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Gazprom Eyes European, Asian Electricity Markets

By The Moscow Times

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Gazprom, in talks with Germany's RWE on a joint venture in European power generation, is also looking at Asian markets and independent moves in Europe through its power unit.

RWE secured exclusive talks with Gazprom in July for three months. On Thursday, they announced that the talks were extended to the year's end.

Denis Fyodorov, chief executive of power unit GazpromEnergoHolding, said last week that the gas giant was interested in power assets in Bulgaria, Britain, Germany and the Benelux countries.

"We plan to present three or four projects [in Europe] to the board [of Gazprom] by the end of the year. We have a shortlist [of European assets] that contains about 10 projects," Fyodorov said.

Joint ventures are a subject of discussion only with RWE, he added.

It is also interested in tapping the electricity business in Japan, South Korea and China, primarily through construction of gas-fired power stations.

"In Asia, we are primarily interested in gas power generation. If we supply gas to China, it will be interesting for us to construct a whole chain to the consumer," Fyodorov said.

On the domestic market, Gazprom is close to finalizing the terms of a merger of its power assets with those of the Renova holding company.

The deal could create a national champion, with up to $8 billion in assets, controlling a quarter of all domestic power generation.

Fyodorov said Gazprom's board was expected to meet in December to approve the deal, which could lead to an initial public offering of the enlarged electricity group, but not before 2014-15.

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