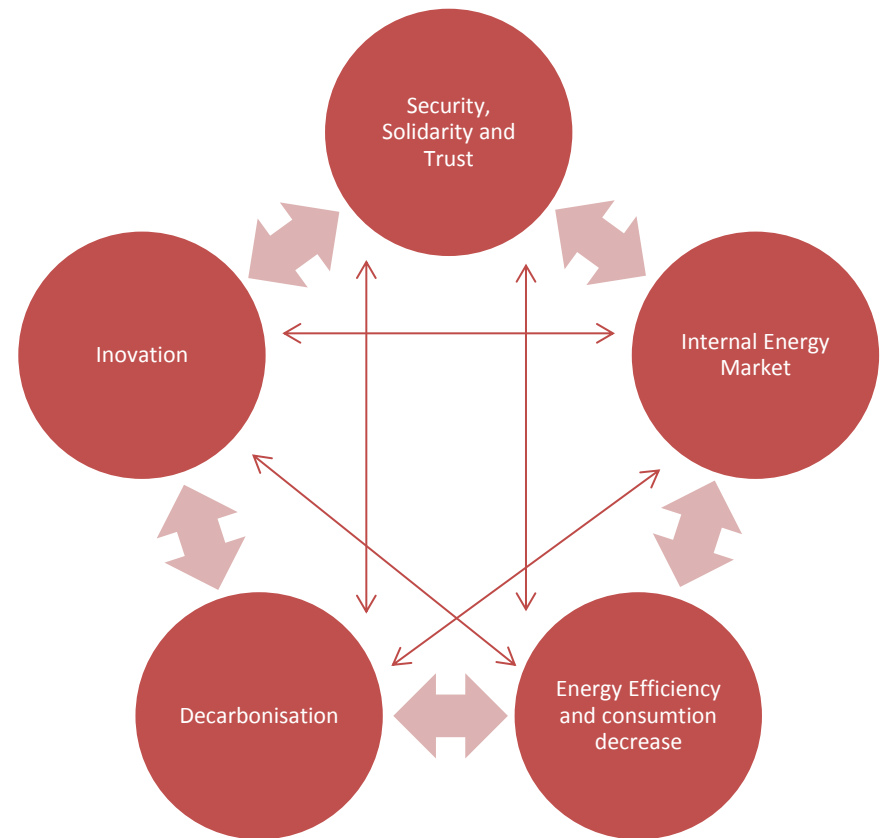


Natural Gas Reverse Flows in the Danube Strategy Region: Current State and Outlook

20th May 2015

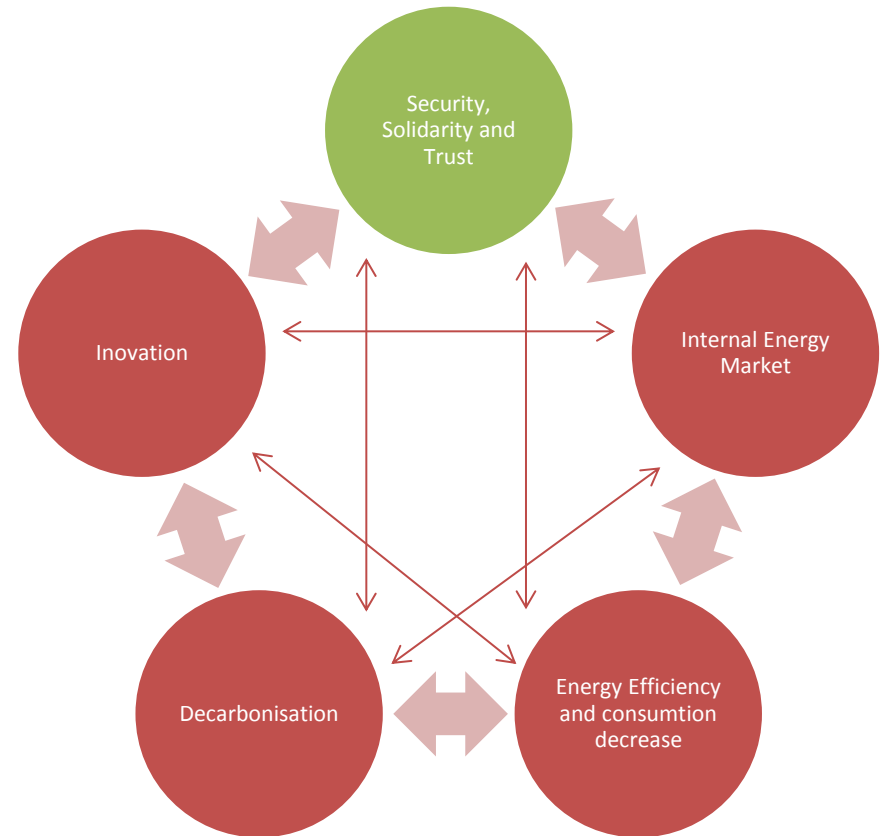
Energy Union

- Holistic Approach
Towards Energy policy



Energy Union in the Context of the Czech Study on Reverse Flows

- Focus on SoS dimension
- Context of natural gas



Natural Gas Reverse Flows in the Danube Strategy Region: Current State and Outlook

- BDICs = bi-directional interconncetors
- Why BDICs?
 - Security of Supply
 - Trade incentive

Natural Gas Reverse Flows in the Danube Strategy Region: Current State and Outlook (2)

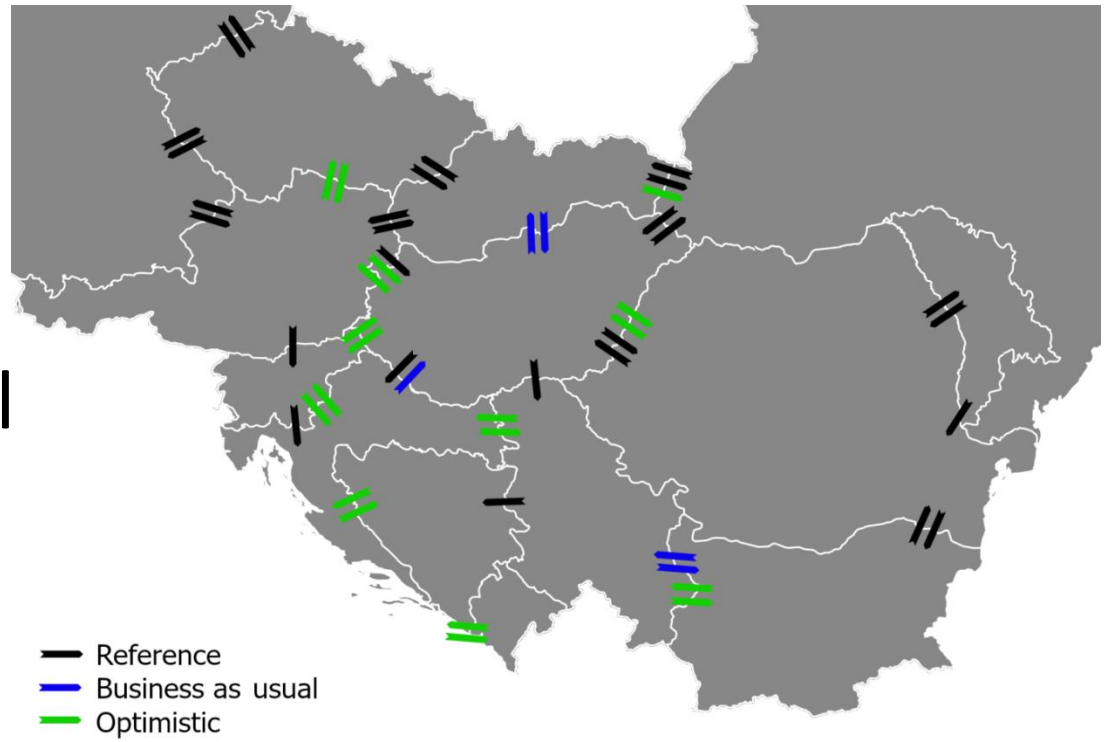
State of play:

- High dependence on single supplier
- Differences among prices

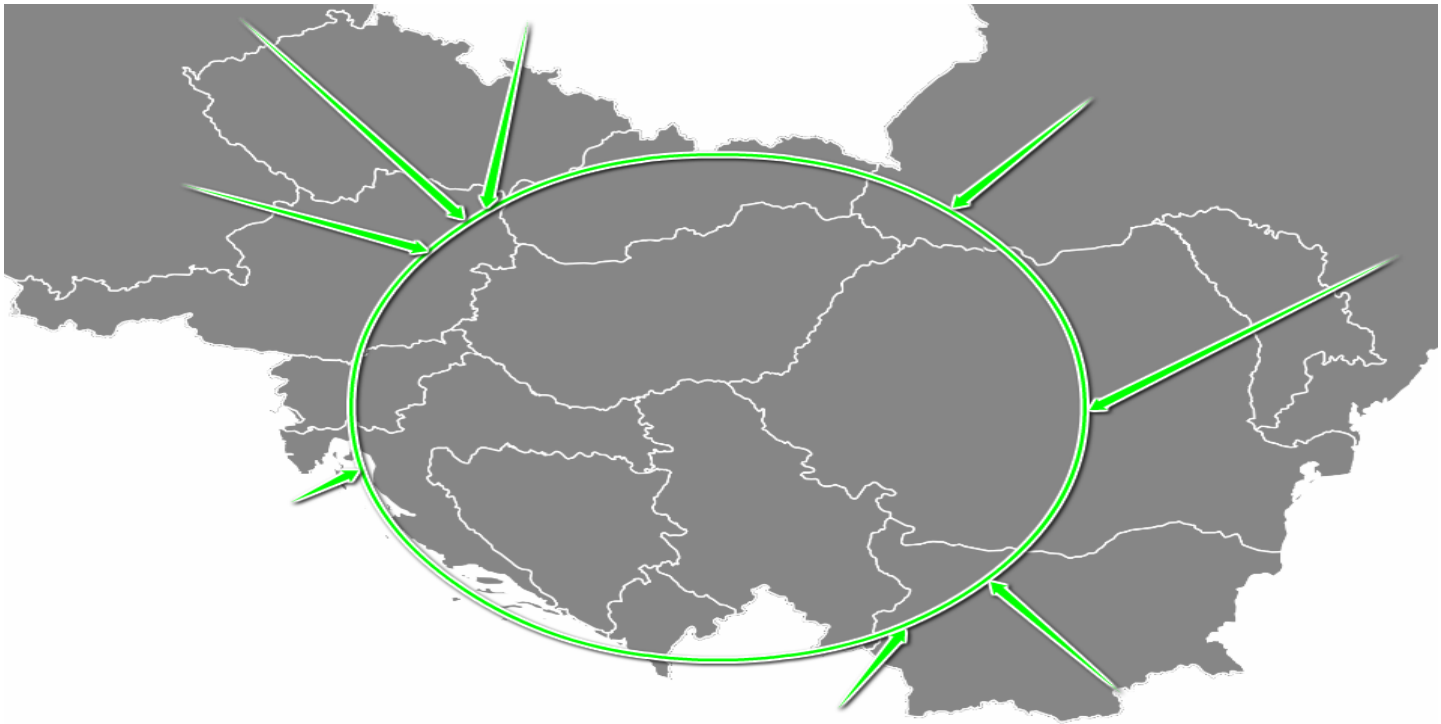
Natural Gas Reverse Flows in the Danube Strategy Region: Current State and Outlook (3)

Methodology

- Reference scenario
- Business as usual scenario
- Optimistic scenario

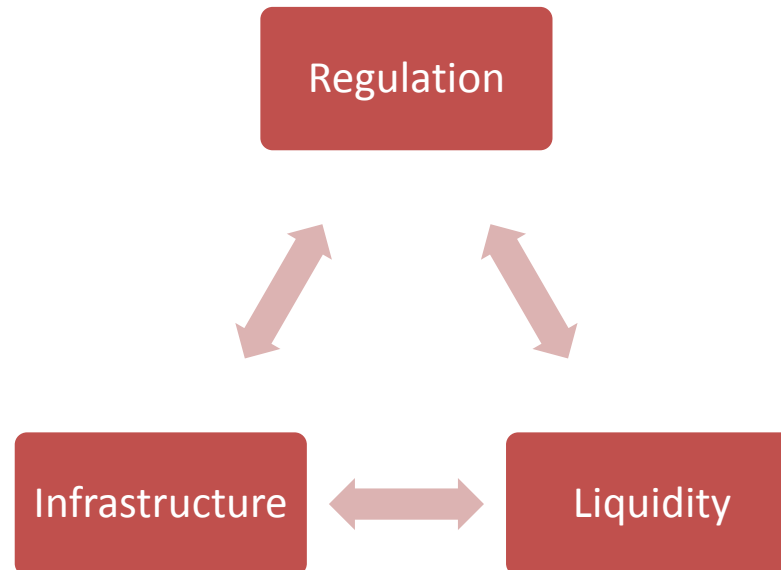


Natural Gas Reverse Flows in the Danube Strategy Region: Current State and Outlook (4)



Natural Gas Reverse Flows in the Danube Strategy Region: Current State and Outlook (6)

Obstacles:



Natural Gas Reverse Flows in the Danube Strategy Region: Current State and Outlook (5)

Recommendations (**Regulation**):

- Market Liberalisation.
- Do not link natural gas contracts to other arrangements with Russia.
- Cut the influence of energy incumbents on public policies.
- Support non-EU partners in adopting the EU legislation.

Natural Gas Reverse Flows in the Danube Strategy Region: Current State and Outlook (6)

Recommendations (**Infrastructure**):

- Consider direct or indirect form of support to projects that enhance diversity of sources of supply
- Insist on Russian projects' compliance with the EU regulatory framework.
- Support offshoots from the emerging Turkey-Greece-Albania-Italy trunk line.

Natural Gas Reverse Flows in the Danube Strategy Region: Current State and Outlook (7)

Recommendations (**Liquidity**):

- Support the Turkey-Greece-Albania-Italy corridor
- Initiate intergovernmental negotiations with Middle Eastern, Central Asian, and Mediterranean suppliers.
- Support LNG terminal in Croatia
- Initiate dissolution of national incumbents.

Thank you for your attention.

Daniel Měsíc

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