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## Conclusions of the SEEGAS JSC Meeting 3rd Extraordinary Crisis Response Meeting

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[Hybrid meeting](#) – (Agenda and Presentations)

Austria, Vienna, 30 March 2023

1. In the course of the meeting the JSC members took note of the background information, recent developments and exchanged information related to progress, opportunities, risks and concerns regarding regional market integration in the SEEGAS region. In particular, in the beginning, the coordinated efforts by stakeholders to alleviate the impacts and outcomes of the crisis situation were appraised and the role of the market functioning was highlighted as a key for proper economic development in future.
2. Ms Aura Sabadus made an overview of the state of play with the SEEGAS goals, including signing of interconnection agreements (North Macedonia – Bulgaria (signed); Bulgaria-Turkey (pending); Turkey-Greece (pending), Romania-Ukraine (pending), development and expansion plans along Croatia-Hungary-CEE corridor, Poland Ukraine Supply Corridor and Trans-Balkan Route, growing trader interests and diversification in the region due to more pipeline and LNG capacity, however, at the same time, questions were raised, inter alia, related to the Turkish gas hub development, highly unpredictable regulatory environment in Romania, appearance of non-asset based shell companies registered in Cyprus and monopoly risks in Bulgaria and Türkiye.
3. The JSC took note of the flow observations in March 2023 in Europe made by ENTSOG representatives revealing stable and/or high flows from supply corridors in most cases. Largest shares of import in the EU appeared to be covered from LNG, Storage and North Sea sources. It was underlined that ReCo calls would take place once per month starting from April and exchange of information about maintenance works, visualization of hourly data and coordination with the EC, GCG, ACER were considered as next steps to follow.

4. The JSC members took note of the update by GTSOU on the Ukrainian gas system specifying southern and eastern parts of the Ukrainian gas system as the most affected sections and expressed concerns regarding the significant drop in transit, consumption, production, export/re-export and import activities in Ukraine. Nevertheless, against this background, GTSOU illustrated directions for the mutually beneficial cooperation between the EU and UA in the areas of storage capacities (up to 160 TWh on offer without payment of taxes and customs duties for three years), gas fired power generation and production of renewable gases (bio-methane).

The Ukrainian TSO congratulated the participants on being resilient against the crisis situation and thanked for rendering assistance to Ukraine in the hard time of the war. The JSC members expressed hope for the positive assessment of NEURC's final decision on certification of the SSO by ECS and acknowledged the importance of the political risk insurance with the support of international institutions.

5. The JSC members welcomed gradual increase of traders on the RBP platform and backhaul applicability for gas transit in Moldova. Romanian Transgaz informed the JSC members on the progress and plans for Romanian gas system developments and expressed readiness to work with GTSOU to achieve an agreement on metering aspects and sign an interconnection agreement.
6. The JSC members welcomed a pivotal role of Greece played in the SEEGAS region as an emerging exporter country following Russian gas supply disruption and took note of the results of LNG auctions for 2023-2027, of procedural parts and content of a market test process launched in order to further increase the capacity of the Greek National Natural Gas System.
7. Dough Wood from EFET raised concerns due to lack of information about Bulgargaz-BOTAS infrastructure access agreement and suspension of gas release programs in Bulgaria.
8. Csilla Bartok -Team Leader - Gas Markets and Energy Retail Infrastructure, Gas and Retail from ACER provided an overview of the LNG price assessment done based on reporting by traders. The aim was to develop an individual energy marker that would be useful over time for the market. According to the presenter sometimes merging of prices (North and South Europe's LNG prices) and forming of a single and individual price for LNG business made sense because the probability of market manipulation on TTF required time to be addressed properly.

9. Alexandre Vigne from DG ENER updated the participants about procedures and next steps related to joint procurement mechanism and invited stakeholders to join the subscription phase on Prisma in order to participate in May in the bidding in case of necessity.
10. The JSC members acknowledged the importance of the IGB project represented by Teodora (Georgieva Executive Officer ICGB AD) a part of the Vertical Gas Corridor and providing access to natural gas from SGC and LNG to Bulgaria, Hungary, Romania, Moldova and Ukraine. The participants were informed regarding the receipt of necessary permissions, the launch of commercial operations in October 2022, prospects for its expansion up to 5 bcm /y and possibility of switching to hydrogen in future.
11. The JSC members took note of the characteristics of the Bulgarian gas market divided into regulated and non-regulated segments and expressed concerns related to non-market based price used as a benchmark, recent suspension of gas release programs, high level of monopolization by state players, political interference as well as newly signed long term agreement with BOTAS on infrastructure access.

The participants welcomed the diversification of import sources in Bulgaria in 2022 (Azerbaijan, LNG, BG and GR VTPs). Especially the development of the Balkan Gas Hub and its importance for further diversification was emphasized.

12. The JSC members acknowledged the importance of Türkiye's role in security of supply to Europe and its expanding infrastructure with entry points doubled in recent years and allowing access to LNG terminals and exit points to Bulgaria and Greece. The participants were informed by BOTAS that Türkiye had enough capacity and flexibility to support the security of supply of Europe and would welcome the expansion of transmission capacities in adjacent systems (in Bulgaria and Greece and on other points as well) to be enabled to play its role at full scale via its pipeline or LNG portfolios. Türkiye is interested in long term relations. It has an experience in EPC and can contribute and accelerate expansion projects. Türkiye has 3 bcm yearly export capacity and it may reach up to 15-20 bcm export capacity in future. Türkiye is ready to work on the interconnection agreement with Bulgaria and settle remained technical and legal issues, however, it considers that the absence of such agreement does not hamper third parties from booking capacity in LNG terminals if they find LNG suppliers. Türkiye is also open to discuss LNG truck business having been also experienced in this domain.

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13. The JSC members welcomed the participation of East Med Energy Exchange (EMEX) in the JSC meeting and the opening of gas physical spot market last November. The participants were informed that developed capacity of Israel was around 800 bcm and current annual production capacity reached 30 bcm per year to be increased up to 37 bcm/y by 2025 excluding additional developments which may raise this figure even further. It was stressed that excess gas capacities could be exported via East Med Pipeline or floating LNG arrangements or using Egypt's LNG facilities to European markets.
14. In the end, the JSC members recognized the need to undertake all possible efforts and continue working on removal of bottlenecks, addressing risks and using opportunities to advance on the way towards regional market integration.