

NATURAL GAS INFRASTRUCTURE DEVELOPMENT IN THE BALTIC AND CEE REGION

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ACTIONS COMPLETED IN 2018.

- ✓ Finalisation of the **binding Open Season Procedure for the Baltic Pipe Project**. The success of the Procedure allowed for **conclusion of the Capacity Agreements** with market participants for the period of **15 years, starting from 2022**.
- ✓ **Commencement of the design** phase for the Baltic Pipe Project in Poland and Denmark respectively.
- ✓ **Positive final investment decisions** for gas interconnections with **Lithuania** and **Slovakia** as well as for extension of the **LNG Terminal in Świnoujście**.
- ✓ Completion of the **non-binding market screening procedure to estimate the level of market participants' demand for the capacity at the Poland-Ukraine border** (in both directions of the flow).
- ✓ Continuation of the **Incremental Procedure** (Regulation (EU) 2017/459 (CAM NC)) for capacity extension at the border between the Polish Transmission System and GASPOOL.

CREATING A REGIONAL NATURAL GAS MARKET

POLAND – LITHUANIA INTERCONNECTION (PCI):

- ▶ **Capacity:** 2.4 bcm/y towards LT, 1.9 bcm/y towards PL
- ▶ **Project role:** integration of the isolated gas markets in the East Baltic region, diversification of supply
- ▶ **Final investment decision taken in 2018**

POLAND – SLOVAKIA INTERCONNECTION (PCI):

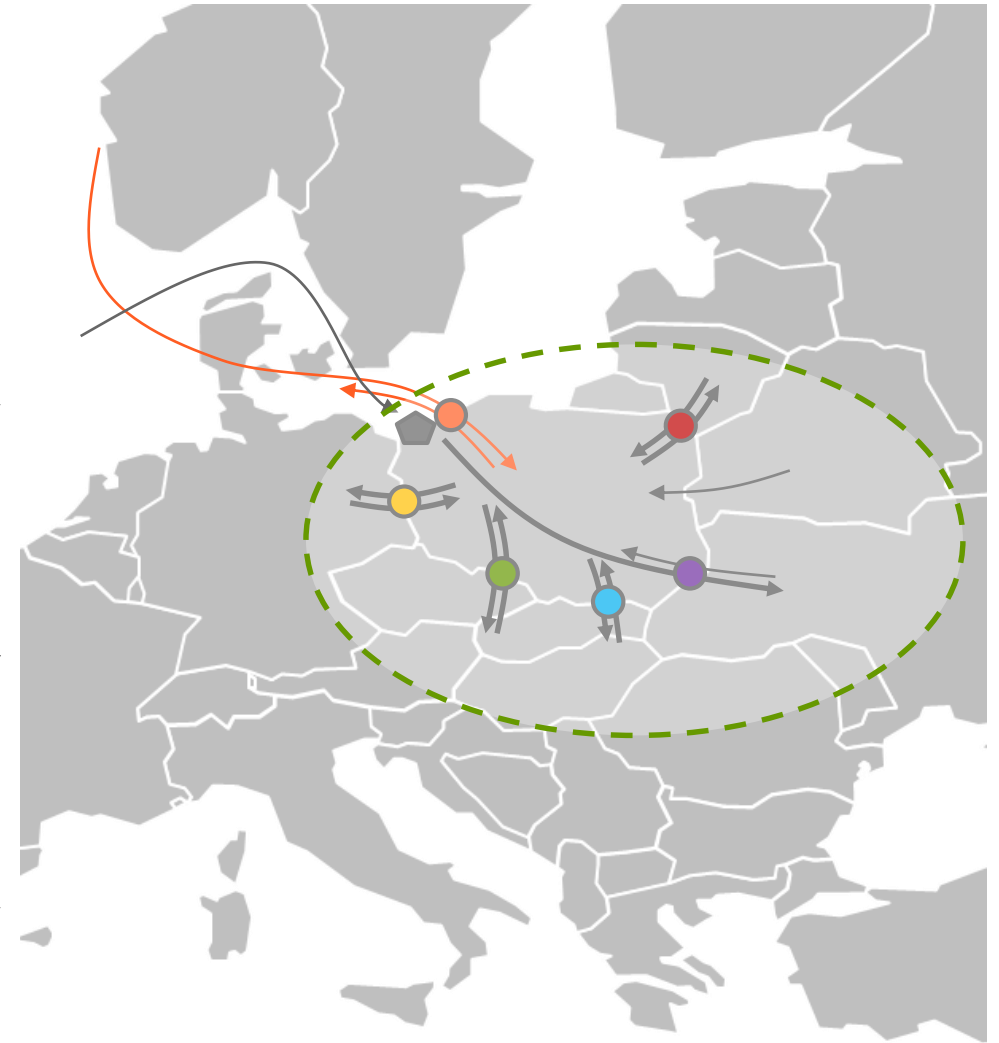
- ▶ **Capacity:** 4.3 bcm/y towards SK, 5.7 bcm/y towards PL
- ▶ **Project role:** integration of the gas markets by creating a large transportation corridor between both countries
- ▶ **Final investment decision taken in 2018**

POLAND – UKRAINE INTERCONNECTION (PMI):

- ▶ **Capacity:** 5 bcm/y towards UA, 5 bcm/y towards PL
- ▶ **Project role:** connection of Poland's and Ukraine's systems to diversify gas supplies for Ukraine and further integrate transmission networks and markets in Eastern Europe
- ▶ **Non-bidding market assessment completed in 2018**

POLAND – CZECH REPUBLIC INTERCONNECTION (PCI):

- ▶ **Capacity:** 5 bcm/y towards CZ, 5 bcm/y towards PL
- ▶ **Project role:** integration of the gas markets by creating a large transportation corridor between both countries



BALTIC PIPE PROJECT

- ▶ Baltic Pipe as a strategic gas infrastructure project to ensure SoS and improve competition in the Baltic Sea and CEE regions.
- ▶ New supply corridor from Norway via Denmark to Poland (up to 10 bcm/a).
- ▶ Export possibilities from Poland to adjacent systems in the Baltic Sea region and CEE.
- ▶ Reverse flow from Poland to Denmark (3 bcm/a)
- ▶ Project promoters: Energinet (Danish TSO) and GAZ-SYSTEM (Polish TSO).
- ▶ The project recognised as a priority investment in the European Union (the status of Project of Common Interest granted by the European Commission).
- ▶ Financial assistance under the EU's Connecting Europe Facility (CEF) for the preparatory and design works.



www.baltic-pipe.eu

BALTIC PIPE – MAJOR COMPONENTS



CONCLUSIONS

REMEDIES

- ▶ Reduction of dependence on a single supply source by creating **direct access to new supply** sources such as **LNG and Norwegian gas**
- ▶ **Development of the physical connections between the gas markets** by construction of a new bidirectional infrastructure between the Baltic and CEE countries
- ▶ Exploring **new market opportunities** for **LNG**

EXPECTED RESULTS

- ▶ **Well developed and secured gas market:** creation of a gas market with diversified supply portfolio
- ▶ Fostering **competition and liquidity**
- ▶ **Greater role of natural gas in the power generation sector** - improvement of competitive position of natural gas vis-a-vis other sources of Energy
- ▶ **Common EU gas market:** Creation of conditions for further integration of the gas market in the CEE and Baltic regions

Completion of GAZ-SYSTEM's investment plan is essential for the development of flexible and efficient gas markets in the Baltic region and CEE.

THANK YOU FOR YOUR ATTENTION

