

# Natural Gas Market Reforms & Regulations

Superintendência de Infraestrutura e Movimentação - SIM

September 29<sup>th</sup>, 2020



**anp**  
Agência Nacional  
do Petróleo,  
Gás Natural e Biocombustíveis

## Requires a New Market Design

Market adaptation in the transition period needs:

- Separation of transport from competitive activities
  - Unbundling in transport
  - Entry and Exit capacity booking
  - Transportation tariffs approved by ANP
  - Coordination of transporters on Transportation System
  - Network Codes
  - Transparency of the offering and contracting of services
- 
- Gas Release Programs
    - Capacity Release

*Market Design  
(depends on  
new legislation  
and  
regulations)*

*Energy/Competition  
Policy*

## Union Monopoly

- Put into effect the separation model “full ownership unbundled” among transporters and agents engaged in potentially competitive activities in the natural gas industry: transporters must be completely separate and independent from vertically integrated companies
- Organizing the transportation of natural gas by means of Network Codes with Entry and Exit System
- Adoption of Essential Facilities Doctrine
- Offering of homogeneous contracts (transportation capacity; standard hub GSA wording)

# Main drivers and obstacles to the development of the gas market

Lack of competitive forces → More suppliers and free consumers are needed

Lack of a comprehensive legislation → New draft bill sets “market design”

Lack of market driven gas price mechanisms → Trade hubs and exchanges

Lack of third party access → Contractual congestion management  
Essential Facilities Doctrine  
Shorter term transportation contracts

Lack of transportation infrastructure → authorization of new pipelines  
Ten year network develop. plan

**Thank you!**

**Superintendência de Infraestrutura e  
Movimentação – SIM**