

# **GAC WS2 - reflection on GAC WS2 evolution to its 30th meeting**

**Dr Prof A.A.Konoplyanik,**

**Adviser to Director General, Gazprom export LLC,  
Co-chair of Work Stream 2 “Internal Markets”,  
Russia-EU Gas Advisory Council**

**The 30-th meeting of WS2 GAC, online 13.07.2020**

**Workshop – informal consultations,  
1<sup>st</sup> round, E-Control,  
Vienna, 19.10.2010**

WORKSHOP – INFORMAL CONSULTATIONS

New Legislative Framework in the EU Gas Sector  
(3<sup>rd</sup> EU Gas Directive and its influence on non-EU  
companies within the EU market)

Exchange of views on regulatory issues between  
Russian and EU Gas Regulation Experts  
(with guidelines from officials of ... sides)



**29th meeting of  
Work Stream 2  
"Internal Markets",  
Russia-EU Gas  
Advisory Council,  
21 October 2019,  
Russian Embassy,  
Berlin**



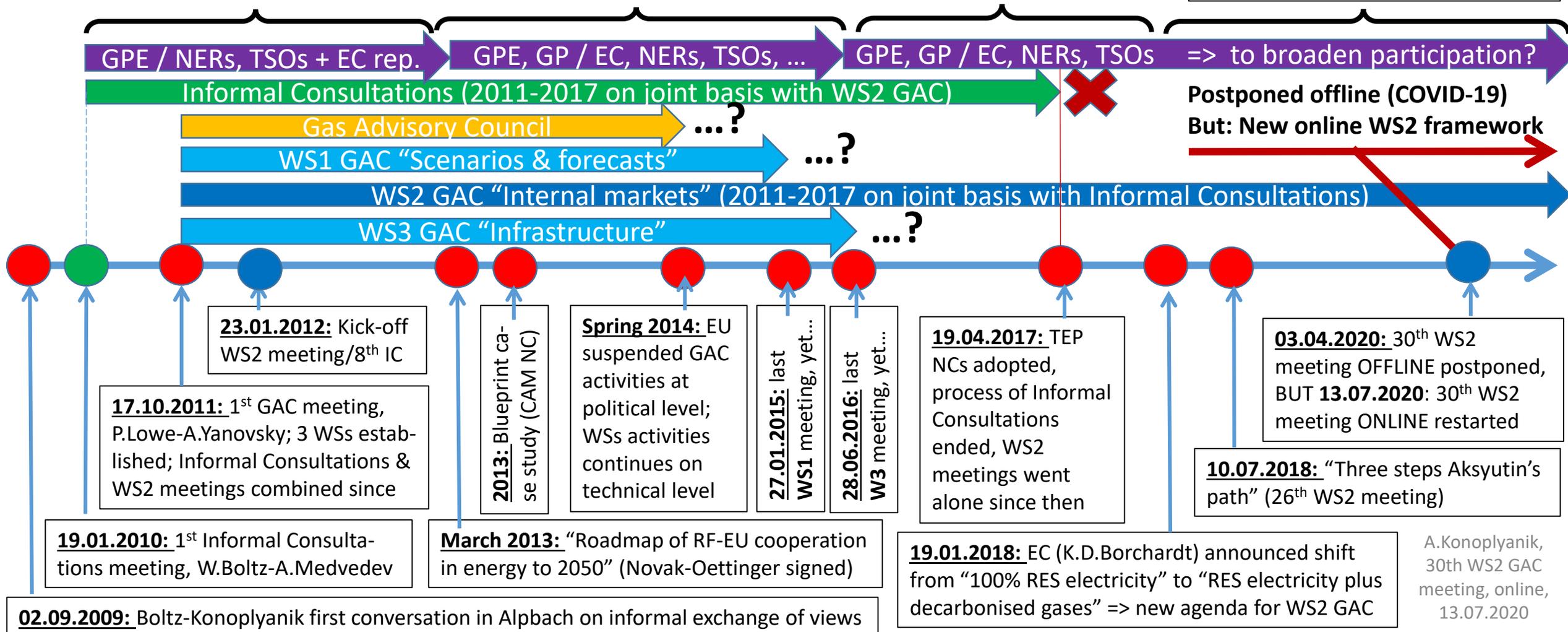
# Historical evolution of WS2 GAC process

TEP EU consequences on LTC-based gas **cross-border trade**, incl. GTM, etc. (2010-13)

TEP EU consequences on **cross-border trade & investment** in new & incremental gas infrastructure (NCs: CAM NC INC, TAR NC), etc. (2013-16)

TEP EU overall **regulatory efficiency** (EC Quo Vadis consequences), etc. (2016-18)

EU Decarbonisation vision, incl. of gas value chain, & RF export-oriented **gas decarbonisation**: what are win-win opportunities, incl. in H2, etc. (1Q2018+)



# WS2: evolution of the agenda/actors, “matryoshka” style (1)

- **Early/Past stages (2010+):**

- **Traditional gas agenda:**

- Contractual, pricing & related regulatory issues of Russian pipeline gas in the EU within new architecture of EU gas market post-Third EU Energy Package (2010-2017: TEP + NCs) =>
    - evolving rules for single product (CH<sub>4</sub>) = commoditization + financialisation of gas market with *single* product

- **Actors:**

- EU side: new regulatory rule creators & those who implement these rules (EC, NERs, TSOs)
    - Russian side: suppliers, shippers of pipe gas who are to follow these rules = GP => GPE = Russian state export monopoly (by law) of pipeline gas, i.e. state agent of the sovereign state

- **Key issue for RF-EU debate:**

- Natural resource rent cross-border allocation

- **BUT:** objective trend: diversification/expansion of topics => actors

# WS2: evolution of the agenda/actors, “matryoshka” style (2)

## • Current stages (2018+):

### • **Traditional gas plus new (decarbonized) gas agenda & related issues:**

- *Multiple* products: natural gas (CH<sub>4</sub>) plus decarbonized & related gases (MHM, H<sub>2</sub>, CO<sub>2</sub>, bio-methane, syngas, renewable gases, etc.) =>
- Integration of gas & electricity markets => some reverse trends to 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> Packages (from unbundling to re-bundling, etc.)?

### • **Actors:**

- EU side: same plus participants of decarbonized gas value chain, incl. technology producers
  - *preference*: clean (CO<sub>2</sub> neutral) H<sub>2</sub> as renewable H<sub>2</sub> (from RES electricity)
- Russian side: gas producers/suppliers (pipe gas + LNG) plus participants of decarbonized gas value chain, incl. technology producers
  - *preference*: clean (CO<sub>2</sub> neutral) H<sub>2</sub> from natural gas

### • **Key issue for RF-EU debate:**

- Resource rent cross-border allocation *plus* technological rent creation and allocation in economically cost-effective & ecologically-neutral way

# Thank you for your attention!

[www.konoplyanik.ru](http://www.konoplyanik.ru)  
[andrey@konoplyanik.ru](mailto:andrey@konoplyanik.ru)  
[a.konoplyanik@gazpromexport.com](mailto:a.konoplyanik@gazpromexport.com)

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