

Executive Summary

In this draft network development plan 2014 (NDP) Germany's gas Transmission System Operators (TSOs) present the results of their latest network modelling complete with findings from public consultation and a determination of long-term capacity needs, in order to meet the requirements of the German Energy Law (Energiewirtschaftsgesetz, EnWG) and the Network Access Code (Gasnetzzugangsverordnung). This third issue is based on the scenario framework which after public consultation was confirmed by the German national regulatory agency Bundesnetzagentur (BNetzA) on 16th October 2013.

As proposed by TSOs, network development as shown in Table 35 (chapter 7.1) will require **investments** of approximately **€1.8bn** by the year 2019 and a total of **€3.1bn** by 2024, mainly on the basis of modelling version II.2.

In general, the current plan confirms the findings published in the previous NDP 2013. For the period ending 2024 the new NDP has identified the need for additional network upgrades mainly resulting from:

- More specific information on L/H gas market conversion needs
Under the confirmed scenario framework these needs will much exceed the last NDP, the changes resulting from an extension of the period under review and current findings regarding detailed market conversion schedules.
- A rise in demand for H gas supplies
Additional volumes of H gas to substitute L gas require further improvements of the gas infrastructure to carry these quantities to regions in need.
- Greater capacity required for gas storages
The significant increase in capacities to be considered and modifications to temperatures curves have added to the need for upgrades.

Security of supply considerations in the NDP 2014 have focused on L/H gas market conversion and resulted in a detailed proposal for the gradual conversion of areas now supplied with L gas to H gas. In addition, the availability of L gas until the year 2030 has been investigated.

For the period ending 2024 the NDP 2014 has made allowance for the additional H gas volumes needed and allocated them to specific H gas supply sources as specified in the scenario framework. Providing an infrastructure in Germany which can take these volumes to the conversion zones is part of the proposed NDP project list.

In both the gas and power sectors, gas-fired power stations are vital to maintaining today's high supply security. From a macroeconomic perspective, the dynamic capacity product specially designed for these plants by German TSOs in the NDP 2013 has the potential to meet the needs of this difficult to predict market.

Maintaining security of supply at a high level calls for infrastructure upgrades to be preceded by complex and interdependent planning and permission procedures which are crucial for keeping project deadlines. An intense dialogue with all stakeholders is essential to prevent unnecessary delays which may hamper security of supplies.

The immense outlay for transmission system development as provided by the TSOs will be recovered by charging transport tariffs. All parties involved in the NDP process should therefore ensure that in the long run network projects are viable from the viewpoint of macro-economics. A stable and sustainable regulatory regime offering return rates which appropriately reflect project risks is needed to make sure that projects are economically reasonable for investors at a time when transport customers are committing themselves for ever shorter periods.

As network modelling requirements for the years up to 2019 have become more similar in this and previous NDPs, the system development needs identified and the projects derived therefrom have gained stability. The process of drawing up NDPs could, however, be further optimized if NDPs were due only every other year thus offering more time for consultation and network simulation. Biennial NDPs would also be better in line with other planning intervals such as that of the EU-wide NDP (ENTSOG TYNDP).