

Baltic Gas Market: Prices and Projects

BALTIC ENERGY FORUM 2017
Saulius Bilys, CEO, AB Amber Grid
23-11-2017, Vilnius

Regional Gas Market for Baltics and Finland



Competitive regional gas market

- Single market zone
- Single balancing zone
- Single virtual trading point
- United tariff regime and inter-TSO compensation
- Market area manager – one stop shop

Well interconnected Baltic gas market and developed gas infrastructure

- Klaipeda LNG terminal
- Gas Interconnection Poland-Lithuania (GIPL)
- Balticconnector
- Enhancement of intra-Baltic interconnections
- Incukalns Underground Gas Storage
- Small-scale LNG

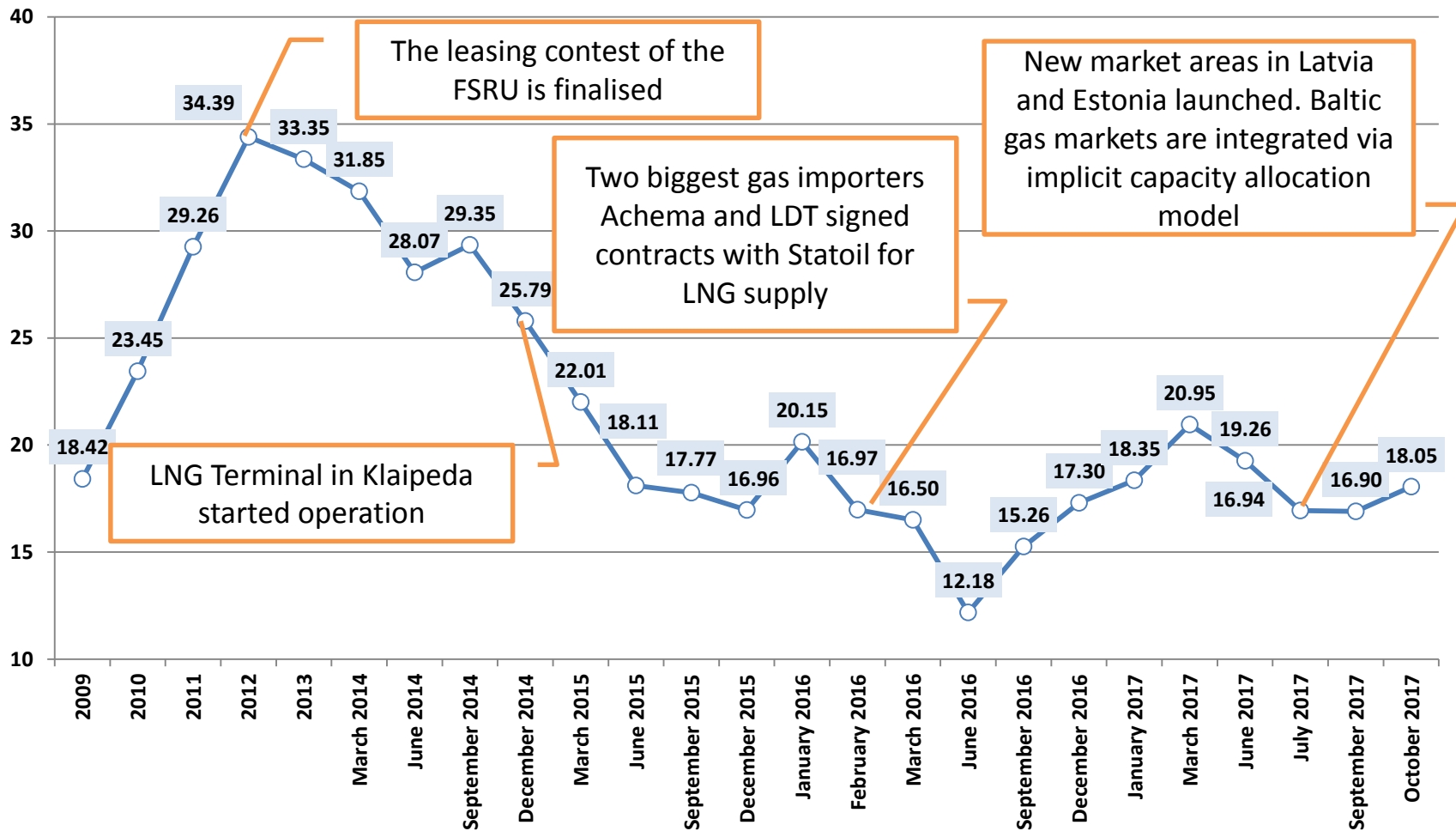
The main regional infrastructure projects

Balticconnector (In progress)	2019
Enhancement of Estonia-Latvia interconnection (reverse flow) (In progress)	2019
Enhancement of Latvia-Lithuania interconnection (Planned)	2021
Capacity enhancement of Klaipėda-Kiemėnai pipeline in Lithuania (KKP) (Completed)	2015
Klaipeda LNG terminal (Completed)	2014
The gas pipelines Jurbarkas-Klaipėda (Completed)	2013
Gas Interconnection Poland-Lithuania (GIPL) (In progress)	2021



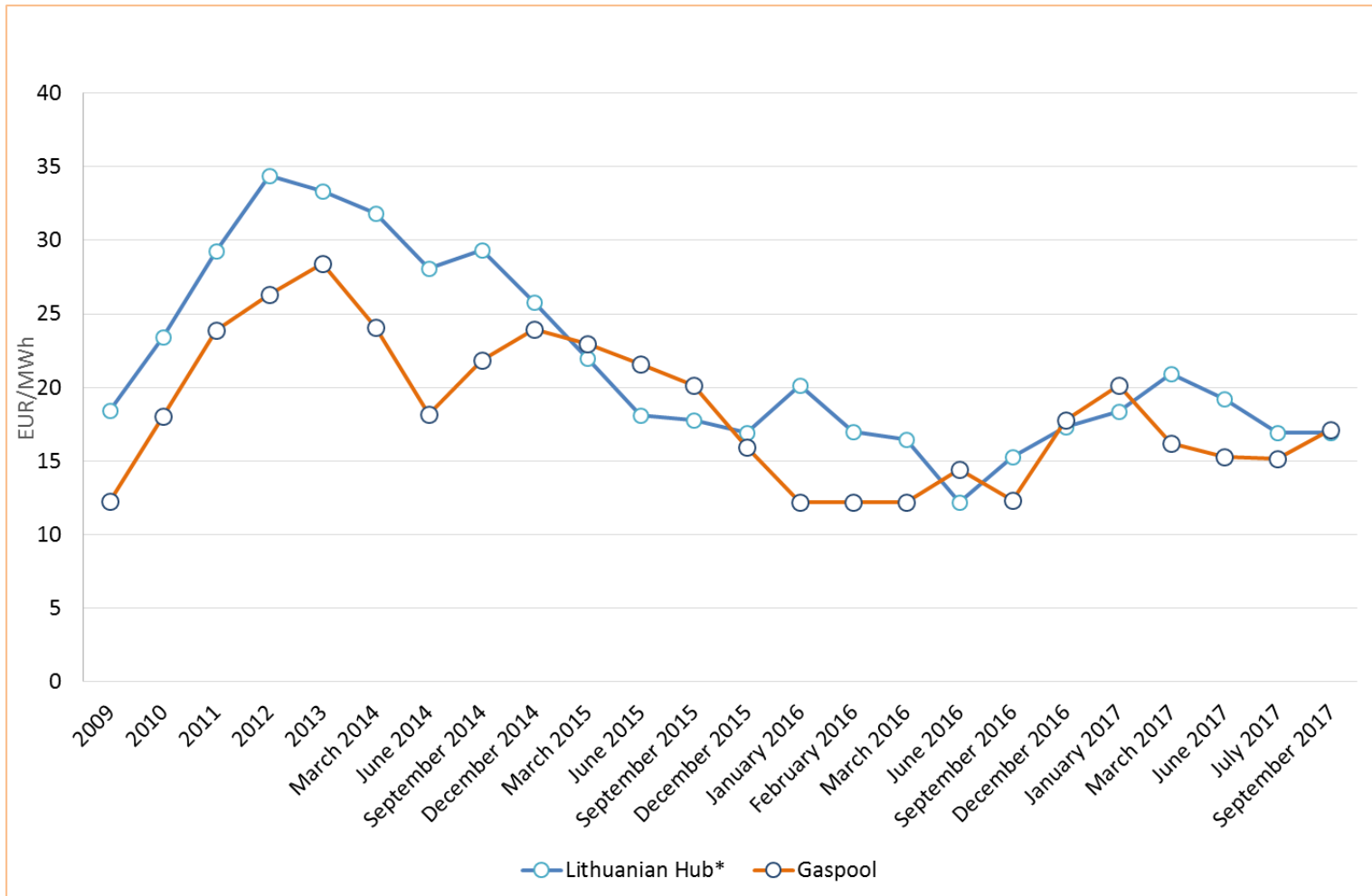
Commodity prices influenced by both global development and impact of infrastructure (I)

Average gas price in Lithuania (EUR/MWh)



Source: Lithuania's NRA (2009-2013), GET Baltic (2014-2017)

Commodity prices influenced by both global development and impact of infrastructure (II)



*In case of Lithuania's prices, gas import prices are based on NRA's data for the period (2009–2013) and GET Baltic (2014–2017)

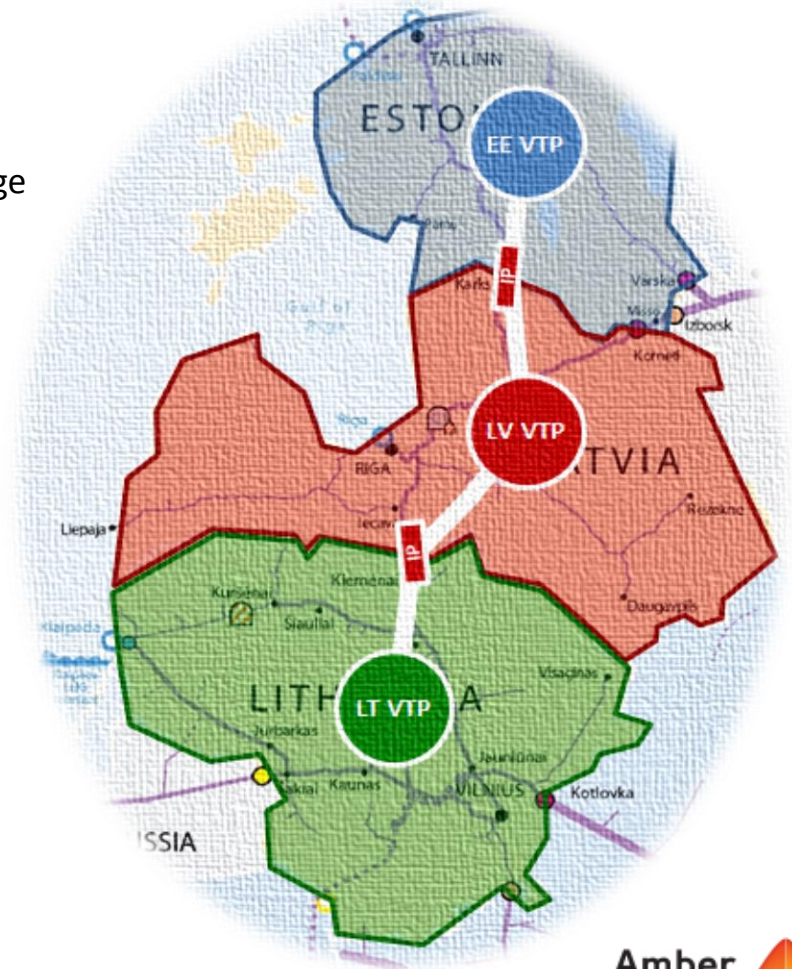
Trading on Gas Exchange & Implicit capacity allocation

Benefit from trading at GET Baltic:

- » Access to all three Baltic gas markets
- » Markets are integrated via ICA model on the exchange
- » Standardized trading and settlement processes
- » One rulebook and single admission process
- » Improved time-to-market for gas products
- » Market reflective prices

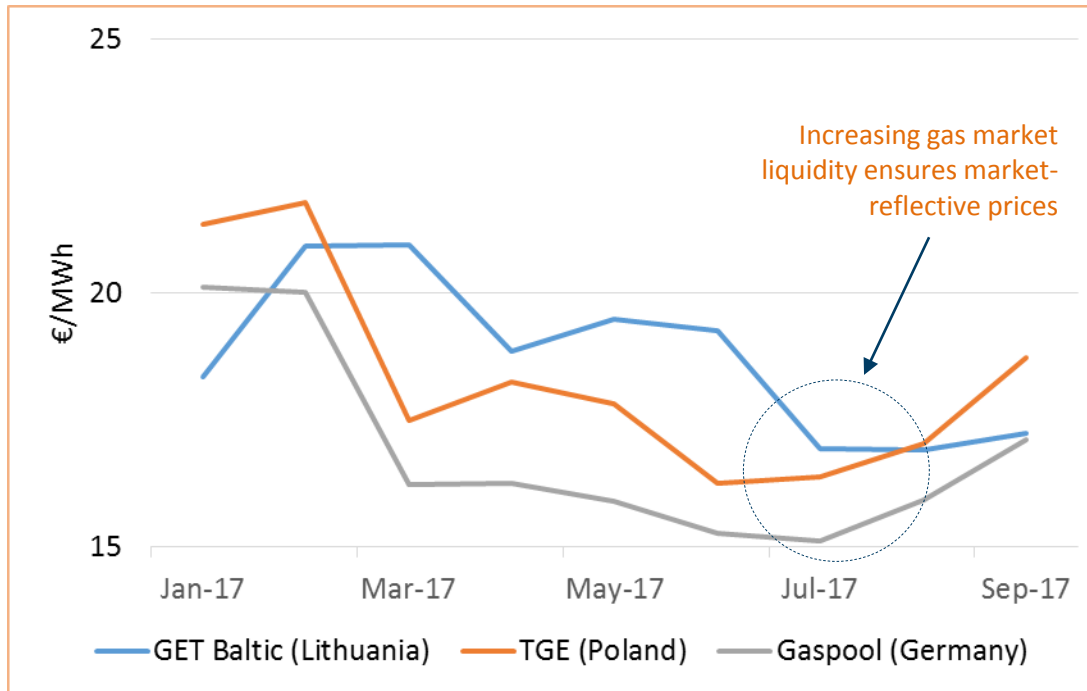
Implicit capacity allocation (ICA):

- During trading session both day-ahead transmission capacity and natural gas are automatically allocated at the same time on the GET Baltic gas exchange
- Increased liquidity and competition in the region
- ~10% of all trades on the exchange were traded through ICA mechanism from 1st of July 2017



Interim Baltic Gas Market Integration Measures: Results

Natural Gas Prices, January–September 2017



Increasing liquidity ensures lower spreads and market-reflective prices

Source: GET Baltic, TGE, Gaspool

Growing traders community on the Baltic Gas Exchange



**Thank you for your
attention**

www.ambergrid.it



info@ambergrid.it



+370 5 236 0855