

To:  
Gasunietransportservices B.V  
**Attn: gasmarket@gastransport.nl**  
Concourslaan 17  
9727 KC Groningen

30.11.2021

## Consultation Draft Investment Plan 2022

Dear Madam/Sir,



OMV GAS Marketing & Trading GmbH (“OMV GAS”) appreciates GTS’ efforts to establish the Investment Plan 2022 (IP2022). Despite the ongoing energy transition, natural gas is expected to remain a key source of energy and the GTS network will continue to provide a fundamental backbone to economic growth in North-West Europe.

With the change in the energy policy, an increasing importance of efficient gas network operations comes along. Especially from this point of view, we would like to make some remarks and/or ask for further clarification on the draft IP2022:

- We noticed that the forecast on transit capacity demand (figure 2.18) is expected to drop substantially until 2030 compared to the projections from IP2020. However, we would like to understand why this does not appear to be reflected in a steeper drop in required network size. A similar pattern is seen in figure 2.2, according to which gas demand is to decline by ~21% between 2021 and 2030 (DCA scenario), with peak network capacity only scaled down by 9%. We would like to ask GTS to provide further explanation or clarification on this observation that the network tends to remain potentially overdimensioned and, thus, inefficient. OMV GAS is of the opinion that GTS together with other stakeholders (including the ACM) should undertake all measures possible to remove unused assets from its cost base<sup>1</sup>.
- We kindly ask GTS to transparently include an explanation of the projected increase in costs related to the Zuidbroek Nitrogen facility compared to the IP2020 projections (+10%). In general,

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<sup>1</sup> As an example: the ongoing GTS’ code change proposal to cancel annual long-term contracts provides a useful tool to identify unused capacity that could be removed from the asset base or accelerate the repurposing of infrastructure. However, there is a lack of progress in implementing this urgently needed change, which is why we would like to request that the discussion be resumed and implemented without delay.

we ask GTS to include explanations of changing cost assumptions of large investment projects in the respective IPs.

- In general we could not identify a substantial drop in L-gas related investments despite of an updated national conversion scheme in Belgium which eliminates L-Gas offtake (for BE consumption) until 2024. We would kindly ask GTS to outline where this drop in L-Gas volumes is reflected on the investment side.
- Regarding the outlook on H2 (chapter 3.9), we consider it necessary to also include divestment projects in the IP as soon as such projects are known, especially details regarding repurposed natural gas infrastructure. Subject to a more precise definition of the divestment value (i.e costs for asset transfer CH4 -> H2), we request GTS to reduce the natural gas asset base where technically possible in order to maintain the principle of network efficiency.
- We are wondering why the “regular investments” remain stable over all upcoming years (table 5.7), when network size and gas demand is expected to decline. Please explain how this can go in line with higher network efficiency.

As a general observation related to the high L-gas investments, we would like to mention, that the tariffication for H-gas long-term transport contracts has become unduly discriminative. H-Gas long-term contracts are cross-financing the significant investments in L-Gas projects over the past years. For the upcoming tariff periods (2022 ff) this cross-subsidization between gas qualities is expected to accelerate.

In the light of this concerns, we encourage ACM and GTS to create more flexibility for long-term contract holders and in addition to create future tariffication schemes which are more cost-reflective with respect to gas quality issues. The aim should be to the create fair conditions also for LNG importers and transit shippers which are the backbone for a competitive internal EU market and the TTF.

Should you have any question or remarks, we remain at your disposal.

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With best regards

OMV Gas Marketing & Trading GmbH