PRESS STATEMENT

INITIATIVE ENERGIEN SPEICHERN

INES

Berlin, January 16, 2024

Gas scenarios: January update with end-of-year review

The Initiative Energien Speichern e.V. (INES) presented an update for the association's own gas scenarios on January 16, 2024. The January update complements the update of the previous gas scenarios with an outlook for the summer of 2024. The outlook for the rest of the winter and the summer of 2024 is positive. In addition, a review of the year 2023 shows that the required gas volumes were mainly provided by pipeline imports. Flexibility requirements were largely covered by gas storage facilities, which lead to an optimization of the import system.

INES presented the January update for the association's own gas scenarios at a press conference today. At the same time, INES took a look at the summer of 2024 for the first time and thus also at the filling phase of the gas storage facilities for the next winter 2024/2025. The January update shows that, due to moderate to warm temperatures in November and December 2023, only limited withdrawals occurred so far. The gas storage facilities have therefore started January 2024 with an above-average fill level of 91%.

If extremely cold temperatures persist, the gas storage facilities could still be emptied extensively and levels could fall to a low of 14% by mid-March. However, as long as no additional risks arise, a gas shortage is no longer expected for the remaining winter. The filling level target for February 1, 2024 can be met at all assumed temperature levels.

The January update took a look back at the year of 2023. It was found that gas imports fell again significantly by 468 TWh (-32%) compared to the previous year due to the complete cessation of Russian pipeline deliveries from August 31, 2022. Natural gas amounting to 974 TWh was imported to Germany over the course of 2023. Of this amount, 70 TWh were imported via LNG terminals. Domestic gas production in Germany also decreased compared to the previous year (-6%) and provided just under 40 TWh.

The overall decrease in gas volumes of 1,013 TWh was offset by only a slight decrease in gas consumption of 830 TWh (2022: 878 TWh). Reduced gas exports essentially made up for the lower volume. They amounted to 176 TWh and were therefore 333 TWh lower than in the previous year.

To provide the necessary gas volume, average imports of 2.7 TWh per day and annual mean gas production of 0.1 TWh per day were realized. High winter loads led ocassionally to a considerable need for flexibility. The highest load from consumption and exports (peak load) occurred on January 24, 2023 at around 5.7 TWh per day. 91% of the required flexibility of 2.9 TWh per day was provided by gas storage facilities in Germany (over 2.6 TWh). Due to the flexible use of gas storage facilities, only gas imports of a maximum of 3.4 TWh per day had to be realized over the past year. The gas storage facilities thus made a significant contribution to optimizing the import system.

INES Managing Director Sebastian Heinermann summarizes the January update for the gas scenarios as follows: "*As long as no additional risks occur, a gas shortage is no longer to be feared for the remaining winter, even in extremely cold weather. The gas storage facilities can be completely refilled before the next winter of 2024/2025.*"
Commenting on the annual review, Heinermann adds: "*Our annual review shows that very high winter loads also occurred in 2023, which caused a considerable need for flexibility. The necessary flexibility for the gas system was largely provided from gas storage facilities in Germany last year. By covering the flexibility requirements in Germany, the gas storage facilities optimize the import system. This system value should not only be taken into account in the gas system, but also in the hydrogen system.*"

BACKGROUND TO THE INES GAS SCENARIOS:

The Initiative Energien Speichern e.V. (INES) models continuously the European gas markets in order to assess the security of gas supply. On this basis and taking into account the storage levels on January 1, 2024, three scenarios for the gas supply in Germany in the remaining winter and summer of 2024 were considered:

- In the first scenario, the temperatures of the EU weather year 2016 are used on a country-specific basis in order to consider normal temperatures.
- Another scenario assumes "warm temperatures" as in the European winter of 2020.
- A third scenario examines the gas supply for "cold temperatures" corresponding to the European winter of 2010.

The INES scenarios for gas supply in winter 2023/24 were published for the first time on April 19, 2023 based on data up to the end of March 2023. With this January update, the INES scenarios have now been supplemented for the first time with an outlook for summer 2024 and updated for the remaining winter of 2024. For this purpose, the data situation up to the end of the previous month of December was taken into account.

During the "summer phase" (May to October 2023), INES only publishes updates to the INES gas scenarios every two months. In winter, updates are published monthly. The next update is scheduled for February 8, 2024.

A detailed explanation of the scenarios and results can be found in the presentation slides for the press conference and in the presentation documentation. In addition, all press conferences on the gas scenarios were recorded and can be viewed on the INES YouTube channel. Starting with the next update, INES will refrain from holding additional press conferences on the presentation of the gas scenarios until further notice. However, this will not affect the updates. They will continue to be published on an ongoing basis.

Current information on gas storage levels in Germany and in the individual federal states can be called up at any time via the INES storage map. In addition, storage data can be filtered not only according to different storage types (cavern and pore storage) but also according to gas quality (L/H gas and hydrogen).

ABOUT US:

INES is the association of gas and hydrogen storage system operators in Germany. INES' members represent over 90 per cent of German gas storage capacities and account for about 25 per cent of gas storage capacities in the European Union. INES' member companies also push the development of underground hydrogen storage in numerous projects and thereby form pioneers in this important technology field for the energy transition.

The members of INES are astora GmbH, bayernugs GmbH, Enovos Storage GmbH, Erdgasspeicher Peissen GmbH, Etzel-Kavernenbetriebsgesellschaft mbH & Co. KG, EWE Gasspeicher GmbH, HanseWerk AG, OMV Gas Storage Germany GmbH, RWE Gas Storage West, NAFTA Speicher GmbH & Co. KG, STORAG Etzel GmbH, Storengy Deutschland GmbH, Trianel Gasspeicher Epe GmbH & Co. KG, Uniper Energy Storage GmbH, USG Blexen GmbH and VNG Gasspeicher GmbH.

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