

Session 1: Gas Hubs – Liquid Gas Trading

CEGH Hub Experience in Praxis

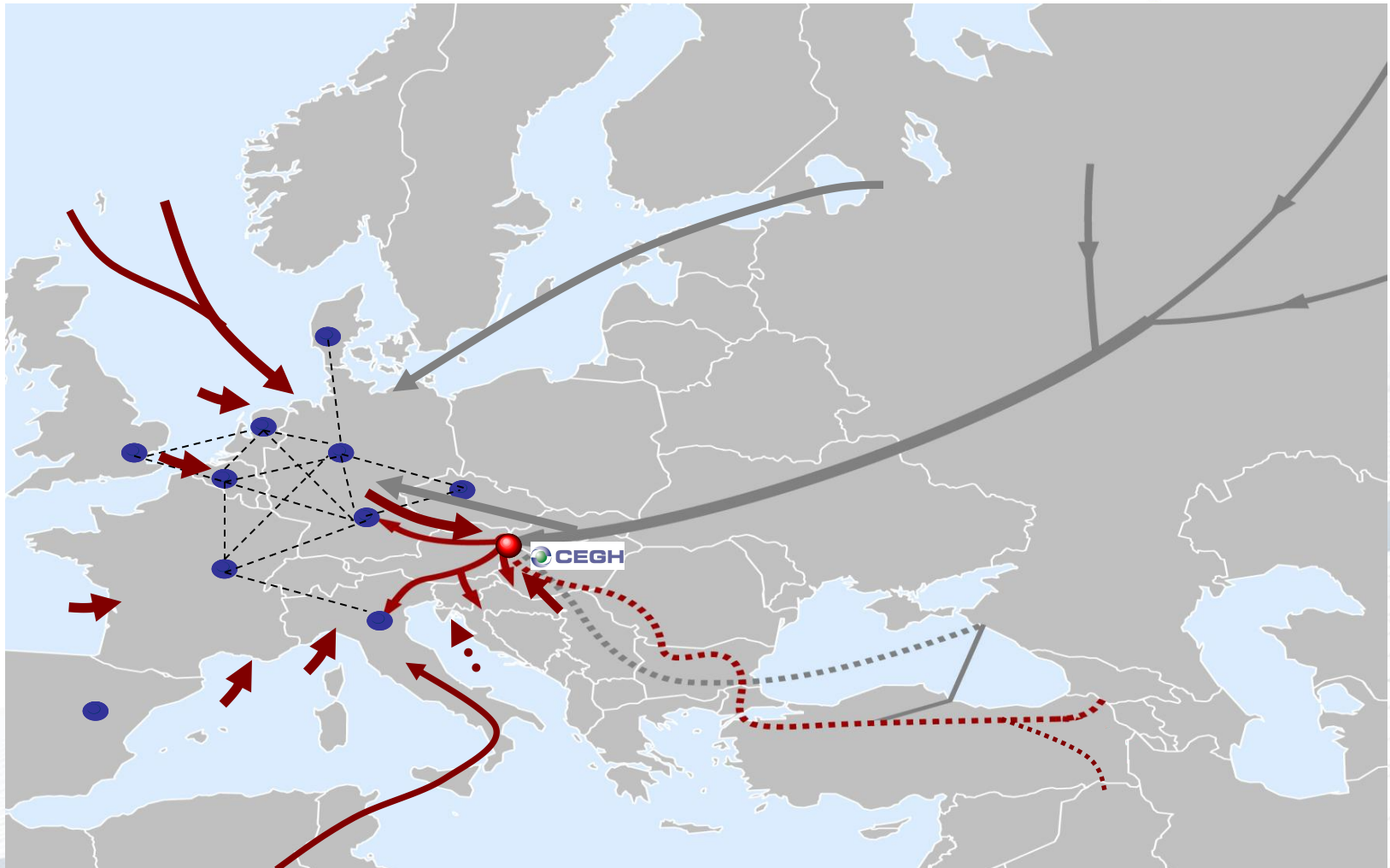


ECRB Workshop on Gas Market Models

November 16th 2011



CEGH - the gateway from East to West within Europe's hub landscape



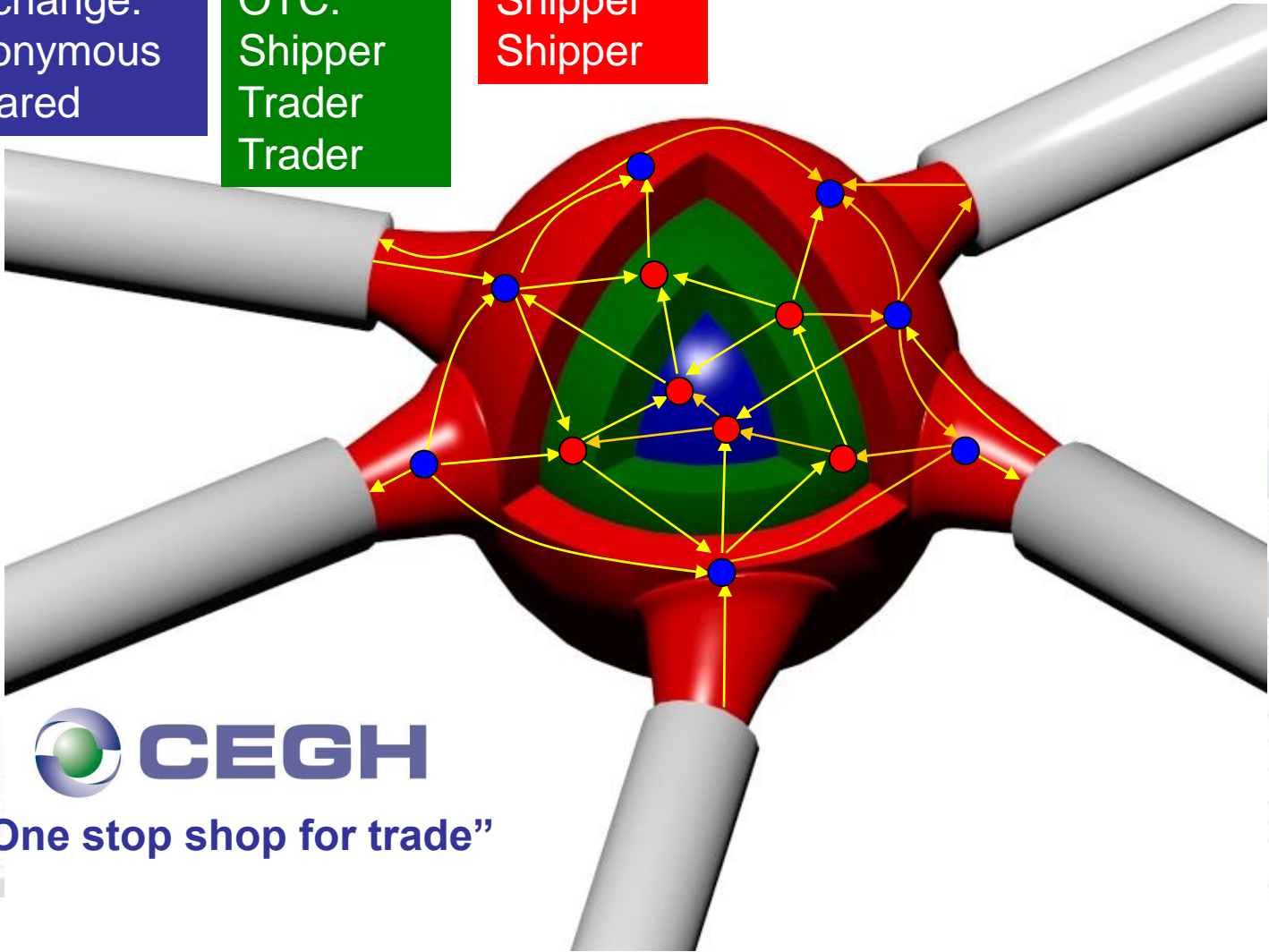
Only gas hub in Europe operating 3 layers of trade



Exchange:
anonymous
cleared

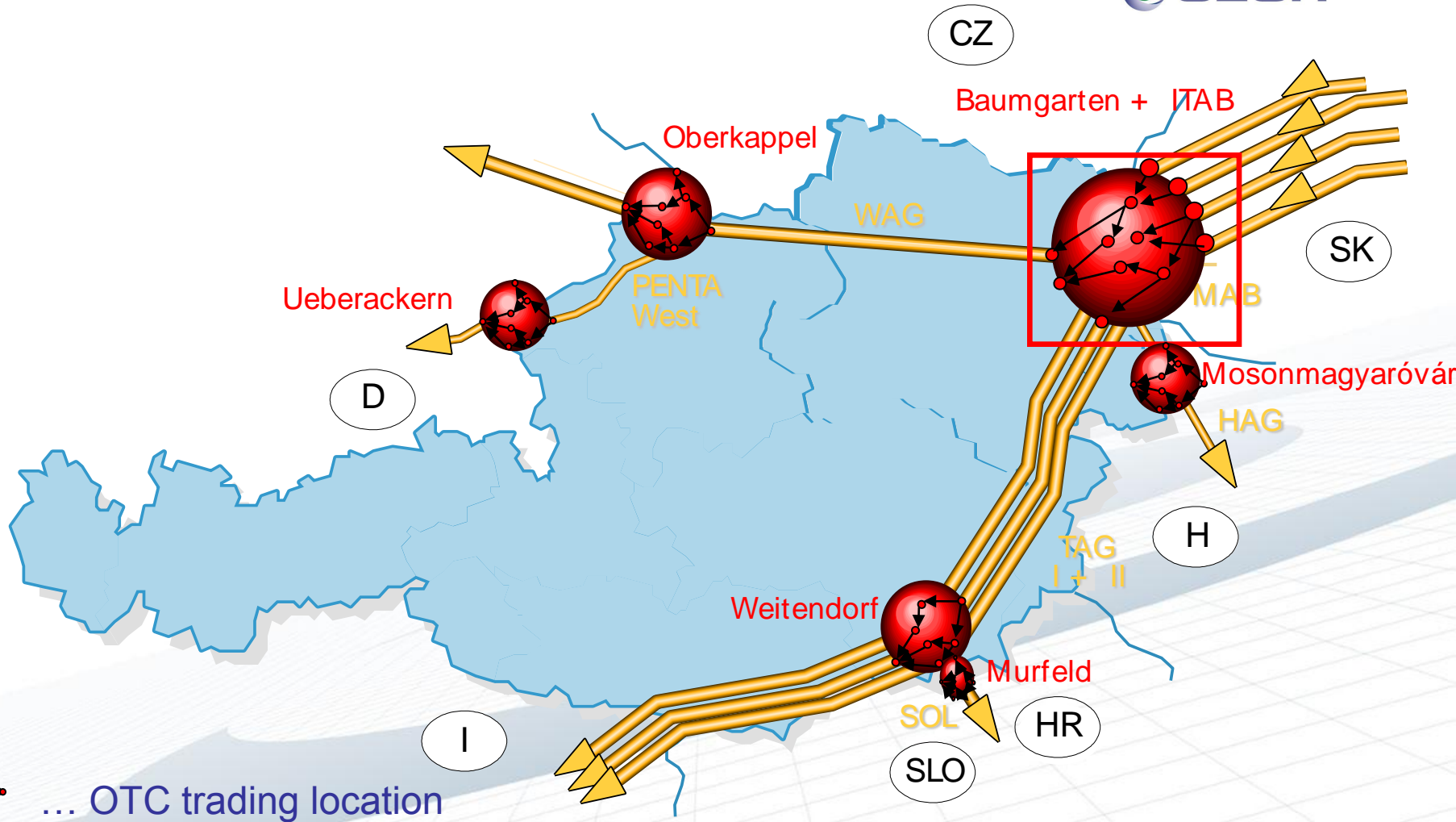
OTC:
Shipper
Trader
Trader

Shipper
Shipper

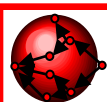


“One stop shop for trade”

CEGH Trading Locations



... OTC trading location

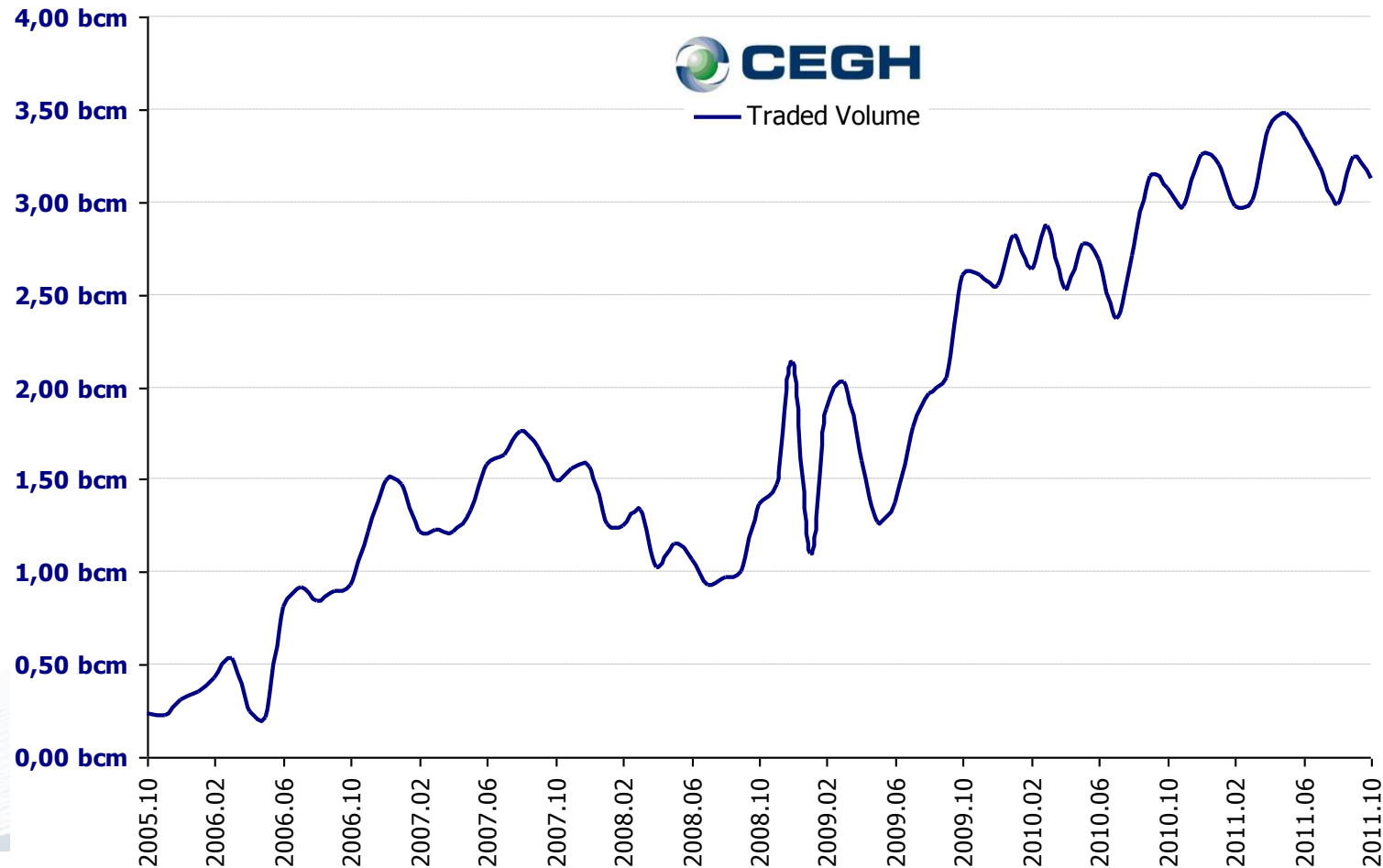


... OTC + gas exchange trading location

Development of OTC Trading at CEGH



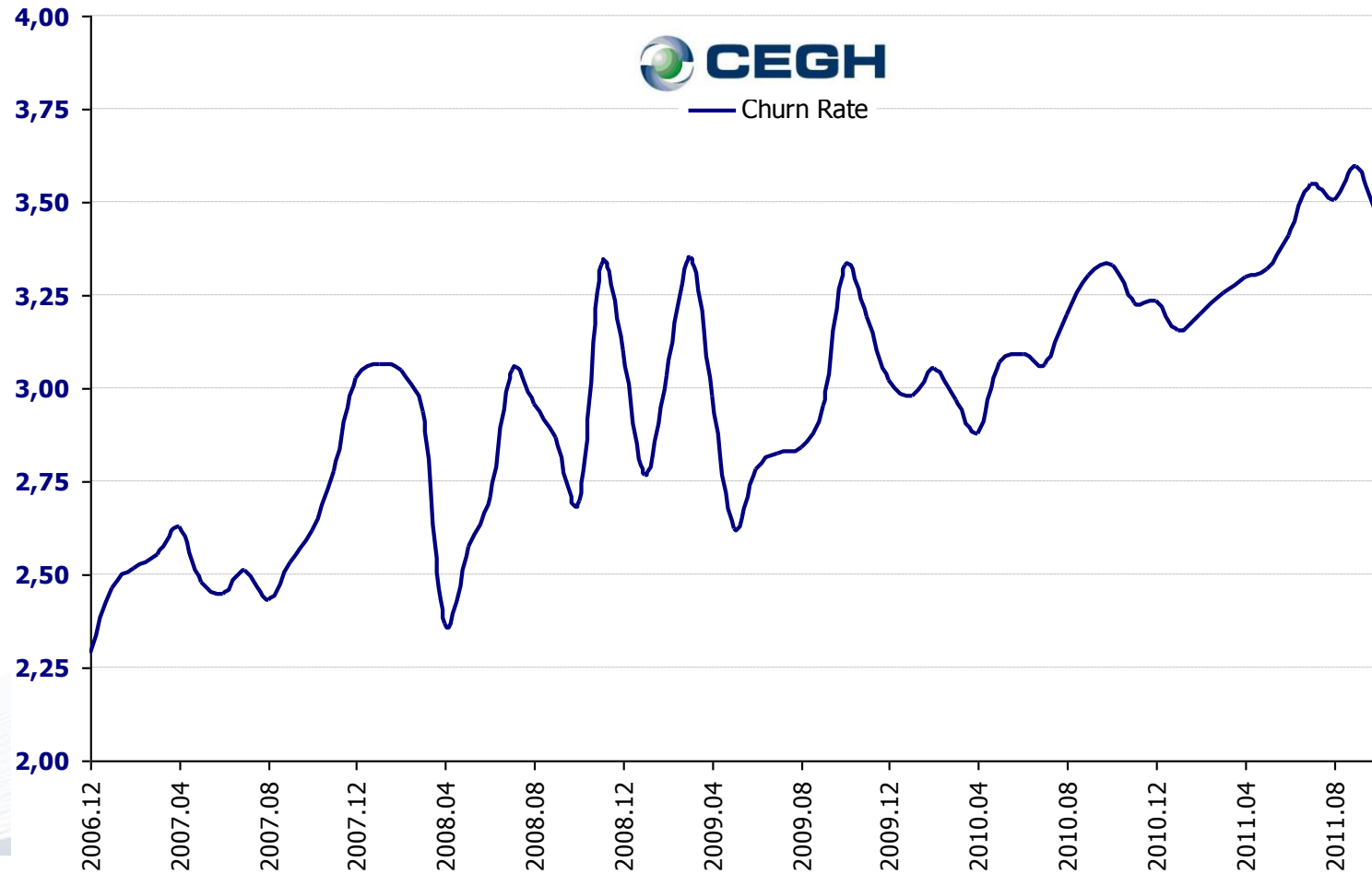
CEGH – Monthly Title Tracking - Volume



Development of OTC Trading at CEGH



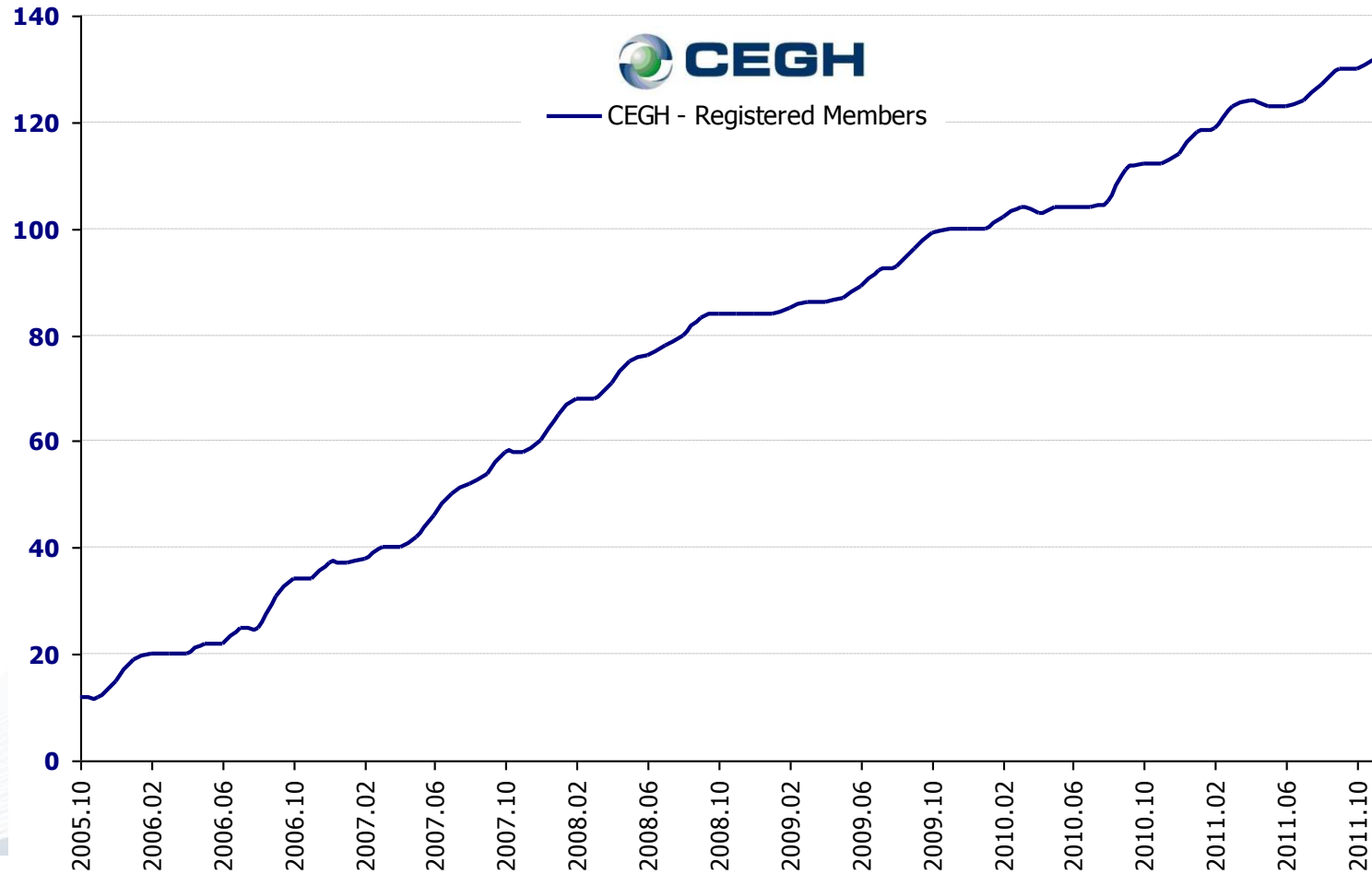
CEGH – Churn Rate



Development of OTC Trading at CEGH

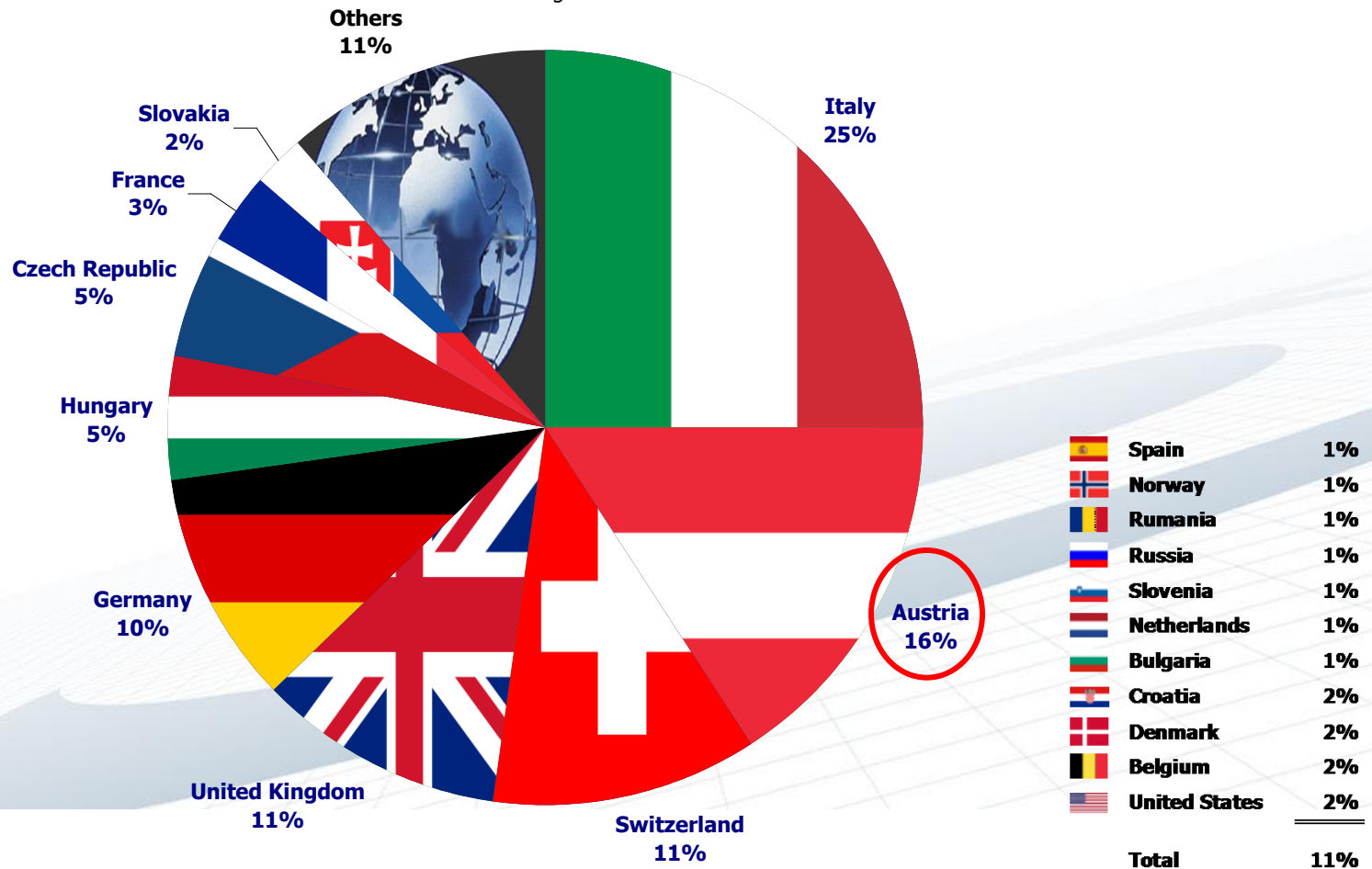


CEGH – Registered Members



Development of OTC Trading at CEGH

CEGH – Registered Members

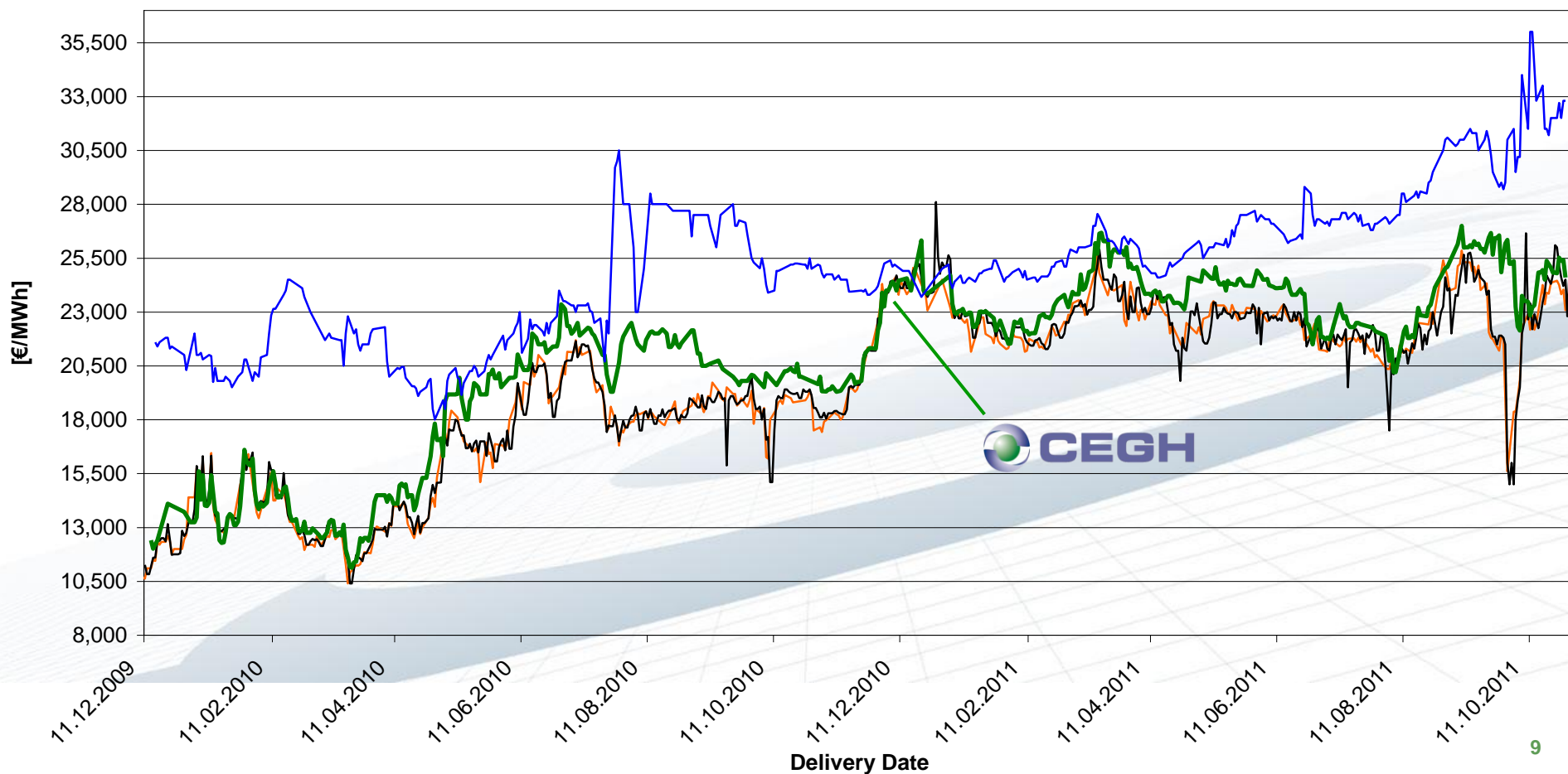


Price relation between NCG, TTF, PSV and CEGH Spot Gas Exchange



Price development

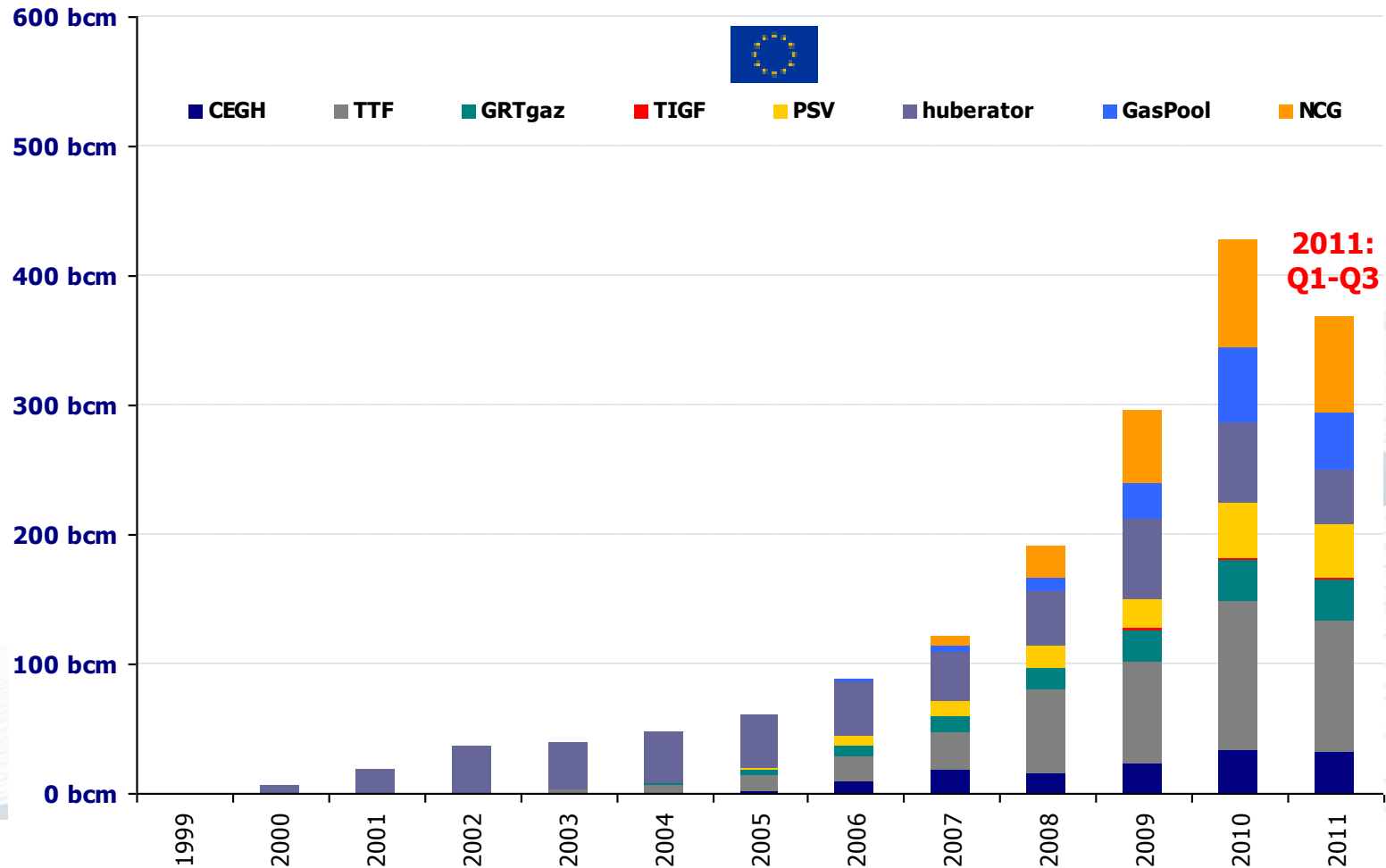
- TTF est. Closing price [EUR/MWh]
- CEGH Gas Exchange of Wiener Börse AG BGX [EUR/MWh]
- EEX (NCG) Exchange Settlement Price [EUR/MWh]
- PSV



Development of Hubs – OTC Volumes

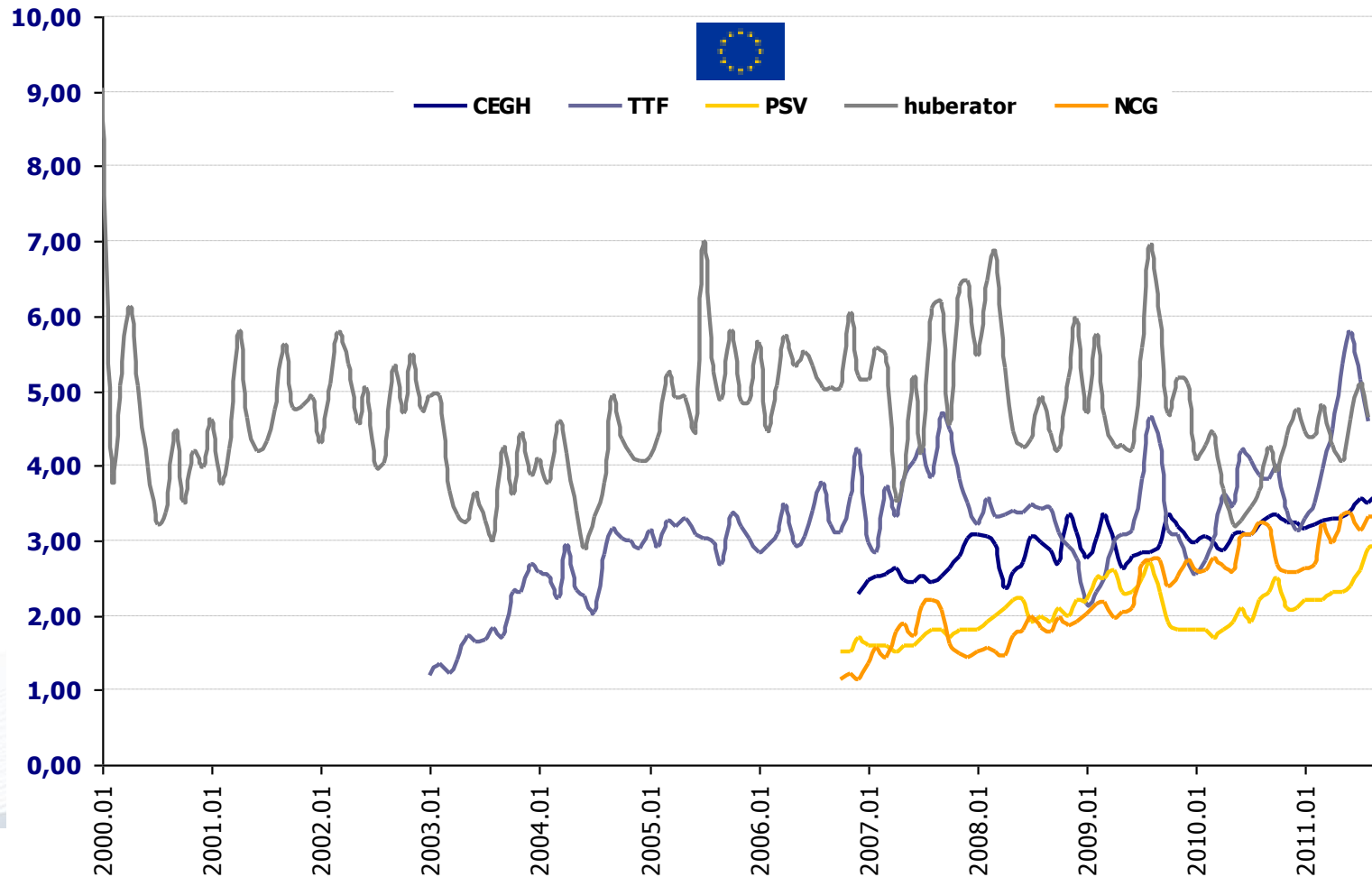


Continental European Gas Hubs



Development of Hubs – Churn Rate

Continental European Gas Hubs



Gas Exchange Segments

**Spot
Market**

*December
2009*

**Futures
Market**

*December
2010*

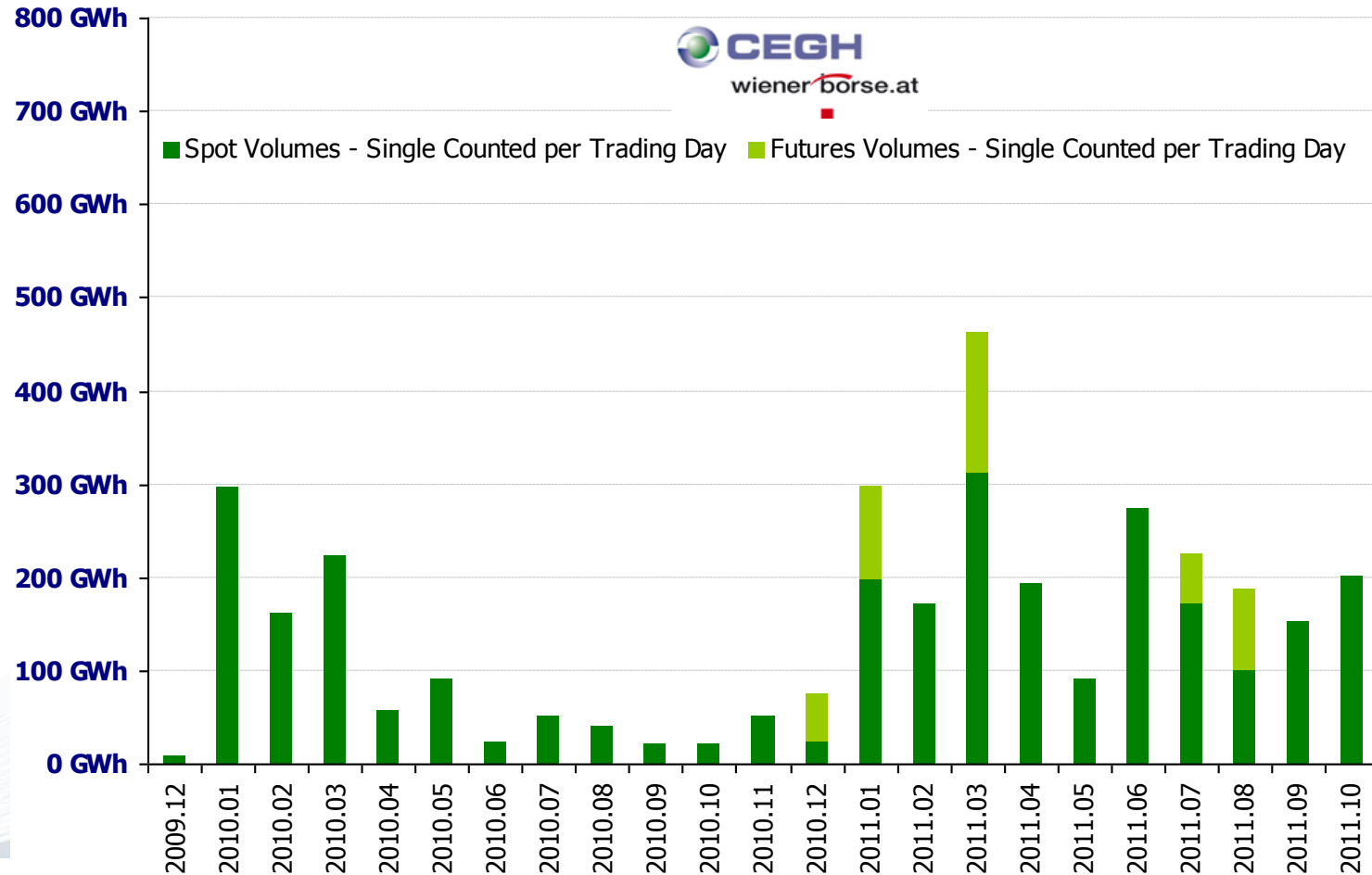
**Within Day
Market**

*01.01.2013
tbc*



CEGH Gas Exchange of Wiener Boerse

Exchange Volumes



Legal Framework

- Börsegesetz (Austrian Exchange Act)

Federal Ministry of Economic
Affairs

Austrian Financial Market
Authority

E – Control



Gas spot market

Gas derivatives market

Gas OTC market

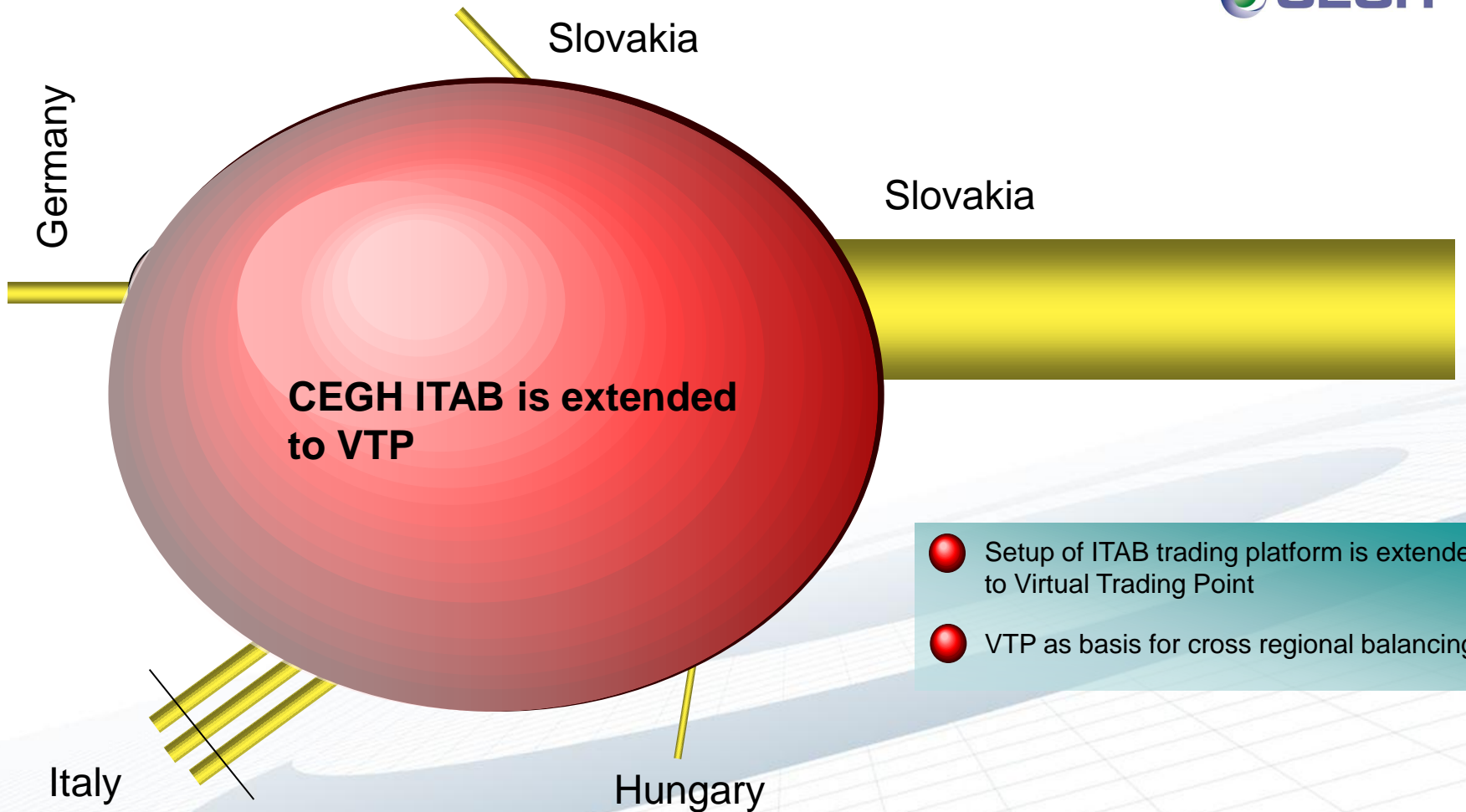
Gas Exchange Activities

Operator of the Virtual Trading Point (VTP)



- §68 Austrian Gas Act (2011)
- Main Tasks:
 - Operating Virtual Trading Point (VTP)
 - Providing commercial hub services
 - Providing back up/back down services
 - Matching of trade nominations
 - Cooperation with exchanges + clearinghouses
 - ...
 - Providing a cross-regional connection to neighbouring market areas in cooperation with respective TSOs

Expansion of ITAB to Virtual Trading Point

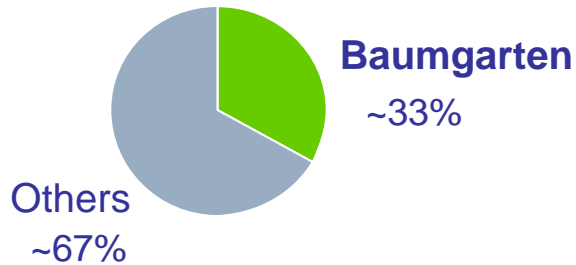


Baumgarten and CEGH will be developed to an even more liquid and attractive gas hub for CEE



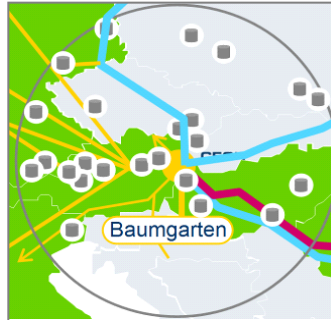
Gas hub Baumgarten

Russian gas exports to Western Europe



First major gas hub for gas from East

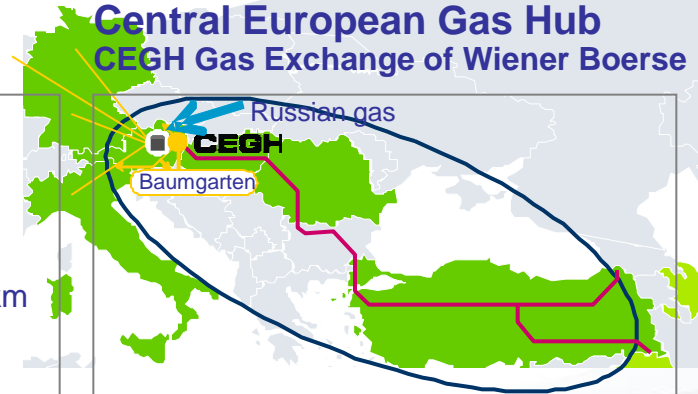
Infrastructure and storage facilities



20 bcm storage capacity¹ within 400 km

High storage capacity around Baumgarten assuring high flexibility and supply security

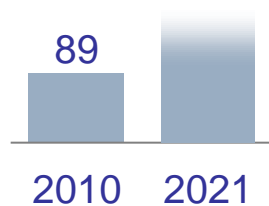
Central European Gas Hub CEGH Gas Exchange of Wiener Boerse



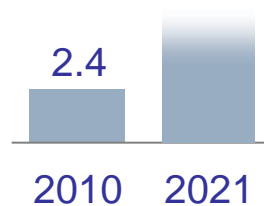
First trading point for gas entering from East (Russia, Nabucco, South Stream)



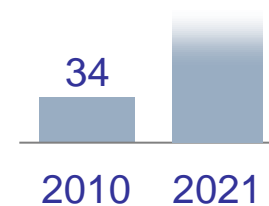
Transport capacity sold bcm



Storage capacity bcm



CEGH trading volumes bcm

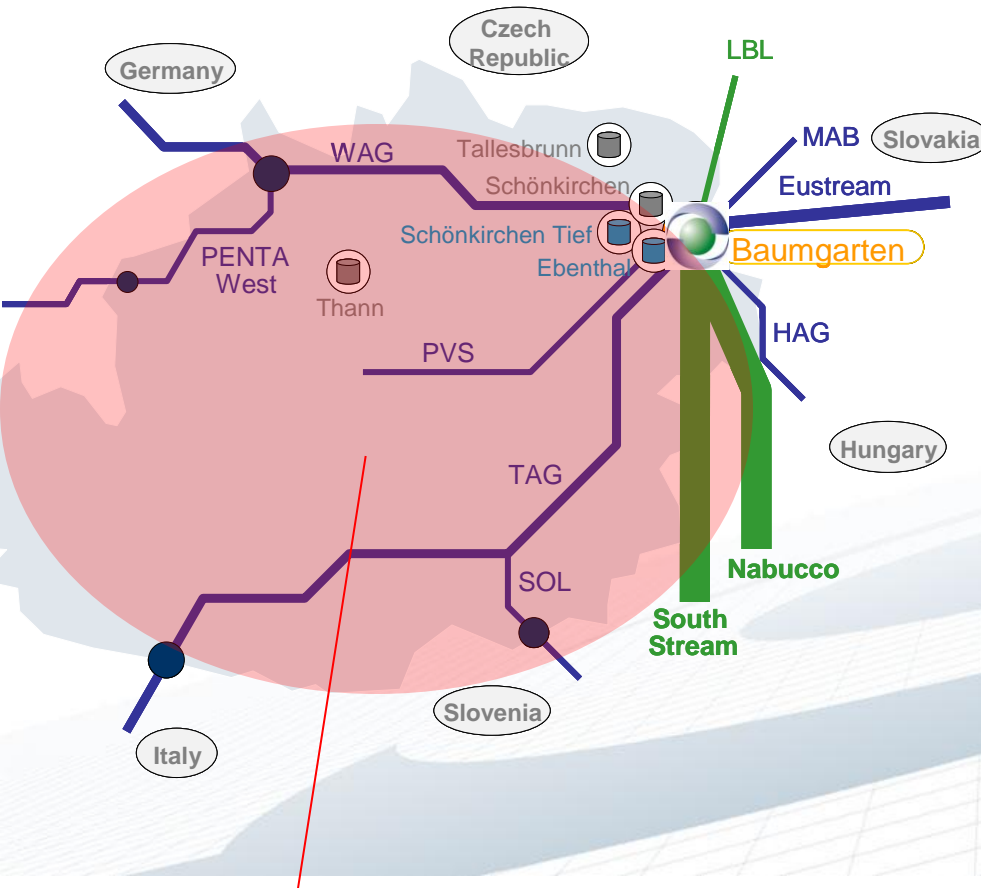


¹ Source: Gas Storage Europe

CEGH attractive platform for market based balancing for CEE



- Existing storage
- Planned storage
- Existing pipelines
- Planned pipelines

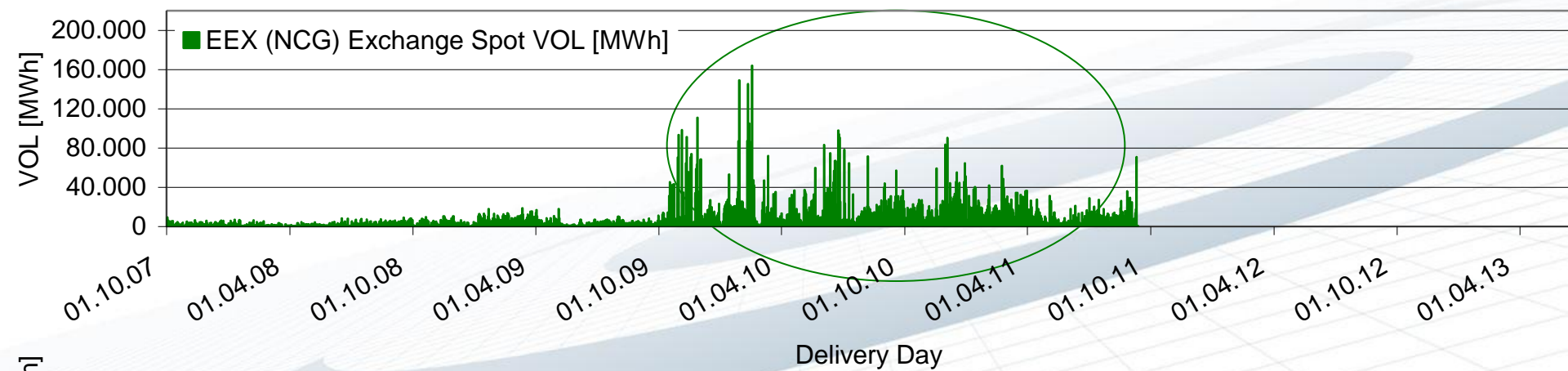
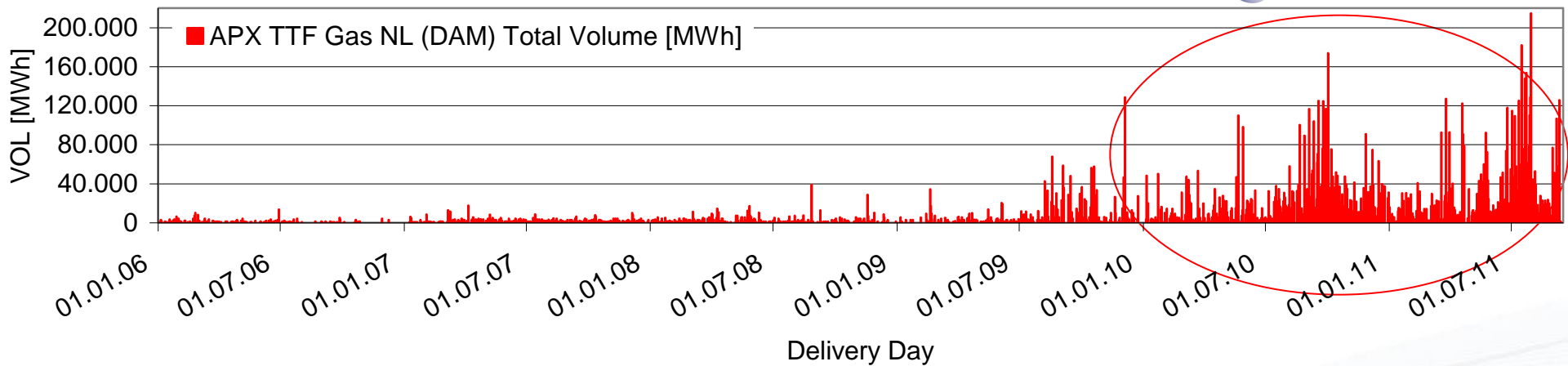


- CEGH will be the **Virtual Trading Point (VTP)** for Austria (01.01.2013)
- It will develop **market based balancing platform** (Gas Exchange Intraday Market)
- CEGH will also be a **cross-regional balancing platform**
- **Regulator's regional concept** considers CEGH as the platform for the region East and South of Baumgarten

Virtual Trading Point

Benchmark VOL [MWh]

APX TTF, EEX NCG, CEGH Gas Exchange of Wiener Boerse AG



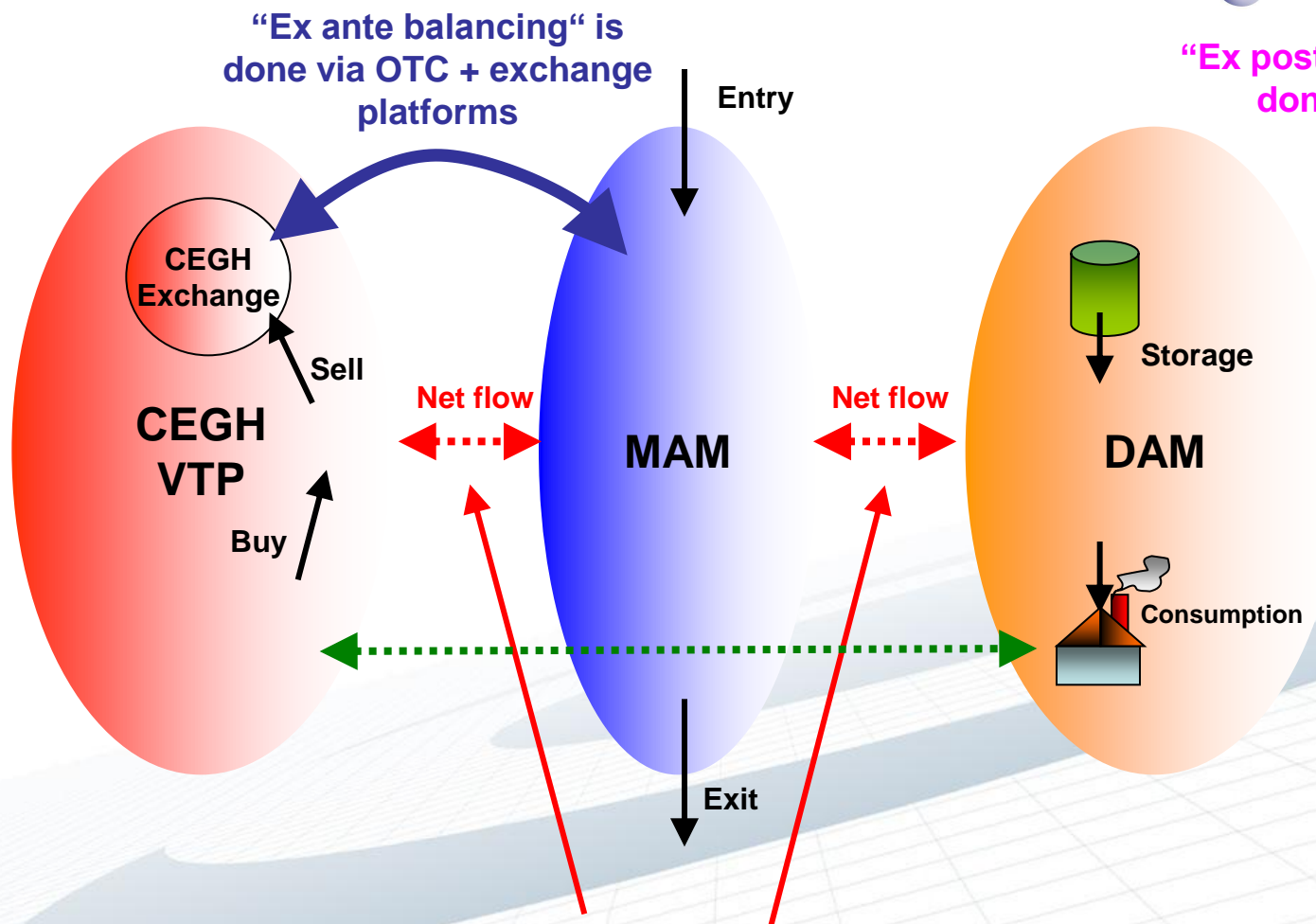
**Thank you very much
for your attention**



wiener borse.at



Interaction between operators



“Ex post balancing“ is done by BGC

Net flows are matched between operators

- VTP ... Virtual Trading Point
- MAM ... Market Area Manager
- DAM ... Distribution Area Manager
- BGC ... Balance Group Coordinator

What should be avoided: Graveyard of Entry – Exit Systems with local VTPs



Liquidity would be fragmented amongst market areas

