



World Energy Council
CONSEIL MONDIAL DE L'ENERGIE

THIRD SEE ENERGY DIALOGUE

Thessaloniki, 18-19 June, 2009



LESSONS FROM LAST GAS CRISIS

Slav Slavov

World Energy Council

Lessons to be learned (from recent gas crisis)

at market level:

- Long-term contracts preferable;
- Solidarity & trust b/n companies;
- Freedom for cross-country transactions;
- Diversifying of routes, suppliers, options..
- Ensuring reverse flow option.





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Lessons to be learned (from recent gas crisis)

at EU level:

- Introduction of regulatory mechanisms;
- Enhancing the internal gas infrastructure;
- Binding agreements with transit countries
- Early Warning Mechanism with Supplier
(EU-Russia Declaration of 20 March 2009)
- Encourage investments in upstream.





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Lessons to be learned (from recent gas crisis)

at political level:

- As less as possible involvement;
- Binding international mechanism;
- Energy Charter Role in the above;
- Discourage protectionism; and encourage solidarity between European consumers



Lessons to be learned

(from recent gas crisis)

on Russia- Ukraine relations:

- Each consumer must pay the fair price;
- Transit fees fixed on internationally recognised methodology;
- More political will for commercial benefit;
- Under sea direct connection seems more expensive but also more reliable.



Crisis management in Slovakia

- a successful case-

Normal operation



Crisis management in Slovakia

- a successful case -

Start of cross-border cooperation



Diversification possibilities

Germany / Czech Republic

- Connection to liquid markets
- Connection to Jamal via Germany / Czech Republic

Poland

- Political Interest to get connected to Baumgarten
- Link from Jamal to SK?

Ukraine

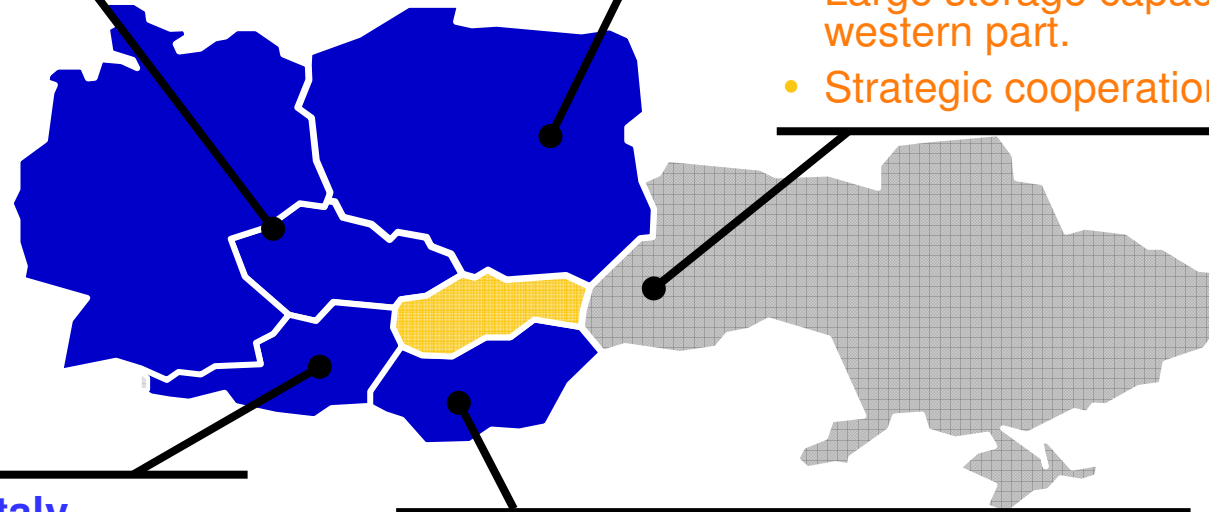
- Large storage capacity in the western part.
- Strategic cooperation SK/UA?

Austria/Italy

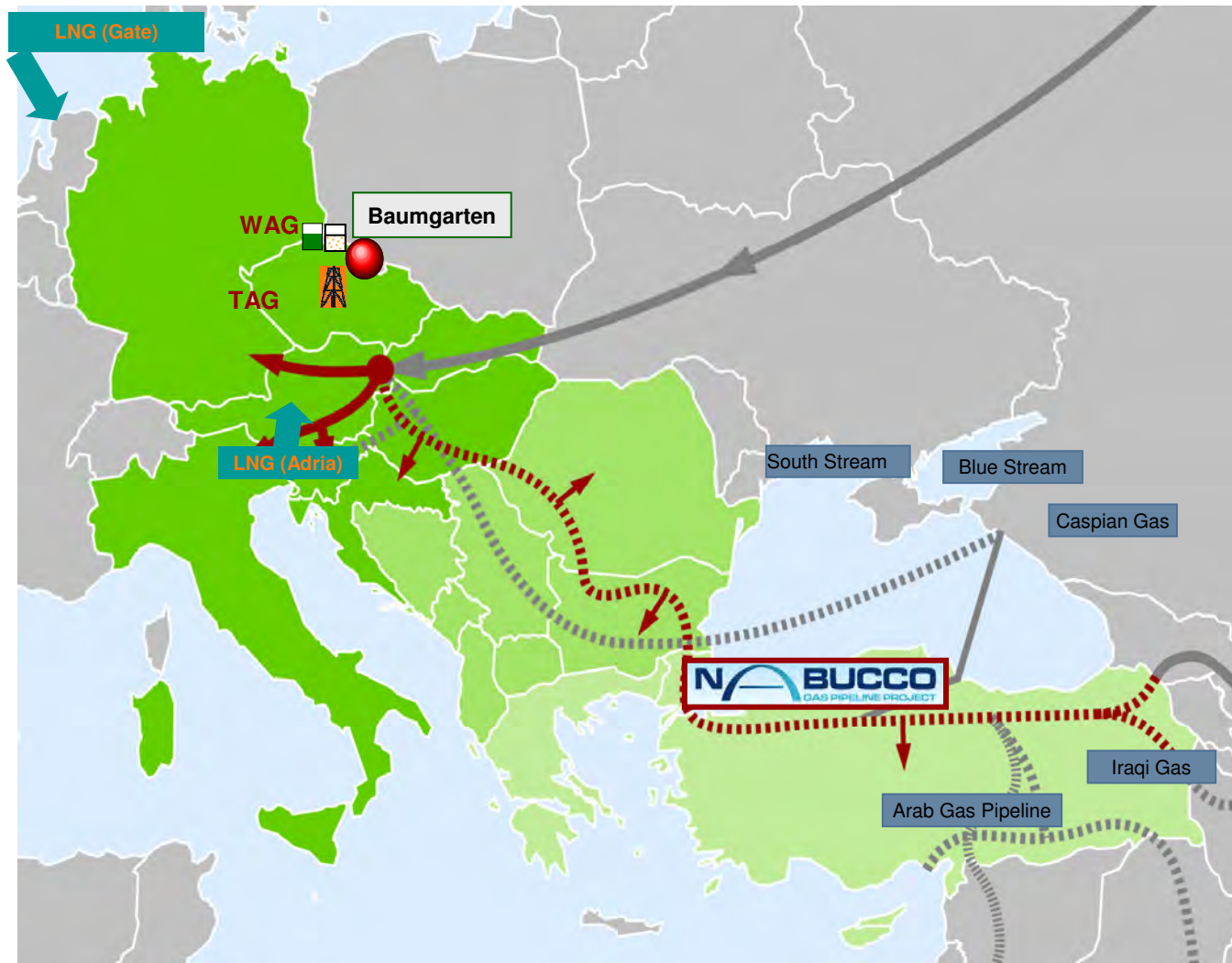
- Baumgarten Hub
- Reverse-flow to SK,CZ?
- Transit to Italy

Hungary

- Bridge-head for Nabucco / South Stream
- Connection of storages



OMV's initiatives to cope with the challenges



- Further development of underground gas storages
- Diversification of the portfolio of suppliers
- Projects to diversify the transportation routes
 - Nabucco Gas Pipeline Project
 - LNG

Recent geopolitical challenges and European expectations

- Central Asia: yesterday and today;
- Central Asia to Russia & China;
- Iran & Azerbaijan behaviour;
- Nabucco: dream or reality





THANK YOU

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