EU-Russia Gas Advisory Council

CEGH and SPIMEX

Information Week, October 2017
CEGH - The gateway from East to West within Europe's hub landscape

CEGH:
- Strategic location
- Gas transit routes
- Storage facilities
- First liquid Gas Hub for trading of Russian gas on the way to Western Europe
SPIMEX – THE Russian Commodity Exchange

Central European Gas Hub AG
Workshop CEGH – SPIMEX: 9 – 11 October 2017

Delegation of CEGH in Moscow: 9 – 11 October 2017

Participants:

**Central European Gas Hub**
Gottfried Steiner (CEO), Hannes Zimmermann, Attila Török, Roland Wolk

**E-Control Austria:**
Bernhard Painz (Head of Gas Department), Christian Lebelhuber

**Powernext:**
Gregor Weinzettel

**European Energy Exchange:**
Roman Zyuzev
Programme:

10 October 2017:
09:30 – 11:00  Sessions at SPIMEX
11:00 – 12:00  Meeting with Rosneft
12:00 – 16:30  Sessions with SPIMEX
17:00 – 18:00  Session with Russian Energy Ministry

11 October 2017:
09:30 – 10:30  Session with Federal Antimonopoly Service of Russia (FAS)
11:00 – 12:30  Meeting with NOVATEC
13:00 – 15:00  Meeting with Settlement Depository Company (SDCO)
Workshop CEGH – SPIMEX: 9 – 11 October 2017

Representatives of E-Control Austria, CEGH, Powernext and EEX Visit Moscow

On 9-11 October 2017, officials from E-Control Austria and trading venues from Austria, France and Germany visited the Saint Petersburg International Mercantile Exchange (SPIMEX), the Federal Anti-Monopoly Service of Russia (FAS) and the Russian Energy Ministry.

Representatives of E-Control Austria, the national electricity and gas market regulator, Central European Gas Hub – CEGH (Vienna), Powernext (Paris) and European Energy Exchange – EEX (Leipzig) had an opportunity to get detailed first-hand information on the development of exchange trading in natural gas in Russia as well as an overview of regulated markets in other commodities. Experts of the SPIMEX Natural Gas Market provided extensive comments on the objectives and techniques of gas trading on the exchange, efforts aimed at setting objective and transparent price indices, operation of the Russian gas transmission system under the contracts made on SPIMEX.

Russian participants pointed out that experience accumulated by market participants in Austria and other EU nations was actively used in the development of natural gas exchange trading in our country. Moreover, relevant best practices may be used while drafting the commercial balancing model for the Russian gas transmission system.

Austrian specialists took a keen interest in the anti-trust regulation of Russian energy exchanges, tariff regulation of transmission networks operators and relations between SPIMEX trading participants (key gas producers and gas consumers), on the one hand, and transmission and distribution network operators, on the other.

The visit was arranged under the recommendations made last February by Work Stream 2 of the Russia-EU Gas Advisory Council. In May 2017, The CEGH and SPIMEX Information Week was held in Vienna for Russian gas market participants and gas market infrastructure organizations.

Saint Petersburg International Mercantile Exchange (SPIMEX) is the largest Russian commodity exchange which offers a wide range of products traded both in its Commodities Sections (refined products, crude oil, natural gas, LPG, timber and construction materials) and in its Derivatives Section. The Exchange’s key task is operating a transparent price formation mechanism to assess fair prices for the commodities involved in Europe. "SPIMEX" was
Workshop CEGH - SPIMEX
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The delegation at the premises of SPIMEX
Workshop CEGH – SPIMEX Conclusions

SPIMEX trading volumes are an enormous achievement

- Due to its traded volumes since 2014, SPIMEX has already become an important player in the global natural gas markets

The Russian gas market is - surprisingly - very competitive, but very complicated (due to its size, regulations and history)

- Trading places are physical points within the massive transmission system
- SPIMEX natural gas market has been embedded into the existing gas market model (e.g. volume limitation for Gazprom on the SPIMEX market)
- Regulatory framework is in the focus for further development (e.g. FAS very interested in the liberalization of the market)

Huge potential for a Russian Gas Hub

- Further growth potential is huge once it has a coherent framework
- Global significance not only “physically”, but also as a trading/pricing point
Thank you very much for your attention