Gas markets in the Energy Community Contracting Parties

16th Energy Community Gas Forum

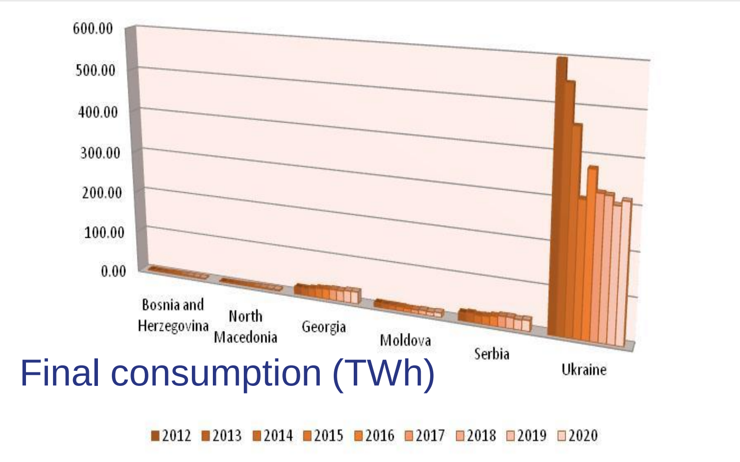
Ljubljana, 23 September 2021

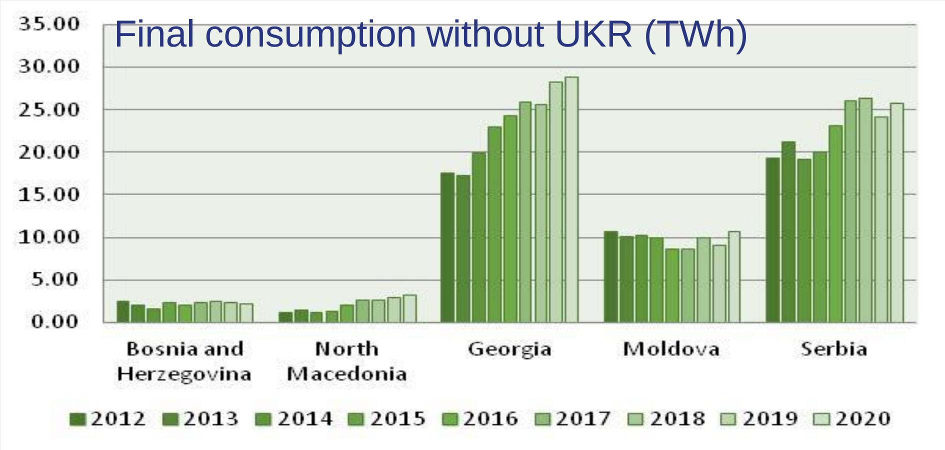
Content

- ❖ *Wholesale gas markets in the EnC CPs, as analyzed by:*
- *ACER Market Monitoring Report 2020- Gas Wholesale Volume (July 2021)*
- *ECRB Gas Wholesale Market Monitoring Report (October 2021)*

- ❖ *Retail gas markets in the En CPs, as analyzed by:*
- *ACER/CEER Market Monitoring Report 2020- Retail and Consumer Protection Volume (November 2021)*
- *ECRB Electricity and Gas Retail Market Monitoring Report (November 2021)*

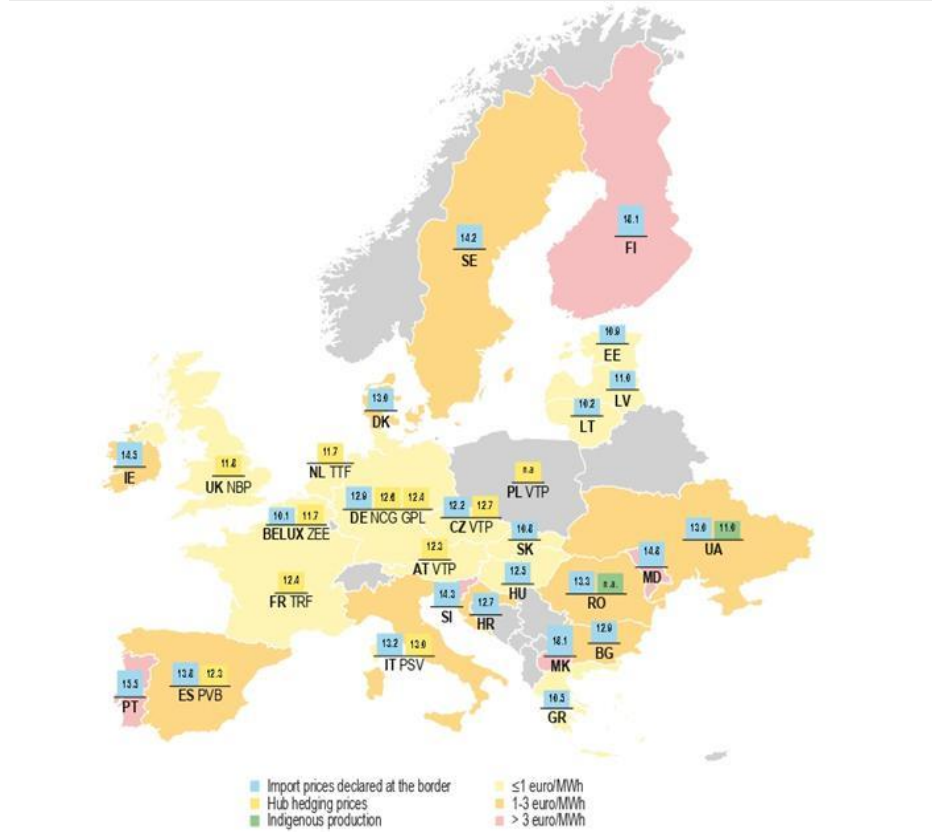
Demand developments





Sourcing of gas

Energy Community Contracting Party	Number of supply sources	Number of shippers active at IPs
Bosnia and Herzegovina	1 (import from Russia 100%)	n.a.
Georgia	4 (Georgia 0.3 %, Armenia 0.75%, Russia 7.9% and Azerbaijan 91%;)	5
Moldova	1 (import from Russia 100%)	2
North Macedonia	1 (import from Russia 100%)	2
Serbia	2 (Serbia 10.6%, Russia 89.4%, 1/3 of gas bought from traders in HU and CZ)	6
Ukraine	NA (70% Ukraine, 30% import)	86



Trading activity in Ukraine

- ❖ traded volumes at UEEX exchange increased from 0.3 bcm in 2019 to 2 bcm in 2020, number of market participants doubled
- ❖ mostly front month products traded, introduction of the day-ahead product trading in 2021
- ❖ Naftogaz started actively trading at the exchange, abandoning of PSO contributed to liquidity
- ❖ allocation of IP capacities in line with CAM NC to the extent possible
- ❖ new lower transmission tariffs as of 2020
- ❖ daily balancing regime- the network users have the opportunity to trade in order to settle their imbalances before the TSO activates balancing services

UGS in Ukraine

❖12 UGS sites, with a peak storage capacity of 31 bcm

❖Revision of the legal and regulatory conditions for using them, but also to back the development of the Ukrainian gas exchange:

➢ revision of the customs warehouse regime

➢ reduced short-haul transmission tariffs

❖ 457 registered users in 2020, 29 bcm traded to change property at UGS in 2020 (four times more than in 2019)

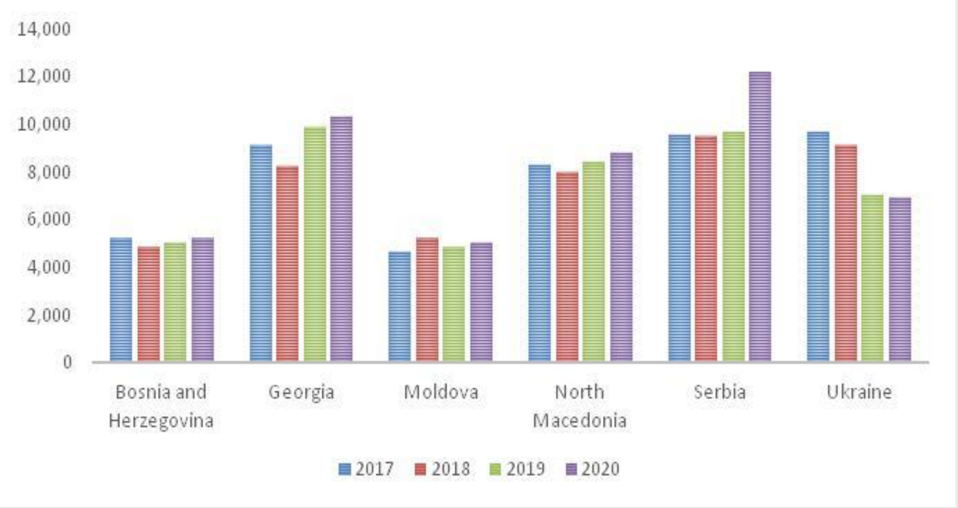
Wholesale market dominance

Energy Community Contracting Party	Number of companies selling at least 5% of available gas	Share of 3 biggest companies in the market		
Georgia	3	39%	29%	28%
Moldova	1	91%	n.a.	n.a.
North Macedonia	3	72%	20%	6%
Serbia	1	81%	3.70%	2.90%
Ukraine	2	59%	7.41%	4.86%

Retail market structure

EnC CP	Number of active suppliers	Number of net new suppliers	Number of retailers selling at least 5% of gas
BIH	4	1	3
GEO	33	n.a.	3
MDA	14	n.a.	1
MKD	3	0	3
SRB	34	0	1
UKR	286	37	3

Average annual gas consumption per household in kWh- 2020



Switching and price regulation

Number of customers that changed supplier in 2020

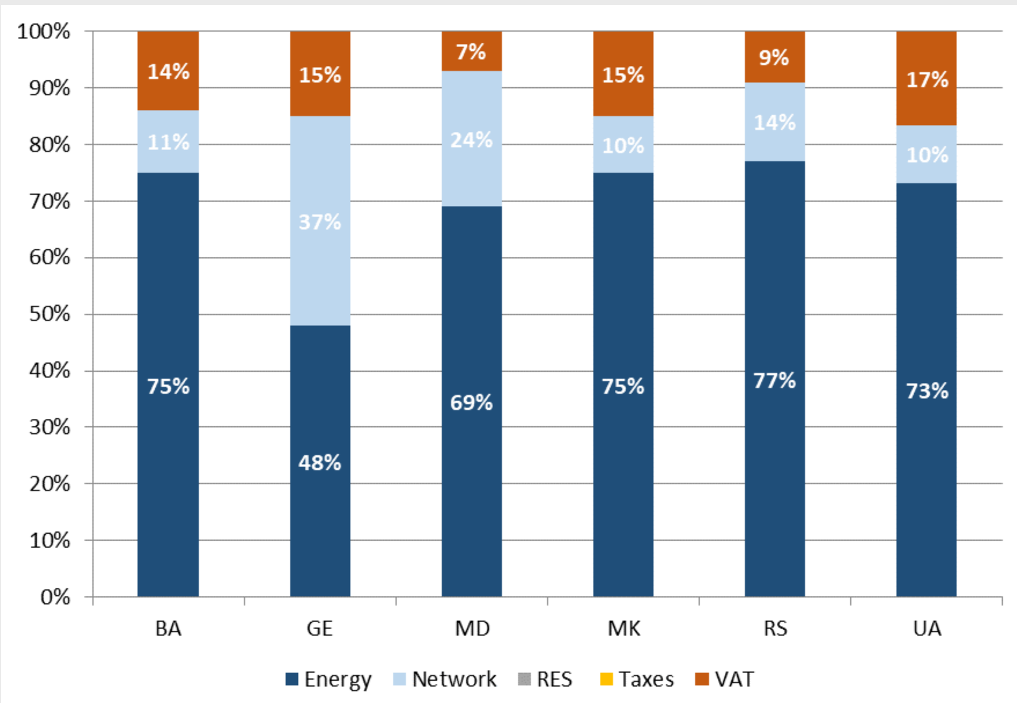
BIH, MKD: 0	MDA: 47 Non- HH
SRB: 17 Non- HH	UKR: 675,603 98.7% HH

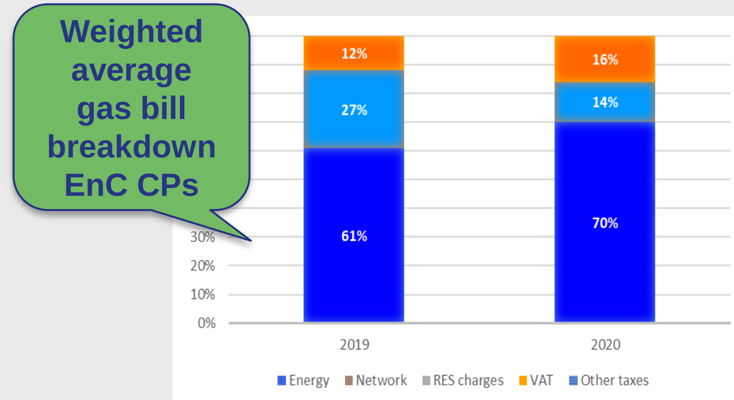
Price regulation for households removed on 1.8.2020.

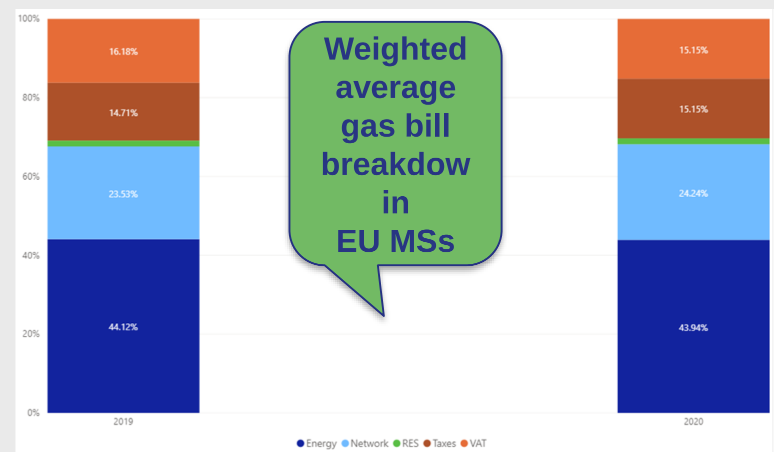
- All customers eligible to change supplier in EnC CPs
- Regulated prices available to households and small non- HH in all CPs except MKD and UKR (since 1.8.2020.)

Gas bill breakdown

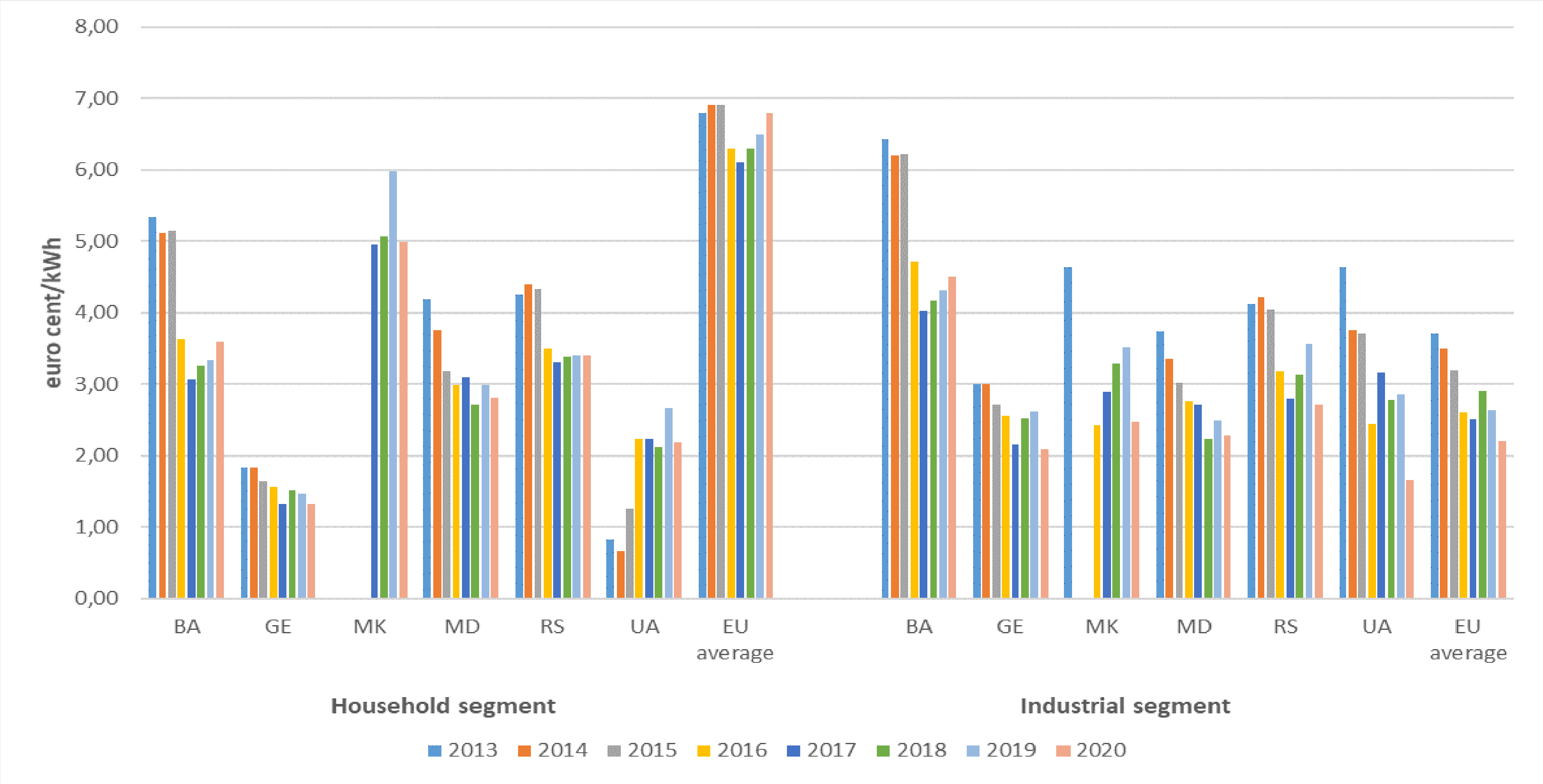
Gas bill breakdown in EnC CPs, 2020







Final gas prices



Some high- level recommendations

- ***Continuous alignment of the EnC CPs to the acquis communautaire of the EU is a pre-condition for enhancing market integration and cross-border trade with the EU and among themselves***

→ ***<u>implement network codes properly</u>, coordinate with all neighbours (ACER MMR invites EU NRAs and TSOs to extend implementation of CAM NC to EnC CPs!)***

→ ***remove any remaining market entry barriers and <u>promote hub trading</u>***

- ***Provide flexibility to adapt to evolving market circumstances i.e. <u>be fit for decarbonisation</u> and the role of gas in it***

Energy Community

Thank you
for your attention!

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