

# Central European Gas Hub



IENE

## Energy Transition Forum

Vienna, June 6 – 7, 2019



# Who we are and what we do



## Central European Gas Hub



PEGAS CEGH  
Gas Markets



Virtual Trading Point

CEGH VTP

CZ VTP

Nomination Platform

### Spot & Futures Market

- ✓ Standardized Products
- ✓ Clearing (no counterparty risk)
- ✓ Anonymous trading
- ✓ Transparent prices
- ✓ Liquidity providers
- ✓ Market Makers
- ✓ Min. 1MWh
- ✓ 3 hours lead time

- ✓ Flexible volume (kWh)
- ✓ Bilateral contracts
- ✓ Renomination service,
- ✓ Edigas communication
- ✓ 1 hour lead time

# CEGH Volume Development 2019



## CEGH VTP:

Jan- April 2019: 249.53 TWh

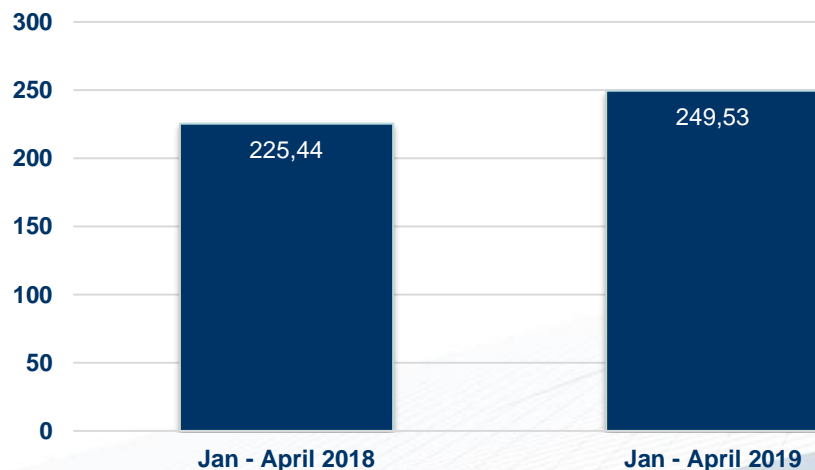
(y-t-y: **+10.68%**)

## PEGAS CEGH Gas Market:

Jan- April 2019: 50.58 TWh

(y-t-y: **+23.4%**)

### CEGH VTP MARKET



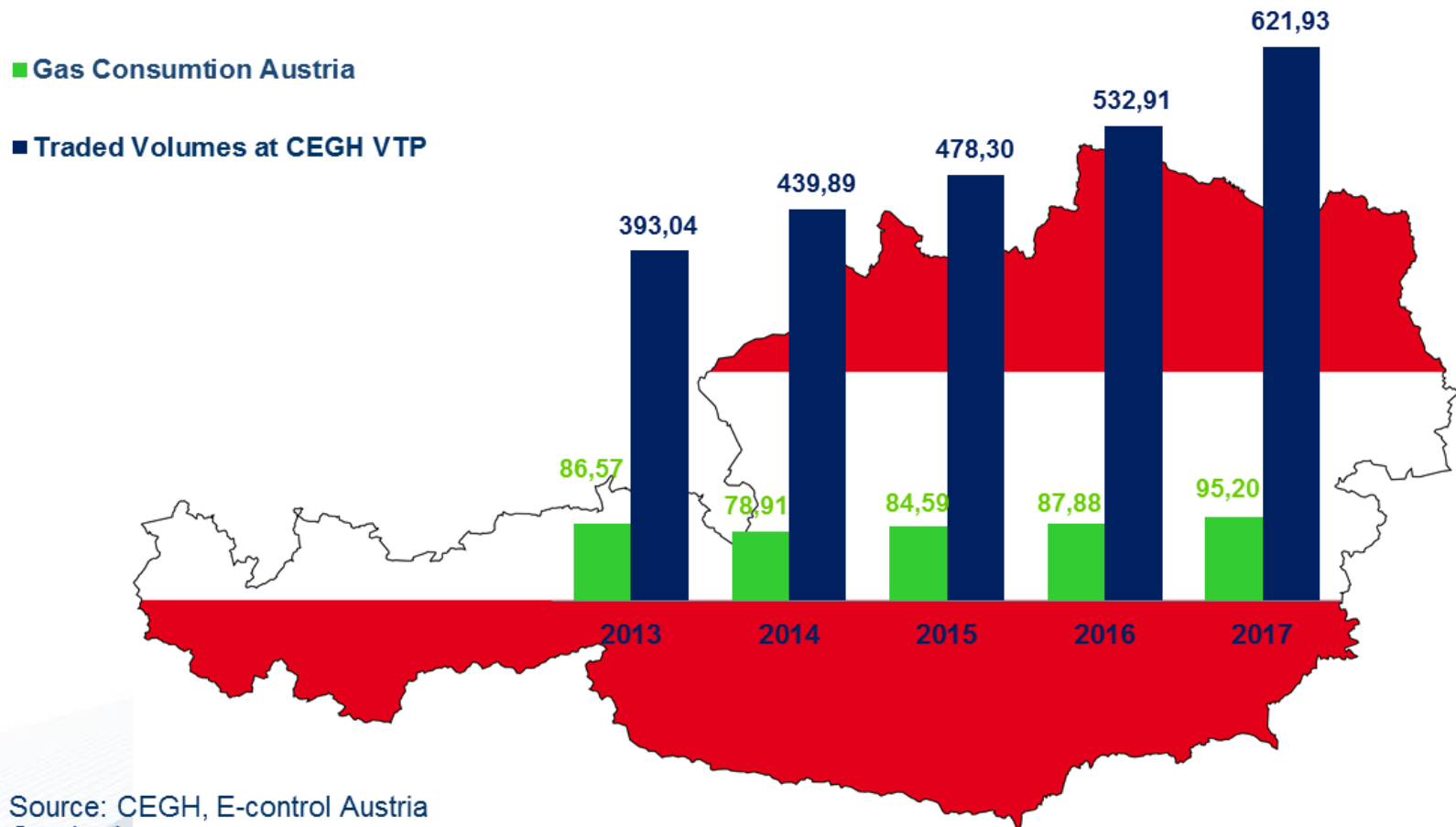
### PEGAS CEGH MARKET AT



# CEGH VTP Volume development and Austrian Gas Consumption (in TWh)

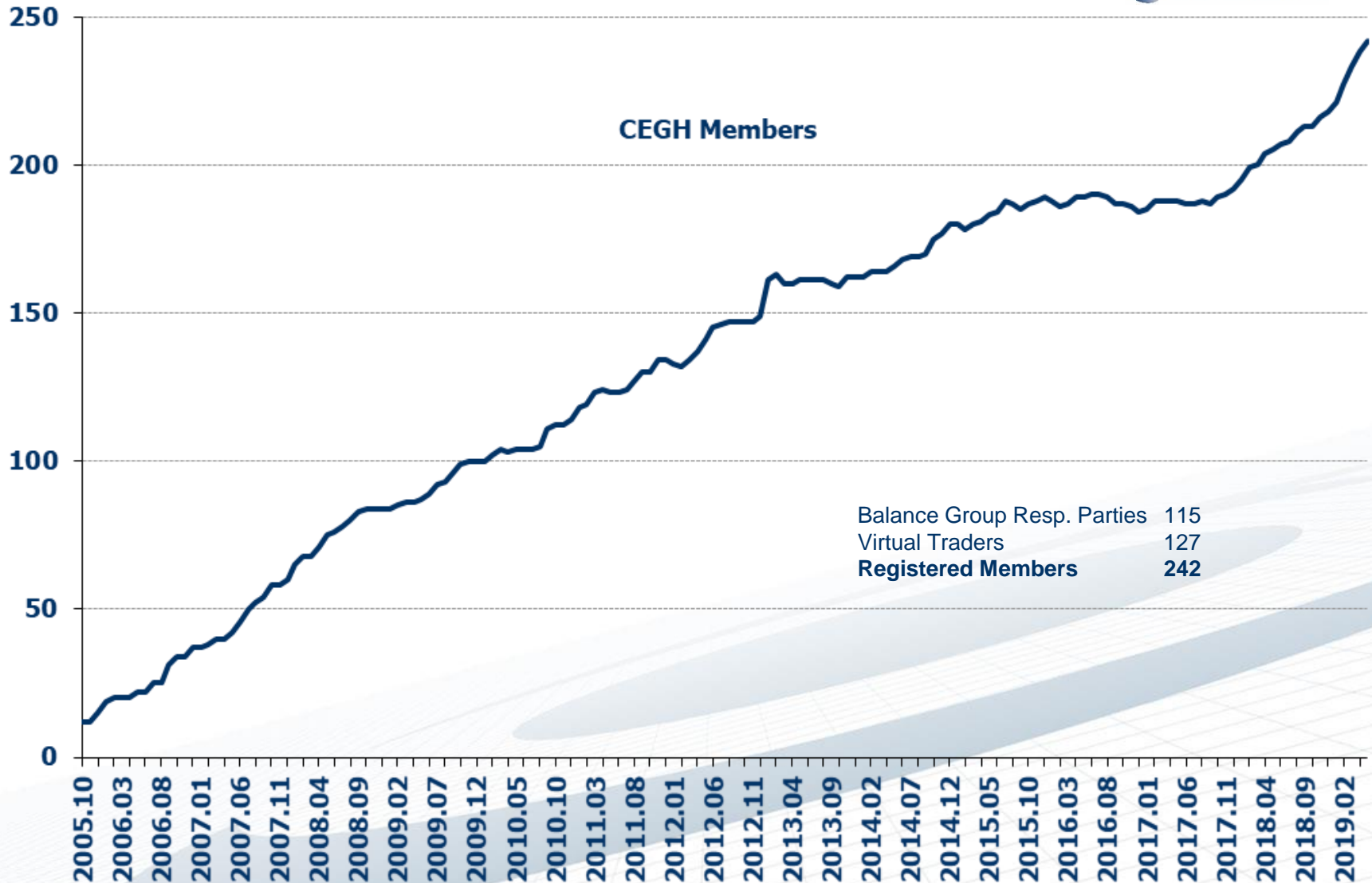


## Volume Development at CEGH VTP



Source: CEGH, E-control Austria  
Graph: d-maps.com

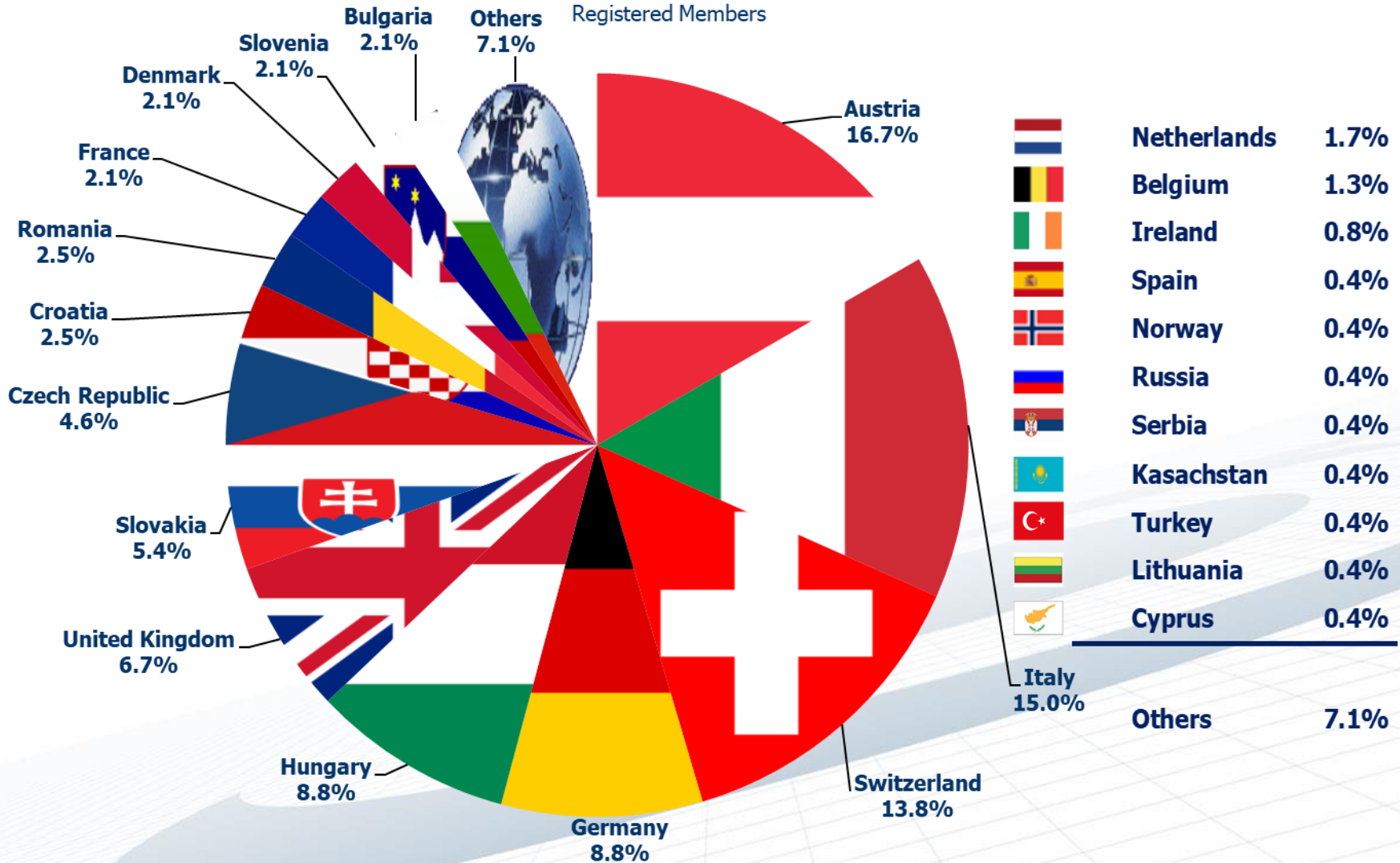
# CEGH - Development of VTP Registered Members



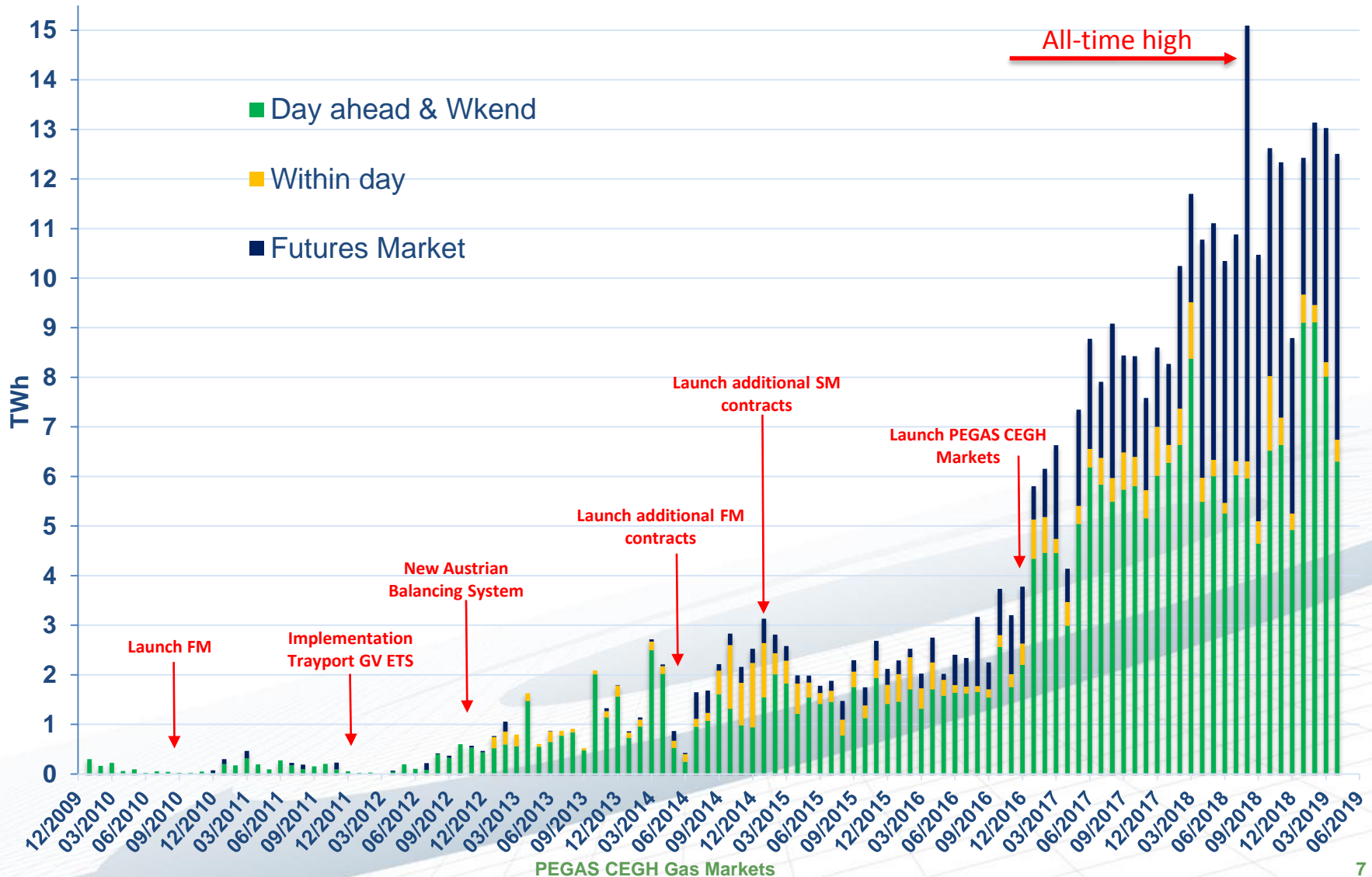
# CEGH - Development of VTP Diversity of Registered Members



**CEGH**  
Registered Members



# PEGAS CEGH Austrian Gas Market Monthly Trading Volume since Dec 2009





# Exchanges:

At the Core of the Future Energy Market

Our vision for an Energy Sector in Transition



Europex <sup>15</sup> years







# Agenda

**Exchanges: An indispensable part of the present and future energy sector**

**Recommendations for a successful regulation of the energy sector**

**Our vision for an evolving energy sector**





-  Interplay of physical and financial markets
-  The new energy landscape
-  Digitalisation and automation
-  Competition and markets drive innovation

# Agenda

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# The diversifying energy sector increasingly relies on exchanges and price signals



**Market prices incentivise innovation and investments**

**Optimal steering and integration of renewables**

**Market prices guide and remunerate flexibility**

**Allow for optimisation across diverse sources of gas**




**Facilitate a competitive market access for retailers and independent power producers**

# Agenda

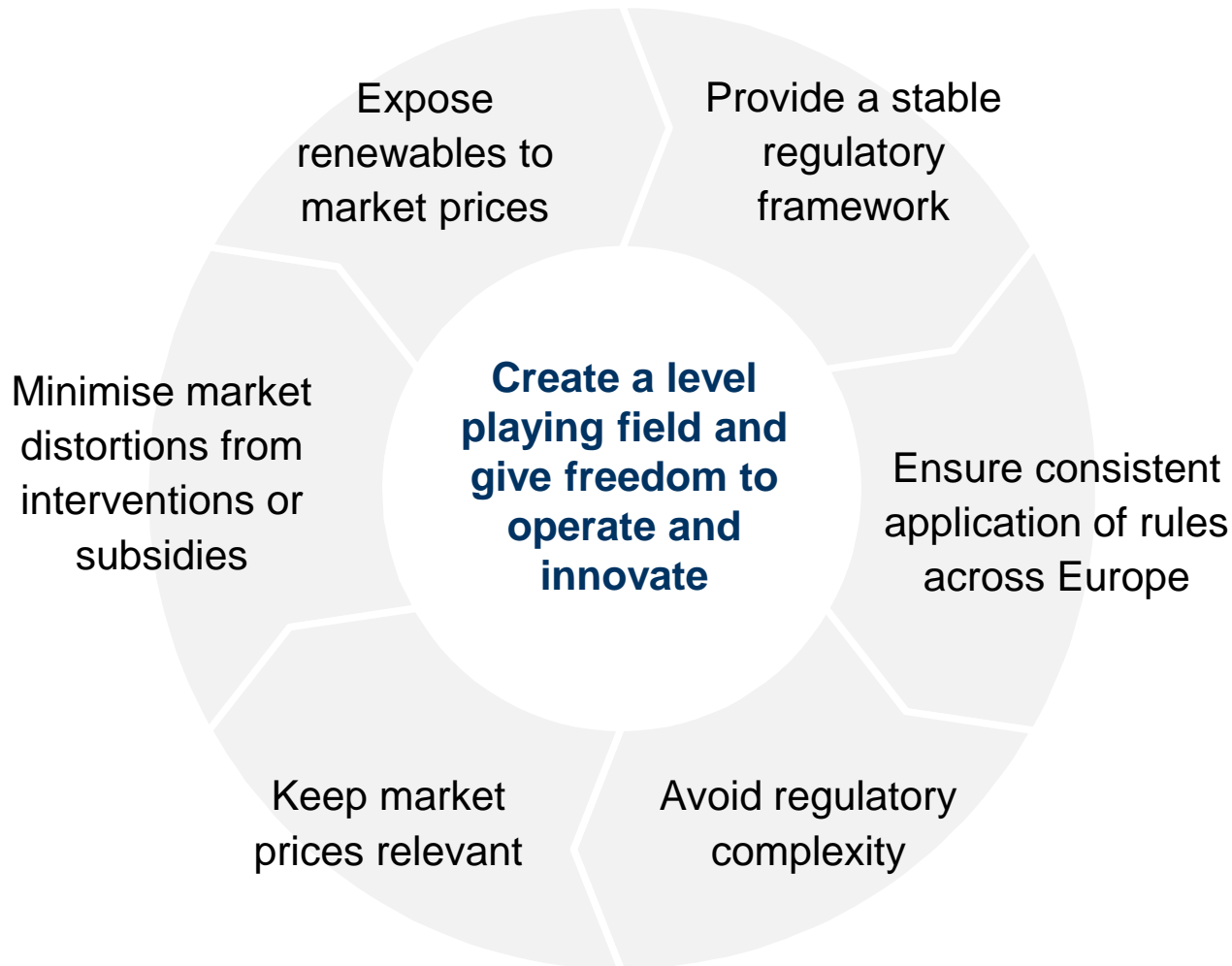
Exchanges: An indispensable part of the present and future energy sector

## Recommendations for a successful regulation of the energy sector

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# The most critical challenges for good energy regulation



# The most critical challenges for good energy regulation

## **Provide a stable regulatory framework:**

Markets are able to innovate and adapt flexibly to new situations. However, particularly where investments are required, trust in a stable framework is indispensable.

**Avoid regulatory complexity:** Regulatory requirements can be a driver for costs and complexity, creating hurdles particularly for smaller companies.

**Minimise market distortions from interventions or subsidies:** Subsidies and interventions should be avoided as much as possible, as they lead to market distortion and higher costs for consumers.

## **Ensure the consistent application of rules**

**across Europe:** Avoid national legislation inhibiting a consistent application of EU regulation and regional markets drifting apart.

**Keep market prices relevant:** Market prices are the most efficient incentives for long-term investments and optimal short-term behaviour. They must be a relevant part of the energy bill to incentivise participating e.g. in demand response.





**Expose renewables to market prices:** At a high share of renewables in the power sector, their systemic relevance is important. As feed-in tariffs shield renewables from any incentive to respond to market price signals, they need to be replaced by less distortive mechanisms.

# Agenda

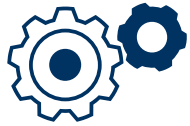
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Recommendations for a successful regulation of the energy sector

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# Our vision for an evolving energy sector



**Interplay of physical and financial markets**



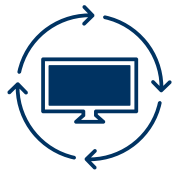
Together, physical and financial markets provide competitive access to power and gas, needed for a more diverse market landscape.



**New energy landscape**



The energy landscape is changing rapidly. Exchanges help to orchestrate a heterogeneous and decentralised energy landscape.



**Digitalisation & automation**



Digitalised wholesale markets will support an increasingly automated and digital energy sector.



**Competition & markets drive innovation**



Competition delivers the best solutions where regulation provides a stable level playing field.



**Thank you for your attention.**