

Consultation on the Oil Stocks Directive (Directive 2009/119/EC)

Fields marked with * are mandatory.

Introduction

This consultation is launched to collect views and suggestions from stakeholders and citizens for the purposes of the current evaluation of Council Directive 2009/119/EC imposing an obligation on Member States to maintain stocks of crude oil and/or petroleum products. The general objective of the evaluation is to assess how the Oil Stocks Directive has been implemented in the Member States and how it is functioning in practice; to identify possible problems and areas for improvement or simplification.

Article 22 of the Directive tasked the Commission to "review" (evaluate) the functioning and implementation of this Directive. As a first step, an independent study was carried out by an external consultant. The final report is published on the website of the Directorate General for Energy (<https://ec.europa.eu/energy/en/studies>). As a part of this study, a technical survey was carried out addressed to targeted stakeholders.

For more information about the evaluation, see the [roadmap](#)

Who should answer?

The Commission is now seeking the views of all stakeholders and general public, with the help of a general non-technical survey, which focusses on the basic questions of the evaluation. Stakeholders having replied to the technical survey are encouraged to answer to this public consultation, which will serve as a complement to the input they provided in the past. This consultation also provides experts the opportunity to express their personal views, which might well differ from the official position of their institutions / authorities.

What is the Oil Stocks Directive?

In view of the important role of oil for the economy and the significant import dependence, EU Member States have to hold emergency oil stocks. This obligation was imposed first in 1968, under Council Directive 68/414/EEC of 20 December 1968. Such stocks shall ensure the continuity of supply of petroleum products to consumers in case of possible disruptions. In 2009 the legislation was revised with the following main objectives in mind:

- improving the availability of the stocks,
- better harmonization with the stockholding system created by the International Energy Agency (IEA),
- reducing administrative burden
- and improving transparency.

Member States had to transpose the Directive into their national legal order by 31 December 2012.

Main provisions of the Oil Stocks Directive

Member States must maintain a total level of emergency oil stocks corresponding, at the very least, to 90 days of average daily net imports or 61 days of average daily inland consumption, whichever of the two quantities is greater.

The average daily net imports are to be calculated on the basis of the method explained in Annex I of the Directive, whilst the procedure for calculating average daily inland consumption is given in Annex II. Annex III lays down the procedure for calculating stock levels.

The Directive includes several provisions which are supposed to improve the availability of stocks; for example, it distinguishes emergency stocks and commercial stocks and clarifies that stocks held by bankrupt companies cannot be reported as emergency stocks. The Directive also introduced the so-called specific stocks; Member States may make a voluntary commitment to establish such stocks which have to meet stricter requirements related to their composition and availability. Member States have an obligation to ensure that emergency oil stocks are available and physically accessible. In this regard, they are responsible for putting in place arrangements for the identification, accounting and control of these stocks. A register containing information on emergency stocks (the location of the depot, refinery or storage facility, the quantities involved, the owner of the stocks and their nature) has to be established and continually updated.

Since 2013, a single questionnaire is used by the IEA and the Commission, which was adjusted to fully meet the requirements of the Directive. In addition to the monthly reporting of stock levels, the Directive introduced annual reporting (summary copy of the register and a report on the measures ensuring the availability and physical accessibility of stocks) which provides additional information about the Member States' stockholding arrangements.

CSE: In order to maintain stocks, each Member State may set up a central stockholding entity (CSE), in the form of a non-profit making body or service. The CSE shall maintain oil stocks (acquire and manage these stocks). Under the conditions and limitations laid down by the Directive, CSEs and Member States may delegate part of the management of stocks to another Member State with stocks on its territory, to the CSE set up by the said Member State or to economic operators

Specific stocks and other stocks of products: Each Member State is invited to commit to maintaining specific stocks. In this case, they must maintain a minimum level defined in terms of number of days of consumption. Specific stocks shall be owned by the Member State concerned or the CSE set up by it. Member States shall publish their decision to hold specific stocks in the Official Journal of the European Union.

Specific stocks shall be composed of one or several of the following products: ethane; LPG; motor gasoline; aviation gasoline; gasoline-type jet fuel (naphtha-type jet fuel or JP4); kerosene-type jet fuel; other kerosene; gas/diesel oil (distillate fuel oil); fuel oil (high sulphur content and low sulphur content); white spirit and SBP; lubricants; bitumen; paraffin waxes; petroleum coke.

Member States shall ensure that in total, for the reference year, the crude oil equivalent of the quantities consumed of products included in the categories used is at least equal to 75 % of inland consumption. If there is no commitment to maintain at least 30 days of specific stocks, Member States shall ensure that at least one third of their commitment is held in the form of products, under the conditions laid down by the Directive.

Biofuels and additives: When calculating stockholding obligations and stock levels actually maintained, biofuels and additives shall be taken into account only where they have been blended with the petroleum products concerned. Furthermore, under certain conditions, part of the biofuels and additives stored on the territory of the Member State in question may be taken into account when calculating stock levels actually maintained.

Emergency procedures: Member States must be able to release all or part of their emergency stocks and specific stocks if required. Contingency plans shall be developed. In the event of a major supply disruption, emergency procedures must be in place. Specific rules also apply according to whether or not there is an effective international decision to release stocks.

Finally, the Directive set up a "Coordination Group for oil and petroleum products" (Article 17). While the main role of the Group is to facilitate coordination between Member States in case of a disruption, it is also a useful forum to discuss various issues related to the implementation of the Directive.

See more information about the EU stockholding system at

<https://ec.europa.eu/energy/en/topics/imports-and-secure-supplies/eu-oil-stocks>

<http://ec.europa.eu/eurostat/data/database>

IEA regime

Each IEA country has an obligation to hold oil stocks equivalent to no less than 90 days of net imports. No obligation is imposed to countries that are net oil exporters. The oil stocks obligation can be met through stocks held exclusively for emergency purposes and also to stocks held for commercial or operational use, including stocks held at refineries, port facilities and in tankers in ports. In case of oil disruption, the IEA may activate collective emergency oil response measures.

IEA has 29 member countries. 20 EU Member States are also parties to IEA.

See more information on the IEA stockholding system at

http://www.iea.org/media/freepublications/security/EnergySupplySecurity2014_PART1.pdf

<https://www.iea.org/netimports/>

1. General information about respondents

* 1.1. Are you answering on behalf of an organisation or institution?

- ☒ Yes, I am answering on behalf of an organisation or institution
- ☐ No, I am answering as an individual

* 1.2. If replying as an individual/private person, please give your name; otherwise give the name of your organisation, your full name and position title.

Text of 1 to 200 characters will be accepted

UPEI

* 1.3. Please enter your email address:

info@upei.org

* 1.4. In which capacity are you completing this questionnaire?

- | | |
|---|--|
| <input type="radio"/> as an individual / private person | <input type="radio"/> academic/research institution |
| <input type="radio"/> civil society organisation | <input type="radio"/> international organisation |
| <input type="radio"/> private enterprise | <input checked="" type="radio"/> professional organisation |
| <input type="radio"/> public authority | <input type="radio"/> public enterprise |
| <input type="radio"/> consumers association | <input type="radio"/> other |

1.5. If you are a private or public enterprise, could you please indicate your principal business sector?

- | | |
|---|--|
| <input type="radio"/> Central Stockholding Entity | <input type="radio"/> Oil processing |
| <input type="radio"/> Oil storage | <input type="radio"/> Oil transportation |
| <input type="radio"/> Oil trading | <input type="radio"/> Chemicals |
| <input type="radio"/> Transport | <input type="radio"/> other |

1.6. If you are a private or public enterprise, could you please indicate the size of your company?

(Medium-sized enterprise: an enterprise that employs fewer than 250 persons and whose annual turnover does not exceed EUR 50 million or whose annual balance-sheet total does not exceed EUR 43 million. Small enterprise: an enterprise that employs fewer than 50 persons and whose annual turnover and/or annual balance-sheet total does not exceed EUR 10 million. Micro-enterprise: an enterprise that employs fewer than 10 persons and whose annual turnover and/or annual balance-sheet total does not exceed EUR 2 million.)

- ☐ large enterprise
- ☐ medium-sized enterprise
- ☐ small enterprise
- ☐ micro-enterprise
- ☐ I don't know

1.7 If you are a private or public enterprise, could you please indicate whether you are obliged to hold oil stocks?

- ☐ Yes
- ☐ No

1.8. If you are a professional organisation, which sector(s) does your organisation represent?

- | | |
|--|---|
| <input type="radio"/> Oil processing | <input type="radio"/> Oil storage |
| <input type="radio"/> Oil transportation | <input type="radio"/> Oil Import-export |
| <input type="radio"/> ChemicalsTransport | <input checked="" type="radio"/> other |

please specify here:

50 character(s) maximum

Importers/wholesale/retail distributors refined

1.9. If you are a professional organisation, where are your member companies located? (several answers are possible)

- | | | | |
|--|--|---|--|
| <input type="checkbox"/> Austria | <input checked="" type="checkbox"/> Belgium | <input type="checkbox"/> Bulgaria | <input checked="" type="checkbox"/> Croatia |
| <input type="checkbox"/> Cyprus | <input checked="" type="checkbox"/> Czech Republic | <input type="checkbox"/> Denmark | <input checked="" type="checkbox"/> Estonia |
| <input type="checkbox"/> Finland | <input checked="" type="checkbox"/> France | <input checked="" type="checkbox"/> Germany | <input type="checkbox"/> Greece |
| <input checked="" type="checkbox"/> Hungary | <input checked="" type="checkbox"/> Ireland | <input checked="" type="checkbox"/> Italy | <input checked="" type="checkbox"/> Latvia |
| <input type="checkbox"/> Lithuania | <input type="checkbox"/> Luxembourg | <input type="checkbox"/> Malta | <input checked="" type="checkbox"/> Netherlands |
| <input type="checkbox"/> Poland | <input type="checkbox"/> Portugal | <input type="checkbox"/> Romania | <input checked="" type="checkbox"/> Slovakia |
| <input checked="" type="checkbox"/> Slovenia | <input checked="" type="checkbox"/> Spain | <input type="checkbox"/> Sweden | <input checked="" type="checkbox"/> United Kingdom |
| <input type="checkbox"/> non-EU country(ies) | | | |

1.10. If you are a civil society organisation, please indicate your main area of focus.

- ☐ Energy
- ☐ Environment & Climate
- ☐ Technology & Research
- ☐ other

1.11. If you are a public authority, can you define more specifically your area of competence?

- ☐ national government
- ☐ national parliament
- ☐ regional government
- ☐ regional parliament
- ☐ local authority
- ☐ governmental agency
- ☐ EU institution / body
- ☐ other

1.12. Is your organisation registered in the [Transparency Register](#)?

- ☒ Yes
- ☐ No

Please give your Register ID number

(nb. If your organisation/institution responds without being registered, the Commission will consider its input as that of an individual and will publish it as such.)

200 character(s) maximum

42843016904-50

1.13. Please give your country of residence/establishment

- | | | | |
|---|--|--------------------------------|--------------------------------------|
| <input type="radio"/> Austria | <input checked="" type="radio"/> Belgium | <input type="radio"/> Bulgaria | <input type="radio"/> Croatia |
| <input type="radio"/> Cyprus | <input type="radio"/> Czech Republic | <input type="radio"/> Denmark | <input type="radio"/> Estonia |
| <input type="radio"/> Finland | <input type="radio"/> France | <input type="radio"/> Germany | <input type="radio"/> Greece |
| <input type="radio"/> Hungary | <input type="radio"/> Ireland | <input type="radio"/> Italy | <input type="radio"/> Latvia |
| <input type="radio"/> Lithuania | <input type="radio"/> Luxembourg | <input type="radio"/> Malta | <input type="radio"/> Netherlands |
| <input type="radio"/> Poland | <input type="radio"/> Portugal | <input type="radio"/> Romania | <input type="radio"/> Slovakia |
| <input type="radio"/> Slovenia | <input type="radio"/> Spain | <input type="radio"/> Sweden | <input type="radio"/> United Kingdom |
| <input type="radio"/> Other non-EU European country | <input type="radio"/> Non-European country | | |

- * 1.14. Please indicate your preference for the publication of your response on the Commission's website:

(Please note that regardless the option chosen, your contribution may be subject to a request for access to documents under Regulation 1049/2001 on public access to European Parliament, Council and Commission documents. http://ec.europa.eu/transparency/access_documents/index_en.htm In this case the request will be assessed against the conditions set out in the Regulation and in accordance with applicable data protection rules.)

- ☒ Under the name given: I consent to publication of all information in my contribution and I declare that none of it is subject to copyright restrictions that prevent publication.
- ☐ Anonymously: I consent to publication of all information in my contribution and I declare that none of it is subject to copyright restrictions that prevent publication.
- ☐ Please keep my contribution confidential. (it will not be published, but will be used internally within the Commission)

2. Relevance

Relevance looks at the relationship between the needs and problems in society and the objectives of the intervention. The economic, social or political climate may change over time which could make a previous intervention less relevant. In this context, is it still relevant to stipulate minimum requirements for emergency oil stocks and/or to align those requirements to those of the International Energy Agency (IEA)?

2.1 Do you agree that the emergency oil stocks are necessary to guarantee the security of supply in the EU?

- ☒ Yes, fully
- ☐ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

2.2 Do you agree that the EU needs to have its own rules on emergency oil stocks?

- ☒ Yes, fully
- ☐ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

2.3 Do you agree that the EU rules on emergency oil stocks need to be in line with the rules applied in the context of the IEA?

- ☒ Yes, fully
- ☐ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

It should elaborate the possibilities and procedures to allow for Member States to use part of their emergency stocks to support or prevent a temporary local/regional/intra EU supply crisis situation.

2.4. The Directive obliges to hold a level of oil stocks equivalent to 90 days of average daily net imports or 61 days of average daily inland consumption, whichever of the two quantities is greater. In your view, are these levels of emergency oil stocks requested by the Directive appropriate for the EU to cope with a serious oil supply disruption?

- ☐ Yes, fully
- ☒ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer notably by clarifying if you think higher or lower level of stocks would be more adapted.

200 character(s) maximum

Maintenance of ES is necessary to guarantee security of supply, but it is costly measure ultimately paid by consumers. There should be a mechanism to review regularly the adequacy of the 90 day level.

2.5. The average daily net imports referred to in question 2.3. need to be calculated based on the crude oil equivalent of imports during the previous year. Annex I of Directive 2009/119/EC lays down the methodology based on which the imports of petroleum products are converted into crude oil equivalent. In your view, is this methodology well adapted for the calculation of the equivalent of crude oil import?

- ☐ Yes, fully
- ☒ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

Naphtha should be excluded from the Directive. It distorts calculation of the required stock levels, and the 7% threshold creates distortions in stock-holding costs for some countries.

2.6. The average daily inland consumption referred to in question 2.3 need to be calculated based on the crude oil equivalent of inland consumption during the previous calendar year. Annex II of Directive 2009/119/EC lays down the methodology based on which the inland consumption is converted into crude oil equivalent of inland. In your view, is this methodology well adapted for the calculation of the inland consumption?

- ☒ Yes, fully
- ☐ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

2.7. Annex III of Directive 2009/119/EC lays down the methodology for calculating the level of stocks held. In your view, is this methodology well adapted for calculating the actual level of stocks that would be actually accessible and available in case of oil supply disruption?

- ☒ Yes, fully
- ☐ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

2.8. Any additional views related to the relevance of the objectives of Directive 2009/119?

500 character(s) maximum

It has not sufficiently taken into consideration distortion of competition: the Directive 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 countries have not recognized this issue and the resulting CSO costs selectively penalize the business model of resellers. We are concerned that some countries (UK example) who did recognize the issue of different commercial stock requirements may be stepping back.

3. Effectiveness

Effectiveness analysis considers how successful EU action has been in achieving or progressing towards its objectives. The evaluation should form an opinion on the progress made to date and the role of the EU action in delivering the observed changes. Directive 2009/119 aimed at: (1) improving the availability of the stocks, (2) better harmonizing with the stockholding system created by the IEA, (3) reducing administrative burden and (4) improving transparency. In this context, to what extent have the 4 main objectives been achieved? To what extent have the planned results been produced and contributed to the overall objective of strengthening the security of oil supply?

3.1. In your view, has the Directive improved the availability of the stocks in case of oil disruption?

- ☐ Yes, fully
- ☒ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

However, with no mechanism for dealing with local, regional and intra EU crisis its potential impact is very limited, in particular as compared to the costs it entails.

3.2. In your view, has the Directive improved the physical accessibility of the stocks in case of oil disruption?

- ☒ Yes, fully
- ☐ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

3.3. In your view, has the Directive achieved a better harmonization with the International Energy Agency (IEA) system?

- ☐ Yes, fully
- ☒ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

Improved in theory but has not yet been tested.

3.4. If you are a public administration, how would you rate the impact of the Directive on the administrative burden?

- ☐ The administrative burden increased largely
- ☐ The administrative burden increased slightly
- ☐ No impact
- ☐ The administrative burden decreased slightly
- ☐ The administrative burden decreased largely
- ☐ No opinion

3.5. If you are an economic operator, how would you rate the impact of the Directive on the administrative burden?

- ☒ The administrative burden increased largely
- ☐ The administrative burden increased slightly
- ☐ No impact
- ☐ The administrative burden decreased slightly
- ☐ The administrative burden decreased largely
- ☐ No opinion

Please explain your answer

200 character(s) maximum

The degree of administrative burden differs between national systems putted in place, in general where CSO is managed by an independent agency the administrative burden are lower.

3.6. In your view, has the Directive improved the transparency as regards the level of emergency oil stocks held in the Member States and the European Union as a whole?

- ☐ Yes, fully
- ☒ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

The differentiation of commercial stocks and qualifying stocks has been interpreted differently across countries.

3.7. Emergency oil stocks may be held at any location across the EU. The previous rules allowed cross-border stockholding only if there was a bilateral agreement between the Member States concerned. The Directive removed this requirement, but Member States need to authorize in advance cross-border arrangements between operators. In your view, has the Directive improved transparency as regards the cross border stocks?

- ☐ Yes, fully
- ☒ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

Possibility of keeping ES in another MS should be aided and regulated between the stock owner and keeper with agreements/contract without the authorization required in advance by MS. (See 3.9)

3.8. Are you aware of any unexpected or unintended effects of the Directive?

- ☒ Yes
☐ No

Please explain your answer

200 character(s) maximum

Lack of harmonization: different implementing scenarios that Directive foresee. Way systems are setup, competitiveness problems are a reality, no treatment of differences between distributors/refineries.

3.9. Any additional views on the effectiveness of Directive 2009/119?

500 character(s) maximum

The playing field is so different between the MS that economic barriers and disadvantages remain. As a relevant example: the different VAT treatment of stockholding fees has become a barrier to transactions across countries.
3.7. Since control is the key factor, each country should publish a list of installations where stockholding can be controlled. These installations should qualify without authorisation in advance.

4. Efficiency

Efficiency considers the relationship between the resources used by an intervention and the changes generated by the intervention. Efficiency analysis will include analysis of administrative and regulatory burden and look at aspects of simplification. It is important to note that efficiency analysis should always look closely at both the costs and benefits of the EU intervention as they accrue to different stakeholders.

The ex-ante cost benefit carried out by the Commission in 2008 can be consulted in the [Impact Assessment](#)

4.1. In your view, the costs related to the implementation of the Directive were:

- ☒ Very high
- ☐ high
- ☐ Moderate
- ☐ Low
- ☐ No opinion

Please explain your answer

200 character(s) maximum

4.2. How would you estimate the economic burden resulting from the Directive on the different stakeholders? (0 stands for no impact 1 for minimum impact and 5 for a maximum impact)

	0	1	2	3	4	5
CSE	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
SME	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consumers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Tax payers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
State finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4.3. Did the Directive improve efficiency by simplifying reporting?

- ☐ Yes, fully
- ☐ Yes, partly
- ☒ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

4.4. Did the Directive improve efficiency through better harmonisation with the IEA system?

- ☒ Yes, fully
- ☐ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

4.5. Considering your answers to chapter 3 and to questions 4.3 and 4.4, do you think that the costs related to the implementation of the Directive are proportionate to the benefits achieved?

- ☐ Yes, fully
- ☐ Yes, partly
- ☒ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

The costs depend on the effectiveness of the different national systems.

4.6. Any additional views on the effectiveness of Directive 2009/119?

500 character(s) maximum

CSO cost should represent an equal burden to all agents on top of its own commercial stocks requirement. Many countries have not recognized this issue and the resulting CSO costs selectively penalize the business model of resellers.

5. Coherence

The evaluation of coherence involves looking at how well or not different actions work together. Checking "internal" coherence means looking at how the various internal components of an EU intervention operate together to achieve its objectives. Similar checks can be conducted in relation to other "external" interventions, at different levels: for example, between interventions within the same policy field or in areas which may have to work together. At its widest, external coherence looks at compliance with international agreements/declarations.

5.1. The IEA requires its members to hold oils stocks equivalent 90 days of net imports and imposes no obligation on net oil exporters. Contrary to the EU system, stocks held for commercial or operational use can be counted to this purpose. 20 EU Member States have to comply with both the EU and the IEA mechanism. In your view, is the system resulting from the Directive coherent with IEA obligations?

- ☐ Yes, fully
- ☒ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

The Directive creates actual stockholding higher than the IEA.

5.2. The Energy Union means making energy more secure, affordable and sustainable. The Energy Union strategy is made up of 5 dimensions: (1) energy security, solidarity and trust; (2) a fully integrated European energy market; (3) energy efficiency contributing to moderation of demand; (4) decarbonising the economy and (5) research innovation and competitiveness.

http://ec.europa.eu/priorities/energy-union-and-climate_en

In your view, is the Directive coherent with the Energy Union objectives?

	Yes, fully	Yes, partly	No	No opinion
Energy security, solidarity and trust	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fully integrated European energy market	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Energy efficiency contributing to moderation of demand	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Decarbonising the economy	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Research, innovation and Competitiveness	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Please explain your answer

200 character(s) maximum

5.3. In your view, is the Directive coherent with other EU rules in the energy sector ? <https://ec.europa.eu/energy/en/topics>

- ☐ Yes, fully
- ☒ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

EU is moving towards, encouraging other energy sources, in the meantime security of stocks should be a high priority. Oil is reliable; we have no security of gas or electricity, which makes us vulnerable.

5.4. In your view, is the Directive coherent with other EU rules relating to the oil sector? <https://ec.europa.eu/energy/en/topics/oil-gas-and-coal>
http://ec.europa.eu/growth/tools-databases/newsroom/cf/itemdetail.cfm?item_id=8630&lang=en

- ☐ Yes, fully
- ☒ Yes, partly
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

Taking into account that the EU rules recognize the value of oil and importance of maintaining energy sources in the energy mix: yes.

5.5. In your view, is the Directive coherent with other EU policies? https://ec.europa.eu/info/index_en

- ☐ Yes, fully
- ☐ Yes, partly
- ☐ No
- ☒ No opinion

Please explain your answer

200 character(s) maximum

5.6. Any additional views on the coherence of the Directive with other rules, policies and actions?

500 character(s) maximum

6. EU added value

European added value is defined as the value resulting from an EU intervention which is additional to the value that would have been otherwise created by Member State action alone. In the context of the evaluation, the question is whether having an EU Directive on emergency oil stocks presents more added value than a situation without EU intervention.

6.1. Do you see an added value in having a coordinated mechanism for emergency oil stocks?

- ☒ Yes
- ☐ No
- ☐ No opinion

6.2. Do you think that the existence of a separate EU system for emergency oil stocks is justified?

- ☒ Yes
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

Yes, because otherwise each country may follow a different model and the result is market distortion. Europe should find the way in which the CSO volumes should support/prevent EU emergency situation.

6.3. Do you consider that the EU system is a good complement of the IEA system?

- ☒ Yes
- ☐ No
- ☐ No opinion

Please explain your answer

200 character(s) maximum

6.4. What would be the consequences on the levels of oil stocks available in case of disruption if the EU no longer required Member States to hold emergency stocks?

- ☐ No consequence
- ☒ Decrease the level of oil stocks held
- ☐ No opinion

Please explain your answer

200 character(s) maximum

No right response from the EU Member States, we would have different national responses that would be not in EU interest.

6.5. What would be the consequences on the security of oil supply if the EU no longer required Member States to hold emergency stocks?

- ☐ No consequence
- ☒ Increase the vulnerability in case of oil disruption
- ☐ No opinion

Please explain your answer

200 character(s) maximum

Vulnerability would depend on which system each Member State will decide to establish.

6.6. Is there a need for EU additional policy on emergency oil stocks?

- ☐ Yes
- ☒ No

Please explain your answer

200 character(s) maximum

6.7. Any additional views on Directive 2009/119 added value?

500 character(s) maximum

7. Results of the study – Recommendations

A study in support of the mid-term evaluation of the functioning and implementation of Council Directive 2009/119/EC was prepared by a consultant to provide the Commission with an independent evaluation of the Directive. Respondents are invited to give their opinion on the findings and recommendations presented in the report[1].

The composition and levels of emergency stocks held are crucial to addressing a disruption in an effective way. Annex I of the Directive sets out the methods and procedures for the calculation of the crude oil equivalent of the petroleum product imports. Annex II sets out the method for calculating the crude oil equivalent of inland consumption. Annex III sets out the methods for calculating the level of stocks held. The methods and procedures described in these Annexes may be amended in comitology, in accordance with the regulatory procedure referred in Article 23(2).

Naphtha is a petroleum product which can also have a petrochemical use. Annex I and Annex II detailed specific provisions to take into account the part of naphtha not available for energy purposes. Annex I states that the crude oil equivalent of oil import is reduced by 4%, or if by the net actual consumption or the average naphtha yield if greater than 7% on the national territory of the Member State. Annex III state that crude oil stocks are to be reduced by 4% which correspond to the average naphtha yield, and stocks of naphtha are not included in the emergency stocks.

[1] Study in support of the mid-term evaluation of the functioning and implementation of Council Directive 2009/119/EC- Trinomics, 2016- http://ec.europa.eu/energy/studies/study_in_support_of_the_mid-term_evaluation_of_the_functioning_and_implementation_of_council_directive_2009_119_ec_en.pdf

7.1. The 7% naphtha threshold might have an impact on the stockholding obligation for some Member States with naphtha yield fluctuating around 7%. Do you consider annex I should be amended to limit the trigger effect of the 7% naphtha yield?

- ☒ Yes
☐ No

Please explain your answer

500 character(s) maximum

Naphtha should be excluded: in an emergency there is an urgent need for finished products, allowing crude oil as an emergency feedstock to be processed in the meantime. Naphtha is a feedstock that needs to be processed to become a gasoline blending component. There is no need for such additional feedstocks for gasoline. The required amount of gasoline stocks should be kept as a finished product and partly in the yield of crude oil. Naphtha for other purposes should be part of different stocks.

7.2. Under the IEA methodology, for calculating the stock levels, the 4% naphtha yield is deducted from "crude oil, NGL, and feedstock" which is the abbreviation for the full name of Crude, NGL, Feedstocks, Additives/oxygenates and Other Hydrocarbons; compared to 4% reduction of "crude oil" in Annex III of the Directive. "Crude oil" in the sense used in Annex III of the Directive comprises also Crude, NGL, Feedstocks, Additives/oxygenates and Other Hydrocarbons. Do you consider Annex III of the Directive should be amended to explicitly indicate the full name of Crude, NGL, Feedstocks, Additives/oxygenates and Other Hydrocarbons?

- ☒ Yes
☐ No

Please explain your answer

500 character(s) maximum

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, sulfur, bitumen, lubricant should be eliminated.

7.3. Under the IEA methodology, naphtha for gasoline production is included in the calculation for stock levels if it is reported as gasoline blending component while naphtha for petrochemical uses is excluded. According to Annex III of the Directive, stocks of naphtha are not included in the emergency stocks. Do you consider Annex III of the Directive should be amended to further detail the possible reporting of naphtha as gasoline blending component?

- ☐ Yes
☒ No

Please explain your answer

500 character(s) maximum

Both in the IEA methodology and in Annex III of the Directive, a 10% deduction is made on the quantities of stocks calculated. According to the IEA methodology the deduction is made to account for unavailable stocks. The Directive does not specify any reason for the deduction.

7.4. In your view, is a 10% deduction still justified?

- ☐ Yes
☒ No

Please explain your answer

200 character(s) maximum

The 10% extra stocks should not be applied to the specific stocks.

7.5. if not justified, how should Annex III be amended?

- ☐ No deduction rate at all for unavailability
☐ A lower deduction rate
☐ Several deduction rates based on the nature of the stock holders (whether CSE, private, cross border,...)
☒ Other (specify)

Please explain your answer

200 character(s) maximum

The EU Directive should remain consistent with IEA an updated technical study backed by IEA should be launched, based on both current practices and recent techniques available.

Additional contribution

Do you have other specific views that could not be expressed in the context of your replies to the above questions?

5000 character(s) maximum

There are costs and distortions in how the transition from the old Directive has been implemented. Some countries have levied stock fees for products not included in the old Directive (bitumen, etc.) while others have just increased the costs to the sellers of liquid fuels. Most countries levy fees for 100% of jet fuel sales while others apply a reduction for national exports and charge the balance to liquid fuel sellers.

Different country interpretations of cross border holding requirements are distorting the market for international tickets. In addition, different VAT treatment of stock holding fees across 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.

Finally, you may upload here any relevant documents, e.g. position papers, that you would like the European Commission to be aware of.

Thank you for your participation in the consultation!

Contact

ENER-OSD-EVALUATION@ec.europa.eu
