

25 – Anonymous 7	
2.1 Do you agree that the emergency oil stocks are necessary to guarantee the security of supply in the EU?	Yes, fully
Please explain your answer	Oil products are essential to the EU security of energy supply. Emergency oil stocks ensure the resilience of the EU energy system to sudden changes within the supply-demand balance.
2.2 Do you agree that the EU needs to have its own rules on emergency oil stocks?	Yes, partly
Please explain your answer	While XXX believes that is relevant to stipulate minimum requirements for emergency oil stocks at the EU level aligned with IEA. "Own rules" are not justified if different from IEA rules.
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
Please explain your answer	Full alignment of EU requirements to those of the IEA: obligated parties should be allowed to use Naphtha stocks for compulsory coverage when used for gasoline production (transport use).
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
Please explain your answer notably by clarifying if you think higher or lower level of stocks would be more adapted.	XXX believes that the current stock levels are fully sufficient—any structural changes that would mean an increase on those levels should be justified and examined against criteria of cost-effectiveness
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?	No opinion

Please explain your answer	
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?	No opinion
Please explain your answer	
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, partly
Please explain your answer	Unavailability factor is much smaller than the 10% currently laid down in the Directive. An updated study backed by IEA should be launched in order to remove the current unavailability factor.
2.8. Any additional views related to the relevance of the objectives of Directive 2009/119?	The Directive allows a wide list of products, but among these some are not strategic in case of a crisis for the transport sector and the chemical industry, which are identified as two key sectors by the CSO Directive. XXX believes that in order to meet the energy security goal targeted by stock obligation, the list of allowed products should consider only strategic products in case of a crisis and therefore eliminate products such as Petcoke, Sulfur, Paraffin and waxes.
3.1. In your view, has the Directive improved the availability of the stocks in case of oil disruption?	Yes, partly
Please explain your answer	The list of allowed products should consider only strategic products in case of a crisis and eliminate products such as Petcoke, Sulfur, Paraffin and

	waxes. It should be harmonized at EU level.
3.2. In your view, has the Directive improved the physical accessibility of the stocks in case of oil disruption?	No opinion
Please explain your answer	
3.3. In your view, has the Directive achieved a better harmonization with the International Energy Agency (IEA) system?	Yes, partly
Please explain your answer	XXX calls for full alignment with IEA methodology. Especially obligated parties should be allowed to use Naphta stocks for compulsory coverage when used for gasoline production.
3.4. If you are a public administration, how would you rate the impact of the Directive on the administrative burden?	No opinion
Please explain your answer	
3.5. If you are an economic operator, how would you rate the impact of the Directive on the administrative burden?	No opinion
Please explain your answer	
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, partly
Please explain your answer	The transparency should be improved by harmonizing among Member States and by establishing an EU-wide system of public registry for products to account and control the availability of the stocks.
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, partly
Please explain your answer	The abolishment of bilateral agreements should be enforced; restrictions imposed by Member States for stocks being held abroad should not be stricter

	than for stocks being held on their territory
3.8. Are you aware of any unexpected or unintended effects of the Directive?	Yes
Please explain your answer	The discrepancy between the provision for unavailable stocks between EU and IEA rules unduly increased the obligation for EU Member States and thus, costs.
3.9. Any additional views on the effectiveness of Directive 2009/119?	XXX welcomes the Directive provided significant added value compared to relying on IEA methodology only, though there are still a number of issues we recommend to address: a more targeted list of eligible products; naphta stocks to be allowed for compulsory coverage when used for gasoline production; ensure a level playing field by harmonizing among Member States; abolishment of bilateral agreements; 10% deduction rule to be removed; level playing field between EU refiners and importers.
4.1. In your view, the costs related to the implementation of the Directive were:	high
Please explain your answer	XXX calls for a level playing field between all obligated parties in order to decrease compliance costs and to avoid competitive distortions.
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): CSE	
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<p>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): State finance</p>	
<p>4.3. Did the Directive improve efficiency by simplifying reporting?</p>	Yes, partly
<p>Please explain your answer</p>	An EU global reporting scheme would not only further simplify reporting, but also save costs both for economic actors and for Member States.
<p>4.4. Did the Directive improve efficiency through better harmonisation with the IEA system?</p>	Yes, partly
<p>Please explain your answer</p>	XXX calls for full alignment of EU requirements to those of the IEA. On the 10% deduction rule a study backed by IEA should be launched based on current practices and recent techniques.
<p>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?</p>	Yes, partly
<p>Please explain your answer</p>	Costs could be further decreased without affecting security of supply.
<p>4.6. Any additional views on the effectiveness of Directive 2009/119?</p>	In certain Member States the CSO legislation requires refiners to hold a higher obligation than importers, thus providing a competitive advantage for importers. The reviewed Directive should prevent Member States from laying down more favourable requirements to importers in order to avoid going further in the current competitiveness drawbacks of refiners, as recognized by the Refining Fitness Check

<p>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?</p>	<p>Yes, partly</p>
<p>Please explain your answer</p>	<p>XXX calls for a full alignment with IEA methodology, especially obligated parties should be allowed to use Naphta stocks for compulsory coverage when used for gasoline production.</p>
<p>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 integratedEuropean energy market; (3) energy efficiency contributing to moderation of demand; (4) decarbinising 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? : Energy security, solidarity and trust</p>	<p>Yes, fully</p>
<p>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 integratedEuropean energy market; (3) energy efficiency contributing to moderation of demand; (4) decarbinising 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? : Fully integrated European energy market</p>	<p>Yes, partly</p>
<p>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 integratedEuropean energy market; (3) energy efficiency contributing to moderation of demand; (4) decarbinising 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? : Energy efficiency contributing to moderation of demand</p>	<p>No opinion</p>

<p>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? : Decarbonising the economy</p>	<p>No opinion</p>
<p>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? : Research, innovation and Competitiveness</p>	<p>No</p>
<p>Please explain your answer</p>	<p>Oil play and will continue to play an important role in the EU energy mix. The objectives of the Directive come under the fundamental need of preventing and responding to potential supply disruptions.</p>
<p>5.3. In your view, is the Directive coherent with other EU rules in the energy sector ? https://ec.europa.eu/energy/en/topics</p>	<p>Yes, partly</p>
<p>Please explain your answer</p>	<p>The obligation is in line with the objective of ensuring reliable energy at affordable price but fails to guarantee a level-playing field as stockpiling keeps a strong national prerogative.</p>
<p>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</p>	<p>Yes, partly</p>
<p>Please explain your answer</p>	<p>The Directive more than other EU rules recognizes the importance of oil products for the EU economy</p>
<p>5.5. In your view, is the Directive coherent with other EU policies? https://ec.europa.eu/info/index_en</p>	<p>Yes, partly</p>
<p>Please explain your answer</p>	<p>The cumulative cost of different pieces of legislation on the EU refining sector has to be taken</p>

	into account.
5.6. Any additional views on the coherence of the Directive with other rules, policies and actions?	XXX calls for oil stocks legislation to better take into account the EU's internal energy market agenda and further reduce national limitations to cross-border stockpiling.
6.1. Do you see an added value in having a coordinated mechanism for emergency oil stocks?	Yes
6.2. Do you think that the existence of a separate EU system for emergency oil stocks is justified?	Yes
Please explain your answer	An EU Directive provides added value, provided rules are fully aligned with IEA system.
6.3. Do you consider that the EU system is a good complement of the IEA system?	Yes
Please explain your answer	Yes, provided rules are fully aligned with IEA system and the value of cross-border stockpiling is fully exploited.
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?	Decrease the level of oil stocks held
Please explain your answer	
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?	Increase the vulnerability in case of oil disruption
Please explain your answer	
6.6. Is there a need for EU additional policy on emergency oil stocks?	No
Please explain your answer	
6.7. Any additional views on Directive 2009/119 added value?	
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
Please explain your answer	The stockholding obligation of some Member States might change quite significantly up or down due to the naphtha calculation method and threshold values which exposes Member States to sharp increases or decreases in obligation which are hard to manage. XXX recommends addressing this issue in the review remaining aligned with

	IEA requirements.
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
Please explain your answer	The clearer the Directive wording the better.
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
Please explain your answer	XXX believes that obligated parties should be allowed to use Naphtha stocks for compulsory coverage when used for gasoline production (transport use). This is consistent with the aim of the EU Directive to bring the EU regulation in line with IEA methodology.
7.4. In your view, is a 10% deduction still justified?	No
Please explain your answer	The EU should remain consistent with IEA but an updated technical study backed by IEA should be launched, based on current practices and recent techniques available.
7.5. if not justified, how should Annex III be amended?	No deduction rate at all for unavailability
Please explain your answer	Unavailability factor is much smaller than the 10% currently laid down in the Directive. An updated study backed by IEA should be launched in order to remove the current unavailability factor.

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

"The transparency and credibility of the cross-border stock-holding system should be improved, rendering Member State level limitations to cross-border stockholding unnecessary.