Investments into European Gas Transmission Infrastructure

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Outline

GTE at a Glance

GTE Investment Survey / Investment Principles

GTE+ European Ten Year Network Development Statement

Conclusions
GTE at a glance

• GTE is a column of GIE representing infrastructure operators. The GIE columns are:
  – GTE: Transmission System Operators
  – GSE: Storage System Operators
  – GLE: LNG Terminal Operators

• GIE and its columns aim to contribute to the achievement of the European internal gas market

• GTE started GTE+ in 2008
  – Predecessor organisation of the European Network for Transmission System Operators (ENTSOG) defined in the Third European Energy Package

34 member companies
27 countries
Planning and Consents, and to a lesser extent financing, delay and complicate investment

- Regulatory framework is crucial for investment
GTE Investment Principles (extract)

- Movement towards a stable, predictable and compatible regulatory regime across member states is essential for facilitating a positive investment climate
- Underpinning investment through long-term binding commitments, from both the market and regulators, is vital to facilitate investment
  - These binding commitments should be made by system users through methods such as Open Season. TSOs should be in a position to take account of these, as well as the indicative findings from the stakeholder consultation, to build flexibility into the investment proposals
  - The investment proposals should be fully recognized by the regulatory commitment
  - There must be clear rules for investment conditions, including length of the regulatory period
- GTE considers improved coordination and cooperation within and between regulators and TSOs vital in case of an investment affecting two or more TSOs

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European Network Development Statement

- **Objective**
  - Describe the foreseen developments of the European gas transmission capacities for the upcoming ten years
  - Analyse ability of the European gas transmission network to meet the requirements of the European Gas Market

- **Deliverables**
  - Capacity Development Report until November 2008
  - Demand Scenarios vs. Capacity Report until July 2009
  - European Ten Year Network Development Statement until December 2009

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**Project Timeline**

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2 June 2009

Investments into European Gas Transmission Infrastructure
Overview Project Status

• Project Plan for first European TYS
  – Completed after consultation of European Stakeholders mid 2008
  – Three project phases defined
  – Stakeholder Dialogue integral part of project

• Capacity Development Report (Phase I)
  – Completed, published in November 2008

• Stakeholder Dialogue and Demand Scenarios vs. Capacity Report (Phase II)
  – Ongoing
Capacity Development by Country

For each country

- Description of the existing network
- Current processes for investment, current publications
- Capacity development in the reporting period, investment decisions taken
- Possible projects, planned or running Open Seasons (individual or coordinated)

7% increase from 1,122 to 1,197 Mio. Nm³/day
Entry Capacity from LNG Terminals

30% increase from 461 to 600 Mio. Nm³/day

Pipeline and LNG Entry Capacities

14% increase from 1,583 to 1,797 Mio. Nm³/day
Indicative Measure for the Development of Interconnection Capacities

![Graph showing the development of interconnection capacities from 2009 to 2018, with a 9% increase from 3,638 to 3,964 Mio. Nm³/day.]

Current Publications / Documents

<table>
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<tr>
<th>Country</th>
<th>Type</th>
<th>Coverage (Years)</th>
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* Abbreviations: Capacity (C), Demand (D) and Supply (S)
Stakeholder Dialogue

- Select and define appropriate demand and supply scenarios
- Reports on results achieved
- Discuss and agree next actions
- Regular meetings
  - Workshops
  - Bilateral and/or multilateral working meetings between workshops

Foreseen to accompany both project phases of 2009

Phase II: Demand Scenarios vs Capacity Report

- Development of demand scenarios
  - Identification of information sources
    - European level
    - National level
  - Stakeholder dialogue to select and define appropriate scenarios
- Assessment of the ability of networks to meet the demand requirements

To be published in July 2009
Phase III: European Ten Year Network Development Statement

• Development of supply scenarios
  – Identification of information sources
    • European level
    • National level
  – Stakeholder dialogue to select and define appropriate scenarios

• Analysis of supply and demand scenarios against capacity evolution

To be published in December 2009

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- GTE represents European gas transmission system operators
- Challenges with respect to investment climate
- GTE+ develops together with European stakeholders the first European Network Development Statement
  - Capacity Development Report has been published end 2008
  - Demand scenarios and supply scenarios will be developed for the complete statement by the end of 2009
- Sound investment climate needed to support further development of European gas transmission systems