



## *Memo of the GTE+ Workshop on the European Ten Year Network Development Statement 2009*

**29 April 2009, Brussels**

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The workshop was moderated by Siobhan Hall (platts).

### **Opening**

#### GTE+ presentation

Jacques Laurelut (GTE) introduced the workshop highlighting the new quality given by the Third Package when European TSOs shall work together with stakeholders, regulators and member states when developing a European Ten Year Network Development Plan every two years.

GTE+ already started working on a European Ten Year Network Development Statement (TYS). A GTE+ Capacity Development Report was published in November 2008 to serve as a basis for the stakeholder dialogue on supply, demand and capacity development. The objective of the TYS is to provide a long term vision of the European network development.

The objectives of the workshop are:

- discuss demand scenarios (phase 2)
- discuss the way of organizing phase 3 which will include supply scenarios
- discuss the structure of the Winter Outlook 2009

### **GTE+ Demand Scenarios versus Capacity Report , Preliminary Results and Way Forward**

#### GTE+ presentation

Chris Logue (GTE) presented preliminary results reached so far in the development of demand scenarios as well as national production deliverability and storage deliverability scenarios. Up to now scenarios and information provided by 28 TSOs from 23 countries have been collected covering about 90% of European demand.

#### Discussion

Kerstin Wernig (E-Control) made aware that responses from some EU-27 countries were still missing. Volker Schippers (GTE) confirmed that not all TSOs that had contributed to the Capacity Development Report in 2008 have answered yet but that it was considered more appropriate to use the results received so far for the discussion with stakeholders than to wait for further responses.

#### ERGEG presentation

Benoit Esnault (ERGEG) highlighted the importance of joint efforts to deliver the TYS and thanked GTE+ for their work done so far. He noted that a clear diagnosis of gas flows and weaknesses is needed; both top down and bottom up approaches are seen as essential when developing a European perspective and using national data for building a European picture. Several scenarios should be developed also taking into account supply disruption scenarios. The scenarios should

reflect as much as possible the economic context, potential impact of energy policies and include some ideas of gas price dynamics.

Stefanie Neveling (ERGEG) presented a first view on the preliminary data compiled by GTE+ so far. She noted that some data and explanations on how the data was derived are missing and that the quality of data differs among countries. ERGEG will pass the data to national regulators for feedback. She pointed out the importance to have coherent assumptions for scenario parameters and informed that ERGEG intends to launch a study on European network simulation. The study is meant to support regulators for developing their opinion on future ENTSOG work on the European Ten Year Network Development Plan and should not be seen as being a competitive activity to the GTE+/ENTSOG work.

#### Discussion

Richard Hall (OGP) asked for clarification of the term EU wide investment statement. Chris Logue answered that the statement is to provide a shared view of investment on the European level. Richard Hall added that requirements on TSOs are changing. For some countries the task to produce scenarios is completely new. Richard Hall asked what would be the level of commitment concerning announced projects. Benoit Esnault answered that in the view of ERGEG the European Ten Year Network Development Plan would not be binding.

Malene Nybroe (Energinet.dk) noted that in some EU Member States assumptions and/or scenarios are produced by public authorities. In such cases the TSOs are expected to apply them in the way they have been defined. Stefanie Neveling answered that at least complementary assumptions should be used to avoid complete decoupling.

#### Eurogas presentation

Martin Altstätter (Eurogas) welcomed the GTE work as an excellent starting point. He informed about the Eurogas experience in forecasting and noted that the TYS should reflect the European dimension and the evidence of improved co-operation and co-ordination among TSOs. A more coherent and consistent methodology is desirable for future as well as further information on assumptions and definitions. Eurogas is in favor of an EU approach going beyond the sum of individual projections by TSOs. Comparativeness with existent scenarios is desirable. Eurogas is currently working on an update of their aggregated European demand forecast of 2006. Publication is foreseen in 2010. Compared to other aggregated European demand forecasts, the 2006 Eurogas forecast is at the upper end.

#### EFET presentation

Colin Lyle (EFET) highlighted that the overall process needs to be updated when "big events" appear. He noted that supply projects often have longer lead times than pipeline projects. Therefore it should be possible to cover them in the plan early enough. Consistency and transparency is needed in the process. He acknowledged that projects for which final investment decisions have not been taken are described in the 2008 report and proposed to include the respective capacity figures also in the overview diagrams. Scenarios should be as consistent as possible to come to a consistent integrated network model. Demand scenarios should be produced by TSOs based on input from DSOs and big consumers, e.g. power plants, as the connected load is the main driver. An integrated network model would be needed to conduct the relevant calculations. The future ENTSOG Ten Year Network Development Plan should be produced every year. The Ten Year Network Development Plan should help to identify necessary investments, but other processes are required to make final investment decisions.

#### Discussion

Richard Hall made aware that publishing less probable projects might be risky as backing up from an announced project might have consequences on the share value of the project sponsor. Colin

Lyle responded that it should be made clear in the publication that these projects have not been committed yet.

Jacques Laurelut described experiences in France with respect to four new LNG terminals that were under discussion. The TSO should not decide which of these projects should be realized. However, in his TYS he can assume a number of LNG projects, e.g. two, to be realized and inform on possible costs of extending the network for connecting these.

Doug Wood (BP) pointed out that the importance of consistency in assumptions should not be exaggerated as other uncertainties also play important roles. A possible weakness of a TYS might be that it delivers a static picture whereas a more dynamic picture would be more valuable. With respect to national production scenarios, the TSOs or regulators might contact the relevant national ministry.

Chris Logue pointed out that the current GTE+ work marks the beginning of an evolution process to continuously improve the TYS over time based on feedback received and experience gained.

Erik Rakhou (EK) pointed out that scenarios help to recognise early determinants.

## **GTE+ European Ten Year Network Development Statement, Way Forward and Organisation Stakeholder Dialogue**

### GTE+ presentation

Volker Schippers presented an overview of the elements of the stakeholder dialogue so far and explained the stakeholder interaction foreseen until the publication of the TYS by the end of 2009. He proposed to conduct the next stakeholder workshop in October 2009 focussing on supply scenarios followed by the next one in the beginning of 2010 to present the final TYS. In between the workshops, bilateral meetings are foreseen and meetings of a smaller stakeholder group with a limited number of delegates could be conducted.

### Discussion

Doug Wood supported the proposals.

Colin Lyle noted the importance of sharing scenarios and assumptions with stakeholders. The TYS should not be seen as a commitment to invest in all the longer-term capacity identified, but rather as providing reference cases for committed projects and the further investments that would need to be carried out to meet market requirements.

Richard Hall noted that in some countries ministries are responsible for the preparation of production scenarios. He proposed to use the next Madrid Forum to ask national ministries for their support. Participants confirmed that this could be done even if the TYS is not a main agenda item.

Volker Schippers thanked for the feedback and concluded that meetings of a smaller group between the main stakeholder workshops might be used to enhance the stakeholder dialogue.

## **GTE+ Winter Outlook, Current Structure and Content Elements**

### GTE+ presentation

Volker Schippers explained the structure of the current Winter Outlook and asked how future Winter Outlook should be set up.

## Discussion

Benoit Esnault proposed to include supply information and supply disruption scenarios in the upcoming work.

Stefanie Neveling noted that ERGEG understands that the flow pattern have been determined with the help of an abstract mathematical approach. She asked to include real flow information as well.

Colin Lyle supported the proposals of Benoit Esnault and asked for more transparency and more detailed network analysis. The Winter Outlook should not be separated from security of supply.

Clive Woodland (Centrica) noted that a definition of normal cold winter and exceptional cold winter should be given and that BBL flows are not close to reality. He proposed to apply a harmonized peak day definition.

Volker Schippers responded that definitions of exceptional cold conditions differ between EU Member States. In the context of the revision of the SoS Directive, the Commission is currently working – among others – on a harmonization of the peak day definition. He confirmed that the flow patterns were derived based on an abstract mathematical approach. The main target was to find flow patterns satisfying demand under normal cold and exceptional cold conditions. As only one of the many possible flow patterns per condition was shown, the selection was done to avoid inappropriate impressions which could arise if a high usage rate were shown at an interconnection point for which a lower usage rate could be shown instead.

Richard Hall noted limits of Winter Outlooks being a snap shot of the situation. The GCG should be asked on their wishes on the further development of the Winter Outlook.

Peter Hohaus (Eurogas) asked to keep the work focussed in order to be useful. There should be no mix of everything with everything.

Volker Schippers informed on additional GIE and GTE work on supply disruption scenarios mentioning the reverse flow study proposed after the Russian-Ukraine gas transit dispute and the GIE work on European Security of Supply definitions asked for by the EU Commission in the context of the foreseen revision of the European Security of Supply Directive. He thanked for the proposal to ask the GCG for their views on the further development of the Winter Outlook and announced that GTE would contact the EU Commission on this.

## **Conclusions**

Jacques Laurelut concluded the workshop noting that there are currently no common security of supply standards and that central ten year planning is not wanted. The TYS should be seen as a communication tool to build a shared view of possible future developments. Interrelations between projects need to be taken into account. The capacity requirements in the European transmission grid would for example be different depending on whether or not the NABUCCO project would be realized. For the upcoming Demand vs. Capacity Report, three demand scenarios with low, medium and high demand developments seem to be appropriate. In the third project phase complementary supply scenarios need to be developed. All main projects under discussion should be included in the Ten Year Network Development Statement while making aware that not all projects might be implemented.