Challenges and Opportunities for Infrastructure Providers

Lessons Learnt from the Transition Process

ANNUAL CONFERENCE

gie Bucharest 2008

23-24 OCTOBER 2008

Hosted by TRANSGAZ

Bucharest, 23th October 2008

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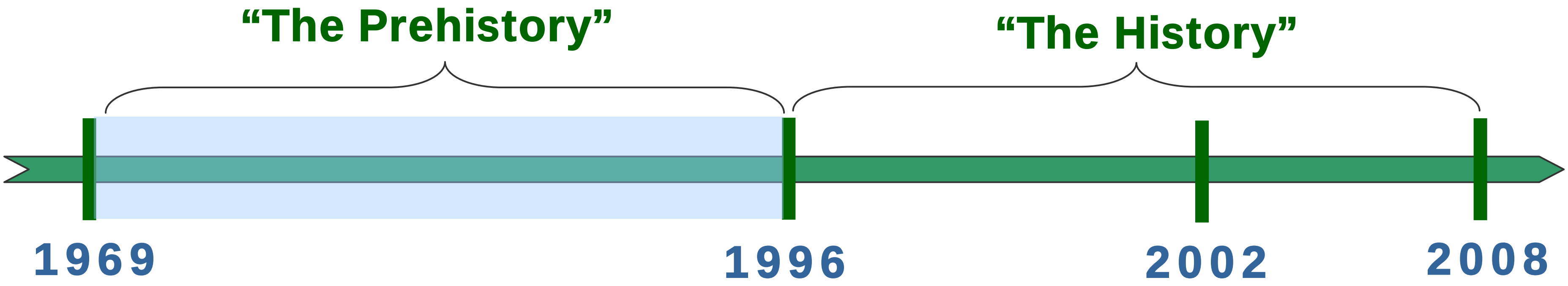
HISTORY: Milestones

Enagas' History



1969-1996: Development of the Natural Gas Industry

1972: Creation of Enagás.

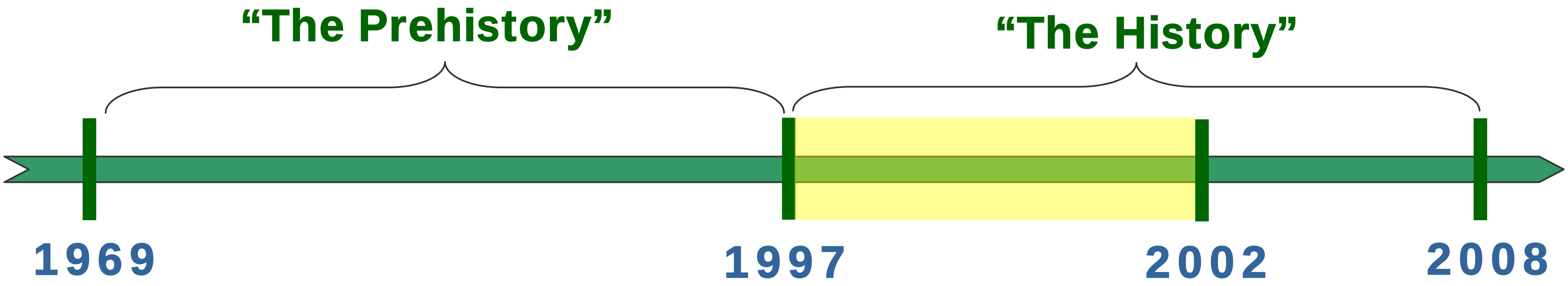
1975: Enagás signs Algerian LNG contract.

1983: National Energy Plan.

1991: Agreement to build Europe-Maghreb Pipeline.

1994: 90% Enagás sold to a group of LCD.

Enagas' History



1997-2002: The liberalisation Process Starts

1997: First TPA provisions

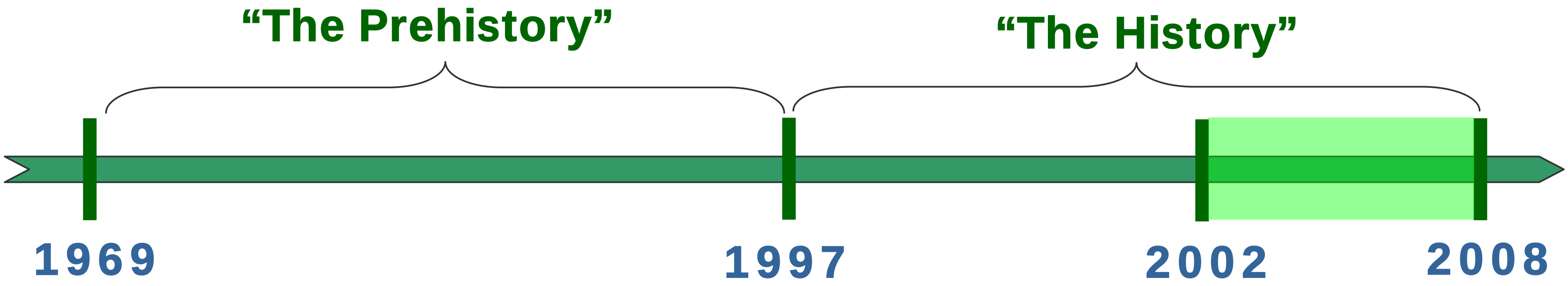
1998: Hydrocarbons Act / First EU directive / Remaining 10% Enagás sold to a group of LCD.

1999-2002: Basic Regulatory Framework Development.

2001: Spin-Off of Enagás.

2002: Enagás IPO.

Enagas' History



2002-2008: The Liberalisation Process is Completed

2003: Full elegibility since 01.01.2003

2005: System Code (for all infrastructures: transmission, distribution, LNG terminals & UGS)

2008: Integral Basic Tariff disappears. 100% market supply by the TPA market.

ENAGÁS TODAY

ENAGAS: Infrastructure Operator




regasification

- Barcelona: 1.650.000 m3(n)/h ; (6 [illegible] K´s:540.000 [illegible] LNG)
- Cartagena: 1.200.000 m3(n)/h ; ([illegible] K´s: 287.000 [illegible])
- Huelva : 1.350.000 m^3([illegible] ; (4 T [illegible] : 460.000 m^3)

transmission

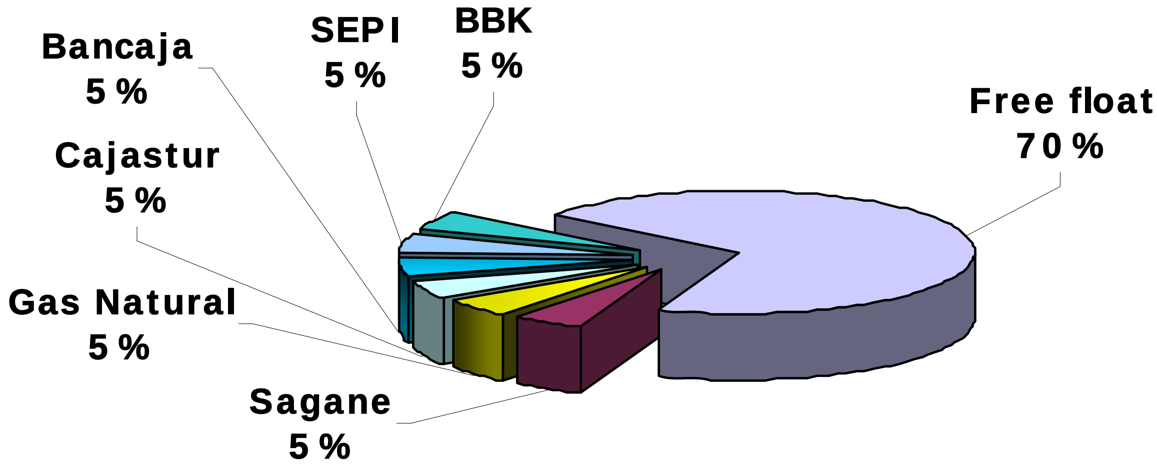
- >7.600 [illegible] of high [illegible] pressure pip [illegible] nes (72-80 bar) (>90% of total)
- Internati [illegible] l li [illegible] to M [illegible] cco, F [illegible] & Portugal (x2)

storage

- “Serrablo” underground storage facility (Total capacity: 9.6 TWh)

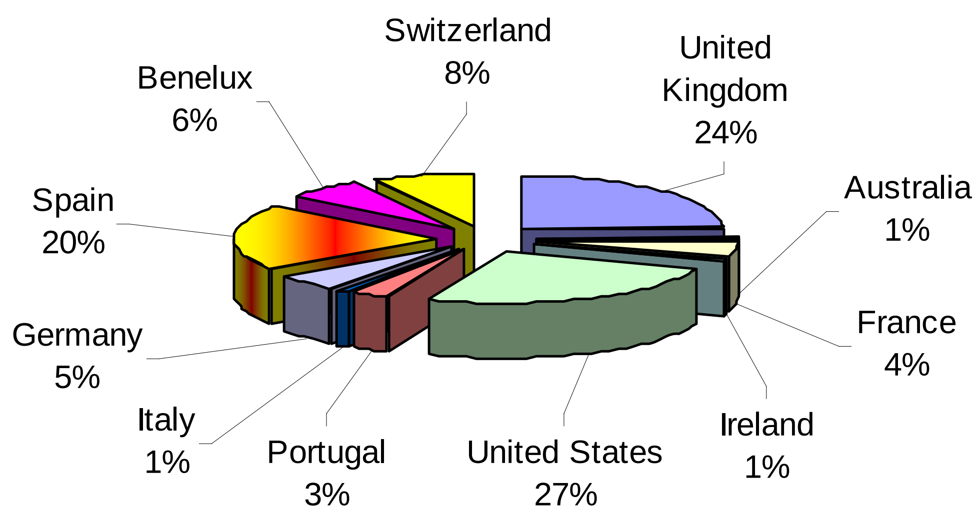
system technical manager

ENAGAS: Shareholder structure



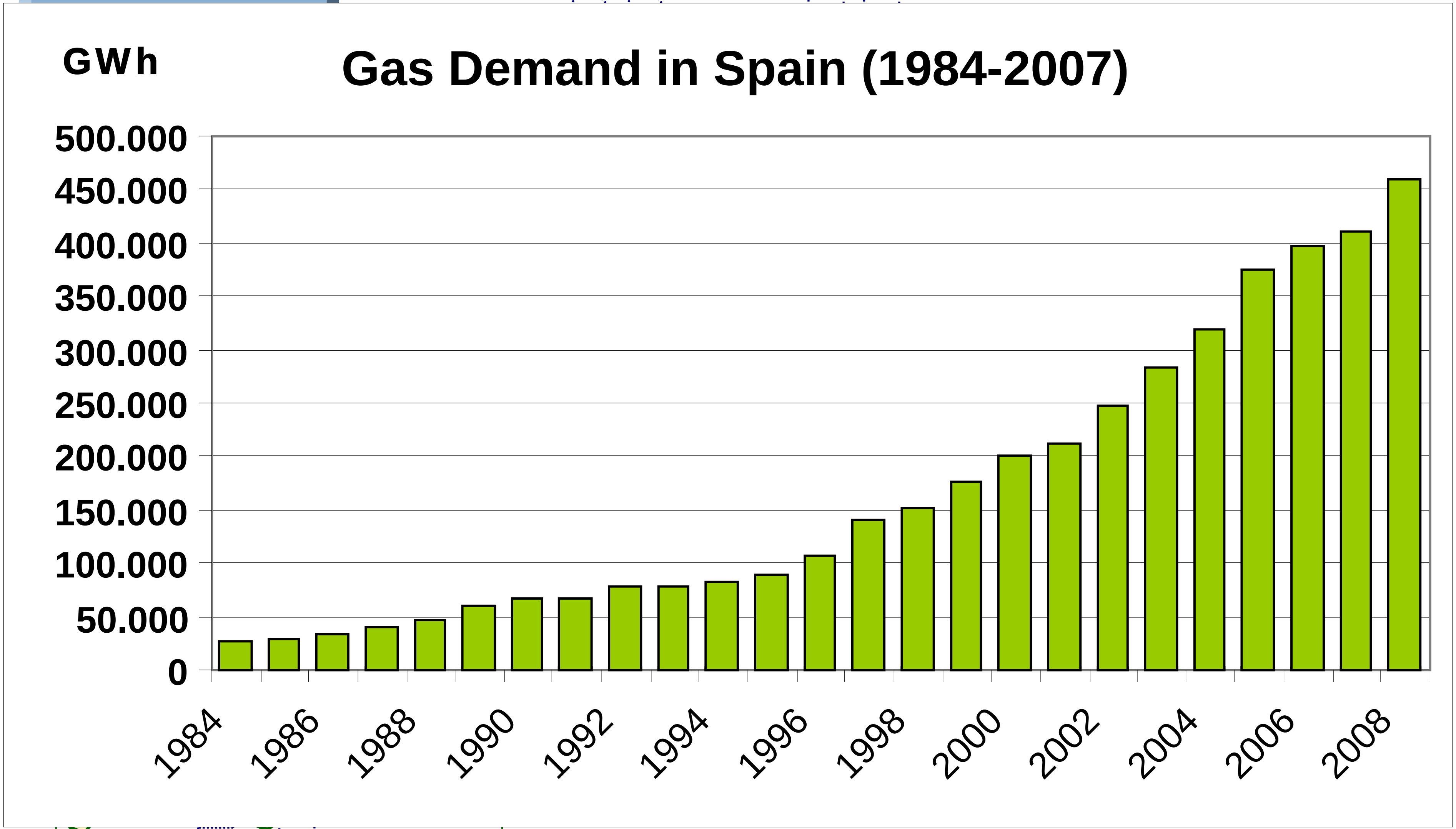
"ENHANCED" OWNERSHIP UNBUNDLING

Composition of "Free Float"



Infrastructure Development & Investment

Gas Infrastructure Development (1969-2016)



Spain: LNG Terminals to 2016

LNG plant - Owner/Operator/Promotor Starting operation (Real/ Mandatory planing)	
Current (nº tk.) LNG Storage (m^3) Current Send out ($m^3(n)h$)	(nº tk.) LNG Storage 2016 (m^3) Send out 2016 ($m^3(n)/h$)

1

Barcelona - ENAGÁS 1969	
(6) 540.000 1.650.000	(5) 680.000 1.950.000

2

Huelva - ENAGÁS 1988	
(4) 460.000 1.350.000	(5) 760.000 1.800.000

3

Cartagena - ENAGÁS 1989	
(3) 290.000 1.200.000	(5) 590.000 1.650.000

4

Bilbao - BBG 2003	
(2) 300.000 800.000	(4) 600.000 1.400.000

5

Sagunto - SAGGAS 2006	
(2) 300.000 800.000	(4) 750.000 1.600.000

6

Ferrol - REGANOSA 2007	
(2) 300.000 410.000	(2) 300.000 825.000

7

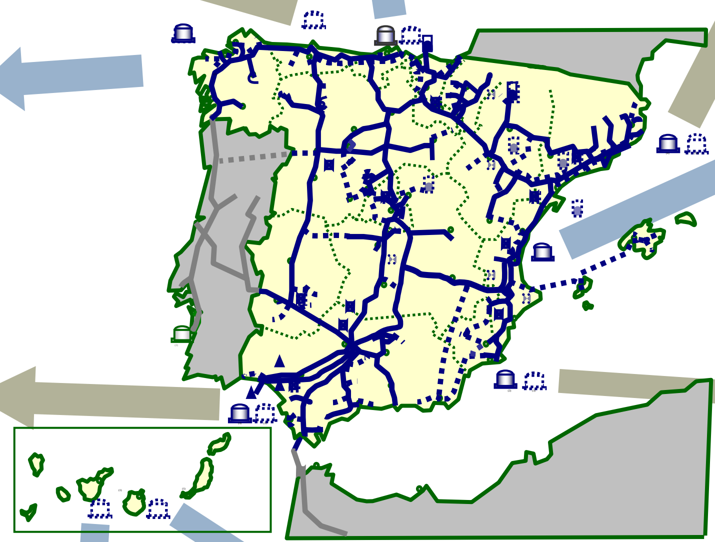
G.Canaria - GASCAN (2012 e.M.P.)	
	(1) 150.000 150.000

8

Tenerife - GASCAN (2011 e.M.P.)	
	(1) 150.000 150.000

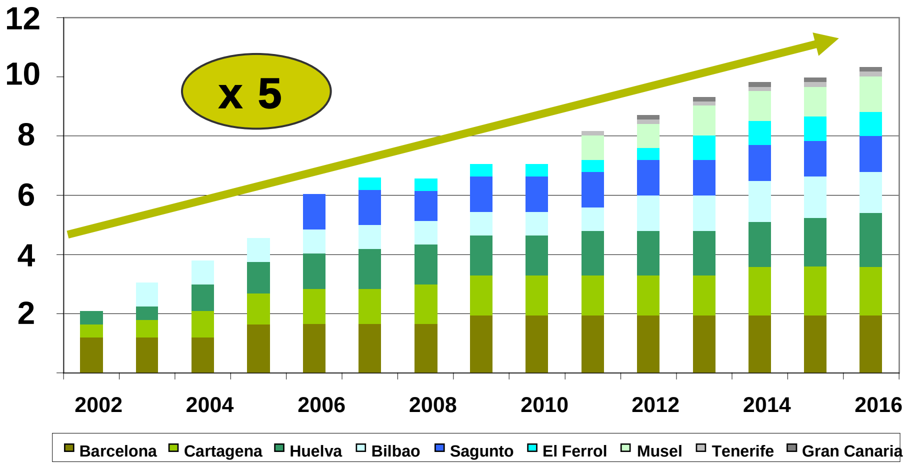
9

Gijón (2011e.M.P.)	
	(2) 600.000 1.200.000

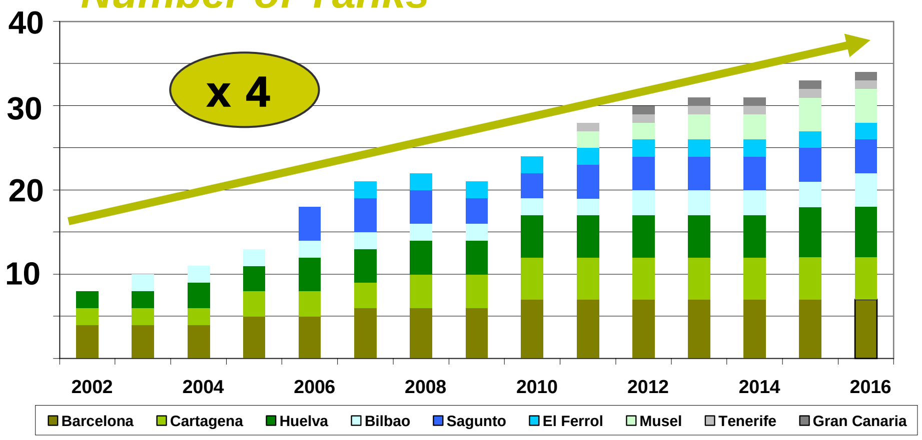


Spain: LNG Infrastructure to 2016

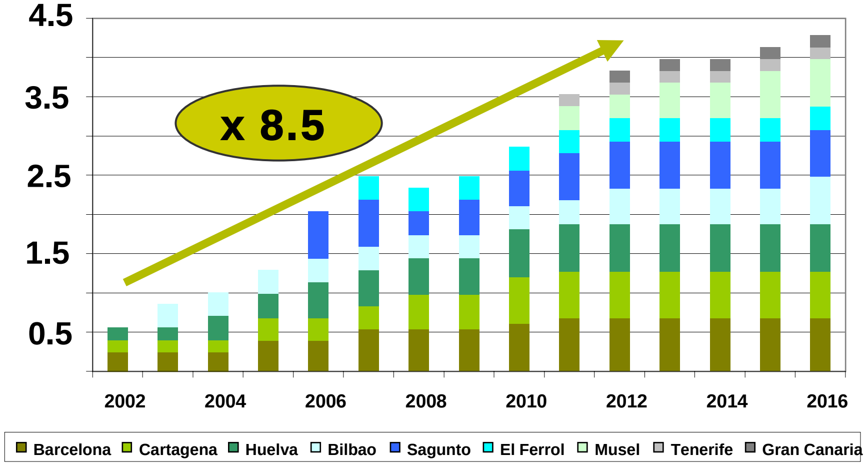
Regasification Capacity [Mm3(n)/h]



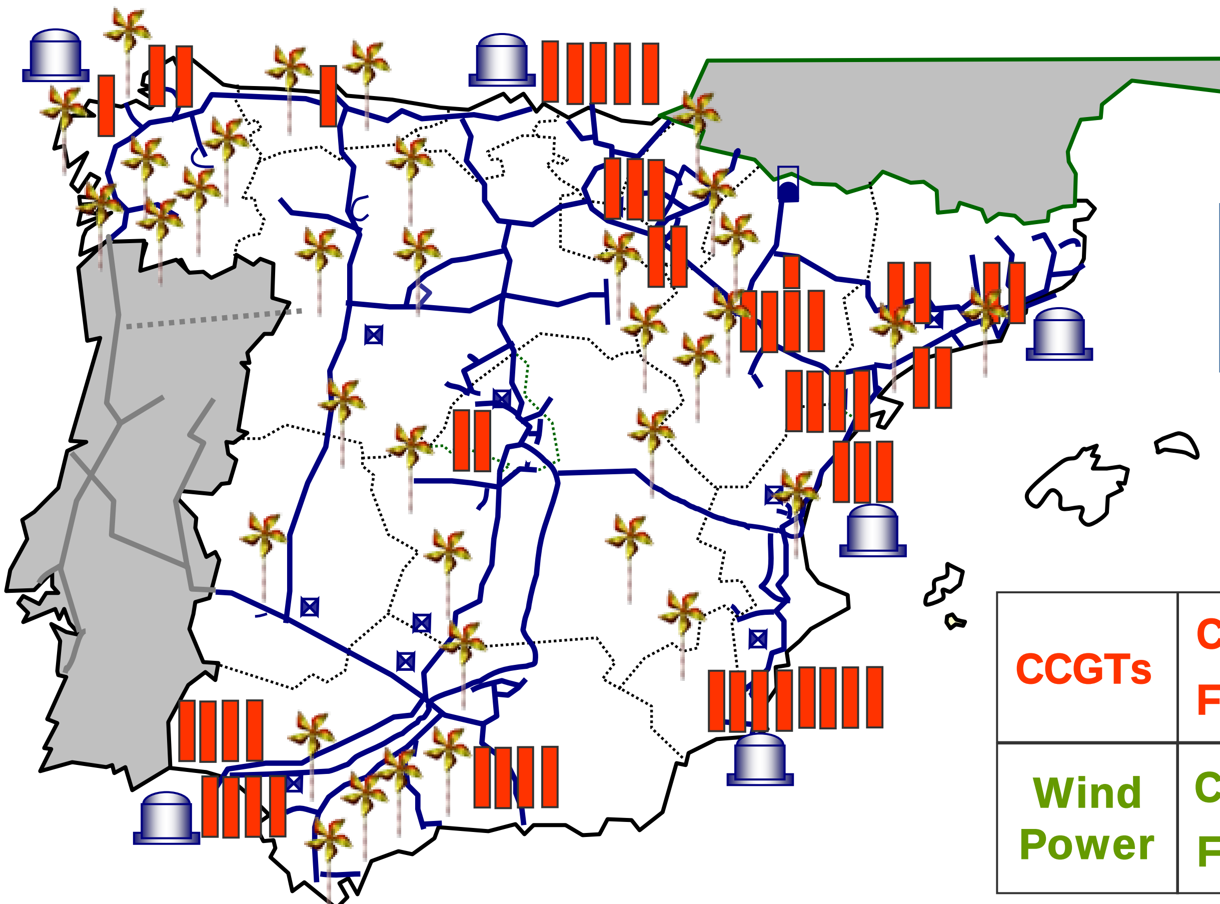
Number of Tanks



Storage Capacity (Mm^3 LNG)



Wind Power & CCGTs in Spain



Flexibility is Paramount!

		Installed Capacity (GW)
CCGTs	Current	21
	Future (2016)	33
Wind Power	Current	15
	Future (2016)	29

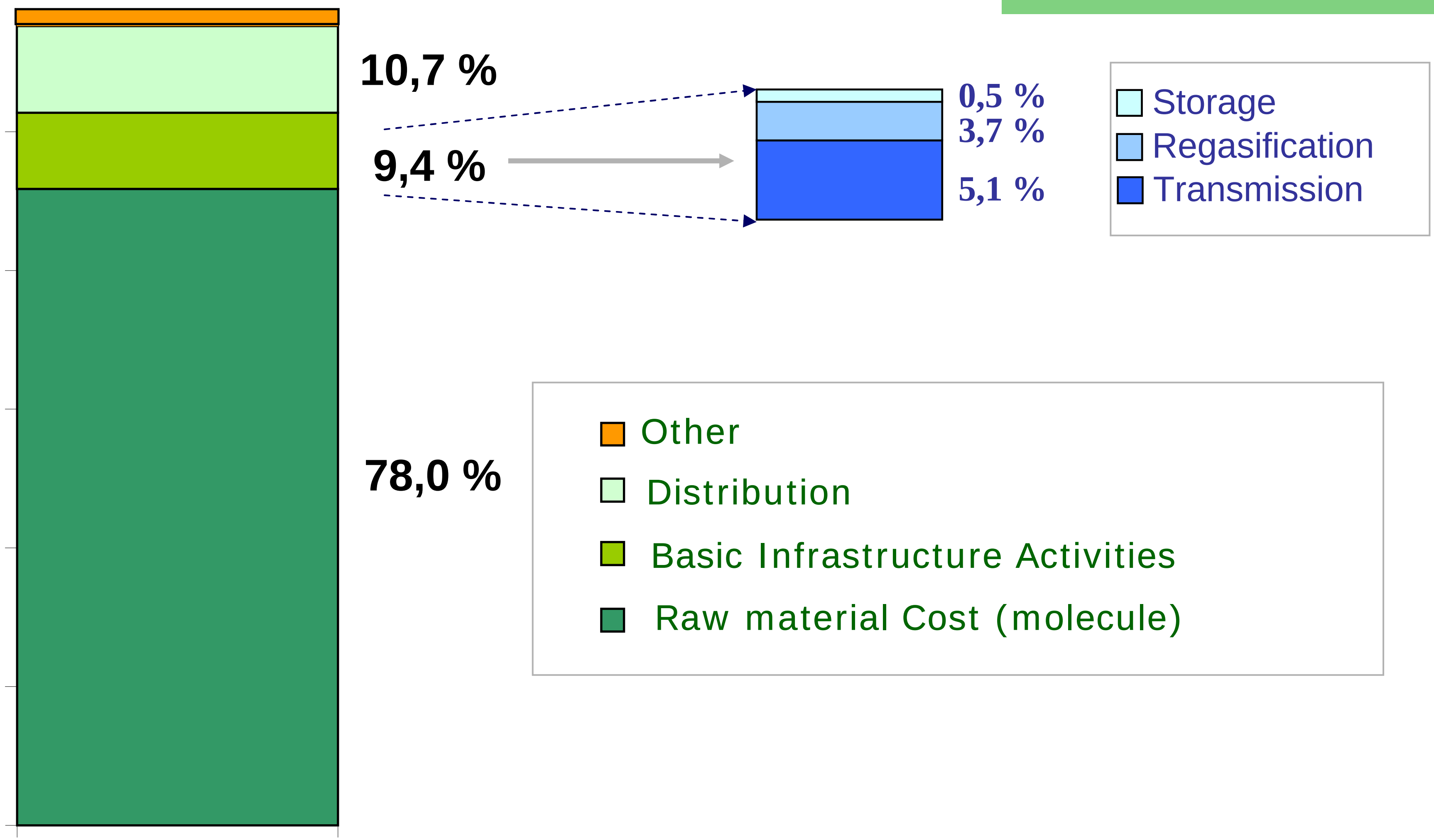
→ **Wind Power generation means high electrical fluctuations.**

→ **Wind Power generation are backed-up by CCGTs.**

→ **CCGTs are backed-up by LNG.**

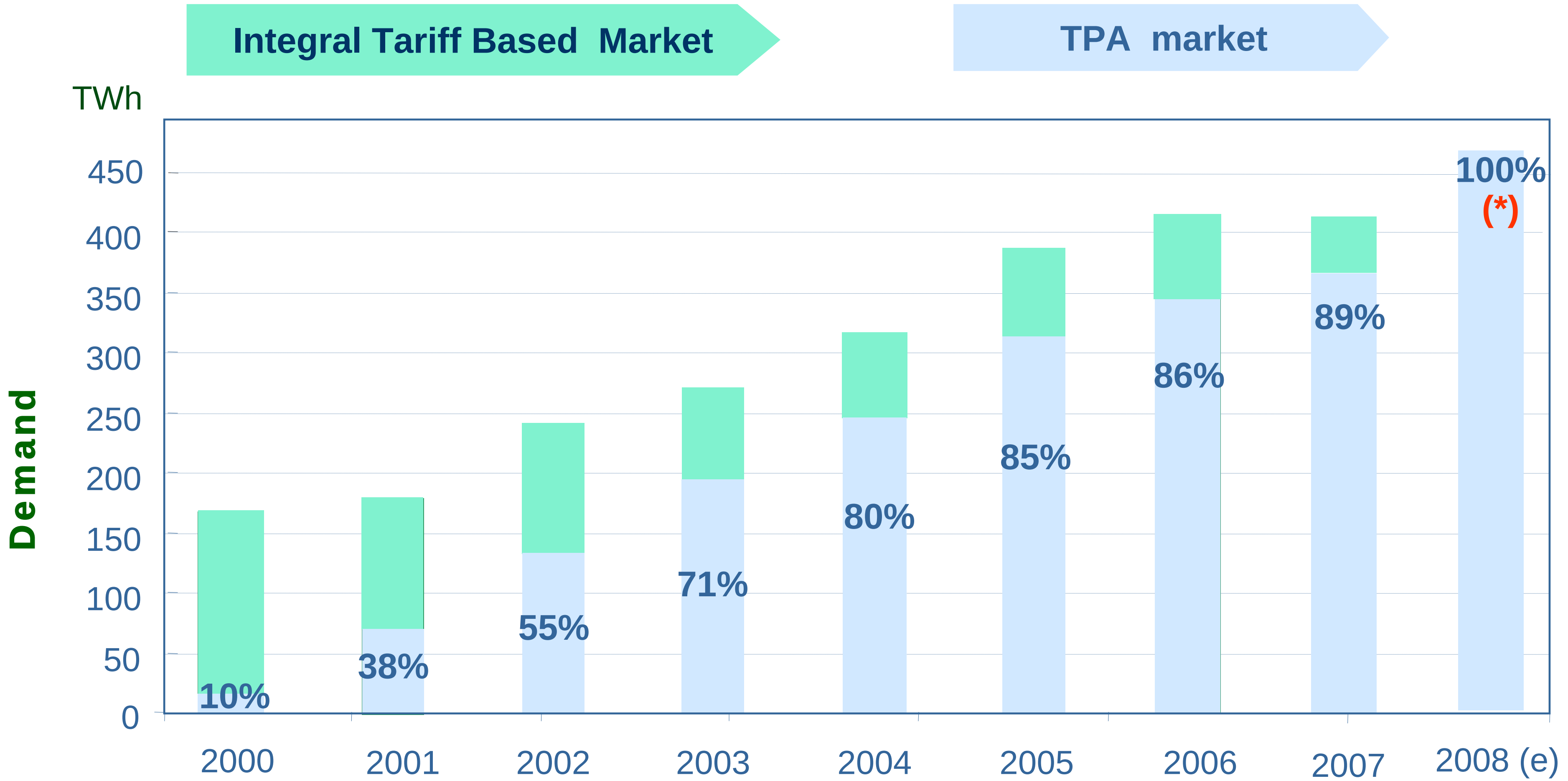
Cost of Regulated Activities

2008 (+molecule)



LIBERALISATION PROCESS: THE RESULTS

Liberalisation: TBM & TPA markets

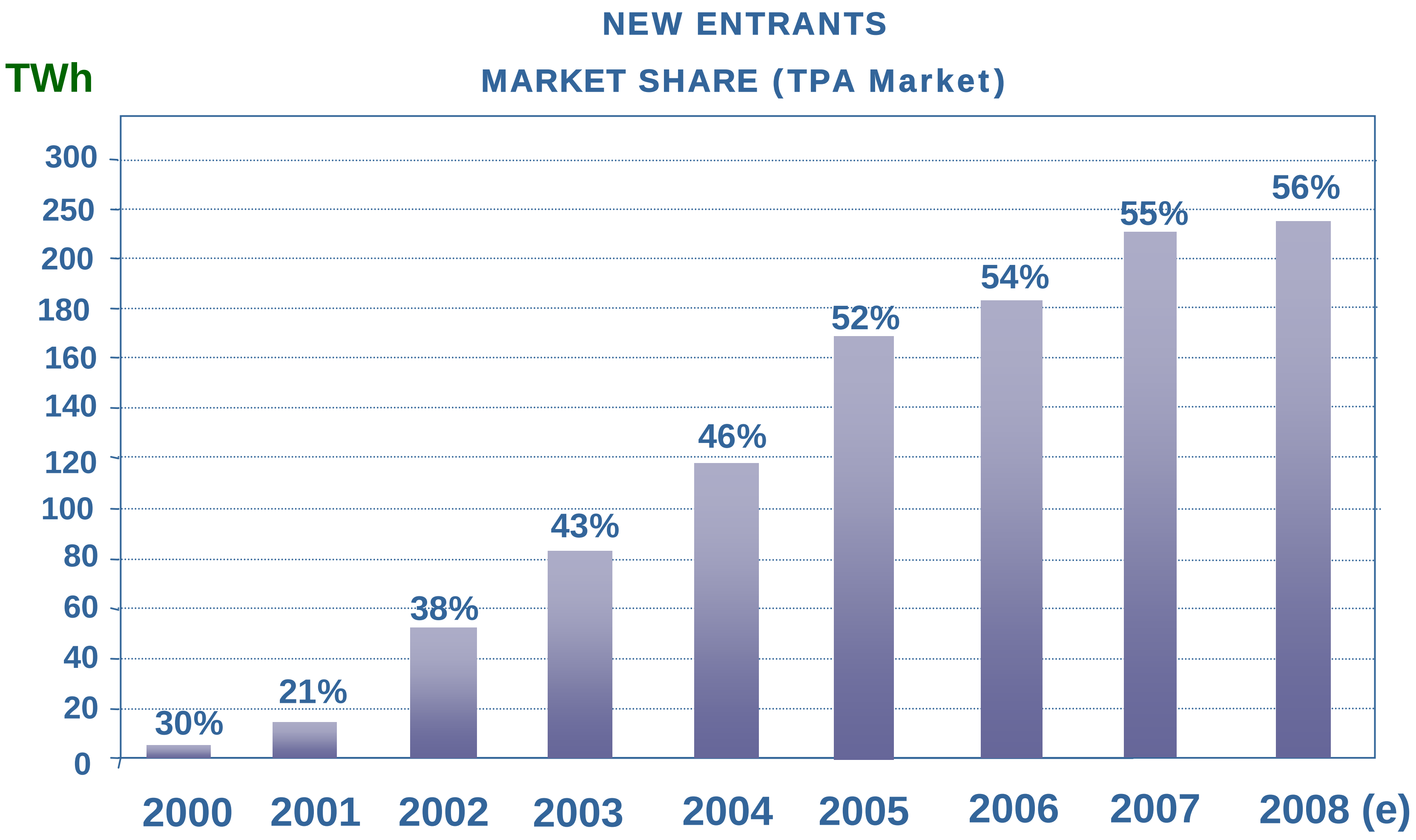


As from 01.01.2003 every customer is entitle to be eligible

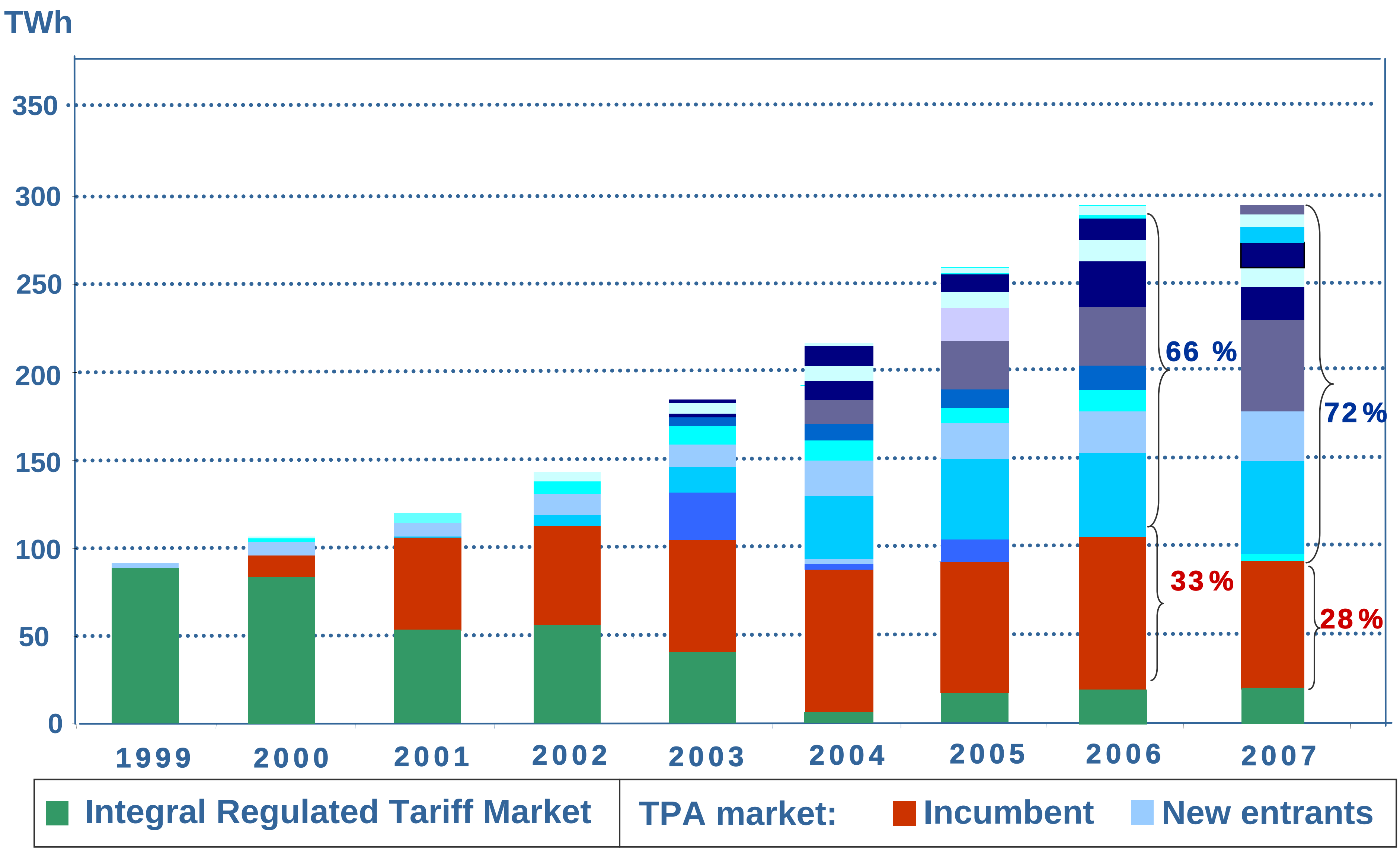
(*) Since 1st July-08, the Integral Tariff Based Market has disappeared; all consumers are supplied in the TPA market

Marketers/Shippers

- Hundreds of TPA Contracts (for Transmission, LNG and UGSs), with more than 20 Shippers.

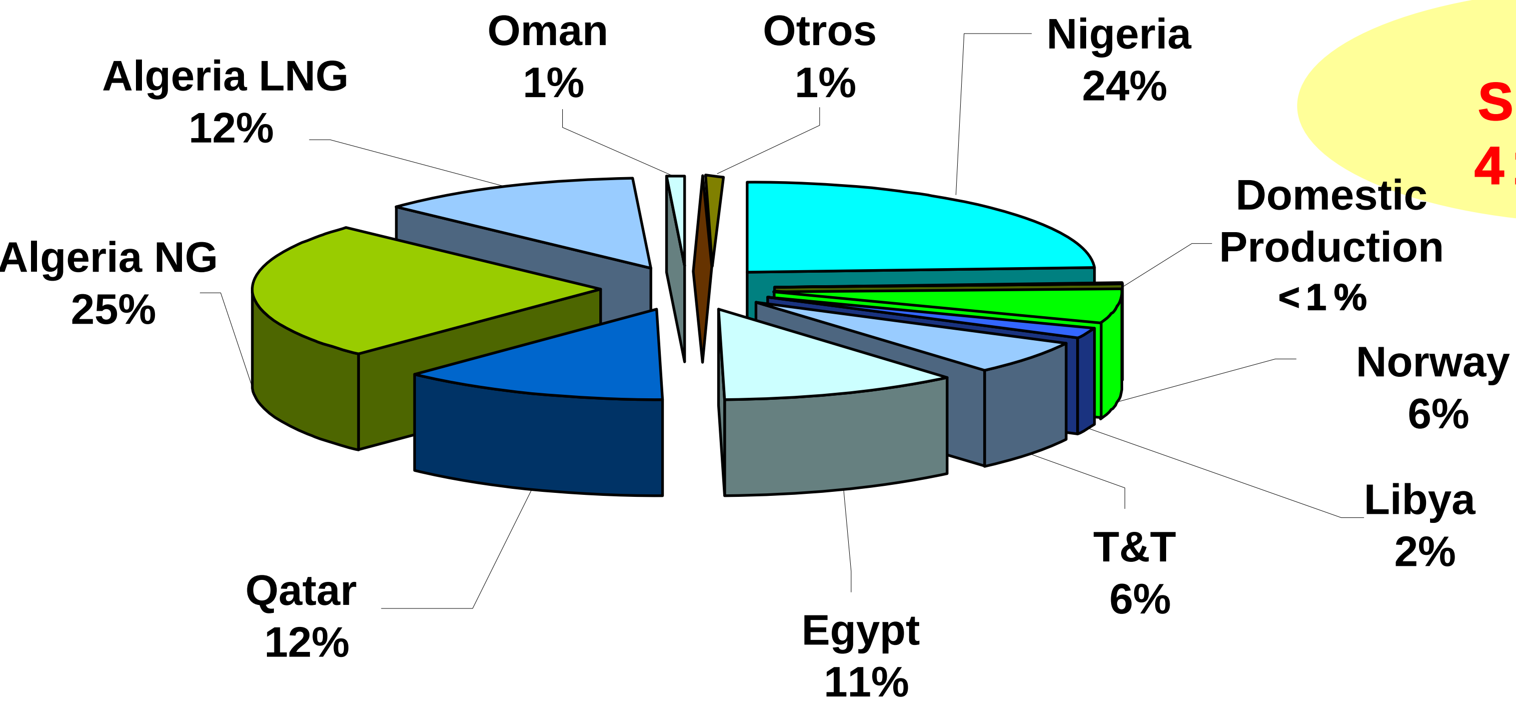


LNG supplies to the Spanish Market

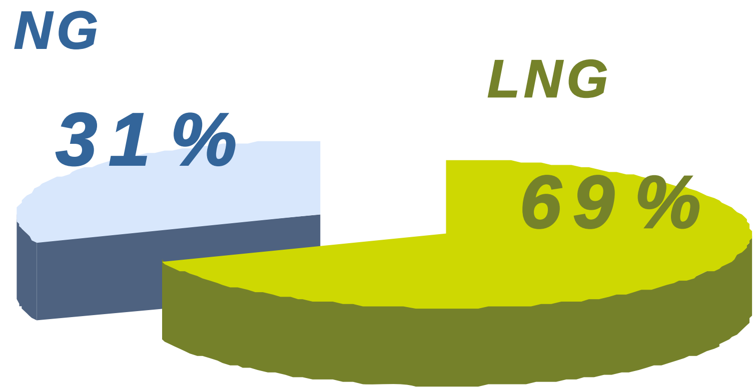


Active Shippers in Spain

Supply Diversification 2007



2007
Supplies
410 TWh



SUMMARY

Summary

- Regulated TPA to all Infrastructures
- Ownership Unbundling for Enagás
- Mandatory Planning for Infrastructure Development
- Investments

Liberalisation

Competition

SOS

DOS

- Ownership Unbundling not applied to all Infrastructure Operators in Spain

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