

Scenario framework for the 2018-2028 NDP now published: TSOs base demand scenarios on EU climate targets

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- **TSOs model two cases: base case plus storage case focusing on supply security**
- **Gas quality switchover process from low CV to high CV quality remains a key focus**
- **Plans take account of Federal Network Agency's latest report on reserve power generation capacity to be provided for system stability**
- **Consultation workshop to be held in Berlin on 29 June 2017**

Berlin, 19 June 2017. The German gas transmission system operators (TSOs) have today published the scenario framework that is to form the basis for their 2018-2028 Gas Network Development Plan (NDP), which is the first to consider gas demand scenarios based on the European climate targets. "Both scenarios reflect implementation of the more ambitious efficiency targets and so assume a reduction in gas demand," says Inga Posch, managing director of the TSO association FNB Gas. "Furthermore, the second scenario models an uptake in gas-fired power generation as a substitute for coal-fired power stations due to be phased out."

The scenario framework document now published progresses the scenario framework underlying the 2016-2026 NDP in a consistent way. It also factors in the gas quality switchover process currently underway to permanently convert supply areas using low CV gas to high CV quality to take account of the decline in domestic gas production in Germany and statements by the Dutch Ministry of Economic Affairs announcing potential further cutbacks in natural gas production in the Netherlands, among other factors. "The gas quality switchover works in Northwest Germany will continue to be a key focus of the 2018-2028 NDP," emphasises Ralph Bahke, chairman of the board of FNB Gas. "A main consideration in this context is how the gas supply to areas currently receiving low CV gas can be maintained while the works are being carried out."

Stronger emphasis is also to be given to storage. "We now propose a second case in addition to the base case to analyse the required storage inventory levels and withdrawal capacity from a supply security perspective," explains Inga Posch. This approach was chosen in light of the situation in the 2016/17 winter period, when high demand due to cold weather and arbitrage activities in the traded gas markets led to early storage withdrawals on a massive scale. The demand surge was further

driven by the very limited availability of renewable energy sources on windless and sunless days during this period.

Other than the above, the TSOs were also able to incorporate at short notice the findings of a report on the required reserve power generation capacity needed to ensure system stability pursuant to section 13k of the German Energy Industry Act (*EnWG*), which was published by the German national regulatory authority Bundesnetzagentur (Federal Network Agency) on 31 May 2017. In addition, the consultation document also provides a consistent and transparent update on the distribution of high CV gas supply sources and the results of the capacity auctions held as part of the “more capacity” project.

The consultation on the scenario framework for the 2018-2028 NDP runs until 14 July 2017. All market participants are invited to attend an accompanying workshop taking place on 29 June 2017 in Berlin.

For further information, please visit the website of FNB Gas at www.fnb-gas.de.

About FNB Gas:

The Berlin-based association Vereinigung der Fernleitungsnetzbetreiber Gas e.V. (FNB Gas) was founded in 2012 by the German gas transmission system operators (TSOs), i.e. the network companies operating the major supra-regional and cross-border gas transportation pipelines. One key focus of the association's activities is the Gas Network Development Plan, which has been drawn up annually by the TSOs since 2012. The association also acts as a central point of contact for policymakers, the media and the general public on behalf of its members.

The members of the association are: bayernets GmbH, Fluxys TENP GmbH, GASCADE Gastransport GmbH, Gastransport Nord GmbH, Gasunie Deutschland Transport Services GmbH, GRTgaz Deutschland GmbH, jordgas Transport GmbH, Nowega GmbH, ONTRAS Gastransport GmbH, Open Grid Europe GmbH, terranets bw GmbH and Thyssengas GmbH. Between them they operate a pipeline network totalling some 40,000 kilometres in length.

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