



*This project is co-financed by
the European Union and the Republic of Turkey*

European Union / Instrument for Pre-Accession (IPA) Energy Sector Technical Assistance Project

EU-IPA12/CS03

**Consulting Services for the Design
and Implementation Plan for the Gas Trading Platform**

Shippers' Forum Presentation

27 October 2015



The Aim of the Project

“Turkey aims for a **regional leadership** via building up an **energy hub and terminal** in order to meet energy **supply security** taking into consideration **free market conditions, diversity of resources and market structure based on free competition**”



- Should Turkey wish to attract national and foreign investment in gas infrastructure, its needs to set up a **transparent gas market. Transparency is trust-building and creates an investment climate as we have seen elsewhere**
- **The formation of EPIAŞ**, which is expected to operate organized physical gas markets together with other energy commodities, this year, is generally perceived as **an additional push** towards this goal, as many recognize that **geographical advantage by itself is not sufficient and a well-functioning marketplace needs to be developed**



We believe this project **“Consulting Services for the Design and Implementation Plan for the Gas Trading Platform”** is of strategic importance for our country

Introduction

Expected Results and Delivery Phases for the GTP Project

Introduction

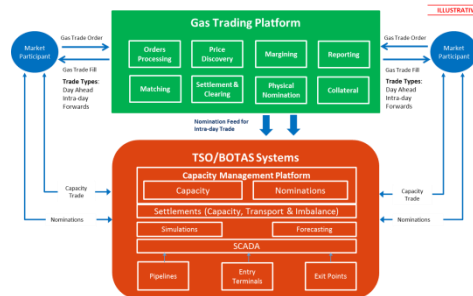
- The EC and the Ministry for EU Affairs have signed the Financing Agreement for National Program for Turkey under IPA for the Year 2012. **Energy Sector Program (Phase I) project is one of the projects** included in the annex of the corresponding Financing Agreement **to be funded under IPA 2012 programming**
- The execution of the project will be led by **MENR** and administered by the **World Bank**
- Collected proposals on **06 August, 2014** and finalized the selection of successful bidder on **27 February, 2015**
- Signed contract** on 25 May, 2015 between **General Directorate of Foreign Relations** and **EU of the MENR of the Republic of Turkey and Accenture Turkey**

REPUBLIC OF TURKEY
MINISTRY OF
ENERGY AND
NATURAL RESOURCES



Expected Results

- Confirmation of the compatibility of the new EBB** with the requirements of an OTC gas market platform
- Recommendations for changes to its technical and functional specifications**
- Preparation of the functional design** for the establishment a **Gas Trading Platform** and **related components** (including BOTAS' SCADA system and communications systems) to enable commercial balancing and/or wholesale spot gas trading
- Training** of personnel through site visits, trainings and workshops by 2016



How We Will Deliver the Project

Months

1	2	3	4	5	6	7	8	9	10	11	12
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Phase 1 – Market Analysis and Business Requirements

- D1 - Inception Report
- D2 - Interim Evaluation Report
- D3 - Draft Survey and Evaluation Report (DSER-1)
- D6 - Draft Survey and Evaluation Report (DSER-2)
- D7 - Analysis Report (ANR-1 & ANR-2)
- D8 - Analysis Report (ANR-3)
- D10- Final Survey, Analysis and Evaluation Report (FSER)

Phase 2 – Functional and Technical Design

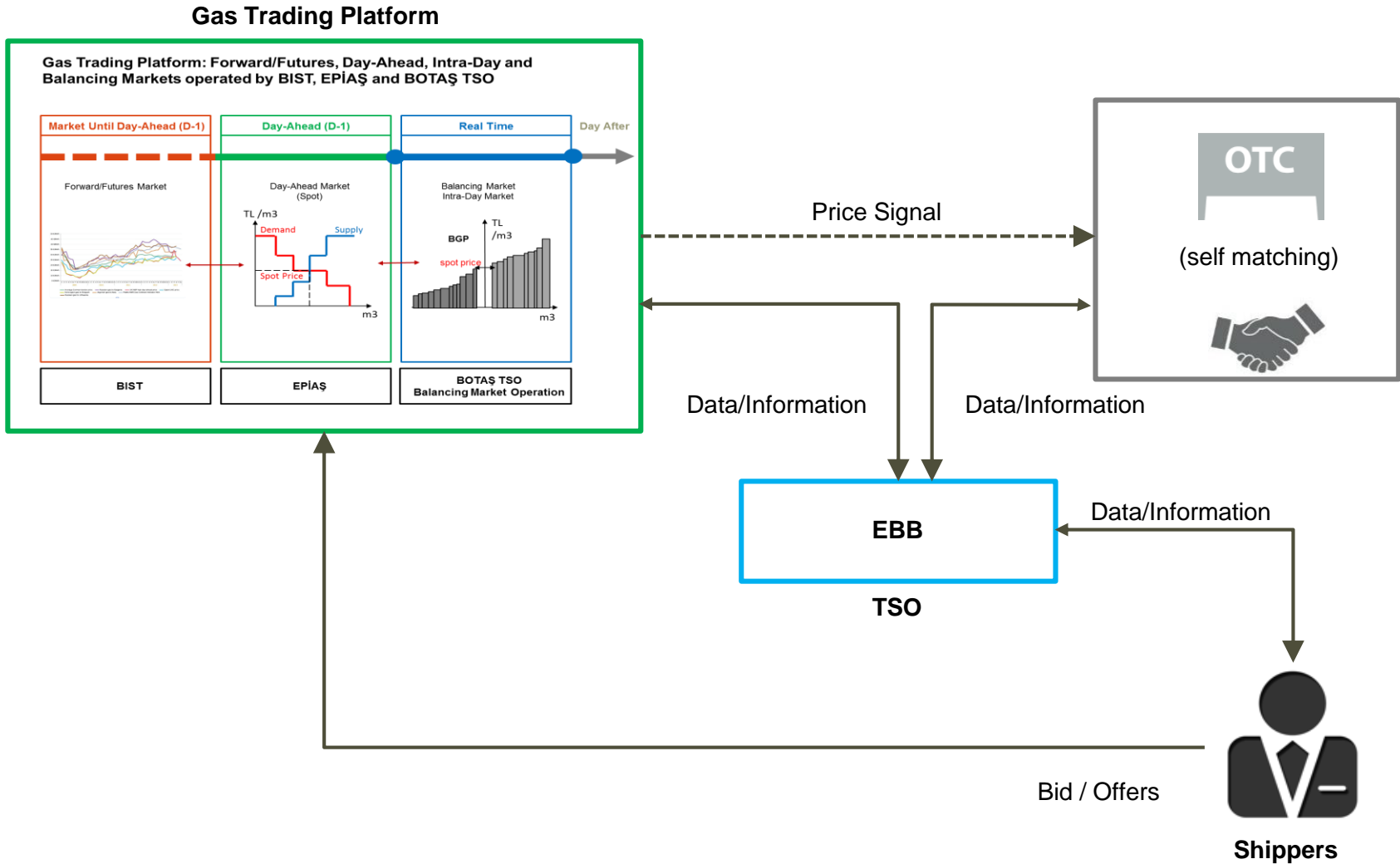
- D2 - Interim Evaluation Report
- D4 - Draft Report for Func. Design & Spec. for the new EBB
- D5 - Final Task 1 Report
- D11- Draft Technical and Functional Design Report (DTFD)
- D12 - Final Design Specifications Report

Phase 3 – Training and Capacity Building

- D2 - Interim Evaluation Report
- D9 - Assessment Report (AR)
- D13 - Training and Capacity Building
- D14 - Final Report

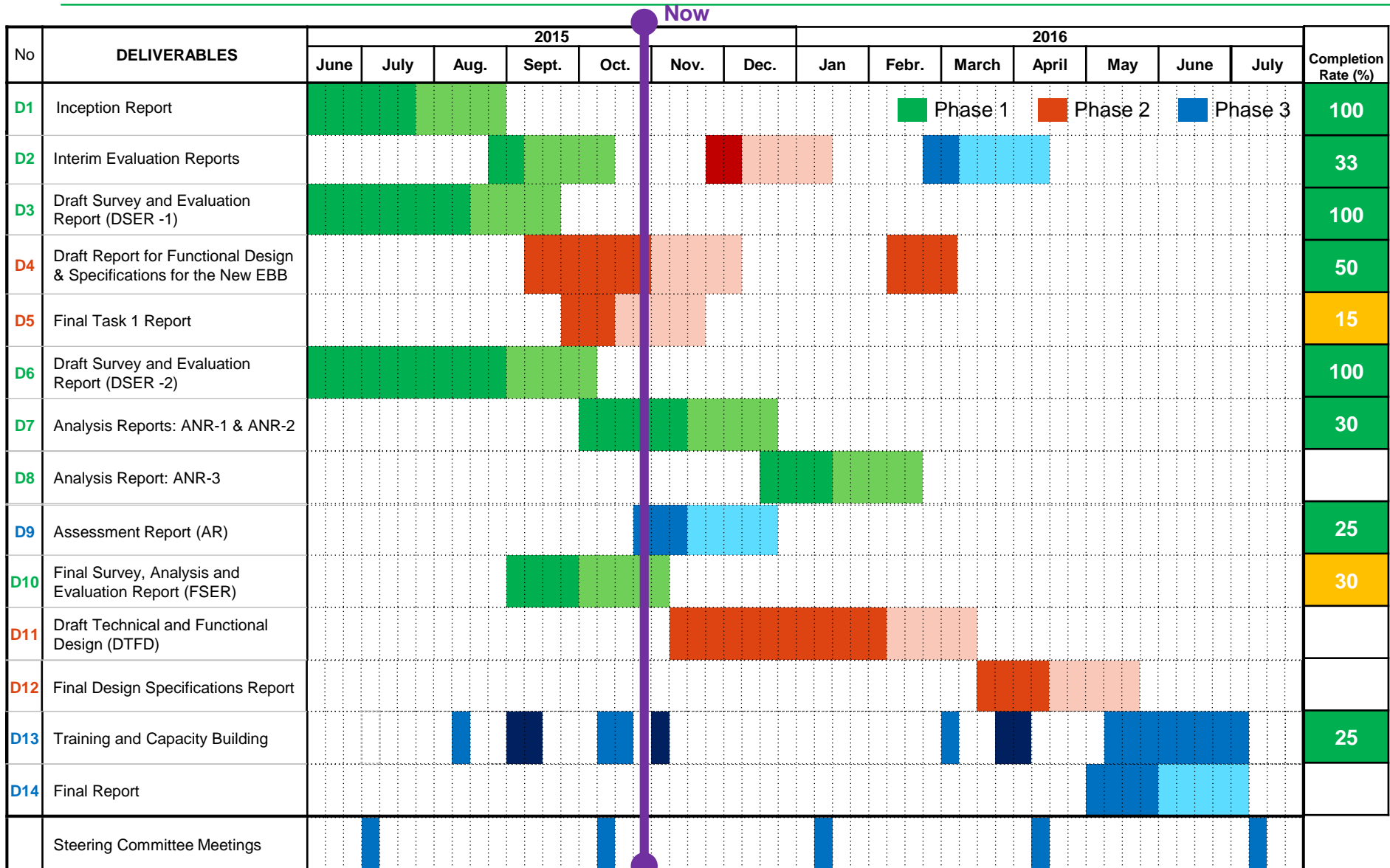
Scope of Work

High-Level Interactions among GTP, EBB, OTC Market and Shippers



Time Plan

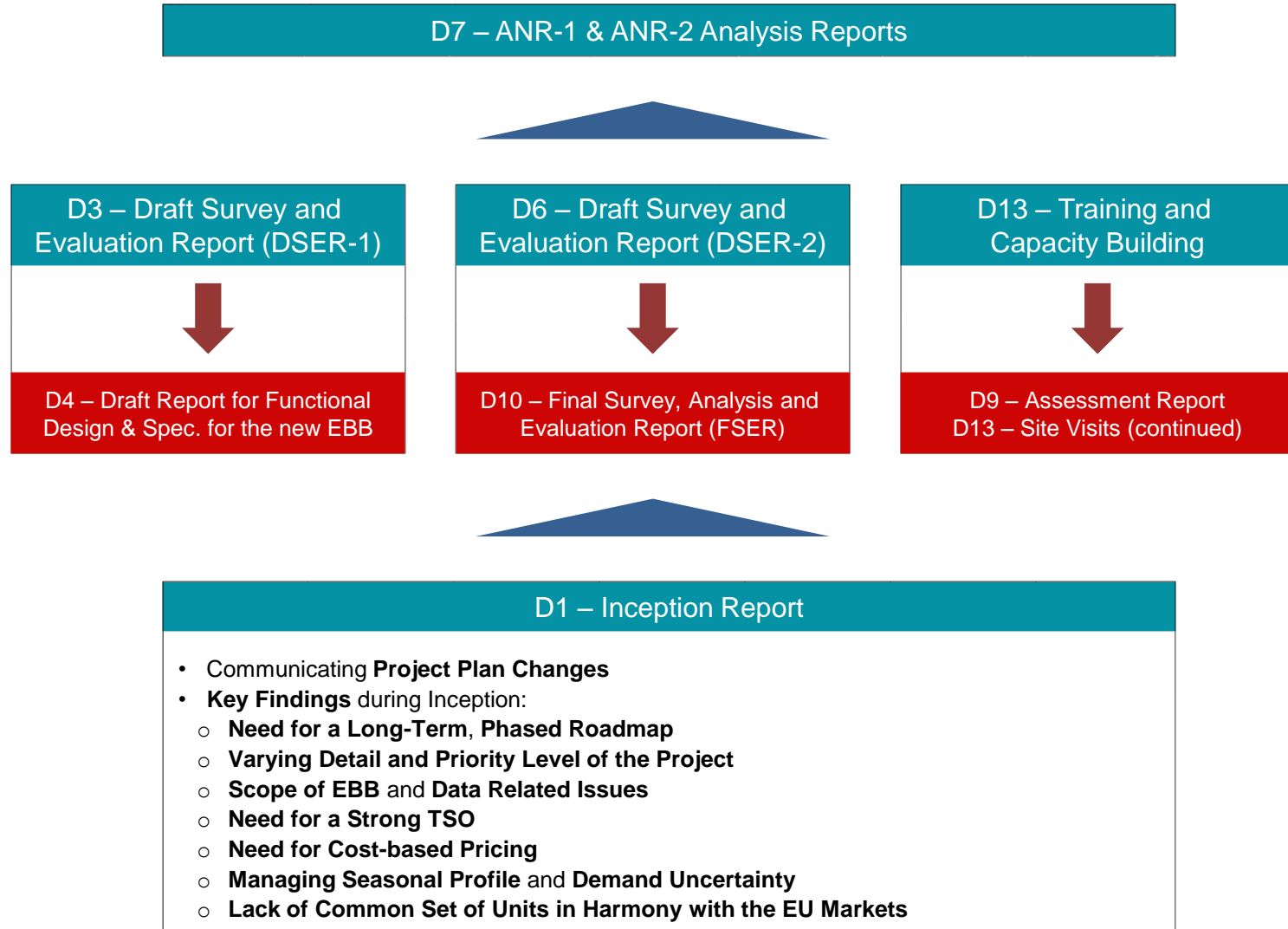
Follow-up on Deliverables



Approval periods are represented by soft colors. Site Visits and Seminars are represented by dark blue. Workshops and Steering Committee meetings are represented by light blue

Conclusions

Key Take-Aways from Deliverables



Conclusions

Key Take-Aways from Deliverables

D3 – Draft Survey and Evaluation Report (DSER-1)

- **EBB as a Market Transparency Platform:**
 - Standardized and Timely Data Publishing by the EBB
 - Enforce regulation requirements for publishing
- **Functional Review of EBB:**
 - Develop additional components for **primary & secondary capacity trading**
- **Technical Review of EBB:**
 - Improve/allow **integration** across EBB, SCADA, Demand Forecast and Simulation tools
 - Improve status on certain components (i.e. Learnability, documentation analysis, portability analysis)



D4 – Draft Report for Functional Design & Spec. for the new EBB

D6 – Draft Survey and Evaluation Report (DSER-2)

- **Gas-on-gas competition reached 50% of the market in 15 years in Europe**
- **«Buyer's market»**
- **Shorter contract duration, higher flexibility and hub-indexed**
- **European Gas Target Model**
 - **Non-discriminatory, liquid, reliable price signals**
 - **Entry/Exit System with a single VTP**
 - NC CAM and CP, NC EU BAL
 - PRISMA, PEGAS
- **Turkey - potential gas hub**
 - Lack of physical and commercial flexibility (interconnection, storage, LNG etc.)
 - Lack of transparent pricing methodology
 - Need for long-term phased approach



D10 – Final Survey, Analysis and Evaluation Report (FSER)

D13 – Training and Capacity Building

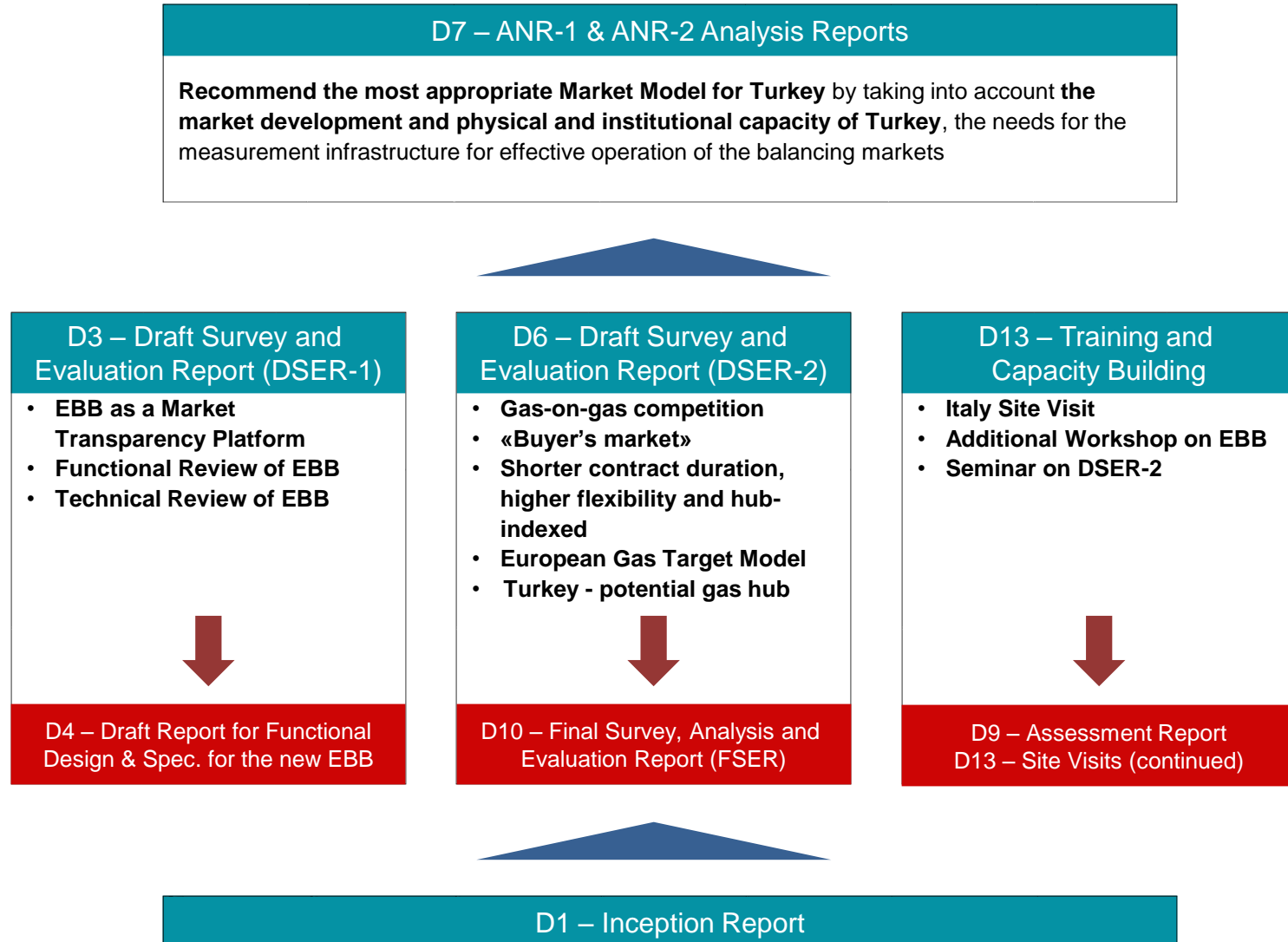
- Italy Site Visit:
 - TSO Market Experience
 - TSO Back-end systems
 - PSV and PEGAS
- Additional Workshop on EBB:
 - Detailing functional and technical analysis of EBB
 - Reflecting on feedback provided by stakeholders
- Seminar on DSER-2:
 - Presenting main concepts and conclusions regarding NG Price Formation, EU Gas Target Model and Components, Market and Gas Trading Platform Systems and Tools



D9 – Assessment Report
D13 – Site Visits (continued)

Conclusions

Key Take-Aways from Deliverables



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High performance. Delivered.