



LITGAS

# LNG AND NATURAL GAS MARKET PERSPECTIVES IN BALTIC STATES

September, 2015

**DOMINYKAS TUČKUS**

# CONTENTS

---

- I. Baltic market trends
- II. Natural gas and alternatives
- III. Emerging uses of LNG in Baltics

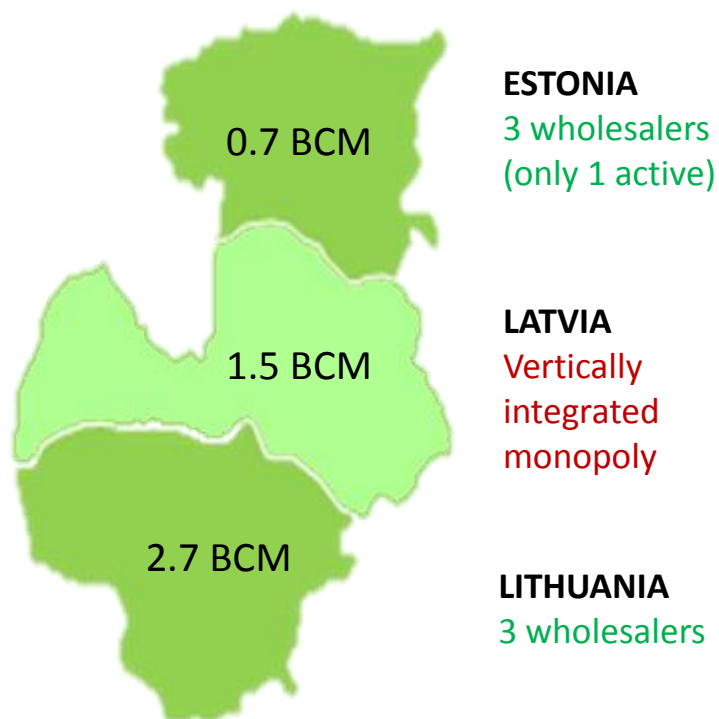


# I BALTIC MARKET TRENDS

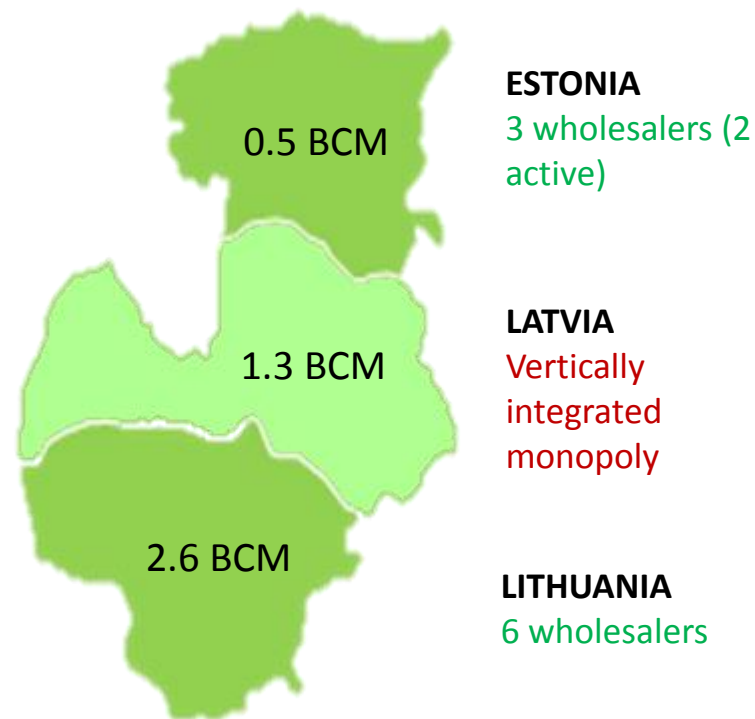


# Natural gas consumption and competition

2013

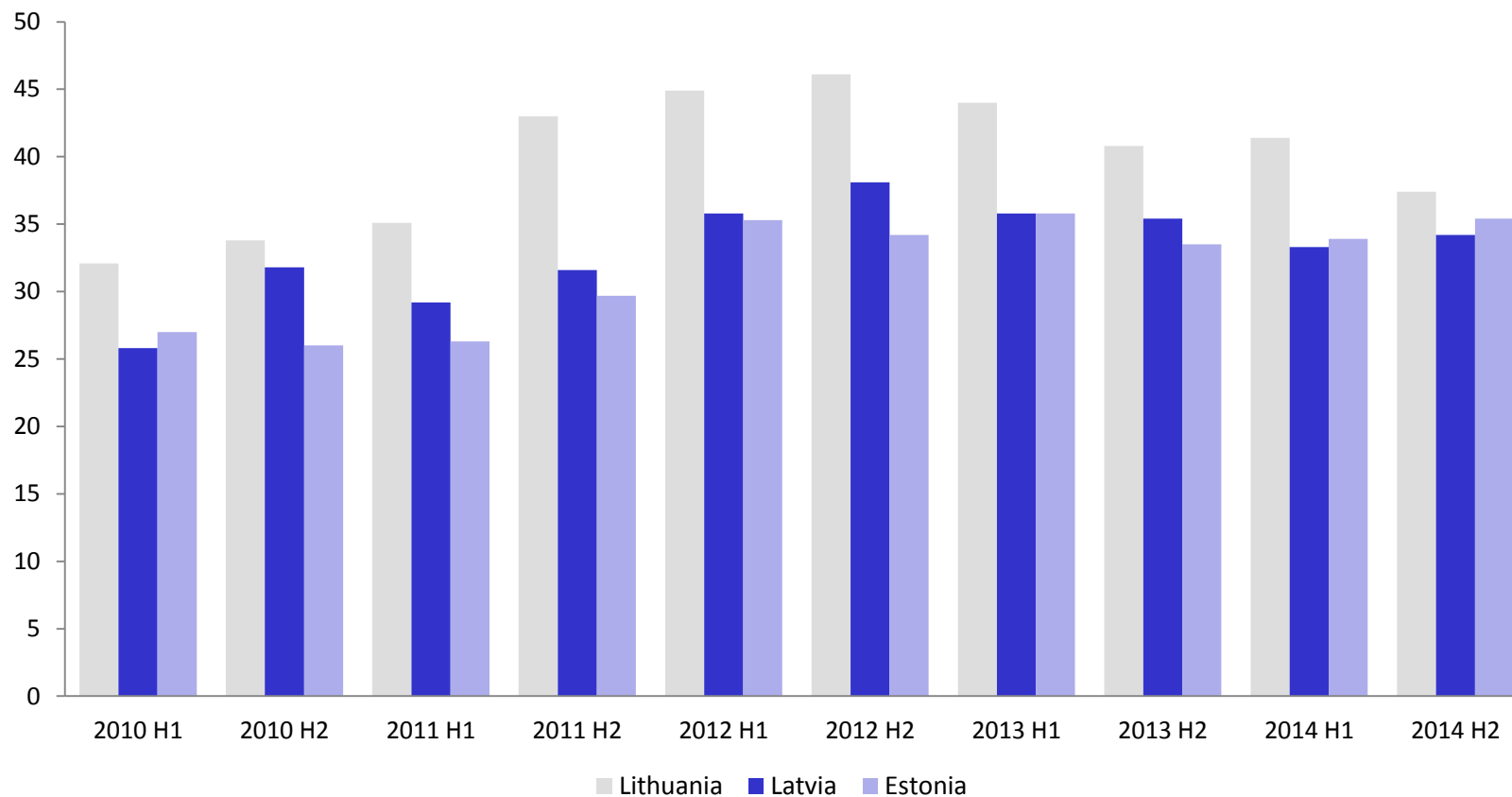


2014



# Natural gas prices in Baltics

(EUR/MWh)

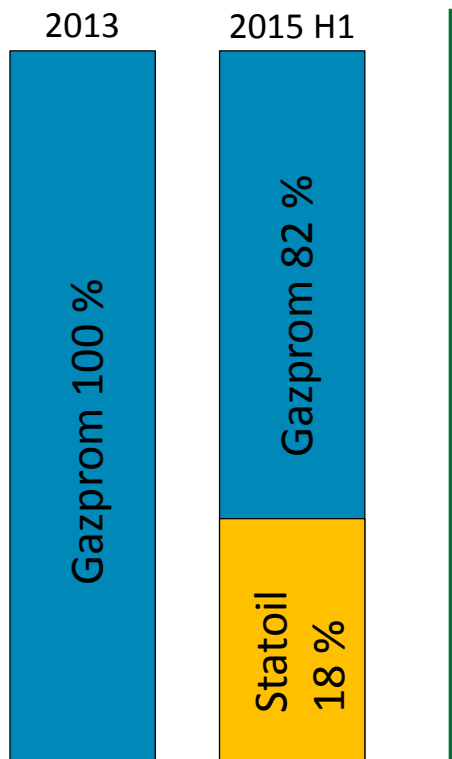


Natural gas prices for industrial consumers  
Source: Eurostat

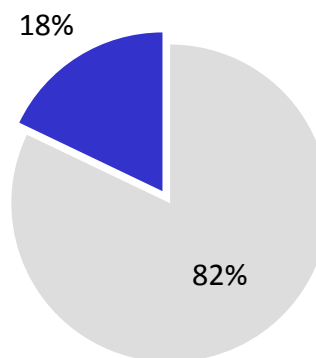
# Natural gas import balance

In 2015:

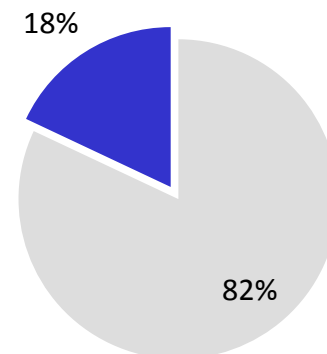
- LNG terminal starts operations
- Trade between Lithuania and Estonia begins



Estonia, 2015 H1



Lithuania, 2015 H1

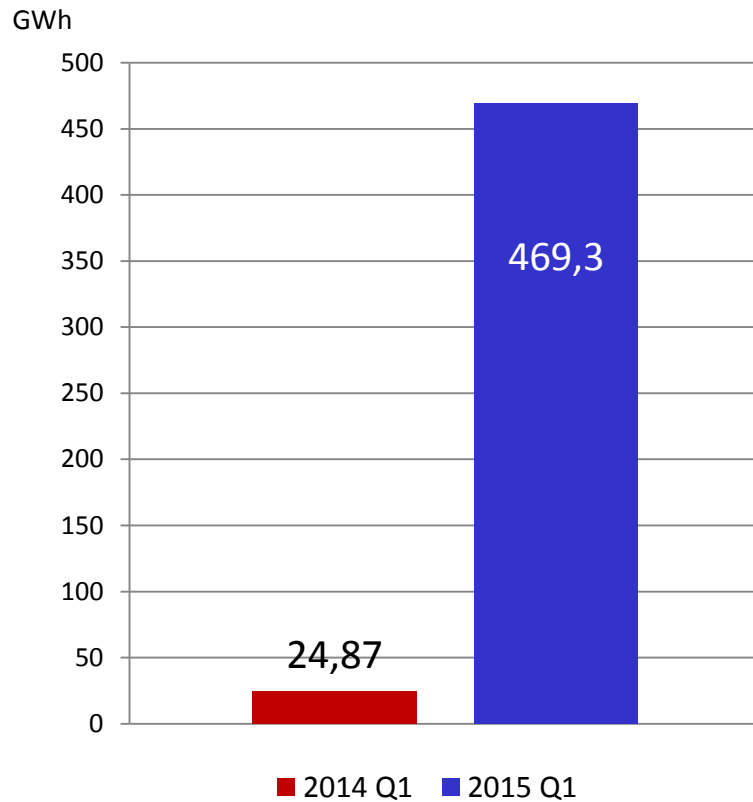


■ Gazprom ■ Other sources

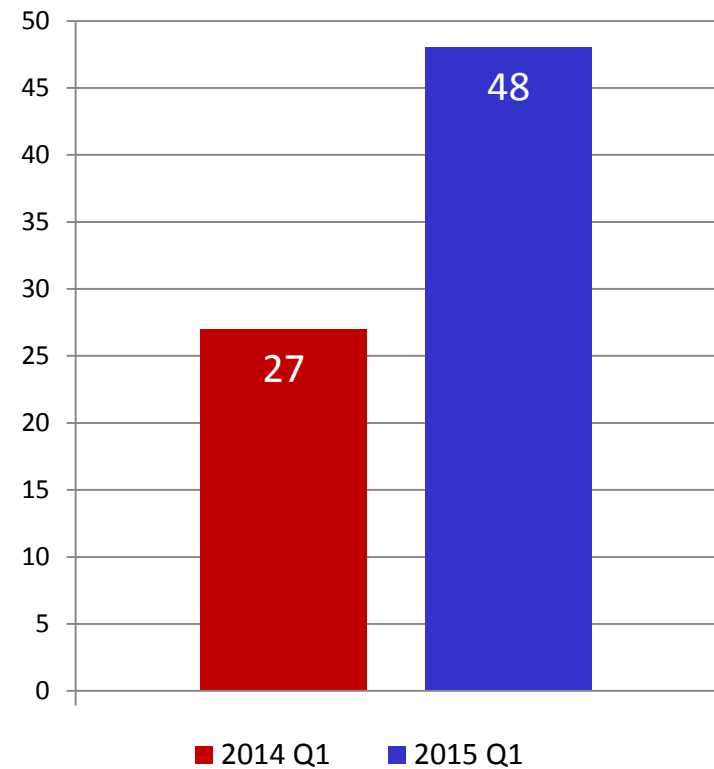
Source: elering.ee, Amber grid

# Trade in Lithuania

## Volumes traded on natural gas exchange

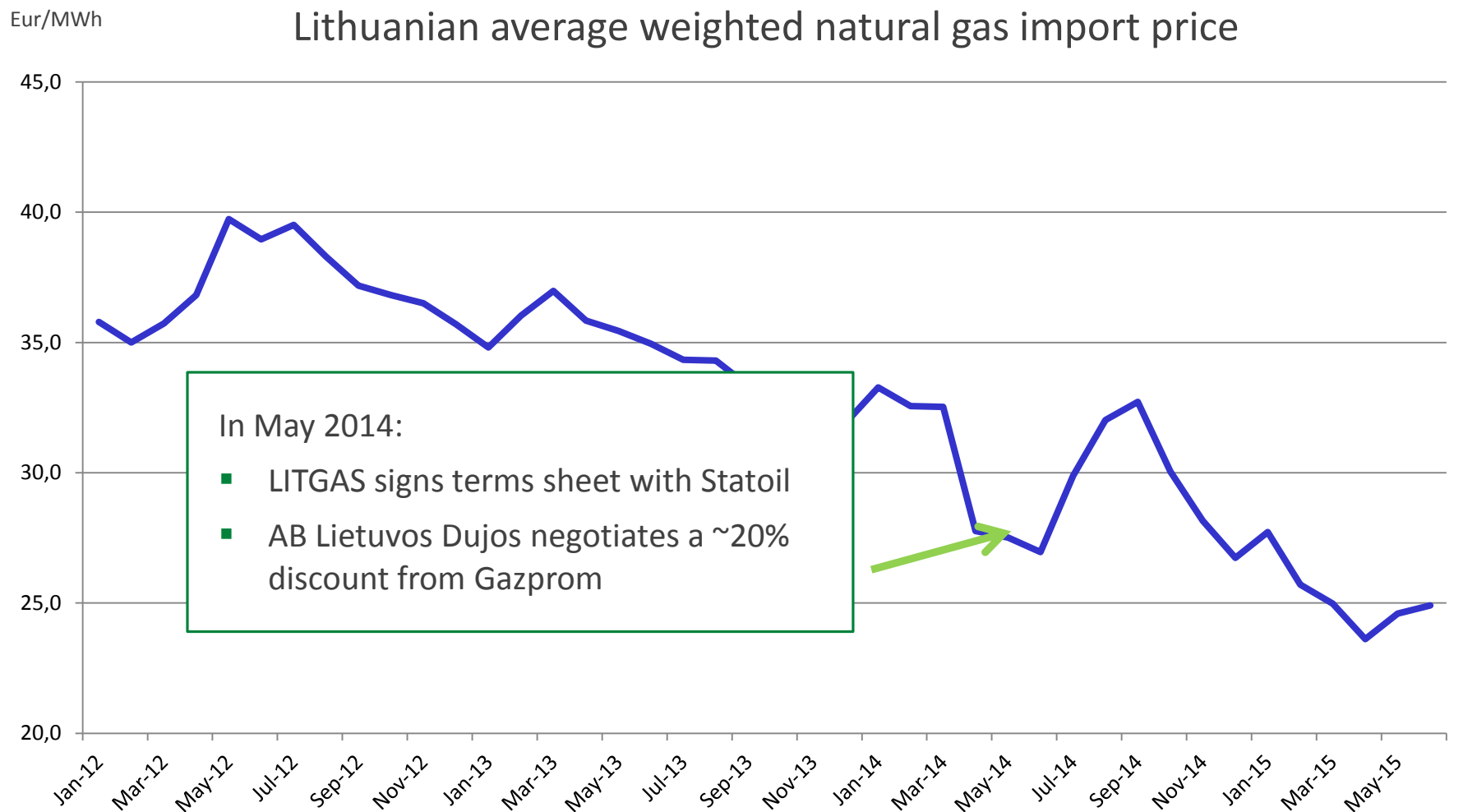


## Participants in natural gas exchange



Source: Get Baltic (Lithuania)

# Price trend in Lithuania



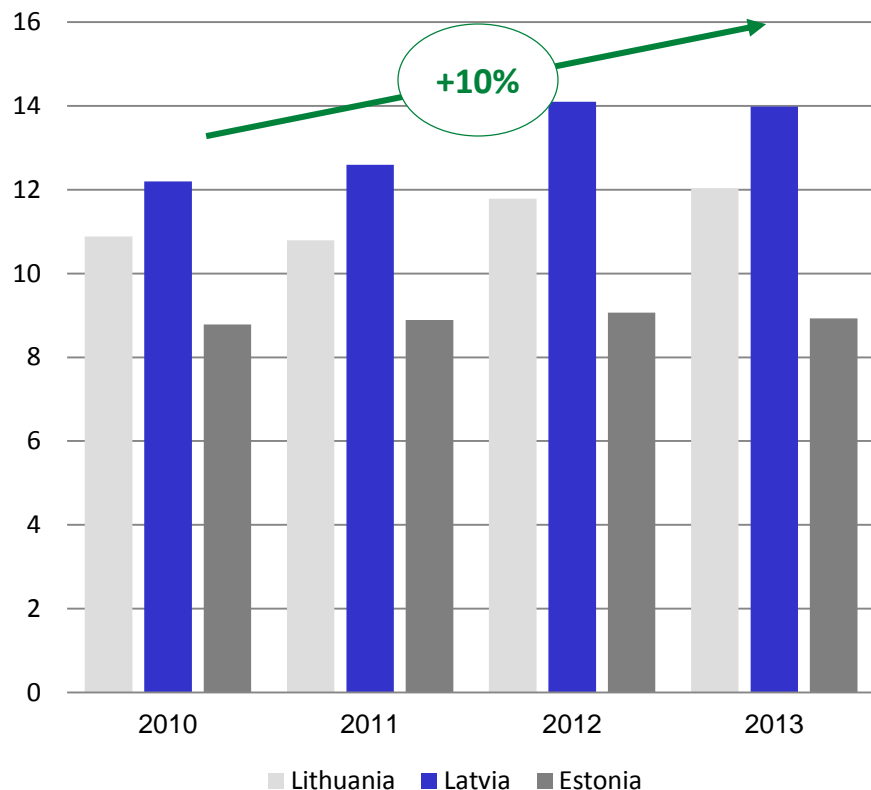
Source: National Commission for Energy Control and Prices (Lithuania)



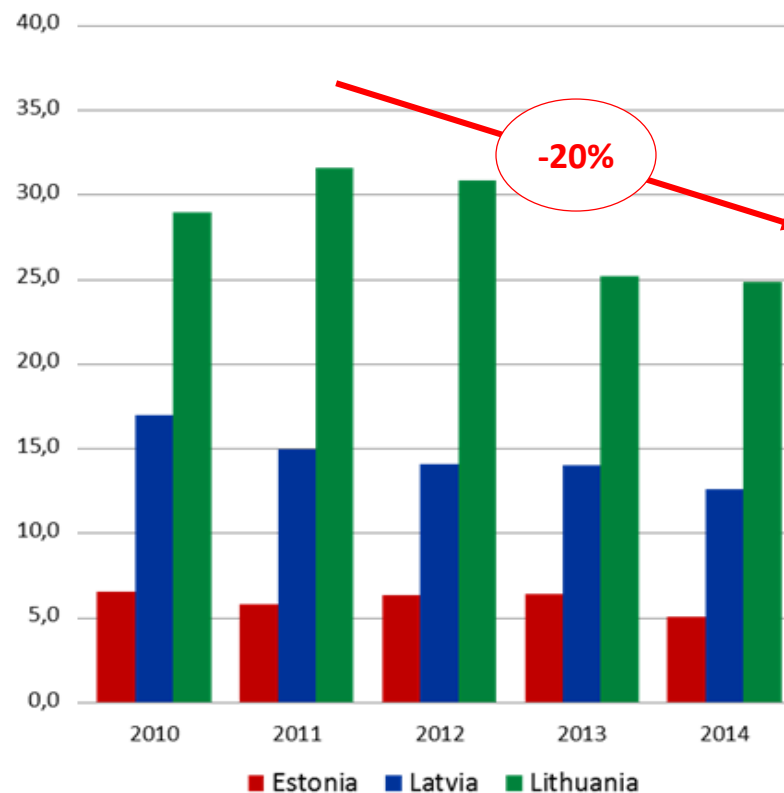
## II NATURAL GAS AND ALTERNATIVES

# Consumption: Biomass vs. Natural gas

## Biomass consumption, TWh

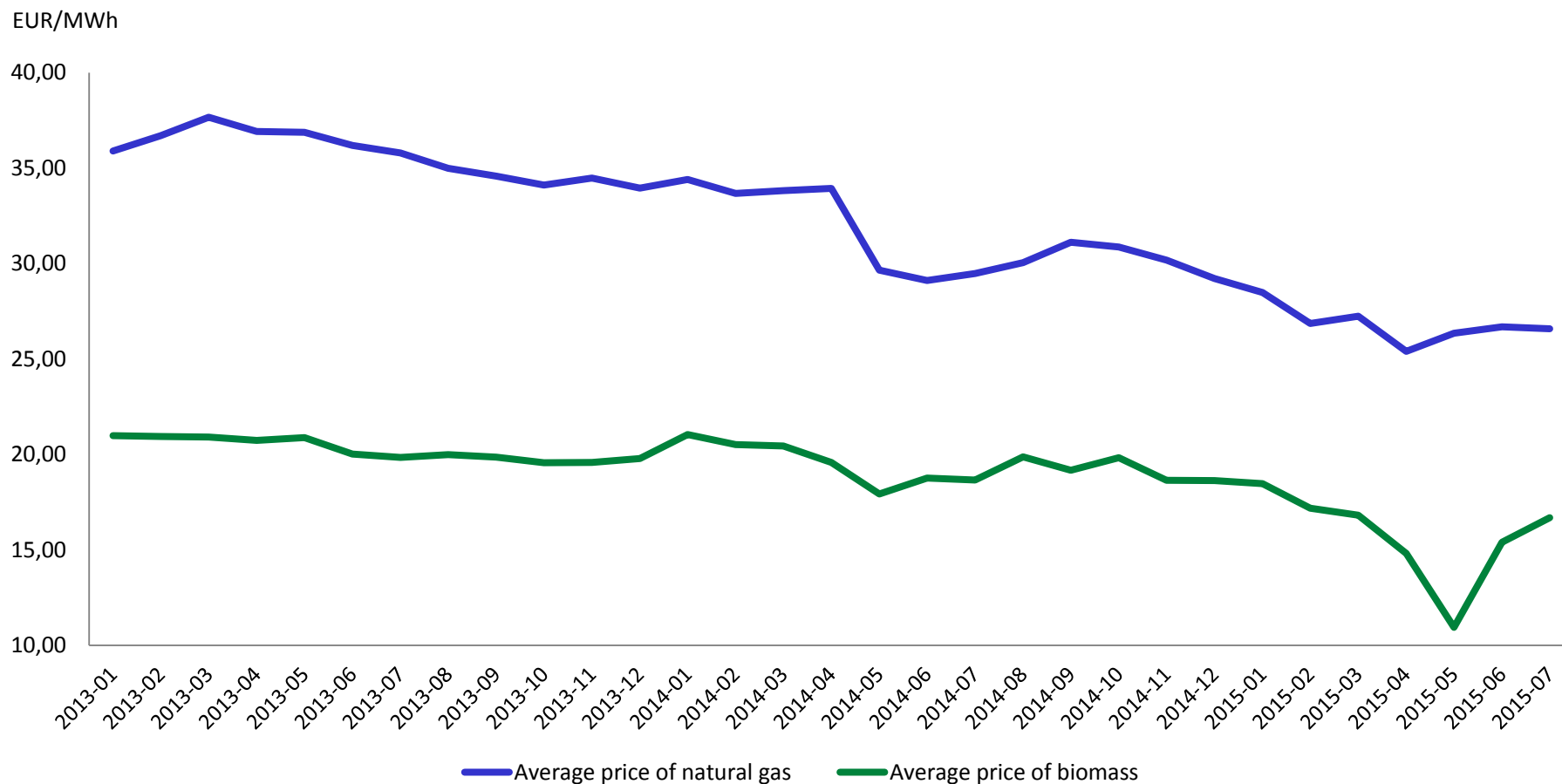


## Natural gas consumption, TWh



Source: Eurostat, Energy Control and Prices (Lithuania), Central Statistical Bureau of Latvia, Estonian Ministry of Economic Affairs and Communications

# Price: Natural gas vs. Biomass



\* Prices are provided for natural gas and biomass used for heating

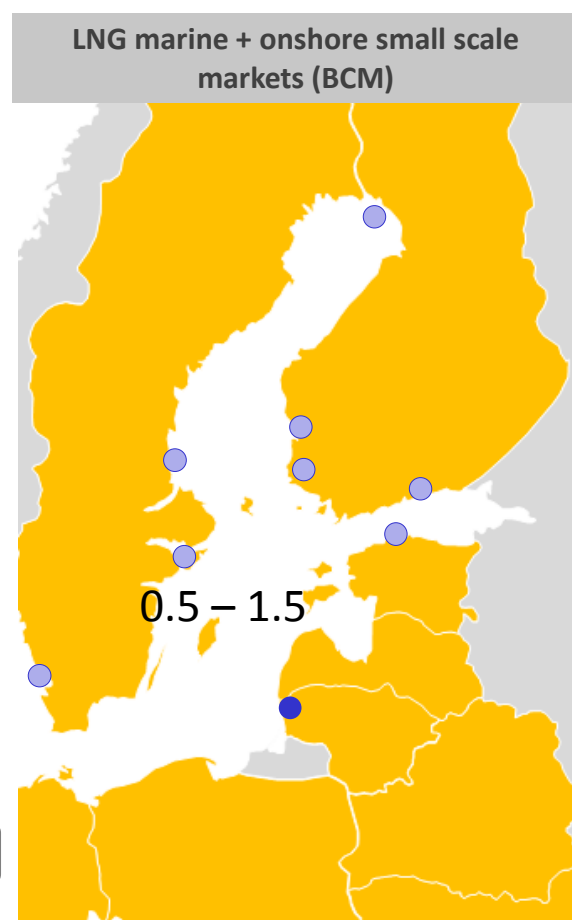
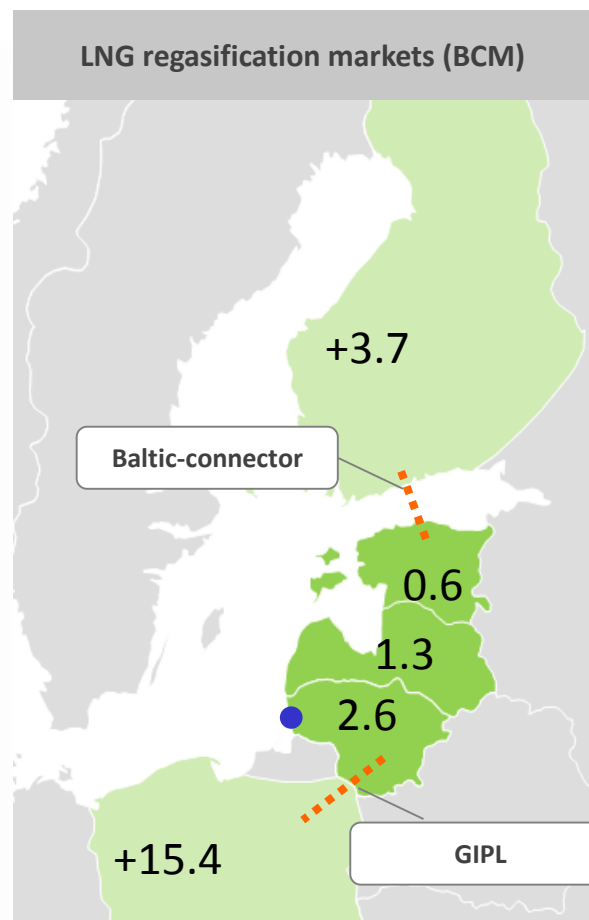
Source: National Commission for Energy Control and Prices (Lithuania)



### III EMERGING USES OF LNG IN BALTICS

# Emerging uses of LNG in Baltics

- New gas interconnectors will increase market reach
- Bunkering – fuelling LNG capable ships, ferries in the sea
- Shipping to small LNG terminals onshore the Baltic Sea
- Transporting by land to consumers not connected to a natural gas grid

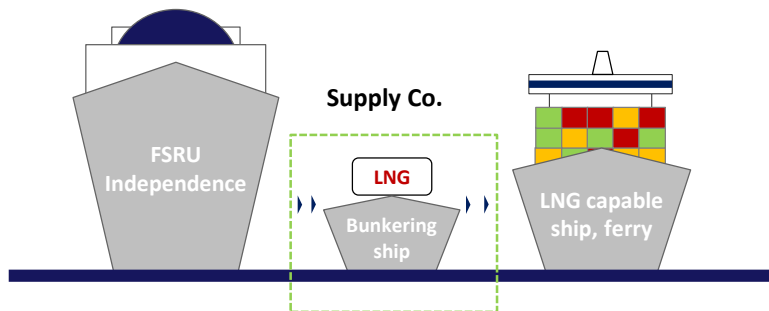


- Markets accessible starting the 1<sup>st</sup> of January, 2015
- Markets accessible after regional interconnections are finished
- Markets accessible through reloading terminals and by ground transport

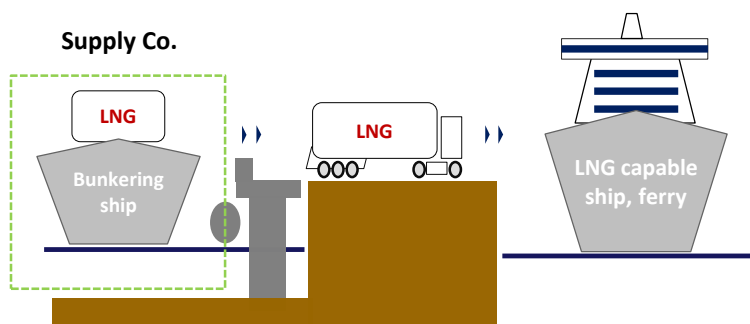
● LNG terminals (5.000-30.000m<sup>3</sup>) in development

# Emerging uses of LNG in Baltics

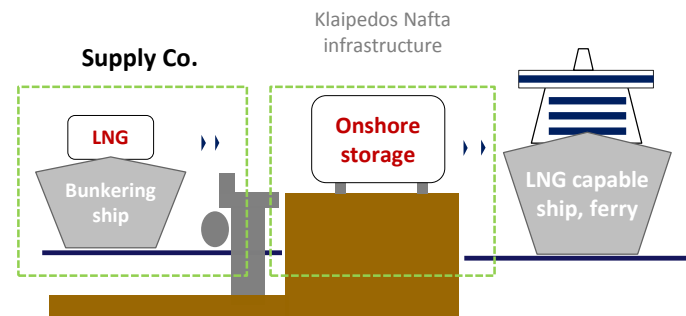
## 1 LNG bunkering: ship-to-ship



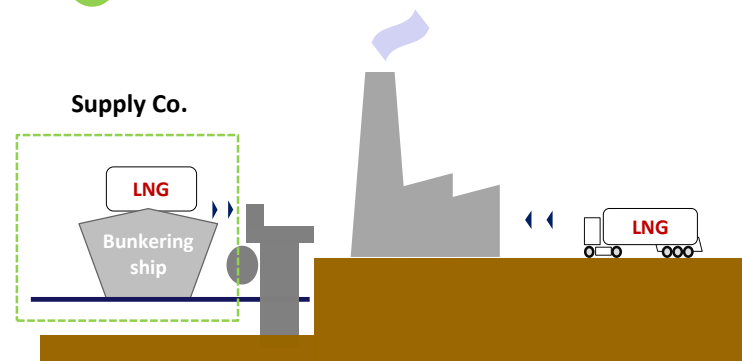
## 2 LNG bunkering: LNG truck-to-ship



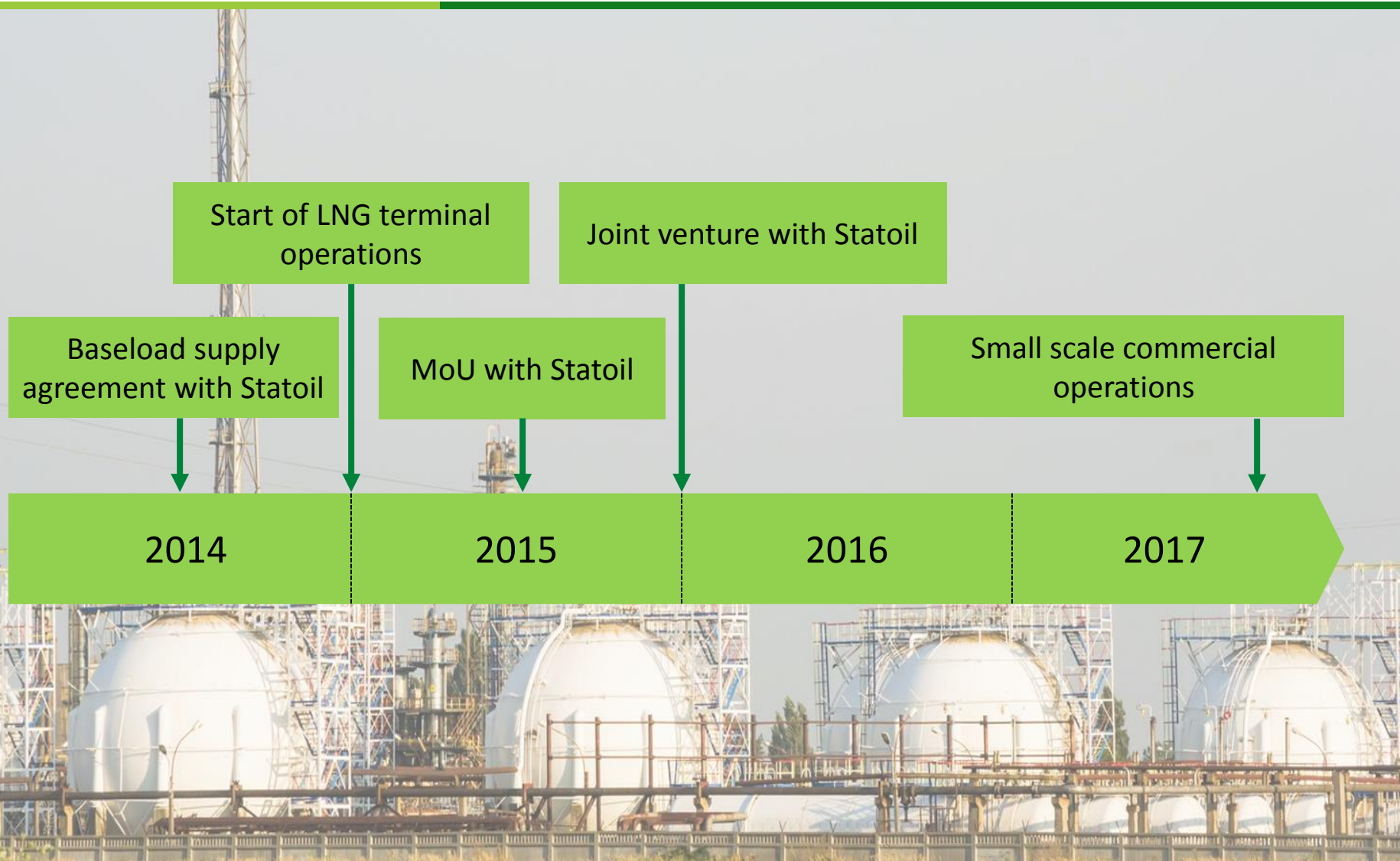
## 3 LNG bunkering: onshore storage-to-ship



## 4 LNG reloading: ship/truck-to-industrial consumer



# Emerging uses of LNG in Baltics



# Conclusions

- Baltic states no longer isolated from the global gas markets
- Alternative supply source encouraged competition and new business opportunities
  - First cross Baltic gas trading transactions took place
  - Cross border trading increases security of the supply
- Decreasing consumption, low liquidity – a legacy of the monopoly and green energy support schemes
- Regulation still lagging behind

THANK YOU!



LITGAS