

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)

Article 5

**Infrastructure standard**

1 [F<sup>1</sup>The Secretary of State] shall ensure that the necessary measures are taken so that in the event of a disruption of the single largest gas infrastructure, the technical capacity of the remaining infrastructure, determined in accordance with the N – 1 formula as set out in point 2 of Annex II, is able, without prejudice to paragraph 2 of this Article, to satisfy total gas demand of the calculated area during a day of exceptionally high gas demand occurring with a statistical probability of once in 20 years. This shall be done taking into account gas consumption trends, the long-term impact of energy efficiency measures and the utilisation rates of existing infrastructure.

The obligation set out in the first subparagraph of this paragraph shall be without prejudice to the responsibility of the transmission system operators to make the corresponding investments and to [F<sup>2</sup>the relevant obligations of transmission system operators].

[F<sup>3</sup>For the purposes of the preceding subparagraph, a “relevant obligation” is—

- a an obligation laid down in the Gas Regulation;
- b an obligation imposed before IP completion day for the purpose of implementing Directive 2009/73/EC (including such an obligation as modified on or after IP completion day); or
- c an obligation imposed on or after IP completion day which is the same as or similar to an obligation which could have been imposed before IP completion day for the purpose of implementing Directive 2009/73/EC.]

2 The obligation to ensure that the remaining infrastructure has the technical capacity to satisfy total gas demand, as referred to in paragraph 1 of this Article, shall also be considered to be fulfilled where the [F<sup>4</sup>Secretary of State] demonstrates in the preventive action plan that a disruption of gas supply may be sufficiently compensated for, in a timely manner, by appropriate market-based demand-side measures. For that purpose, the N – 1 formula shall be calculated as set out in point 4 of Annex II.

F<sup>5</sup>3 .....

4 [F<sup>6</sup>The transmission system operators must endeavour to] enable permanent physical capacity to transport gas in both directions (‘bi-directional capacity’) [F<sup>7</sup>on all interconnections between the United Kingdom and member States], except:

- a in the case of connections to production facilities, to LNG facilities and to distribution networks; or
- b where an exemption from that obligation has been granted, after detailed assessment and after consulting F<sup>8</sup>... in accordance with Annex III.

For the procedure to enable or enhance bi-directional capacity on an interconnection or to obtain or prolong an exemption from that obligation Annex III shall apply. [F<sup>9</sup>The Secretary of State] shall make public the list of exemptions and keep it updated.

*Changes to legislation: This version of this Regulation was derived from EUR-Lex on IP completion day (31 December 2020 11:00 p.m.). It has not been amended by the UK since then. Find out more about legislation originating from the EU as published on legislation.gov.uk. (See end of Document for details)*

5 A proposal for enabling or enhancing bi-directional capacity or a request for granting or prolongation of an exemption shall include a cost-benefit analysis <sup>F10</sup>... based on the following elements:

- a an assessment of market demand;
- b projections for demand and supply;
- c the possible economic impact on existing infrastructure;
- d a feasibility study;
- e the costs of bi-directional capacity including the necessary reinforcement of the transmission system; and
- f the benefits to the security of gas supply taking into account the possible contribution of bi-directional capacity to meeting the infrastructure standard set out in this Article.

6 [<sup>F11</sup>The regulatory authority] shall take into account the efficiently incurred costs of fulfilling the obligation set out in paragraph 1 of this Article and the costs of enabling bi-directional capacity so as to grant appropriate incentives when fixing or approving, in a transparent and detailed manner, [<sup>F12</sup>the tariffs of transmission system operators or the methodologies used to calculate them].

[<sup>F13</sup>7 In so far as an investment for enabling or enhancing bi-directional capacity is not required by the market but is considered to be necessary for security of gas supply purposes and where that investment incurs costs in the United Kingdom and a member State or in the United Kingdom for the benefit of a member State, the regulatory authority must endeavour to take a coordinated decision on cost allocation with the national regulatory authorities of the member States concerned before any investment decision is taken.

The cost allocation must take into account the proportion of the benefits of the infrastructure investments for the increase of the security of gas supply in the United Kingdom as well as investments already made in the infrastructure in question.

The cost allocation must not unduly distort competition and the effective functioning of the market in the United Kingdom and must seek to avoid any undue distortive effect on the market.]

8 The [<sup>F14</sup>Secretary of State] shall ensure that any new transmission infrastructure contributes to the security of gas supply through the development of a well-connected network, including, where appropriate, by means of a sufficient number of cross-border entry and exit points relative to market demand and the risks identified.

The [<sup>F14</sup>Secretary of State] shall assess in the risk assessment whether, with an integrated perspective on gas and electricity systems, internal bottlenecks exist and national entry capacity and infrastructure, in particular transmission networks, are capable of adapting the national and cross-border gas flows to the scenario of disruption of the single largest gas infrastructure at national level <sup>F15</sup>....

<sup>F16</sup>9 .....

**Textual Amendments**

**F1** Words in Art. 5(1) substituted (31.12.2020) by The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), Sch. 1 para. 5(2)(a); 2020 c. 1, Sch. 5 para. 1(1)

**F2** Words in Art. 5(1) substituted (31.12.2020) by The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), Sch. 1 para. 5(2)(b); 2020 c. 1, Sch. 5 para. 1(1)

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- F3** Words in Art. 5(1) inserted (31.12.2020) by The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(2)(c)** (as amended by S.I. 2020/1016, regs. 1(2), **4(2)**); 2020 c. 1, **Sch. 5 para. 1(1)**
- F4** Words in Art. 5(2) substituted (31.12.2020) by The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(3)**; 2020 c. 1, Sch. 5 para. 1(1)
- F5** Art. 5(3) omitted (31.12.2020) by virtue of The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(4)**; 2020 c. 1, Sch. 5 para. 1(1)
- F6** Words in Art. 5(4) substituted (31.12.2020) by The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(5)(a)(i)**; 2020 c. 1, Sch. 5 para. 1(1)
- F7** Words in Art. 5(4) substituted (31.12.2020) by The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(5)(a)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)
- F8** Words in Art. 5(4)(b) omitted (31.12.2020) by virtue of The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(5)(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F9** Words in Art. 5(4) substituted (31.12.2020) by The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(5)(c)**; 2020 c. 1, Sch. 5 para. 1(1)
- F10** Words in Art. 5(5) omitted (31.12.2020) by virtue of The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(6)**; 2020 c. 1, Sch. 5 para. 1(1)
- F11** Words in Art. 5(6) substituted (31.12.2020) by The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(7)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F12** Words in Art. 5(6) substituted (31.12.2020) by The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(7)(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F13** Art. 5(7) substituted (31.12.2020) by The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(8)**; 2020 c. 1, Sch. 5 para. 1(1)
- F14** Words in Art. 5(8) substituted (31.12.2020) by The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(9)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F15** Words in Art. 5(8) omitted (31.12.2020) by virtue of The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(9)(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F16** Art. 5(9) omitted (31.12.2020) by virtue of The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/531), reg. 1(2), **Sch. 1 para. 5(10)**; 2020 c. 1, Sch. 5 para. 1(1)

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