

**Gas Flows in the BBS Region – Current Modes and Expected Reconfiguration. Impact on Markets**

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Region's gas flows

Impact of markets and prices on gas flows

Flows change due to new infrastructure and impact on markets

# Region's gas flows

Cross-border gas flows in the BBS Region in 2016



→ Cross-border gas flow  
● LNG terminal

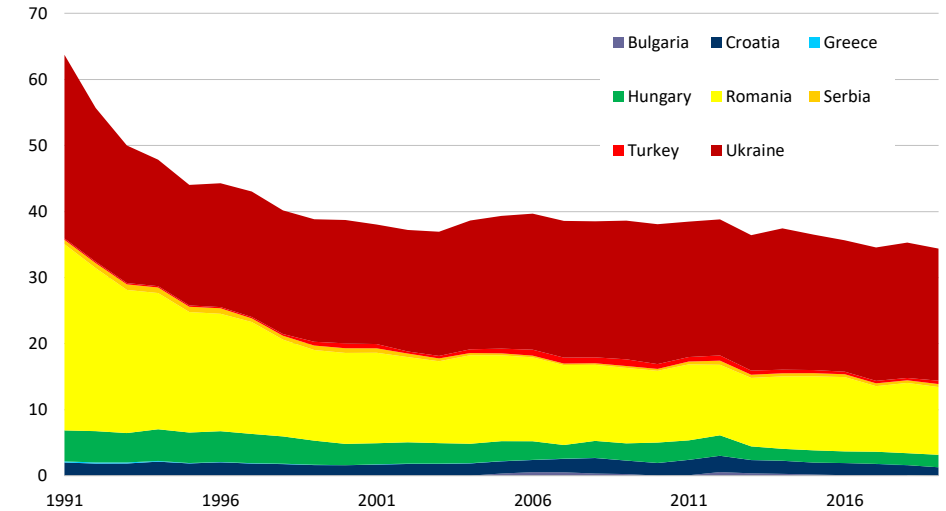
2% regional  
gas  
production  
decline

Cross-border flows:

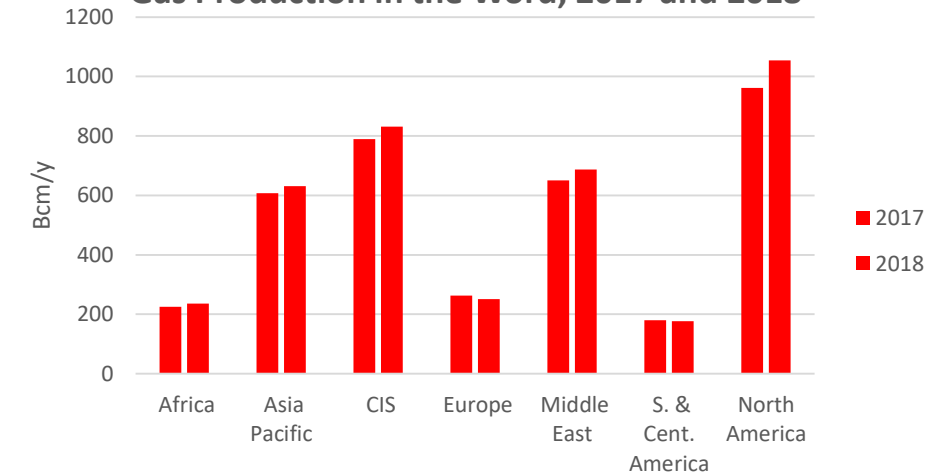
- Import
- Export
- Transit

Source: BBSPA, BP Statistical Review

Gas Production in the Region, Bcm/y

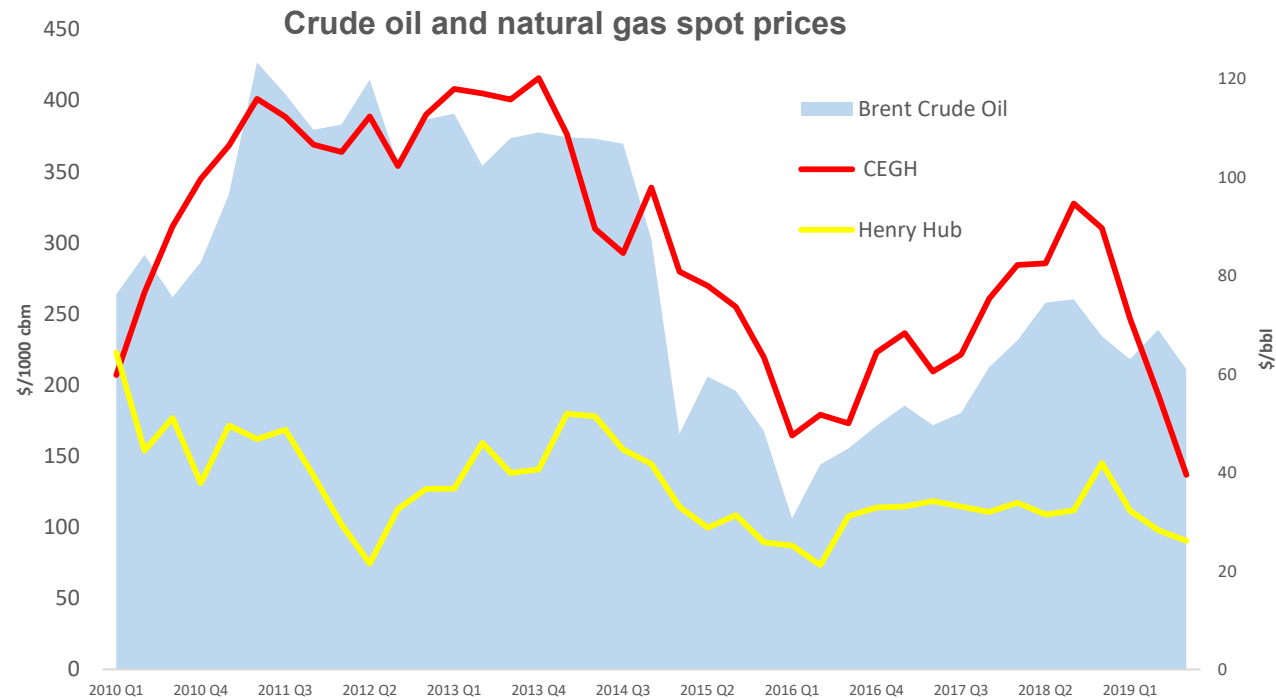


Gas Production in the World, 2017 and 2018



5% global gas  
production growth.  
12% increase in US

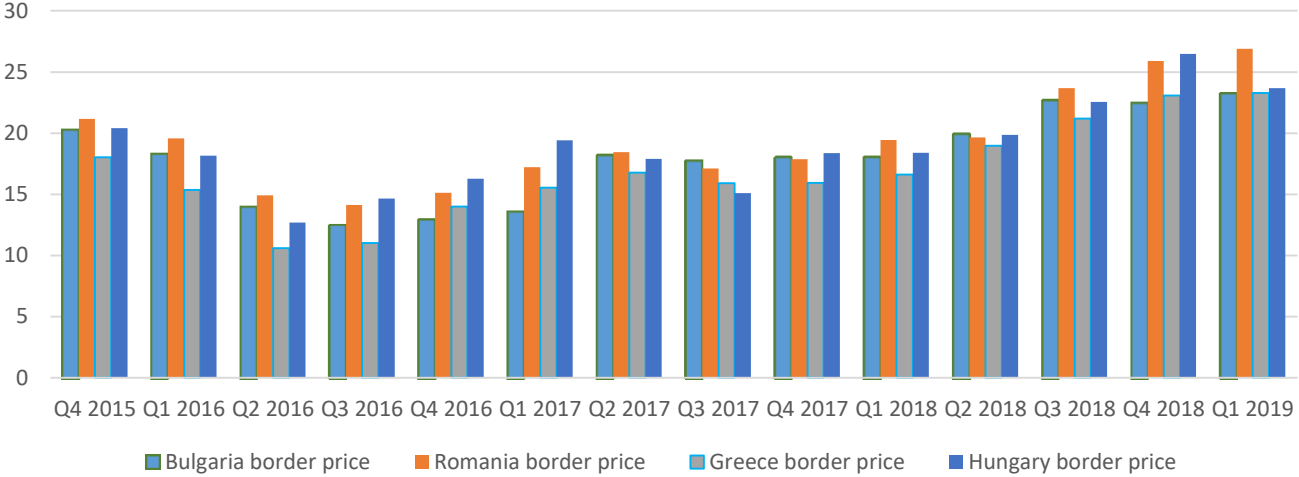
## Impact of markets conditions on gas flows: Gas price



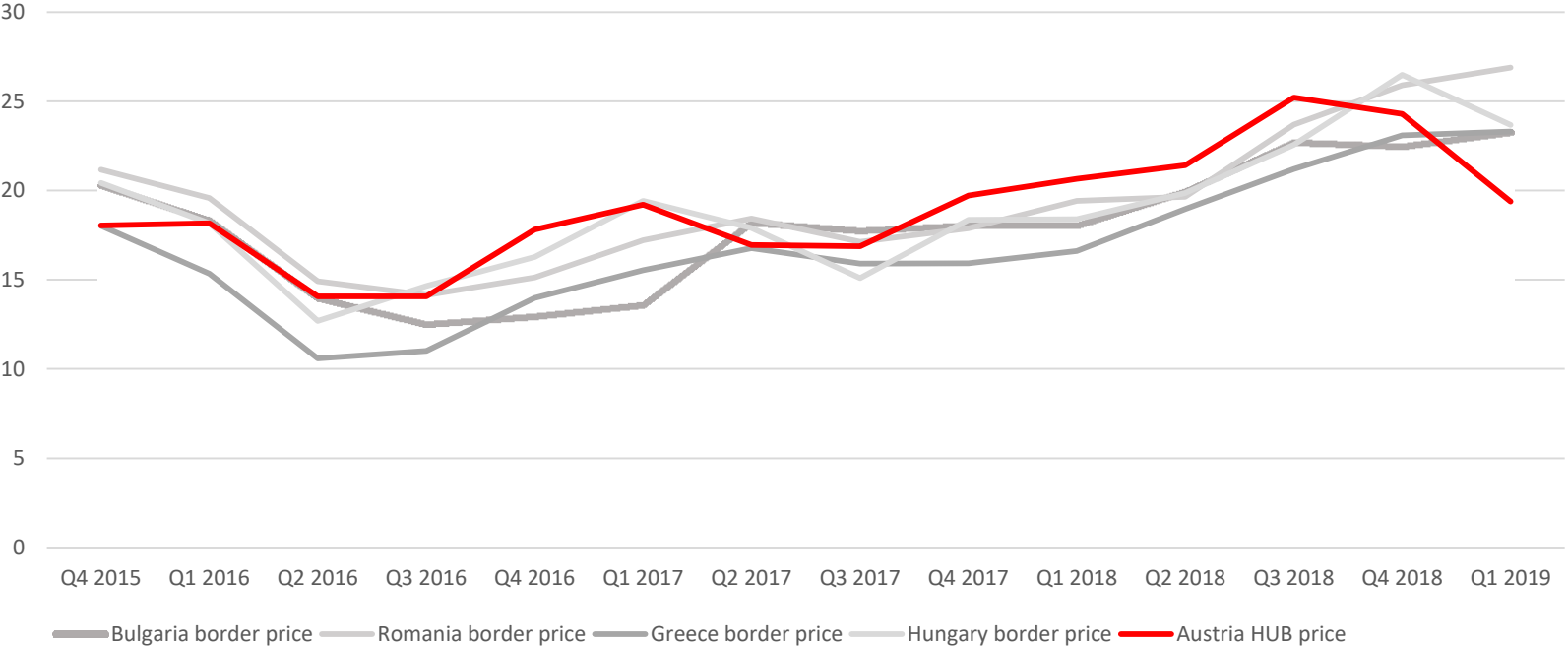
Source: EIA, CEGH

There is a correlation between oil and European hub gas price, but the extent can be different for different periods. Starting from January 2019 European hub gas prices decreased drastically to approach the levels of US Henry Hub price

Gas Border prices, €/MWh

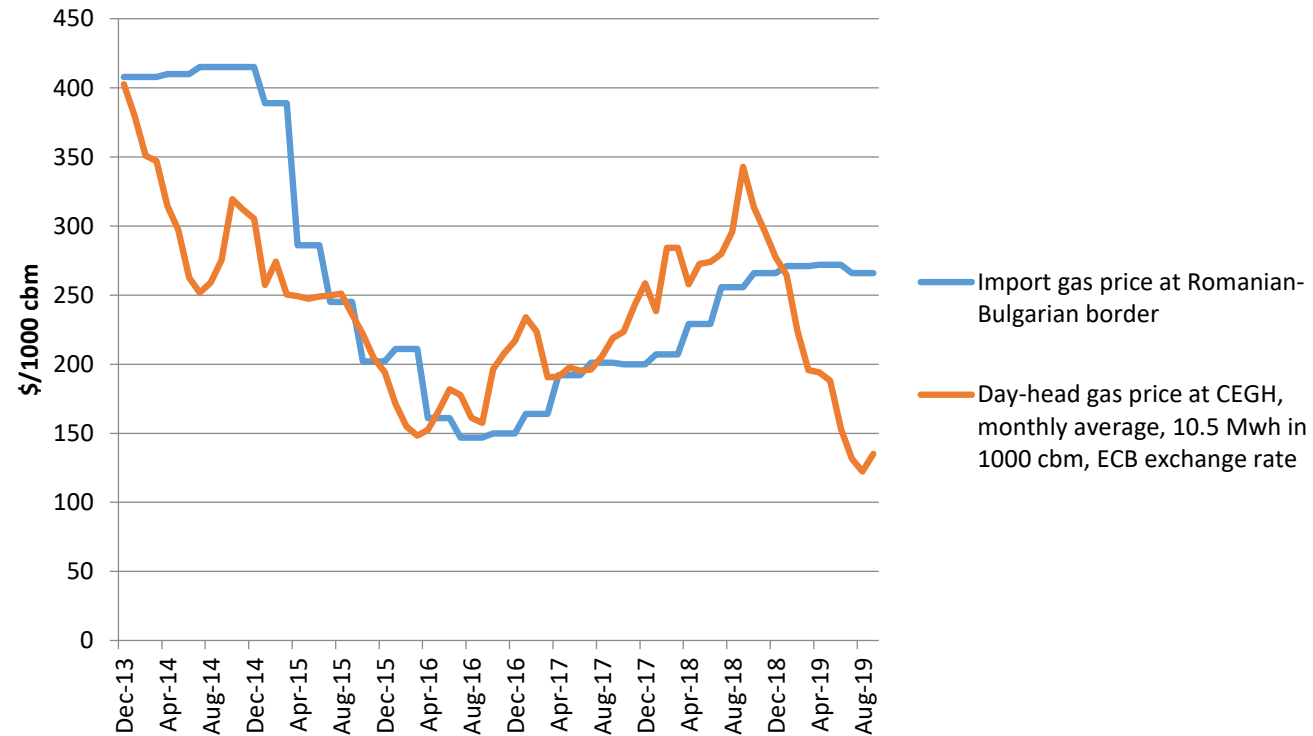


Gas Border and HUB prices, €/MWh



Source: EU

**Bulgarian import gas price and spot price at CEGH,  
\$/1000 cbm;**

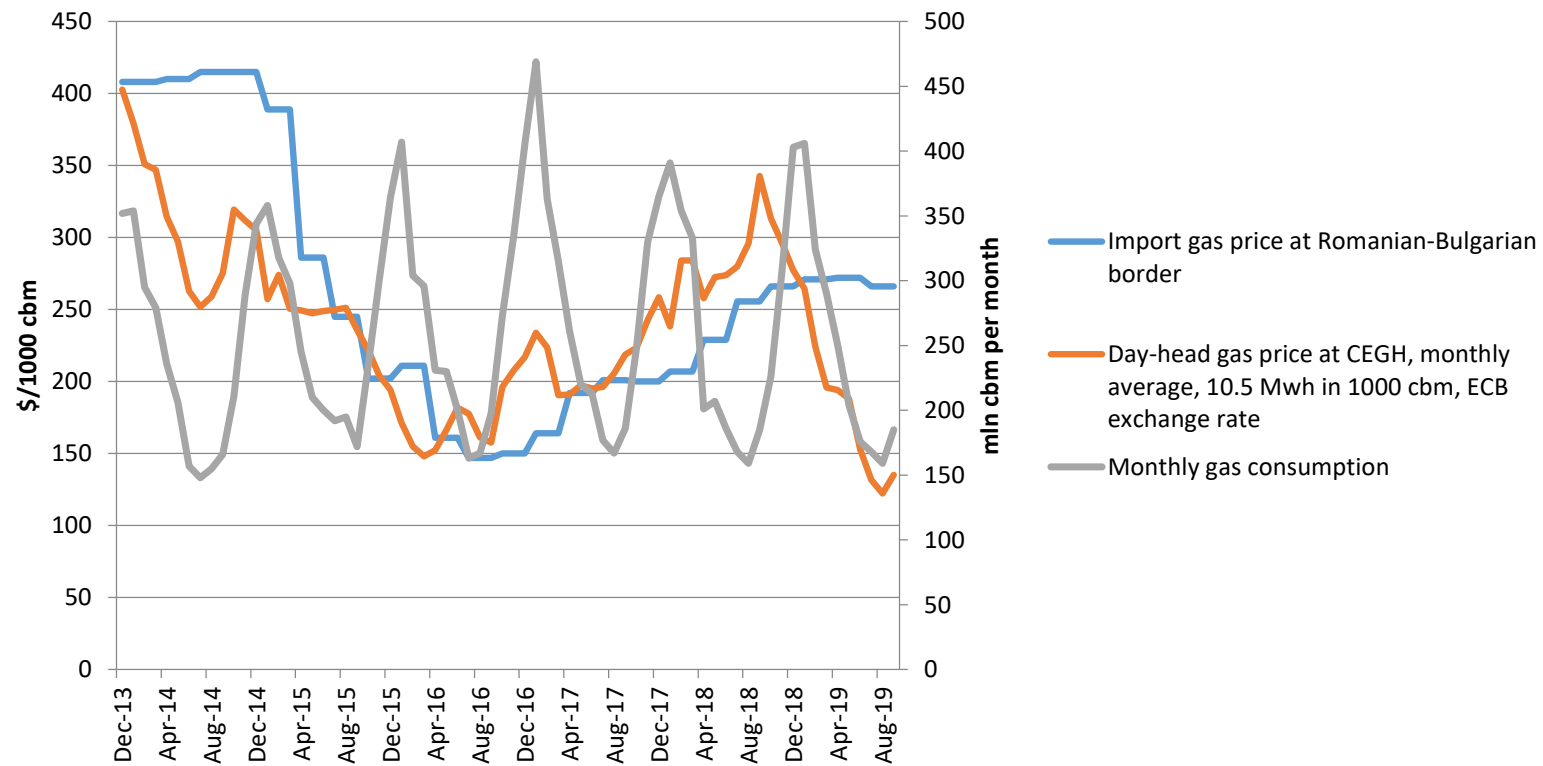


Source: CEGH, BBSPA

CEGH spot gas price is higher or lower than Bulgarian import oil products -linked gas price. The difference when the hub price is lower is bigger than when it is higher.

## Gas Price

**Bulgarian import gas price and spot price at CEGH, \$/1000 cbm; Monthly gas consumption, mln cbm per month**



Source: CEGH, BBSPA, NSI

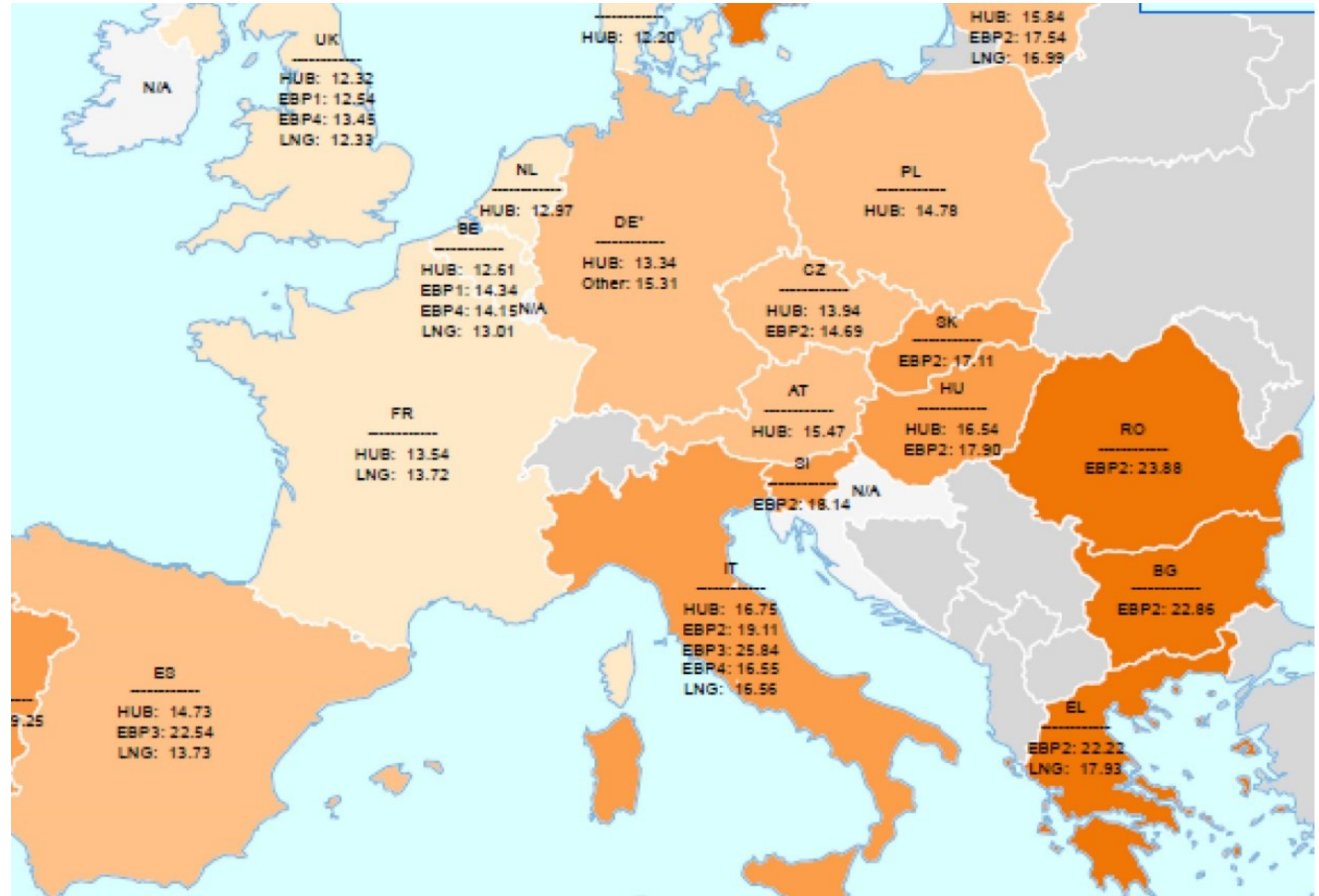
## Gas Price

### Hub and border gas prices in EU for Q2 2019

Hub prices are lower than border prices:

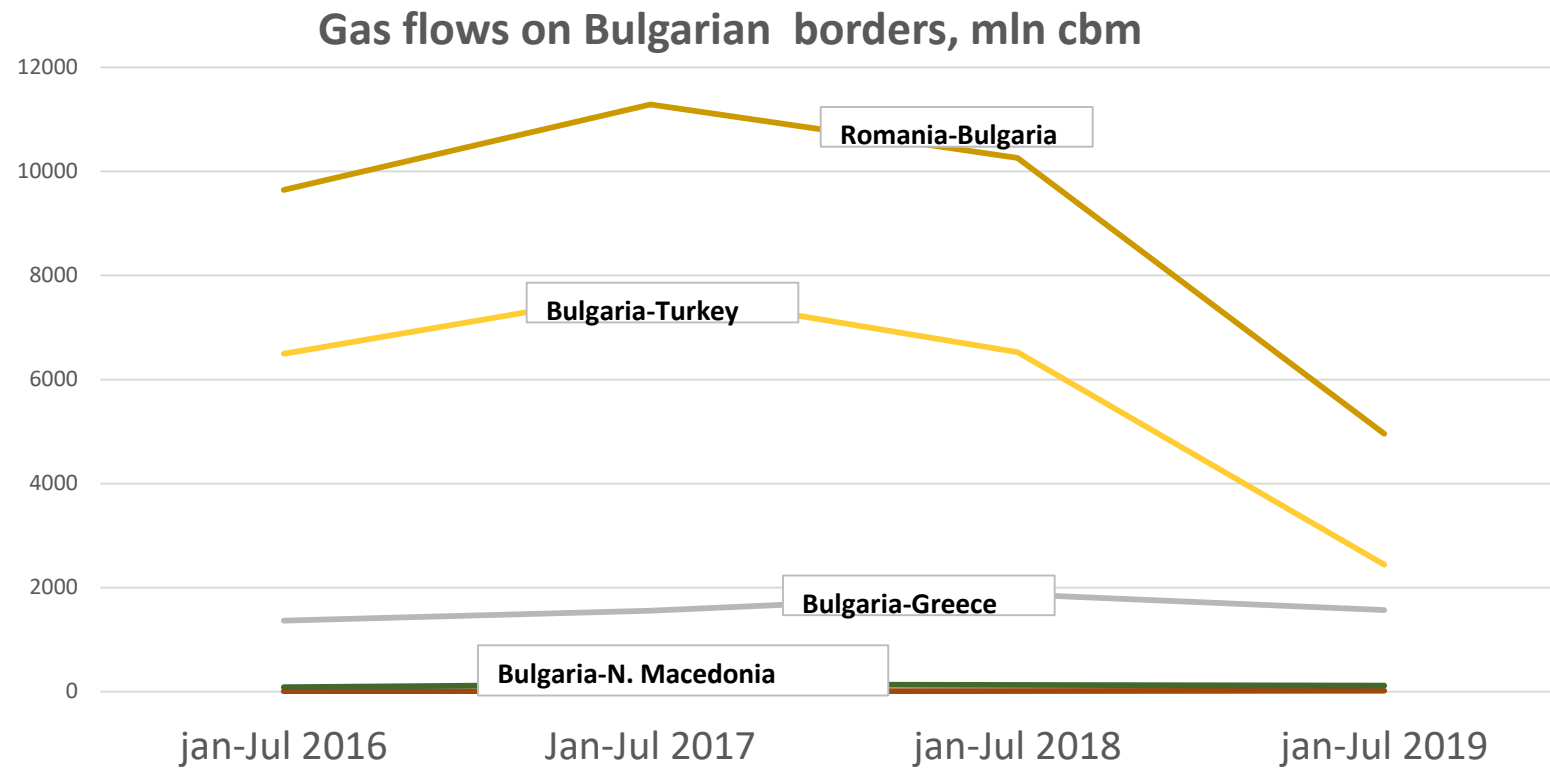
Hungary – by 1.26 EUR/Mwh

Germany – by 1.97 EUR/Mwh



Source: EU

## Gas Flows

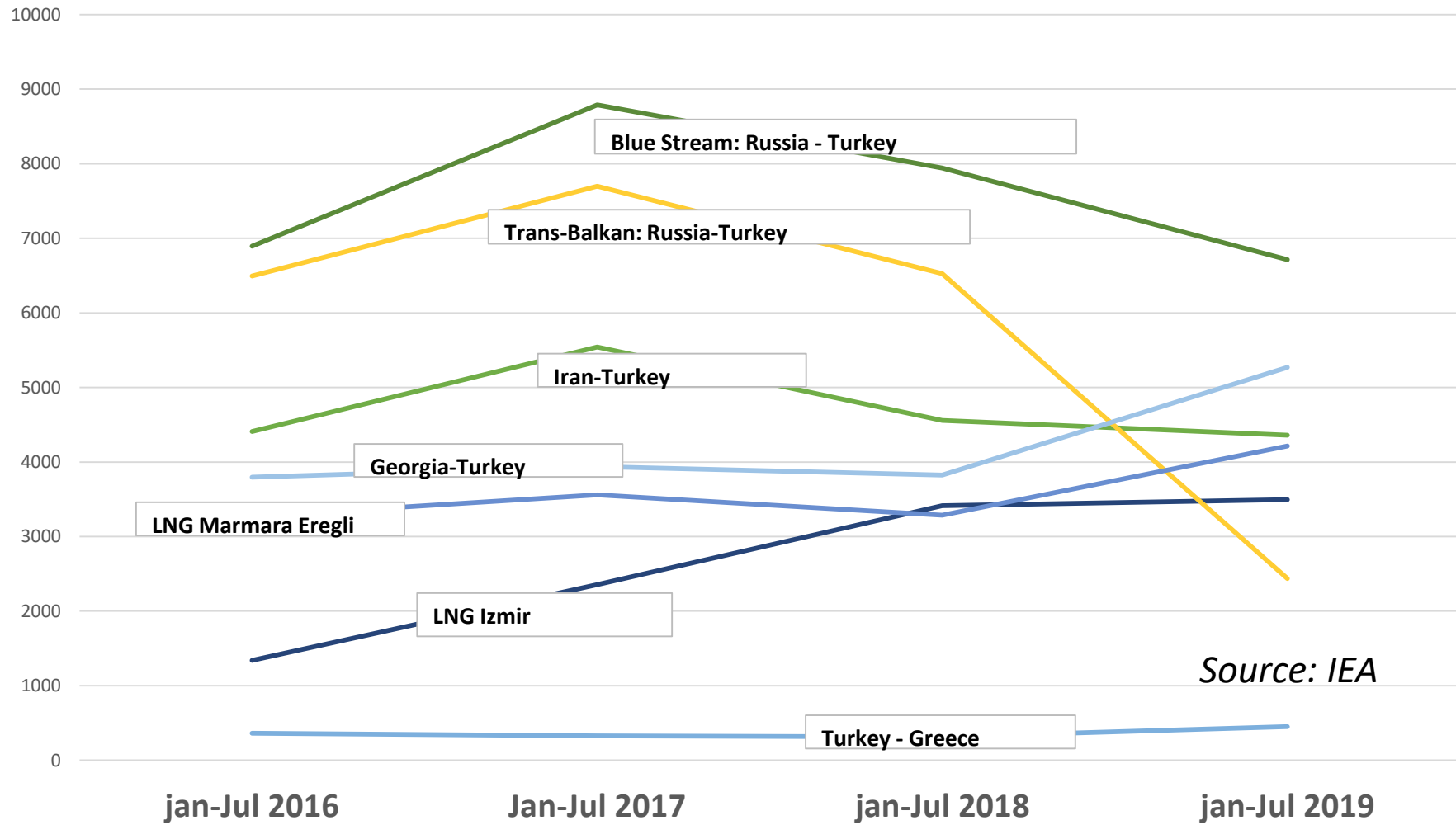


Source: IEA

Decline of gas flows because of LNG supply growth and demand decline in Turkey

# Gas Flows

Gas flows at the borders of Turkey, mln cbm

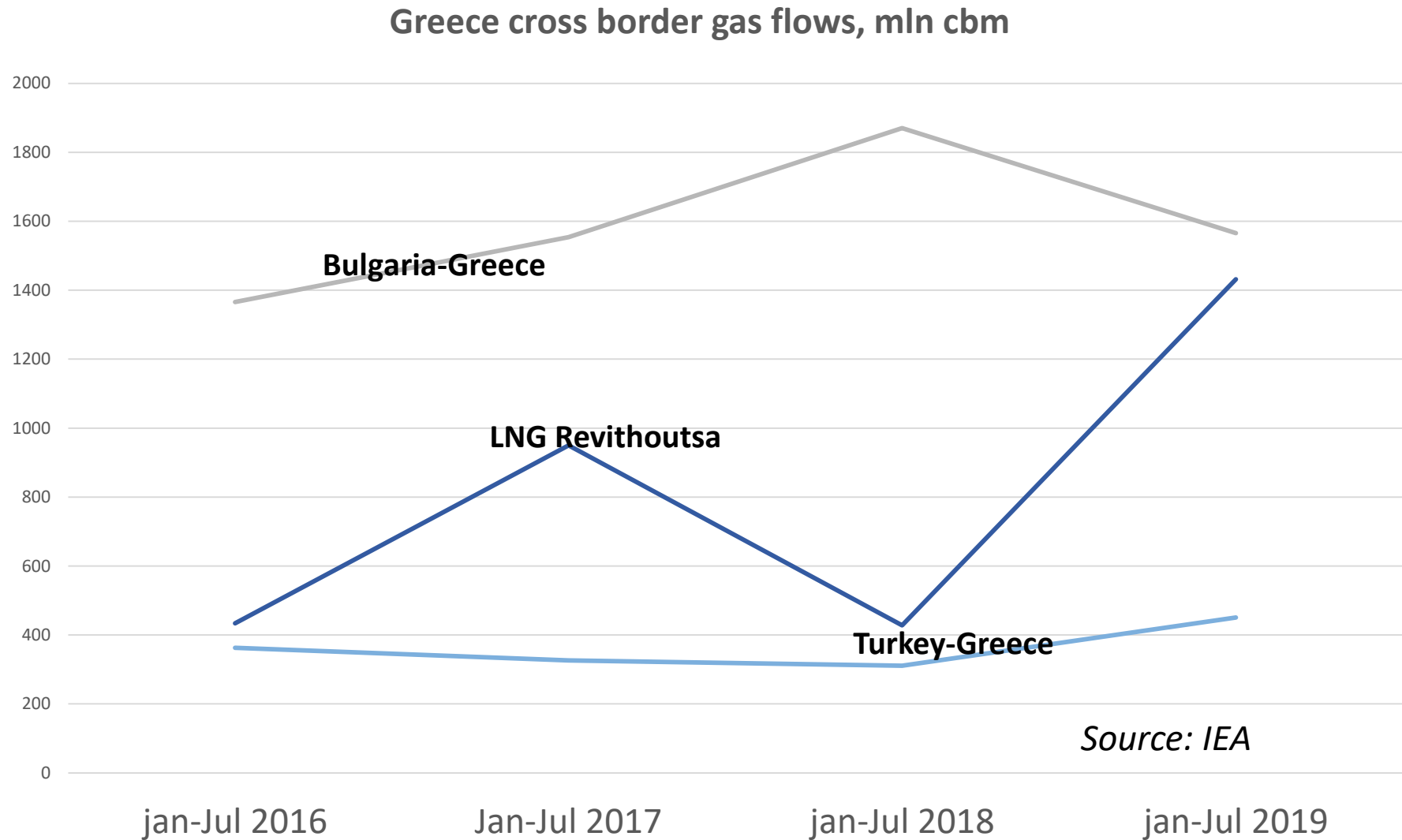


Source: IEA

Source: IEA

Increase of LNG and Shah Deniz supplies. Decrease of Trans-Balkan, Blue Stream and Iranian supplies

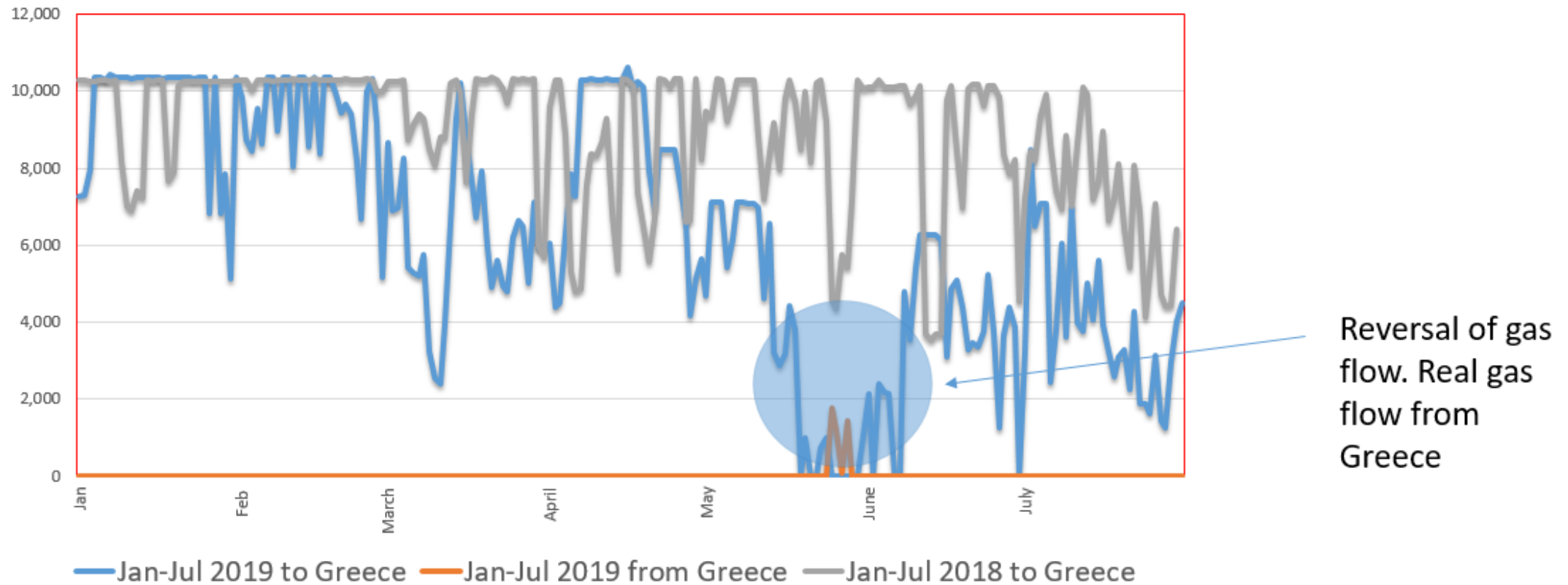
## Gas Flows



Source: IEA

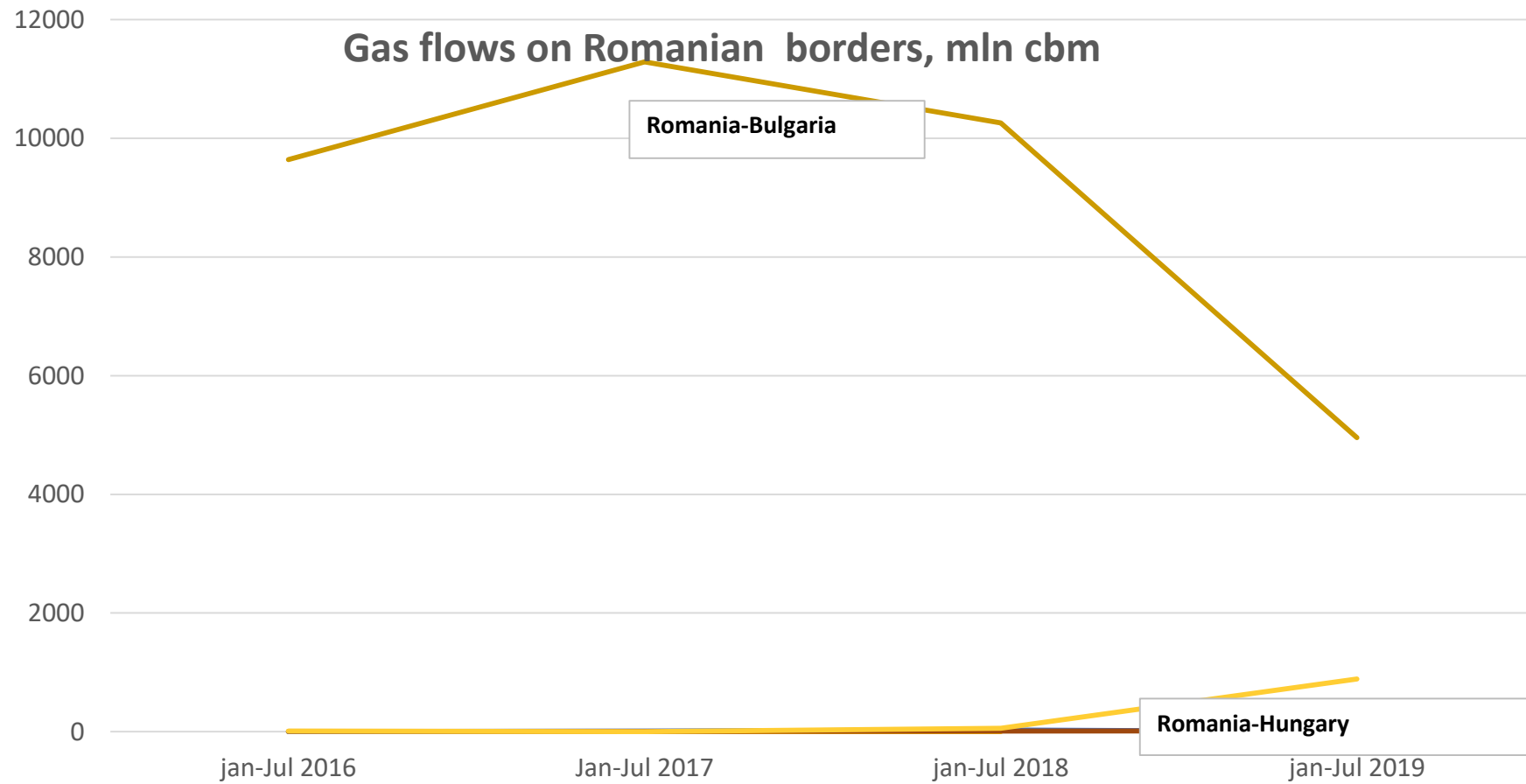
Decrease of flows from Bulgaria at the expense of increase of flows from Revithoutsa LNG terminal

## Gas flows in 2018 and 2019 at Bulgaria-Greece cross-border point



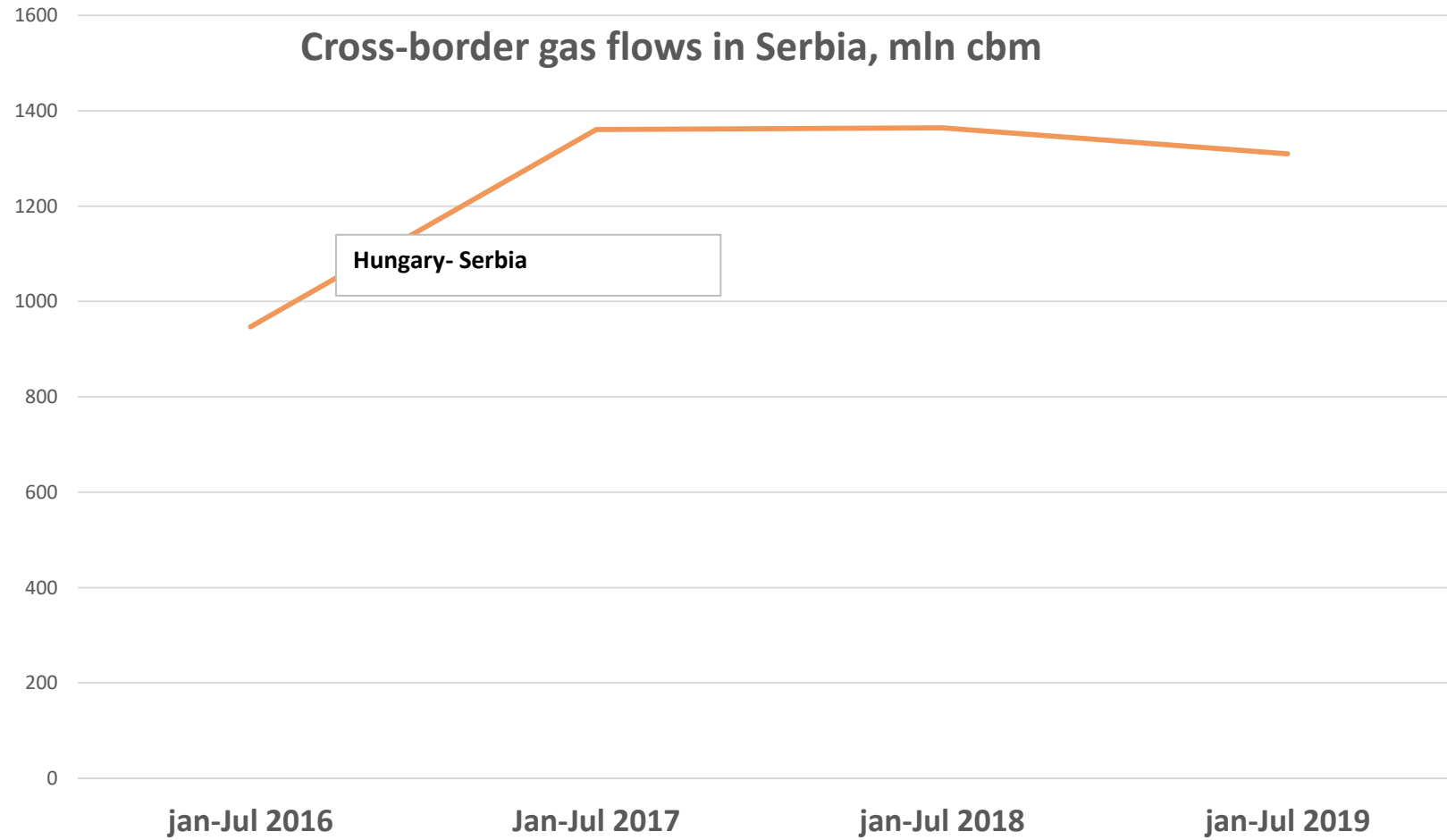
Decrease of gas flows towards Greece because of decreased supply of oil-linked gas price at the expense of increase of flows from Revithoutsa LNG terminal

# Gas Flows



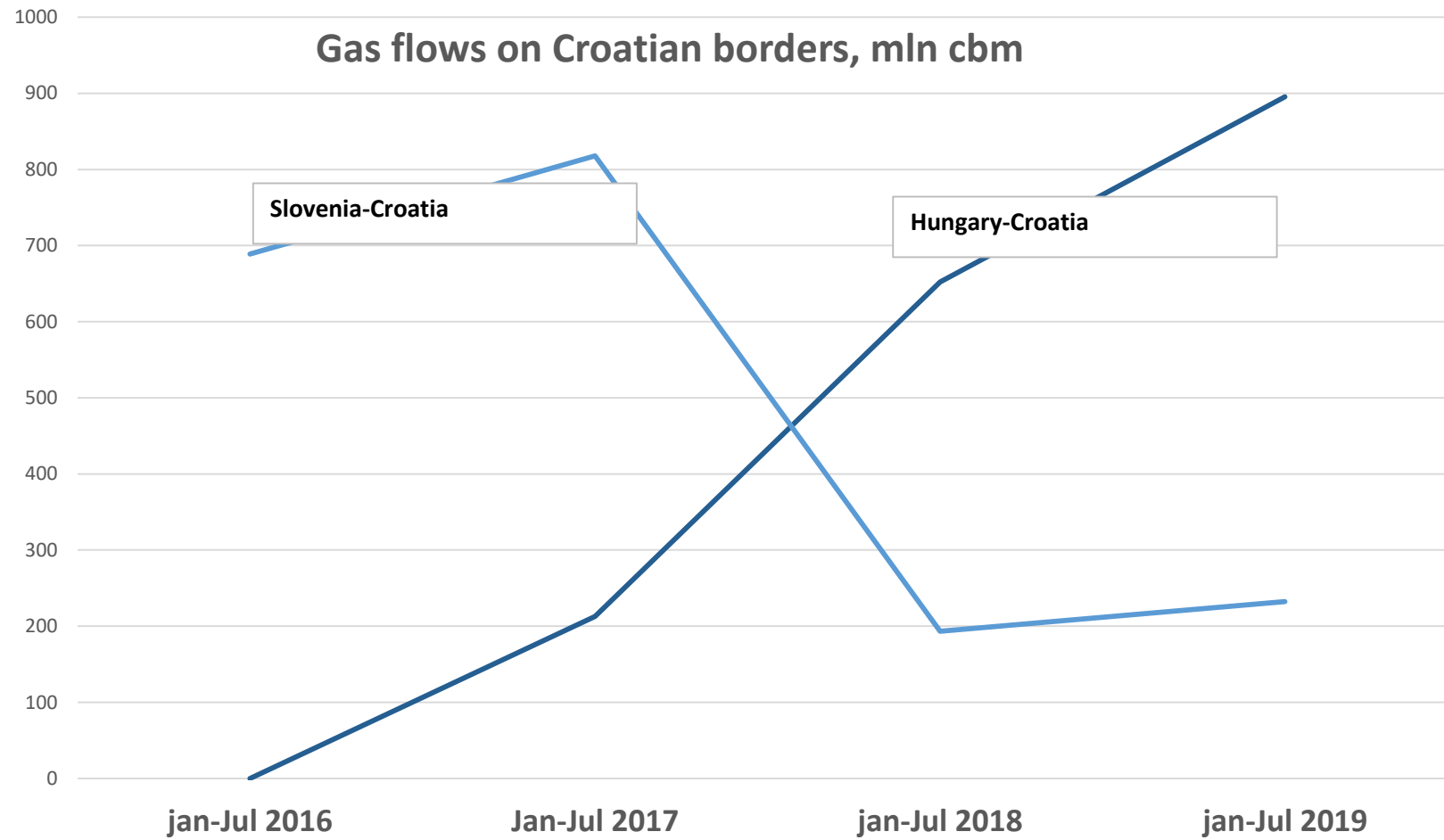
Source: IEA

# Gas Flows



Source: IEA

# Gas Flows



Source: IEA

# Gas Projects Status

## Gas Pipelines Projects Status, June 2017

Projects/Phase	Idea/Concept	Feasibility	Design	Construction
<b>Existing Projects</b>				
TAP				
Turkish Stream 1				
Turkish Stream 2				
Greece-Bulgaria				
BRUA				
KRK LNG Project and related infrastructure				
Poland- Slovakia Interconnection				
Turkey-Bulgaria				
Bulgaria-Serbia				
Ionian-Adriatic Pipeline				
Croatia – Slovenia Interconnection				
Slovenia-Hungary gas pipeline project				
AGRI				
Alexandroupolis/ Kavala LNG Project				
Balkan Gas Hub				
Podisor-Black Sea				
Tesla Project				
Eastring				
Romania - Serbia				
Vertical Gas Corridor				
White Stream				
EastMed				
<b>Cancelled Projects</b>				
Nabucco				
Poseidon				
South Stream				
<b>Commissioned projects</b>				
TANAP				
Bulgaria- Romania Gas Pipeline				
Moldova-Romania Gas Pipeline Interconnection				
Hungary – Croatia Gas Interconnection				
Hungary – Romania Gas Interconnection				
Slovakia – Hungary Gas Pipeline				
Vojany-Uzhgorod gas pipeline				

Source: BBSPA

## **Conclusions**

Hub gas prices and oil-product-linked gas prices can behave differently. Hub prices follow demand/supply and competition, while oil-product-linked gas prices follow formulas in line with long-term supply contract.

Gas flows follow cheaper gas supply options, in case that there is infrastructure in place and no restrictions in the supply contracts.

New gas infrastructure will bring more supply diversity and competition.

**Thank you for your attention**