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Gasunie Transport Services B. V.
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Project 06.100 WG Gas Act
Referentie 2311-0258 v1.0
Onderwerp Response Investment Plan 2024

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Geachte heer, mevrouw,

Element NL welcomes the opportunity to comment on the draft Investment Plan 2024 (hereinafter: IP 2024) as published by Gasunie Transport Services B.V. (hereafter: GTS) on 1 November 2023. Please find our remarks below.

1. Forecasted usage of the GTS transmission system

Element NL notes that IP 2024 contains various tables on the forecasted usage of the GTS transmission system in the period up to 2034. The forecasted usage of the GTS transmission system is of interest to system users as an important element for predicting future tariffs. In that respect, Element NL would like to request GTS to provide an additional table where the forecasted usage up to 2034 is translated into the expected "Rekenvolume" for the eight segments corresponding to GTS transport tariffs (being for Entry: Border, Storage, Production, LNG; and for Exit: LDC, Industrial, Border and Storage).

2. Investments to reduce carbon emissions

GTS proposes a number of investments to reduce carbon dioxide emissions in the coming years. Element NL would like to make three comments.

Firstly, The IP (2024) doesn't elaborate on which basis these proposed investments are required. As there is no final legislation yet, it is not clear whether these investments are legally required. Is GTS anticipating on upcoming EU Methane regulation?

Secondly, the timing of these investments is not clear, what drives the need to include these in this IP.

Thirdly, the efficiency of these investments is not clear. GTS indicates investments for reducing GHG emissions with an estimated cost of around €50 million, but doesn't provide clarity on the amount of GHG reduced. Therefore, it is not clear how the efficiency of these investments is demonstrated. E.g. how do they compare with the CO2 price in the EU ETS system (currently around 80 €/ton) and the future price levels used for NL carbon tax purposes.

In addition, the efficiency of the investments in the proposed replacement of heating systems for the gas receiving stations with the aim of reducing emissions has to be demonstrated. From our perspective these investments would not classify as efficient, as substantiated by the following assumptions/calculations: These investments are huge (~€250 million) and would result in a reduction of 30 kilotonnes of CO2 equivalent (GTS IP section 5.2.4). With an assumed depreciation

period of 30 years for installations, a WACC of 4.6% (reconciliated WACC GTS herstelbesluit) and 1% OPEX, we estimate the yearly cost in the beginning at around €20 mln per year. This would imply a CO2 cost of 667 €/ton. This is far beyond the current (~80 €/ton) and anticipated future CO2 price levels. However, as stated before, we don't have enough information on the detailed assumptions behind the reduction measures to make a firm statement and expect an elaboration on the assumptions on which these proposed investments are based and how the efficiency is demonstrated.

3. Expenditures on IT

Recently all IT investments have been transferred to Gasunie and GTS itself does no longer make IT investments. As a result ElementNL cannot determine the necessity of the IT investments made by Gasunie and charged to GTS, and thus ultimately to the users. ElementNL would like GTS to include a paragraph on the expected IT investments that are made by Gasunie on behalf of GTS and the resulting opex charges that Gasunie will make to GTS.

We hope we informed you sufficiently. If you have any questions, please let us know.

Met vriendelijke groet / Best regards,



Marielle Visser
Legal advisor