



Security of Supply Task Force
Mitigating impacts of a Russian /
Ukrainian gas crisis next winter

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Gas Coordination Group, 16 September 2014

- GIE (Task Force on Security of Supply) is focusing on short term measures and the stress tests, as defined by the European Commission
- GIE will also work on medium and long term measures, including proposals for reviewing regulation 994/2010
- The GIE Task Force on Security of Supply has worked in close cooperation with ENTSOG on the stress tests:
 - ✓ Validation of the various assumptions related to gas infrastructures in the modelling tool of ENTSOG
 - ✓ Joint analysis of the results of the simulations
 - ✓ Discussion and validation of the short term measures that could be implemented for winter 2014/2015

- Thanks to a **higher level of gas in storages on 1st September 2014** compared to 2013 (87% vs. 67%), the potential impact of a Russian / Ukrainian crisis has been significantly limited (**less countries impacted**):
 - ✓ Bosnia, Bulgaria, Former Yugoslavian Republic Of Macedonia, Greece, Hungary, Romania and Serbia in case of Ukrainian crisis
 - ✓ Poland, Finland, Estonia, Latvia, Lithuania in addition, in case of Russian crisis

- The **full use of the existing Greek LNG terminal** (90% of the total send out capacity) and the commissioning of the **new LNG terminal in Lithuania** (3rd December 2014), will reduce disrupted demand in the Balkan region and in Baltic countries in case of crisis. The commercial operation of **the new LNG terminal in Poland** will start after the winter period and is not taken into account for the time being

- The **new gas pipeline connecting Slovakia to Hungary** is already technically available on the Slovak side (commercial operation as of January 2015) and will allow for additional supply to Hungary (500.000 m³/d from Slovakia to Hungary)
- Thanks to the **reverse flow from Greece to Bulgaria** , 1 mcm/d firm capacity is available and 2 mcm/d interruptible capacity could also be used in case of a Russian / Ukrainian crisis. As of January 1, 2014 Bulgartransgaz EAD provided technical capability of reverse flow from Greece to Bulgaria amounting up to 4,2 mcm/d at 35 bar pressure at IP Kulata/Sidirokastro and 6.0 mcm/d at 40 bar pressure at IP Kulata/Sidirokastro
- If gas is exported to Ukraine & Moldavia **in case of a Russian gas crisis**, additional EU Member States could be impacted:
 - ✓ Austria, Czech Republic, Germany (Gaspool), Denmark, Croatia, Sweden, Slovakia

- If no transit through Ukraine during 6 months, no need of additional LNG. If **no Russian supply** during 6 months, **additional need of LNG lower than 8 bcm** over the period
- **Cooperation between Member States** will not reduce the total amount of disrupted gas demand, but **will facilitate the management of the crisis in each country**, due to a lower percentage of gas disruption that can be better born by flexible gas consumers
- **Real situations could be worse than the simulated ones**, especially in case of cold peak days (to be compared to the assumption of a monthly average consumption)

- **One modelling tool:** ENTSOG – to be used / check consistency of data with Members States and Infrastructure operators
- In Balkan & Baltic regions, to implement incentives / **measures for consumers that can reduce their gas consumption** or use alternative fuels – to have a specific focus on gas fired power plants that could be shut down and compensated by imports of electricity
- Promote measures (targeted according to the country / GSE Toolbox) that give the **right incentives to use storage** and thereby a physical backed supply source
- Interconnection capacities / **reverse flows** : some administrative barriers have been reported and should be removed if confirmed (Croatia/Hungary interconnection point and Romania / Hungary interconnection point)

- Due to the **risk of tightness of LNG market**, countries / shippers of the relevant areas (Balkan and Baltic regions) should **secure** as soon as possible maximum **deliveries** for the winter (e.g. by purchasing future contracts of LNG cargoes, or by purchasing and keeping LNG in storage tanks...)
- In addition it could be envisaged to **move existing Floating Storage and Regasification Units** to a relevant area in the Balkan region (1 year implementation)
- **Coordination between infrastructure operators and Members States** of the Balkan and Baltic regions should be prepared (regional coordination of dispatching centres / Early Warning System & Team in Eastern Europe)
- No specific measure has been identified for increasing domestic gas production



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