



➔ Creating a new regulatory model for the natural gas sector in Brazil

Context

Even though the natural gas has been strongly impelled during the past years in Brazil, its participation in the primary energetic matrix is only 7%. Obstacles in regulations, markets and in the regulation of competition have interacted to prevent the fluid from obtaining a greater market share. In this context, the governmental organism that regulates the sector called upon a licitation to develop a new regulatory model that would allow the natural gas to achieve a 12% to 15% market share in the primary Brazilian energetic matrix by 2010.

STRAT Consulting's contribution

STRAT Consulting divided the Project into four basic different phases:

During the phase I, a detailed study of ten country's experience when undertaking similar transformations in the sector was performed. This phase allowed extracting learning's suitable for the Brazilian case.

Phase II consisted of the elaboration of an integral and independent diagnosis of the sector's situation, regarding its transactional, regulatory and institutional aspects as well as those relative to the degree of attractiveness of private investment. For that purpose, the main private and public agents with interest in the sector were consulted as well as the big energy user's groupings.

Following that, Phase III consisted of the design of two regulatory model proposals that would favour the market development through the resolution of the problematic detected in the previous phase.

Finally, in Phase IV a complex mathematical model was constructed for the technical and economic simulation of the evolution of the market in the period 2005-2014, quantifying the demand, the available supply, the degree of infrastructure's development and the estimations of economic incomes for each link of the value chain.

Results of the project

The conclusions of the work were discussed and validated with the agents of the industry and with the regulatory organism of the sector. Nowadays, the models elaborated are being considered by the Mines and Energy Ministry of Brazil for the development of the official project of the Natural Gas Law.

➔ STRAT Consulting has given important contributions to the project that are under consideration by the Mine and Energy Ministry of Brazil

