## ENERGY CONTINGENCY PLANS AS AN INSTRUMENT TO RESPOND TO THE CURRENT ENERGY SITUATION

Posted on 19/10/2022 by Naider

The escalation in the prices of natural gas, electricity and oil have unbalanced the energy markets, which, together with speculation, has led to price volatility and energy insecurity throughout the world. In this context, the Energy Contingency Plans were born, as an instrument that responds to the current energy crisis

An Energy Contingency Plan addresses the operation of how to respond to the energy situation so that the plans and objectives adopted are not altered or, where appropriate, the repercussion of external influences is minimized.

The preparation of an Energy Contingency Plan is based on a series of methodological steps:

- 1/ Identify the threats and their possible impact. For example, the rise in natural gas prices and its impact on the productive capacity of companies and on the most vulnerable sectors of the population.
- **2/ Defining the challenges and opportunities.** Challenges that must be responded to to ensure energy stability and reduce the impact as well as the opportunities that can be generated such as Renewable Energies or Energy Efficiency.
- **3/ Development of action measures**. A sectoral division is proposed to focus on the needs of each group, and select the most appropriate type of measures for that sector: Administration, companies and citizens.
- •Economic measures: Aid, Investment, Taxation
- •Legislative measures: Legislation and regulation
- •Awareness-raising measures: Communication, awareness-raising and information, change of habits.
- •Technical measures: Collaborations and technical support
- **4/ Drafting the Energy Contingency Plan**. Develop a report that justifies the approaches in a strategic and reflective way, establishes the objectives and organizes the composition of the measures of clear way.
- **5/ Put together a governance and financing model** relating the key agents in order to guarantee the effective implementation of the Plan and the monitoring of the application of measures in the different sectors.
- **6/ Monitoring and evaluation system**, so that the evolution of the measure and its effectiveness with respect to the risks identified in the first point can be quantified.

These methodological steps are proposed as a way to guide the preparation of the Contingency Plans, but in any case they must be adapted to the territorial characteristics, the scope of the Plan and the ambition of the objectives that are intended to be achieved.