

TGE supports trans-regional cooperation on development of integrated SEEGAS market

Press Release

- **On 21 July 2021, a Memorandum of Understanding about trans-regional cooperation on the development of an integrated South-Eastern and Eastern European gas (SEEGAS) market was signed by the Energy Community Secretariat, energy exchanges and trading service providers, and transmission system operators.**
- **TGE as one of the signatories aims to cooperate on the development of cross-border natural gas trading.**
- **The Memorandum specifically aims to create prerequisites for the functioning of a competitive liquid SEEGAS market and to ensure unhindered access to the respective natural gas markets for all market participants.**

On 21 July 2021, a Memorandum of Understanding about trans-regional cooperation on the development of an integrated South-Eastern and Eastern European gas (SEEGAS) market was signed by the Energy Community Secretariat, energy exchanges and trading service providers BRM, UEEX, TGE, CEEGEX and ECG and transmission system operators Moldovatransgaz, GTSOU, FGSZ and GAZ-SYSTEM. The signatories aim to cooperate on the development of cross-border natural gas trading, e.g. on exchange platforms, and introduce transparent and competitive interregional market-based pricing mechanisms and efficient cross-border gas transmission and interoperability.

The Director of the Energy Community Secretariat, Janez Kopač, said: *"Since its establishment, the Energy Community has supported the integration of its Contracting Parties with the EU energy markets, which for Ukraine and Moldova is now gradually becoming a reality. The signature of the SEEGAS Memorandum of Understanding is a joint effort of core movers in the region towards further integration of exchange traded markets for natural gas."*

The Memorandum specifically aims to create prerequisites for the functioning of a competitive liquid SEEGAS market and to ensure unhindered access to the respective natural gas markets for all market participants and service providers on a non-discriminatory basis and equal terms in accordance with the EU acquis. It also aims to facilitate cooperation on the implementation of an effective commodity clearing system for natural gas transactions that is in line with best European practices.

According to Piotr Zawistowski, President of the Management Board of the Polish energy exchange TGE: *"The SEEGAS project initiated by the Energy Community responds to the current needs as regards the further development and integration of gas markets in the region. It creates a good platform for sharing knowledge and experience between exchanges and TSOs operating in the individual national markets. I am confident that this will lead to the creation of solutions supporting cross-border gas trade in our region."*

Gottfried Steiner, CEO of the Austrian Central Eastern Gas Hub (CEGH) and signing representative for EEX CEGH Gas Exchange Service GmbH (ECG), said: *"I very much appreciate this initiative and I am sure, it will contribute to the future development of gas trading in the region."*

¹ **Towarowa Gielda Energii S.A. (TGE)** is the only licensed commodity exchange in Poland, holding a licence to operate a regulated market since March 2015. The Exchange is the Nominated Electricity Market Operator (NEMO) for the Polish pricing area. Since 15 November 2017, TGE has been active on the European Day-Ahead Market SDAC. On 19 November 2019, the Exchange launched its cross-border SIDC Intraday Market based on the XBID model. TGE is included on the ACER's list of platforms for reporting transaction information according to REMIT requirements. Since March 2012, TGE has been a member of the Warsaw Stock Exchange Group.



Gabriel Purice, CEO of the Romanian energy exchange BRM, said: *"I have always believed that the countries in the region need to know each other better and to cooperate to solve their problems. This is exactly what the SEEGAS project aims to do, which is why BRM has joined the first proposal with confidence. We are positive that in a short time, solutions will be developed to facilitate cross-border gas flows and to create a functional regional market."*

Piotr Kuś, Deputy Director of Gas Market Development Division of Polish gas TSO GAZ-SYSTEM, said: *"We are very positive about the perspectives of cooperation with our partners in the region and Energy Community under the SEEGAS initiative. We are convinced that it may enhance the regional gas markets functioning, contributing to increased liquidity as well as cross-border trading."*

Chairman of the Exchange Committee of the Ukrainian Energy Exchange (UEEX), Oleksii Dubovskiy, mentioned: *"Within the framework of SEEGAS, we have received a great opportunity to not only significantly improve our mechanisms and eliminate bottlenecks that prevented the development of cross-border trade in the region and within each country, in particular, but also to unify them in accordance with EU standards."*

Sergiy Makogon, Chief Executive Officer of LLC Gas TSO of Ukraine, said: *"I very much value this initiative, and I believe it will incite market integration and support gas trading development in the region."*

Ákos Rétfalvi, Trading and Business Services Director of the Hungarian gas TSO FGSZ, declared that *"the joint cooperation and the mutual effort of the involved parties is a promising gesture from the point of a future partnership. FGSZ is looking forward to participate in the initiative with other TSOs as well as trading service providers."*

Robert Szoke, Head of Operations and Surveillance at the Hungarian Central Eastern European Gas Exchange (CEEEX), stated that *"With the growing impact of Southeast and East Europe on the world's natural gas trade, the SEEGAS initiative can bring a new concept to the region, as well as a great platform to develop price signals, transparency and liquidity."*

Iurie Dolghier, Director of Moldovatrangaz SRL, said: *"The SEEGAS initiative is very much welcomed and appreciated as a beneficial cooperation platform of the region, especially in the context of the ongoing gas market reforms in the Republic of Moldova."*

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The signing of the Memorandum will be followed by the first SEEGAS Joint-Steering Committee Meeting between the partners, which will take place at least once every three months. The Memorandum is open to any exchange or transmission system operator active in the SEEGAS region wishing to join the initiative at a later stage.

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