

8th South East Europe Energy Dialogue



Challenges in Gas Trading

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12 June 2014, Thessaloniki



Agenda



- Gas Trading at Central European Gas Hub (CEGH)
- Success factors for establishing a Gas Hub
- Gas price development at Continental European Gas Exchanges
- European Gas Target Model

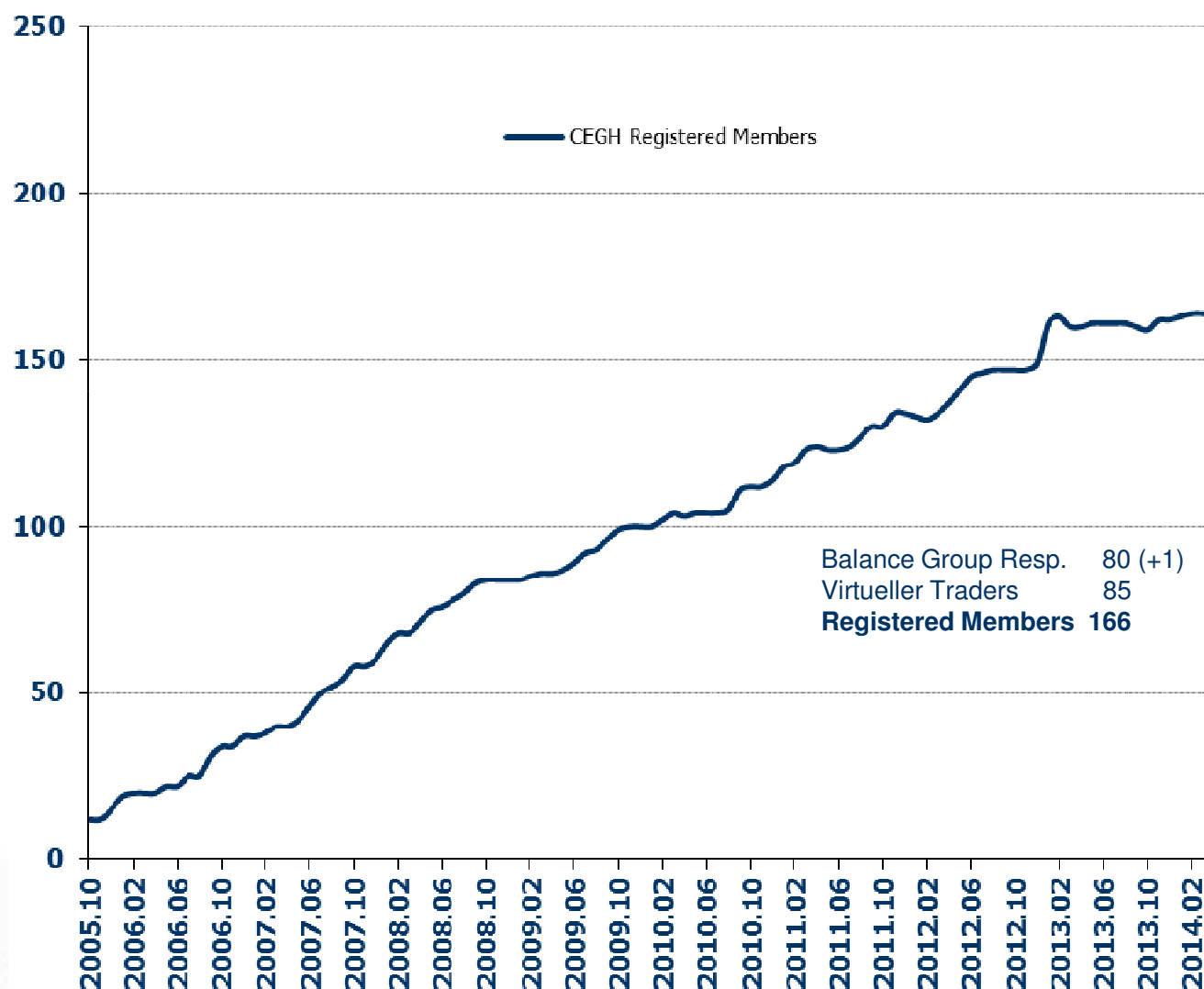
CEGH - The gateway from East to West within Europe's hub landscape



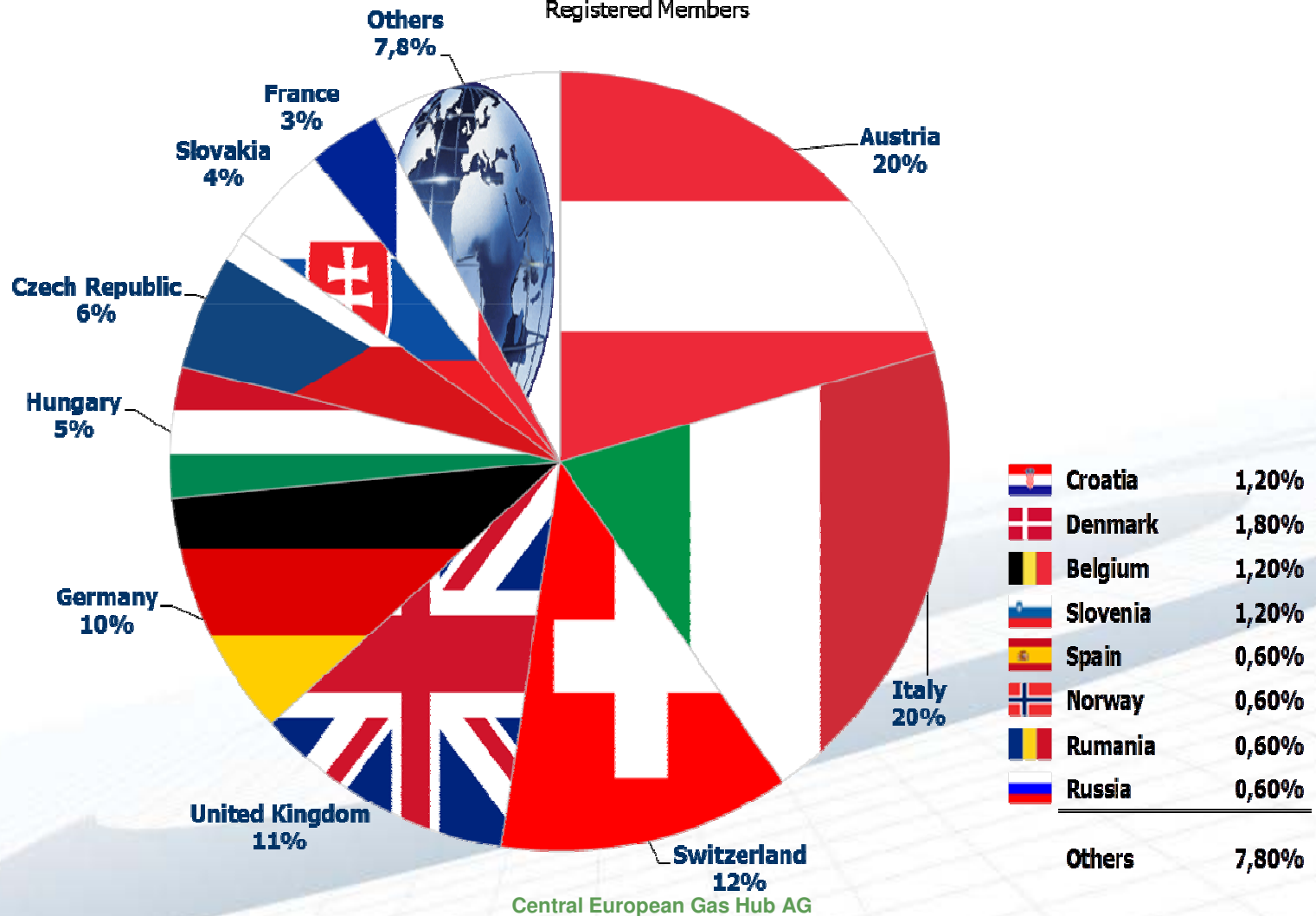
CEGH:

- **Strategic location**
- **Gas transit routes**
- **Storage facilities**

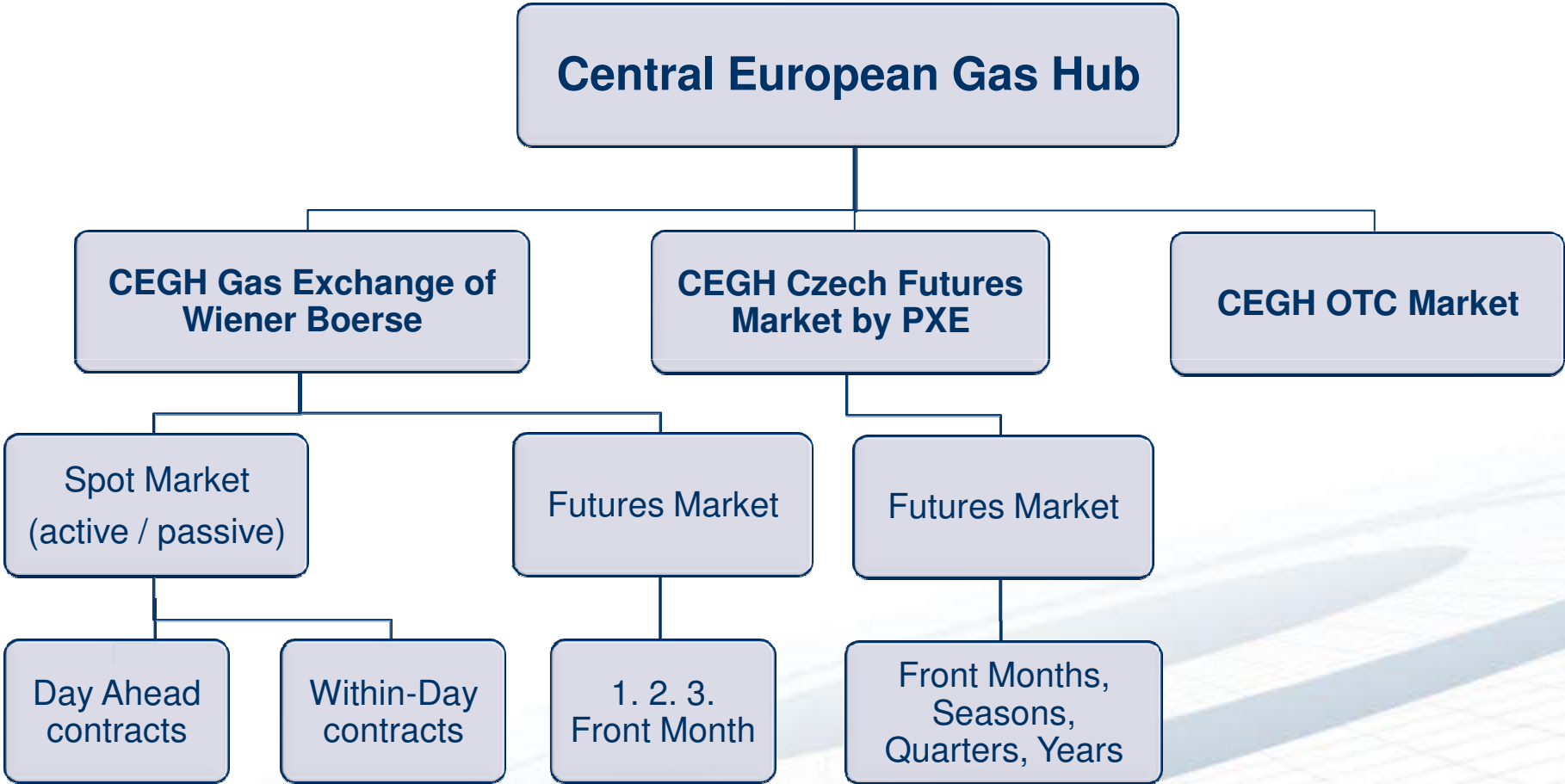
OTC Trading: Number of Registered Members



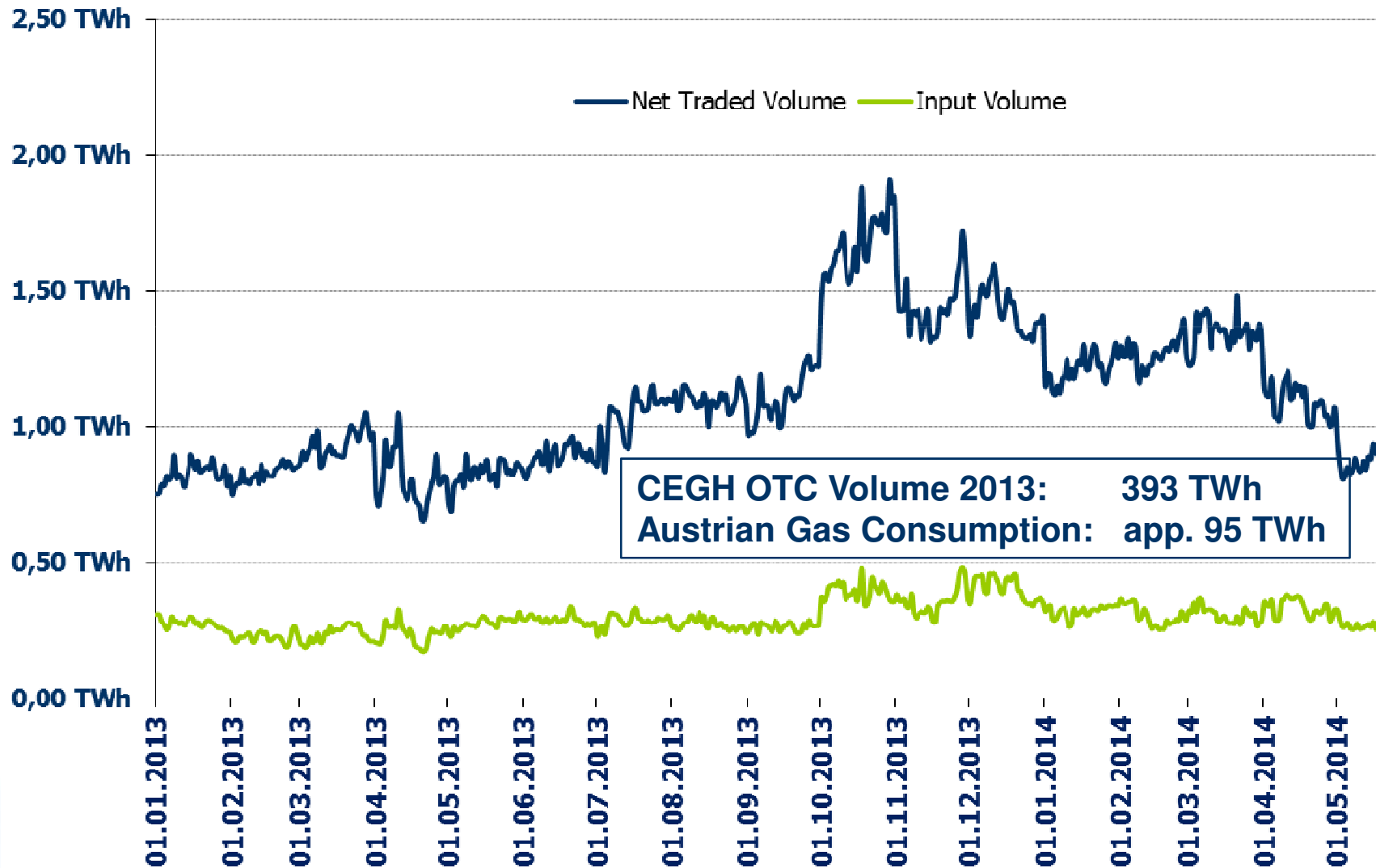
OTC Trading: Registered Members by Country



CEGH Markets



OTC Trading: Daily Trading Volume since Jan 2013



Gas Exchange: Monthly Trading Volume since Dec 2009



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3,2

Trading volume single counzed

2,8

■ Day ahead & Weekend

■ Within day

■ Futures Market

2,4

**Exchange Volumes 2013: 13.2 TWh
+ ~400% vs. 2012**

2,0

TWh

1,6

1,2

0,8

0,4

0,0

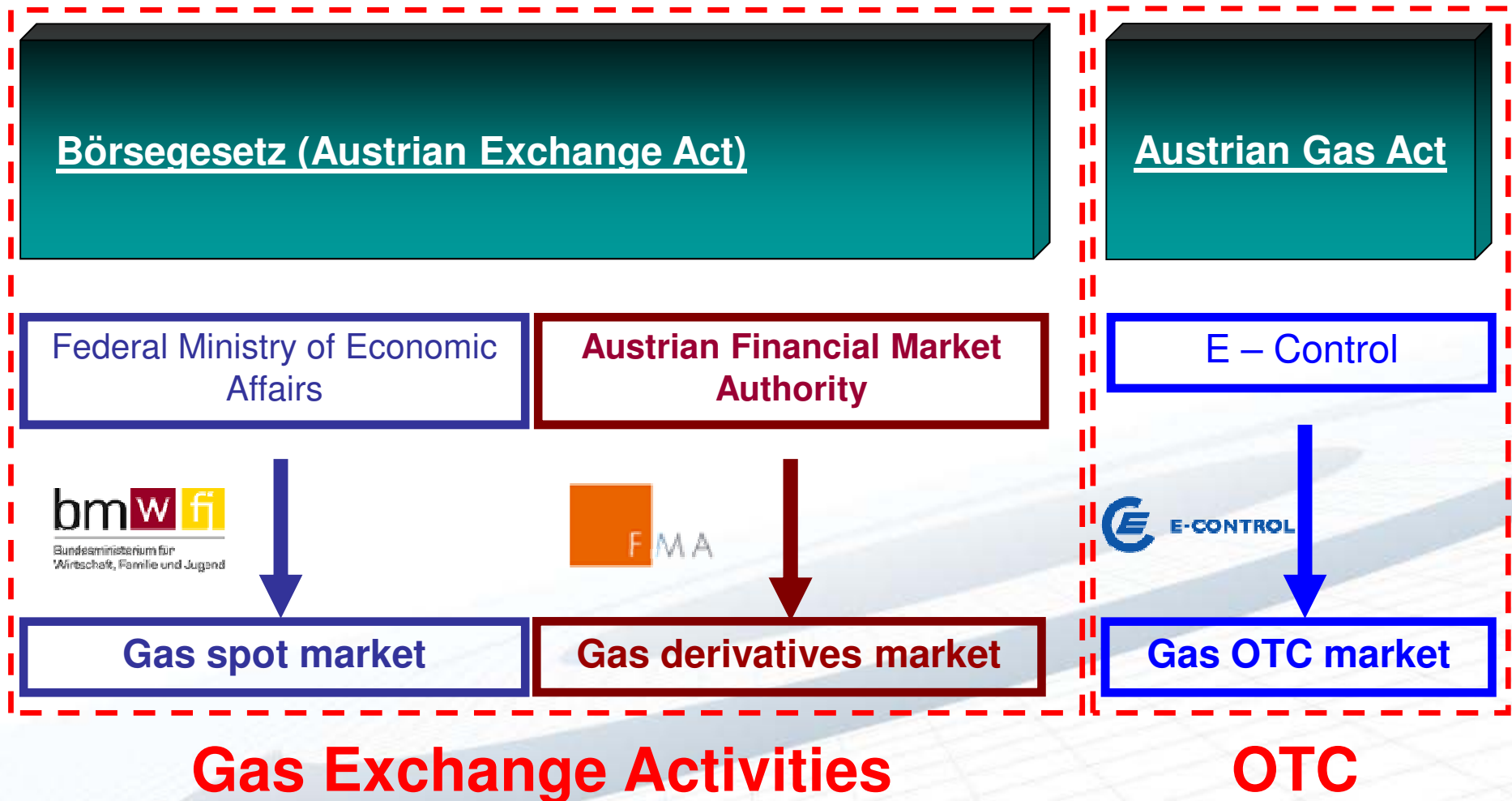
12.2009 04.2010 08.2010 12.2010 04.2011 08.2011 12.2011 04.2012 08.2012 12.2012 04.2013 08.2013 12.2013 04.2014

Launch
Futures Market

Implementation
Trayport GV ETS

Launch
Within-Day Contracts

CEGH: Legal Framework for Virtual Trading Point and Gas Exchange



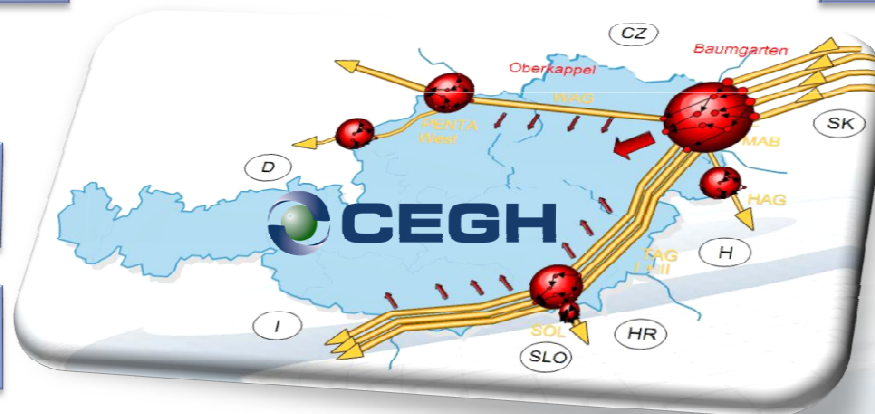
What is a hub?

Infrastructure:
storage,
pipelines

Gas supply:
diversification

Liberalized
gas market

Knowledge



Trust

Hub operator/
exchange (IT)

What is a successful hub?

Goal

- Competitiveness
- Security of supply

Instrument

- Transparent and reliable price signals
- Liquidity

Parameter

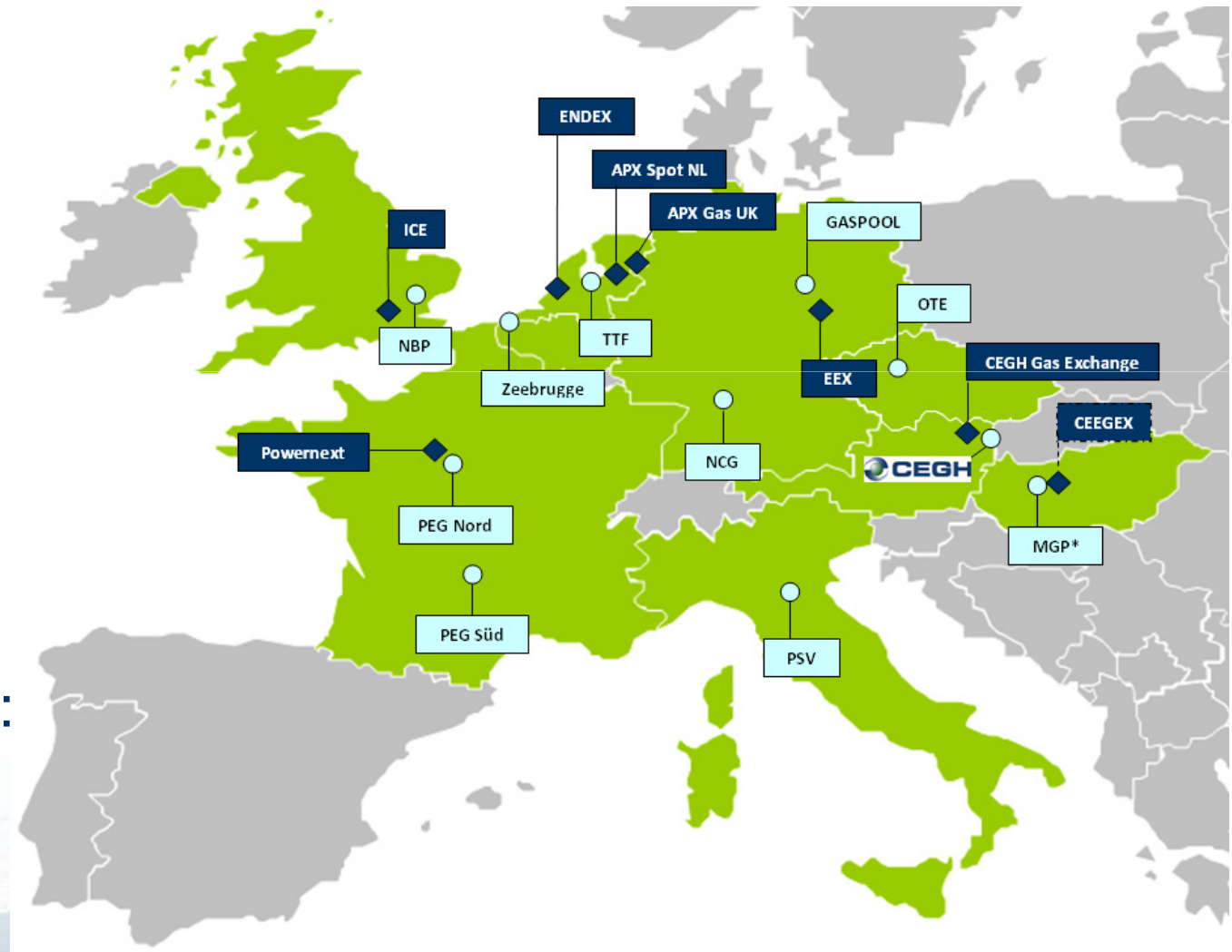
- Customers
- Trade volumes
- Churn rate
- Standardised products, etc.

Important Gas Hubs & Gas Exchanges in Continental Europe



- Gas hubs:
 - CEGH
 - CEEGEX
 - Gaspool
 - NCG
 - PEG
 - PSV
 - TTF
 - Zeebrugge

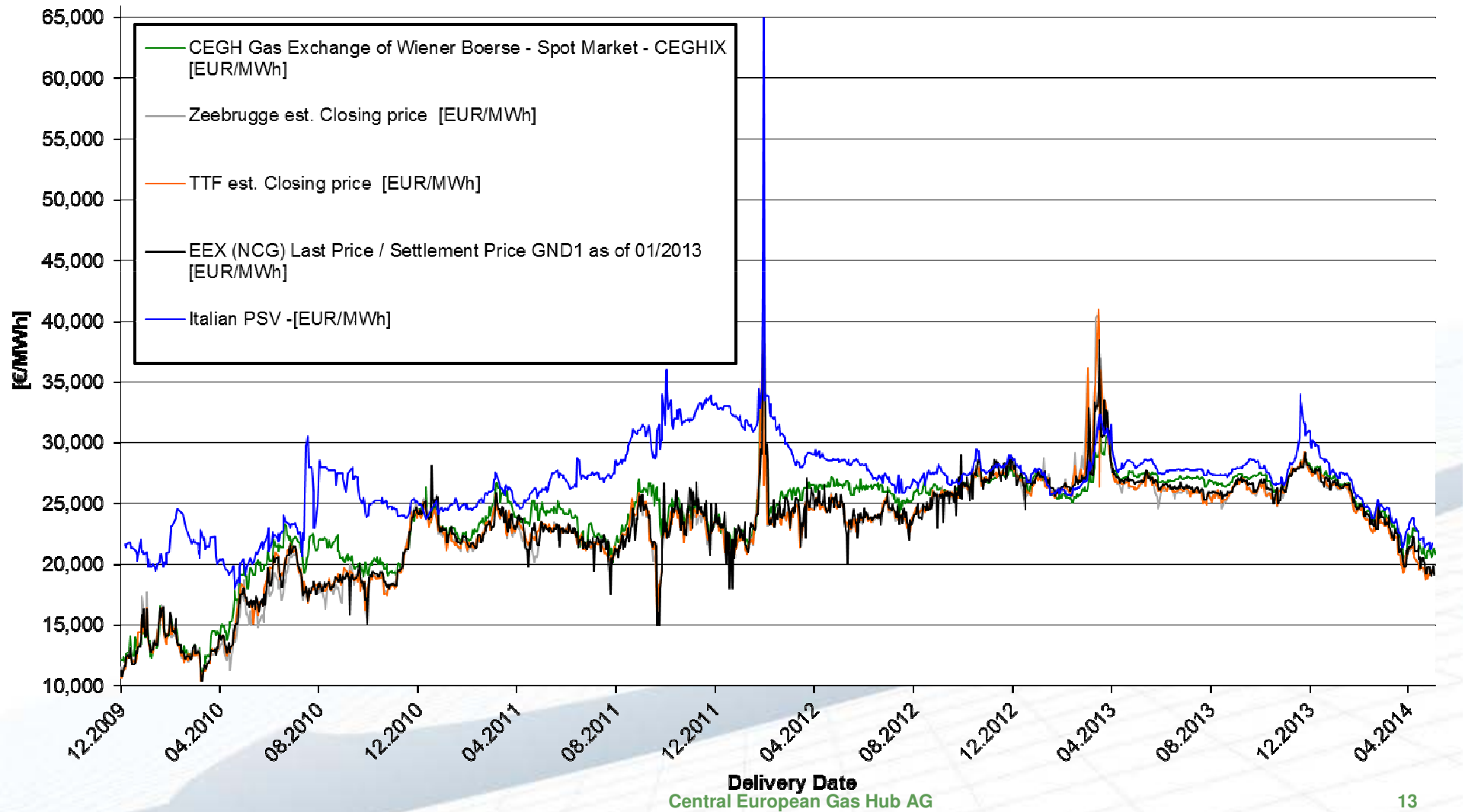
- ◆ Gas Exchanges:
 - CEGH
 - EEX
 - APX-ENDEX
 - Powernext



Relation between CEGH, Huberator, NCG, TTF and PSV



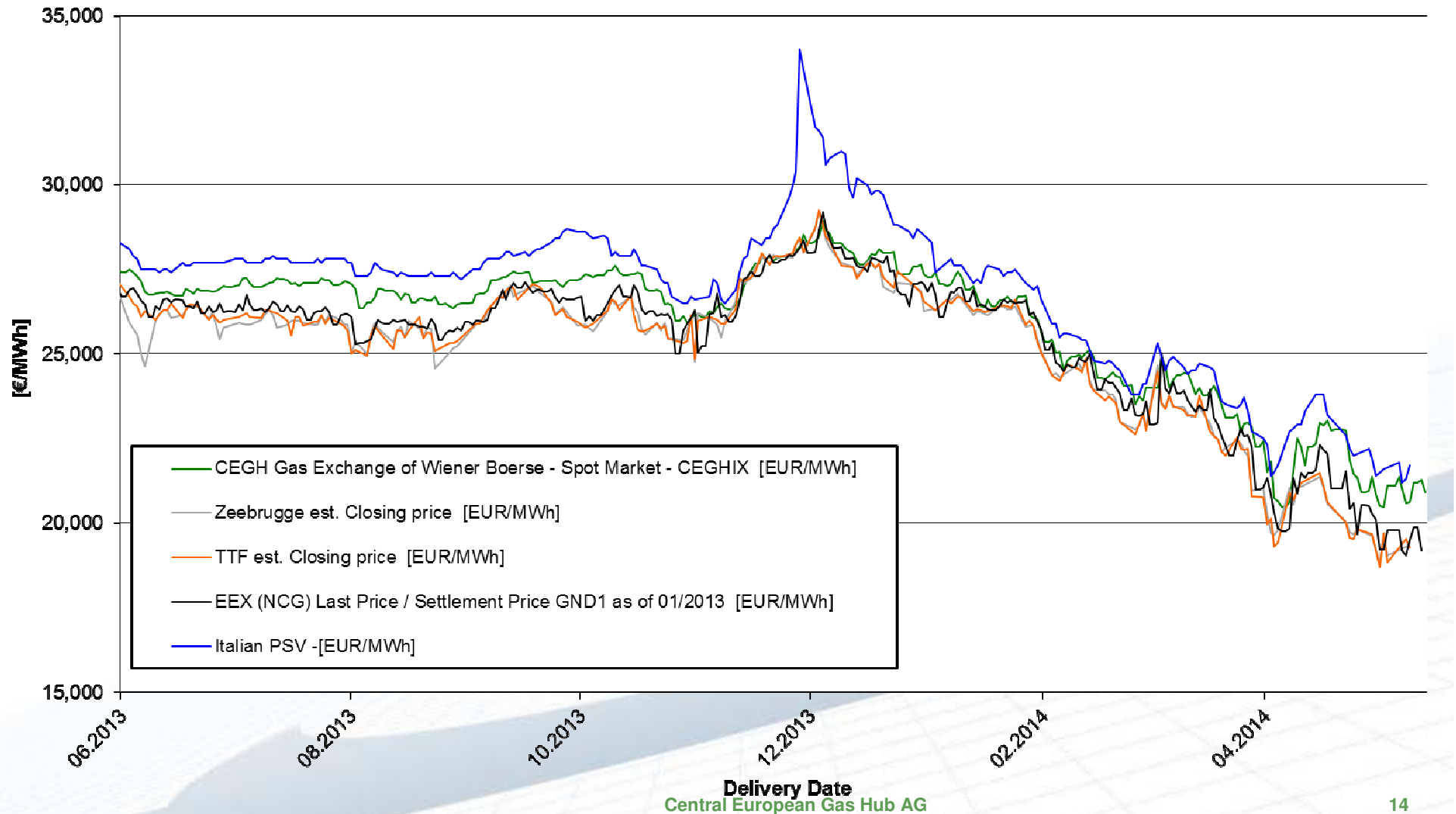
Benchmark (Day Ahead Spot Market)



Relation between CEGH, Huberator, NCG, TTF and PSV



Benchmark (Day Ahead Spot Market)



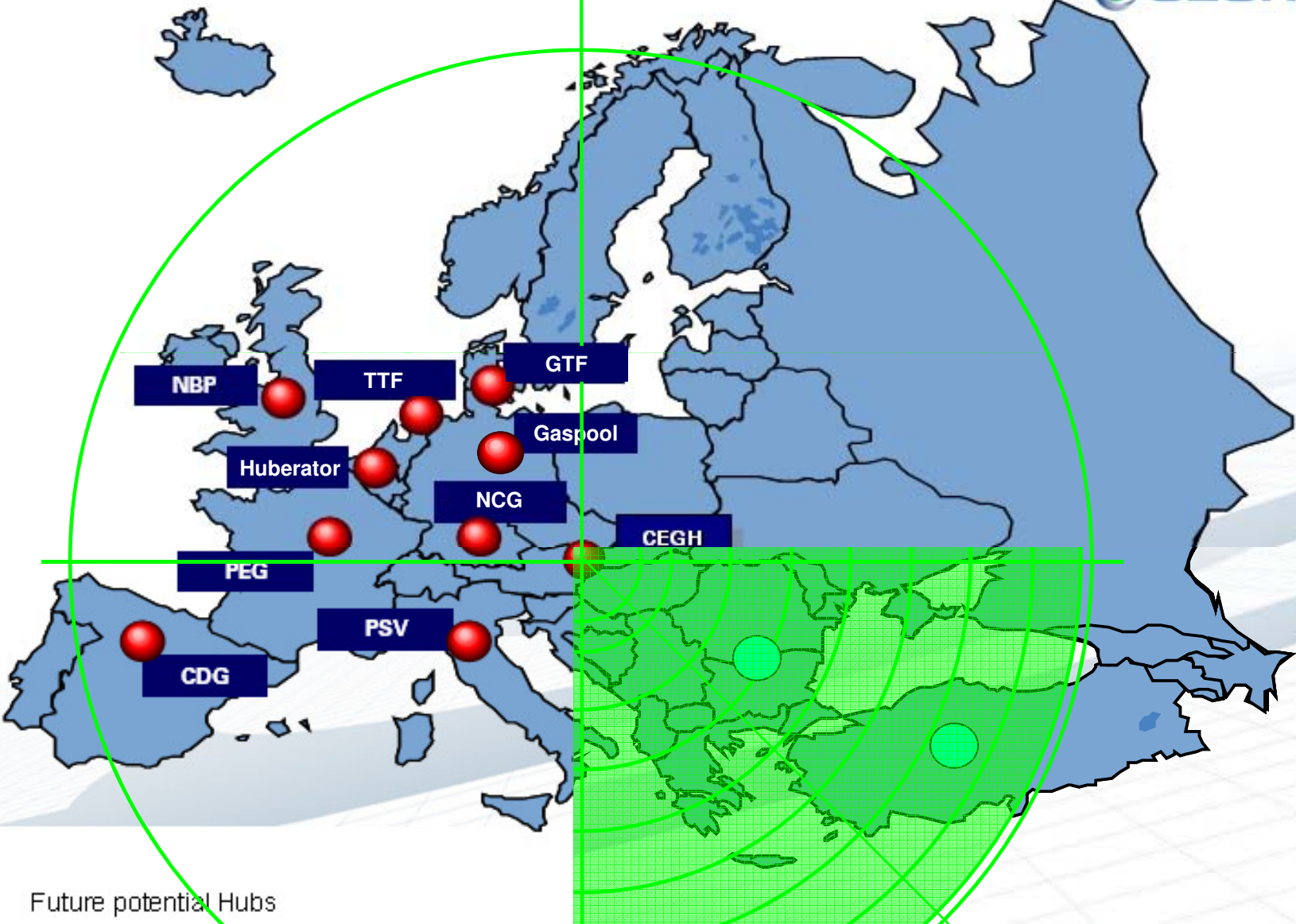
Update Process on European Gas Target Model

European Regional Gas Markets



- Review of European Gas Target Model:
Wider regional markets to have more benefits for a bigger group of consumers
- After Nabucco – more interconnections needed
- European Union funds dedicated to connect CEE markets also with CEGH

HUB landscape in Europe



● Future potential Hubs

Planned important Gas Transit Pipelines



Thank you very much
for your attention



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