
Conclusions of the *Extraordinary 4th SEEGAS Joint Steering Committee (JSC) Meeting - Crisis Response Meeting*

Hybrid meeting

Austria, Vienna, 30 June - 1 July 2022

1. The SEEGAS JSC took note of the update by the Energy Community Secretariat (EnCS) team on recent developments including the Regional Integration Study to be finalized in September 2022, the development of a Joint Regional Energy Market Post-trade Framework in Southern and Eastern Europe, the risk assessment of gas disruption from Russia performed for EnC CPs revealing Moldova as the most vulnerable country while Georgia was found mostly resilient to such risk. The emphasis was also made on the recent amendments related to gas storage regulation in the EU and the need of their adjustments for EnC CPs and transposition in EnC as early as possible.
2. The SEEGAS JSC welcomed the decision of the EBRD to expand the Crisis Response Package and took note of the progress made so far in support of Ukraine and Moldova with the focus on liquidity provision and policy reform support mechanisms provided. It was noted that the support will be extended to neighboring countries gradually.
3. The SEEGAS JSC also took note of the information regarding the Energy Security Project performed under the auspicious of USAID and exchanged views on the concerns regarding the availability of different capacity products (including firm) on the cross border point from Poland to Ukraine and the requirements for licensing in Ukraine. The Ukrainian and Polish stakeholders expressed readiness for the continuation of cooperation in order to abolish any barrier for accessing their gas markets and storage facilities in Ukraine within their capacity.
4. The polish gas TSO Gas-System reported on the intensive works carried out in the last 10-12 years to achieve the independence from Russian gas supply including the scaling up of the use and development of LNG terminals.
5. The SEEGAS JSC acknowledged the importance of ReCo Team Europe Activity and took note of the results of table top exercise (TTX) performed by ENTSO-G, whereas the Contracting Parties have been represented by the EnCS, as it is the case in daily ReCo communication.
6. The SEEGAS JSC took note of the update on the state of play for the readiness of the Trans Balkan Route from the Bulgarian, Ukrainian, Greek and Moldovan gas TSOs. The signing of IAs between Bulgaria – Turkey and Bulgaria – North Macedonia was recognized as one of challenges on this way. Bulgartransgaz welcomed the commitments for assistance by the European Commission (EC) for the IA Bulgaria-Turkey and by the EnCS for the IA Bulgaria-North Macedonia.
7. GTSOU & Ukrtransgaz made emphasis on the gas crisis happening in each European country while Ukraine could not be considered as a problem for SoS and underlined the need of supporting Ukraine by replacing gas supply from NS1 as well as maximum utilization of gas transmission and storage infrastructure in Ukraine by European shippers especially in the circumstances when amendments regarding maintaining strategic gas reserves would take effect shortly. This kind of support was reported as the only tool to avoid an escalation of the war situation and to increase the security of Ukraine.
8. Moldovatransgaz listed the recent achievements regarding the progress in cooperation with BRM and first market transaction on the VTP and challenges related to the creation of liquid gas market, backhaul implementation and construction of the Ungheri-Drochia pipeline for diversification purposes.

9. DESFA outlined the increase of firm capacity towards Bulgaria and utilization of the Revithoussa LNG terminal at full load to contribute to meet the demand in the EU.
10. The projects proposed by Bulgartransgaz for increasing firm capacity from Greece and towards North Macedonia and Romania will contribute to ensuring additional quantities from LNG and alternative pipeline gas for the region.
11. The SEEGAS JSC was also updated on the measures being carried out to mobilize gas resources from other countries including the USA, Norway and Qatar to cover its need for both short and long-term perspectives to reduce dependence on Russian gas.
12. The SEEGAS JSC acknowledged the importance of the Regional Integration Study covering four supply corridors to the SEE region, took note of the progress made so far and welcomed its findings on sufficient transmission capacity in place in the region and increasing gas volumes to be accessed via LNG terminals (both operational and upcoming ones) and from off-shore fields in Romania and Turkey potentially. It was noted that some volumes could be also expected from the USA, Qatar, Iran (1 bcm) and Albania when reverse flow would become available from TAP, however, regulatory misalignment between countries remained as one of key barriers together with absence of IAs, delay in backhaul implementation in Moldova, high tariffs and VAT issues for the smooth operation of supply corridors and market integration in the region.
13. The SEEGAS JSC welcomed the progress in the area of LNG infrastructure development in Croatia, Greece and Poland and the planned increase of capacities in this respect. Despite such positive accomplishments the SEEGAS JSC pinpointed an open question with respect to gas demand in future in light of the war in Ukraine and green transition.
14. The SEEGAS JSC took note of the recent developments regarding the EC-initiated EU Energy Platform. The action plan for the South-East region adopted by the Task Force is built around matching supply and demand through an efficient use of infrastructure. This is conditioned by the existence of a well-developed regional market with stable fundamentals that attract market players to act efficiently with minimized risks (e.g. fully-fledged exchanges and proper clearing services).
15. In the context of better regional market integration and future connection of the local post-trading infrastructures within the frames of the SEEGAS-initiative (required upon completion of the consultancy project supported by the EBRD which is aiming to harmonize the post-trading facilities across the region), and in the light of the goals of the Task Force supported by the EC, EC's collaboration and support in the implementation of a common approach for selection of a clearing model would bring significant value for fostering the regional market integration and strengthening the energy security and liquidity in South-eastern Europe. The SEEGAS JSC will act as a facilitator in the process.
16. In addition, the market operators in the region like UEEX, BRM, EXIST, BGH, CEGH, and CEEGEX as well as TGE/IRGiT updated the SEEGAS JSC on their state of play against the background of strongly volatile and high gas prices.
17. The SEEGAS JSC took note of the ACER's perceptions and forecasts for future as well as the views on how the current situation could be managed emphasizing the need of aggressive reduction of demand via energy efficiency measures and switching to other sustainable sources from gas.
18. SEEGAS JSC supported EFET and Europex statements for the need to allow the market to fulfill its function without interventions and draw attention to bottlenecks on the borders in the EU, fuel tax and licensing issues to avoid further complications on the market.