

“ Gas Price Issues and Related Policies for SE Europe”

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Gas Price Issues and Related Policies for SE Europe

- The growing volumes of transported gas through SE Europe and the opening up of alternative routes (see TAP, W. Nabucco, TANAP, South Stream) and new delivery points (i.e. land based LNG terminals and FSRU) are bound to increase competition both in terms of supplies and prices.
- Latest European gas market experience has showed that the setting up and operation of gas hubs and the ensuing electronic trading has greatly improved market transparency and price competition.
- The lower gas prices now prevailing in the UK and continental European markets have acted as pressure points for the re-negotiation of take or pay long term gas contracts with major suppliers such as Gazprom and Statoil.
- Already certain European utilities have benefited from improved price schemes and payment terms.



Gas Price Issues and Related Policies for SE Europe

- As SE Europe is evolving into an important gas transiting region with ever increased gas flows, from East to West (and tomorrow from South to North) the creation of regional Gas Price Hubs could help achieve gas price competition and transparency through appropriate price setting mechanisms.
- The role and contribution of East Balkan countries in developing and operating such hubs could prove pivotal in view of the large gas volumes involved and the transiting nature of their gas grids.
- Close cooperation between Romania, Bulgaria, Greece and Turkey, countries which are experiencing high gas prices and increased demand, is both desirable and necessary.
- Over the next five (5) years gas trading between the above countries will be greatly facilitated through the construction of a series of interconnectors.
- Common gas price policies focusing on price transparency could be promoted through the introduction of Gas Price Hubs. These could prove an important asset in attracting further investment in SE Europe's gas sector.



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**Thank you for
your attention**

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