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Removing LNG barriers on gas markets
Preliminary findings

Rocío Prieto, CEER LNG TF co-Chair
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Fostering energy markets, empowering **consumers.**

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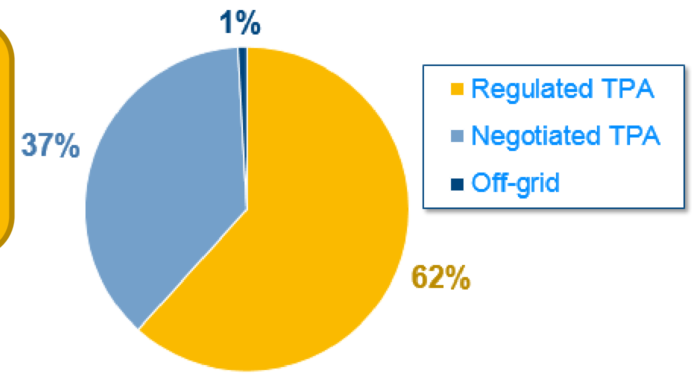
EU LNG TERMINALS



Nº of EU terminals:

25

Regasification cap.:

6,91 TWh/day

51% of

EU demand

Storage capacity:

9,18 Million m^3 LNG

4 days of

EU gas demand

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LNG TERMINAL SERVICES

Bundled services
Unload + Storage + Regas.
Unload + Storage + Trucks
Unload + Storage + Reload

Unbundled services
Unloading
LNG Storage
Regasification
Reloading/Loading
Transhipment
Trucks loading
Cooling down & gassing up
Virtual liquefaction
Bunkering
Etc.

LNG TERMINAL SERVICES

FINDINGS:

- The role played by LNG differs from one country to another, depending on geographical, historical, regulatory, economic or technical factors.
- Concerning transparency, the information on services has improved over recent years, but in many cases it is difficult to find, to understand, not available in English, not updated, etc.
- **Services provided diverge considerably** between terminals:
  - Established **according to national circumstances, without EU focus**.
  - ✓ Only one service offered by all the terminals.
  - ✓ The same services significantly differ between terminals.
  - ✓ Some terminals offer just two services, while others much more.
  - ✓ Unbundled services are offered as flexibility tools or as independent.
  - ✓ Some terminals offer very specific / particular unbundled services.

LNG TERMINAL SERVICES

CEER VIEWS:

- **Transparency is a key issue** to facilitate access to the terminals, especially for new entrants. CEER encourages NRAs to request LSOs to:
  - publish the information also in English, in a comprehensive and accessible way, with regular and convenient updating,
  - including accompanying explanatory documents and examples.
- The lack of standardization of services in not bad per se, as the services heavily depend on particular circumstances.
- CEER encourages NRAs and LSOs to evaluate the existing services and to value the possibility to **broaden the catalogue**, to increase flexibility of existing services and offer additional services, with an European perspective.
- LNG services shouldn't be static, but should adapt as market evolves (i.e. new services: bunkering, virtual liquefaction, etc.).
- CEER recommends **to learn from other experiences** and considers public consultations as valuable tools to get market views on this issue.

LNG TARIFFS – REGULATED TERMINALS

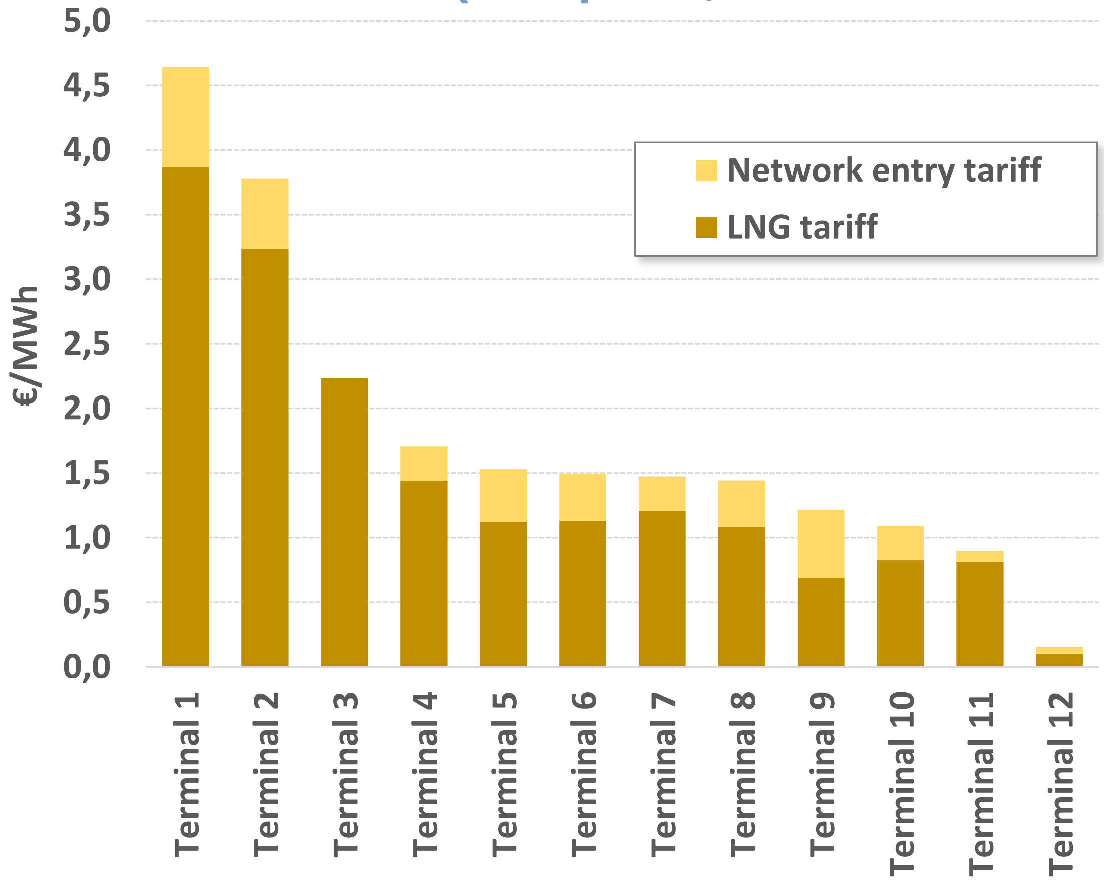
FINDINGS:

- Tariff structures (for r-TPA terminals) **significantly differ** between countries:
  - from unique fix terms to combinations of several fix and variable terms.
  - Very different tariff concepts: slots, m^3 of LNG, regasification capacity, metering, dismantling, etc.
- Expressed in different units: c€/kWh/d/month, €/m3 LNG/year, %, etc.
- Exempted terminals does not publish information on tariffs (not obliged).
- Some terminals apply multiplier for shorter term products.
- Concerning transparency, the availability of information on tariffs is not easily accessible, difficult to find, not in English, not updated, etc.
- Only a few terminals provide simulation tools
- **Significant tariff differences** between terminals (in the case of study analysed tariffs vary from 0.1 to 4 €/MWh).

LNG TARIFFS – REGULATED TERMINALS

LNG (unload + storage + regas.) and entry to the transmission network tariffs

(1 ship - 1,000 GWh - 15 days)



TTF avg. price in summer 17:

15 €/MWh (aprox.)

% of tariffs:

- **Terminal 1: 31 %**
- **Terminal 7: 10 %**
- **Terminal 12: 1 %**

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LNG TARIFFS – REGULATED TERMINALS

CEER VIEWS

- **Transparency on tariffs is a key issue** to facilitate access to the terminals to users, especially potential new entrants. CEER encourages NRAs to request LSOs to:
  - publish the information also in English,
  - in a comprehensive and accessible way,
  - provide **simulation tools and examples** of tariff application,
  - with regular and convenient updating.
- Remarkable differences on LNG tariffs can be due to many reasons, like costs allocation policy in each country, technical aspects, amortization, security of supply, opportunity cost, etc.
- CEER doesn’t identify any fundamental barrier so far.
- Terminal to terminal competition exists.

SOME REFLECTIONS

- LNG market has developed according to national particular circumstances, **without a wider European gas market focus**.
- **Huge differences** between terminals in **both, services definition and tariffs.**
- Are there **barriers?**
- **Terminal to terminal competition** is a fact, but not a problem
- Will services and tariffs eventually **converge?**

Thank you for your attention!

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