Energy situation in Tunisia

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Content

- Description of energy situation, overview
- Main energy subsidies in Tunisia
- Energy strategy
Description of energy situation, overview
Increasing deficit of energy supply due to energy demand growth and depletion of national resources
Increasing dependency to natural gas
- Gas used mainly for electricity generation

Source: ONE
Natural gas resources

- A real security supply for natural gas on mid and long term

Source: ONE
Electricity demand

- Demand increase: 5% /year
- 150 MW/year
- Peak load: 11% /year

Source: STEG
Main energy subsidies in Tunisia
Energy subsidy drivers in Tunisia

ETAP
- Exclusive Importer of NG from Algeria and crude oil (Libya)
- Partner of production of petrol & gas
- Exportation of crude oil:
  - Share of State
  - Own production
- Share of the State Taxes
- Local market (20% of Prod. at price -10%)

STIR
- International price
- Crude ≈ 50 D/bbl (31$)

STEG
- International price
- Algerian Gas 90.8 D/toe (56$)
- Monopoly of gas and electricity distribution
- Gas purchasing from local producers

Ministry of finance
- Producer of associated gas LPG from fields
- Exportation of oil products ‘non merchants”

Distributors
- Fixed prices

Final consumer

Source: DGE
Electricity subsidy drivers in Tunisia

- **Algeria**
  - Importation of additional gas
  - “Redevance” (taxes)
  - Inter. price

- **ETAP**
  - Exportation of gas
  - Inter. price
  - 90 DT/toe

- **Italy**
  - Activity electricity
  - Inter. price
  - ~75%
  - ~47% of gas needs

- **Local producers**
  - ~53% of gas needs
  - Source: Alcor

- **STE**
  - Activity Gas
  - ~25%
  - Gas sale

- **Electricity consumers**
  - Electricity tariff

- **Gas consumers**
  - Gas tariff
Subsidies of oil products prices

<table>
<thead>
<tr>
<th>Product</th>
<th>Ex. refinery</th>
<th>Taxes</th>
<th>Margin</th>
<th>Direct &amp; indirect Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline</td>
<td>8%</td>
<td>24%</td>
<td>54%</td>
<td>-13%</td>
</tr>
<tr>
<td>Gasoil</td>
<td>13%</td>
<td>12%</td>
<td>59%</td>
<td>-27%</td>
</tr>
<tr>
<td>Fuel oil</td>
<td>-58%</td>
<td>32%</td>
<td>3%</td>
<td>-58%</td>
</tr>
<tr>
<td>Kerosene</td>
<td>-48%</td>
<td>38%</td>
<td>8%</td>
<td>-48%</td>
</tr>
<tr>
<td>LPG</td>
<td>-71%</td>
<td>3%</td>
<td>14%</td>
<td>-71%</td>
</tr>
</tbody>
</table>

Source: DGE
Subsidy to natural gas in 2012 (for final use)

Gas cost: $831 \text{D/tep}$
Average tariff: $310 \text{ DT/tep}$
Direct subsidy: $-521 \text{ DT/toe}$
Indirect subsidy: $335 \text{ D/toe}$
Total subsidy: $856 \text{ DT/toe}$

Source: Débat national

$1 \$$ = 1.6 \text{ DT}$
Subsidy electricity in 2012

Total cost: 0,260 DT/kWh
Average selling price: 133 mill/kwh
Gap: -0,127 DT/kWh (Direct subsidy)
Indirect subsidy: 0,079 DT/kWh
Total subsidy: 206 mill/kwh

Source: Débat national
Total direct subsidy to energy sector (MDT)

Direct + indirect subsidies:
2012: 2700 MDT (1700 M$)
2013: 5400 MDT (3400 M$)

Source: Débat national
Total subsidy to energy sector: 5400 MDT in 2013, around 10% of GDP

- 43% for oil products,
- 41% for electricity,
- 16% for natural gas

Source: Débat national
Energy strategy
Energy prospective

Energy Efficiency

Source: ANME
Energy prospective

Renewable energy

Source: ANME
Energy prospective

Renewable energy: Tunisian Solar plan

Source: ANME / Alcor
Renewable energy: Tunisian Solar plan

Investissements cumulés requis par la stratégie

Source: ANME / Alcor
Main reforms

• Revision of the oil code for more transparency
• New Law on private electricity generation from RE
  ✓ Opening of the grid to private sector
  ✓ Feed in Tariff
  ✓ Electricity sector regulation
• Upgrading of Energy Conservation Fund (Energy Transition Fund)
  ✓ Fund use
  ✓ Fund resources
  ✓ Fund management
Energy subsidy reforms
  ✓ Electricity: better targeting of the “poor”

Energy orientation law (following to national debate en Energy)
Main reforms

Energy Transition Fund: new design

Source: ANME/ALCOR
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