



Explanatory screening energy Brussels, May 15, 2006

Hydrocarbons - main acquis on oil

- “Stocks Directive” and other Emergency legislation
- Prospection, exploration and production directive
- Registration for imports and deliveries
- Information / consultation on costs and prices



Emergency System: Security Oil Stocks legislation

“Stocks Directive” and other Emergency legislation

“Stocks Directive” = Directive 68/414 as modified by Directive 98/93





Emergency System: Security Oil Stocks legislation

Key parts of the acquis

- **Council Directives 68/414/EEC and 98/93/EC** (stocks)
- **Council Decision 68/416/EEC** (bilateral agreements)
- **Council Directive 73/238/EEC** (on measures for mitigating effects of oil supply difficulties ..)
- **Council Decision 77/706/EEC** (fixing a target for a reduction in the event of supply difficulties ..)
- **Commission Decision 79/639/EEC**





Emergency System: Security Oil Stocks legislation

Some key stockholding obligations:

- **90 days** of stocks in 3 product categories unless special arrangements (new MS)
- MS must **report** regularly on stocks and inform on bilateral agreements
- **A consultation** between MS must take place before drawings due to reduce stocks under the compulsory level
- MS must inform the Commission of any **withdrawals**





Emergency System: Security Oil Stocks legislation

Background topics :

- History of the Stocks legislation
- Objectives
- Some key points on stocks
- Set-up of stockholding systems
- Statistical summaries
- Other emergency legislation
- Goals - OSG and OSG meetings
- Commission's role in emergencies





Emergency System: Security Oil Stocks legislation

Some key points on stocks:

- **Stocks levels to be met as required under Directives and Act of Accession.**
- **Obligation is consumption based** and applies for 3 categories of main oil products: gasoline, middle distillates and fuel oils (art. 2).
- Minimum requirement **depends on domestic production** (max.25% allowance)
- **“Ownership” criterion** (art. 3.1 and 6.2)





Emergency System: Security Oil Stocks legislation

Set-up of stockholding systems: **Fairness - Stockholding body - Bilateral agreements**

- MS shall ensure fair and non-discriminatory conditions (non refiners / refiners) (article 3.2).
- MS may decide to have (or not) recourse to a stockholding body or entity (article 3.3).
- Stocks may be held in one or more other MS if there is an intergovernmental agreement (Art. 6.2 – NB: Council Decision 68/416/EEC).



Emergency System: Security Oil Stocks legislation

Statistical summaries

- MS must submit in due course monthly statistical summaries (article 4) + information on “cross-border” holdings (article 6.2)
- MS must use the consumption data of the previous year (as from the 31 March) (article 4)
- If MS want to take crude oil and intermediate products into account they must use one of the three methods stipulated under article 5





Emergency System: Security Oil Stocks legislation

| MONTHLY REPORT ON OIL STOCKS CONFORMING TO ARTICLE 4 OF COUNCIL DIRECTIVE 68/414/EEC OF 20.12.1968, AS AMENDED | | | | | | | | |
|---|-------------------------------|--------------------------------------|---|---------------------------------|---|----------------------------|--|---|
| Country: | | Reporting date: | | | | | | '000 tonnes |
| | | Col 1 | Col 2 | Col 3 | Col 4 | Col 5=Col 2+3 | Col 6 | Col 7=Col5/Col 6 |
| CATEGORIES | PRODUCTS | STOCKS OF CRUDE OIL & FEEDSTOCKS (X) | CONTRIBUTION FROM CRUDE OIL AND FEEDSTOCKS (XX) | STOCKS OF FINISHED PRODUCTS (A) | STOCKS HELD IN OTHER MEMBER STATES FOR YOUR OWN ACCOUNT (B) | TOTAL OF FINISHED PRODUCTS | AVERAGE DAILY CONSUMPTION OF PREVIOUS YEAR (C) | STOCK POSITION IN NUMBER OF DAYS OF PREVIOUS YEAR'S CONSUMPTION |
| | CRUDE OIL & FEEDSTOCKS | | | | | | | |
| I. | MOTOR SPIRIT & AVIATION FUEL | | | | | | | |
| II. | JET FUEL OF THE KEROSENE TYPE | | | | | | | |
| | KEROSENE AND GAS/DIESEL OILS | | | | | | | |
| III. | FUEL OILS | | | | | | | |
| | TOTAL | | | | | | | |
| <p>(X) The stocks of crude oil and feedstocks held in other Member States for your own account have to be included. The stocks of crude oil and feedstocks held in your country for the benefit of other Member States have to be excluded</p> <p>(XX) Indicate which of the 3 methods mentioned in Article 5 of the Directive has been chosen to convert crude oil and feedstocks into petroleum product equivalents: METHOD Nr....</p> <p>(A) The stocks of finished products held in other Member States for your own account have to be included. The stocks of finished products held in your country for the benefit of other Member States have to be excluded.</p> <p>(B) Figures reported are already included in columns 1 and 3.</p> <p>(C) Having taken into account oil indigenous production according to Article 1, paragraph 2 of Dir. 68/414/EEC (as amended by Dir. 98/93/EC)</p> | | | | | | | | |



Emergency System: Security Oil Stocks legislation

| STOCKS HELD UNDER INTERGOVERNMENTAL AGREEMENTS | | | | | |
|---|----------------------|--------------------------------|-------------------------------|-----------------------------|--------------|
| (form used by Member States conforming to Directive 68/414/EEC as amended) ** | | | | | |
| Country: | | | Reporting date: | | |
| A) STOCKS HELD ON NATIONAL TERRITORY FOR THE BENEFIT OF ANOTHER COUNTRY | | | | | |
| '000 Tonnes | | | | | |
| | | Category I | Category II | | Category III |
| Beneficiary country | Crude and Feedstocks | Motor Spirit and Aviation Fuel | Jet Fuel of the Kerosene Type | Kerosene and Gas/Diesel Oil | Fuel Oils |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | | | | | |
| B) STOCKS HELD IN ANOTHER MEMBER STATE CREDITED TO NATIONAL OBLIGATION | | | | | |
| '000 Tonnes | | | | | |
| | | Category I | Category II | | Category III |
| Crediting Country | Crude and Feedstocks | Motor Spirit and Aviation Fuel | Jet Fuel of the Kerosene Type | Kerosene and Gas/Diesel Oil | Fuel Oils |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | | | | | |
| ** From 1.01.2000 onwards Member States report (footnote or annex) the storage locations and/or companies holding the above stocks. | | | | | |



Prospection, exploration and production Legislation (Dir. 94/22/EC)

Prospection, exploration and production directive : Directive 94/22/EC

- Objectives***
- Some MS obligations***





Prospection, exploration and production Legislation (Directive 94/22/EC)

Some of the main objectives of dir. 94/22:

- **A greater integration** of the internal energy market (EEA relevance)
- The best prospecting, exploration and production of resources and the **non-discriminatory access** to and pursuit of those activities (MORE EFFICIENCY)
- To set up **common rules** to ensure that **authorizations will be granted on the basis of objective and published criteria**, as well as under conditions known in advance (MORE TRANSPARENCY)
- **NB : Rights on resources: Member States retain the right to determine the areas within their territory** to be made available for the exercise of the activities in question (article 2)





Prospection, exploration and production Legislation (Directive 94/22/EC)

Some of the key MS obligations towards EC:

- **Notify** the Commission **of the competent authorities**
- **Decide which areas, if any, will be available under article 3.3** and communicate a notice (OJ)
- **Publish the criteria for granting authorizations (OJ)** and to make the conditions and requirements concerning the exercise or termination of activities available
- **Publish a notice inviting applications (OJ) whenever the competitive procedure under article 3.2** is started (either at the initiative of the competent authorities or following submission of an application by an entity)





Registration for imports and deliveries

***Council Regulation N° 2964/95
introducing registration for
crude oil imports and deliveries
in the Community***





REGISTRATION FOR CRUDE OIL IMPORTS AND DELIVERIES IN THE COMMUNITY (Council Regulation 1995/2964/EC)

Main Objective

To improve **transparency** in the oil market and to monitor the evolution of crude oil imports in order to enhance the security of supply.

Allows to keep a **reliable record** of

- the origin of imported crude
- the quality of imported crude
- the prices of imported crude





REGISTRATION FOR CRUDE OIL IMPORTS AND DELIVERIES IN THE COMMUNITY (Council Regulation 1995/2964/EC)

Data input – Member State Obligation

- Crude oil imports and deliveries data is reported on a **monthly basis** by concerned MS' administrations (19 out of 25) with indication of:
 - The quantity in barrels
 - The crude oil names and their API gravity
 - The percentage sulphur content of each crude
 - The average CIF price paid in US Dollars
 - The number of companies reporting

- All data is received **by e-mail** from the 19 EU MS' administrations concerned using the same 'Excel' presentation / pro-format. Data is processed by DG TREN.





REGISTRATION FOR CRUDE OIL IMPORTS AND DELIVERIES IN THE COMMUNITY (Council Regulation 1995/2964/EC)

Data output - Commission publication

- **Summary reports** by MS and at EU level on a cumulative monthly basis with indication of the origin, the crude quality, the quantity in barrels imported and the CIF price paid in US Dollars
- **Distinction** made in the summary annual reports, at EU level, between Imports from EXTRA-EU and Imports from INTRA + EXTRA-EU. Percentage of dependency calculated by country of origin and by geographical zone
- **Monthly and yearly data at EU level*** is published on the DG TRE internet oil site: <http://europa.eu.int/comm/energy/oil/>

* MS data is not published to avoid disclosing sensitive information of individual private companies





REGISTRATION FOR CRUDE OIL IMPORTS AND DELIVERIES IN THE COMMUNITY

Monthly Reporting Questionnaire (part I)

REGISTRATION OF CRUDE OIL IMPORTS AND DELIVERIES IN THE COMMUNITY ENREGISTREMENT DES IMPORTATIONS ET DES LIVRAISONS DE PÉTROLE BRUT DANS LA COMMUNAUTÉ

| Country | | Period/Période : | | | | | | | |
|-------------------------------------|---|---------------------------|--|---------------------------|-----------------------|----------------------|--------------------------|---------------------------------------|--|
| Country of Origin Pays d'origine | Type of crude oil Type de pétrole brut | Densité API gravity | Number companies / Nbre d'entreprises | Densité API gravity | % Sulphur % Soufre | Volume (1000 Brl) | Total value (\$ 1000) | Crude price Prix C.A.F. (\$/Br) | |
| MIDDLE EAST | Abu Dhabi | Murban | 39.8 | | | | | | |
| | | Umm Shaif | 37.5 | | | | | | |
| | | Upper Zakum | 34 | | | | | | |
| | | Lower Zakum | 40 | | | | | | |
| | Dubai | Other Abu Dhabi | - | | | | | | |
| | | Dubai | 31-32 | | | | | | |
| | Sharjah | - | | | | | | | |
| | Iran | Iranian Light | 34 | | | | | | |
| | | Iranian Heavy | 31 | | | | | | |
| | Iraq | Other Iran | - | | | | | | |
| | | Basrah Light | 34 | | | | | | |
| | Kuwait | Kirkuk | 36 | | | | | | |
| | | Other Iraq | - | | | | | | |
| | Neutral Zone | Kuwait Blend | 30-31 | | | | | | |
| | | Offshore (Khafti/Hout) | 28-33 | | | | | | |
| | Oman | Onshore | 23-25 | | | | | | |
| | | Oman | 34 | | | | | | |
| | Qatar | Qatar Marine | 36 | | | | | | |
| | | Qatar Land | 41 | | | | | | |
| | Saudi Arabia | Arab Light | 33-34 | | | | | | |
| Arab Medium | | 30-32 | | | | | | | |
| Arab Heavy | | 27-28 | | | | | | | |
| Berri (Extra Light) | | 37-38 | | | | | | | |
| Syria | Other Saudi Arabia | - | | | | | | | |
| | Syria Light | 36 | | | | | | | |
| Yemen | Souedie | 24 | | | | | | | |
| | Marib Light | 40 | | | | | | | |
| | Masila Blend | 30-31 | | | | | | | |
| Other Yemen | - | | | | | | | | |
| Other Middle East | - | | | | | | | | |
| AFRICA | Algeria | Saharan Blend | 44 | | | | | | |
| | | Other Algeria | - | | | | | | |
| | Angola | Cabinda | 32 | | | | | | |
| | | Other Angola | - | | | | | | |
| | Cameroon | - | | | | | | | |
| | Congo | - | | | | | | | |
| | Egypt | Medium/Light (30-40°) | - | | | | | | |
| | | Heavy (<30°) | - | | | | | | |
| | Gabon | Rabi/Rabi Kounga | 34 | | | | | | |
| | | Other Gabon | - | | | | | | |
| | Libya | Light (<40°) | - | | | | | | |
| | | Medium (30-40°) | - | | | | | | |
| | | Heavy (<30°) | - | | | | | | |
| | Nigeria | Medium (<33°) | - | | | | | | |
| | | Light (33-45°) | - | | | | | | |
| Tunisia | Condensate (>45°) | - | | | | | | | |
| Zaire | - | | | | | | | | |
| Other Africa | - | | | | | | | | |
| ASIA | Brunei | Seria Light | 36 | | | | | | |
| | | Champion | 25 | | | | | | |
| | China | Daqing (Taching) | 33 | | | | | | |
| | | Shengli | 24 | | | | | | |
| | Indonesia | Other China | - | | | | | | |
| | | Minas | 34 | | | | | | |
| | Malaysia | Cinta | 33 | | | | | | |
| | | Handil | 33 | | | | | | |
| | | Duri | 29 | | | | | | |
| | Vietnam | Arun Condensate | 24 | | | | | | |
| Other Indonesia | | - | | | | | | | |
| Other Asia | Taplis | 44 | | | | | | | |
| | Labuan | 33 | | | | | | | |
| Other Asia | Other Malaysia | - | | | | | | | |
| | Bach Ho | 38.6 | | | | | | | |
| Other Vietnam | - | | | | | | | | |



REGISTRATION FOR CRUDE OIL IMPORTS AND DELIVERIES IN THE COMMUNITY

Monthly Reporting Questionnaire (part II)

| | | | | | | | | | |
|----------------------------|---------------------|------------------------|-----------|---------|---------|---------|---------|---------|--|
| Australia | Australia | Gippsland | 45 | | | | | | |
| | | Other Australia | - | | | | | | |
| | Papua New Guinea | | - | | | | | | |
| FSU | Russia | Urals | 31-32.5 | | | | | | |
| | | Other Russia | - | | | | | | |
| | Azerbaijan | | - | | | | | | |
| | Kazakhstan | | - | | | | | | |
| | Ukraine | | - | | | | | | |
| | Other FSU | | - | | | | | | |
| EUROPE | Denmark | | 33-34.5 | | | | | | |
| | Norway | Statfjord | 37.5-38 | | | | | | |
| | | Gullfaks | 29.3-29.8 | | | | | | |
| | | Oseberg | 34 | | | | | | |
| | | Ekofisk | 43.4 | | | | | | |
| | | Other Norway | - | | | | | | |
| | United Kingdom | Brent Blend | 37-38 | | | | | | |
| | | Forties | 39-40 | | | | | | |
| | | Flotta | 34.7 | | | | | | |
| | | Other UK | - | | | | | | |
| | Other Europe | | - | | | | | | |
| AMERICA | Canada | Light Sweet (>30° API) | - | | | | | | |
| | | Heavy (<30° API) | - | | | | | | |
| | United States | Alaska | - | | | | | | |
| | | Other United States | - | | | | | | |
| | Argentina | | - | | | | | | |
| | Brazil | | - | | | | | | |
| | Colombia | Cano Limon | 30 | | | | | | |
| | | Other Colombia | - | | | | | | |
| | Ecuador | Oriente | 28-29 | | | | | | |
| | | Other Ecuador | - | | | | | | |
| | Mexico | Maya | 22.2 | | | | | | |
| | | Isthmus | 34.8 | | | | | | |
| | | Olmecca | 39.8 | | | | | | |
| | Peru | | - | | | | | | |
| | Venezuela | Light (>30°) | - | | | | | | |
| | | Medium (22-30°) | - | | | | | | |
| | | Heavy (17-22°) | - | | | | | | |
| | | Extra Heavy (<17°) | - | | | | | | |
| | Other Latin America | | - | | | | | | |
| Other crudes /Autres bruts | | - | | | | | | | |
| TOTAL | | | 0 | | | 0.00 | 0.00 | 0.00 | |
| COUNT | | | 0 | 0 | 0 | 0 | 0 | 0 | |
| AVERAGEDATA | | | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | |





Information / consultation on costs and prices

***Council Decision 1999/280/EC
regarding a Community procedure for
information and consultation on crude
oil supply costs and the consumer
prices of petroleum products.***

Commission Decision of 26 July 1999.





SUPPLY COST AND CONSUMPTION PRICES (OIL BULLETIN) (Council Decision 1999/280/EC implemented by Commission Decision 1999/566/EC)

Main Objectives

- To improve the **transparency of prices** in the European oil market, particularly in the downstream sector
- To encourage the **strengthening of the internal market** in oil by providing information about supply costs and price/taxation trends across EU countries
- To increase **transparency of the costs** of the energy bill





SUPPLY COST AND CONSUMPTION PRICES (OIL BULLETIN) (Council Decision 1999/280/EC implemented by Commission Decision 1999/566/EC)

Data input – Member State Obligation

EU Member States submit data for the following:

- **Crude Oil Supply cost monthly report:** *Monthly data* on total CIF cost of crude imports and production (in quantity and in value US \$) within 1 month
- **Monthly Oil Bulletin:** Prices for the main oil products *at the 15th of each month* (prices with and without excises duties and taxes) within 1 month
- **Weekly Oil Bulletin:** Prices of each *Monday* for the main oil products (prices with and without excise duties and taxes) within 1 day





SUPPLY COST AND CONSUMPTION PRICES (OIL BULLETIN) (Council Decision 1999/280/EC implemented by Commission Decision 1999/566/EC)

Data output - Commission publications

- **Crude Oil Supply Cost Monthly Report:** Aggregated data at EU level on a cumulative monthly basis of crude supply cost with indication of quantities and in \$ & €.
- **Monthly Oil Bulletin:** Consumer prices and price without taxes of the main oil products in all EU MS (EURO and national currencies)
- **Weekly Oil Bulletin:** Published every Thursday/Friday with the previous Monday's consumer prices (with and without taxes) of the main oil products in all EU MS (in € and in their national currencies)
- **Monthly report on the evolution of the taxation for each of the main oil products** in the 25 EU MS (distinction between VAT and excise duties in € and in national currencies)
- All data is received **by e-mail** and processed by DG TREN





SUPPLY COST – Monthly Reporting Questionnaire

COÛT DE L'APPROVISIONNEMENT EN PETROLE BRUT

CRUDE OIL SUPPLY COST / KOSTEN DER ROHÖLVERSORGUNG

(Coût CAF / CIF Cost / CIF-Kosten)

| | |
|--|--|
| | Période Period Berichtszeitraum |
|--|--|

| Approvisionnement total Total supply Import + Inlandsförderung | | Coût caf moyen Average cif cost Gewichteter mittlerer cif-Preis \$ | |
|--|----------------------------|---|------------------------------------|
| 1000 barils 1000 barrels 1000 Barrel | 1000 tonnes 1000 Tonnen | en baril per barrel pro Barrel | en tonne per tonne pro Tonne |
| | | | |

| |
|--------------------------------------|
| Observations / Remarks / Bemerkungen |
|--------------------------------------|





Weekly / Monthly Oil Bulletin – Reporting Questionnaire

Prix des produits pétroliers / Prices of petroleum products / Preise für Mineralölerzeugnisse
EN VIGUEUR CHAQUE LUNDI / IN FORCE EACH MONDAY / GELTEND AN JEDEM MONTAG
En monnaie nationale / In national currency / In Landeswährung

| |
|--|
| |
|--|

| | |
|--------------------|-------|
| Prix au | |
| Prices at | |
| Preise am : | |

| | Désignation des produits pétroliers Designation of petroleum products Warenbezeichnung | Unité Unit Maßeinheit | Prix pratiqués / Real prices / Tatsächlich angewandte Preise | | |
|--|---|-----------------------------|--|--|---|
| | | | Droits + taxes compris Inclusive of duties + taxes Einschließlich Zoll + Steuer (*) | Droits et taxes Duties and taxes Zoll und Steuer (*) | Hors droits et taxes Net of duties and taxes Ohne Zoll und Steuer |
| Carburants / Motor fuels / Treibstoffe | | | | | |
| 1 | Essence super plombée Ou Ess. avec substitut au plomb/ Leaded premium petrol OR Lead substitute petrol / Verbleites Superbenzin ODER Benzin mit Bleisubstitut | 1000 L | | 0.00 | |
| 2 | Euro super 95 | 1000 L | | 0.00 | |
| 3 | Gas oil automobile / Automotive gas oil Dieselkraftstoff | 1000 L | | 0.00 | |
| 4 | GPL / LPG | 1000 L | | 0.00 | |
| Combustible domestique / Domestic heating fuel Haushalts-Heizöl | | | | | |
| 5 | Gas oil de chauffage / Heating gas oil / Heizöl | 1000 L | | 0.00 | |
| Combustibles industriels/Industrial fuels Industrie-Heizöl | | | | | |
| 6 | Fuel oil teneur en soufre <= 1 % / Fuel oil sulphur content <=1 % / Heizöl Schwefelgehalt <= 1 % | Tonne | | 0.00 | |
| 7 | Fuel oil teneur en soufre > 1 % / Fuel oil sulphur content > 1 % / Heizöl Schwefelgehalt > 1 % | Tonne | | 0.00 | |

(*) Hors TVA pour les combustibles industriels / VAT excluded for industrial fuels / Ohne MwSt. für Industrie-Heizöl

| Modification des droits et/ou taxes - Modification in duties and/or taxes - Änderungen von Zoll und/oder Steuer | | | | | |
|--|--|-----------------------|---|---|--|
| | Désignation des produits pétroliers Designation of petroleum products Warenbezeichnung | TVA / VAT MwSt (%) | Date d'entrée en vigueur Date of entry into force Datum des Inkrafttretens | Taxes indirectes Indirect taxes Indirekte Steuern | Date d'entrée en vigueur Date of entry into force Datum des Inkrafttretens |
| 1 | Essence super plombée Ou Ess. avec substitut au plomb / Leaded premium petrol OR Lead substitute petrol / Verbleites Superbenzin ODER Benzin mit Bleisubstitut | | | | |
| 2 | Euro super 95 | | | | |
| 3 | Gas oil automobile / Automotive gas oil Dieselkraftstoff | | | | |
| 4 | GPL / LPG | | | | |
| 5 | Gas oil de chauffage / Heating gas oil / Heizöl | | | | |
| 6 | Fuel oil teneur en soufre <= 1 % / Fuel oil sulphur content <=1 % / Heizöl Schwefelgehalt <= 1 % | | | | |
| 7 | Fuel oil teneur en soufre > 1 % / Fuel oil sulphur content > 1 % / Heizöl Schwefelgehalt > 1 % | | | | |



Explanatory screening meeting

Brussels, May 15, 2006

Main EU Acquis for Oil (summary)

- Emergency legislation : “Oil stocks directive” + Directive “for oil supply emergencies” etc..
- Prospection, Exploration, Production → Transparency, Efficiency in the context of the internal market
- Imports and deliveries
- Costs and prices

