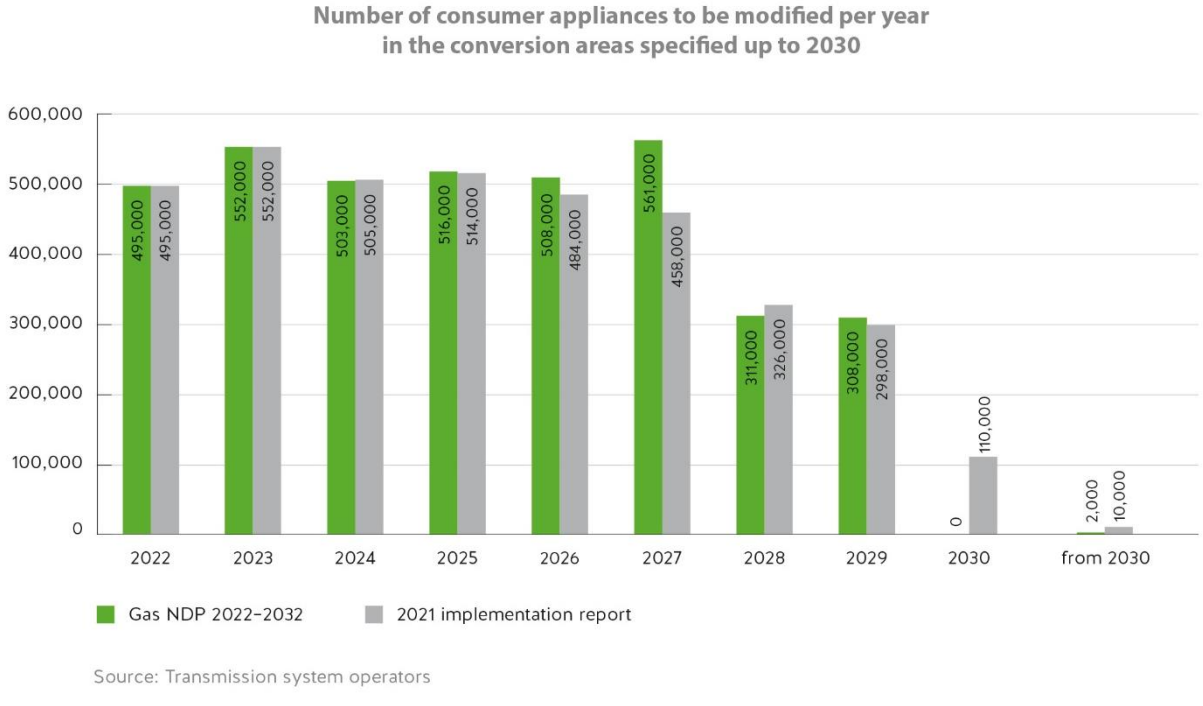
# Update of L/H-gas conversion timetable in the Gas Network Development Plan 2022-2032

Following the publication of the Winter Report 2022 by the L-Gas Market Conversion Monitoring Task Force, the gas transmission system operators (TSOs) are now pre-publishing parts of their revised L/H-gas conversion timetable from the Gas Network Development Plan 2022-2032 (Gas NDP 2022):
The key elements of the conversion timetable are unchanged in the Gas NDP 2022. Compared to the previous version of the timetable, however, the market area conversion has been further optimised by bringing forward some of the activities, which will allow the market area conversion across Germany to be completed as early as 2029. Moreover, there have been some adjustments to the expected L-gas import volumes from the Netherlands.

The planning status reflected in the Implementation Report for the Gas Network Development Plan 2020-2030 (Implementation Report 2021) has been revised in consultation with the DSOs involved. Under the new timetable, the conversion activities planned for the Salzgitter area in Nowega's network area have been brought forward from 2030 to 2027, for the Voigtei (GUD) area they have been brought forward to 2029 and for the Rehden-Lengerich area they have been brought forward from 2029 to 2026. As a result, the market area conversion in Germany will be completed by the end of 2029. These changes will require some adjustments to be made to the number of appliances to be converted annually, resulting in an increase of around 103,000 appliances in 2027 (see Figure 1 below). The conversions had to be brought forward to respond to the decline in German natural gas production in order to ensure security of supply.

*Figure 1: Number of consumer appliances to be modified per year in the conversion areas specified up to 2030*



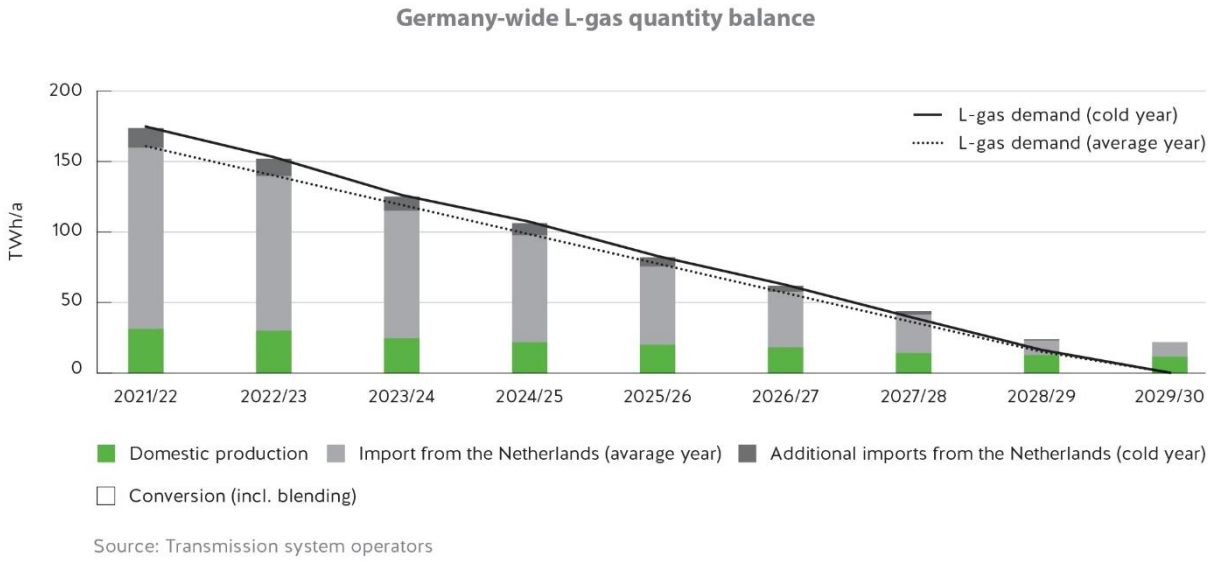

Source: Transmission system operators

For the volume balance for L-gas (see Figure 2), the demand expected across Germany has been adjusted.

The volume balance also includes the updated forecast published by Bundesverband Erdgas, Erdöl und Geoenergie e. V. (Federal Association for Natural Gas, Oil and Geoenergy - BVEG) on 18 December 2009. This most recent BVEG forecast again shows a significant decline in German L-gas production from 2021 onwards to well below the volumes predicted in recent years[1].

As a result, the expected L-gas import volumes from the Netherlands had to be adjusted in the short to medium term to ensure that the volumes available can meet the expected L-gas demand.

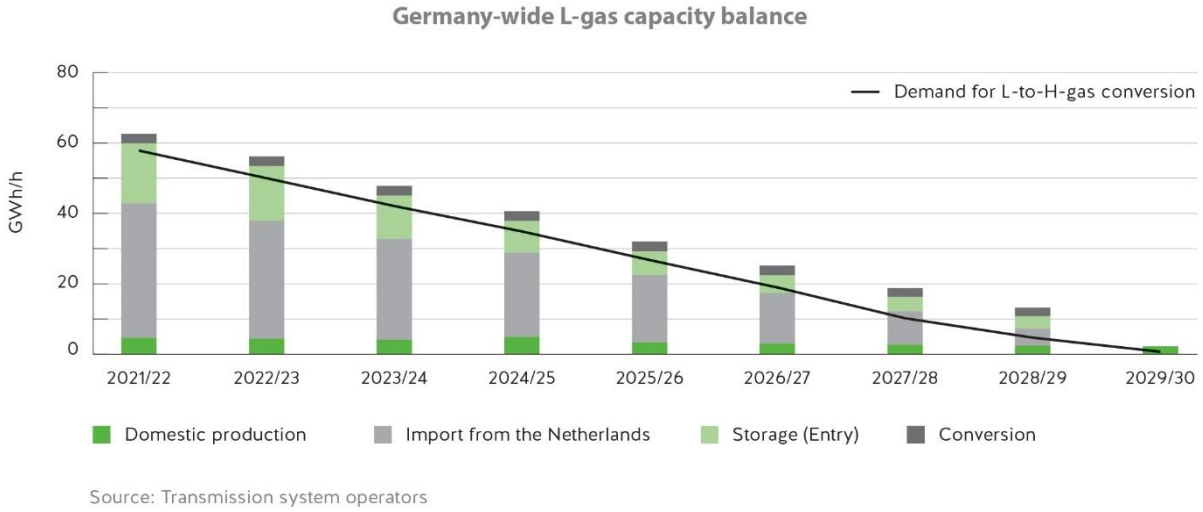
*Figure 2: Germany-wide L-gas quantity balance*




[1] see Consultation Document on the Scenario Framework for the 2022-2032 Gas NDP, section 5.2 – Natural gas production

For the L-gas capacity balance, the revised planning assumptions in the Gas NDP 2022 have only resulted in minor changes compared to the Implementation Report 2021. In particular, the assumptions for import capacity from the Netherlands have remained unchanged from the Implementation Report 2021 (see Figure 3).

*Figure 3: Germany-wide L-gas capacity balance*




Source: Transmission system operators

The updated conversion timetable has also been included in the Winter Report 2022 published by the L-Gas Market Conversion Monitoring Task Force, which was established at the initiative of the Dutch Ministry of Economic Affairs to report on the status of the L/H-gas conversion activities in the L-gas consumer countries Belgium, France, Germany and the Netherlands every 6 months. The Task Force's report, the Winter Report 2022, was also prepared with the support of the German L-Gas TSOs and was submitted to the Dutch Parliament by the Dutch Ministry of Economic Affairs on 14 March 2022 (Winter Report 2022).

From today's perspective, the current geopolitical situation does seem to suggest that the conversion plans shown here will be adjusted. In this context, the gas transmission system operators have pointed out that the L-gas imported from the Netherlands consists almost exclusively of converted H-gas volumes.[2] Therefore, the switch from L-gas to H-gas does not result in an increase in total H-gas demand.

The coordinated plans provide long-term planning security for all parties involved and continue to ensure a high level of supply security.

[2] see Winter Report 2022, p. 30 of the L-Gas Market Conversion Monitoring Task Force