectors:</u> Regulation 9 amends Condition 12 in the Interconnector Licence to include the requirements that the exemption must not be detrimental to competition in relevant markets or to security of supply.</p>
36.3, 36.4, 41(1)(c) & 42.6	Extends a regulatory authority's duties to consult and cooperate (as applicable) with the relevant authority of a third country where the infrastructure concerned is a transmission pipeline between the relevant MS and that third country.	Regulation 2 amends section 4D of the Gas Act 1986 to provide that the national regulatory authority (the Authority/GEMA) must when carrying out its functions under the Gas Directive, consult and cooperate with the relevant authorities of third countries (as applicable).
48.a	In ensuring third party access to the transmission and distribution systems of the EU, Member State TSOs (as transmission system operators or other economic operators) will retain autonomy over technical agreements concerning the operation of transmission lines between Member's States and third countries.	No implementation action is required.
49.a	Sets out that a MS may derogate from certain provisions in the Gas Directive in relation to transmission lines between that MS and a third country completed before 23 May 2019.	GB did not have any gas transmission pipelines with a third country (as defined by the Gas Directive) prior to 23 May 2019, therefore no implementation action is required.
49.b	Sets out the procedure to be followed where a MS intends to enter into negotiations with a third country in order to amend, extend, adapt, renew or conclude an agreement on the operation of a transmission pipeline with that third country.	Regulation 3 inserts a new section 4E into the Gas Act 1986 which places various duties on the Secretary of State to notify etc. the EU Commission of the commencement, progress and conclusion etc. of negotiations with a third country relating to the operation of a gas transmission pipeline with that third country.