

# GAZ-SYSTEM Regional Cooperation:

- BEMIP
- North-South Gas Interconnections in CEE

ENTSOG TYNDP Workshop  
Brussels, 17<sup>th</sup> March 2011

the system, that connects



# Characteristics of gas transmission system in Poland

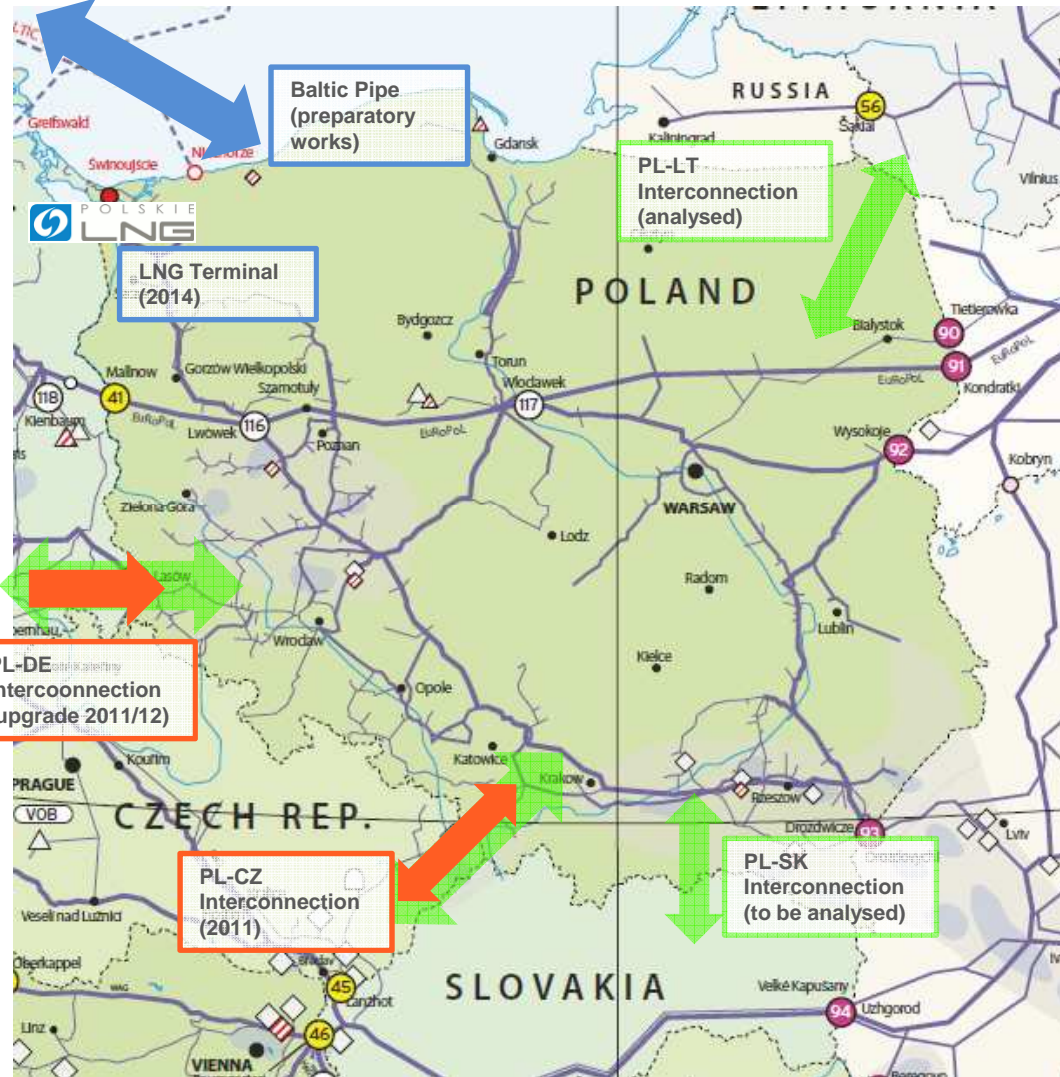


## Transmission system elements:

- 9 709 km pipelines
- 14 compressor stations
- 60 gas supply nodes
- 969 exit points

- Poland is the biggest natural gas market in Central Europe.
- Heavy dependence on imports (70%), while national production covers remaining 30%.
- Low level of supply diversification.
- Gas imports practically only from Eastern direction.
- Practically no interconnection with other EU countries.
- High vulnerability to gas supply crisis and disruptions (2006, 2009, 2010).

# GAZ-SYSTEM Investment projects (I)



## Diversification Projects

- **Lng Terminal in Świnoujście**  
Under construction, operational in 2014 with 5 bcm regas capacity.
- **Baltic Pipe**  
Preparatory works, construction when market interest confirmed.

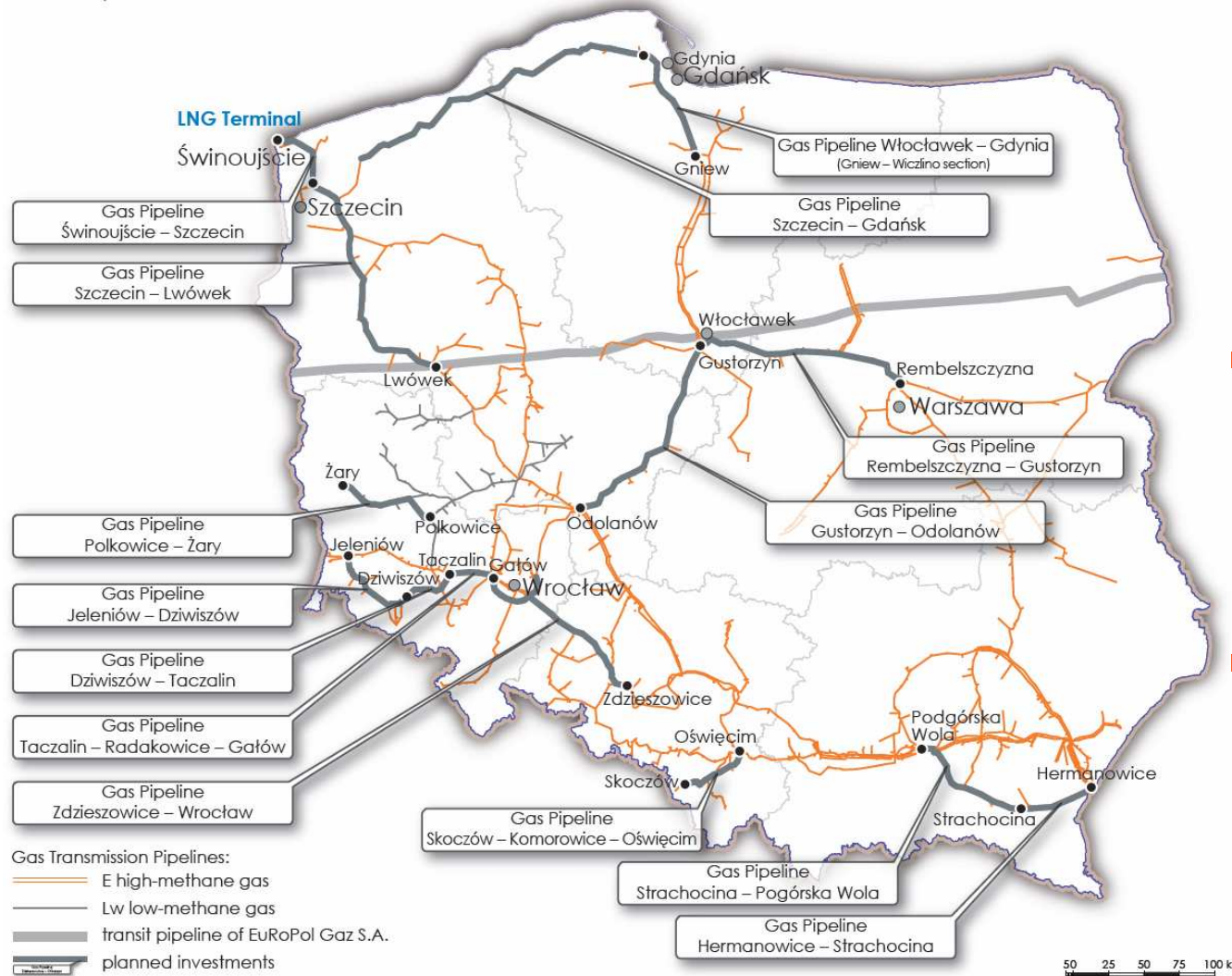
## Interconnections (under development)

- **PL-CZ Interconnection (Cieszyn)**  
Under construction, operational in 2011 with 0,5 bcm, reverse flow and further development envisaged.
- **PL-DE Interconnection (Lasów)**  
Capacity upgrade of existing interconnection to 1,5 bcm, operational in the end of 2011

## Interconnections (analysed)

- **PL-LT Interconnection**  
Joint TSOs WG to perform business case analysis and possibly feasibility study.
- **PL-SK Interconnection**  
Comprehensive technical, economic and environmental analysis to be performed in 2011/12.
- **Further development of PL-DE, PL-CZ considered**

# GAZ-SYSTEM investment projects (II)



- GAZ-SYSTEM strategy for the development of the gas market, regional diversification and security of gas supply based on:

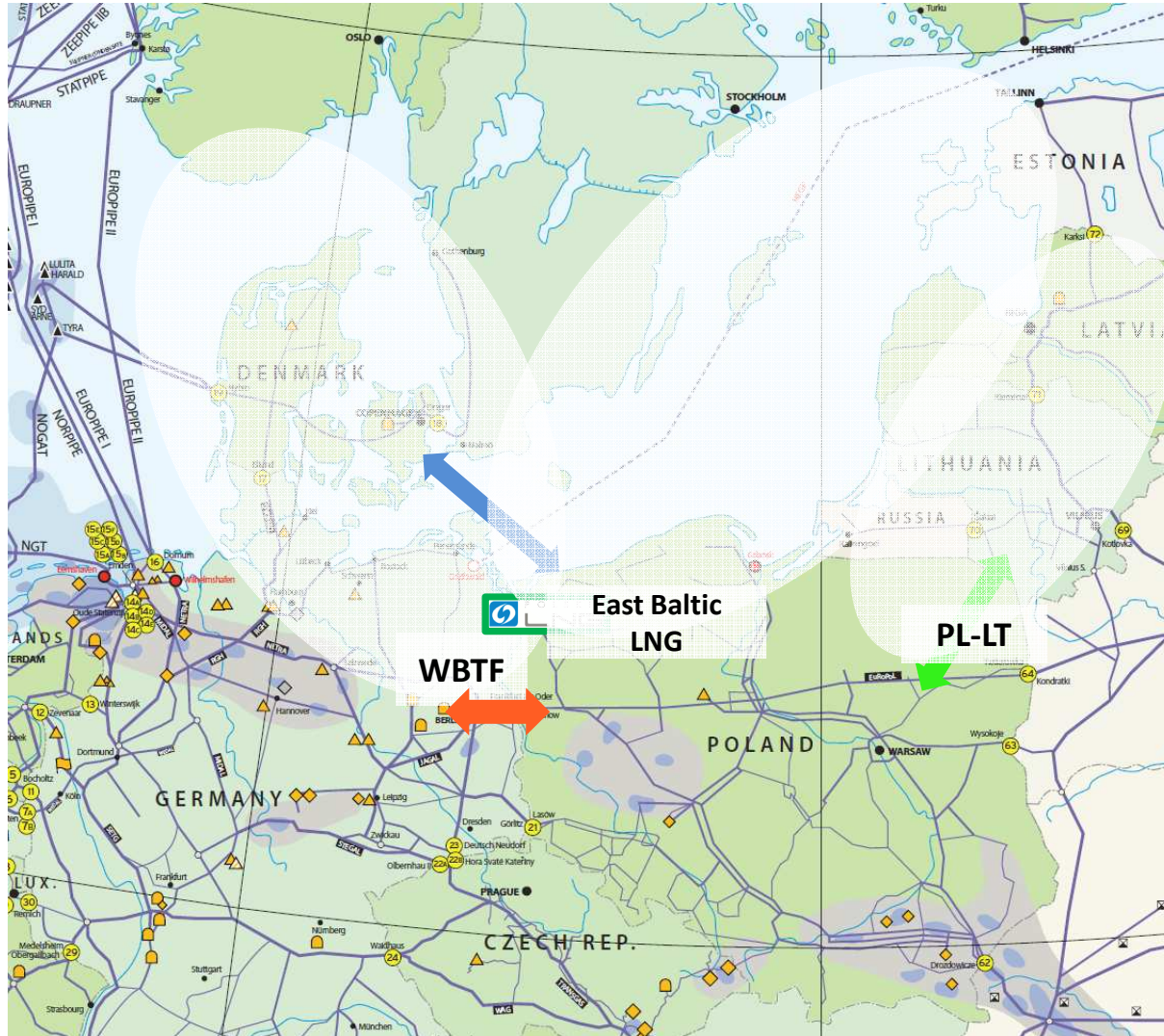
- Diversification Projects
- New Interconnections
- Transmission System Development

- Transmission System development program:

- Scheduled for 2010-2014
- 1000 km of new pipelines & LNG Terminal
- Overall budget of approx. 8 Bn PLN (2 Bn EUR)

- Transmission System development essential for:

- Transporting gas from new sources to customers
- Building basis for market development
- Enhancing security and safety of operations
- Eliminating bottle-necks and enhancing flexibility



- High Level Group on Baltic Energy Market Interconnection Plan established in 2009
- Natural Gas area covered by 3 Task Forces

- PL-LT Interconnection**
- Ending Baltic States isolation
  - Common working group to assess the project (Business Case Analysis, Feasibility Study)

- West Baltic Task Force**
- Integrating gas markets, SoS, diversification of supplies compensating depleting Danish Fields
  - Action Plan for the Region established

- East Baltic LNG Task Force**
- Assessment of possibility to construct a Regional LNG Terminal for Baltic States and Finland
  - Gas-System with observer status, as the first such project sponsor in the Region

## North-South Gas Interconnections Cooperation so far...

- Initiative aimed at integrating gas markets in Central Europe having political support of V4 Countries:
  - Common V4 Declaration – Budapest February 2010
  - Common V4 Letter to Commissioner Oettinger
  - Declaration of the V4 Energy Ministers – Bratislava January 2011



- **High Level Group on North-South Energy Interconnections in CEE consisting of EC and Member States representatives established in February 2011:**
  - Increase of regional gas markets integration
  - Increase of security of supplies
  - Ensuring the access to new supply sources (LNG, Norway) for Eastern Europe
  - Coordination of the regional infrastructure projects
  - Harmonization of market rules
  - Possibility of regional preventive and emergency procedures implementation in case of crisis situations
- **Gas Working Group already established. Action Plan to be elaborated by 4Q 2011.**

# North-South Natural Gas Interconnections in CE Regional Approach



- Corridor defined as an **Infrastructure Priority** in SER2 and EIP
- **Number of national pipelines and bidirectional interconnectors** that either already exist or are at various planning or construction stages.
- Granting access to new, competitive natural gas sources
  - **Regional Role of LNG Terminals (supply to Central Europe, Baltic States)**
- Diversification of sources and routes of supply
  - **Physical access to Nabucco for Polish and North European Customers**
  - **Possibly Norwegian gas for Central Europe**
- Stimulation of „gas to gas” competition and building liquid market
  - **Lower prices for the consumers**
- Enhancing the security of supply
  - **Regional cooperation, preventive and emergency plans**
- Setting the stage for new major supply projects to come, as well as the new indigenous sources of gas
  - **New supply projects**
  - **Shale Gas**

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**Thank you for your attention**

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