



State Comptroller
of Israel

Preparedness for Emergencies in the Energy Sector in Light of the Swords of Iron War and Operation Rising Lion – Fuels, LPG, and Natural Gas

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Abstract

Background

The Israeli home front is subject to ongoing threats – both security threats from enemy states and hostile organizations, and potential natural disasters, such as earthquakes, tsunamis, or fires, which may culminate in emergency situations. Such emergencies can arise in the State of Israel with little to no prior notice and in the absence of adequate preparedness, thereby significantly impacting economic activity and potentially leading to severe disruptions.

On the holiday of Simchat Torah, October 7, 2023, the Hamas terrorist organization launched an attack on the State of Israel, through the firing of thousands of rockets and the infiltration of numerous terrorists into Israel Defense Forces (IDF) bases, urban centers, and communities in the Western Negev region (the Gaza Envelope localities). The onset of the Swords of Iron War, triggered by these events, has been marked by extensive rocket fire targeting Israeli communities and an escalating concern regarding a multi-front and protracted conflict, compared to Israel's previous military engagements.

On October 7, 2023, the Minister of Defense declared a special state of emergency in the home front across the entire territory of the State of Israel. As of April 2025 (the audit completion date) this state of emergency remains in effect, and the conflict within the Gaza Strip has expanded to include additional regions.

In order to maintain functional continuity of the economy, it is imperative to ensure that energy infrastructures, encompassing facilities for the production and storage of energy, electricity grids, and fuel facilities, including liquefied petroleum gas (LPG) and natural gas, are adequately prepared to meet all energy demands. The significance of these infrastructures underscores the necessity for proactive measures to address potential threats and disruptions stemming from various factors, including natural disasters, security incidents, and technical malfunctions.

Effective preparedness for emergency situations within energy infrastructures constitutes a critical condition for ensuring functional continuity and mitigating damage during crises.

The primary responsibility for overseeing the energy sector in Israel, which includes the planning and implementation of a long-term national policy in the energy domain, rests with the Ministry of Energy and Infrastructure (Ministry of Energy). In conjunction with the Ministry of Energy, various government entities are involved, such as the Natural Gas Authority, which regulates the natural gas sector; the Electricity Authority, which oversees and supervises the electricity sector; and the Israel Natural Gas Lines Company (INGL), responsible for managing the natural gas transmission infrastructure. Additionally, two companies operate within the fuel sector: the Energy Infrastructure Company (EI, formerly PEI) – a government-owned company that, among other functions, handles the intake, storage, transmission, and supply of fuels (primarily distillates) across the country, and the Europe Asia Pipeline Company (EAPC), a government entity that operates two oil ports, offers fuel storage services, and facilitates the transportation of fuels from Eilat to Ashkelon and from Ashkelon to Ashdod and Haifa via three transmission lines; additionally the company stores LPG imported by commercial enterprises in this sector.

All these entities collaborate with various government ministries, local authorities, and private industries to ensure a stable, sustainable, and secure energy supply while maintaining functional continuity during both routine and emergency situations. Government ministries and other regulatory bodies exert influence over the fuel economy, encompassing aspects such as fuel types, quality, transportation methods to consumers, air pollution guidelines and production standards for fuel distillates and natural gas extraction, business licensing and safety regulations, and the establishment of standards pertaining to the energy sector.

Key Figures

**79 days of
consumption**

of emergency distillate reserves in industrialized European countries. The audit compared the number of days of consumption in Israel against this number

90 days

of crude oil reserves availability for distillate production in the US. The audit compared the reserves' availability in Israel against this number

41%

of primary energy¹ uses in Israel, used to produce other energies (including distillates), are through natural gas – first place among OECD countries

407

of the gas stations are defined, as of October 2024, as an "Iron Fleet"

As a result of damage to the BAZAN complex, the power plant responsible for part of the steam and electricity production used by the company's facilities was significantly damaged

Audit Actions



From August 2024 to April 2025, the audit completion date, the Office of the State Comptroller examined the state's preparedness for emergencies with respect to infrastructure and energy. This audit specifically evaluated the readiness of the energy sector, encompassing the fuel, liquefied petroleum gas (LPG), and natural gas sectors, concerning emergency situations. Key aspects of this audit included preparation, stockholding, workforce readiness, and the challenges associated with maritime imports of these products during emergencies. The audit was conducted at various governmental entities, including the Ministry of Energy and Infrastructure, the Natural Gas Authority within the Ministry of Energy, the Budget Division of the Ministry of Finance (AGAT), the Accountant General Division at the Ministry of Finance (Accountant

¹ Primary energy is defined as the total production of energy sources before any conversion or transformation process. Imported fuel distillates are also classified as primary energy.

General), the Prime Minister's Office, the National Economic Council within the Prime Minister's Office, the National Emergency Management Authority at the Ministry of Defense (NEMA), the National Security Council (NSC), the Energy Infrastructure Company Ltd. (EI), the Europe-Asia Pipeline Company (EAPC), the Israel Natural Gas Lines Company (INGL), the Shipping and Ports Authority (SPA), the Israel Ports Company, the Ministry of Justice, and the Senior Emergency Manpower Division at the Ministry of Labor. A comprehensive audit also took place at the Ministry of Environmental Protection, the Ministry of Transport and Road Safety, and the Ministry of National Security. Additionally, meetings and discussions were conducted with private sector entities within the energy domain, including the Haifa Refinery (BAZAN), the Ashdod Refinery (AR), Company C, natural gas production concessionaires, and energy experts.

The subcommittee of the Knesset State Audit Committee decided not to submit the full report to the Knesset, but to publish only parts thereof, in order to safeguard state security, pursuant to Section 17 of the State Comptroller's Law, 1958 [Consolidated Version].

Key Findings



Failure to Regulate Emergency Home Front Care through Legislation, Including Within the Energy Sector

The Civil Defense Law², which serves as the foundational legislative framework for home front care, was enacted over 70 years ago in 1951. Despite the necessity of delineating the responsibilities and authorities of the entities involved in home front care, an issue that emerged as early as 2006, and the critical importance of establishing a shared lexicon for preparing the home front for emergencies and managing crisis situations, various obstacles have impeded the advancement of pertinent legislative proposals. The predominant barriers include the absence of a dedicated budgetary source to finance the preparation and operational needs of government ministries during emergencies, as well as the government's inability to reach a consensus among its members on identifying the integrating entity³ responsible for overseeing the emergency management systems "end to end". Consequently, from the onset of the events on October 7, including the Swords of Iron War and Operation Rising Lion, through the conclusion of the audit, a regulatory framework for addressing home front care, encompassing aspects related to the energy sector, has yet to be established. Furthermore, the audit indicated that, despite the critical need to regulate the emergency fuel sector, facilitating the management of fuel resources during emergencies, no consensus has been reached among the Ministry of Energy, the Ministry of Finance, and the Ministry of Justice, and legislative proposals from the Ministry of Energy dating back to 2012 and 2022

² Civil Defense Law, 1951.

³ "The Minister in Charge" as referred to in the bill.

regarding the regulation of the emergency energy sector have not progressed. The absence of such legislation complicates the regulation of emergency fuel reserve maintenance, the acquisition of land for the establishment and maintenance of underground fuel infrastructure, and the delegation of authority to the Director of the Fuel Administration to issue emergency directives to fuel companies, as is permitted under the Natural Gas Sector Law. This lack of regulatory clarity adversely affects the preparedness of the energy sector in emergencies.



The National Framework for Preparing the Energy Sector for Emergencies – In response to various threats, the National Emergency Management Authority has published the "aggregate reference scenario for a war outline in the civilian space", which includes a section pertaining to the energy sector that was developed in collaboration with the Ministry of Energy.



The establishment of infrastructure within the energy sector lasts many years, involving substantial budget allocations amounting to hundreds of millions of NIS, the management of intricate construction processes, and the attainment of statutory approvals concerning environmental and safety considerations. Despite the passage of over a year and a half since the commencement of the war, the audit found that the update of guidelines within the energy sector by NEMA, in conjunction with the Ministry of Energy, has yet to be finalized.



The Storage of Fuel Reserves – The audit examined this matter and findings were raised



The Emergency Fuel Distillate Reserves Prior to and During the Swords of Iron War – The audit found a lack of consensus among the Minister of Defense, the Minister of Energy, and the Minister of Finance regarding the recommendations presented by the Reserves Committee. Furthermore, the Ministers of Energy and Defense did not engage in discussions with the Minister of Finance and his representatives to reach a unified and agreed-upon decision on this issue.



Crude Oil Reserves – The audit examined this matter and findings were raised.



The Transportation of Fuels to Consumers – The response to the reference scenario anticipating an absence of natural gas supply to the energy sector during emergencies, involves the provision of fuels to electricity producers and other significant consumers. The audit examined this matter and findings were raised.



The Operation of Gas Fueling Stations During Emergencies – To ensure the availability of fuels (gasoline and diesel for transportation) to consumers during times of emergency, as of October 2024, the Ministry of Energy has designated 407 gas fueling stations across the nation to function as an "Iron Fleet", ensuring continued operation and fuel supply during emergencies. The audit examined this matter and findings were raised.

**The Energy Sector's Preparedness for Continuous Supply of Liquefied Petroleum Gas (LPG) During Emergencies**

- **Prolongation of Tenders for LPG Storage** – The Ministry of Energy and the Ministry of Finance have yet to resolve the issue of the failure of two tenders for LPG storage, which can be attributed to the lack of economic and operational viability of the tender conditions for bidders, coupled with the absence of agreements between the ministries.
- **Management of LPG Demand During Emergencies** – Significant gaps have been found in the management of LPG demand during emergencies.

**The Energy Sector's Preparedness for Continuous Supply of Natural Gas During Emergencies**

- **Ensuring Energy Security in the Natural Gas Sector** – The audit indicated that, as of its completion date, Israel does not have a methodology-based policy designed to enhance energy security, a standard practice among European Union countries. Furthermore, the Ministry of Energy has yet to adopt the customary EU policy or any alternative strategy that may contribute to improving the energy security of Israel's natural gas sector. Consequently, there are insufficient supplemental inlets⁴ (backing the existing inlets) available for natural gas from existing reservoirs, and there is a shortage in the volume of liquefied natural gas inlets or pipeline infrastructure for importing from neighboring countries.
- **Natural Gas Storage** – The audit found that Israel lacks a reservoir for the storage of natural gas, in stark contrast to the established storage capacities in industrialized nations such as Germany, France, and Japan, despite their comparatively lower reliance on natural gas as a primary energy source. Additionally, it was noted that the Natural Gas Authority has not yet finalized a detailed principles document to guide the formulation of a policy for the onshore storage of natural gas.
- **The Natural Gas Sector Regulations** – The need for an urgent update to the Natural Gas Sector Regulations has become apparent in order to better align them with the requirements of the domestic natural gas sector.



Impact of the Cessation of Natural Gas Supply on the LPG Sector – The audit indicates that the Natural Gas Authority and the Fuel Administration have not established guidelines for prioritizing the supply of natural gas to certain energy facilities.



Lack of Supervision by the Ministry of Energy Over Infrastructure Companies – The Ministry of Energy bears the responsibility for ensuring that the energy sector is adequately prepared to address all potential threats, as delineated in the reference scenario. Additionally, it is tasked with reporting the state

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Inlets – onshore facilities for receiving natural gas that are connected by pipeline to offshore platforms. These onshore facilities are also connected to the Israel Natural Gas Company's transmission network through which natural gas is supplied to consumers.

of readiness of the energy sector to the National Emergency Management Authority. The Ministry must ensure that both it and the energy companies under its jurisdiction are equipped to continue providing necessary services in the event of system damage and possess the requisite tools to restore operations to normalcy during an emergency. Nonetheless, the audit indicated that, in the absence of a mandatory reporting requirement for energy companies regarding their recovery readiness within the timelines specified in the reference scenario, the Ministry of Energy lacks the legal authority to effectively supervise these companies' facilities. Consequently, various deficiencies have been identified concerning the Ministry of Energy's oversight of infrastructure companies in operational domains.



Essential Manpower Required in an Emergency in the Energy Sector – The audit identified certain deficiencies in ensuring the availability of essential personnel required for deployment to vital facilities during an emergency.



Government Resolution Regarding the Closure of BAZAN (Haifa Refinery)

- **Ensuring Continuation of Operations Post-Closure of BAZAN (Haifa Refinery)** – Resolution 1231, which outlines the infrastructure necessary for establishing an alternative to the BAZAN distillate production facility, failed to analyze the potential consequences of BAZAN's closure on the functionality of specific energy infrastructures following this closure.
- **Lack of Competition in LPG Imports** – Despite the fact that Resolution 1231 regarding BAZAN's closure exacerbates the Israeli economy's reliance on LPG imports from a sole importer, who is anticipated to supply approximately 80% of the overall LPG consumption, there was no provision in Resolution 1231 or in Appendix A to address this matter as a prerequisite for BAZAN's closure, which currently provide 44% of total LPG in the economy.



Impact of Operation Rising Lion on the Energy Sector– Subsequent to the completion of the audit, on the night of June 13, 2025, the State of Israel commenced an offensive against Iran. In retaliation, Iran launched ballistic missiles at Israel, targeting populated regions and strategic installations. This offensive persisted for 12 days, concluding on June 24, 2025.

On June 15, 2025, the BAZAN Company formally notified the Tel Aviv Stock Exchange⁵ that, resulting from the missile attack, the refinery facilities remained operational, while several downstream facilities within the company's complex were temporarily shut down, and that the company is assessing the impact on its operations and the timeline for resuming services.

Following another missile attack on June 16, 2025, the BAZAN Company informed the Tel Aviv Stock Exchange that a strike on the BAZAN complex had inflicted significant damage on the power plant responsible for generating a portion of the steam and electricity utilized by the company's facilities, along with sustaining additional damages, resulting in the complete shutdown of all refinery and subsidiary

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<https://maya.tase.co.il/he/reports/companies/1672012?attachmentType=pdf1>.

facilities. Tragically, three employees of the company lost their lives due to the attacks. Furthermore, the BAZAN Company conveyed that it was collaborating with the Israel Electric Company to expedite the restoration of regular electricity supply to its facilities.

- In the opinion of the Office of the State Comptroller, the precarious geopolitical context in which Israel operates and the developments that have transpired since the initiation of the Swords of Iron War, particularly in relation to Operation Rising Lion, underscore the critical necessity for a comprehensive evaluation of the appropriate balance between the existing strategic framework that emphasizes domestic fuel production and dependence on fuel imports. This analysis must consider the events occurring within the energy sector and their enduring implications since the onset of the Swords of Iron War.

Key Recommendations



Regulation of Emergency Home Front Care through Legislation, Including in relation to the Energy Sector – In light of the security threats on Israel and the fact that the Civil Defense Law, which forms the foundational legislative framework for home front management, was enacted over seventy years ago, in 1951, particularly given the multi-sector conflict⁶ that has characterized the State of Israel at the time of the audit, alongside the imperative to prepare for various mass emergency events, including natural disasters, the government and its leadership are urged to act expeditiously to advance a coherent and integrative normative response to emergency situations, particularly in response to the substantial disruption caused by the events of October 7.

Furthermore, the Ministry of Energy, in collaboration with the Ministry of Finance and the Ministry of Justice, is tasked with advocating for legislation to regulate the fuel sector during emergencies. This legislation should encompass provisions for the management of emergency fuel reserves, access to land for the establishment and maintenance of underground fuel infrastructure, and the delegation of authority to the Director of the Fuel Administration that would empower the Director to issue emergency directives to fuel companies, thereby equipping the energy sector with the necessary tools for preparedness in the face of emergencies. In addition, the Ministry of Finance and the Ministry of Justice are obligated to cooperate and assist the Ministry of Energy in the advancement of the legislative framework.

⁶ Seven fronts – Gaza, Lebanon, Syria, Judea and Samaria (Jerusalem), Yemen, Iraq and Iran.



The National Strategy for Preparedness of the Energy Sector to Emergencies – The Swords of Iron War and the subsequent geopolitical shifts necessitate the National Security Council, the State-Security Cabinet⁷, the Ministry of Energy, the Ministry of Finance, and the Ministry of Defense to execute a comprehensive reassessment of the fuel sector's readiness. This reassessment should aim to evaluate the readiness of the fuel sector, formulate the courses of action, identify responsible parties, and allocate sufficient budgets to facilitate the successful implementation of these critical decisions.

Emergency Fuel Reserves



The Director of the Fuel Administration, who serves as the Chairman of the Reserves Committee, is obligated to ensure that the Ministers of Energy, Defense, and Finance, who hold statutory responsibility for determining the level of emergency fuel reserves, are apprised of the conclusions arrived at by the Reserves Committee. This obligation persists even in instances where consensus has not been attained among all committee members, thereby allowing the ministers to engage in discussions regarding these divergent opinions. The Minister of Energy and the Minister of Defense are required to engage in deliberations regarding the Reserves Committee's recommendations with the Minister of Finance, with the objective of formulating a binding decision concerning the emergency reserves requisite for economic stability in crisis situations. Should disagreements arise among the ministers, it is incumbent upon the Minister of Energy, the Minister of Defense, and the Minister of Finance, with the collaboration of the National Security Council as a member of the Reserves Committee, to bring the matter before the Prime Minister for governmental consideration and resolution.



Operation of Gas Fueling Stations in Times of Emergency – The Ministry of Energy is tasked with establishing the necessary steps in conjunction with fuel companies to guarantee that all "Iron Fleet" gas fueling stations are equipped with the requisite tools to supply fuel for transportation during emergencies.



The Energy Sector's Readiness for Continuous Natural Gas Supply in Times of Emergency – The Ministry of Energy and the Natural Gas Authority must ensure energy security within the natural gas sector. This may include strategies such as diversifying supply sources, which entails both the importation of gas and the promotion of explorations for new natural gas reserves.



Lack of Supervision by the Ministry of Energy Over Infrastructure Companies – It is proposed that the Ministry of Energy advocate for the regulation of the fuel sector during emergencies via legislative means while establishing reporting obligations for energy companies, including central

⁷ The Ministerial Committee on National Security Affairs.

private entities in the energy sector, such as oil refining and electricity generation companies, which are to report to the Ministry of Energy. Additionally, the Ministry of Energy must assert its regulatory authority to issue directives concerning emergency preparedness. The Ministry of Finance and the Ministry of Justice must assist the Ministry of Energy in this regulatory endeavor, whether through legislation or alternative measures that confer the necessary authority.



The Essential Manpower Required in an Emergency in the Energy Sector – It is recommended that the Ministry of Energy, in collaboration with the Senior Emergency Manpower Division at the Ministry of Labor, ensure that there is a comprehensive response to all manpower requirements necessary for the energy sector during emergencies.

The Implications of the Closure of BAZAN



It is recommended that the National Security Council, in conjunction with the Ministry of Energy, address the operational needs of specific energy infrastructures that may sustain damage in an emergency as a consequence of BAZAN's closure.



The significance of BAZAN's operations was underscored during the Swords of Iron War. The impact on BAZAN's activities following the damage to its facilities during Operation Rising Lion highlighted its critical role in the energy independence of the domestic market. It is recommended that the National Economic Council, in collaboration with the Ministry of Energy and the Ministry of Finance, conduct a thorough examination of the fundamental assumptions underlying Government Resolution (1231), particularly concerning the ramifications associated with the scheduled closure of BAZAN at the end of 2029. Additionally, it is imperative to identify strategies to ensure that Israel's energy needs are met while incorporating the insights gained from the Swords of Iron War and Operation Rising Lion.

Summary

Successfully addressing emergencies is contingent upon the degree of preparedness established during routine. The allocation of resources for infrastructural readiness and the initiation of processes in advance facilitates prompt and accurate responses during crises, minimizes potential damage, and ensures operational continuity. Investment in emergency preparedness within the energy sector during non-emergency periods is fundamental to maintaining energy security in times of crisis. Consistent management of energy resources during normal operations is critical for ensuring emergency readiness, ensuring functional continuity (the capability to access emergency reserves during emergencies or technical malfunctions), safeguarding critical infrastructures dependent on fuels, such as hospitals, and enabling rapid recovery.

This report examined various issues pertaining to the assurance of energy continuity for the State of Israel amid emergencies, particularly in light of the challenges and risks encountered by the energy sector during the Swords of Iron War.

Additionally, findings indicate that Israel lacks comprehensive national regulation of the energy sector, a situation that hampers the Ministry of Energy's ability to develop long-term policies for the comprehensive management of all facets of the energy sector and to address upcoming challenges effectively. As of the audit completion date, Israel also lacked legislative frameworks regarding the fuel sector's operations during emergencies, which could hinder the regulation of maintaining emergency fuel reserves and adversely affect the sector's readiness during crises. Furthermore, Israel does not possess a methodology-driven policy aimed at enhancing energy security, as is standard practice in European Union nations, and the Ministry of Energy has yet to adopt such a framework or any alternative policy that could contribute to improving the energy security of the natural gas sector within Israel.

It is recommended that the Ministry of Energy undertake a systematic review of lessons learned from the Swords of Iron War and Operation Rising Lion, alongside their implications for the energy sector and other significant and protracted threats that may arise in the future. A comprehensive state strategy for the energy sector should be promoted, including the advancement of the regulation of the Emergency Fuel Sector Law. The Minister of Energy, the Minister of Defense, and the Minister of Finance should convene to discuss the Reserve Committee's recommendations regarding the requisite fuel reserves necessary for emergency situations and formulate a binding decision on the emergency reserves required for the economy during such events.

During the Swords of Iron War and Operation Rising Lion, the significance of BAZAN's activity became increasingly pronounced. Consequently, it is recommended that the National Economic Council, in collaboration with the Ministry of Energy, the National Security Council, and the Ministry of Finance, assess the foundational assumptions of Government Resolution (1231), which mandated the cessation of BAZAN's activity by 2029, as outlined in the National Economic Council's multi-year work plan. This assessment should identify mechanisms to ensure a sustainable response to Israel's energy needs, incorporating the lessons learned from the Swords of Iron War.

The Ministry of Energy, in conjunction with the National Emergency Management Authority at the Ministry of Defense (NEMA), the Ministry of Finance, and other pertinent governmental agencies, should expedite all necessary actions to enhance the energy sector's preparedness for potential emergency scenarios through the formulation of long-term action plans and the allocation of a designated budget to achieve outlined objectives, without further delay.

The Minister of Energy and the Minister of Finance must address the deficiencies identified in this report, drawing lessons from the Swords of Iron War and previous combat scenarios, and apply these insights to the current context of ongoing confrontations. The Minister of Energy should direct his office to develop a comprehensive work plan aimed at closing the gaps and deficiencies highlighted in this report, with ongoing monitoring of its implementation. The Prime Minister, in his capacity as Chair of the State-Security Cabinet, along with the Ministers of Defense, Finance, and Justice, should convene the State-Security Cabinet to ensure continuous oversight of the effectiveness of the response plans pertaining to the reference scenario in the energy sector.