



Gas to Power in Russia: Existing and Prospective Situations

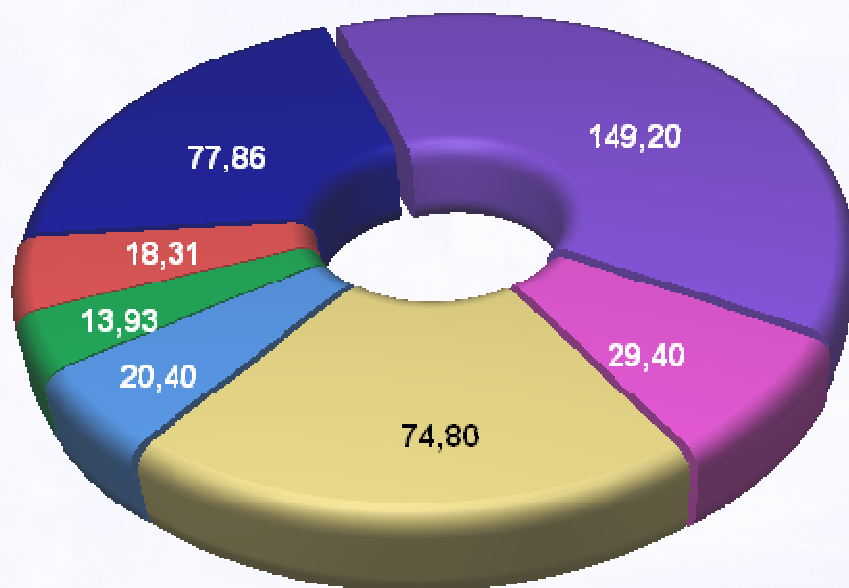
B.V. Budzuliak (OAO Gazprom), A.M. Karasevich (OAO Promgaz), A. Y. Zorya (OAO Promgaz)

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Natural Gas Consumption in Russia

Gas consumption structure, in 2004 bln. m³:



- Electric power industry
- Metallurgy industry
- Residential and commercial sector
- Agrochemical industry
- Oil industry
- Gazprom
- Other consumers

Total gas consumption – 383,9 bln. m³

Gas-to Power in Russia: Existing Situation

931,8 billion kWh_e were produced in 2004

- ❑ Existing gas consumption:
 - 149,2 billion m³ – power industry
 - 23,0 billion m³ – industrial power plants

- ❑ Natural gas share:
 - fuel and energy balance - > 50%
 - in heat & power production – 62-65 %



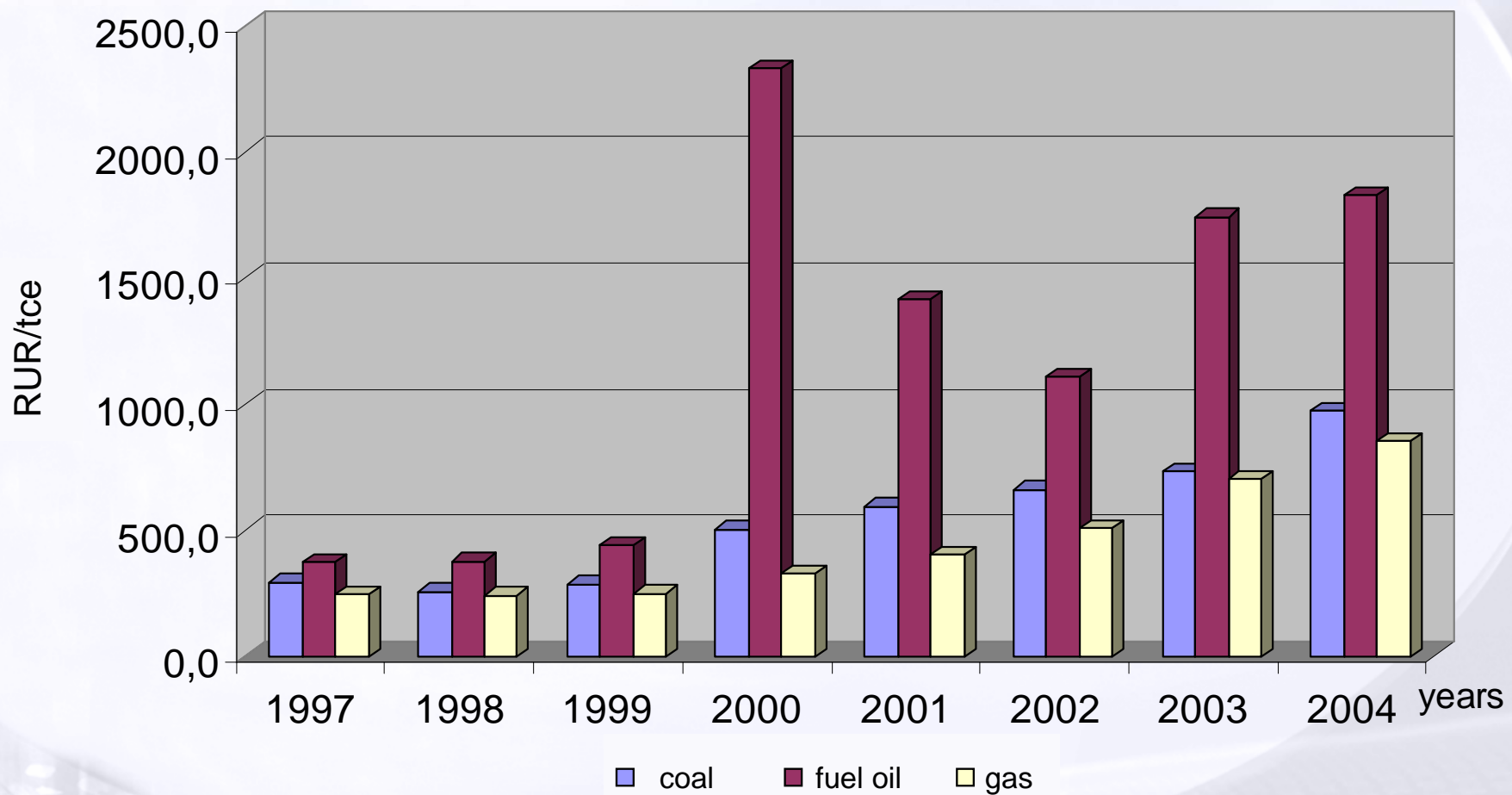
Gas-to Power in Russia: Important Aspects of Existing Situation

- Imbalanced energy prices
- Low efficiency of gas utilization
- Considerable deterioration of equipment and grids



Gas saving potential is 18,7 billion m³ (12%)

Dynamics of Average Fuel Prices (RUR/tce)



Outlook for Natural Gas Utilization in the Electric Power Industry of Russia

- Stabilization of gas consumption by electric power industry
- Improvement of gas utilization efficiency
- Elimination of imbalance in energy prices
- Gazprom entering the electric power market

