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**COMMISSION OPINION**

**of 21.10.2022**

**under Regulation (EU) No 2019/941, on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC, on the Risk-preparedness Plan submitted by the Competent Authority of Estonia to the European Commission.**

Only the Estonian text is authentic

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### 1. PROCEDURE

Article 10 of 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<sup>1</sup> (the "Regulation") requires the Competent Authority of each Member State to establish a Risk-Preparedness Plan ("RPP"). In accordance with Article 10 (8) of the Regulation, the RPPs have to be updated every four years, unless circumstances require updates that are more frequent. The consultation between Competent Authorities and the Electricity Coordination Group provided for under Article 10(4) of the Regulation has to be carried out before the adoption of the RPP.

The RPP (as well as its updates) need to be based on the regional electricity crisis scenarios identified by ENTSO-E<sup>2</sup> pursuant to Article 6 of the Regulation as well as the national electricity crisis scenarios that each Competent Authority has to identify before the adoption of the RPP pursuant to Article 7 of the Regulation. The electricity crisis scenarios must be identified in relation to system adequacy, system security and fuel security and considering, among others, extreme natural hazards, accidental hazards and consequential hazards, including the consequences of malicious attacks.

The Competent Authority of Estonia, the Ministry of Economic Affairs and Communication, Estonia ("MKM"), notified its draft RPP to the Electricity Coordination Group for the purpose of the consultation required by Article 10(4) of the Regulation on 31 March 2021. MKM notified to the Commission on 17 January 2022 its final RPP.

After having assessed the RPP, in view of the criteria mentioned in Article 11 of the Regulation and the templates provided for in the Annex to the Regulation, and having consulted the Electricity Coordination Group between 18 January and 9 February 2022, the Commission has the following remarks on the RPP.

### 2. COMMISSION'S ASSESSMENT OF THE RISK-PREPAREDNESS PLAN

The RPP is quite comprehensive in the description of the national framework and measures, as well as roles and responsibilities, including when the plan is activated and terminated. The RPP provides a clear link between national and regional scenarios, and it is detailed and comprehensive in the description of national measures, including restoration measures and

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<sup>1</sup> OJ L 158, 14.6.2019, p. 1–21.

<sup>2</sup> European Network of Transmission System Operators for Electricity

regional mechanisms for cooperation and coordination, as well as the impact on other sectors considered vital services.

Nevertheless, the Commission considers that some elements of the RPP do not fully comply with the requirements of the Regulation.

## **2.1 Risk-Preparedness Plan (RPP)**

### *2.1.1. Missing information on the electricity crisis scenarios*

Pursuant to Article 7 of the Regulation, each competent authority has to identify the most relevant national electricity crisis scenarios on the basis of at least certain risks (rare and extreme natural hazards, accidental hazards and consequential hazards, including malicious attacks and fuel shortages). These scenarios have to be consistent with the regional electricity crisis scenarios identified by ENTSO-E pursuant to Article 6 of the Regulation. The national and regional electricity crisis scenarios are the basis on which the Competent Authority has to establish the RPP in accordance with Article 10(1) of the Regulation, and the RPP must include a summary of the electricity crisis scenarios defined for the Member State and the region, in accordance with Article 11(1)(a) of the Regulation and point 1 of the Annex thereto.

The RPP submitted by MKM includes a table with the national electricity crisis scenarios identified for Estonia and a short description of each scenario and sub-scenarios (“situations”). However, these descriptions are of very general nature. It is not possible to conclude from these descriptions what the concrete scenarios simulated for Estonia are. For example, for the scenario named ‘Multiple failures caused by extreme weather situation’, there are no details on the concrete simulations according to the severity and type of storm, nor quantifications of the impact of the risk scenario (references are limited to possibilities without describing specific impacts, e.g. “Some lines remain, but they switch off from congestion.”) Additionally, the RPP does not indicate why other regional scenarios, such as fuel shortage, would not be relevant to Estonia while they are relevant for the region.

The Commission considers that the RPP submitted by MKM needs to be amended to further describe the national scenarios considered. This information on the national scenarios is necessary to assess the completeness and effectiveness of the preventive and mitigating measures contained in the RPP. Moreover, this information is also relevant for other Member States, notably within the same region, to understand the potential impacts and shared challenges that a number of these scenarios may pose.

The Commission also considers that a refined assessment of the crisis scenarios is particularly necessary following the dramatic changes in the EU security situation as a result of the invasion of Ukraine by Russia. Consequently, the Commission takes the view that the RPP submitted by MKM needs to be updated in the light of these circumstances, focussing on geopolitical risks, dependence on fuels and on other supply chains from third countries (including fuel-switching possibilities) and spill over effects from other sectors into electricity (e.g. increase in electricity demand for heating purposes in the absence of other fuels). The Commission reminds MKM that Article 10(8) of the Regulation already requires updating the RPP more frequently than every 4 years where circumstances so warrant.

The Commission recommends that the description of the scenarios includes:

- A clear link between the national and regional scenarios, including the assumptions for its selection and/or rejection.

- A description of the scope, including the national and regional characterization of the hazard.
- The characterization of the selected scenario, including the cross-sector and cross-border interdependencies, initial condition of the system prior to the initiating event, assets exposure and vulnerabilities (based on damage curves if available), and the time-horizon and assumptions applied.
- Account and timeline of events, including the description of initiating events and chain of events. The description should include the coping mechanisms and characterization of the response, including the applicable procedures and measures at national and regional level.
- Impacts on the electricity system and assets, including electricity flows and consequences. The assessment should include a quantitative analysis in terms of EENS<sup>3</sup>/LOLE<sup>4</sup> estimates and/or other quantitative values, as well as possible spill over effects to other sectors, e.g. to the gas sector.
- Specifically for scenarios on cyber-risks, a reference to a framework with minimum and advanced cybersecurity requirements, procedures to follow in case of an incident, a description of the roles and interactions between the competent authority and the cyber-specific actors, such as CSIRT<sup>5</sup>, CERT<sup>6</sup> and cyber-specific authorities, including during a crisis, and the links with cyber specific legislation.
- Climate change and environment considerations, such as climate vulnerability and risks and environmental impacts, including with a view to design preventive measures against the climate and environmental risks identified in order to reduce exposure and vulnerability to the risks. This would include an assessment of the reduction or increase of GHG emissions and the environmental impacts resulting from prevention and mitigation measures included in the RPP.

#### 2.1.2. *Missing information on regional and bilateral measures for cooperation and assistance among Member States*

Pursuant to Article 15 of the Regulation, Member States have to cooperate in a spirit of solidarity in order to prevent or manage crises. Where they have the technical ability, Member States have to offer each other assistance by means of regional measures (with Member States within their region) and bilateral measures (with Member States to which they are directly connected but do not belong to the same region). Such regional and bilateral measures must be described in the RPP in accordance with Articles 12 and 15 of the Regulation and point 3(2)(b) of the Annex thereto, as well as the national measures necessary to implement them pursuant Article 11(1)(j) of the Regulation.

The RPP submitted by MKM describes the system and mentions an agreement on system services for the interconnections between system operators at regional level. However, there is no reference to concrete regional and bilateral measures agreed with the Member States that

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<sup>3</sup> Expected Energy Not-Served (EENS) as defined in Article 2(1)(e) of the methodology for identifying regional electricity crisis scenarios established in accordance with Article 5 of the Regulation.

<sup>4</sup> Loss of Load Expectation (LOLE) as defined in Article 2(1)(g) of the methodology for identifying regional electricity crisis scenarios established in accordance with Article 5 of the Regulation.

<sup>5</sup> Computer Security Incident Response Team

<sup>6</sup> Computer Emergency Response Team

have the technical ability to provide each other assistance in accordance with Article 15 of the Regulation.

The Commission considers that the Estonian RPP has to be amended to include the regional and bilateral measures required by the Regulation, including any necessary technical, legal and financial arrangements, as well as the national measures necessary to implement them.

#### *2.1.3. Missing definition of electricity crisis*

Article 2(9) of the Regulation defines an electricity crisis as a present or imminent situation in which there is a significant electricity shortage, as determined by the Member States and described in their RPPs, or in which it is impossible to supply electricity to consumers.

The Estonian RPP includes a definition of “emergency”, but not a definition of electricity crisis.

The Commission considers that the RPP submitted by MKM needs to be amended to include a definition of electricity crisis as required by the Regulation.

#### *2.1.4. Missing information on some national procedures and measures*

According to Article 11(1)(f) of the Regulation as well as point 3(1)(c) of the Annex thereto, the RPP has to describe measures to mitigate electricity crises, in particular demand-side and supply-side measures, whilst indicating in which circumstances such measures can be used especially the trigger of each measure. Moreover, according to Article 11(1)(g) of the Regulation as well as point 3(1)(c) of the Annex thereto, the RPP has to identify possible non-market measures to be implemented in electricity crises, specifying the triggers, conditions and procedures for their implementation, and indicating how they comply with the requirements laid down in Article 16 on the compliance with market rules as well as with regional and bilateral measures.

The Estonian RPP includes a list of national actions to be adopted during a crisis for each scenario. Nevertheless, for the non-market-based measures, the RPP does not specify the triggers, conditions and procedures for their implementation, and how they comply with the requirements laid down in Article 16 of the Regulation and with the regional and bilateral measures adopted under Article 12 of the Regulation.

The Commission takes the view that the RPP submitted by MKM has to be amended to include further information on the above-mentioned measures, including on procedures, triggers and conditions for their application.

#### *2.1.5. Other missing items*

The Regulation also requires that:

- Member States consult a certain number of relevant stakeholders before they establish their RPP pursuant to Article 10(1) of the Regulation. The RPP must describe the mechanism used and the results of the consultations carried out for the development of the RPP, in accordance with point 5 of the Annex to the Regulation.
- The RPP includes information on the future grid that will help to cope with the electricity crisis scenarios pursuant to Article 11(1)(k) of the Regulation.

- The competent authorities test periodically the effectiveness of the procedures developed in the RPPs for preventing electricity crises, with the involvement of relevant stakeholders and including the mechanisms to share information and cooperate, and carry out biennial simulations of electricity crises, pursuant to Article 12(3) of the Regulation as well as point 6 of the Annex thereto.

The Estonian RPP explains that all parties concerned are consulted during the preparation of the emergency response plan and that some relevant stakeholders are consulted during the preparation of the RPP, including authorities from neighbouring Member States. Nevertheless, these consultations do not appear to include the consultations with all the stakeholders required by the Regulation and their results are not included in the RPP.

The Estonian RPP mentions the consideration of the effects of natural phenomena in network planning for the scenario of simultaneous shutdown of several important network elements due to natural phenomena, without providing any details. In addition, the RPP does not provide information on the related and necessary plans for developing the future grid that will help to cope with the consequences of other identified electricity crisis scenarios.

Moreover, the Estonian RPP does not include any references to biennial regional real time response simulations of electricity crises, including the procedures agreed and the actors involved. It only provides a list of past exercises conducted since 2019.

The Commission takes the view that the RPP submitted by MKM has to be amended to include the missing information indicated above. Moreover, and given the current exceptional circumstances, the Commission recommends that MKM accelerates any calendar for the mandatory tests on the effectiveness of the procedures developed in its RPP. These tests should be carried as soon as possible and with a focus on winter 2022-2023. They should cover regional and national measures and communication and coordination protocols, in cooperation with neighbouring countries within the region. These tests should help improve the existing measures and the mechanisms for cooperation and communication, and identify additional national and regional measures (the latter preferably jointly with regional partners).

## 2.2 Other comments

Apart from the substantive remarks presented above, the Commission would like to draw the attention of MKM, to some other elements of the submitted RPP, which do not raise legal concerns in terms of their compatibility with the elements mentioned in Article 13(2)(a) to (f) of the Regulation, but which may provide useful guidance to the Competent Authority for future amendments of the RPP.

- It is unclear from the RPP submitted by MKM whether categories of electricity users entitled to receive special protection against disconnection, as referred to in Article 11(1)(h) of the Regulation, exists in Estonia. The RPP refers to some institutions and persons whose functionality depends on electricity and must generally ensure the capacity of an autonomous electricity supply or, if possible, purchase of this service. It is therefore not clear whether some of them could fall under the category of users entitled to receive special protection or not.
- The Estonian RPP refers without any details to an agreement on system services on the interconnections between TSOs and the terms and conditions for the use and compensation of the system services. The RPP should include more information and describe in more detail the mechanisms for cooperation and coordination, including on the agreement and terms and conditions above mentioned.

- The Estonian RPP refers to some emergency plans, such as the rescue emergency plan, cyber incident emergency plan or police emergency plan. The Commission recommends to describe in more detail these emergency plans and their interaction with the procedures and measures of the RPP.
- Considering the Baltic power systems plans to synchronise with the European continental grid by the end of 2025, the RPP should assess how the procedures and measures established in the RPP may be affected.
- While the RPP does not refer to preventive or mitigating measures that could have an impact on greenhouse gas (GHG) emissions (e.g. back-up fossil fuel generation or the deployment of additional fossil fuel capacity), the Commission reminds MKM that such measures should be listed in the RPP if they existed. In such case, the Commission also recommends that the risk/impact on GHG emissions is quantified and assessed to determine the alignment of the RPP with the climate neutrality goal.

### 3. CONCLUSION

Based on the above assessment, and in view of Article 13(2)(c) of the Regulation, the Commission concludes that some elements of the RPP submitted by MKM do not comply with certain provisions of this Regulation.

The Commission requests MKM to amend the RPP taking duly into consideration all the concerns expressed by the Commission in the present opinion and notify the amended RPP to the Commission within three months of receipt of this opinion pursuant to Article 13(3) of the Regulation. In view of the circumstances following Russia's invasion of Ukraine, the Commission recommends to prioritise the focused update of the RPP described in section 2.1.1, the test on the effectiveness of the procedures developed in the RPP referred to in section 2.1.5, the missing information on regional and bilateral measures for cooperation and assistance among Member States described in section 2.1.2 and the detailed description of national electricity crisis scenarios described in section 2.1.1. The Commission urges MKM to describe and assess the actions to reduce gas consumption in the power sector, as called upon in the Communication "Save gas for a safe winter",<sup>7</sup> while ensuring security of electricity supply. Furthermore, the Commission urges Estonia to take into consideration the Council Recommendation, proposed by the European Commission on 18 October 2022, on a coordinated approach to strengthen the resilience of critical infrastructure in the EU, and, in particular, the results of the stress tests of critical infrastructure foreseen therein.

The Commission's assessment expressed in this opinion is without prejudice to any position it may take vis-à-vis Estonia as regards the compatibility of national measures with EU law, including in the context of infringement proceedings and the enforcement of European Union competition rules, including State aid rules.

The Commission will publish this opinion. The Commission does not consider the information contained herein to be confidential, in particular as it relates to the RPP which is publicly available. MKM is invited to inform the Commission within five working days following receipt of the opinion whether it considers that it contains commercially sensitive information, the confidentiality of which is to be preserved.

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<sup>7</sup> COM(2022) 360 final

Done at Brussels, 21.10.2022

*For the Commission*  
*Kadri SIMSON*  
*Member of the Commission*