

Target Model European Gas Market – IFIEC View

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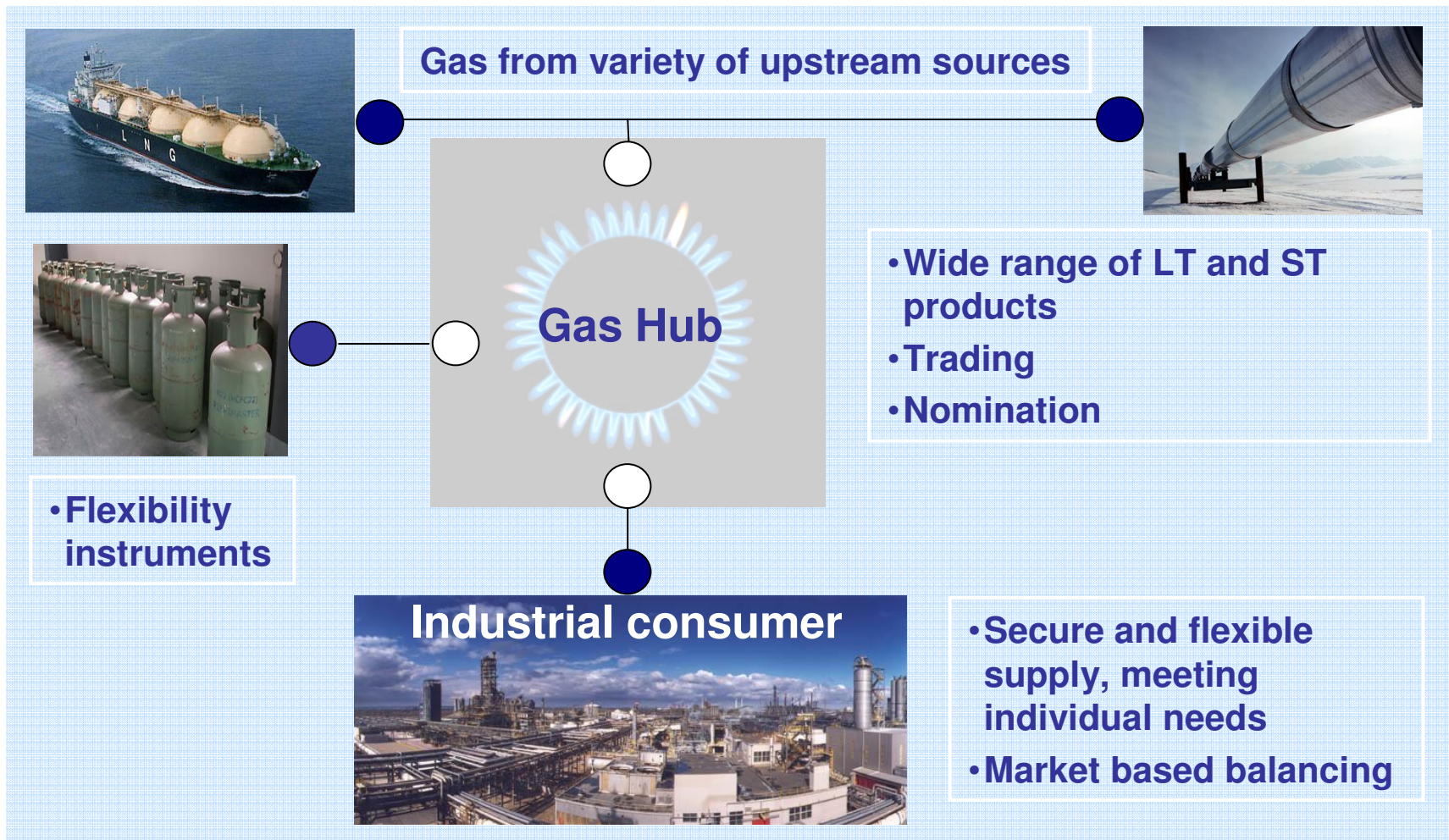
President IFIEC Europe

Objectives

- Competitively priced gas for the European industry
- Secure, accessible, efficient and fairly priced gas infrastructures, incl. grids, UGS, LNG terminals
- Tailor made sourcing opportunities meeting the needs of individual industrial gas consumers

Target model

○ Virtual entry/exit ● Physical entry/exit



Target model

- Consumer is linked to gas supply via entry-exit system, by:
 - Physical entry upstream: capacity goes with the customer (if capacity is earmarked), or through auctions, with strict UIOLI
 - Physical exit downstream: capacity goes with the customer
 - Virtual entry and exit midstream
- Consumer has access to liquid trading hub, in order to:
 - Source gas
 - Source flexibility
 - Enjoy price transparency
- Gas sourcing includes:
 - Full supply vs portfolio approach
 - Long-term vs short term products
 - Acceptable and predictable gas quality
- Consumer is exposed to market based balancing regime, which:
 - Puts all available system flexibility at disposal of all network users for free (line pack)
 - Excludes penalties which are not justified by underlying costs
 - Provides all necessary information on portfolio as well as system balance

Thank you for your attention,

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