

# **SEEGAS Green Field Analysis**

## **Landmark Study of the South East and East European Gas (SEEGAS) Markets**

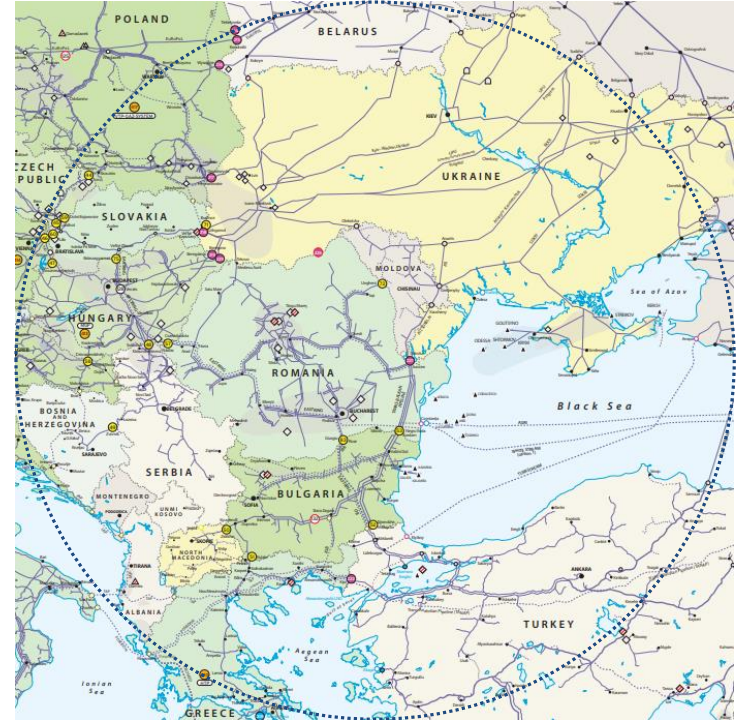
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- I. The Relevance of a SEEGAS Study
- II. Proposed Outline
- III. Legal Barriers to Integration
- IV. Regional dimension: the South Caucasus
- V. Provisional Timeline for SEEGAS
- V. Conclusion



- The **Network Codes** were one of the foundational steps that brought gas markets closer to the **envisioned target model**
- The market **balancing regime** is obliged to promote the development of the short-term market, which it itself needs in the early stages, in order to then transform into **a well-functioning liquid wholesale market**
- The correct implementation of the **Balancing Network Code** has significant benefits for TSOs and participants. The **gas exchange** is a key infrastructure element in this process
- Nearly all countries represented in the SEEGAS Platform are **enabling** at the moment the **development towards hubs and exchange traded markets**

- The Secretariat aims to collect **the national experience** of each participating country and publish a **landmark study, in close collaboration with the industry**
- **One landmark study** for gas trading in this region would:
  - Provide for each country a **solid market analysis** by and for regional market players
  - **Create awareness** and potentially **attract other market participants**, thereby **increasing security of supply** and **competition** in the mentioned market area
  - **Highlight the existing barriers** to further integration and development of the markets, while proposing **concrete solutions and potential steps forward**



- **1. Introduction**
- **2. SEEGAS Analysis**
  - 2.1 Balancing Target Model
  - 2.2 EU Gas Markets
  - 2.3 CP Gas Markets
  - 2.4 Observer Countries' Gas Markets
  - 2.5 Future Outlook for the Trans - Balkan Pipeline
- **3. Legal Barriers for Integration**
  - 3.1 Interconnection Points
  - 3.2 Tariffs
- **4. Clearing**
- **5. Recommendations**



- **Interconnection Points (IPs)**
  - Several issues on **IPs between Ukraine and EU member states**, which are hindering further **market integration** and **efficient trading** in the region
  - The scope of the analysis will cover:
    - Slovakian-Ukrainian border
    - Romanian-Ukrainian border
    - Romanian-Moldovan border
    - Moldovan-Ukrainian border
- **Tariffs**
  - High tariffs for transportation of gas are applied in some parts of the region
  - Analysis of the existing IPs and the potential effect of market opening following European best practices

- Stakeholders in Georgia are actively structuring a project **towards the development of a gas exchange and OTC auction platform**, following the ongoing market liberalization.
- Need for **convergence and adjustment** to neighbouring gas markets:
  - ✓ Turkey
  - ✓ Azerbaijan
  - ✓ Armenia
  - ✓ Russia



- **Focus in the study:** opportunities, barriers (political, technical and legal point of view)
- **Final outcome:** recommendations for a roadmap towards market integration among the EU member states, EnC CPs and possibly Turkey and South Caucasus region (Eastern partners).

## V. Provisional Timeline for SEEGAS

Date	Topic
15 <sup>th</sup> of December 2020	First SEEGAS platform meeting: Energy Exchanges and TSOs
15 <sup>th</sup> of March 2021	Second SEEGAS platform meeting: Focus to be seen, depending on the development and input
1 <sup>st</sup> of May 2021	Deadline Draft SEEGAS study
1 <sup>st</sup> of September 2021	Deadline Final SEEGAS study



- The outreaching idea of **collecting best practices in gas trading** in markets which are still at the **beginning of full liquidity** creation and state of the art market operation, will provide **a greenfield analysis** which is still missing in the region.
- Key industrial stakeholders will share the experiences they have made and representatives from the industry will have the possibility to connect and exchange view on a neutral ground.
- The **Secretariat**, which is unique position and expertise will be able to **connect, structure and monitor the process** of market development in the Contracting Parties and other participating countries.
- In order to kick-off and drive this process, an **organized framework** and an **international cooperative structure** would be needed
- An **independent international organisation** like the **Energy Community Secretariat** would be the **ideal** body to **bridge** the **gap** between **all stakeholders** needed for this process

# THANK YOU FOR YOUR ATTENTION

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