

Energy production, transmission and distribution networks currently function without problems, as the current crisis following the spread of the COVID19 virus all over Europe puts unprecedented stress on the health systems in the first place. In this crisis, the energy sectors seem to be still functioning well, including in the Energy Community contracting parties.

Currently, electricity - and where existing also: gas - production and supply continues in a stable manner and without disruptions in all of them. There seems to be no reason to worry about the level of fuel reserves and the hydrological situation in the imminent future, both in the Balkans and in Eastern Europe.

As in other European countries, the contracting parties are taking measures to protect the health of employees in power plants, utilities and system operators as critical infrastructures. In the oil sector, the import of petroleum products has become more difficult due to border controls and restrictions in response to COVID19.

Demand for electricity (to a lesser extent gas, for reasons of seasonality) has dropped in many contracting parties as well, as a result of the measures taken by governments aimed at containing the spread of the virus. Industry and SMEs are particularly affected. This has brought spot prices down all over Europe, but also brings uncertainty for future market developments. As regards households, many of which now serve as home offices, consumption increases. As the crisis continues, rates of non-payment are going and may go even higher up in the Contracting Parties. Authorities and/or utilities in many contracting parties have pledged to ensure that customers with payment arrears will not suffer from supply suspension or be disconnected during the crisis. Utilities and network operators are already cash-strapped, and are now requesting budgetary support (as companies from many other sectors). There is a high risk that non-payments on any level affect liquidity in all supply and value chains (including production facilities, the mining industry, energy trading and supply, network operators etc.). This will have negative effects also on ongoing and future investments and on security of supply.

While the crisis and the containment measures are currently still ongoing, the focus shifts to future measures and funds needed for an economic recovery. Evidently, the energy sectors will have to play an important role in the recovery process. The membership in the Energy Community will serve as a guarantee that this process is being conducted in line with European law and policy, including the Green Deal.

The Secretariat will support the containment and management of the crisis recovery by exhausting all regulatory and financial flexibilities available under the acquis communautaire, and by providing support swiftly and non-bureaucratically.