

I hereby approve the following.

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Emergency Plan for the security of natural gas supply in Hungary

**in accordance with the provisions of Regulation (EU)
2017/1938 of the European Parliament and of the Council
concerning measures to safeguard the security of gas supply
and repealing Regulation (EU) No 994/210**



1 September 2020

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General information

Pursuant to Act XL of 2008 on Natural Gas Supply ('GA'), the minister responsible for energy policy will act as the competent authority concerning the Emergency Plan to be drawn up by Hungary under Regulation (EU) 2017/1938.

Pursuant to Section 3 of Government Decree No 110/2020 of 14 April 2020 on the restriction of the off-take of natural gas, use of emergency natural gas stocks, and on other measures necessary in the event of a natural gas supply crisis situation, the Emergency Plan was prepared by the Hungarian Energy and Public Utility Regulatory Authority ('MEKH') and, following its approval by the minister responsible for energy policy, submitted to the European Commission by MEKH acting upon legislative authorisation.

Chapter 8 of this Emergency Plan is a regional chapter compiled by Italy, which was in charge of coordinating the Ukraine risk group, and has been inserted here in unchanged form in English.

1. Definition of crisis levels

In line with the provisions of Regulation (EU) 2017/1938, the GA establishes three crisis levels for Hungary (GA Section 3(24a), (45a), (52e) and (70a)):

- Early warning level
- Alert level
- Emergency level

Declaration and termination of crisis levels:

- Declaration and termination of the early warning level: the President of MEKH will issue the order in a decision and, at the same time, inform the minister responsible for energy policy. (GA Section 97(1))
- Declaration and termination of the alert level: the President of MEKH will issue the order in a decision and, at the same time, inform the minister responsible for energy policy. (GA Section 97(1))
- Declaration and termination of the emergency level: the minister responsible for energy policy will issue the order in a decision. (GA Section 97(2))

MEKH will carry out continuous market monitoring in order to ensure the availability of the information required for ordering the declaration of the various crisis levels.

At the same time, all natural gas undertakings must promptly report to MEKH if they become aware of any information that may represent grounds for ordering the declaration of any crisis level. (GA Section 97(3))

At least the alert level must be declared in Hungary when another Member State requests the adoption of solidarity measures in order to ensure gas supply to its solidarity protected customers. (GA Section 98(2))

2. Measures to be adopted per crisis level

The following is a summary of the measures to be adopted per crisis level.

2.1. Measures to be adopted for early warning level

Under Article 11(1) of Regulation (EU) 2017/1938, the early warning level may be declared where there is concrete, serious and reliable information that an event which is likely to result in significant deterioration of the gas supply situation may occur and is likely to lead to the alert or the emergency level being triggered.

If MEKH becomes aware of any such information, the President of MEKH will decide whether the early warning level should be declared.

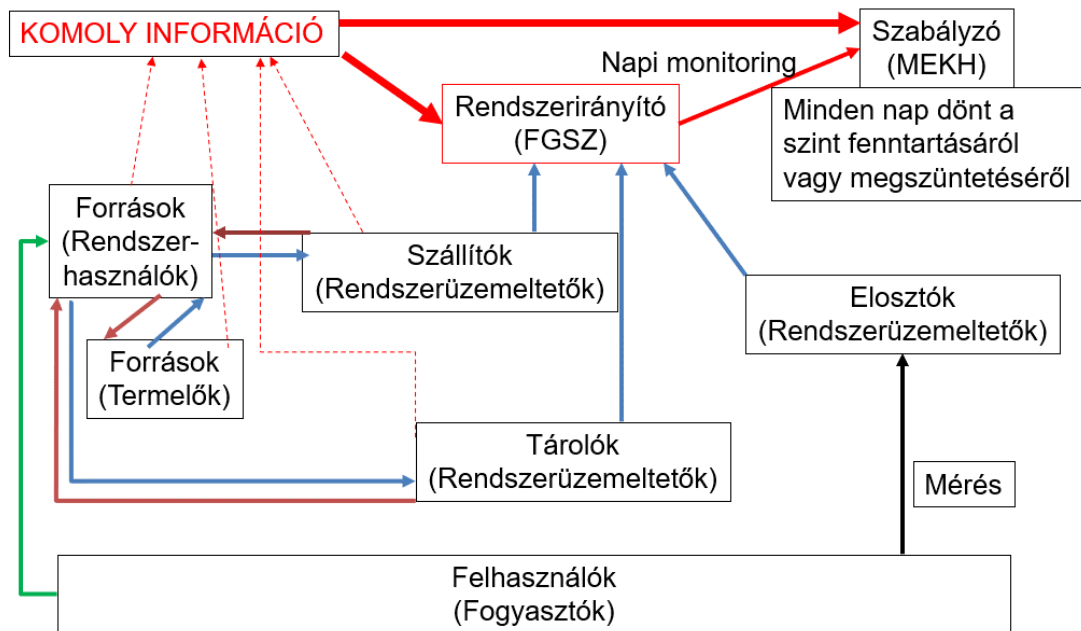
Basic measures to be adopted upon the declaration of early warning level:

- Following the declaration of the early warning level, MEKH will carry out, in close cooperation with the system operator, its market monitoring on the basis of daily updates of information.
- To achieve this purpose, the natural gas undertakings must, once the early warning level has been declared, make available to MEKH, on a daily basis, the information specified in Article 14(1) of Regulation (EU) 2017/1938 (Government Decree No 110/2020, Section 6(1)).
- MEKH will decide whether to declare a higher crisis level or to terminate the early warning level on the basis of information collected from the transmission system operator, the other system operators and the system users.

Upon the declaration of the early warning level, no intervention is made in market processes; these will continue to operate under fixed market and trade regulatory regimes.

The regulatory framework of the operation of daily monitoring is governed under GA Section 98/E.

The figure below shows the actors and their system of relationships in the case of early warning level:



2.2. Measures to be adopted for alert level

Under Article 11(1) of Regulation (EU) 2017/1938, the alert level may be declared where a disruption of gas supply or exceptionally high gas demand which results in significant deterioration of the gas supply situation occurs but the market is still able to manage that disruption or demand without the need to resort to non-market-based measures.

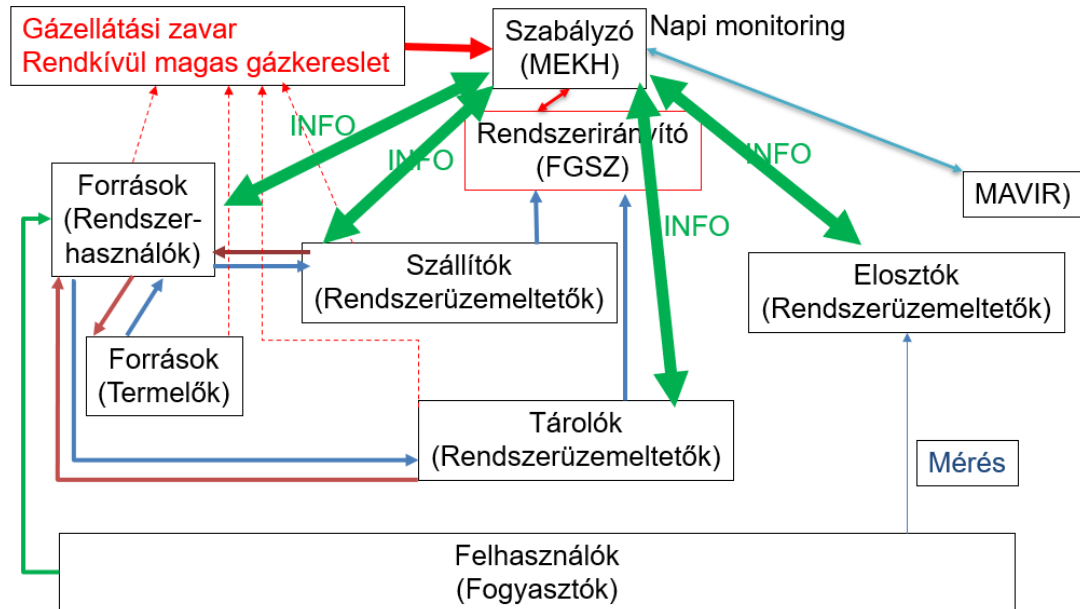
Basic measures to be adopted upon the declaration of the alert level:

- Following the declaration of the alert level (as for the early warning level), MEKH will carry out, in close cooperation with the system operator, its market monitoring on the basis of daily updates of information.
- To achieve this purpose, the natural gas undertakings must (as for the early warning level), once the alert level has been declared, make available to MEKH, on a daily basis, the information specified in Article 14(1) of Regulation (EU) 2017/1938 (Government Decree No 110/2020, Section 6(1)).
- MEKH will decide whether to raise the crisis level or to terminate the alert level on the basis of information collected from the transmission system operator, the other system operators and the system users.
- If the situation is expected to aggravate, the Crisis Committee is established (see Chapter 4), which may make proposals for the minister responsible for energy policy regarding the declaration of the emergency level or the measures to be adopted in case of emergency.
- MEKH must promptly inform the electricity transmission system operator (MAVIR) on the declaration or termination of the alert level.

Upon the declaration of the alert level, no intervention is made in market processes; in fact, these will continue to operate under fixed market and trade regulatory regimes.

The regulatory framework of the operation of daily monitoring is governed under GA Section 98/E.

The figure below shows the actors and their system of relationships in the case of alert level:



2.3. Measures to be adopted for emergency level

Under Article 11(1) of Regulation (EU) 2017/1938, the emergency level may be declared where there is exceptionally high gas demand, significant disruption of gas supply or other significant deterioration of the gas supply situation and all relevant market-based measures have been implemented but the gas supply is insufficient to meet the remaining gas demand so that non-market-based measures have to be additionally introduced with a view, in particular, to safeguarding gas supplies to protected customers in accordance with Article 6 of Regulation (EU) 2017/1938.

The regulatory framework of the operation of daily monitoring is governed under GA Section 98/E.

a) Basic predefined measures to be adopted upon the declaration of the emergency level:

- Following the declaration of the emergency level (as for the early warning and alert levels), MEKH will carry out, in close cooperation with the system operator, its market monitoring on the basis of daily updates of information.
- To achieve this purpose, the natural gas undertakings must (as for the early warning and alert levels), once the emergency level has been declared, make available to MEKH, on a daily basis, the information specified in Article 14(1) of Regulation (EU) 2017/1938 (Government Decree No 110/2020, Section 6(1))
- Within one hour after the declaration of the emergency level, gas traders must provide, every day until the emergency level is upheld, MEKH and the transmission system operator with the daily peak demand of the users supplied by them, aggregated by restriction category and gas transfer station, for the next three days. (Government Decree No 110/2020, Section 6(2))

- Upon the declaration of the emergency level, the system user must inform in writing, every day until 1 p.m., MEKH and the transmission system operator on the natural gas volumes that are committed or provided in contracts for use on the next gas day and week as well as on the technical and price conditions of such use. (Government Decree No 110/2020, Section 6(3))
- b) Market measures to be maintained
- The trade agreements between the parties must be maintained as long as the transmission system operator is given the right of disposal over natural gas sources.
 - The organised market operation must be maintained as long as the suspension of commercial platforms is ordered and thus the available sources may be traded on the market; the system operator and system users must use the available sources as long as they are available.
- c) The following non-market-based measures may be ordered in case of emergency level:
- Restriction:
 - Upon the declaration of the emergency level, the transmission system operator may order, to the extent justified, a restriction of the off-take of natural gas for users.
 - As a measure that supplements market-based measures, such restriction represents a daily contribution to the reduction of daily consumptions and thus to the mitigation of the emergency situation.
 - The users must be grouped in restriction categories in order to ensure the implementation of such restriction. This restriction may be ordered only in the approved extent and order and only for the smallest group of users required for the purpose. (GA Section 98/A(1)–(2))
 - Upon the declaration of the emergency level, the system users must, regardless of the rights and obligations laid down in their contracts, comply with the instructions given by the transmission system operator and the natural gas distributor for implementing the restriction. (GA Section 98/A(6))
 - The restriction will be implemented in line with the timetable set out in the restriction category. The restriction category will be annually updated for each place of consumption under the coordination of the transmission system operator.
 - The system operator will determine whether the restriction is needed and order its implementation, while informing MEKH thereof. The system operator will determine the grades of restriction (extent of use) and, also, the termination of restriction but it will always inform MEKH without delay.
 - The detailed description used during the restriction is laid down in Section 15 of Government Decree No 110/2020 of 14 April 2020.
 - The other impacts of the restriction will be evaluated by MEKH and the system operator on a daily basis and after the crisis situation. During their daily evaluation, MEKH and the system operator will take into account that the enforceability of the provisions set out in Article 11(6) of Regulation (EU) 2017/1938 should not be compromised.
 - As there is a daily information exchange between the transmission system operator and the system operators, the impacts of the restriction can be monitored.
 - Release of emergency stocks:
 - The exact process for the release of emergency stocks is detailed in Act XXVI of 2006 on the Strategic Storage of Natural Gas.

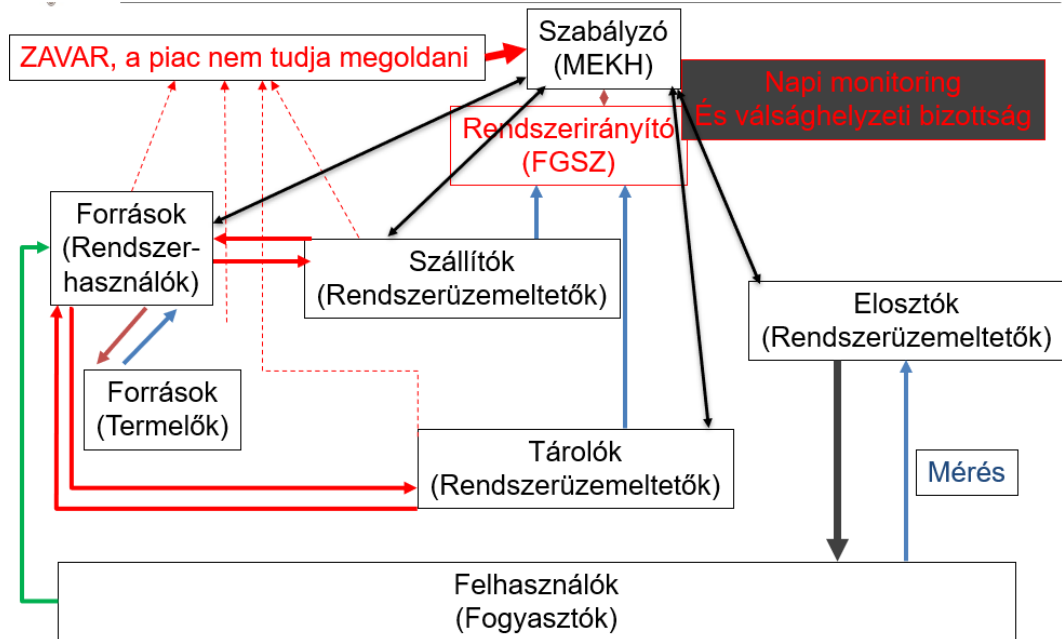
- As a measure that supplements market-based measures, the release of emergency stocks represents a daily contribution to the reduction of daily consumptions and thus to the mitigation of the emergency situation.
 - The primary purpose of maintaining emergency natural gas stocks is to ensure the security of supply to protected customers, although such stock may also be used (Act XXVI of 2006, Section 3(4)–(5)):
 - for the gas supply to solidarity protected customers in another Member State requesting solidarity,
 - in the interest of customers concerned by the impairment of a natural gas trader, and
 - for the gas supply to non-universal service users in a natural gas supply crisis situation.
 - Upon the declaration of the emergency level, MEKH will – while asking for the opinion of the transmission system operator on the applicable and foreseeably necessary restrictions – apportion the released emergency stocks and the corresponding peak capacity among the natural gas traders who are entitled to use emergency natural gas stocks. (Government Decree No 110/2020, Section 10(1))
 - The other impacts of the release of emergency stocks will be evaluated by MEKH and the system operator on a daily basis and after the crisis situation. During their daily evaluation, MEKH and the system operator will take into account that the enforceability of the provisions set out in Article 11(6) of Regulation (EU) 2017/1938 should not be compromised.
 - As there is a daily information exchange between the transmission system operator and the system operators including, in particular, the operators of the systems that store the emergency stocks, the impacts of the release of emergency stocks can be monitored.
- Proportionate reduction of transit flows:
 - In case of emergency level the transmission system operator may order a proportionate reduction of natural gas volume according to contracts concerning the transport of natural gas in the area of Hungary via the cooperating natural gas system if the supplier named in these contracts does not fulfil its responsibilities of supplying domestic users pursuant to these contracts or if the system user does not or does not completely enter the volume to be transported into the system. The reduction must be performed to the extent of the dropped-out source. If, based on the information available for the transmission system operator, it cannot be unequivocally established which supplier is the one not fulfilling its contractual obligations, the transmission system operator will proportionately reduce all contractual transit flow volumes. (GA Section 98/B(1)–(2))
 - As a measure that supplements market-based measures, the proportionate reduction of transit flows represents a daily contribution to the reduction of daily consumptions and thus to the mitigation of the emergency situation.
 - The system operator will determine the proportionate reduction of transit flows but it must inform the system users concerned and the system operators of the Member States concerned. The system operator will determine the grades of reduction (extent of use), the transit routes and, also, the termination of reduction.
 - The exact process for the reduction is detailed in GA Section 98/B and in the Network Code.
 - The other impacts of the reduction will be evaluated by MEKH and the system operator on a daily basis and after the crisis situation. During their daily evaluation, MEKH and the system operator will take into account that the

- enforceability of the provisions set out in Article 11(6) of Regulation (EU) 2017/1938 should not be compromised.
- As there is a daily information exchange between the transmission system operator and the transit partners, the impacts of the reduction can be monitored.
- Right of disposal over natural gas sources:
 - In case of emergency level the gas trader and the customers acting on their behalf must offer their available natural gas volumes to the transmission system operator. (GA Section 98/C(1))
 - As a measure that supplements market-based measures, the takeover by the system operator of the right of disposal over the sources represents a daily contribution to the source planning efforts designed to meet daily consumptions and thus to the mitigation of the emergency situation.
 - The disposal over the natural gas sources will be coordinated by the system operator but it must inform the system users concerned about the actual grade (extent of use).
 - The process of disposal over the sources is detailed in the Network Code.
 - The other impacts of the takeover of sources will be evaluated by MEKH and the system operator on a daily basis and after the crisis situation. During the daily evaluation, the system operator will take into account that the enforceability of the provisions set out in Article 11(6) of Regulation (EU) 2017/1938 should not be compromised.
 - As there is a daily information exchange between MEKH, the transmission system operator and the system users, the impacts of the takeover of sources can be monitored.
 - Suspension of trade platforms:
 - In case of emergency level the trade platform operator will suspend, except for the transmission system operator, the system users' right to submit buy offers on the platform. (GA Section 98/C(1))
 - Other measures:
 - In case of emergency level, for its whole duration, the Government may regulate by decree
 - the designation of working days and holidays and the related schedule of work,
 - the opening hours of private premises or public institutions (including, in particular, stores and helpdesks) open for customer traffic,
 - the highest heating temperature of private premises or public institutions (including, in particular, stores and helpdesks) open for customer traffic, as well as office buildings and central budget funded institutions,
 - other measures aiming at the reduction of natural gas use,
 - the conditions of transporting outside Hungary the natural gas produced or stored in the country, except for transit, toll warehousing or the case of such transport of natural gas that is stored in Hungary, not for domestic use, on behalf of a non-resident person as a reserve for natural gas supply crisis situations. (GA Section 98/D(1))
 - Solidarity measures:
 - If a solidarity agreement is concluded, as per the conditions laid down in Regulation (EU) 2017/1938, between Hungary and other EU Member States,

it will be possible to ask for assistance from other Member States under the solidarity agreement in case of emergency levels.

- According to Hungarian law, upon the request of the solidarity measure mentioned in Article 13(1) of Regulation (EU) 2017/1938, the natural gas received in response may be used solely for the purpose of securing the gas supply to solidarity protected customers. (GA Section 98(1))

Non-market-based measures may be ordered, based on the proposals of the Crisis Committee, by the minister responsible for energy policy (see Chapter 4). In case of emergency level the licensees will have no obligation to pay compensation for damages arising from the implementation of non-market-based measures. (GA Section 98/A(9))



3. Specific measures for electricity supply and district heating

District heating

In line with the provisions of Regulation (EU) 2017/1938, district heat producers up to the extent of natural gas corresponding to the natural gas capacity demand required for heat production, only from natural gas, in order to supply heat for household customers and essential social services as defined in the Act on District Heating Services shall be considered as protected customers in Hungary (GA Section 3(68a)(c)), and thus their supply may be jeopardised only in such extreme natural gas supply crisis situation which represents a risk for the security of supply of protected customers. Accordingly, the natural gas supply to district heat undertakings is protected by all non-market-based measures applicable in case of emergency level.

The district heat supply to non-household customers must be treated in the same way as household supply in all cases where the district heat supply to household customers or essential social services cannot be technically separated (for metering) from the district heat supply to non-household customers.

As to district heating, as far as district heat produced from natural gas is concerned, the district heat undertakings must take actions to reduce service quality (e.g. lower guaranteed temperature provided to users of district heating) if such actions are considered helpful in the reduction of natural gas consumption.

Electricity supply

In Hungary, gas-fired power plants account for some 20–25% in electricity production. The quick regulability of the gas-fired power plants plays an outstanding role in supplying the balancing reserves of the electricity system (mostly as secondary reserves), which is indispensable for the smooth functioning of the electricity system in Hungary.

Gas-fired power plants with an installed capacity above 50 MW belong to the category of entities that may be restricted in the first round in a crisis situation regarding the security of natural gas supply i.e. they will be the first ones to be restricted when ordered so. In order to maintain the electricity system's security of supply, such power plants must keep fuel oil reserves in accordance with the following rules:

- Expected volume of normative energy carrier stocks: the amount of liquid hydrocarbon energy carrier needed for at least eight days of average electricity generation and cogeneration of heat in case of hydrocarbon-fired power plants and for at least a one day of maximum capacity operation in case of quick-start secondary auxiliary gas turbines. (Decree No 44/2002 GKM of the Minister for Economy and Transport on the lowest volume of energy carrier stocks at power plants with 50 MW and higher capacity and on the order of stockpiling, Section 1(2)(b))
- Expected volume of emergency energy carrier stocks: the amount of liquid hydrocarbon energy carrier needed for at least eight days of average electricity generation and cogeneration of heat in case of hydrocarbon-fired power plants and for at least a one day of maximum capacity operation in case of quick-start secondary auxiliary gas turbines. (Decree No 44/2002 GKM, Section 1(3)(b))

After the fuel switch, gas-fired power plants will be able to generate the electricity required for the balance of the electricity system for up to 8–16 days.

In the case of a natural gas supply crisis situation, the natural gas transmission system operator will inform the electricity transmission system operator about the crisis situation and then remain in regular contact with him. If the crisis situation is aggravated and the Crisis Committee will have to be set up (see Chapter 4), the electricity transmission system operator will be involved, as a member of the Crisis Committee, in the preparation of emergency measures and the coordination of implementation.

4. Crisis manager

The minister responsible for energy policy will have authority to make decisions related to emergency level and, in particular, to order non-market-based measures. The minister's work regarding the preparation of decisions necessary for the actions during the natural gas supply crisis situation will be assisted, in consultative capacity, by the Crisis Committee.

Responsibilities of the Crisis Committee:

- Evaluate the natural gas supply situation
- Make proposals on the measures to be taken if the natural gas supply crisis situation persists
- Make proposals on the declaration or termination of the emergency level.

Permanent members of the Crisis Committee:

- Minister responsible for energy policy
- President of MEKH
- Transmission system operator
- Transmission system user
- Representative of universal service providers
- Wholesaler supplying universal service providers
- Licensees of natural gas storage facilities
- Natural gas distributors
- Representative of natural gas distributors
- Representative of organised natural gas market licensees
- Licensee with an operating license authorising its holder to act as transmission system operator under the Electricity Act
- Minister responsible for national public utilities
- Director of the Hungarian Hydrocarbon Stockpiling Association

The Crisis Committee will be led by the minister. The Crisis Committee will define its own operation and rules of procedures. If necessary, the minister may invite representatives of other authorities, entities or business organisations concerned to attend the meetings of the Crisis Committee.

(Government Decree No 110/2020, Section 7–8)

5. Roles and responsibilities of different actors

The following is a summary of the roles and responsibilities of the actors concerned per crisis level.

5.1. Roles and responsibilities for the early warning level

The table below summarises the roles, tasks and responsibilities of each industry actor for the early warning level:

Industry actor	Roles, tasks and responsibilities
Minister responsible for energy policy	<ul style="list-style-type: none"> Supervise the management of the crisis situation
MEKH	<ul style="list-style-type: none"> Order the early warning level Perform market monitoring Analyse and evaluate the incoming data Hold regular consultations with the minister responsible for energy policy, the natural gas transmission system operator and the electricity transmission system operator Arrange for crisis level communication Initiate the ordering of higher crisis levels, if appropriate Terminate the early warning level
<i>Crisis Committee</i>	<ul style="list-style-type: none"> <i>Not established yet</i>
Natural gas transmission system operator	<ul style="list-style-type: none"> Analyse and evaluate the incoming data on Hungary's natural gas system Perform data supply to MEKH Hold regular consultations with MEKH, the licensees of natural gas storage facilities, the natural gas distributors and the electricity transmission system operator regarding the crisis situation and the eventual need for measures Contact the system operators of neighbouring Member States (ReCo Team East)
Licensees of natural gas storage facilities	<ul style="list-style-type: none"> Perform data supply to MEKH and the natural gas transmission system operator
Natural gas distributors	<ul style="list-style-type: none"> Perform data supply to MEKH and the natural gas transmission system operator
Natural gas traders	<ul style="list-style-type: none"> Perform data supply to MEKH and the natural gas transmission system operator
Universal service providers	<ul style="list-style-type: none"> Perform data supply to MEKH and the natural gas transmission system operator
Wholesaler supplying universal service providers	<ul style="list-style-type: none"> Perform data supply to MEKH and the natural gas transmission system operator
Organised natural gas market licensees	<ul style="list-style-type: none"> Perform data supply to MEKH and the natural gas transmission system operator
Natural gas producers	<ul style="list-style-type: none"> Perform data supply to MEKH and the natural gas transmission system operator
Entity responsible for emergency natural gas stockpiling	<ul style="list-style-type: none"> Perform data supply to MEKH and the natural gas transmission system operator

Industry actor	Roles, tasks and responsibilities
Non-protected natural gas customers	<ul style="list-style-type: none"> Gas-fired power plants: in the case of power plants grouped in restriction category I, check the conditions for use of secondary fuel stocks and, eventually, prepare further secondary fuel deliveries
Protected customers	–
Electricity transmission system operator	<ul style="list-style-type: none"> Hold regular consultations with MEKH, the natural gas transmission system operator and gas-fired power plants regarding the crisis situation and the eventual need for measures Implement and coordinate measures affecting the electricity sector with particular regard to the preparation of gas-fired power plants for the restrictions
Minister responsible for national public utilities	–

5.2. Roles and responsibilities for the alert level

The table below summarises the roles, tasks and responsibilities of each industry actor for the alert level:

Industry actor	Roles, tasks and responsibilities
Minister responsible for energy policy	<ul style="list-style-type: none"> Supervise the management of the crisis situation Take part in the work of the Crisis Committee (if established)
MEKH	<ul style="list-style-type: none"> Order the alert level Perform market monitoring Analyse and evaluate the incoming data Hold regular consultations with the minister responsible for energy policy, the natural gas transmission system operator and the electricity transmission system operator Arrange for crisis level communication If necessary, make a proposal on the establishment of the Crisis Committee and then take part in its work Terminate the alert level
Crisis Committee	<p>If established:</p> <ul style="list-style-type: none"> Evaluate the crisis situation If necessary, make a proposal to the minister responsible for energy policy for raising the alert level to the emergency level
Natural gas transmission system operator	<ul style="list-style-type: none"> Analyse and evaluate the incoming data on Hungary's natural gas system Perform data supply to MEKH Hold regular consultations with MEKH, the licensees of natural gas storage facilities, the natural gas distributors and the electricity transmission system operator regarding the crisis situation and the eventual need for measures Take part in the work of the Crisis Committee (if established) If necessary, make a proposal to MEKH / the Crisis Committee for ordering the emergency level

Industry actor	Roles, tasks and responsibilities
	<ul style="list-style-type: none"> • Inform the transit companies about the alert level • Notify the domestic producers and the licensees of storage facilities about the preparation for peak production and withdrawal • Implement a reinforced on-call duty scheme for the transmission and system operator infrastructure and, if any failure is detected, arrange for the prompt replacement or repair of the failed, defective or inoperative technical system • Daily consultations with the system operators of neighbouring Member States (ReCo Team East)
Licensees of natural gas storage facilities	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator (regarding the daily condition of mobile stocks in the storage facility) • Take part in the work of the Crisis Committee (if established) • Make preparations for peak withdrawal and, for such purpose, consult with the transmission system operator • Implement a reinforced on-call duty scheme for the storage infrastructure and, if any failure is detected, arrange for the prompt replacement or repair of the failed, defective or inoperative technical system
Natural gas distributors	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Take part in the work of the Crisis Committee (if established) • Implement a reinforced on-call duty scheme for the distribution infrastructure and, if any failure is detected, arrange for the prompt replacement or repair of the failed, defective or inoperative technical system
Natural gas traders	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Take part (through a representative) in the work of the Crisis Committee, if established
Universal service providers	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Take part (through a representative) in the work of the Crisis Committee, if established
Wholesaler supplying universal service providers	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Take part in the work of the Crisis Committee (if established)
Organised natural gas market licensees	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Take part in the work of the Crisis Committee (if established)
Natural gas producers	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator
Entity responsible for emergency natural gas stockpiling	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Take part in the work of the Crisis Committee (if established)

Industry actor	Roles, tasks and responsibilities
Non-protected natural gas customers	<ul style="list-style-type: none"> Gas-fired power plants: in the case of power plants grouped in restriction category I, check the conditions for use of secondary fuel stocks as defined in Decree No 44/2002 of the Minister for Economy and Transport and, eventually, prepare further secondary fuel deliveries in an operative manner and arrange for the necessary contracts
Protected customers	–
Electricity transmission system operator	<ul style="list-style-type: none"> Hold regular consultations with MEKH, the natural gas transmission system operator and gas-fired power plants regarding the crisis situation and the eventual need for measures Take part in the work of the Crisis Committee (if established) Implement and coordinate measures affecting the electricity sector with particular regard to the preparation of gas-fired power plants for the restrictions
Minister responsible for national public utilities	<ul style="list-style-type: none"> Take part in the work of the Crisis Committee (if established)

5.3. Roles and responsibilities for the emergency level

The table below summarises the roles, tasks and responsibilities of each industry actor for the emergency level:

Industry actor	Roles, tasks and responsibilities
Minister responsible for energy policy	<ul style="list-style-type: none"> Supervise the management of the crisis situation Take part in the work of the Crisis Committee Order the emergency level Make decisions on non-market-based measures Terminate the emergency level
MEKH	<ul style="list-style-type: none"> Perform market monitoring Analyse and evaluate the incoming data Take part in the work of the Crisis Committee Perform data supply for the work of the Crisis Committee Prepare the decisions on non-market-based measures and make proposals to the minister for crisis measures ensuring the management of natural gas sources Apportion the emergency stocks and the corresponding peak capacity among the natural gas traders who are entitled to use it, while asking for the opinion of the transmission system operator on the applicable and foreseeably necessary restrictions If the proportionate reduction of transit flows is required, provide information for the minister (without delay if orally or within 24 hours if in writing) concerning the necessary measures, in particular as regards the actual transporter and shipper, the country of destination and the expected duration and extent of the measure Arrange for crisis level communication

Industry actor	Roles, tasks and responsibilities
Crisis Committee	<ul style="list-style-type: none"> • Evaluate the crisis situation • Develop a proposal to the minister responsible for energy policy with regard to ordering the emergency level • Develop proposals on the measures to be taken in relation to the crisis situation • Develop a proposal to the minister responsible for energy policy with regard to terminating the emergency level
Natural gas transmission system operator	<ul style="list-style-type: none"> • Analyse and evaluate the incoming data on Hungary's natural gas system • Perform data supply to MEKH and the Crisis Committee • Hold regular consultations with MEKH, the licensees of natural gas storage facilities, the natural gas distributors and the electricity transmission system operator regarding the crisis situation and the eventual need for measures • Take part in the work of the Crisis Committee • Implement and coordinate the measures taken • Draft an optimised natural gas usage plan based on user requirements until the end of the actual gas year, taking into account the capacities that are available at the natural gas traders, or may be committed by contract, as well as the emergency natural gas stocks made available under separate legislation • Inform MEKH every Monday on the planned use of natural gas sources and make a proposal on the extent of restrictions to be introduced for the purpose of source management and on the natural gas sources to be committed via contracts • Notify orally and by electronic means the system operators and the central body of the professional disaster management authority about the existence of the emergency level within 2 hours after the ministerial decision declaring it has been published • Determine, at a frequency specified jointly with the gas distributors but not less frequently than 12 hours, the actual consumption of the users in each restriction category per gas transfer station • If necessary, make a proposal to MEKH / the Crisis Committee for ordering the emergency level
Licensees of natural gas storage facilities	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Inform orally and electronically the system users, being in contractual relationship with them, within 2 hours after the notification on the existence of the emergency level has been given • Promptly notify in writing the undertakings, being in direct contact with them, involved in the transit of natural gas through the territory of Hungary • Take part in the work of the Crisis Committee • Implement the measures taken
Natural gas distributors	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Inform orally and electronically the system users, being in contractual relationship with them, within 2 hours after the

Industry actor	Roles, tasks and responsibilities
	<p>notification on the existence of the emergency level has been given</p> <ul style="list-style-type: none"> • Determine, at a frequency specified jointly with the system operator but not less frequently than 12 hours, the actual consumption of the users in each restriction category by gas transfer station (for users with a consumption below 100 m³/h, the consumption for the profile defined in the Network Code must be considered as actual) and inform the transmission system operator about the actual consumption • Take part in the work of the Crisis Committee • Implement and coordinate the measures taken
Natural gas traders	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • The natural gas traders entitled to use emergency gas stocks must submit to MEKH the daily peak consumption demand of their unrestricted users and their users not affected by the restriction, aggregated by restriction category and gas transfer station and calculated for the statutory reference temperature, as well as the information on the expected trends of the sources available to them. • Take part (through a representative) in the work of the Crisis Committee • Prepare – in case the ministerial decree as per GA Section 98/D(2) is issued – to make bids for available import sources and commit them in contracts for the fulfilment of the obligation laid down in GA Section 98/C(1) • Implement other measures taken
Universal service providers	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Take part (through a representative) in the work of the Crisis Committee • Implement the measures taken
Wholesaler supplying universal service providers	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Take part in the work of the Crisis Committee • Implement the measures taken
Organised natural gas market licensees	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Take part in the work of the Crisis Committee • Implement the measures taken
Natural gas producers	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Implement the measures taken
Entity responsible for emergency natural gas stockpiling	<ul style="list-style-type: none"> • Perform data supply to MEKH and the natural gas transmission system operator • Take part in the work of the Crisis Committee • Implement the measures taken
Non-protected natural gas customers	<ul style="list-style-type: none"> • Restrict the consumption when restrictions are ordered. • Industrial users: implement and comply with the contracts made with system operators and/or traders supplying them

Industry actor	Roles, tasks and responsibilities
	<p>as well as the crisis measures adopted in line with the applicable legislation</p> <ul style="list-style-type: none"> • Gas-fired power plants: <ul style="list-style-type: none"> ○ Implement and comply with the contracts made with system operators and/or traders supplying them as well as the crisis measures adopted in line with the applicable legislation ○ In the case of power plants grouped in restriction category I, use the secondary fuel stocks as defined in Decree No 44/2002 of the Minister for Economy and Transport and, eventually, launch the process of further secondary fuel deliveries, if necessary
Protected customers	–
Electricity transmission system operator	<ul style="list-style-type: none"> • Hold regular consultations with MEKH, the natural gas transmission system operator and gas-fired power plants regarding the crisis situation and the eventual need for measures • Take part in the work of the Crisis Committee • Implement and coordinate measures affecting the electricity sector with particular regard to the restriction of gas-fired power plants
Minister responsible for national public utilities	<ul style="list-style-type: none"> • Take part in the work of the Crisis Committee • Coordinate any other measure under his/her responsibility

6. Measures regarding the unjustified consumption of non-protected customers

In case of emergency, non-protected customers will be restricted within the consumer groups specified in the restriction classification. If a non-protected customer fails to comply with the restriction, the system operator will technically exclude it from the supply of natural gas for the duration of the restriction. If a restricted customer withdraws natural gas from the limited volumes, it must pay after such withdrawn natural gas volume a surcharge to the transmission system operator specified in the amount of fifty times the highest price of the transactions negotiated on the trade platforms in the course of 5 gas days before the restriction. The extra volume of withdrawal will be established by the system operator concerned. (GA Section 98/A(3)–(4))

7. Emergency tests

As required under Article 10(3) of Regulation (EU) 2017/1938, the measures, actions and procedures contained in the emergency plan shall be tested at least once between its four-year updates. In order to test the emergency plan, the competent authority shall simulate high and medium impact scenarios and responses in real time in accordance with that emergency plan. The results of the tests shall be presented at the GCG by the competent authority.

In line with the statutory requirement, MEKH will be responsible for testing the emergency plan (Government Decree No 110/2020, Section 3(4)). MEKH is planning to test this emergency plan within 24 months after the European Commission has issued its opinion on it.

8. Regional dimension

This chapter was developed by the members of Ukraine Risk Group.

Given that this Emergency Plan is a first implementation of what Regulation (EU) 2017/1938 provides in a regional dimension, the idea is to adopt a first level of shared measures aiming to give to all Member States belonging to the risk group the same level of information about what happens in a given Member State during a crisis.

8.1. Measures to be adopted per crisis level

All the measures listed below are essentially information requirements useful to all Member States belonging to the risk group to react to unexpected situations in order to prevent the expansion of the crisis and to help the Member States in need to all the possible extent.

8.1.1. Early warning

When the Competent Authority of one of the Member State belonging to the risk group declares an early warning it has to communicate this declaration within one day to all the other Member States belonging to the risk group as well as every measure implemented.

The Competent Authority of the declaring Member State shall update all the other Member States belonging to the risk group about the early warning situation every four work days communicating all measures adopted or ceased, if any.

8.1.2. Alarm

When the Competent Authority of one of the Member State belonging to the risk group declares an alarm it has to communicate this declaration within one day to all the other Member States belonging to the risk group as well as every measure implemented.

The Competent Authority of the declaring Member State shall update all the other Member States belonging to the risk group about the early warning situation every two work days communicating all measures adopted or ceased, if any.

8.1.3. Emergency

When the Competent Authority of one of the Member State belonging to the risk group declares an emergency it has to communicate this declaration within one day to all the other Member States belonging to the risk group as well as every measure implemented.

The Competent Authority of the declaring Member State shall update all the other Member States belonging to the risk group about the early warning situation every day or even several time within the day, if the case, communicating all measures adopted or ceased, if any.

It is clear that, potentially, there will be a lot more options and measure to implement to mitigate the effects of a crisis in such a big system as it is the one formed by all the Member States belonging to the risk group.

In this sense, initiatives useful to ease the situation borne by the contingent situation can be taken into account by Member States belonging to the risk group and other interconnected ones.

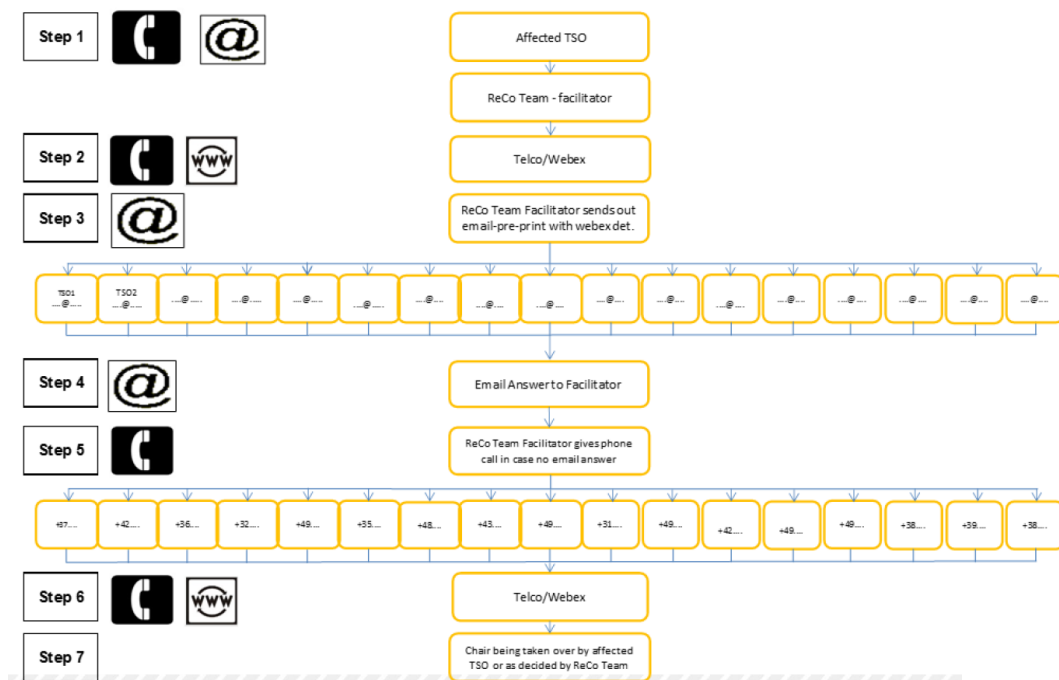
8.2. Cooperation mechanisms

8.2.1. Procedure within ReCo System for Gas

The ReCo System for Gas and more concretely the ReCo Team East have been described in the Regional Chapter of the Preventive Action Plan as it is considered a preventive measure.

However, the ReCo System prepared a toolbox including measures such as swaps or extra capacity. Each measure may be adopted depending on the scale where the incident is classified.

ReCo System includes a flowchart describing the information flow.



This flowchart is compatible with the bilateral flowchart included in the “interconnection agreements”.

8.2.2. Procedure between adjacent TSOs

As detailed in “8.1. Measures to be adopted per crisis level”, adjacent TSOs have agreed a procedure in case of “exceptional event situation”.

At technical level, defining phone numbers and contact email addresses are essential to take decisions rapidly in case of an emergency and to check if the authorised managers submit the communications.

8.2.3. Improvement of the cooperation mechanisms

The Competent Authorities of the members of the Ukraine Risk Group will request to their TSOs:

- To exchange flowcharts via ReCo Teams to take advantage of best practices.
- To update “mutual assistance agreements” within the “interconnection agreements” taking into account the current legal framework on security of supply and to establish a clear correspondence between levels of crisis and measures.

8.3. Solidarity among Member States

Members of the Ukraine Risk Group have started conversations to agree the technical, legal and financial arrangements needed to implement the solidarity mechanism described in article 13 of Regulation (EU) 2017/1938. As these arrangements are agreed, they will be included in this paragraph.