South-East and East European Gas Platform (SEEGAS)

Barriers for market integration: interconnection points

15 December 2020
EU rules implementation creates new opportunities

LAUNCH OF SHORTRAUL SERVICE
Starting from the beginning of the year, 6.1 billion cubic meters of gas.

LAUNCH OF VIRTUAL INTERCONNECTION POINTS AND VIRTUAL REVERSE

VIP Bereg – operational from 1 May 2020;
VIP UA-PL – operational from 1 July 2020.

Creation of two VIPs allowed to import 3.6 bcm in form of backhaul, not physical transportation.
Launch of the virtual reverse in IP Uzhgorod/VK allowed to import additional 3.1 bcm in form of backhaul and inject the gas into storage facilities.

FIRST GAS TRANSIT FROM GREECE TO UKRAINE
August 2020 the first transit was done via Trans-Balkan gas corridor in South-to-North direction – from Greece to Ukraine. More volumes were transported later in October.

FULL IMPLEMENTATION OF CAPACITY AUCTIONS
Starting from 1st October 2020 all capacity allocation at cross-border IPs is done through the auctions, including daily and within-day capacity. Auction results are available on TSO website.

IMPLEMENTATION OF EU NETWORK CODES

NC INT – from 2015 on import IPs, from 1 Jan 2020 on all IPs
NC CAM – from gas year 2020-2021 on all cross-border Ips.
Implementation of EU rules on cross-border IPs

Dual system applied in Ukraine – “new IPs” are functioning under the EU rules, while historic routes are blocked from the market by Naftogaz-Gazprom legacy contract.

The same business rules are applied everywhere on Ukraine – EU, Ukraine – Moldova, Ukraine – RF borders. Any shipper can sign a contract with us and have access to the capacities of the interconnection points under standard rules.

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Belarus

Poland

Slovakia

Hungary

Moldova

Romania

Russia

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Russia

IPs without IAs

IPs with IAs prepared, but not yet agreed / signed

IPs with IA signed and applied already now / from 1 Jan 2020

VIP

Isaccea 1 – signed;
Tekovo, Isaccea 2-3, Isaccea (Romania) – IA to be signed after commercial GMS issue solving.
Capacity allocation auctions

Auction platforms introduced: [RBP](Hungary) and [GSA](Poland)

Gas TSO of Ukraine LLC provided the following for network users:

- Free registration and using platforms;
- Ukrainian language of the interface and accompanying documents;
- Adapted registration and access procedure;
- Comprehensive information supporting;
- Transparency of public information.

Capacity for 2020-2021 and following gas years at all interconnection points are allocated by means of auction procedure, except for interruptible capacity for within-day period and capacity with restrictions (shorthaul).
EFET 2020 Gas Hub Benchmarking Study

Data from EFET 2020 Gas Hub Benchmarking Study (www.efet.org)
Key features on the Ukrainian gas market in 2020

- The number of active gas suppliers in 2020 is 249.
- The PSO Regulation has expired on 01.08.2020, which means that household consumers can freely choose their natural gas suppliers according to market principles.
- Total natural gas traded on Ukrainian VTP is 53.3 bcm.
- Total natural gas consumption in Ukraine is 25.4 bcm.
- Churn rate is 2.1.

Ukrainian Gas market overview in 2019

- Gas supply: 29.9 bcm
- Gas use: 29.9 bcm

- 14.1 bcm Households
- 9.5 bcm Households directly
- 8.1 bcm Industry
- 2.8 bcm Public and religious organizations
- 1.9 bcm DHCs for industry, public and religious organizations
- 0.4 bcm 'Ukrtransgaz'
- 0.9 bcm Distribution networks
- 1.3 bcm 'Ukrgazvydobuvannia'
- 0.4 bcm 'Uknafta'
New transparency platform of UATSO to come

## Cross-border IPs and UGSs

<table>
<thead>
<tr>
<th>Direction</th>
<th>Entry</th>
<th>Exit</th>
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### Interconnection point
- Search
  - Select all
  - Cross-border points
  - Gas storage facilities

### Direction
- Entry
- Exit

### Period
- Select all
- 2020
  - Jan
  - Feb
  - Mar
  - Apr
  - May
  - Jun
  - Jul

### Date
- 1/1/2020
- 12/14/2020

### Map
- **Ukraine**
- **Romania**

### Chart
- Booked capacity: **85,393.0 mcm/d**
- Allocation: **80,388.4 mcm**
- Physical flow: **68,058.4 mcm**

### Exit
- Booked capacity: **73,438.6 mcm/d**
- Allocation: **71,093.6 mcm**
- Physical flow: **59,076.3 mcm**
New transparency platform of UATSO to come

Cross-border points

Entry
- Russia: 52.78bn mcm
- Slovakia: 10.13bn mcm
- Hungary: 4.13bn mcm
- Poland: 1.4bn mcm
- Moldova: 0.95bn mcm
- Romania: 0bn mcm

Exit
- Slovakia: 36.4bn mcm
- Hungary: 9.3bn mcm
- Moldova: 3.74bn mcm
- Poland: 3.67bn mcm
- Romania: 0.8bn mcm

Period
- Select all
- 2020 (Jan, Feb, Mar, Apr, May, Jun, Jul)

Date
- 1/1/2020 - 12/14/2020

- Select all
- 2020 (Jan, Feb, Mar, Apr, May, Jun, Jul)

Date
- 1/1/2020 - 12/14/2020
Thank you for attention!

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