GAS SECURITY IN THE MAKING

- Poland: challenges and actions
- Shale gas
- Change at the Polish-German border?
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GAS DEMAND

- **Gas in Poland**
  - 13% energy mix;
  - 14 bcm/year;
  - domestic prod. 4 bcm/year [next 25 years]
  - 73% of import dependence
CHALLENGES

• Demand
• Import
• Market
• Infrastructure
• Environment
GAS IMPORT DEPENDENCE

- **10 bcm and 73% of annual consumption**
  - over 60% from Russia
  - 7% from Germany
  - the rest from Central Asia (via Russia, by RosUkrEnergo)

- **Long-term contract with Gazprom**
  - up to 12 bcm until 2022
  - transit until 2019
MARKET STRUCTURE

Ownership:
- natural resources - state
- almost whole transmission and storage facilities, majority of production - PGNiG
- OGP Gaz-System (Polish TSO; transmission service and lease).

Gas transit
- Via Yamal-Europe of capacity 33 bcm (PGNiG 48%, Gazprom 48%, Gas-Trading 4%); in 2010 the contract prolonged to 2019.
ONGOING PROJECTS

- LNG terminal
- Interconnectors
- Storage
- Production
- EU legislation
- Exploration for shale gas
TRANSMISSION

Transmission system map - GAZ-SYSTEM S.A.
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LICENCES
STATE OF AFFAIRS

Exploration stage

Political consent
LEGISLATIVE CONDITIONS

- Licence for exploration
- Licence for production
- „Mining use” contract
LEGISLATIVE CONDITIONS

Public tender → Licence for exploration → Licence for production → „Mining use” contract

Public tender → Licence for production → de facto exclusive for 5 years

Public tender → „Mining use” contract → exclusive for 2 years
LEGISLATIVE CONDITIONS

1. Public tender
2. Env. assessment
3. Licence for exploration
   - De facto exclusive for 5 years
4. Public tender
5. Env. assessment
6. Licence for production
7. „Mining use” contract
   - Exclusive for 2 years
LEGISLATIVE CONDITIONS FROM 2012

1. Public tender
2. Env. Assessment*
3. Public tender
4. Env. Assessment*
5. Licence for exploration
6. Licence for production
7. „Mining use” contract

- de facto exclusive for 5 years
- exclusive for 5 years
Plans:
- PM expose of November 2011 – increased levy on exploration of natural resources, including shale gas;
- Maximum drillings of the companies where state is the national shareholder

Pre-election: „Norwegian model”?
- A state-owned company for E&P?
- Fund for the revenues, for the future generations?
The reasons behind the stark polarization of the European debate about shale gas.

Supporters: an opportunity to significantly alter the political and economic rules affecting Europe’s energy security.

Critics: a threat to the environment, a challenge to the existing strategies of limiting the green-house gas emissions, or a competition to the well-entrenched economic interests.

Analysis of the debates in the select European countries and in the activities of the EU institutions (the EU Council, the Commission, the European Parliament), highlighting the significance of the North American experience with shale gas E&P as a crucial determinant of the European debate.
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GAS RELATIONS ON POLISH-GERMAN BORDER

- Vital issues:
  - LNG terminal;
  - North-South axis infrastructure;
  - increasing the capacity of interconnectors (Lasów, Morawia);
  - market liberalisation;
  - transit and pricing of gas.

- Shale gas in a longer time perspective:
  - Dependent on the scale of the production, pricing of gas, infrastructure, environmental and social conditions.
Thank you for your attention.
For further information, please visit:
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