

Dear Sirs,

we thank you for this opportunity to present our comments to the Gas Network Development Plan 2030.

Worldenergy SA is an independent company active in the supply of natural gas since 2001. We have been an active shipper on TENP since that date.

In particular, we would like to comment on the planned capacity level for Exit Wallbach.

We support the findings of the Joint Working Group Snam Rete Gas, Swissgas, FluxSwiss, Transitgas, Fluxys TENP, OGE, that the capacity at Exit Wallbach should be expanded by approx. 3 GWh/h from the current level of 13,3 GWh/day to a total level of 16,2 GWh/h.

As already pointed out by the Joint Working Group, gas supply to Italy lacks flexibility in the critical periods of the year. While the market is generally well supplied or even oversupplied under normal conditions, it becomes extremely volatile in situation of higher demand, even in the absence of dramatic events, such as prolonged cold spells or unavailability of infrastructure.

The reasons for this inherent vulnerability of the Italian gas supply have already been correctly identified in the report: the more recent LNG terminals able to accommodate modern LNG carriers are all offshore terminals, unavailable under bad weather conditions; import pipelines are sometimes located in unstable countries (e.g. the Greenstream) with high force majeure risk, or in any case are not connected to liquid markets (the pipeline Enrico Mattei from Algeria).

Maybe the Joint Working Group could have put more emphasis on the effects of the high volatility in the Italian market, on prices in other European countries. The spreading of such price shock waves can happen either through available import capacity on gas pipelines (for instance, it is quite common to see prices at the VTP Austria track prices at the Italian PSV), or through very high demand for import power.

Exit Wallbach is a key interconnection point to achieve market integration across Europe. For the reasons described above, we think that making available to the market a comfortable amount of capacity at Wallbach is at the end going to benefit the European market as a whole.

Worldenergy therefore supports the proposed capacity increase.

Kind regards

Worldenergy SA

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