

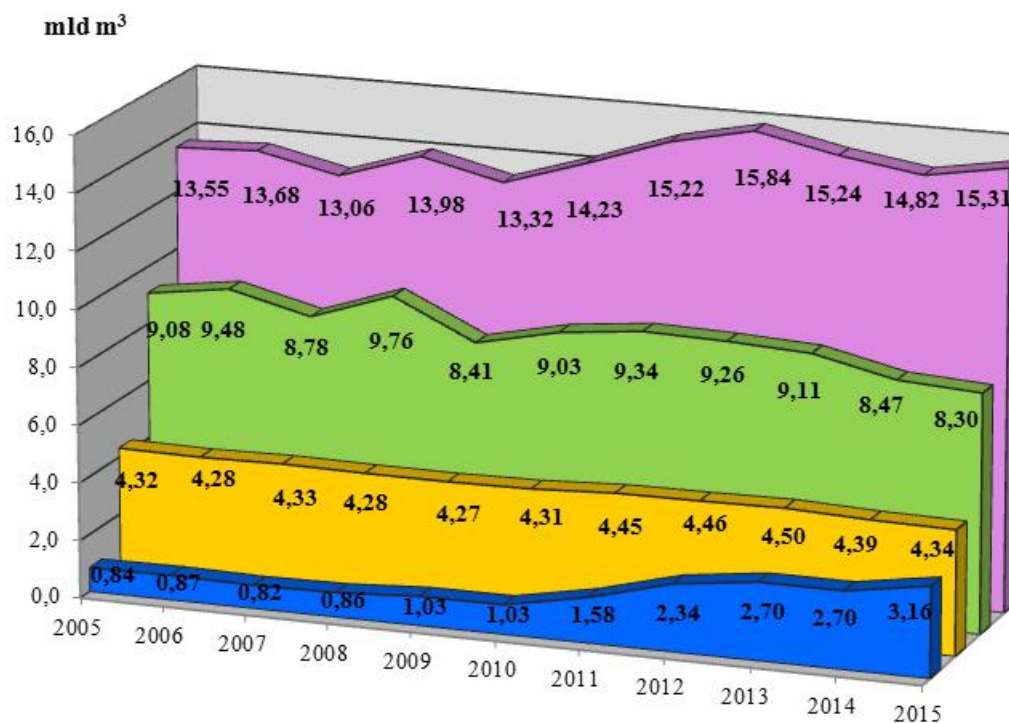


POLISH NATURAL GAS MARKET CHALLENGES AND PERSPECTIVES

Przemysław Bielecki
Oil and Gas Department
Ministry of Energy



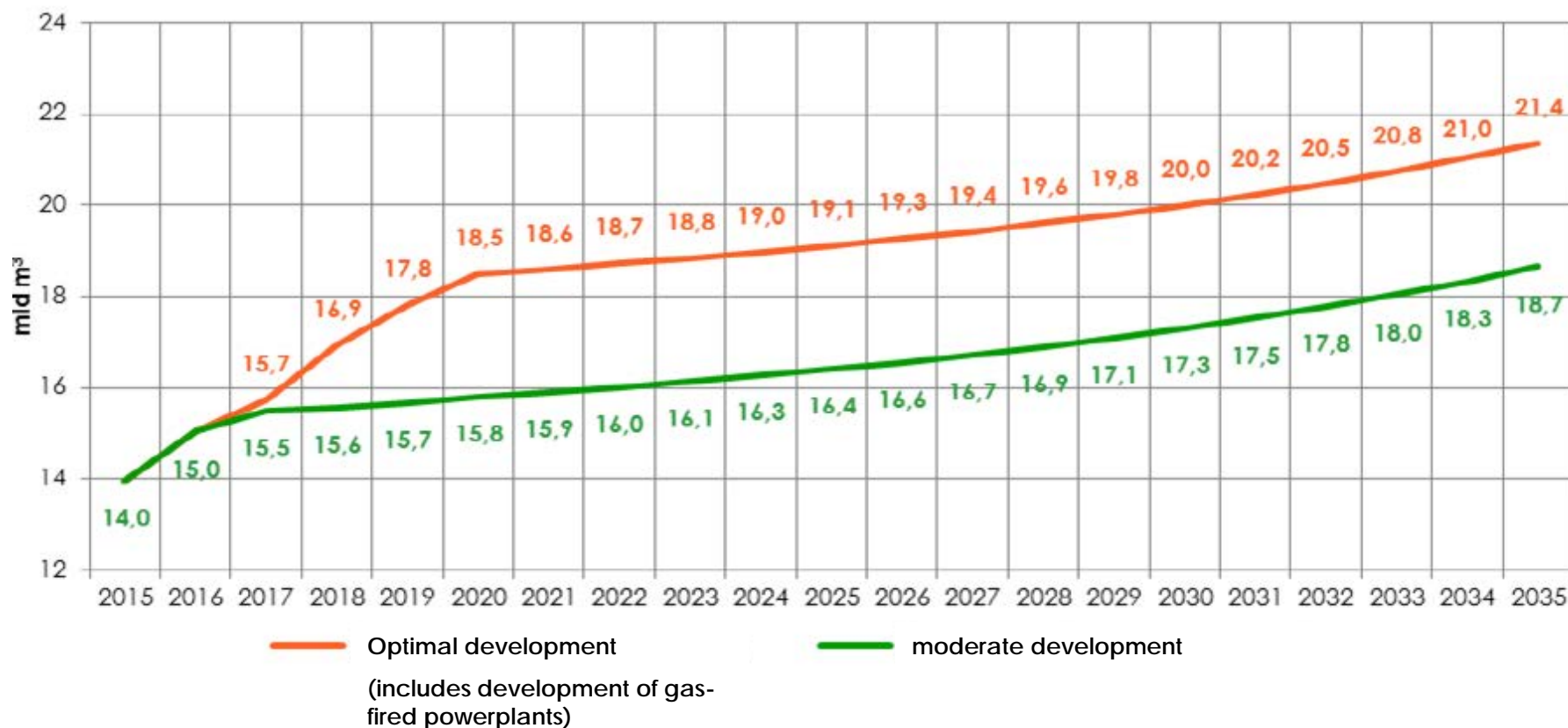
Domestic gas supply – overview and development



- import from eastern direction
- import from other directions (Germany, Czech Republic, Norway)
- domestic production
- total usage of gas

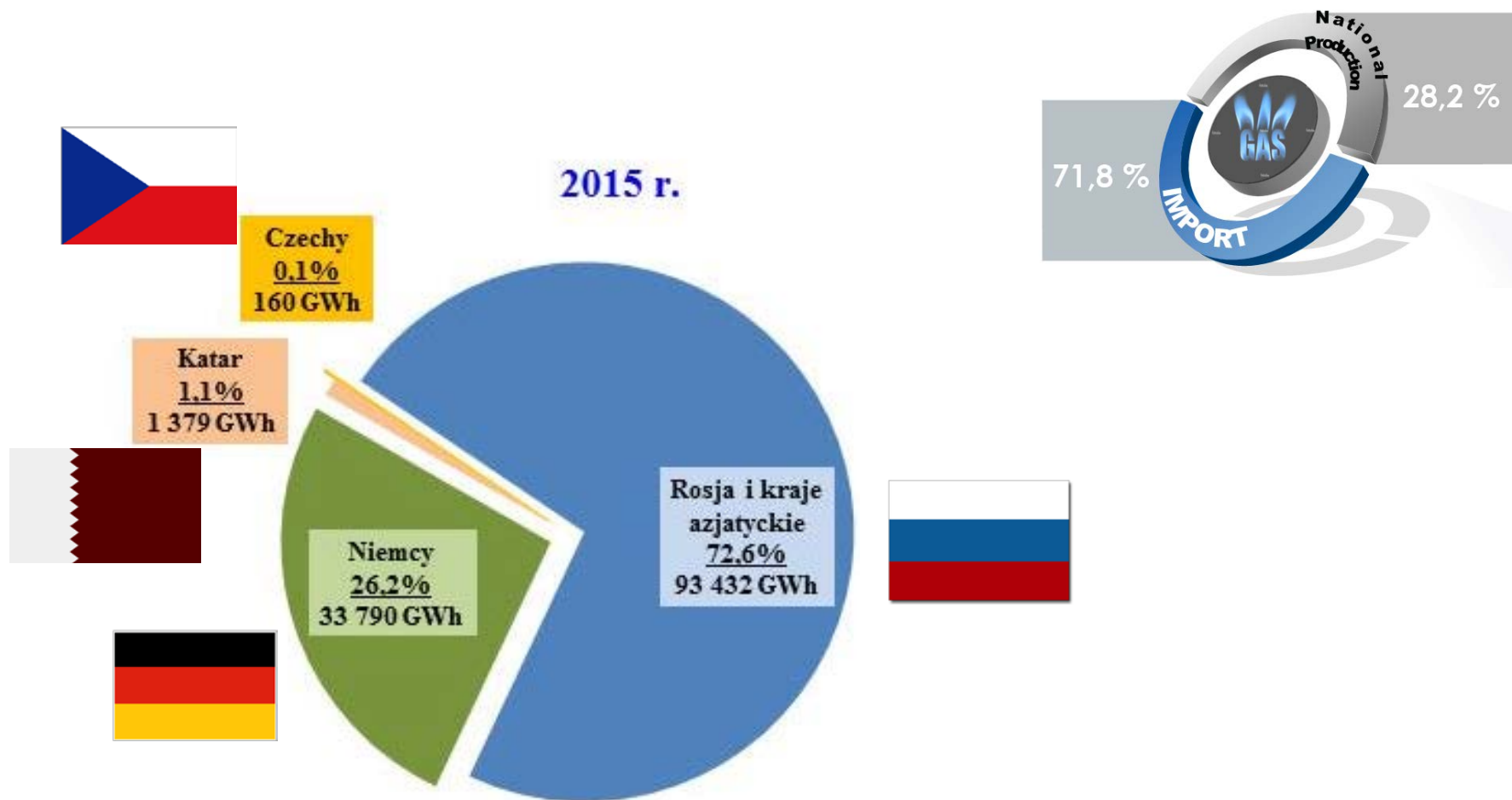


Domestic gas demand – overview and development





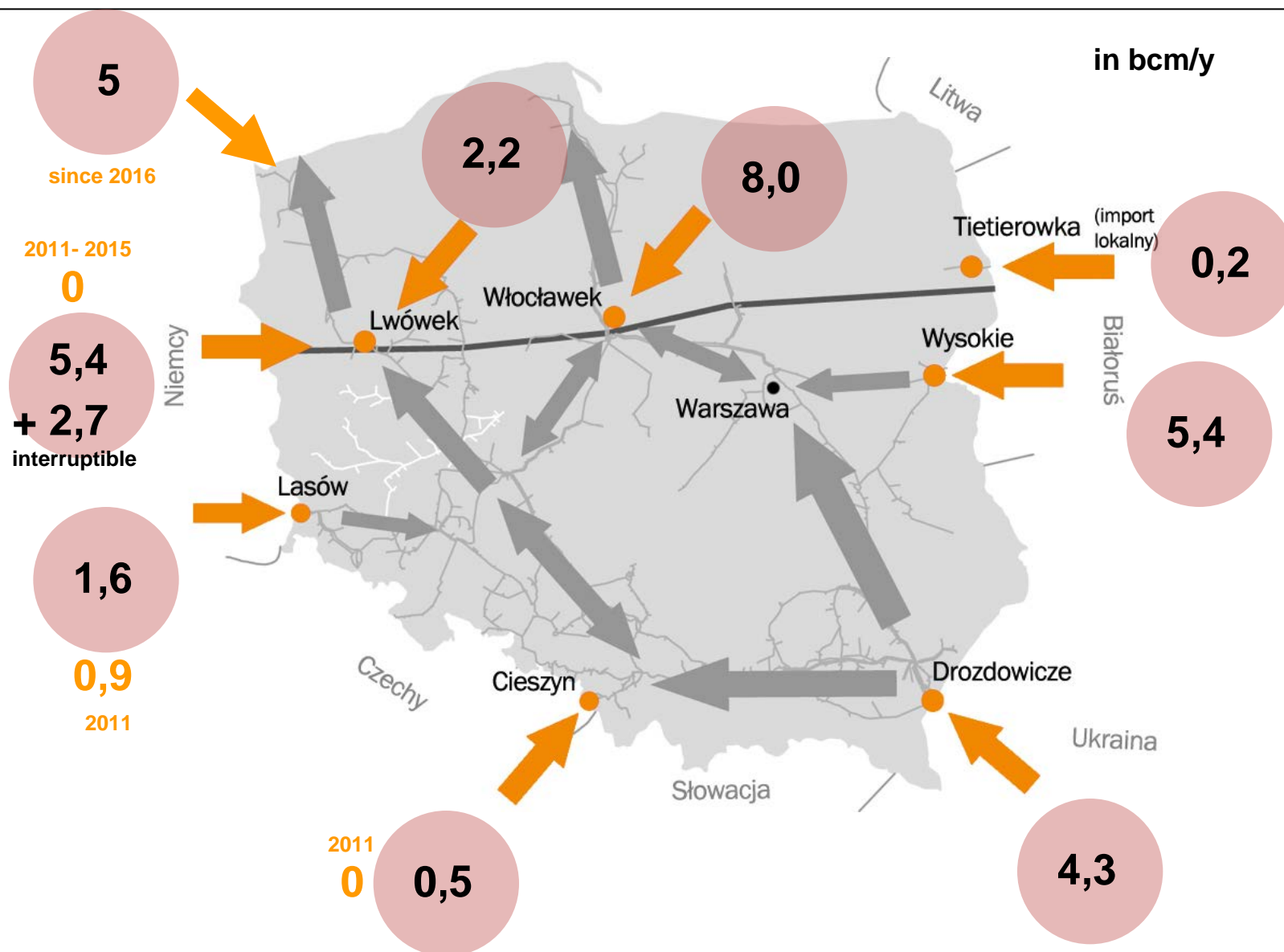
Import dependency



Import from eastern direction – 8,3 bcm (73% of import) (52% of consumption)
Import from other directions – 3,2 bcm (27% of import) (20% of consumption)

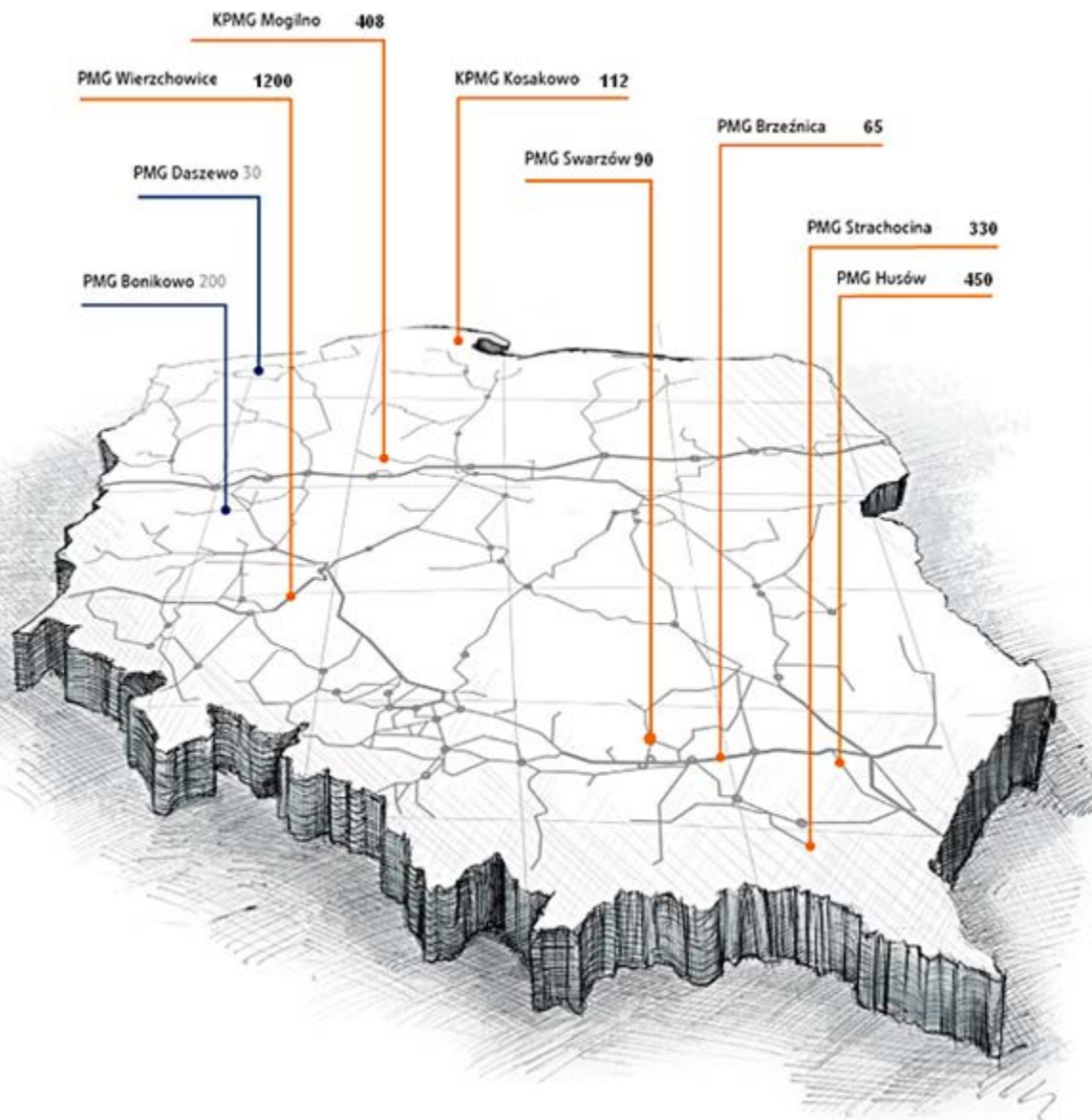


Import dependency





Gas market structure - storage

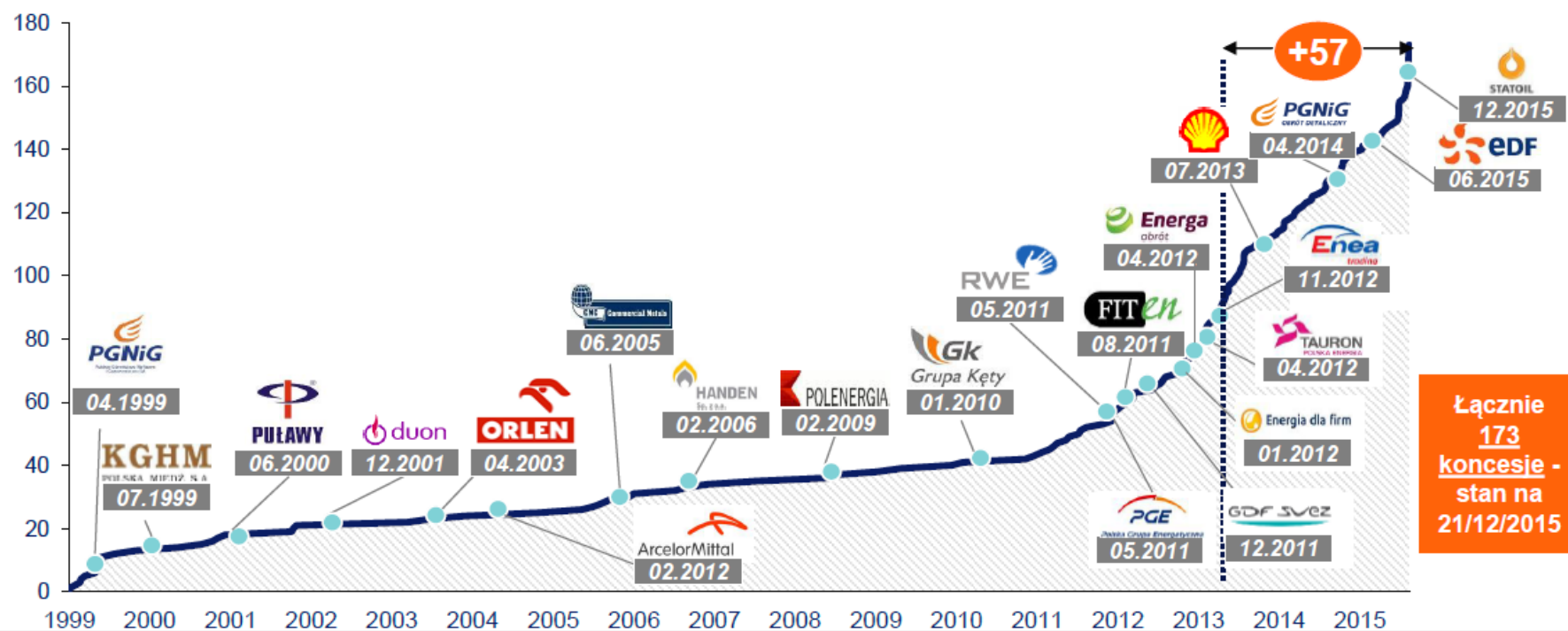


Mogilno	408 mcm
Wierchowice	1200 mcm
Strachocina	360 mcm
Husów	450 mcm
Swarzów	90 mcm
Brzeźnica	65 mcm
Kosakowo	112 mcm
	2,7 mcm



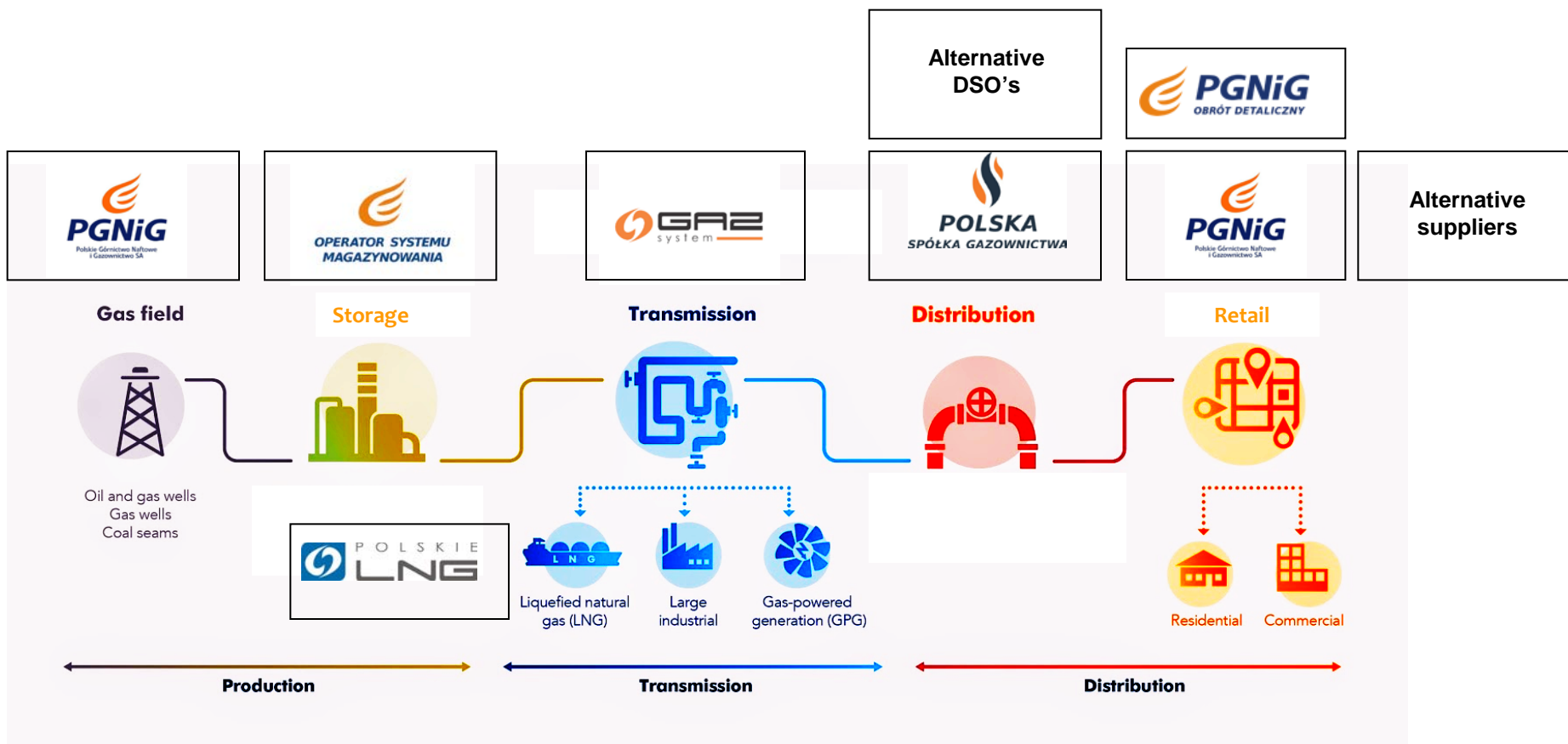
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Gas market structure – licenses



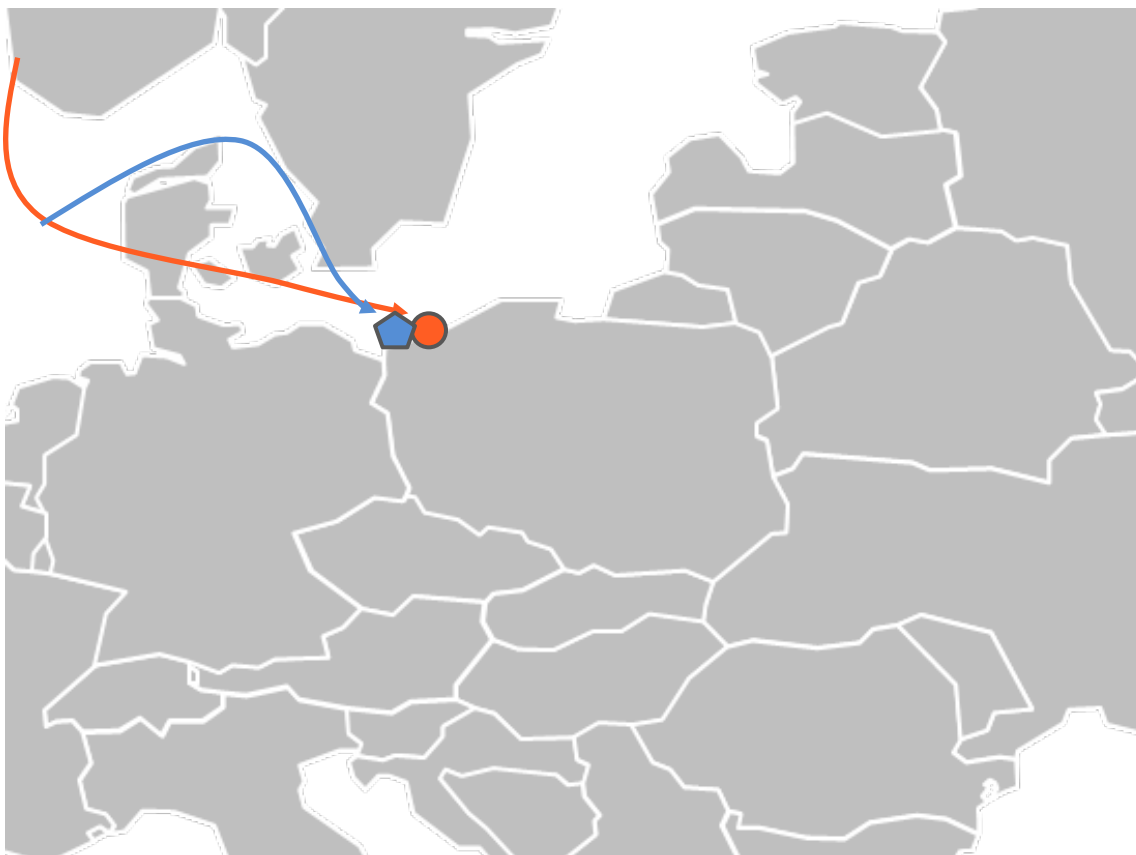


Gas market structure





Northern Gate



source: GAZ-SYSTEM

- **Northern Gate idea is composed by Baltic Pipe and LNG Terminal**, providing access to new sources of supply and new suppliers.
- It contributes to **energy security through real diversification** and enables the creation of a competitive gas market in Central and Eastern Europe.



Baltic Pipe

- For Poland, realization of the **Northern Gate** project is one of the top priorities.
- **Open Season** procedure should start in March.
- We expect further full support from the EC for the **Baltic Pipe**, as **Project of Common Interest**, and **Northern Gate**, as new source of gas for Central Europe.





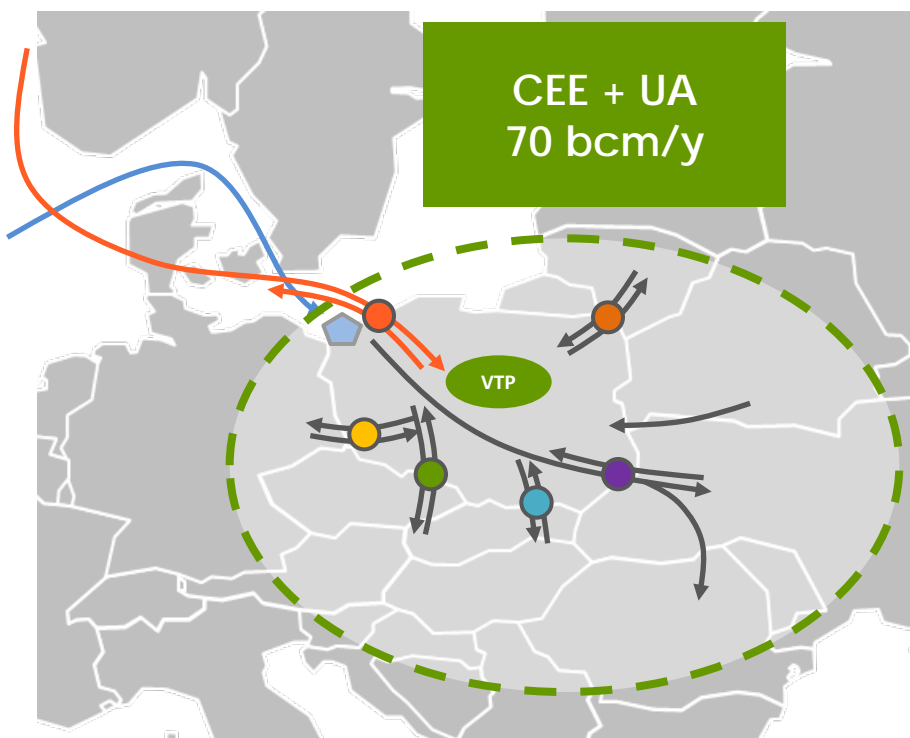
Gas market structure - LNG

- LNG Terminal is located in the Port of Świnoujście
- Project developed by SPV Polskie LNG (PLNG) owned by GAZ-SYSTEM S.A.
- One jetty for LNG tankers
- LNG Terminal's regas capacity:
 - Phase I/II: 5.0 bcm / 3,7 Mt LNG/y
 - Phase III: 7.5-10 bcm / 5,6-7,5 Mt LNG/y
- LNG storage capacity:
 - 2 tanks 160 000 m³ LNG each
- LNG loading infrastructure for trucks.
- Open season procedure :
 - **app. 3,5 bcm allocated**
 - **1,5 bcm available to book**





Gas market - future



POLAND – UKRAINE INTERCONNECTION:

- ▶ **Capacity:** 5-8 bcm/y towards Ukraine, 5-7 bcm/y towards Poland
- ▶ **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

POLAND – CZECH REPUBLIC INTERCONNECTION:

- ▶ **Capacity:** 5 bcm/y towards Czech Republic, 6.5 bcm/y towards Poland
- ▶ **Project role:** integration of the gas markets by creating a large transportation corridor between both countries

POLAND – SLOVAKIA INTERCONNECTION:

- ▶ **Capacity:** 4.3 bcm/y towards Slovakia, 5.7 bcm/y towards Poland
- ▶ **Project role:** integration of the gas markets by creating a large transportation corridor between both countries

POLAND – LITHUANIA INTERCONNECTION:

- ▶ **Capacity:** 2,4 bcm/y towards Lithuania, 1,7 bcm/y towards Poland
- ▶ Integration with the gas markets of Baltic States

CONCLUSIONS:

- ▶ Investments facilitate new possibilities to create an integrated regional market of approx. 70 bcm/y
- ▶ The influence of the projects on:
 - ▶ creating attractive supply-mix for the region
 - ▶ enhancing economic competitiveness of the region's economies
 - ▶ providing leverage for lower commodity prices for end-users



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Thank you for your attention

Przemysław Bielecki
Oil & Gas Department
Ministry of Energy
przemyslaw.bielecki@me.gov.pl