

## Energy Community Secretariat supports trans-regional cooperation on development of integrated SEEGAS market

On 21 July 2021, a Memorandum of Understanding about trans-regional cooperation on the development of an integrated South-Eastern and Eastern European gas (SEEGAS) market was signed by the Energy Community Secretariat, energy exchanges and trading service providers BRM, UEEX, TGE, CEEGEX and ECG and transmission system operators Moldovatransgaz, GTSOU, FGSZ and GAZ-SYSTEM. The signatories aim to cooperate on the development of cross-border natural gas trading, e.g. on exchange platforms, and introduce transparent and competitive interregional market-based pricing mechanisms and efficient cross-border gas transmission and interoperability.

The Memorandum specifically aims to create prerequisites for the functioning of a competitive liquid SEEGAS market and to ensure unhindered access to the respective natural gas markets for all market participants and service providers on a non-discriminatory basis and equal terms in accordance with the EU acquis. It also aims to facilitate cooperation on the implementation of an effective commodity clearing system for natural gas transactions that is in line with best European practices.



The Director of the Energy Community Secretariat, Janez Kopa, said: "Since its establishment, the Energy Community has supported the integration of its Contracting Parties with the EU energy markets, which for Ukraine and Moldova is now gradually becoming a reality. The signature of the SEEGAS Memorandum of Understanding is a joint effort of core movers in the region towards further integration of exchange traded markets for natural gas."

Gottfried Steiner, CEO of the Austrian Central Eastern Gas Hub (CEGH) and signing representative for EEX CEGH Gas Exchange Service GmbH (ECG), said: "I very much appreciate this initiative and I am sure, it will contribute to the future development of gas trading in the region."

Gabriel Purice, CEO of the Romanian energy exchange BRM, said: "I have always believed that the countries in the region need to know each other better and to cooperate to solve their problems. This is exactly what the SEEGAS project aims to do, which is why BRM has joined the first proposal with confidence. We are positive that in a short time, solutions will be developed to facilitate cross-border gas flows and to create a functional regional market."

Piotr Ku, Deputy Director of Gas Market Development Division of Polish gas TSO GAZ-SYSTEM, said: "We are very positive about the perspectives of cooperation with our partners in the region and Energy Community under the SEEGAS initiative. We are convinced that it may enhance the regional gas markets functioning, contributing to increased liquidity as well as cross-border trading."

Chairman of the Exchange Committee of the Ukrainian Energy Exchange (UEEX), Oleksii Dubovskiy, mentioned: "Within the framework of SEEGAS, we have received a great opportunity to not only significantly improve our mechanisms and eliminate bottlenecks that prevented the development of cross-border trade in the region and within each country, in particular, but also to unify them in accordance with EU standards."

Sergiy Makogon, Chief Executive Officer of LLC Gas TSO of Ukraine, said: "I very much value this initiative, and I believe it will incite market integration and support gas trading development in the region."

Ákos Rétfalvi, Trading and Business Services Director of the Hungarian gas TSO FGSZ, declared that "the joint cooperation and the mutual effort of the involved parties is a promising gesture from the point of a future partnership. FGSZ is looking forward to participate in the initiative with other TSOs as well as trading service providers."

Robert Szoke, Head of Operations and Surveillance at the Hungarian Central Eastern European Gas Exchange (CEEGEX), stated that "With the growing impact of Southeast and East Europe on the world's natural gas trade, the SEEGAS initiative can bring a new concept to the region, as well as a great platform to develop price signals, transparency and liquidity."

Iurie Dolghier, Director of "Moldovatransgaz" SRL, said: "The SEEGAS initiative is very much welcomed and appreciated as a beneficial cooperation platform of the region, especially in the context of the ongoing gas market reforms in the Republic of Moldova."

According to Piotr Zawistowski, President of the Management Board of the Polish energy exchange TGE: "The SEEGAS project initiated by the Energy Community responds to the current needs as regards the further development and integration of gas markets in the region. It creates a good platform for sharing knowledge and experience between exchanges and TSOs operating in the individual national markets. I am confident that this will lead to the creation of solutions supporting cross-border gas trade in our region."

The signing of the Memorandum will be followed by the first SEEGAS Joint-Steering Committee Meeting between the partners, which will take place at least once every three months. The Memorandum is open to any exchange or transmission system operator active in the SEEGAS region wishing to join the initiative at a later stage.

*GAZ-SYSTEM is a strategic company for the Polish economy. It is responsible for the transmission of natural gas, manages the most important gas pipelines in Poland and owns the President Lech Kaczyński LNG Terminal in winouj cie.*

*As part of the 2015-2025 investment programme, GAZ-SYSTEM is constructing over 2000 km of new gas pipelines in the western, southern and eastern parts of Poland. Over a dozen new gas pipelines are under construction within the North-South Gas Corridor and the compressor station in K dzierzyn Ko*

le, as well as interconnections with Lithuania and Slovakia. Onshore gas pipelines are planned to connect the planned FSRU floating terminal in the Gulf of Gdansk with the national transmission system. The LNG Terminal in winouj cie is also being extended, as a result of which the regasification capacity of this facility will be increased by more than a half.

The company is also implementing one of the most important infrastructural projects in the country - the Baltic Pipe project which consists in the construction of a two-way offshore gas pipeline connecting Poland and Denmark, expansion of the local transmission network and three gas compressor stations.

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