
FIRST PIPELINE IMPORTS TO OPEN UP GREEK GAS MARKET

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The first gas deliveries by pipeline from a Greek private supplier are set to bring the Greek gas market closer to liberalisation and put pressure on Sofia and Athens to sign a longstanding interconnection agreement for gas imports.

Since 1 June, the M&M Gas company has been importing small volumes of gas on a daily basis from a hub in Sidirokastro, which is located at the border with Bulgaria.

Reports in Athens suggest that the gas was purchased from a big European company.

Created in 2010 by Greek power producer Mytilineos and Motor Oil, M&M Gas was also the first private company to bring LNG into the Greek gas grid, six years ago.

Interconnection agreement

The opening-up and the interconnection of member states gas markets have taken center stage in EUs energy policy as the European Commission wants to ensure competition in the main energy sectors: electricity, gas, and oil.

This is why in February 2015 European Commission Vice-President and responsible for the Energy Union, Maroš Šefčovič, and Commissioner for Climate Action & Energy Miguel, Arias Cañete, held the first meeting of the Central East South Europe Gas Connectivity (CESEC) High-Level Group in Sofia.

The objective of the group is to establish a regional priority infrastructure roadmap and advance its implementation in order to develop missing infrastructure and improve security of gas supplies.

The Greece interconnection agreement is among the CESEC priorities as it could create the conditions for transforming the area into a gas hub.

It will work according to the Interoperability and Data exchange Rules, which according to the Agency for the Cooperation of Energy Regulators, help the cross-border gas transport and the creation of an integrated and competitive internal European energy market.

In a ceremony inaugurating the construction of the Trans Adriatic Pipeline (TAP) in Thessaloniki on 17 May, Šefčovič, announced that an interconnection agreement between DESFA, Greeces gas transmission system operator, and Bulgartransgaz would take place on 26 May.

In this framework, M&M Gas concluded the sales and purchase agreement with its counterpart, booked the capacity at Sidirokastro (the entry point of the Greek National Natural Gas Transmission System) and submitted the required nominations to DESFA.

DESFA then accepted the nominations on the basis of equal treatment of all users of the system.

Consumers and industry relieved

After the latest developments, analysts estimate that pressure for the signing of the agreement is mounting.

During a meeting held in Sofia on the issue with the participation of DESFA and Bulgartransgaz, it was decided that the agreement would be signed within the next ten days and take effect from 1 July.

The move is seen as an important step for the gas market in Greece, both for consumers and industry, as it opens the way for new gas supply sources, providing cash-strapped Greek consumers with competitive natural gas prices, and ensuring healthy competition for the struggling industry sector both for supply and cost.

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