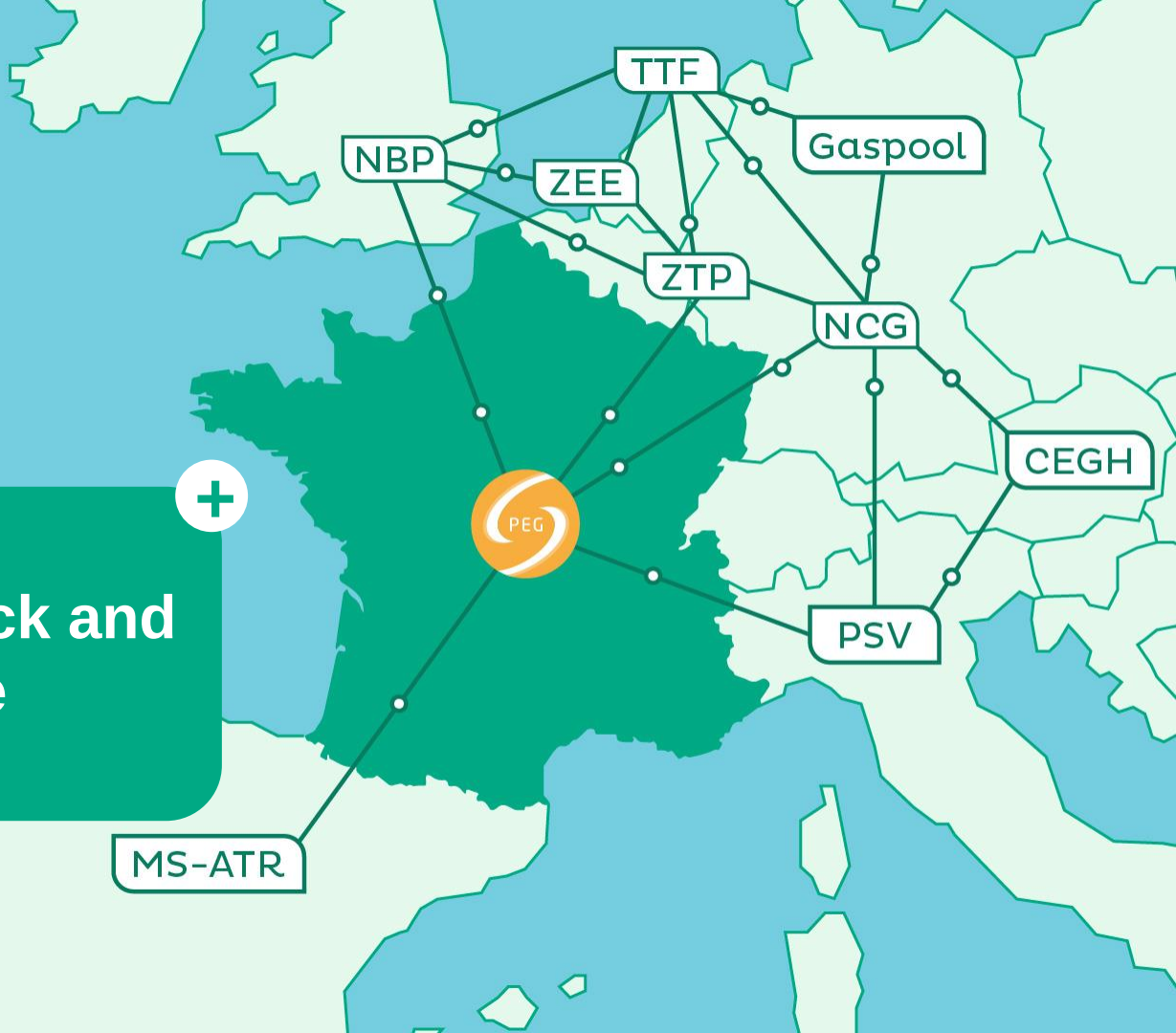
TRF&PEG news n°9: Winter 20-21 lookback and Summer perspective

April 2021



Lookback on Winter

PEG price: upward pressure compared to previous Winter

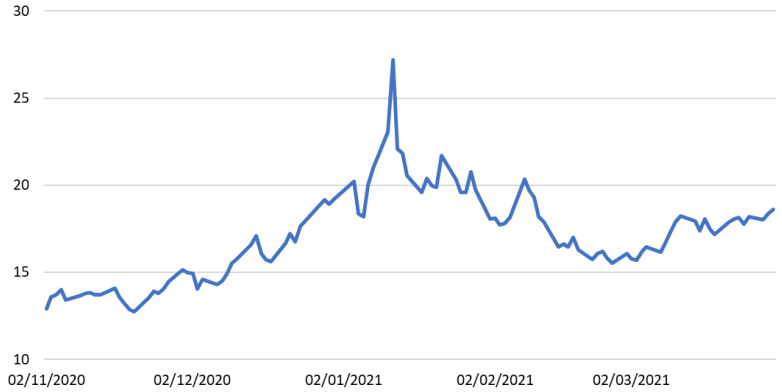
17,0 €/MWh

Average PEG DA Winter 20-21

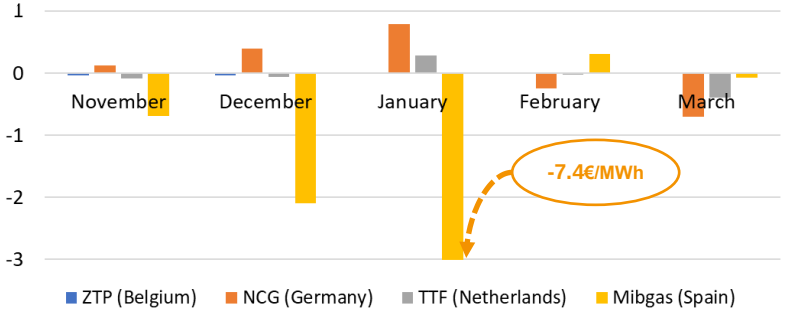
11,2 €/MWh Winter 19-20

- **Increase due to low LNG supply**
- **Price still at reasonnable level thanks to gas available in storages**
- **PEG at a discount to TTF: spread of -0.07 €/MWh in average (-0.10 over previous Winter)**
- **TRF is not highly LNG-dependent: even in January when LNG was at its lowest, spread with TTF remained < 0.3 €/MWh on average while Mibgas spiked**

PEG Day-Ahead price (€/MWh)

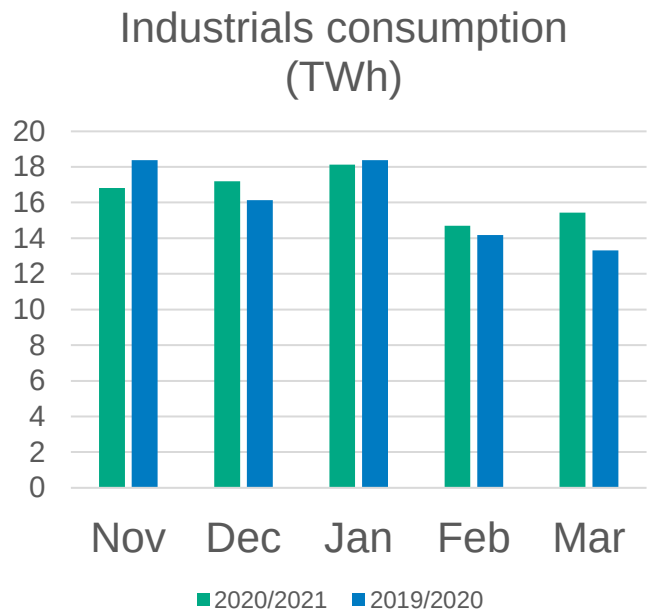


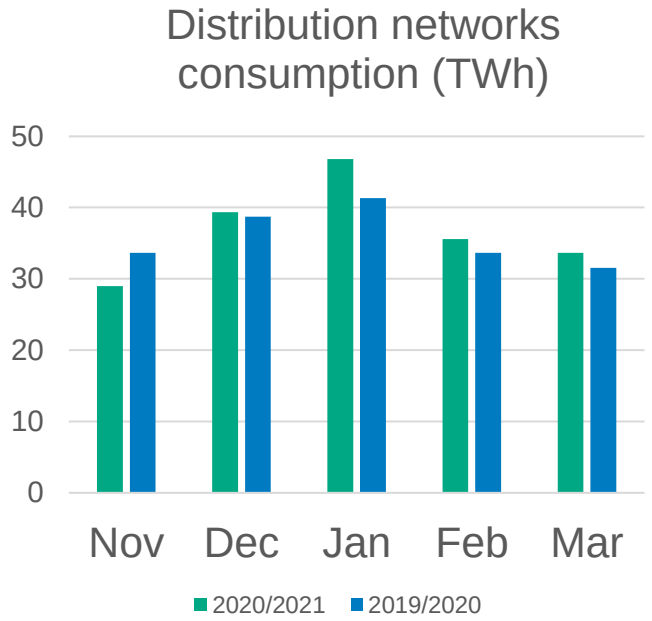
Average spreads between PEG and other Europeanhubs (€/MWh)



Positive value: PEG > neighbouring marketplace
Negative value: PEG < neighbouring marketplace

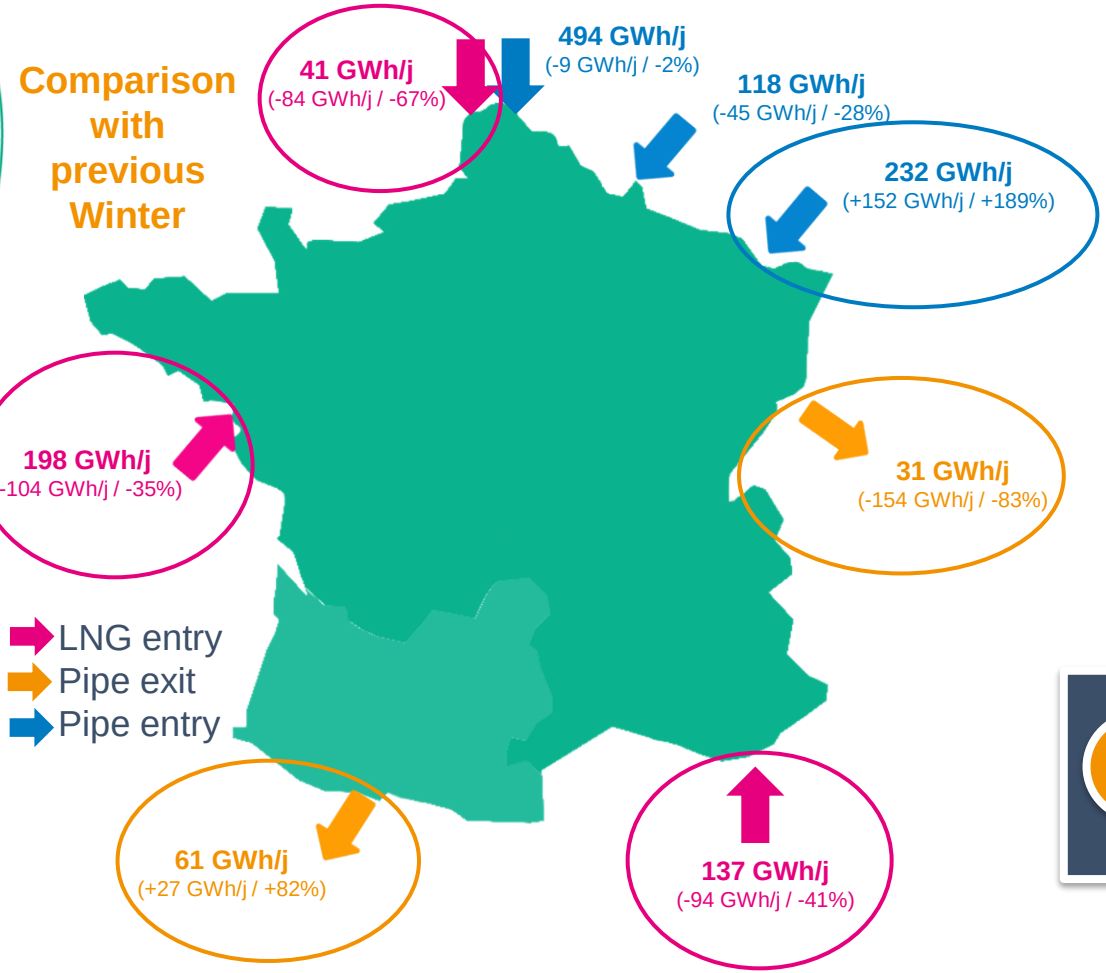
Consumption analysis





- **During last Winter, the consumption of industrials and on distribution networks was mostly at the same level than last year.**
- **The differences are essentielly due to the temperatures that were colder last Winter**
- **Demand fully recovered after the restrictions of Summer 2020 due to the Covid-19**

TRF flows: reduced transit

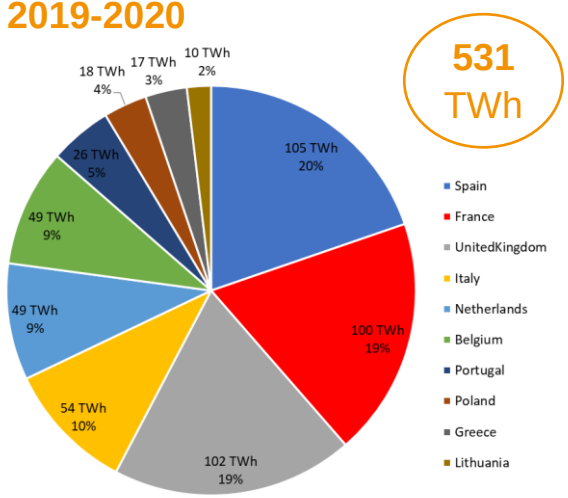


- Decrease of flows on most entry/exit points
- Lowest LNG import in Winter since 2017-18
- Obergailbach is the only entry to increase: low LNG all over Europe favoured import of Russian pipe gaz through Germany
- Pirineos exit to Spain increased to compensate lack of LNG down the border
- Conversely Trans-Adriatic Pipeline start-up reduced Italy's import need from France through Switzerland
  → Oltingue exit flows divided by 6
  Flows even sometimes in the Italy>France direction

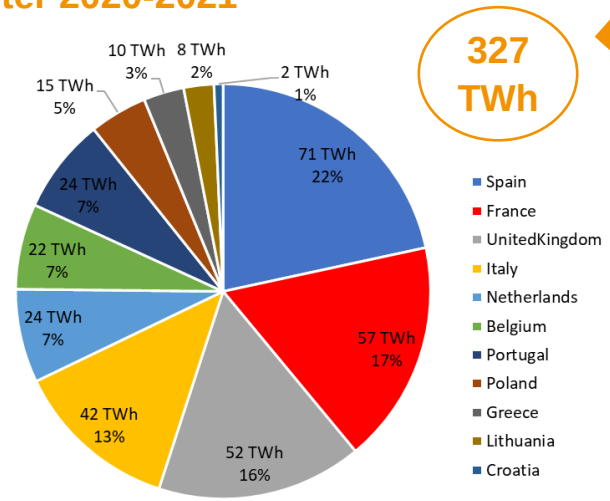
0 day with congestion, same as in previous Winter.
Well distributed supplies regarding consumption allowed to avoid congestion

TRF maintains its share of LNG amid lower European imports

Winter 2019-2020



Winter 2020-2021



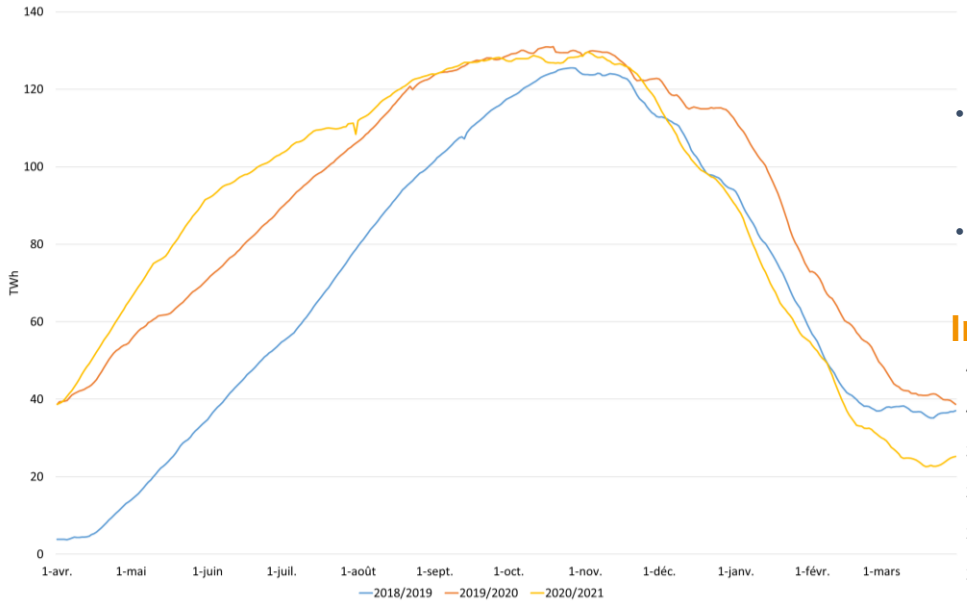
LNG imports in Europe: -38%

Entry flow from Spain (GWh/d)

- Because of low LNG in Spain too, strong utilization of Pirineos exit in the middle of the Winter to supply Spain with pipe gas
- Rest of the time, utilization was volatile depending on the gas demand in Spain and the arbitrage between the different sources (Pirineos, LNG, Algerian gas)
- Several periods of flows in the Spain to France direction
- This was not observed in the previous years

Lower imports compensated by faster storage withdrawal

France storage inventory (TWh)

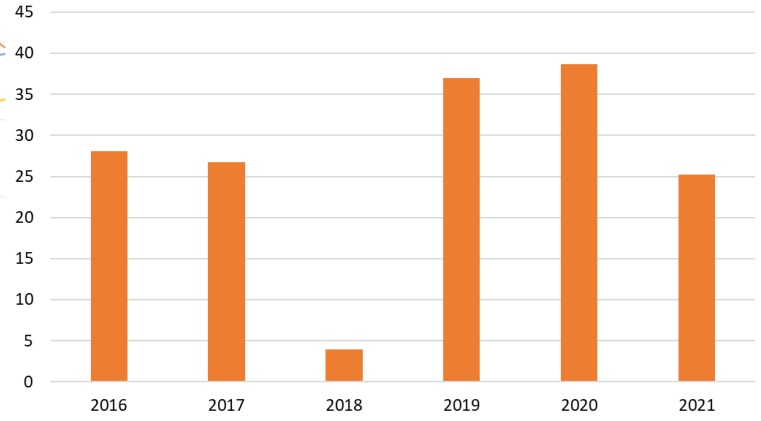


- Gas in storage allowed to meet the demand thanks to faster withdrawal compared to the previous years
- Led to lower inventory at the end of March compared to the two previous years (25 TWh vs ~38 TWh)
- But still a comfortable level before the injection season starts

20% of the storage capacity already filled end of March.

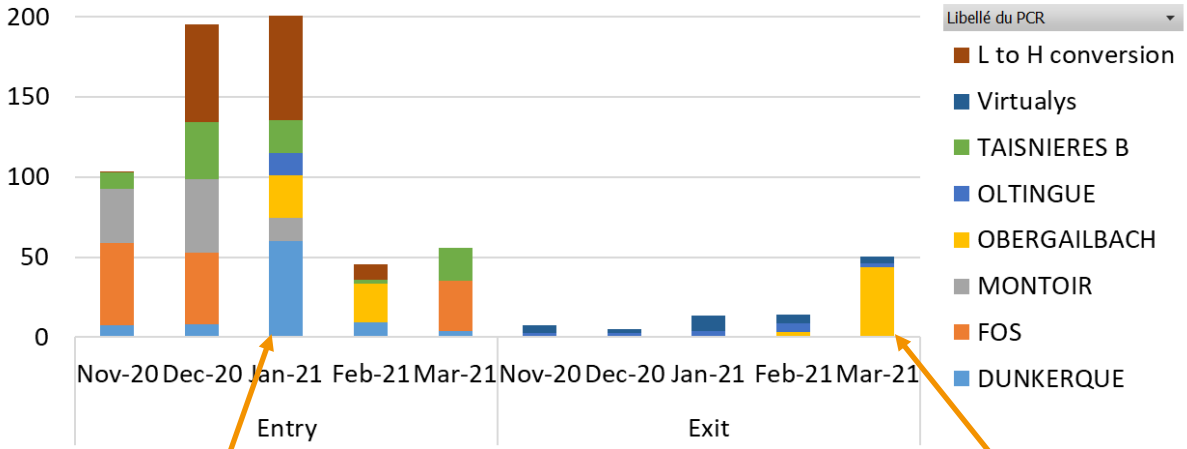
No identified risk on filling the full capacity ahead of next Winter

Inventory level end of March (TWh)



Summary of capacity sales (GRTgaz only)

Infra-year capacity subscriptions (GWh/d)



Don't forget!
Yearly auctions
in July
+100 GWh/d (*)
available at
Dunkerque entry

(*) compared with last year

Lack of LNG in January fueled subscriptions at the Northern interconnection points in order to increase pipe imports

In March, increasing LNG supply allowed to export gas to Germany where there was important demand due to cold weather

Summer perspective

Summer 2021 maintenance schedule

4 superpoints will be active, including 3 on GRTgaz network:

- SPN2U (New)
- SPNS1U
- SSPEO2D

No risk identified regarding storage filling

Entries

Exits

PITS
North-West : 12 days
North-East : 0 day
North-B: 44 days
Atlantique: 22 days
South-East : 26 days

DK LNG:
2 days

Dunkerque: 6 days
Taisnières B : 10 days
Virtualys : 27 days
Obergailbach : 0 day
Oltingue: 42 days

SPN2U: 5 days
Impacted points (entries):
Dunkerque LNG, Dunkerque, Virtualys

SPNS1U: 19 days
Impacted points (entries): Virtualys, Obergailbach and Oltingue IP
Oltingue exit = bonus

Oltingue:
29 days

Montoir :
35 days

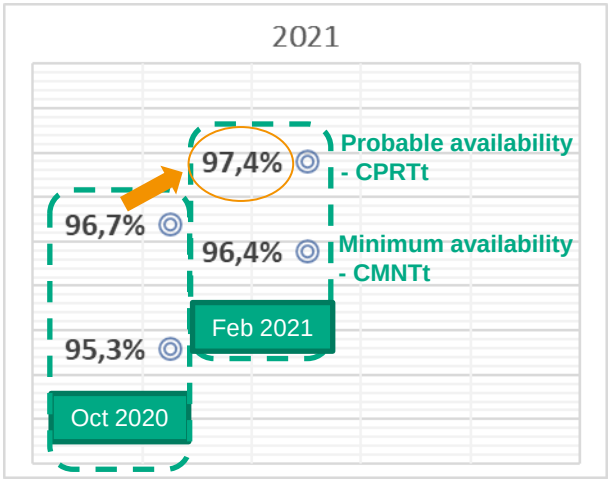
Fos :
31 days

SPEO2D: 72 days
Impacted points (exits):
SSPEO2D: Atlantique PITS
SSP Teréga: Pirineos and Lussagnet

SP S1D: 64 days
(same days as EO2D)
SSP Teréga: Pirineos and Lussagnet

Quality indicators of the maintenance schedule

Improvement compared with the October provisionnal program for Summer 2021.

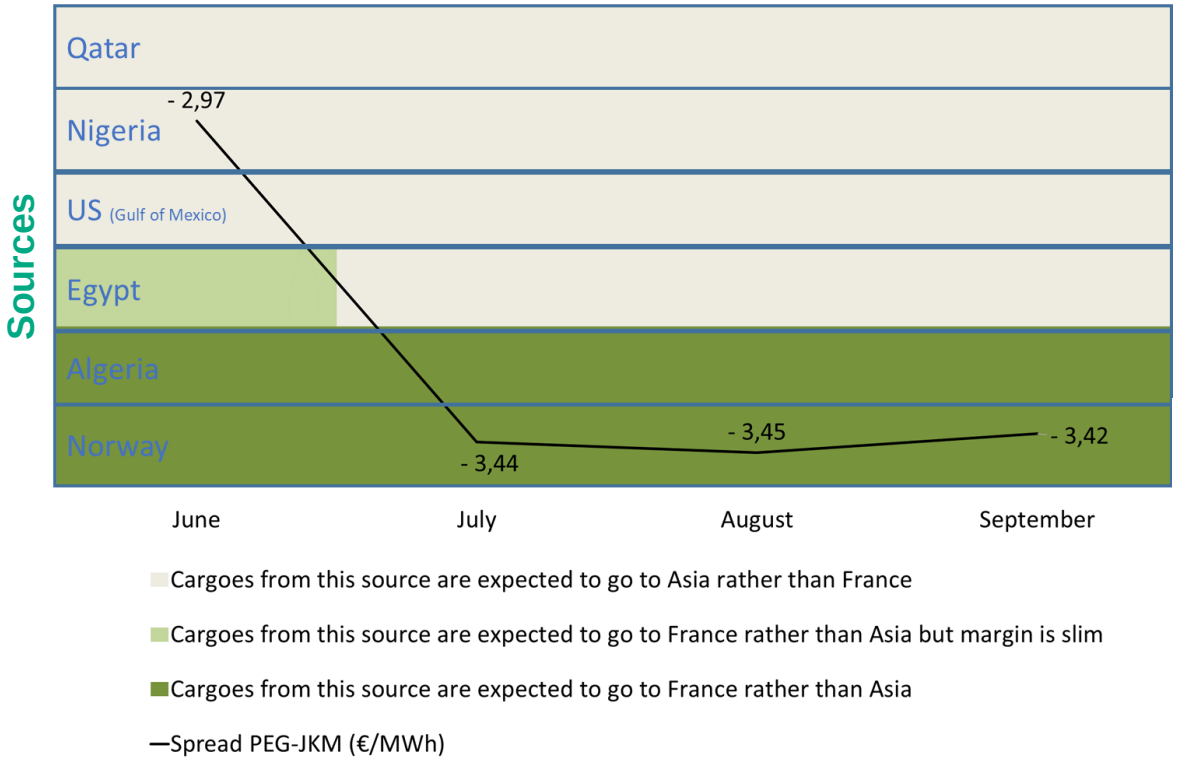


Probably available capacity (CPRTt) = about the same level as February 2019 (97.4%) and 2020 (97.6%).

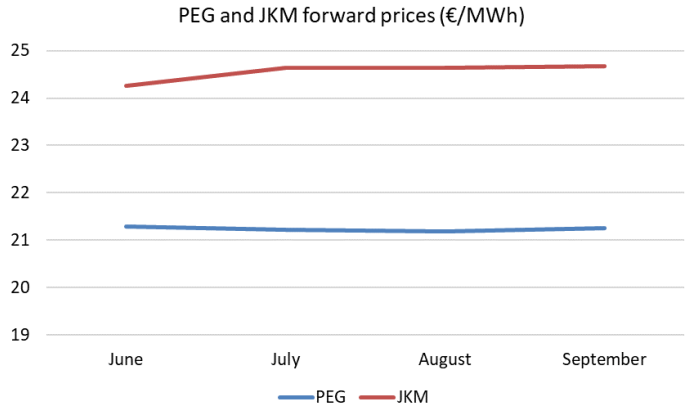
Subscribed capacity availability – calculated on all the points including the impact on Teréga's points

LNG outlook

Expected destination of LNG depending on the source and the PEG-JKM spread



- Forward prices show robust demand in Asia
- Could lead to lower LNG supply in Europe in the middle of Summer as we experienced the last two years
- With the LNG supply still growing, questions about ability of Asia to absorb such quantities in the uncertain context of the Covid pandemic
- JKM might correct down. To be followed up…



Forward prices as of 28/04/2021
Charter rate at 55 000 $/day

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