Russia and the Energy Security of V-4 countries

USSR and Russia as the main oil and gas supplier

- From 1960´s to 1980´s: building of the key pipelines joining the Central Europe with West Siberian deposits
- 1970´s and 1980´s: building of Druzhba oil-pipeline and pipelines serving for gas transport to Western Europe (esp. Germany) – process of détente

Transcontinental gas pipelines Northern Lights, Brotherhood, Progres, Soyuz

Brotherhood, Soyuz and Northern Lights most important for Poland, Czechoslovakia and Hungary – position of transit countries

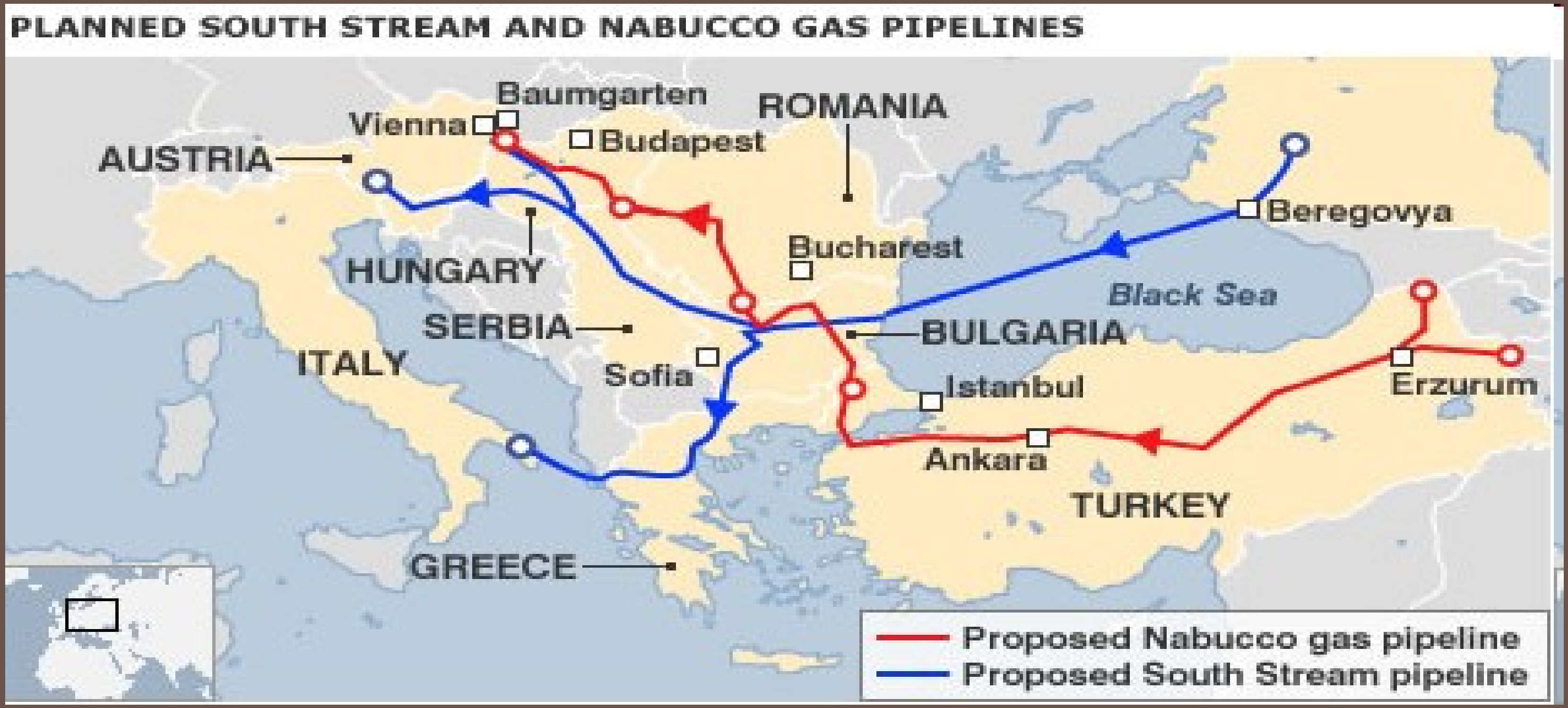
- 1995/1996 – Yamal-Europe – way to strenghten Russian deliveries to Western Europe through Poland and Belarus; partial weakening of the „Ukrainian route“

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.

INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Primary Russian Oil and Gas Pipelines to Europe (U)

Proposed projects: South Stream and Nabucco



CR and Russia: gas

- 98 % of Czech gas consumption coming from import, 78 % delivered from Russia (2008)
- Cca 20 % of imports from Norway

X

- Relatively good capacities as to the security of gas deliveries (not only diversification of import, but also possibility of reverse flows and storage)

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.
EVROPSKÁ UNIE
MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY
OP Vzdělávání pro konkurenceschopnost
INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

CR and Russia: gas

- Deliveries of Russian gas from 1967
- Transgas system (Urengoy, Yamburg, Medvezhe deposits; Brotherhood, Yamal pipelines + Soyuz)
- Transit pipeline from Russia since 1972 – rise of importance of the CR as transit country (to Germany, France, GB, less to Belgium and the Netherlands)
- Transit pipeline connected with German STEGAL net (Wingas Transport GmbH) throug Hora sv.Kateriny (deliveries to Germany since 1999)
- Since 1997 deliveries from Norway: partial independecy on Russian gas X „virtual“ gas, swaping for Russian gas deliveried through Transgas system or through German pipeline to Hora sv.Kateriny
- Real deliveries of Norweigan gas – importance in 2009 crisis

CR and Russia – importance of transit country position

- 1998: Transgas and Gazexport – contract for deliveries of 8 - 9 bcm/y (now cca 7.5 bcm/y) of Russian gas; prices negotiated till 2013
- 2006: RWE Transgas extended the contract till 2035 without specification of price or transport route X striving to safeguard the position of transit country for Russian gas to the Western Europe
- Contracts between RWE Transgas and Norweigan consortium: till 2017

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.

EVROPSKÁ UNIE

MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY

OP Vzdělávání pro konkurenceschopnost

INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

CR and Russia – importance of transit country position

- Gazela pipeline (capacity 35 bcm/y) – connection Hora sv.Kateriny-Waidhaus; connection with German OPAL and Nord Stream; connection with so-called „Northern Route“
- Projects of pipelines to Austria (connection with Baumgarten)

LBL (Lanzhot – Baumgarten – Line) – possible reverse flow connection with Nabucco, South Stream or LNG Adria

- After the start of Nord Stream operation a decline in the volume of gas transfered through the CR is expected X position of transit country may be strenghtened after completion of planned new infrastructure projects

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.
EVROPSKÁ UNIE
MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY
OP Vzdělávání pro konkurenceschopnost
INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Czech actors and Russian investments

- RWE Transgas – operator of the contracts for deliveries of Russian and Norwegian gas
- VEMEX – main alternative importer of gas to the CR

Cca 10 % of Czech gas market, 51 % share of OAO Gazprom (Gazprom Germania)

Plans to expand Slovak gas market

Contracts with Gazprom export till 2012

- In the past – Gas-Invest (37.5 % share of OAO Gazprom)
- Interest of Gazprom to build a new gas storage capacity (Damborice, 0.5 bcm) – 2008 memorandum of understanding between MND Gas Storage and Gazprom export

Slovakia and Russia: gas

- More than 98 % share of import on Slovak gas consumption (cca 2/3 consumed by industry), 100 % dependence on Russian imports (6.27 bcm/y in 2008) – relatively low rate of security of gas deliveries
- Before the crisis in 2009 de facto no diversification of imports, strong position of Slovakia as transit country debatable after 2009 crisis
- Slovakia as the most vulnerable country in V-4 as to gas?
- SPP – responsibility for the majority of gas deliveries to Slovakia, all gas imported on the basis of contracts with Gazprom
- Ambitions of VEMEX

Slovakia and Russia: gas contracts

- Long-term contract between SPP and Gazprom Export (2008/2009) – for 20 years (6.5 bcm/y), transit – contract between Eustream and Gazprom Export
- Attempts for diversification

2009: 10-years contract between SPP and E.ON Ruhrgas

5-years contract with GDF Suez

Attempts to safeguard deliveries in case of emergency and crisis situation

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.

EVROPSKÁ UNIE esf MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY OP Vzdělávání pro konkurenceschopnost

INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Slovakia – Russian investors

- Low storage capacities in comparison with e.g. Czech Republic – interest for building of additional gas storage capacities
- Possibility to cooperate with Gazprom?

X

- SPP privatisation – Gazprom among winners in consortium with E.ON Ruhrgas and GdF Suez X decision not to use the option – a part of Gazprom strategy?
- End of Slovak-Russian gas company Slovrusgaz
- After 2009 crisis negotiations about possibility to estabilish new gas company with Gazprom or RWE

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.
EVROPSKÁ UNIE esf MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY OP Vzdělávání pro konkurenceschopnost
INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Slovakia: attempts to safeguard transit country position

- Project of new connection between Slovak and Hungarian transit networks – connection with the main transit route between RF and EU: delay
- Reverse flow from Baumgarten
- Nord Stream, South Stream, Nabucco – neither of these projects counts with Slovakia as transit country – fear from marginlisation of the role of SR as transit country

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.
EVROPSKÁ UNIE
MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY
OP Vzdělávání pro konkurenceschopnost
INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Slovakia: attempts to safeguard transit country position

- Yamal-Europe meant 10 % decline of the volume of Slovakian gas transit
- After Nord Stream completion – 25 % decline according to estimations
- Expectations connected with North-South connection (possible usage of LNG terminals or connection with Nabucco)

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.
EVROPSKÁ UNIE
MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY
OP Vzdělávání pro konkurenceschopnost
INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Poland and Russia: gas

- Import – cca 75 % share on consumption (mainly industry), rise of Russian share in import after building of Yamal-Europe (from 70 % to more than 80 %)
- Polish part of Yamal transit pipeline – Europol Gaz
- Imports from Russia based on long-term contract between PGNiG (dominant actor in Polish gas market) and Gazprom Export – 7.5 bcm/y
- 2009 – RUE ceased to operate and deliver gas from Turkmenistan, short-term contract for deliveries from RF

„Yamal contract“

- 1993 with Gazexport (since 2006 Gazprom Export) for 25 years – renegotiation 2004 - valid till 2022 – lowering of gas exports
- Ownership structure of Polish part of Yamal: operator EuRoPol Gaz: PGNiG and Gazprom both 48 %, 4 % - private Gaz Trading

X

- After 2009 crisis – end of RUE deliveries = new negotiations with Gazprom

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.
EVROPSKÁ UNIE
MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY
OP Vzdělávání pro konkurenceschopnost
INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

New Yamal Contract

- Signed February 2010

Gradual increase of deliveries: 2010 9.7 bcm/y, 2011 10.54 bcm/y 2012-2037 11 bcm/y

Territoriality clause

New ownership structure of EuRoPol Gaz: Gazprom : PGNiG 50:50

Tariffs for transit – controversial point

X

European Commission – break of the TPA principle, territoriality clause, transport tariffs

Surprising step considering the other Polish projects of diversification

October 2010 – new deal Sechin-Pawlak: new contract for domestic consumption to 2022 years and for transit to 2019; operator of the Polish part of Yamal project: Polish state company Gaz Systém instead of EuRoPol Gaz

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.

INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Poland: new infrastructure and extraction projects

- Skanled pipeline – connection with Baltic Pipe (negotiations with Denmark and Norway), deliveries of Norwegian gas to Nordic countries and to Poland – stop (crisis, withdrawal of E.ON from Baltic Pipe project), uncertain future
- New pipeline Poland – Germany (fears from strengtening of Gazprom position)
- LNG Świnoujscie
- Moravia – possible connection to South Corridor?
- Yamal II – improbable (in case of rapid rise od Polish gas consumption)
- Extraction of shale gas

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.
INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Hungary and Russia: gas

- Gas the most important from energy resources (electricity production) – vulnerability in case of deliveries interruption (relatively high share of households on gas consumption, industry less)
- Importance as transit country only for Serbia and BH
- Import – 79 %, 80 % from Russia
- 1975 – connection with Soviet transit systém
- 1996 – diversification through Györ – Baumgarten pipeline (diversification of transport rather than diversification of resources)
- No reverse flows

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.

EVROPSKÁ UNIE esf MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY OP Vzdělávání pro konkurenceschopnost

INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Hungary and Russia: gas, investments

- Strong position of MOL (part of Nabucco consortium X attempt of Surgutneftegaz to gain a significant share – more than 21 %)
- 2009 – OMV sold 21.2 % share in MOL to Surgutneftegaz (OMV ended striving for complete control of MOL and Surgutneftegaz paid almost two times of the trade price – why? who in the backgroud?) X Hungarian Energy Office (MEH) has not registered Surgutneftegaz's MOL shares, attempts to buy it back - successful
- Paralel support for Nabucco and South Stream - Participation of Hungary was confirmed in January 2009: joint-venture (South Stream Hungary Zrt., Hungarian Development Bank : Gazprom 50:50)

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.

INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Russian oil and V-4: future of Druzhba pipeline

- Interruption of deliveries through the Southern line of Druzhba pipeline
- 2008 – CR noticed decline of oil deliveries through Druzhba pipeline, Russia announced that the decline of deliveries through this route would be of larger range
- CR – diplomatic note, speculation about a connection of Russian deliveries decline with the signature of SOFA agreement with USA and the project of radar X official representatives were careful with that interpretation
- Russia – the decline of deliveries was a result of necessary repairs and revision of the pipelines, technical and administrative problems, refusal of political interpretation
- Another problems – 2009 (CR, SR)

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.
EVROPSKÁ UNIE
MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY
OP Vzdělávání pro konkurenceschopnost
INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Future of Druzhba pipeline

- CR – 2010 – more than 40 % of oil deliveries to CR through system TAL + IKL
- Russian concentrates more on oil deliveries through tankers using Novorossiysk port
- Baltic Pipeline System (BPS-1, BPS-2)
- Gradual removal of price preferences for Druzhba oil
- Speculations about the background (economic reasons, different tactic of suppliers)
- Important topic for energy agenda of V-4 countries: March 2010 V-4 appealed on the European Commission to take into consideration the future of Druzhba pipeline in decisions about new infrastructure projects of diversification
- Possible alternative scenarios – interconnection of V-4 countries with the network and terminals in Western Europe etc.)

Poland: projects of diversification in oil – Odessa-Brody-(Plock)

- Originally project of diversification of oil deliveries to Gdansk in Poland
- The pipeline from Odessa to Brody in Western Ukraine planned to be extended to Plock in Poland and possibly to Gdansk port to transport Caspian oil (an alternative supported by EU)
- Role of former Russian oil tycoon Khodorkovski in that project
- After the Yukos affair Russia interested in using this route for deliveries of Russian oil further to the West
- Accord with Kuchma (TNK-BP, Lukoil) to use the reverse flow of the pipeline in direction Brody – Odessa
- 2010/2011 – Ukrtransnafta company planned to reverse the flow – oil from Azerbaijan, also possible deliveries of Russian oil to Druzhba in this way
- Ukraine, Belarus

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.

EVROPSKÁ UNIE esf MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY OP Vzdělávání pro konkurenceschopnost

INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Odessa-Brody

Nuclear energy

- Atomstroyexport

2005 – 2008 modernization of the 3rd and 4th block of Jaslovske Bohunice (SK)

Planned participation on the installation of the 3rd and 4th reactor in Mochovce (SK) ?

Temelin?

X

Belene (Bulgaria)

- Nuclear fuel – Tvel company

Deliveries to CR, Hungary, Slovakia

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.

INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

- Thank You for attention !

Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.

INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ