

## GOVERNMENT OF CROATIA

1931

Under Article 31(2). The Act on the Government of the Republic of Croatia (NN Nos 150/11, 119/14, 93/16, 116/18 and 80/22), in conjunction with Article 8(2)(b) of Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010 (OJ L 28.10.2017), was adopted by the Government of the Republic of Croatia at its session of 31 October 2022.

### DECISION

#### **ADOPTING AN INTERVENTION PLAN CONCERNING MEASURES TO SAFEGUARD THE SECURITY OF GAS SUPPLY OF THE REPUBLIC OF CROATIA**

##### I.

The Intervention Plan on measures to safeguard the security of gas supply of the Republic of Croatia shall be adopted (hereinafter: Emergency plan). The emergency plan shall form an integral part of this Decision.

##### II.

The Croatian Government, acting on a proposal from the minister responsible for energy, will appoint members and deputy crisis teams responsible for the implementation of the Intervention Plan.

##### III.

Until the appointment of the members and alternates of the crisis team referred to in point II of this Decision, the Decision appointing the members of the Crisis Team responsible for implementing the Intervention Plan on measures to safeguard the security of gas supply of the Republic of Croatia (NN No 26/22) and the Decision appointing the chair of the Crisis Team responsible for implementing the Intervention Plan on measures to safeguard the security of gas supply of the Republic of Croatia (NN No 56/22) shall remain in force.

##### IV.

On the date of entry into force of this Decision, the Decision adopting the Intervention Plan on measures to safeguard the security of gas supply of the Republic of Croatia (NN No 78/14) is repealed.

##### V.

This Decision shall enter into force on the date of its adoption and shall be published in Narodne Novine.

Class: 022-03/22-04/433

Ref.: 50301-05/14-22-4

Zagreb, 31 October 2022

Chair

**sc. Andrej Plenković** (signed)

### EMERGENCY PLAN

**CONCERNING MEASURES TO SAFEGUARD THE SECURITY OF GAS SUPPLY OF THE REPUBLIC OF CROATIA pursuant to Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 on measures of protection security of gas supply and repealing Regulation (EU) No 994/2010 (OJ L 28.10.2017), which complements with Regulation (EU) 2022/1032 of the European Parliament and of the Council of 29 June 2022 amending Regulations (EU)**

**2017/1938 and (EC) No 715/2009 as regards gas storage (Text with EEA relevance) (OJ L 173,30.6.2022) and with Council Regulation (EU) 2022/1369 of 5 August 2022 on coordinated measures to reduce demand for gas (OJ L 206,8.8.2022)**

#### 1. INTRODUCTION

The intervention plan concerning measures to safeguard the security of gas supply in the Republic of Croatia (hereinafter: Intervention plan) shall set out the procedures, role and responsibilities of the competent authorities and all gas market participants involved in the event of a disruption of gas supply.

The purpose of the Intervention Plan is to remove or mitigate the impact of a gas supply disruption and to address situations where gas supply can no longer be guaranteed to all customers on the domestic market.

In accordance with Council Regulation (EU) 2022/1369 of 5 August 2022 on coordinated measures to reduce gas demand, it is ensured that the national emergency plans reflect voluntary or mandatory gas demand reduction measures, and the Government of the Republic of Croatia is taking the necessary steps to update the national emergency plan established pursuant to Article 8 by adopting this Intervention Plan. Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010 (Text with EEA relevance) (OJ L 280,28.10.2017; 'the following: Regulation (EU) 2017/1938) by 31 October 2022.

To determine which customers are entitled to supply a certain amount of energy in the event of a disruption of energy supply, 11 June 2015. The

Government of the Republic of Croatia pursuant to Article 39(2). The Energy Act (Narodne novine (NN; Official Gazette of the Republic of Croatia) Nos 95/15, 102/15 and 68/18) also adopted the Decree on criteria for acquiring a protected customer in crisis situations (NN No 65/15).

Regulation (EU) 2017/1938 introduced a solidarity mechanism as an instrument to mitigate the effects of a serious emergency within the European Union where gas supply to solidarity protected customers is at risk in a Member State, which is a fundamental security need and a necessary priority for all Member States. In the event of an emergency, an emergency response at European Union level ensures that Member States have the possibility to provide enhanced protection to gas customers.

Regulation (EU) 2022/1032 of the European Parliament and of the Council of 29 June 2022 amending Regulations (EU) 2017/1938 and (EC) No 715/2009 as regards gas storage (Text with EEA relevance) is also in force from 1 July 2022 (OJ L173,30.6.2022; 'the following: Regulation (EU) 2022/1032).

The escalation of Russian military aggression against Ukraine since February 2022 has led to unprecedented increases in gas prices. This increase in gas prices has fundamentally changed the incentives for filling underground gas storage facilities in the European Union and has a significant impact on the disruption of gas supply. Such gas supply disruptions could seriously harm citizens and the economy. The nature and consequences of Russia's military aggression against Ukraine are visible throughout the European Union and therefore require a comprehensive response from the European Union. Priority shall be given to measures strengthening the security of gas supply at European Union level, and in particular to the supply of gas to protected customers, one of which is to strengthen storage capacity in the European Union. Energy savings and energy efficiency also contribute to achieving this target. It is therefore essential that action at European Union level is coordinated, in order to avoid potential risks arising from possible gas supply disruptions, without prejudice to the right of Member States to choose between different energy sources and the general structure of their energy supply.

Underground gas storage facilities contribute to the security of gas supply and well-filled underground storage facilities provide security of supply by ensuring additional gas in case of high demand or supply disruptions.

As of 9 August 2022, Council Regulation (EU) 2022/1369 of 5 August 2022 on coordinated measures to reduce gas demand is in force (OJ L 206,8.8.2022; 'the following: Regulation (EU) 2022/1369). The legal framework for security of gas supply established by Regulation (EU) 2017/1938 does not adequately address supply disruptions lasting more than 30 days. Given the imminent threat of a supply disruption, immediate demand reduction measures need to be taken before the winter 2022/2023 period. Such voluntary demand reduction contributes to filling storage capacity, which would not be exhausted by the end of the winter 2022/2023 period, thus ensuring that possible cold spells in February and March 2023 are dealt with, as well as facilitating the filling of gas storage capacity to an appropriate level of security of supply for the winter 2023/2024 period. The Ministry of Economy and Sustainable Development (hereinafter: Ministry) is responsible and responsible for the implementation of Regulation (EU) 2022/1369.

To this end, the Croatian Government adopted the Guidelines for Energy Savings in the Republic of Croatia by its Conclusions of 28 July 2022 (hereinafter: Guidelines) published on the Ministry's website: <https://mingor.gov.hr/UserDocsImages/slike/Vijesti/2022/Smjernice%20za%20u%C5%A1tedu%20energije%20u%20Republici%20Hrvatskoj.pdf>.

With a view to making efforts by the Republic of Croatia to achieve gas savings for the period from 1 August 2022 to 31 March 2023, among other things, the Guidelines propose to heat rooms to a maximum of 21 degrees, cooling to 25 degrees, greater use of LED lighting and public transport, and cheaper electricity tariffs. The guidance points to the importance of rational energy use and of encouraging communication on potential savings at technical, financial and security level. The Guidelines also highlight the measures that can be achieved at present, which, in addition to systematic implementation, ensures that gas consumption savings of at least 15 % are achieved between 1 August 2022 and 31 March 2023 compared to the average consumption in the preceding five-year period.

Furthermore, this Intervention Plan regulates measures to eliminate or mitigate the impact of a disruption of gas supply, which includes ensuring a reliable and efficient supply of natural gas, the criteria and method for determining a sufficient quantity of natural gas to ensure a reliable supply of natural gas to protected customers, and the order of reduction or suspension of natural gas supply to individual categories of customers in the event of a crisis situation.

The intervention plan shall be drawn up by the Ministry, as the body responsible and responsible for the implementation of Regulation 2017/1938, and adopted by the Government of the Republic of Croatia on a proposal from the Ministry.

## 2. GENERAL INFORMATION AND LEGISLATIVE FRAMEWORK

Secure gas supply, in accordance with Article 5. The Gas Market Act (Narodne novine (NN; Official Gazette of the Republic of Croatia) Nos 18/18, 23/20) is considered an essential element of public security and constitutes:

- ensuring the delivery of gas; and
- technical security of gas production, transport, storage, distribution and consumption.

Ensuring sufficient gas production and delivery necessary for citizens to live and work, and for the operation and development of economic and social operators and their supply of gas in a secure, reliable and high-quality manner, as well as the development of the gas system, is of interest to the Republic of Croatia.

The Ministry is responsible for monitoring security of supply issues, which includes monitoring the relationship between supply and demand in the gas market, preparing estimates of future consumption and available supply, planning the construction and development of additional gas system capacity, and proposing and taking measures in the event of a crisis situation being declared.

By 31 July of each year, the Ministry shall publish and submit to the European Commission a report setting out the results of the monitoring of security of supply issues, including any measures taken or envisaged to address them.

In the event of a sudden crisis in the energy market or where the physical safety or the safety of persons, equipment or installations or the integrity of the system are threatened, the Ministry may temporarily take the necessary protective measures.

Protection measures must be taken in such a way as to disturb as little as possible the functioning of the internal market and not go beyond what is necessary to remedy the sudden difficulties which have arisen.

The Ministry shall immediately inform the other Member States and the European Commission of the protection measures, which may decide that the Ministry must amend or abolish such measures, in so far as they distort competition and adversely affect trade in a manner deviating from the common interest.

The Ministry shall ensure that the necessary measures are taken in accordance with Article 5(1). Regulation (EU) 2017/1938.

The Ministry, in accordance with Article 9(4). Of Regulation (EU) 2017/1938, shall ensure that all preventive non-market-based measures, such as those listed in Annex VIII, are taken. Decree No 2017/1938, adopted on or after 1 November 2017, whether they are part of the Decision adopting the Preventive Action Plan concerning measures to safeguard the security of gas supply of the Republic of Croatia, adopted by the Government of the Republic of Croatia on 20 November 2014 or subsequently adopted, in accordance with the criteria laid down in the first subparagraph of Article 6(2). Regulation No 2017/1938.

The Ministry, in accordance with Article 11(6). Of Regulation (EU) 2017/1938, shall ensure that:

- No measures are introduced that would unduly restrict the flow of gas within the internal market at any time;
- No measures are introduced that are likely to endanger seriously the gas supply situation in another Member State; and
- cross-border access to infrastructure is maintained in accordance with Regulation (EC) No 715/2009 to the extent technically and safely possible, in accordance with the emergency plan.

During the state of emergency and on duly justified grounds, the Ministry may, in accordance with Article 11(7). Decide, at the request of an electricity transmission system operator or gas transmission system operator, to prioritise gas supply to certain critical gas-fired power plants rather than certain categories of

protected customers where a lack of gas supply to such critical gas-fired power plants would:

- could result in serious damage to the functioning of the electricity system, or
- would hamper the production and/or transportation of gas.

Any measure giving priority in accordance with paragraph 21 of this Article of the Regulation shall be based on a risk assessment by the Ministry.

The Ministry shall provide solidarity measures to other Member States in accordance with Article 13(1) and (2). Of Regulation (EU) 2017/1938 and shall adopt the necessary measures in accordance with Article 13(10). Regulation (EU) 2017/1938.

In order to maintain security of supply, energy operators carrying out energy activities carried out as a public service shall, in order to meet the interests of the Republic of Croatia, give priority to securing sufficient gas to live and work for citizens and to operate and develop economic and social operators and to supply them with gas in a secure, reliable and high-quality manner, satisfying the criterion of the cost-effectiveness of the supply.

Furthermore, in order to preserve the security of gas supply, Croatia has an interest in ensuring sufficient storage capacity to supply under public service obligations for the period from 1 October of the current year to 31 March of the following year in the underground gas storage system, as a percentage of the gas volumes required in the storage facility determined in accordance with Regulation (EU) 2022/1032 and in accordance with the implementing regulation on the criteria for obtaining the status of protected customer in the event of a crisis in the supply of gas.

Energy operators shall plan and take measures to ensure the security of gas supply in accordance with the prescribed gas supply standards and shall be responsible for the security of gas supply as part of their activity.

At the request of the regional self-government units, the distribution system operator shall provide data on gas supply and demand in its territory, make an estimate of future consumption and available supply, planning for the construction of additional capacity and the development of the distribution system in its territory.

### 3. THE GAS SYSTEM OF THE REPUBLIC OF CROATIA IN A NUTSHELL

Currently, gas can be imported into the transmission system of the Republic of Croatia at nine measurement points, of which five entry measuring stations are connected to natural gas production facilities, two interconnection stations on connections with the transmission systems of Slovenia and the Republic of Hungary, one entry-exit measuring station at the connection with the underground gas storage facility, and one entry measuring station at the connection with the LNG terminal. Currently, gas from Croatia's transmission system is delivered to 170 connections (in 156 outlet measurement and rotation stations), of which 39 are connections as a function of supplying gas to final customers connected to the transmission system; 128 connectors are a function of transferring gas to the distribution systems operated by 33 distribution system operators; one connection is a function of gas entry/output to the underground gas storage site, and two exits are at the interconnection.

The LNG terminal in Croatia consists of a floating unit for the reception, storage and regasification of LNG and the mainland part of the terminal. The technical capacity of the LNG terminal on the island of Krk is 2.9 billion m<sup>3</sup> per year. LNG ships with a capacity between 3.500 m<sup>3</sup> and 265.000 m<sup>3</sup> can call at a terminal adjacent to FSRU (Floating Storage and Regasification Unit). FSRU 'LNG CROATIA' consists of LNG storage tanks and LNG loading, unloading and regasification equipment. The FSRU ship 'LNG CROATIA' is equipped with four LNG storage tanks with a total storage capacity of 140.206 m<sup>3</sup>, three LNG regasification (regeneration) units with an instantaneous maximum technical regasification capacity of 451.840 m<sup>3</sup>/h and a power plant producing electricity for the purpose of operating the terminal. The existing capacity of the gas transmission system limits the regasification capacity to a maximum of 338.000 m<sup>3</sup>/h. The main part of the terminal consists of docking, relying stops for the FSRU call of a ship, moored sticks for the FSRU of a ship and LNG carrier, fast-departure hooks, access bridges, high-pressure contact hands with the connection pipeline, transmission and cleaner pipeline transmission stations, firefighting systems, control buildings and associated facilities.

In 2021, the distribution of gas in Croatia was carried out by 33 energy operators, while the length of the gas distribution network was 19.891 km.

38 companies are registered for trading gas in Croatia, while 41 companies have a licence to supply gas in Croatia, and 31 companies currently have a licence to carry out the energy activity of gas distribution.

Since 26 April 2022, the Decision declaring an early warning relating to the level of emergency situations to safeguard the security of gas supply of the Republic of Croatia (NN No 49/22) has been in force, while from 3 March 2022 the members of the crisis team have been appointed by decision to implement the emergency plan on measures to safeguard the security of gas supply of the Republic of Croatia.

## 4. CRISIS SITUATIONS

### 4.1. Definition of crisis levels

In accordance with Article 11(1). Regulation (EU) 2017/1938 has three main crisis levels:

1. the level of early warning ('early warning') is declared by the minister responsible for energy (hereinafter: Minister), at the request of the Crisis Team, when there is concrete, serious and reliable information that an event may occur which may cause a significant deterioration of the gas supply situation and may trigger the activation of the alert or emergency level; the early warning level can be triggered by an early warning mechanism

2. the level of alert ('the alert') shall be declared by the Minister, acting on a proposal from the Crisis Team: in the event of a disruption of gas supply or exceptionally high gas demand resulting in a significant deterioration of the gas supply situation, but the market is still able to cope with that disruption, i.e. demand without the need to resort to non-market based measures;

3. the level of a state of emergency ('emergency situation') shall be declared by the Government of the Republic of Croatia on the proposal of the Minister in the event of exceptionally high gas demand, a significant supply disruption or other significant deterioration of the gas supply situation, and in the event that all relevant market measures have been implemented but the gas supply is insufficient to meet the remaining gas demand, so that non-market measures must also be introduced additionally, in particular to safeguard the gas supply to protected customers in accordance with Article 6. Regulation (EU) 2017/1938.

### 4.2. Supply risks and basis for decision-making on crisis levels

Article 7 Regulation (EU) 2017/1938 requires Member States to produce a national assessment of risks affecting the security of gas supply.

In accordance with best practices and standard procedures, such risk assessment shall include an analysis of the use of gas infrastructure, the gas supply standard, relevant national and regional circumstances, different disruption scenarios, the interaction and linkage of risks with other Member States, and the maximum technical capacity of interconnections at each transmission system entry and exit point.

In the light of the assessment by the competent authority for the implementation of a particular crisis level of the existence of specific, serious and reliable information on the occurrence of an event that may significantly deteriorate the gas supply situation in the Republic of Croatia, the measures and actions that may or must be taken at the level of the crisis situation and the competence of the authority to take the related decisions are identified.

An individual crisis level shall be determined on the basis of the occurrence of the following events (individually or collectively):

- absence/deficiency/limitation in gas flows at key entry points of the transmission system
- a technical shortcoming on critical gas infrastructure (e.g. pipeline failure, compressor station, LNG terminal, production facilities, gas storage facility), on the basis of which energy operators are required to draw up a contingency plan for key infrastructure facilities;
- low level of filling of natural gas storage before the start of the next heating season
- adverse weather conditions monitored by an exceptionally high level of gas consumption
- long-term risk of insufficient gas sourcing sources
- declaration of crisis situations in neighbouring Member States
- request from a neighbouring Member State to activate the solidarity mechanism.

Energy operators operating infrastructure facilities are required to draw up a contingency plan for each key infrastructure that they manage (in accordance with subparagraph 2 of point 1.2 of this Intervention Plan)

The following table presents schematically the crisis levels in accordance with Regulation (EU) 2017/1938 related to the basic measures that can be taken on the gas market in the Republic of Croatia for a given crisis level, and the competence to take decisions on the declaration of individual crisis levels.

		SHOOTINGS OF THE AMA CRISIS STACK (the applicable grandmother and how to implement it)			
		1. EARLY IN PECTION Declares that: MrbiJt 'M Proposalci' teg Tiru	2. ALERTING Ara Proclamation: Minis ta'on the proposal of K rhythonous leaf	1 STATE OF EMERGENCY Barracks: Government of the Republic of Croatia on the prgctiag Minister and Crish leaf	
I B	1	Comming and transfer to another gorvvo	YES	YES	YES
	2	gas	YES	YES	YES
	3	Recommendations to reduce consumption	YES	YES	YES
	4	Sap of contracts between market operators and other cnergetts	YES	YES	YES
	5	Ensuring sufficient shaft gas	YES	YES	YES
	6	supplies	Energy operators coordinated with the Emergency Team	Energy subsidies coordinated with the Emergency Team	YES
Ž B 3 2	1	Maximisation of natural production; gas	N/—	N/—	YES
	2	Increase in imports of natural ogpSna	N/—	N/—	YES
	3	Maximum gas flow from'Had hood	NO/	N/—	YES
	4	Use of leased too and abducted by this transmission system	N/—	N/*	YES
	5	Obligation of the users of the PPP terminal to enter into a contract with the guaranteed snap - supervised	N/—	M/—	YES
	6	Mandatory use of electricity from sources blown with natural gas	N/—	N/—	YES
	7	Mandatory tearing to other fuel	N/—	N/—	YES
	8	Mandatory use of prey contracts.if we are fully used as part of cost-effective measures	NL/—	N/—	YES
	9	Reduction S Suspension of delivery – of L who 11st gear	NL/	N/*	YES
	10	of natural gas	N/—	N/—	YES
	11	Limiting natural gas exports	N/—	N/—	YES
	12	The mandatory conclusion of cooperative contracts between energy entities neighbouring the States' neighbours in accordance with the	N/—	N/—	YES

#### 4.3. Criteria and method for determining a sufficient quantity of natural gas to ensure a reliable supply of natural gas

Sufficient quantities of natural gas to ensure a reliable supply of natural gas to customers other than protected customers are those that gas suppliers contract annually with customers.

Sufficient quantities of natural gas to ensure a reliable supply of natural gas to protected customers shall be those contracted by gas suppliers with protected customers, as well as sufficient quantities of natural gas and, in the case of:

- a) partial disruption of natural gas supply resulting in a reduction of natural gas imports into the Republic of Croatia and a reduction in domestic natural gas production of up to 20 %, for a period of 30 days;
- b) extremely low mean daily air temperatures in the five-day period, as calculated by the State Hydrometeorological Institute, between 1 December and 1 March
- c) periods of exceptionally high demand for natural gas during periods of the strongest cold occurring every 20 years according to statistics (d) periods of long interruption of supply from Russia to the European Union according to regional projections causing a lack of gas in the European Union market.

The energy operator supplying gas to the protected customer shall ensure sufficient quantities of natural gas to ensure a reliable supply of natural gas to protected customers and provide the Ministry, by 1 August of the current year for the following year, with an estimate of the consumption of natural gas in order to ensure a reliable supply of natural gas to the protected customers supplying gas.

By 1 August of the current year, the energy operator which is the supplier of gas to the protected customer, i.e. the energy operator, is required to provide the Ministry with an estimate of the consumption of natural gas for the following year in order to ensure a reliable supply of natural gas to protected customers in the distribution areas in which it provides guaranteed supply.

Gas suppliers shall submit contingency plans to the network operators to which they are connected.

As a minimum, these plans must include:

- the potential for savings in gas consumption for the following period, expressed per degree of reduction or suspension of gas supply per category of customers and specification for all customers, in particular customers of particular importance and protected customers;

- measures to switch to other fuels
- interruptible contract measures,
- quantities of gas for technological and technical minima.

Customers of particular importance are customers who provide services that provide irreplaceable living and working conditions for citizens, economic and other entities (for example: bakeries, public kitchens, hospitals, crematoria, etc.), while customers with a particularly sensitive technological and/or production process are customers, whose suspension of the supply of natural gas without carrying out certain safety procedures for the period of time necessary to stop the installation can cause material damage to the installation.

The technological minimum is the amount of natural gas needed to maintain the minimum production, and the technical minimum is the minimum amount of natural gas needed to preserve the technical characteristics of the installation, which do not include quantities of natural gas for production.

In order to deal with a crisis situation, the gas producer, the transmission system operator, the distribution system operator, the LNG terminal operator and the storage system operator shall draw up a contingency plan each in its operations, which shall contain, inter alia, the following:

- how to implement the measures required by Regulation (EU) 2017/1938 to remedy the situation of crisis
- the planned savings in the amount of natural gas for each of the steps set out in Article 6. Regulation (EU) 2017/1938
- process and timeline of reduction and/or suspension of natural gas deliveries to customers with a particularly sensitive technological and/or production process
- means of communication between energy operators
- responsible for the implementation of the contingency plan
- informing buyers about the implementation of measures to remedy the situation of crisis
- reporting to the Ministry, local and regional self-government units and the public on the implementation of measures to remedy the situation of crisis
- reporting to the transmission system operator on the implementation of crisis repair measures for the management of the gas system in the event of a crisis situation being declared.

In order to draw up the contingency plan for system operators, protected customers other than households shall, at the request of their gas supplier, provide, at the latest by 1 June of the current year, consumption estimates under normal conditions. Customers with a particularly sensitive technological and/or production process shall provide, in addition to consumption estimation data under normal conditions, data on the estimated consumption at technological and technical minimum gas consumption, the availability of substitute fuel and the time needed to reduce consumption and the time needed to stop consumption.

In order to draw up a contingency plan for a distribution system operator, the supplier of gas to customers connected to the distribution system shall, by 1 July of the current year, provide the distribution system operator with information on the structure of consumption and possible savings by degree of reduction or suspension of the supply of natural gas, in accordance with the data requested by the distribution system operator.

In order to draw up a contingency plan for transmission system operators, final customers connected directly to the transmission system and distribution system operators shall provide the transmission system operator, by 15 July of the current year, with information on the demand structure of customers and possible savings per degree of reduction or suspension of the supply of natural gas, in accordance with the data requested by the transmission system operator.

The gas producer, the transmission system operator, the distribution system operator, the LNG terminal operator and the storage system operator shall submit their contingency plans for the following gas year to the Minister for approval by 1 August of the current year.

## 5. MEASURES TO BE ADOPTED PER CRISIS LEVEL

### 5.1. *Market based security of gas supply measures*

Measures to ensure a reliable and efficient supply of natural gas based on market principles shall be:

- development of domestic natural gas production
- diversification of natural gas supply sources
- long-term contracts for the supply of natural gas outside the Republic of Croatia
- investments in natural gas import infrastructure – LNG terminal and transmission pipelines
- connection of the transmission system of the Republic of Croatia to the transmission systems of neighbouring countries
- ensuring sufficient natural gas storage capacity in the territory of the Republic of Croatia
- ensuring sufficient quantities of gas stored to cover demand in conditions of increased consumption
- ensuring the capacity of the gas system in the territory of the Republic of Croatia, enabling the supply of natural gas to all customers in the territory of the Republic of Croatia;

- encouraging the development of a category of natural gas customers that may suspend natural gas supply under certain conditions and time periods;
- encourage the development of a category of customers with operational reserves or peak storage tanks for natural gas in the form of compressed natural gas reservoirs or liquefied petroleum gas
- encouraging the development of a category of customers who can use alternative fuels to natural gas at certain conditions and time periods, instead of natural gas;
- cooperation between the transmission system operator of the Republic of Croatia and the transmission system operators of neighbouring countries for harmonised transmission of natural gas
- coordination of activities between transmission system operators, distribution system operators and storage system operators
- developing a liquid gas market in Croatia.

Gas market participants shall plan in their development and business plans measures to ensure a reliable and efficient supply of natural gas.

### 5.2. *Early warning*

#### 5.2.1. Early warning – Declaration conditions and enforcement measures

An early warning crisis level arises when there is concrete, serious and reliable information that an event may occur which may result in a significant deterioration of the supply situation and which may trigger the activation of the alert level or the emergency level; the early warning level can be triggered by an early warning mechanism.

The measures to be applied in this crisis level are the following:

1. voluntary switch to another fuel

2. voluntary increase in natural gas imports
3. recommendations to reduce consumption
4. contracting between market operators and other energy operators
5. securing sufficient gas supplies
6. prioritising the establishment of the annual schedule of services to the customer of the terminal supplying the supplier of last resort, and is also the head of the balance sheet group of which the guaranteed supplier is directly a member;
7. ensuring the utilisation of liquefied natural gas capacity and sufficient LNG in FSRU tanks in the event of disruption of the supply of natural gas on land; and
8. other measures contributing to security of supply – energy operators can achieve on a voluntary basis

The application of any of the above measures shall not affect or restrict or reduce the agreed transit through the gas system of the Republic of Croatia.

#### 5.2.2. Duties of national authorities

In crisis-level conditions, the duties of government and public authorities and gas market participants are set out in this Chapter as follows:

##### a) Government of Croatia

- adopts a decision appointing the members of the crisis team and their alternates;
- adopts decisions on the security of gas stocks in the territory of the Republic of Croatia, on a proposal from the Ministry and the crisis team;
- adopts guidelines for voluntary energy savings.

##### b) Minister

- proposes members of the crisis team to the Croatian Government
- convened by the crisis team
- lead the operation of the crisis team
- declare a crisis level of early warning or cancellation and justify the reasons that led to it;
- inform the European Commission about the measures taken
- communicates and coordinates activities with European Union bodies in relation to security of supply;
- communicates and coordinates activities with ministers responsible for energy of neighbouring countries
- proposes to the Government of the Republic of Croatia to adopt a decision on the security of gas stocks;
- communicates and reports to the minister responsible for foreign and European affairs on activities related to security of supply.

##### c) Ministry

- propose and take action to remedy the situation of early warning;
- implement, supervise and coordinate this Intervention Plan;
- monitor the implementation of measures to remedy the situation of crisis;
- ensure that the public is properly and timely informed;
- submits a report to the Croatian Government on the measures implemented;
- coordinate activities between energy operators and gas market participants.
- instruct, on the proposal of the crisis team, energy operators to act in individual crisis levels;

##### d) Croatian Energy Regulatory Agency (HERA)

- participates in the operation of the crisis team
- advises the crisis team on regulatory issues and in particular on the compatibility of individual measures and activities with the national and European regulatory framework;
- on the basis of data from market participants, provide information to the crisis team applying the confidentiality of commercially sensitive data.

##### e) Crisis team

- suggest to the Minister that an early warning be declared, i.e. the early warning shall be discontinued and shall explain the reasons therefor;
- proposes to the Minister measures to remedy the early warning situation and their scope;
- proposes to the Minister to instruct energy operators to act at this level of crisis;
- proposes to the Ministry to propose to the Croatian Government the adoption of a decision on the security of gas stocks in the territory of the Republic of Croatia.

#### 5.2.3. Duties of gas market participants

Under early warning level conditions, the duties of gas market participants are as follows:

##### a) Natural gas producer

- inform the Ministry about current gas production conditions
- informs the Ministry about possibilities for increased gas production that do not negatively affect gas production
- implement the measures in accordance with the Ministry's order.

##### b) Transmission system operator

- informs the Ministry about the conditions in the transmission system
- inform the Ministry about the implementation of the adopted early warning measures under its remit
- communicates with distribution system operators, balance sheet group managers and final customers on the transmission system;
- implement measures, as instructed by the Ministry
- checks the possibilities for transferring unused capacity from suppliers to other suppliers (under measure 6, point 5.2.1 of this Intervention Plan);
- regularly update the data necessary for the implementation of the contingency plan of the transmission system operator; and
- at the request of the Ministry, it shall provide the information necessary to ensure the implementation of the measures.

##### c) Storage system operator

- inform the Ministry or, upon request, the crisis team about the state of gas stocks in the storage system;
- at the request of the Ministry, provide the information necessary to ensure the implementation of the measures, in cooperation with the users of the storage system, analyse the use of the gas storage system and propose measures for better use (under measure 6.5.2.1 of this Intervention Plan).
  - verify the possibilities for transferring unused contracted capacity from suppliers and/or dealers to other suppliers (under measure 4, point 4.2.1 of this Emergency Plan); and
  - implement measures relating to gas storage, in accordance with the Ministry's order.
- d) Gas distribution system operator
  - inform the Ministry about the situation and conditions in the distribution system
  - regularly update the data necessary for the implementation of the Crisis Plan of the distribution system operator; and
  - at the request of the Ministry, provide the information necessary to ensure the implementation of the measures;
  - implement measures in accordance with the instructions of the crisis team or the Ministry;
- e) LNG terminal operator (hereinafter: LNG terminal)
  - inform the Ministry of the state and conditions at the LNG terminal
  - inform the Ministry and, if necessary, the crisis team about the monthly schedule of terminal capacity and the arrival schedule of LNG ships;
  - verifies the possibilities of transferring unused contracted capacity from suppliers and or dealers to other suppliers (under measure 4, point 4.2.1. this Intervention Plan)

analyse the use in cooperation with LNG terminal users and propose measures to improve the use of terminal capacity (as part of action 6.

4.2.1. this Intervention Plan)

  - allows for the monthly schedule of LNG terminal services to be amended, taking into account that LNG transport ships may also occur before the minimum operating level of LNG in tanks is reached (under measure 7 of point 4.2.1 of this Emergency Plan);
  - implement the measures, as instructed by the Ministry.
- f) Gas supplier, public service supplier, guaranteed supplier and head of balance sheet group
  - inform the Ministry about the circumstances of the gas supply
  - implement measures, as instructed by the Ministry
  - examines possibilities for increasing gas imports
  - actively participate in the use of all parts of the gas system and agree among themselves on the use of all parts of the gas system in order to increase usability to increase the level of security of gas supply;
  - provide daily, three-day and weekly plans of available and necessary gas volumes to the system operator where its gas customers or members of the balance sheet group are located, if so requested by the system operator;
  - participate actively with other network users that all measures are implemented on a voluntary basis (under measure 6, point 4.2.1 of this Intervention Plan).
- g) Gas Market Operator
  - participates in the operation of the crisis team
  - implement the measures in accordance with the Ministry's order.
- h) Final customers on the transmission system
  - maintains normal consumption
  - analyse the possibility of applying measures 1 and 3 of point 2.1.1 of this Intervention Plan on the basis of information received from the gas supplier.
  - in the case of Measure 6, point 2.1.1 of this Intervention Plan, decides, on the basis of information from the gas supplier, on voluntary participation in the measures.
  - provide daily and weekly gas off-take forecasts, if requested by the transmission system operator or its shipper;
  - non-protected customers prepare and regularly update monthly plans on possible voluntary and mandatory gas consumption savings for the next three-month period.

#### 5.2.4. Expected outcomes of the measures taken to address the crisis situation early warning

The measures and procedures of individual gas market participants described above, taken during the early warning phase, with a view to avoiding or minimising the negative effects of a disruption of gas supply, should no additional risk arise in the disruption, be expected to achieve the following outcomes:

- security of gas supply for all customers is guaranteed
- No distortion of competition or proper functioning of the internal gas market
- critical supply chains for society are not at risk
- the supply-demand balance in the gas market is balanced
- measures and steps to deal with the occurrence of higher alert levels are identified
- indicative plans on possible voluntary gas consumption savings for the next period
- plans for possible mandatory gas consumption savings for the next period have been established to ensure that there is no potential long-term damage to industrial installations or disruption of supply chains.

### 5.3. Alert Level

#### 5.3.1. Declaration conditions and implementation measures

A crisis alert level arises when a supply disruption or exceptionally high gas demand occurs that results in a significant deterioration of the supply situation, but the market is still able to cope with that disruption or demand without relying on non-market measures. In this alert level, all measures from the early warning level can be applied.

The application of any measure shall not affect or restrict or reduce the agreed transit through the gas system of the Republic of Croatia.

#### 5.3.2. Duties of national authorities

In crisis alert conditions, the duties of national and public authorities and gas market participants are as follows in addition to the above-mentioned levels of early warning:

##### a) Government of Croatia

- adopt, on a proposal from the Minister, decisions on the organisation of work, office hours or office closing days in the workspace for civil and public

services;

- adopt, on a proposal from the Minister, specific conditions for the performance of energy activities.

b) Minister

- declare the alert or its revocation and give reasons for the reasons which led to it;
- proposes to the Croatian Government specific conditions for the performance of energy activities.

c) Ministry

- proposes and takes measures to remedy the emergency status of alert levels
- monitor the implementation of measures to eliminate alert levels;

d) Croatian Energy Regulatory Agency (HERA)

upon invitation by the crisis team, obtain data on the conditions and circumstances related to the commercial agreements of energy entities, and provide information to the crisis team by applying the protection of commercially sensitive information;

e) Crisis team

- proposes to the Minister specific conditions for the performance of energy activities;
- proposes to the Minister to declare the alert level or its abolition;

f) Duties of gas market participants

The duties of gas market participants under alert level conditions are identical to early warning duties, except that gas market participants are required to submit information to the Ministry at least once every two weeks.

In addition, final customers on the distribution system are required to implement, during the alert level, decisions on office time, work organisation or office closing days in the premises.

### 5.3.3. Expected outcomes of the measures taken to remedy the emergency alert situation

The following outcomes are expected from the measures and procedures described above by individual actors taken during the crisis alert level to avoid or minimise the negative impact of a gas supply disruption, if no additional risk of disruption arises:

- security of gas supply for all protected customers is guaranteed
- No distortion of competition or proper functioning of the internal gas market
- critical supply chains for society are not at risk
- the supply-demand balance in the gas market is balanced
- voluntary savings in gas consumption are reflected in the reduction of energy consumption
- measures and steps for dealing with the occurrence of a higher level of crisis, i.e. an emergency, are defined;
- plans and roadmaps have been established for possible mandatory gas savings for the next period, which would not lead to potential long-term damage to industrial installations or disruption of supply chains.

## 5.4. Emergency level

Article 5(10) The Gas Market Act (Narodne novine (NN; Official Gazette of the Republic of Croatia) Nos 18/18 and 23/20) designates the Ministry as the body responsible for monitoring the relationship between supply and demand in the gas market, preparing estimates of future consumption and available supply, planning for the construction and development of additional capacity of the gas system and proposing and taking measures in the event of a declaration of a crisis situation, the obligation to provide a detailed assessment of the state of emergency and the effectiveness of the measures implemented after the state of emergency.

### 5.4.1. Declaration conditions and implementation measures

A state of emergency shall be declared by the Government of the Republic of Croatia on the proposal of the Minister in the event of exceptionally high gas demand, significant supply disruption or other significant deterioration of the gas supply situation, and in the event that all relevant market measures have been implemented but the supply of gas is insufficient to meet the remaining gas demand, so that non-market-based measures must additionally be introduced, in particular to safeguard the gas supply to protected customers in accordance with Article 6. Regulation (EU) 2017/1938.

At emergency level, the following measures can be taken:

1. maximising natural gas production
2. increase in natural gas imports
3. maximum withdrawal of gas from storage
4. use of leased transmission system capacities
5. mandatory conclusion of contracts between gas producers and LNG terminal users with the feed-in supplier
6. mandatory use of electricity from sources other than gas
7. mandatory switch to other fuel
8. mandatory use of interruptible contracts if not fully utilised under market measures
9. reduction or suspension of delivery – step 1 to step 11
10. mandatory reduction or suspension of natural gas deliveries
11. limiting natural gas exports
12. the mandatory conclusion of cooperation agreements between energy operators of neighbouring countries in accordance with solidarity agreements.

Distribution system operators shall draw up annual emergency plans and submit, in addition to the Ministry and the transmission system operator, by 1 August of the current year.

Measures to maximise the production/import increase and the maximum withdrawal of gas from storage shall be carried out in accordance with the technical and technological capabilities of the relevant gas systems (production pipeline system, transmission system, underground gas storage, etc.), taking into account other relevant factors such as meteorological conditions, availability of LNG, stock situation in the underground gas storage site, withdrawal capacity, production options, etc.).

When deciding on the introduction of these measures, the Ministry shall obtain data from the relevant energy operators and conditions in the gas systems operated by them and the technical and technological possibilities for implementing the measure.

The utilisation of the leased transmission system capacity is the obligation of each transmission system user so that there is no unused transmission or distribution system capacity, at the time of the lack of gas.

A measure requiring the conclusion of a contract between gas producers and LNG terminal users with the guaranteed supplier is introduced with a view to securing sufficient quantities of gas for the last resort supplier to supply customers and is implemented taking into account relevant data collected from gas market participants, based on joint analyses of the crisis team and the Ministry, which proposes to conclude a specific type of contract to the Minister or Government of the Republic of Croatia.

The mandatory use of electricity from sources other than natural gas is an obligation incumbent on the electricity sector, making maximum use of renewable



sources, as well as switching power stations to liquid or solid fuels.

The mandatory switch to other fuel by final customers shall apply to customers on the transmission and distribution system. The mandatory use of interruptible contracts, if not fully utilised as part of market-based measures, is an obligation for suppliers to prepare, and to propose to the final customer this type of crisis contract, if the reduction is not agreed through a standard supply contract.

Forced disconnection is phased in (technological minimum/technical minimum/gas disconnection) and depends on which network the customer is, i.e. it depends on the technical and technological reasons caused by the configuration of the gas network.

A restriction on the export of natural gas is a measure that applies where there is a significant disturbance causing problems in the transmission system and this is a measure that applies only when security of gas supply is threatened and the system is under threat.

It is mandatory to conclude contracts between energy operators in connection with concluded security of supply contracts, namely solidarity contracts with neighbouring EU Member States.

#### 5.4.2. Duties of national authorities

In times of emergency, the duties of state and public authorities are, in addition to the duties laid down for the early warning and alert level, to:

##### a) Government of Croatia

- on the proposal of the Minister, adopt a decision declaring a state of emergency and a decision to lift the state of emergency;
- on a proposal from the Minister, adopt a decision to introduce a measure to remedy the state of emergency;
- on a proposal from the Minister, issue a decision to terminate an individual measure to remedy the state of emergency;

##### b) Ministry

- proposes to the Government of the Republic of Croatia to adopt a decision declaring a state of emergency and to decide on the lifting of the state of emergency and to explain the reasons for the adoption;

- proposes to the Croatian Government to adopt a decision on the introduction of a specific measure to remedy the state of emergency;

- proposes to the Government of the Republic of Croatia to adopt a decision to terminate a particular measure to remedy the state of emergency;

- declares the rate of reduction or suspension of gas deliveries;

- monitor the implementation of measures to remedy the level of emergency;

- inform energy operators in writing of the introduction of a measure to reduce or suspend the delivery of gas;

- develop and regularly update a consolidated list with the contact details of persons, representatives of energy entities, responsible for the implementation of a gas reduction or suspension measure, and provide the aggregated and updated list to the transmission system operator and distribution system operators.

##### c) Crisis team

- proposes to the Minister, the declaration of the state of emergency and the lifting of the state of emergency;

- he proposes to the Minister that a higher degree be declared, that is to say, the abolition of the declared rate of reduction or suspension of gas deliveries.

##### d) Duties of gas market participants

In emergency situations, the duties of gas market participants are imposed on early warning and alert levels.

In addition, final transmission system customers, final customers on distribution systems and all shippers shall provide the transmission system operator and distribution system operators with the data necessary to implement measures to remedy the crisis, as requested by the operator, and shall comply with the transmission system operator's or distribution system operator's instructions.

Specific obligations in case of implementation of a gas reduction or suspension measure are set out in Chapter 5.4.3 of this Intervention Plan.

#### 5.4.3. Specific rules for reduction or suspension of gas deliveries – step 1 to 11

The measure to reduce or suspend the supply of gas is carried out on the basis of the decision of the Government of the Republic of Croatia to introduce this measure.

The crisis team shall, following the Croatian Government's decision to introduce a state of emergency measure, propose to the Minister a degree of reduction or suspension of deliveries, depending on the conditions in the Croatian gas system.

The reduction or suspension of deliveries on a particular stage shall be carried out simultaneously and proportionately for all customers covered by the measure at the level concerned up to the quantities determined for the stage concerned, in accordance with the need to remedy the emergency. The reduction or suspension of gas deliveries to customers with a particularly sensitive technological and/or production process shall be carried out in accordance with the data provided by customers to the transmission system operator or distribution system operators for the purposes of drawing up their contingency plans.

In order to implement measures to reduce or suspend the supply of gas, all energy operators shall provide the Ministry with up-to-date information on the persons responsible for implementing measures to reduce or suspend the supply of natural gas to individual categories of customers, their telephone numbers, their mobile phone numbers and their mail addresses.

The Ministry shall provide the transmission system operator and distribution system operators with aggregated updates on the responsible persons for the implementation of the measure of reduction or suspension of deliveries.

#### 5.4.4. Activities during the implementation of the measure of reduction or suspension of gas deliveries shall take place according to the following roadmap:

1. The Ministry shall provide all energy gas operators with an oral and written notification of the introduction of a measure to reduce or suspend the supply of gas.

2. On the proposal of the crisis team, the Ministry shall declare an appropriate level of reduction or suspension of gas deliveries to individual customers.

3. The Ministry shall inform the transmission system operator in writing without delay of the declared level of reduction or suspension of gas deliveries.

4. The transmission system operator shall notify in writing the level of reduction or suspension of gas delivery to the on-balance-sheet group managers, distribution system operators, final transmission system customers and their shippers.

5. The heads of balance sheet groups shall inform in writing the suppliers of the members of their balance sheet group of the degree of reduction or suspension of gas deliveries.

6. The distribution system operator shall inform the distribution system suppliers and final customers on the distribution system in writing of the degree of reduction or suspension of gas delivery.

7. A gas customer concerned by a declared level of reduction or suspension of gas delivery shall comply with it and comply with the instructions given by the transmission system operator and the distribution system operator.

8. If a gas customer directly connected to the transmission system does not comply with the instructions given by the transmission system operator, the transmission system operator may partially restrict or suspend the delivery of gas by giving prior written notice to the customer and his supplier of the time within which they will undertake these activities. 0 The same transmission system operator shall immediately inform the Ministry in writing.

9. Where a customer of gas directly connected to the distribution system does not comply with the instructions of the distribution system operator, the distribution system operator may partially restrict or suspend the supply of gas to the customer and his supplier, giving prior written notice to the customer and his supplier of the time within which he will undertake these activities. 0 The same distribution system operator shall immediately inform the Ministry in writing.

10. The transmission system operator shall inform the Ministry in writing of the measures implemented on the transmission system and the effects achieved.

11. Distribution system operators shall inform the Ministry and the transmission system operator in writing about the measures implemented on the distribution systems and the effects achieved.

12. The Ministry shall analyse the data received in cooperation with the crisis team and, depending on the results achieved, propose to the Minister a declaration of a higher degree, i.e. the abolition of the declared level of reduction or suspension of gas deliveries.

13. 0 The Ministry shall inform the transmission system operator without delay of a decision declaring a higher level, i.e. abolishing the declared level of reduction or suspension of gas deliveries.

5.4.5. The reduction or suspension of gas deliveries shall be carried out as soon as possible after the declaration of a particular stage, in the following order:

1. Degree

- the supply of natural gas to the customer directly connected to the transmission system HEP – Proizvodnji d.o.o., Zagreb, up to 62.000 m<sup>3</sup>/h, is reduced to a quantity sufficient for the operation of CHP installations where, in a common system, electricity and heat for district heating are produced to cover consumers on the heat system;

- the supply of natural gas to the customer directly connected to the transmission system Petrokemija d.d., Kutina is reduced to 60.000 m<sup>3</sup>/h

- the supply of natural gas to oil refineries of the buyer directly connected to the INA-Industrija nafte d.d., Zagreb, is decreasing to 10.000 m<sup>3</sup>/h

2. Degree

- the supply of natural gas to the customer directly connected to the transmission system Petrokemija d.d., Kutina is decreasing to 15.000 m<sup>3</sup>/h

- the supply of natural gas to oil refineries of a buyer directly connected to the INA-Industrija nafte d.d., Zagreb transmission system is reduced to a technical minimum

- reduces the supply of natural gas to other customers directly connected to the transmission system to a technological minimum

3. Degree

the supply of natural gas to customers connected to the transmission system who have alternative fuel to the extent of the availability of the substitute fuel shall be suspended.

4. Degree

- the supply of natural gas to the customer directly connected to the transmission system HEP – Proizvodnji d.o.o. Zagreb, up to 32.000 m<sup>3</sup>/h, is reduced;

- the supply of natural gas to the customer directly connected to the transmission system Petrokemija d.d., Kutina, is reduced to a technical minimum

- the supply of natural gas to other customers directly connected to the transmission system is reduced to a technical minimum.

5. Degree

the supply of natural gas to customers connected to the distribution system who have substitute fuel available to the extent of availability of the substitute fuel, other than to protected customers, shall be discontinued.

6. Degree

the supply of natural gas to customers connected to the distribution system carrying out a non-production activity shall be suspended, except for protected customers and customers of particular importance.

7. Degree

the supply of natural gas to customers connected to the distribution system who carry out a production activity to a minimum of technology shall be reduced, with the exception of protected customers and customers of particular importance.

8. Degree

the supply of natural gas to customers connected to the distribution system who carry out a production activity to a technical minimum shall be reduced, with the exception of protected customers and customers of particular importance.

9. Degree

- the supply of natural gas to customers directly connected to the transmission system is suspended, except for the customer Hrvatska elektroprivreda d.d., Zagreb

- supplies to customers connected to the distribution system carrying out a production activity shall be suspended, except to protected customers and to customers of particular importance.

10. Degree

the supply of natural gas to customers providing services which provide non-replaceable living and working conditions for citizens, economic operators and other entities other than protected customers shall be suspended.

11. Degree

the supply of natural gas to Hrvatska elektroprivreda d.d., Zagreb and to protected customers is decreasing to a level that ensures the viability of the gas system.

5.4.6. Obligation to draw up a contingency plan

In order to deal with a crisis situation, the gas producer, the transmission system operator, the distribution system operator, the LNG terminal operator and the storage system operator shall draw up a contingency plan each in its operations, which shall contain, inter alia, the following:

- planned savings in the volume of natural gas for each of the stages of reduction or suspension of gas deliveries

- the process and timeline for reducing and/or suspending the supply of natural gas to customers with a particularly sensitive technological and/or production process;

- the means of communication between energy operators;

- the person responsible for the implementation of the contingency plan;

- informing customers about the implementation of measures to remedy the situation of crisis;

- reporting to the Ministry on the implementation of measures to remedy the situation of crisis;

- reporting to the transmission system operator on the implementation of crisis repair measures for the purpose of the management of the transmission system.

In order to draw up the contingency plan for system operators, protected customers, other than households, shall provide, at the request of their gas supplier, no later than 1 June of the current year, data assessing consumption under normal conditions.

Customers with a particularly sensitive technological and/or production process shall provide, in addition to consumption estimation data under normal conditions, data on the estimated consumption at technological and technical minimum gas consumption, the availability of substitute fuel and the time needed to reduce consumption and the time needed to stop consumption.

In order to draw up a contingency plan for a distribution system operator, the supplier of gas to customers connected to the distribution system shall, by 1 July of the current year, provide the distribution system operator with information on the structure of consumption and possible savings by degree of reduction or suspension of the supply of natural gas, in accordance with the data requested by the distribution system operator.

In order to draw up the contingency plan for transmission system operators, final customers connected directly to the transmission system and distribution

system operators shall provide the transmission system operator, by 15 July of the current year, with information on the demand structure of customers and possible savings per degree of reduction or suspension of gas deliveries, in accordance with the data requested by the transmission system operator.

The gas producer, the transmission system operator, the distribution system operator, the LNG terminal operator and the storage system operator shall:

1. on August of the current year, submit their contingency plans for the following gas year to the Minister for approval.

The Ministry will approve the contingency plans by 1 September of the current year.

In accordance with best practices and standard procedures, the risk assessment shall include the use of infrastructure, gas supply standards, relevant national and regional circumstances, different gas disruption scenarios, the interaction and connection of risks with other Member States, and the maximum interconnection capacity at each border entry and exit point.

The regulation setting out the risk assessment of the gas supply for the Republic of Croatia will address the following scenarios of gas supply disruption to the Croatian market, taking into account the maximum gas consumption in the Republic of Croatia in the seven consecutive coldest days in the last 20 years and assuming maximum available storage capacity in Croatia:

- interruption of supplies through the interconnection of Lower Miholjac
- discontinuation of production North Adriatic
- interruption of delivery from the LNG terminal, – interruption of supply via the Rogatec interconnector
- interruption of supply due to technical failure of the PSP
- interruption of supplies from Panona gas fields
- disruption of gas supply via Ukraine
- a simultaneous interruption of the supply of gas from two entries to the transmission system or an event on the transmission system having an equivalent effect.

A crisis team shall be convened on the basis of reliable information on a potential or already present disruption of the supply of natural gas at the level of:

- European Union gas markets
- regional gas markets
- gas markets of neighbouring countries
- the national gas market.

The crisis team shall, on the basis of all available information on the state of the gas market in Croatia and the environment, assess the impact of specific disruptions and adopt short-term measures to minimise the impact of the disruption on the ability to meet the gas needs of the Croatian market.

Information on the situation used by the crisis team for the operational management of crisis situations and when deciding on the declaration of crisis levels, emergency levels and/or measures to be taken shall be:

- assessment of the current gas supply situation (information from transmission system operators, storage system operators, gas importers and gas producers)
- the natural gas supply risk assessment drawn up pursuant to Article 9(1). Regulation (EU) 2017/1938
- applicable contingency plans drawn up by gas producers, transmission system operators, distribution system operators and storage system operators
- all relevant data on events that may lead to market disturbances or may endanger or threaten the stability of the operation of the gas transmission system.

## 6. SPECIFIC MEASURES FOR ELECTRICITY AND DISTRICT HEATING SYSTEMS

### 6.1. Heating systems

The Decree on the criteria for obtaining the status of protected customer under the conditions of a crisis in the supply of gas (NN No 65/15) defines protected customers in the Republic of Croatia. Users of the central thermal system (hereinafter: CTS) that do not have substitute fuel are considered to be protected customers. A reduction in the supply of CTSs would lead to reduced heat generation and, in the alternative, a reduction in the supply of heat to all customers. A reduction in the supply of heat would have an impact on the increase of electricity consumption for heating purposes and could thus reduce the operational security of the parts of the electricity system where heating takes place through CTSs. The short-term curtailment of CTS gas supply could be covered by the production of thermal energy from substitute fuels (liquid fuel, biomass). Gas savings can be achieved by reducing the temperature of passages in the CTS, which would lead to a lower heating temperature for final customers as foreseen in the Guidelines.

### 6.2. Supply of electricity produced from gas

In Croatia's electricity system, production from thermal power plants accounts for a significant share of total consumption, especially in times of unfavourable hydrological circumstances. Reduced gas supply to thermal power plants, reducing electricity generation, increasing dependence on electricity imports and reducing the regulatory reserve necessary to maintain the stability of the electricity system. The short-term reduction in the gas supply of thermal power plants can be addressed by the increased production of hydropower plants (where hydrological conditions are favourable) and by the additional production of liquid-fuelled thermal power plants in older, less efficient power plants.

Electricity savings can be achieved by rationalising not necessarily electricity consumption (cooling, heating, lighting). In addition to the frequent operational exchange of information between electricity network operators and transmission system operators, the network and exchange of information between those operators and electricity and heat generation centres are also necessary. Synergies in the governance and management of home energy systems should be based on regional coordination of electricity and gas network operators. Improving the operational security of the multilevel operational (dispatch) energy structure with redundancy, the possibility of setting up backup management centres in exceptional (crisis) situations.

In accordance with Articles 2 and 3. In the period between 1 December 2022 and 31 March 2023, the Republic of Croatia will endeavour to implement measures to reduce its total monthly gross electricity consumption by 10 % compared to the average gross electricity consumption, and to reduce gross electricity consumption over fixed peak hours of at least 5 % on average per hour. By implementing measures to reduce the gross consumption of electricity in the Republic of Croatia during the period between 1 December 2022 and 31 March 2023, it is possible to have a direct impact on the reduction of production and supply costs and, consequently, on the reduction of technical losses in the transmission and distribution of electricity.

By reducing the temperature of commercial and residential premises, prolonging the consumption of manageable consumption by larger consumers (refrigeration chambers, infrastructure pumping installations, dryers), including time redefinition of the use of pumping stations and reversible power plants, and the use of pumps in district heating systems, it is possible to contribute to savings in electricity consumption and, consequently, to the 'flapping' of daily load maps. Reducing peak loads and reducing needs in the system, as a result, reduces the use of peak power plants, also reduces electricity losses at the distribution operator as well as at the transmission system operator. By optimising the transformation engagement (number and power of transformation) in the grid and by redefining the switched-in conditions of the high-voltage and medium voltage grids, it is possible to influence power flows, i.e. to reduce electricity grid losses;

## 7. CRISIS TEAM

The crisis team shall be appointed by a decision of the Government of the Republic of Croatia on a proposal from the Ministry, consisting of:

- Minister with responsibility for Energy
- two representatives of the Ministry in the field of energy
- Chairman of the Board of Directors of the Croatian Energy Regulation of the Agency
- Chairman of the Management Board of the Transmission System Operator
- Chairman of the Management Board of the Storage System Operator
- Director of LNG terminal operator
- representative of the distribution system operator with more than 100.000 customers connected to the distribution system at the level of the responsible person in accordance with the Companies Act;
- representative of the supplier of the guarantee at the level of the responsible person in accordance with the regulation governing companies
- representative of natural gas producers at the level of the responsible person in accordance with the regulations governing companies
- Director of the Croatian Energy Market Operator.

At the invitation of the Minister, as chair of the crisis team, the following may also participate in the operation of the crisis team:

- representatives of the heads of balance sheet groups,
- representatives of gas traders and suppliers

The chair of the crisis team is the Minister and the deputy chair of the crisis team is a representative of the transmission system operator.

The decision on the appointment of the chairperson, deputy chair, members and alternate members of the crisis team shall be published in Narodne Novine.

Members of the crisis team, with the exception of the chair of the crisis team, shall propose their alternates to the Ministry. The crisis team shall decide at meetings of the crisis team. Meetings shall be convened and chaired by the crisis team chair. The operation and decision-making of the crisis team shall be governed by the rules of procedure of the crisis team adopted by the crisis team. The Ministry shall prepare the meetings of the crisis team and administrative and technical work in connection with its work.

A crisis team shall be convened on the basis of reliable information on a potential or already present disruption of the supply of natural gas at the level of:

- the European Union's gas markets;
- the regional gas market;
- gas markets of neighbouring countries;
- the national gas market.

The crisis team shall, on the basis of all available information on the state of the gas market in Croatia and the environment, assess the impact of specific disruptions and adopt short-term measures to minimise the impact of the disruption on the ability to meet the gas needs of the Croatian market.

Information on the situation used by the crisis team, for the purpose of operational management of crisis situations, and when deciding whether to propose the declaration of crisis levels, emergency levels and/or measures to be taken, shall be:

- an assessment of the current gas supply situation (information from transmission system operators, storage system operators, gas importers and gas producers);
- the natural gas supply risk assessment drawn up pursuant to Article 9(1). Regulation (EU) 2017/1938,
- applicable contingency plans drawn up by gas producers, transmission system operators, distribution system operators and storage system operators;
- all relevant data on events that may lead to market disturbances or may endanger or threaten the stability of the operation of the gas transmission system.

## 8. PARTICIPANTS' ROLES AND RESPONSIBILITIES

The Government of the Republic of Croatia shall adopt a decision appointing the Crisis Team. In addition, the Government of the Republic of Croatia, acting on a proposal from the Minister, adopts decisions on the introduction of specific measures to remedy a crisis situation and declares a state of emergency.

The Ministry, as the authority in charge of security of supply and enforcement of Regulation (EU) 2017/1938, plays a central role and is responsible for proposing, implementing and supervising the implementation of measures to remedy the crisis situation. The Ministry shall instruct energy operators to act at individual crisis levels, coordinate their activities and those of other gas market participants and ensure proper and timely information to the public. In addition, the Ministry provides administrative and professional support to the Crisis Team.

The Minister takes decisions on declaring or abolishing the level of early warning and alert and proposes to the Government to issue a decision declaring or lifting the state of emergency. In a state of emergency, the Minister shall propose to the Government to issue a decision on the imposition of a measure to remedy the state of emergency and, in the event of the introduction of a measure reducing or suspending the delivery of gas, shall issue a decision declaring the individual degree of reduction or suspension. The Minister is responsible for communicating with the European Commission and other Member States. As Chair of the Crisis Team, it convenes and chairs the meetings and directs the work of the Crisis Team.

The crisis team has an advisory role and proposes to the Minister to declare or abolish an individual level of crisis, as well as to take specific measures to remedy the crisis situation, and advises the minister on security of supply issues.

The Croatian Energy Regulatory Agency actively participates in the work of the Crisis Team and, in accordance with its legal powers, supervises the conduct and relations between energy operators and gas market participants and provides the Ministry and the Crisis Team with the relevant data necessary for crisis management.

The Croatian Energy Regulatory Agency, as well as all energy operators and gas market participants, shall cooperate with the Ministry and the crisis team in the event of a crisis situation being declared or in order to prevent the occurrence of a crisis situation and comply with the orders of the crisis team or the Ministry, in accordance with the provisions of this Intervention Plan and the decisions of the Croatian Government.

The detailed responsibilities and tasks of all stakeholders involved in the implementation of the activities during the declared crisis situation are set out in Chapter 5 of this Emergency Plan, for each individual crisis level.

## 9. REGIONAL DIMENSION

### 9.1. *Solidarity among Member States*

Having regard to Article 13 Regulation (EU) 2017/1938 as well as Recommendation (EU) 2018/177 of the European Commission of 2 February 2018. "on the elements to be included in the technical, legal and financial arrangements between Member States for the application of the solidarity mechanism under Article 13. Regulation (EU) 2017/1938 of the European Parliament and of the Council concerning measures to safeguard the security of gas supply, and in order to mitigate the effects of the crisis level of the emergency and to safeguard the gas supply to solidarity customers, as well as taking into account the solidarity needed to safeguard the security of gas supply in the European Union, Member States shall conclude a solidarity agreement to safeguard the security of gas supply.

The Agreement shall lay down the technical, legal and financial arrangements for the application of the solidarity mechanism in accordance with Article 13(3). Regulation (EU) 2017/1938 and in accordance with applicable national legislation.

In case of activation of the agreement, the Member State providing solidarity shall take the necessary solidarity measures in its gas system to supply solidarity

protected customers in the gas system of the requesting Party.

Solidarity obligations apply subject to the technically safe and reliable operation of the gas system of the Member State providing solidarity.

Solidarity measures shall be implemented through voluntary measures based on offers from market participants setting a price for their limited share of the supply or, if not sufficient, additional mandatory measures, on the basis of administrative measures approved by the providing Member State.

Solidarity measure means a necessary measure in the gas system of the supplying Party, in accordance with Article 13. Regulation (EU) 2017/1938, which restricts or suspends the gas supply to customers other than solidarity protected customers to the extent necessary and for as long as the supply of solidarity protected consumers to the requesting Member State is not protected. Solidarity measures shall not be detrimental to the functioning and security of the gas and electrical systems of the participating Member States, as provided for in Article 13(1). Regulation (EU) 2017/1938.

Voluntary measures shall mean voluntary responses by a participant to a supplier party's invitation to take supply and/or demand-side measures to secure the volume of gas in exchange for payment of the price set by the market participant. These measures correspond to the so-called market measures referred to in Article 13. Regulation (EU) 2017/1938.

Mandatory measures means supply- and demand-side administrative measures taken by the Member State providing solidarity on its territory to contribute to the gas supply to solidarity protected customers. These measures correspond to the so-called non-market measures referred to in Article 13. Regulation (EU) 2017/1938.

#### *9.2. Form and transmission of the solidarity offer*

The solidarity offer shall include the following information:

- contact details of the competent authority of the Member State providing solidarity
- contact details of the competent TSO of the Member State providing solidarity
- contact details of the Contracting Member State of solidarity, in case they are different from the transmission system operator;
- volume of gas in MWh/d to be delivered at interconnection point on delivery day
- transmission capacity at interconnection point for volume offered
- the basis of the solidarity offer: voluntary or compulsory measures
- costs of solidarity measures as described in Article 12 in line with the provisions of Regulation (EU) 2017/1938 and Recommendation (EU) 2018/177,

excluding costs of possible judicial proceedings

- details of payees, including the details of the clearing account, where applicable.

In case the deadline is not met, the transmission of the solidarity offer shall take place taking into account all necessary preparatory periods for the gas market. Where the competent authority of the Member State providing solidarity is unable to submit a solidarity offer by the end of the deadline, it shall immediately inform the requesting Member State, providing adequate justification and submit its offer as soon as possible.

All solidarity offers shall be applied taking into account the security and reliability of the gas systems involved, the physical constraint of the interconnection point and its available capacity.

#### *9.3. Request for solidarity*

The request for solidarity is subject to the exceptional level declaration pursuant to Article 11(1), letter (c) of Regulation (EU) 2017/1938 and the assurance given by the requesting party that the pre-conditions of Article 13(3) are fulfilled at the time of the introduction of the requested solidarity measures. Regulation (EU) 2017/1938.

The competent authority of the requesting party shall forward the request for solidarity, to the contact point of the competent authority of the providing Member State. After exhaustion of all market-based measures and any measures provided for in the emergency plan, in accordance with Article 13(3). Of Regulation (EU) 2017/1938, the requesting Member State may send a request for solidarity and inform the European Commission thereof, including a description of the circumstances.

The request for solidarity shall contain the following information:

- contact details of the competent authority of the requesting Member State
- contact details of the relevant transmission system operator of the requesting Member State
- contact details of the Contracting Party of Solidarity, if different from the transmission system operator;
- volume of gas in MWh/d requested at interconnection point
- delivery day
- insurance
- recognition of the obligation of the requesting Member State to pay fair and prompt solidarity compensation in accordance with Article 13(8) Regulation (EU) 2017/1938.

To the extent that security of gas supply allows, the request for solidarity shall be sent at least 20 hours before the start of the delivery day. The response to solidarity requirements can only be met in a shorter timeframe in case of a crisis situation and the necessary preparatory period, so that the gas market can offer solidarity and enable such a response. In that case, the authority providing solidarity shall make every effort to agree on an offer of solidarity.

In general, the request for solidarity shall be limited to the gas day following the gas day after the gas day of its submission and shall not exceed that day. Additional requests for solidarity for subsequent gas days may be submitted in view of a time limit of at least 20 hours before the start of the delivery day. Upon receipt of a request for solidarity, the competent authority of the Member State providing solidarity shall transmit the confirmation to the competent authority of the requesting Member State without delay.

If the requesting Member State does not receive the confirmation within half an hour, it shall endeavour to contact the competent authority of the providing Member State by any possible means.

#### *9.4. Offer of solidarity based on voluntary measures*

Upon receipt of a request for solidarity, the competent authority of the Member State providing solidarity shall first transmit the solidarity offer based on voluntary measures to the competent authority of the requesting Member State, no later than 16 hours before the start of the delivery day.

A solidarity offer under voluntary measures shall contain the volume of gas offered by gas market participants willing to deliver gas, with a view to selling the gas to the competent authority of the requesting Party, setting the price of the gas offered, limiting any bids (e.g. minimum acceptable volume) and indicating the interconnection point, as a delivery point.

The competent authority of the Member State providing solidarity shall review the credibility of the offers, in case of an offer on the basis of voluntary measures, and shall verify their sustainability and compliance with the relevant legislation and its regulatory acts.

#### 9.5. Offer of solidarity based on mandatory measures

An offer of solidarity based on mandatory measures shall be submitted by the Member State providing solidarity, if there are no longer offers under voluntary measures to be submitted to the requesting Member State.

The offer of solidarity under mandatory measures shall be submitted up to 10 hours before the start of the delivery day.

The solidarity offer based on mandatory measures shall contain: the potentially actually available volume of gas, i.e. the available transmission capacity, which is the available capacity at the time of delivery, taking into account technical constraints and nominated capacities at the time of the offer of solidarity, pricing gas, restrictions on all offers (e.g. minimum acceptable volume), including the necessary transmission capacity to the interconnection point, which is the delivery point at the time of the solidarity offer.

The requesting Member State shall, upon receipt of a solidarity offer based on mandatory measures, immediately acknowledge receipt of the solidarity offer and verify that no other offers on the basis of a voluntary measure, submitted by possible Member States of the European Union, to which the gas system of the requesting Member State has a connecting point or is connected by a third country gas system, in accordance with Article 13(2). Regulation (EU) 2017/1938 is not available before its acceptance.

Where there are offers of solidarity on the basis of voluntary measures, the applicant Member State shall accept those offers, before accepting any solidarity offer on the basis of mandatory measures.

Where the requesting Member State does not receive more solidarity offers under voluntary measures, the competent authority of the requesting Member State may accept the solidarity offers on the basis of mandatory measures.

#### 9.6. Accepting solidarity offers

The competent authority of the requesting Member State may accept all or part of the solidarity offer of the providing Member State, within the limits of the volume of gas, the setting of the price of the gas offered, the limitation of all offers (e.g. the minimum acceptable volume) and the indication of the interconnection point, as a delivery point, by sending a declaration of acceptance to the Member State providing solidarity, using the contact details provided in the solidarity offer.

The acceptance declaration shall contain the following information:

- contact details of the competent authority of the requesting Member State
- contact details of the relevant transmission system operator of the requesting Member State
- contact details of the Solidarity Contracting Party, for the withdrawal of gas at the interconnection point, for payment, including details of the clearing account, if applicable;
- volume of gas in MWh/d for delivery at interconnection point
- delivery day.

#### 9.7. Acceptance of a solidarity offer based on voluntary measures

The acceptance of a solidarity offer based on voluntary measures shall take place no more than 14 hours before the start of the delivery day.

In order to accept an offer of solidarity based on voluntary measures, the requesting Member State shall select one or more offers submitted by the Solidarity Party and submit a declaration of acceptance within the time limit to the competent authority of the requesting Member State.

The competent authority of the Member State providing solidarity shall immediately forward the acceptance declaration to its relevant Contracting Party.

When the Member State providing solidarity receives a declaration of acceptance, the contract for the purchase and delivery of gas shall enter into force between the Contracting Solidarity Parties on the basis of the terms of their agreement.

#### 9.8. Acceptance of an offer of solidarity based on mandatory measures

The requesting Member State decides to accept all or part of the solidarity offer.

Acceptance of solidarity offers under mandatory measures shall take place only up to 7 hours before the start of the delivery day. Solidarity offers not accepted during this period will expire.

Solidarity offers may only be accepted within 2 hours of the date of receipt of the solidarity offer, in any case 3 hours before the start of the delivery day. Solidarity offers not accepted during this period will expire.

When the Member State providing solidarity receives a declaration of acceptance, the contract for the purchase and delivery of gas shall enter into force between the Contracting Parties(ies) referred to in the offer and the solidarity entities specified in the declaration of acceptance and under the terms of their agreement.

On the basis of the acceptance declaration, the Member State providing solidarity is obliged to take the necessary mandatory measures to ensure the availability of the gas volumes offered, taking into account the physical constraint of the interconnection point and its available capacity.

By accepting a solidarity offer, the requesting Member State undertakes to fulfil its compensation obligations in accordance with Article 13(8) and (10). Regulation (EU) 2017/1938.

#### 9.9. Transmission and withdrawal of gas volumes in the solidarity offer

The volume of gas offered under a solidarity offer shall not exceed the volume technically available at the interconnection point (delivery point), taking into account the capacity reserved and utilised, and the physical constraint on the delivery location and its available capacity.

Where a solidarity offer is accepted, all necessary transport capacities in the Member State providing solidarity shall be accepted to the place of delivery and provided by the Member State providing solidarity.

The Member State providing solidarity offers a volume of gas at the point of delivery (parties of the Member State providing solidarity). The requesting Member State shall ensure that the volume of gas delivered at the point of delivery (requesting Member State) is withdrawn. In particular, it shall ensure that the transport capacities necessary for withdrawal from the delivery point are available and filled to match the volume at the delivery point.

In order to facilitate the fulfilment of solidarity gas supplies, the relevant transmission system operators shall, where appropriate, define technical provisions within the framework of their specific operational agreements, which shall be submitted for approval by the relevant competent authority.

Irrespective of the physical withdrawal of the gas volume, the requesting Member State shall ensure that the payment obligations resulting from the acceptance of the solidarity offer and the delivered volume of gas at the delivery point (take or payment) are fulfilled.

#### 9.10. Cessation of the supply of a solidarity worker

The obligation of the providing Member State to apply solidarity measures shall cease when:

1. European Commission following the verification procedure under Article 11(8)(1). Of Regulation (EU) 2017/1938 finds that the emergency declaration is not justified or is no longer justified;

2. the end of the emergency has been announced by the requesting Member State or that no second request for solidarity has been submitted for the gas day following the day of delivery of the gas, or

3. a Member State acting as a party providing solidarity can no longer supply its own solidarity-protected customers.

In the cases mentioned above under numbers 1 and 2 of this Intervention Plan, the solidarity measure shall be concluded at the end of the relevant date of notification, for which a request for solidarity has been made. In the above case under No 3 of this Intervention Plan, the Member State providing solidarity shall have the right to terminate the solidarity measure as soon as the offers already accepted and the contracts concluded for this gas day have been completed and the Member State providing solidarity has informed the requesting Member State.

#### 9.11. Compensation

In the case of an offer of solidarity based on voluntary measures, the requesting Contracting Solidarity Party shall pay direct compensation to the providing Contracting Member State for the agreed volume of gas supplied in accordance with Article 13(8). Regulation (EU) 2017/1938, which includes:

1. gas price associated with accepted solidarity offers of gas market participants
2. costs of transport to an interconnection point.

In the case of an offer of solidarity based on mandatory measures, the requesting Contracting Member State shall compensate the Contracting Member State providing solidarity for the agreed volume of gas supplied in accordance with Article 13(8). Regulation (EU) 2017/1938 and subject to paragraphs

3. & 4 Regulation (EU) 2017/1938 – including:

1. higher price between:

- unbalanced gas prices, registered on the day of delivery to users providing gas for a shorter time to the Member State providing solidarity
- prices of emergency measures activated for offered gas to the Member State providing solidarity

2. compensation and compensation, not yet included in the indicated price of emergency measures, for damage caused to economic sectors of the Member State providing solidarity which are affected by reduced supply, including technical damage to gas storage facilities caused by exceptional use, calculated in accordance with the same principles as those applied internally to the Member State providing solidarity; and

3. costs of transport to an interconnection point.

When determining the appropriate compensation for the offer of solidarity on the basis of mandatory measures, the Party providing solidarity shall ensure that compensation is paid in accordance with the same principles as those applicable in the event of a national crisis in the providing Member State, if any. Each Member State shall immediately notify the other Member State of the relevant legislation and its modifications.

The potential costs listed in the solidarity offer based on mandatory measures should not be extensive.

Application for reimbursement of costs arising from Article 13. Regulation (EU) 2017/1938 may be submitted with the relevant documentation after the completion of the solidarity measures, within the deadlines provided for in the relevant legislation and regulatory acts of the providing Party.

In the event of the bringing of legal proceedings in accordance with Article 13. Of Regulation (EU) 2017/1938, the Member State where that procedure has been submitted shall inform the other Member State accordingly.

The Agreement is currently in the process of being adopted with the Republic of Slovenia and subsequently with the other EU Member States.

### 10. ALIGNMENT OF THE INTERVENTION PLAN WITH REGULATION (EU) 2022/1032 REGULATION (EU) 2022/1369

#### 10.1. Regulation (EU) 2022/1032

Regulation (EU) 2022/1032 ensures that underground gas storage facilities, which are located in the territory of the Republic of Croatia and which are directly connected to the market area of the Republic of Croatia according to storage capacity, on 1 November, starting in 2023, are filled to at least 90 % of their capacity, taking into account the intermediate targets set for February, May, July and September for each subsequent year. (Table 1 transitional targets for filling the PSP storage in Croatia). The filling trajectory and intermediate targets shall be based on the average filling rate over the previous five years.

Croatia can partially achieve the goal of filling storage by taking into account the stocks of liquefied natural gas (LNG) stored in LNG terminals.

The Republic of Croatia shall submit a draft filling trajectory to the European Commission, in accordance with the filling dynamics shown in the following table: *Table 1* Intermediate targets for filling the PSP storage in Croatia

Month	“Average % of storage occupation on the 1st day of the month
Feb	46 %
May	29 %
July	51 %
September	83 %

In the event that the storage system operator is unable to reach the filling target in due time due to technical problems, such as problems related to pipelines served by underground storage facilities or problems with injection facilities, the filling target may also be achieved at a later stage, but no later than 1 December of the current year in order to safeguard the security of gas supply during the winter period.

The underground gas storage system operator is required to report to the Ministry on filling levels during the filling season on a monthly basis.

Where a storage system operator becomes aware that a gas storage facility is not being filled with the appropriate dynamics, it shall inform the Ministry thereof, and shall propose to initiate a procedure for the transfer of unused capacity and voluntary leasing of storage facilities to underground storage users. Underground gas storage users shall inform the Ministry and the storage system operator of the agreement reached.

If the filling level of storage is more than five percentage points below the level determined in accordance with Table 1 of the filling capacity of the PSP Okoli in the Republic of Croatia, the crisis team should immediately propose effective measures to increase the filling level.

If gas suppliers and traders have to buy larger quantities of gas while the gas price is high, this may further increase gas prices. Therefore, the Croatian Energy Regulatory Agency may apply a discount of up to 100 % to the entry and exit tariffs of transmission and distribution systems, as well as to underground storage facilities, and to LNG terminals in accordance with Regulation (EU) 2022/1032.

#### 10.2. Council Regulation (EU) 2022/1369

Alerting at European Union level is a specific state of emergency, published by the Council of the European Union, on a proposal from the European Commission throughout the European Union. Such a level of emergency leads to a mandatory reduction in demand, irrespective of the national crisis levels

referred to in point 4 of this Intervention Plan. Once an alert has been declared at EU level, the crisis team proposes to the Ministry to adopt a Government decision declaring the alert level at European Union level, which shall be published in the Narodne Novine.

Alerting at European Union level shall be declared by the Council of the European Union only in the event that voluntary measures to reduce gas demand prove insufficient to counteract the risk of a serious shortage of gas supply.

In Croatia, buildings are the largest consumption sector. Buildings, i.e. building users, are responsible for around 40 % of the total end-use energy consumption. At the same time, most energy is consumed by households, almost one third. Although the energy consumption of a building depends on the building’s characteristics (design and construction materials), the energy systems in it (heating, cooling, ventilation, electrical appliances and the lighting used in it) and the climatic conditions of the climate on which it is located, this consumption is also significantly influenced by the behaviour and habits of occupants or occupants.

The most energy consumed in the Croatian household is space heating and domestic hot water (DWT) generation. These requirements account for as much as 80 % of the household’s total energy consumption, while the remaining 20 % goes to the electricity consumption for lighting, household appliances and various electronic appliances used in the household. In this regard, around 24 % of households in Croatia use natural gas for thermal purposes, while around 6 % of households receive heat from centralised thermal locks (so-called ‘toplans’), which use natural gas as a dominant energy product. In other words, 30 % of Croatian households are directly dependent on the supply of natural gas.

In the light of these data for the Republic of Croatia, as well as the objectives of reducing dependence on natural gas imports from Russia, the key sectors in which the most significant savings can be achieved in the short term are:

1. heating and cooling in buildings (especially in households but also in the services sector)
2. savings in the transport and mobility sector
3. optimising production processes in business and industrial sectors.

In this regard, as can be seen from the data presented above, the main focus in Croatia is on energy consumption in buildings, especially in households. All measures that will allow for a rapid reduction in gas consumption are of utmost importance, as it will also help to optimise the use of gas storage. In addition, efficient use of electricity also plays an important role, as a large amount of electricity comes from fossil fuels, in particular natural gas, so that the efficient use of electricity reduces the need to use natural gas in its production.

In order to achieve the energy savings targets, Member States, including the Republic of Croatia, are introducing measures which can be divided into:

1. information measures and
2. encouragement and support measures.

The information measures will ensure that awareness of the need for efficient energy use is raised and that different energy consumers understand the need to implement savings measures. It will demonstrate the importance of personally contributing to mitigating the effects of the energy crisis and how this affects the reduction of energy bills. Changes in the behaviour of citizens could reduce energy demand by more than 5 %.

Incentive and support measures will focus on reducing the financial cost of implementing energy efficiency measures, which will ensure both a reduction in energy needs and a shift to renewable energy sources, thereby improving energy security in the long term and reducing the risks of potential future distortions in the energy market.

The measures to be taken into account shall comply with the principles laid down in Regulation (EU) 2017/1938, in particular:

1. do not unduly distort competition or the proper functioning of the internal gas market;
2. do not endanger the security of gas supply of other Member States or the European Union;
3. they are in line with the provisions of Regulation (EU) 2017/1938 as regards protected customers.

When taking demand reduction measures, priority shall be given to measures affecting customers other than protected customers, as defined in point (5) of Article 2. And may also exclude those customers from such measures on the basis of objective and transparent criteria which take into account their economic importance as well as, inter alia, the following elements:

1. impact of disruptions on supply chains that are essential for society
2. possible negative impacts in other Member States, in particular on supply chains in downstream sectors that are critical for society
3. potential long-term damage to industrial installations
4. possibilities to reduce consumption and replace products in the European Union.

Measures to reduce demand shall be considered when deciding on measures to reduce gas consumption in the electricity sector, measures to incentivise the transition to other fuels in industry, national information campaigns and targeted reduction commitments to reduce heating and cooling to incentivise the switch to other fuels and reduce industrial consumption.

In accordance with Article 4. For Council Regulation (EU) 2022/1369, the Council, acting on a proposal from the European Commission, by means of an implementing decision, may declare an alert at European Union level where it considers that there is a significant risk of a severe gas shortage or exceptionally high gas demand, for which voluntary measures are insufficient and lead to a significant deterioration of gas supply in the European Union, but where the market can still withstand disruption without the need to resort to non-market-based measures, as well as in case five or more competent authorities that have declared an alert at national level so request.

If the Council declares an alert at European Union level, each Member State shall reduce its gas consumption and use a mandatory demand reduction measure in accordance with paragraph 2. Council Regulation (EU) 2022/1369.

For the purpose of mandatory demand reduction, as long as an alert is in place at European Union level, the gas consumption in each Member State in the period from 1 August 2022 to 31 March 2023 is in force. (“reduction period”) is 15 % lower compared to its reference gas consumption. Demand reductions achieved by Member States prior to the declaration of an alert at European Union level shall be taken into account for the purpose of mandatory demand reduction.

In accordance with the Crisis Plan for the transmission system operator Plinacro d.o.o., the following average gas consumption in the Republic of Croatia was determined between 1 August and 31 March, for five consecutive years from 2017 to 2021. (Table 1)

*Table 1 Average gas consumption in the Republic of Croatia during the period from 1 August to 31 March, for five consecutive years from 2017 to 2021*

AVERAGE CONSUMPTION 1.8-31 3. 2017.-2021.	HEP d.d. (kWh)	Petrokemija Kutina d.o.o. (kWh)	RJEKA INA d.d. refinery (kWh)	RECOGNISES Buyers FOR Transport MEETING (kWh)	Customers FOR Distribution SECTION (kWh)	Total (kWh)
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Consumer category	1	2	3	4	5	(1+ 2+ 3+ 4+ 5)
Average	5.356.030.389	3.546.218.234	1.004.502.834	1.158.903.328	9.408.071.992	20.473.726.778

*Table 2* Historical consumption peaks for extremely low temperatures of 7 days and at peak times of 30 days, relating to the consumption of protected customers in the Republic of Croatia in accordance with the Crisis Plan for the transmission system operator Plinacro d.o.o.

Consumption by protected customers (average U kWh defined)				
	Households (kWh)	SMI (kWh)	Social SLUES (kWh)	Total (kWh)
extremely low temperatures for 7 days	409.123.409,00	141.085.624,00	16.230.202,00	566.439.235
high demand for 30 days	1.603.752.578,00	567.263.573,00	60.368.041,00	2.231.384.192

Based on the averages set out in Table 1, the voluntary contribution of 15 % was calculated at 3 071 059 017 kWh (3.017 TWh) and the overall consumption target in Croatia was 17 402 667 761 kWh (17.402 TWh) from 1 August 2022 to 31 March 2023.

Further to the commitment of the Republic of Croatia under Council Regulation (EU) 2022/1369, efforts to make further savings go in the direction of:

- reductions in gas demand on the basis of the adopted Guidelines for gas saving and efficient use of gas by final customers an estimate of 1.4 TWh
- optimising the work of the largest gas consumers, at peak times of gas demand;
- optimising the operation of gas power plants and gas replacement/savings with liquid fuels (gas oil) in heat generation

Taking into account the 5-year average HEP – Thermal energy consumption for the period (August to the end of March) from 2017 to 2021, of 1.687 GWh, the following savings have been estimated:

- an estimate of 273 GWh of potential replacement/savings of liquid fuel gas consumption (gas oil)
- additional savings by prolonging the start of heating via district heating systems in October 2022, an estimate of 60 GWh.

Taking into account the reported average quantities of 1.687 GWh, the total gas consumption savings for heat generation are estimated at 333 GWh.

Furthermore, due to the declared early warning, in the security of gas supply on standby, the Rijeka thermal power plant was installed with a 320 MW condensation block installed. The thermal power plant has a fast load control capability ranging from 25 % to 100 %, making it highly adaptable to the changes in the electricity system and using fuel oil as a propulsion energy product.

Further to the above, the Republic of Croatia shall provide for a voluntary 15 % reduction contribution of 3 071 059 017 kWh (3.017 TWh) between 1 August 2022 and 31 March 2023.