

UNCERTAINTY

at the SEE gas markets

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UNCERTAINTY of demand

- Economics of natural gas use: residential heating, district heating, fertilizers, industrial use, transport?
- Gas versus lignite in power generation?
- Sustainability of lignite power generation capacity?
- Gas and renewables in power generation?
- Purchasing power of customers?
- Persistent energy poverty?
- Weather sensitivity of demand?

UNCERTAINTY of supply

- Unconventional and off shore gas in Romania, Bulgaria and the Mediterranean?
- LNG-to-pipeline?
- LNG-to-customer?
- Trade with fertilizers?
- Evolution of Black Sea markets?
- Electricity trade, renewable electricity and electrification of heat?

UNCERTAINTY of transaction costs

- Transit rents?
- Access to sea?
- Utilization rates of available (gas, electricity transmission, transport and port) infrastructure?
- Sovereign bond market
- WACC?
- Use of storage?

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about EnCT enforcement

- EnCT in the EU Progress Reports
- NERPs and environmental *acquis*?
- State Aid rules and regulations
- Third party sovereign investments

Obsolescence risk adds **UNCERTAINTY**

- “Commercialization” of governments
- Governments (or para-governments) increasingly granted investment means
- “Public consultancy” vs. private investments
- Applicable cost of capital and agency problem
- Displacement of private investments?

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related with public investments

- Timing?
- Scope?
- Transparency?
- Interactions?
- Cross border projects?
- Cross border infrastructure use?
- Public Private Partnerships?
- Implicit bail outs?

UNCERTAINTY...

... is a barrier to entry that ...
... works best for incumbent players.