



## GTS consultation on the Investment Plan 2020

### ENGIE's response paper [Public]

[Contact] Adrien Vetu – +33 1 56 65 40 69 – [adrien.vetu@engie.com](mailto:adrien.vetu@engie.com)

May 28th, 2020

As a first remark, ENGIE regrets the late availability of the English version (two weeks after the Dutch version), giving less time to react to non Dutch-speaking market parties.

On the Investment Plan itself, ENGIE would like to make the following remarks/questions:

- The closure of Groningen field is a decision from the government, and the related costs, mainly the new Zuidbroek nitrogen plant, should not be paid by gas shippers. Long-term bookings have notably been made in the past under very different conditions and circumstances. ENGIE therefore requests again the possibility to adjust and/or terminate its long-term capacity contracts.
- We would be careful about your statement that “from 2025 onwards, L-gas export flows will largely be replaced by additional H-gas transit flows”. Given the drastic raise of GTS' tariffs expected in the coming years according to the MORGAN study and the decrease of long-term capacity booking, other routes could become more competitive and be more widely used by shippers, leading to a vicious circle of decreasing booking and increasing tariffs. In addition, we also understood that GRTgaz does not plan to increase the import capacity at Virtualys when the capacity at Taisnières B will decrease.
- Figure 2.18 shows the total gas transmission through the GTS network, both for annual transmission volumes and peak capacities until 2030. When we look closely at the GTS's figures for L-gas exports assumptions available in the Excel sheet, it seems to us that the figures for L-gas exports correspond to the forecasted end users consumption of L-gas in Belgium, France and Germany as published in the L-Gas Market Conversion Review – Winter Report 2020<sup>1</sup>. Could you please elaborate on this point and confirm or infirm? ENGIE would like to remind that for network flow configuration and investment planning purposes, the prevalent assumption for export-transit flows should be based on expected commercial flows made by shippers (and capacity booking), rather than on expected end users consumption in foreign countries. As explained in the L-Gas Market Conversion Review – Winter Report 2020, commercial nominations made by the shippers may differ from end user consumption and impact L-gas exports.

---

<sup>1</sup> <https://zoek.officielebekendmakingen.nl/blg-925180.pdf>

#### ENGIE

##### Global Energy Management

1, place Samuel de Champlain - Faubourg de l'Arche  
92930 Paris La Défense cedex France  
Tel. +33 (0)1 44 22 00 00

[www.engie.com](http://www.engie.com)

ENGIE - A public limited company with a share capital of € 2,412,824,089 - Register of Commerce: RCS Nanterre 542 107 651 - VAT FR 13 542 107 651  
Corporate headquarters: 1, place Samuel de Champlain - 92400 Courbevoie - France

- We would like to have more insight on the trading region concept mentioned by GTS and if currently some studies are anticipated.
- ENGIE of course supports the development of hydrogen in the context of energy transition. However, we would like to insist on the fact that this development should not be made at the expense of current natural gas users. Any part of the infrastructure redirected towards H2 transport should be removed from GTS' RAB and any investment related to it should not be paid by current GTS' shippers. In particular, we see in Appendix VI that capacity on the L-gas border stations decrease gradually over the years. Could you indicate what will happen with the released capacity and in what timing?
- We would like to know more about the Zebra acquisition. If it is obviously in the interest of GTS's and Zebra Gasnetwerk's shareholders, the interest of GTS' shippers is less obvious. Could you share the impact on GTS's tariffs of the acquisition itself and the related technical modification allowing the integration?
- The level of investment, about 1.5B€ over 10 years, including 300M€ in 2020 is obviously very important. We ask GTS to be very careful about potential overinvestments, in a context where the consumption of gas, and especially natural gas, is decreasing. As pointed out in the Frontier report prepared for Energie Nederland, Nogepea and VGN<sup>2</sup>, a large part of the investments made during the first three open seasons is already stranded (between 0.75 and 1.45 B€ according to Frontier). Long-term shippers are especially already suffering from this situation, and GTS should not increase this burden.

---

<sup>2</sup> Stranded assets in Dutch gas transmission infrastructure and implications for REG 2022, published on March 2, 2020.