



Date: 30th March 2022

FAQs – Emergency Plan for Gas

1. What is the Emergency Plan for Gas?

The Emergency Plan for Gas of the Federal Republic of Germany is based on the “SOS” Regulation, i.e. 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. It contains three levels of alert, depending on the degree to which state intervention is required.

- **1. Early warning level:** At this first level, a crisis team of officials and energy suppliers is convened at the Federal Ministry for Economic Affairs and Climate Action. The gas suppliers and the gas grid operators are required to make regular assessments of the situation for the Federal Government. However, the state does not intervene at this stage. Rather, gas traders and suppliers, long-distance and distribution grid operators take market-based measures to maintain the gas supply. These include the use of flexibility on the procurement side, the use of stored gas, the optimisation of load flows and the calling up of external balancing energy.
- **2. Alert level:** At the alert level, the market players remain responsible for action to mitigate the situation. The measures cited in level 2 can be taken by the market players. Once again, these include the use of flexibility on the procurement side, the use of stored gas, the optimisation of load flows and the calling up of external balancing energy.
- **3. Emergency level:** If the measures at early warning or alert level are not sufficient, or if there is a permanent deterioration in the supply situation, the Federal Government can issue an ordinance declaring the emergency level. In this case, there is “exceptionally high gas demand, significant disruption of gas supply or other significant deterioration of the gas supply situation”. At this point, the state intervenes in the market. Specifically, this means that the Bundesnetzagentur (Federal Network Agency) becomes the “federal load distributor”. It is then responsible for distributing gas in close coordination with the grid operators. Specific consumer groups enjoy special protection under the law, i.e. wherever possible they must be supplied with gas until the end. These protected consumers include households, welfare institutions like hospitals, and gas-fired power stations which also provide households with heat.

2. What is the gas supply situation in Germany?

At present, the security of the gas supply is ensured. There are no supply bottlenecks. Nevertheless, we must step up our preventive measures. The announcement of the early warning level has led to the formation of a crisis team in the Economic Affairs and Climate Ministry which consists of the relevant federal and Länder authorities and the energy suppliers, and which regularly monitors the situation.

3. Why is the ministry announcing the early warning level, and what does it mean?

Last week, Russia announced that it would only be accepting payments for gas imports in roubles. This is a breach of the private-sector supply contracts. In a joint declaration on 28 March 2022, the G7 countries rejected payment in roubles. Despite this, Russia made several statements yesterday making it clear that it would only accept payments in roubles and threatened to halt gas deliveries if such payments are not made. In order to be prepared for potential restrictions or interruptions to supply, the Economic Affairs and Climate Ministry therefore announced today the early warning level under Article 11 of the EU Regulation concerning measures to safeguard the security of gas supply and convened the gas crisis team. This means that the current situation in the gas grid will be closely observed and assessed.

The announcement of the early warning level means that the Economic Affairs and Climate Ministry will be given much more detailed information about the current supply situation in the various regions of Germany; the detailed contacts between all of the stakeholders have been institutionalised.

4. Why are the G7 countries refusing to pay in roubles?

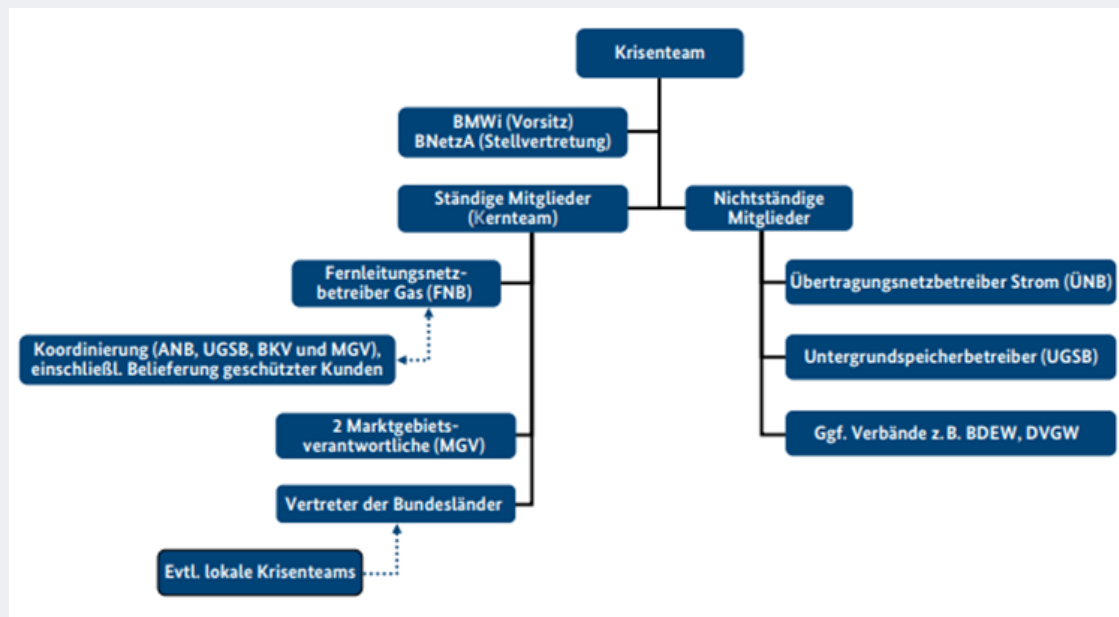
The deliveries of gas to companies in Germany, Europe and other G7 countries are paid in euros or dollars. Putin's announcement that gas can now only be paid for in roubles intervenes unilaterally in contracts concluded under private law. In a joint declaration on 28 March 2022, the G7 countries rejected payment in roubles. The European Union also regards this as unacceptable.

The aim of the Russian government is to bolster the exchange rate of the rouble. In this way, it indirectly undermines the sanctions against the Russian central bank.

5. Who is on the crisis team of the Federal Ministry for Economic Affairs and Climate Action?

The members of the gas crisis team include representatives of the Economic Affairs and Climate Ministry, representatives of the Bundesnetzagentur (Federal Network Agency), the market area managers for gas and the long-distance gas grid operators, and they are supported by representatives of the Länder. From now on, the gas crisis team will meet regularly in order to monitor the situation on the gas market in the light of daily reports from the long-distance gas grid operators and the market area managers, and to advise the Economic Affairs and Climate Ministry. The operators of the long-distance and distribution gas grids will take network-specific and market-specific measures in line with their responsibility in accordance with sections 16 and 16a of the Energy Industry Act. The European Commission and the neighbouring countries have been informed about the announcement of the early warning level. The Economic Affairs and Climate Ministry is in permanent contact with the European Commission.

This diagram illustrates the structure:



6. What is changing for the consumers?

The announcement of the early warning level does not immediately change anything for the consumers. Security of supply continues to be ensured. There are no supply bottlenecks at present.

Even if there are supply shortages in the coming winter, households and welfare institutions like hospitals enjoy special protection. This means that their supply continues to be maintained, even if there is a shortage of gas.

However, it is possible that there will be further price rises. The Federal Government has therefore adopted a [second relief package](#). The Federal Government will closely monitor the development of prices and decide whether and what action is required in the light of the current situation.

7. Is the supply to households ensured?

Yes, the supply to households is ensured. Security of supply continues to be ensured. Cf. also question 6.

8. What is changing for companies?

At the early warning level, there are no immediate changes for companies. There is no intervention in the market at the early warning level. However, the measures already in place are continued.

With regard to the impact of the EU sanctions on the business community, the Economic Affairs and Climate Ministry is working on support for companies. Work is proceeding very quickly on a KfW loan programme. Additional support measures are also currently being discussed in the Federal Government.

9. Is production already being affected?

At present, we cannot identify any supply bottlenecks, and therefore there is no impact on production. The Federal Government is doing all it can to safeguard our security of supply.

10. Has there previously been an announcement of an early warning level?

No. This is the first time an early warning level has been announced in Germany. The early warning level has already been announced by Italy, on 26 February 2022, and by Latvia, on 9 March 2022.

11. What will happen if Russia stops supplying energy?

Thanks to the preventive measures already taken, we will be able to do without Russian gas for the coming weeks and the summer. Further measures will need to be taken to ensure supplies in the coming winter. Basically, the more gas we consume in the spring and summer, the more difficult the situation will be in the winter. Looking at this the other way, the more energy we save now, the better we will get through the winter. So every gas consumer is called on to save as much energy as possible. We presented the status of the action being taken to make Germany less dependent on Russian energy imports in the [Energy Security Progress Report](#) of 25 March 2022. Follow this [link](#) to find out about how consumers can easily save energy and thus improve the situation themselves.