Executive Summary

The 2014 network development plan (NDP) drawn up by Germany's gas Transmission System Operators (TSOs) presents the most recent planning results complete with findings from public consultation and long-term capacity targets, as required under the country's Energy Law (Energiewirtschaftsgesetz, EnWG) and the Network Access Code (Gasnetzzugangsverordnung). This third issue is based on the scenario framework which after public consultation was confirmed by the German national regulatory authority Bundesnetzagentur (BNetzA) on Oct. 16, 2013.

As proposed by TSOs, network development as shown in Table 35 (chapter 7.1) will require investments of approximately €1.8bn by the year 2019 and a total of €3.1bn by 2024, mainly following modeling version II.2. Investments planned for the period ending 2024 were reduced to approx. €2.8bn after an amendment by the German regulatory authority (BNetzA).

TSOs generally regard the steps proposed in NDP 2013 as confirmed by the results of NDP 2014. For the period ending 2024 there is a need for additional network upgrades mainly resulting from:

- More specific information on L/H-gas market conversion needs
  Under the confirmed scenario framework these needs will much exceed the last NDP, the changes resulting from an extension of the period under review and current findings on detailed market conversion schedules.

- A rise in demand for H-gas
  This will require more infrastructure development to carry these quantities resulting from conversion to regions in need.

- Greater capacity required for gas storages
  A significant increase in capacities handled and the adjustment of temperature curves add to the need for upgrades.

Security of supply considerations in the NDP 2014 have focused on L/H-gas conversion and resulted in a detailed proposals for the gradual conversion of areas currently supplied with L-gas to H-gas. In addition, the availability of L-gas until 2030 has been investigated.

For the period ending 2024 the NDP 2014 has made allowance for additional H-gas volumes needed with reference to specific H-gas supply sources as specified in the scenario framework. Providing an infrastructure in Germany which can take these volumes to the conversion zones is part of the proposed NDP project list.

In both the gas and power sectors, gas-fired power stations are vital to maintaining today’s high supply security. From a macroeconomic perspective, the dynamic capacity product specially designed for these plants by German TSOs in the NDP 2013 has the potential to meet the needs of this difficult to predict market.

Maintaining security of supply at a high level calls for infrastructure upgrades to be preceded by complex and interdependent planning and permission procedures which are crucial for keeping project deadlines. More dialogue with all stakeholders will be needed to prevent unnecessary delays which may hamper security of supplies.
The immense outlay for transmission system development as provided by TSOs will be recovered by charging transport tariffs. All parties involved in the NDP process should therefore make sure that eventually, network projects are viable from the viewpoint of macroeconomics. A stable and sustainable regulatory regime offering return rates which appropriately reflect project risks is needed to make sure that projects are economically reasonable for investors at a time when transport customers are committing themselves for ever shorter periods.

As network modeling requirements in NDPS for the years up to 2019 have become more stable, the system development needs identified as well as the related measures have converged. The process of drawing up NDPS could, however, be optimized if NDPS were due only every other year thus offering more time for consultation, modeling and harmonization with other planning intervals, such as that of the EU-wide NDP (ENTSOG TYNDP).