State of play of The Greek Gas Market

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The Greek NGTS

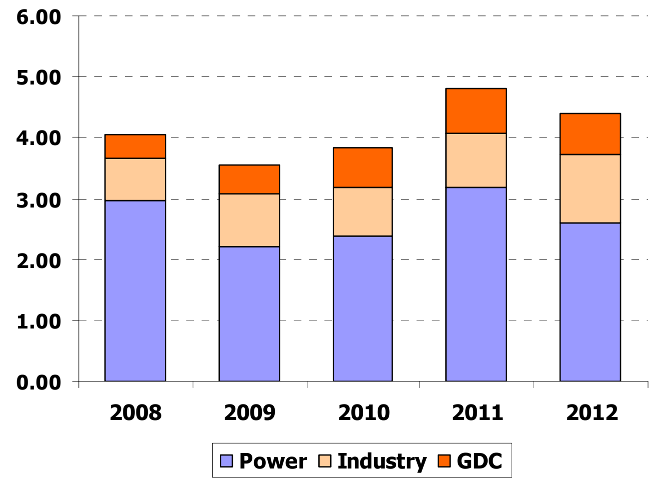
1996 : Russian gas from Bulgaria

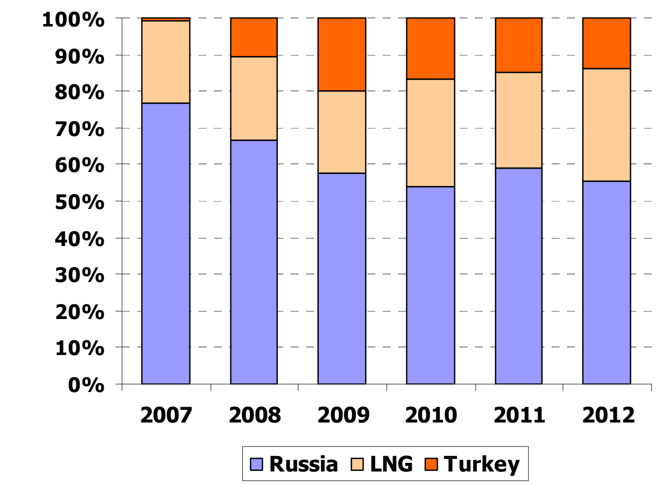
2000: LNG Terminal in operation

2007: Gas from Turkey

2013: Reverse flow provisions enacted (Bulgaria and Turkey)

The Greek Gas Market today





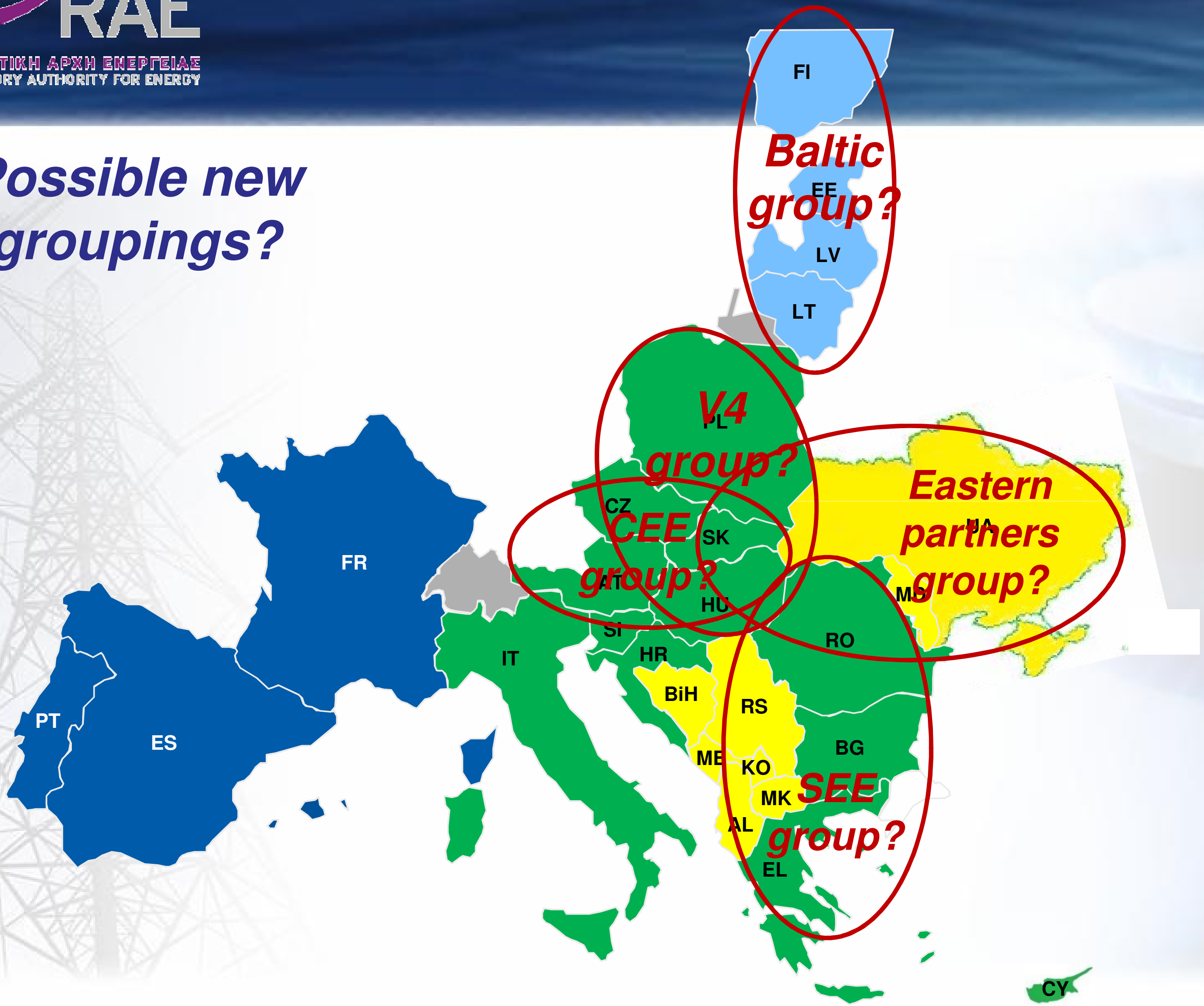
- ***No gas production***
- ***Consumption of around 4-4,5 bcm/year***
- ***Recent (2014) reforms in the electricity market have a severe impact on gas consumption (-30%)***
- ***Despite the positive signs in 2010-2012, competition levels remain extremely low, since the only source of competition remains LNG (irrespective of the 11 suppliers)***

The broader context

- *Long list of PCI projects (2013)*
- *However, only TAP has taken its FID (anticipated COD 2019), with its market test progressing smoothly (results by Q3 2014)*
- *IGB is in progress, binding phase of the Market Test anticipated shortly (Q2 2014)*
- *3rd Package provisions fully in place*

Possible extension of GRI to new countries

Possible new groupings?



Reforms announced (April 2014)

Radical change in the retail market:

- ***All industrial customers eligible by October 2014***
- ***All customers outside Attica, Thessaloniki and Thessaly eligible by July 2014***
- ***Gradual eligibility of all customers by 2017***
- ***Full revision of the existing EPA regime: implementation of the regulated distribution model by October 2015;***
- ***Abolishment of the derogation for the new EPAs***

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Reforms announced (April 2014) cont…

Reforms in the wholesale market:

- ***Revision of the existing DEPA gas release program by June 2014***
- ***Potential introduction of obligations on dominant suppliers***
- ***Operation of a Virtual Trading Point (gas hub) by the end of 2015***
- ***Resolution of the South Kavala storage issue by the end of 2014***

The way forward

- **The Greek gas market is facing an unprecedented wave of change (as the electricity one)**

Changes aim at the right direction!

- ***TAP and IGB are the "missing links" to the region:***
  - ***TAP will link EU to the East but also Greece and SEE to Italy!***
  - ***IGB will –ideally- form the first of a series of South-to-North cross border links***
- ***The market reforms (and LNG) will supplement the above***
- ***The whole package will create a physical and market-based link to PSV (Italy), CEGH (Austria) and Turkey***

In conclusion…

- *The Southern Corridor has been enacted: this is the "time for gas" for the SEE region*
- *It is fortunate that (and for) Greece is in the epicenter of such evolutions*
- *But this is a true challenge for everyone: requires commitment, open mind, willingness for cooperation*

Greece can serve as the SEE gate of gas in the EU:

- *Open to everyone*
- *Providing equal opportunities and level playing field*
- *Along the lines of the common EU energy market*

THANK YOU

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