Executive Summary

The German transmission system operators (TSOs) have produced the present draft on the 2015 Gas Network Development Plan (NDP) to publish the results of the network development planning process complete with findings from public consultation and a determination of long-term capacity needs, as required under the Energy Industry Act (Energiewirtschaftsgesetz) and the Gas Third-Party Access Regulations (Gasnetzzugangsverordnung). This fourth national NDP is based on the 2015 scenario framework document which, after consultation by the TSOs, was confirmed by the national regulatory authority Bundesnetzagentur (BNetzA) on 6 November 2014.

The network development projects proposed by the TSOs are based on the modelling results for case II.B and will require investments of approx. €2.8bn by the year 2020, a figure which will rise to a total of €3.5bn by 2025.

The TSOs regard the results of the 2015 NDP as a confirmation of the measures proposed in the 2014 NDP. In addition, they have identified higher capacity requirements in the period to 2025, mainly resulting from:

- **Refined plans for the gradual gas quality switchover process**
  Compared with the previous NDP, the number of projects proposed to implement the switchover of low CV network areas to high CV gas supplies, and the required level of investment, have gone up. This change is due to the longer period under review and reflects the more up-to-date information available regarding the planned switchover schedules.

- **Higher capacity requirements for high CV gas**
  The additional demand for high CV gas means that more infrastructure must be developed to transport these supplies to the regions affected to meet the demand resulting from the gas quality switchover process.

As in the year before, in their security of supply considerations for the 2015 NDP the TSOs focused on the gradual switchover process required to move low CV networks to a high CV gas supply. Over the course of the last year the TSOs have engaged in extensive consultations with downstream network operators as part of the switchover process.

The additional high CV capacity requirements in the period 2015-2025 described in the 2015 NDP have been based on the high CV gas supply sources as specified in the scenario framework document. After presenting an overall balance for the situation in the low CV sector in the 2014 NDP, this year the TSOs have prepared annual figures for the high CV gas situation in Germany and extended the period under review up to the year 2030.

Maintaining security of supply at a high level requires new infrastructure to be built, which involves complex and interdependent planning and permitting procedures. These in turn are major factors determining the possible timing for implementation of the projects. Not least timely completion also requires speedy processing on the part of the responsible approving authorities.

The measures required for expanding the transportation network require a significant level of investment on the part of the TSOs, the cost of which is reflected in the transportation tariffs. All parties involved in the NDP process must therefore ensure that, in the long run, the network development projects are viable from a macroeconomic viewpoint whilst being economically reasonable for the companies undertaking the investment at a time when shippers are committing themselves for ever shorter contractual periods. In view of this background, what is particularly needed is a stable and sustainable regulatory framework that provides rates of return which appropriately reflect project risks.
Drawing up this NDP has again tied up many resources, and the planning process regularly overlaps with that for the previous and following years. It could be optimised, for example if the NDPs were to be compiled at two-year intervals. This would leave more time for consultation and modelling, and ensure harmonisation with other planning cycles such as those for the Ten-Year Network Development Plan (TYNDP). Germany's TSOs therefore expressly welcome the draft bill introduced on 29 December 2014 to amend the laws and regulations governing the construction of energy transport infrastructure, which proposes to extend the NDP planning period from one to two years.