Gas markets and network regulation in the Energy Community Contracting Parties

18th Energy Community Gas Forum

Vienna, 28 September 2023

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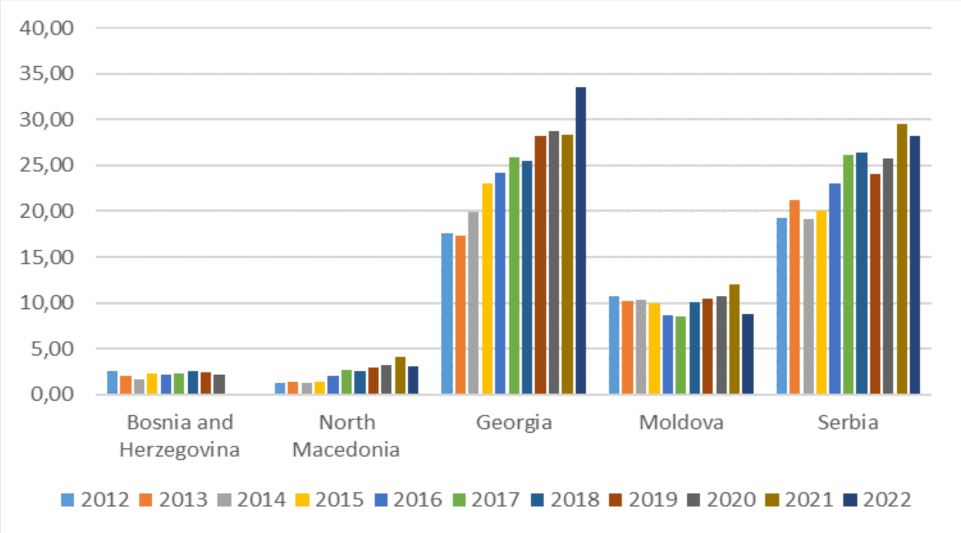
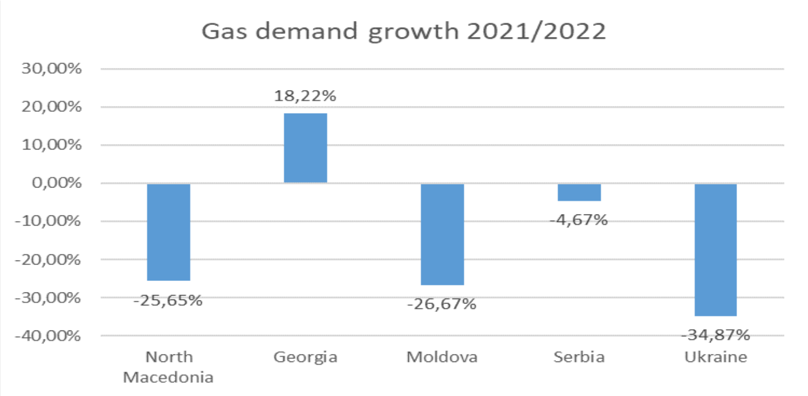
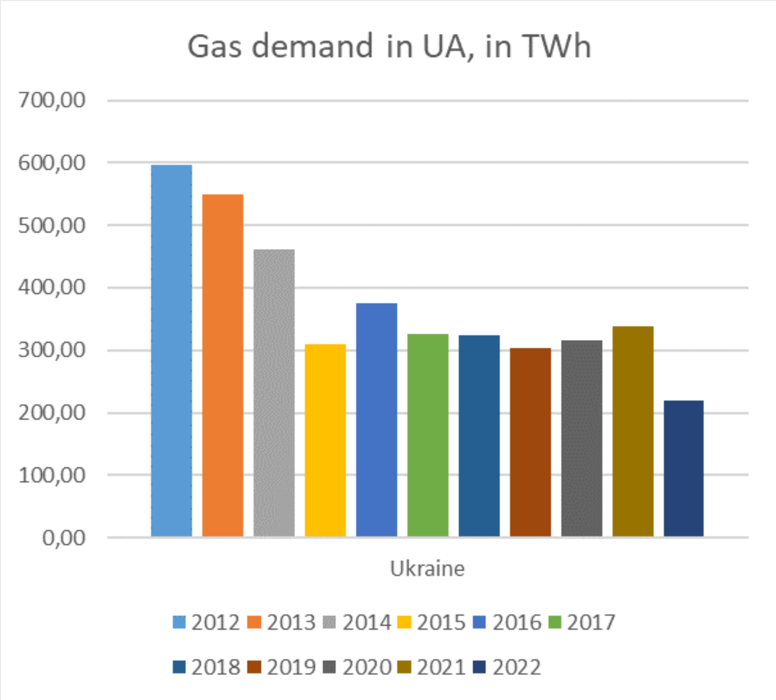
Demand developments



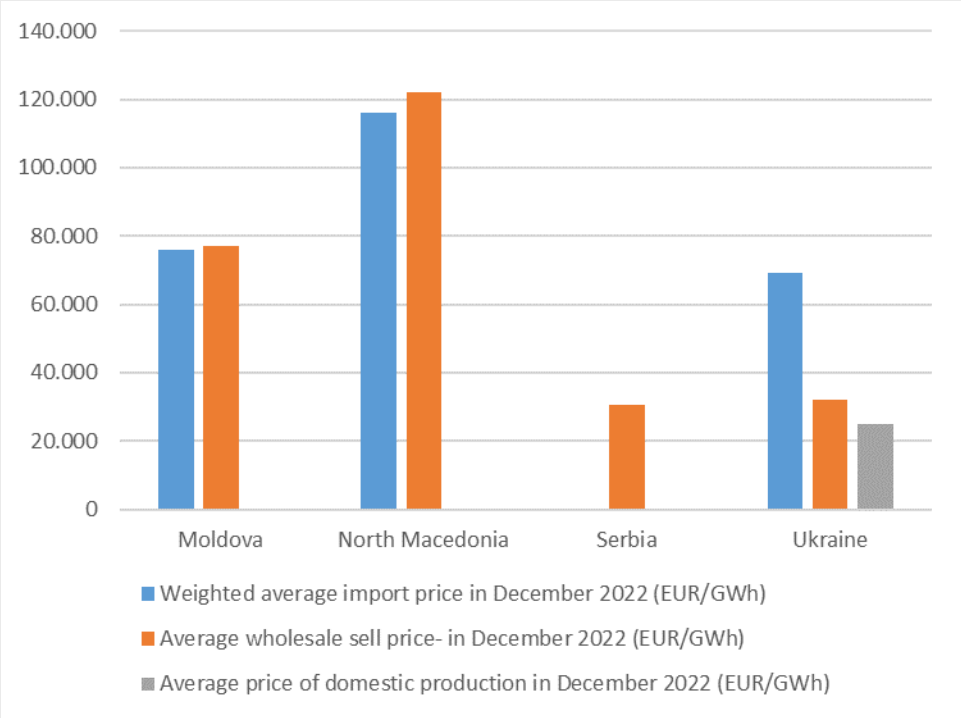




Sourcing of gas

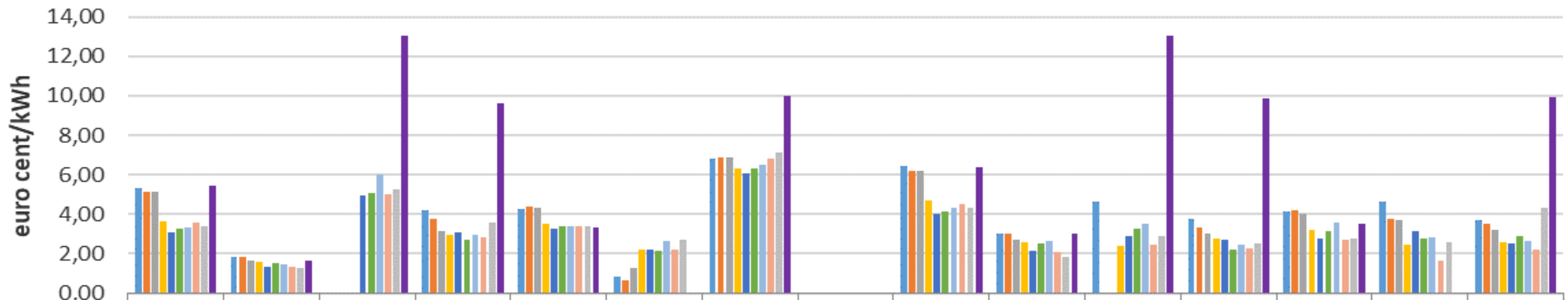
Energy Community Contracting Party	Number of supply sources in 2022	Number of shippers active at IPs in 2022
Bosnia and Herzegovina	1 (import from Russia 100%)	n.a.
Georgia	3 (Georgia 0,5 %, Russia 16,8% and Azerbaijan 82,7%;)	5
Moldova	1+ (import from Russia 100%, as of November from other sources as well)	Alexeevca 4 Grebeniki 5 Căuşeni 5 Limanscoe 1
North Macedonia	1 (import from Russia 100%)	2
Serbia	2 (Serbia 7,3%, Russia 89,4%, 23% of imported gas via traders in HU, BG, CH)	6 on Gastrans IPs (exempted regime) 1 on Horgos 2 on IP with BIH
Ukraine	NA (87% Ukraine, 13% import)	56 (in 2021 86)

Wholesale prices



No information on wholesale prices in Bosnia and Herzegovina and Georgia

Retail price developments



	Household: BA	GE	MK	MD	RS	UA	EU avrg.		Industrial: BA	GE	MK	MD	RS	UA	EU avrg.
2013	5,34	1,83		4,19	4,25	0,82	6,80		6,42	3,01	4,64	3,74	4,12	4,63	3,70
2014	5,12	1,83		3,76	4,40	0,67	6,90		6,21	3,01		3,36	4,23	3,76	3,50
2015	5,14	1,65		3,18	4,33	1,26	6,90		6,22	2,72		3,02	4,04	3,70	3,20
2016	3,64	1,56		2,99	3,51	2,23	6,30		4,72	2,56	2,43	2,77	3,18	2,45	2,60
2017	3,07	1,32	4,96	3,10	3,30	2,24	6,10		4,02	2,15	2,89	2,72	2,79	3,16	2,50
2018	3,26	1,51	5,06	2,71	3,38	2,12	6,30		4,17	2,52	3,29	2,24	3,13	2,78	2,90
2019	3,34	1,47	5,98	2,99	3,41	2,67	6,49		4,32	2,62	3,52	2,49	3,57	2,86	2,63
2020	3,60	1,32	4,99	2,81	3,40	2,19	6,80		4,51	2,09	2,48	2,29	2,72	1,66	2,20
2021	3,42	1,28	5,29	3,56	3,39	2,73	7,10		4,33	1,85	2,90	2,52	2,80	2,60	4,30
2022	5,46	1,66	13,05	9,62	3,36		10,00		6,38	3,02	13,01	9,88	3,52		9,90

Household segment **Industrial segment**

2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

Wholesale market dominance

Energy Community Contracting Party	Number of companies selling at least 5% of available gas	Share of 3 biggest companies in the market		
Georgia	3	45%	25%	26%
Moldova	1	99,6%	0,3%	0,1%
North Macedonia	2	70%	30%	-
Serbia	1	99,82%	0,18%	-
Ukraine	2	58,9%	8,5%	4,3%

Market dominance increased in comparison to 2021

Regulatory issues- ECRB in 2022

Report on the application of reference price methodologies in Contracting Parties

- The majority of CPs have not implemented the Tariff Network Code so far or only some elements
- Ukraine’s level of implementation the highest, however without some important elements (CB cost allocation assessment or consultation requirements)
- Implementation of TAR NC expected in 2023 in Moldova and Serbia, with ITC mechanisms in place

Annual report on contractual congestions at interconnection points of the Energy Community Contracting Parties

- Reporting since 2020, on the IPs between CPs and between CPs and EU MSs, but only on CP side
- Based on capacity bookings in the CPs in 2021, it can be concluded that there were no contractual congestions on the analyzed IPs
- Auctions used only on UA IPs and some RS IPs (no offer on HU-RS IP) in 2021

Regulatory treatment of costs related to methane emissions

- NRAs have competences in approving the network losses (level and costs)
- Surveillance of quality of service implemented by NRAs
- NRAs should incentivize methane emissions abatement, by recognizing efficiently incurred costs attributed to pipe repairs caused by leakages or technologies applied for emissions reduction.

Analysis of the Consultation Documents on the Gas Transmission Tariff Structure for Moldova (June 2023)

Lack of accurate capacity forecast; ECRB advises ANRE to provide revenue and capacity forecasts for at least five years	Methodology is appropriate for the MD transmission network based on its characteristics and the requirement to apply harmonized tariffs in the single entry-exit system of the country	Cost allocation assessment index less than 10%, but the ECRB recommends that it is repeated after the capacity forecast is available	ECRB advises ANRE to assess whether the final customers in MD face increased tariffs due to underutilization of the mentioned cross-system pipelines

Regulatory issues- ECRB in 2023

Annual report on contractual congestions at interconnection points of the Energy Community Contracting Parties

Reporting since 2020, on the IPs between CPs and between CPs and EU MSs, but only on CP side

Based on capacity bookings in the CPs in 2022, it can be concluded that there were no contractual congestions on the analyzed IPs

Auctions used in UA IPs (no offer on HU-RS IP) in 2022; no auction premium

ECRB Position on setting the level of the multipliers used for the calculation of gas transmission tariffs applied for daily and within-day standard capacity products

Gas Wholesale Markets in the EnC Contracting Parties, Turkey and Armenia

Energy Community

Thank you
for your attention!

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