Press Release

9 October 2023

Winter 2023 – 2024:

A French gas system that is more resilient as we head into winter 2023 – 2024

Today, GRTgaz, the leading gas distributor in France and Teréga, the long-time storage and distribution operator in south-western France, presented its forecasts for the French gas system for winter 2023 – 2024. The analyses show that this year, the French network has enough capacity to meet consumption and export requirements, even if the winter proves cold. That said, balancing the system will still require sustained LNG imports, cautious management of storage capacity and continued careful use of existing gas supplies, as was the case last winter. The Ecogaz scheme is being kept so that both domestic and professional consumers can continue to keep an eye on their consumption should the network be subject to any pressures.

GAS SUPPLY FORECAST FOR WINTER 2023-2024 IN FRANCE

The various scenarios show that the French gas system will be able to supply consumers and send gas to neighbouring countries, no matter how cold the winter proves.

The scenarios factor in the significant storage levels that have been reached (currently 95% of total capacity) and assume that the Havre FSRU will be brought into commercial service in mid-October 2023. They also assume that consumption levels will remain comparable with those of winter 2022-2023, that people will still use gas carefully and that sustained LNG imports from Spain via the Pirineos onshore interconnection point will continue.

The safety margin is still thin in the event of a cold snap in the second part of the winter which is when ad hoc deficits might hit the network, particularly if too much pressure ends up being put on storage capacity at the start of the winter.

A BOLSTERED EUROPEAN GAS SYSTEM

Across-the-board, the European gas system has succeeded in adapting so as to guarantee security of supply as part of a new “West to East” flow pattern. Between winter 2021-22 and winter 2022-23, there was a 75% fall in imports of Russian gas (taking all gas pipeline and LNG sources together). Flows from the East, via gas pipeline from Russia, were reduced even more drastically – by 86%. This was offset in the West by increased inputs of liquefied natural gas (LNG). To enable the flows to be reversed in this way, nine new entry points were created in Europe, enabled by the rapid development of floating storage regasification units (FSRU). As of the end of September 2023, LNG regasification capacity in Europe was 22% higher than in 2021.

In France, the Havre floating storage regasification unit is set to come into service soon and will have a capacity of some 22 TWh during the gas winter. That's a 12% increase in French regasification capacity, and the input capacities in Pirineos have increased by 40 GWh/d, so that additional volume of up to 6 TWh can be supplied over the winter.

After the dramatic increases seen in 2022 and the significant price hikes of summer 2022, gas prices have gradually been coming down since the start of 2023. The market is currently forecasting prices of around €50/MWh for winter 2023-24 – that's 30% lower than winter 2022-23 and 50% lower than winter 2021-22.

GRTgaz

GRTgaz is Europe's second-largest gas carrier, with 32,500 km of pipes and 640 TWh of gas transported. The company has 3000 employees and generated nearly €2.2 billion in turnover in 2021. GRTgaz has a mission statement: "Together, we enable an energy future that is safe, affordable and climate neutral". GRTgaz is an innovative company undergoing a major transformation to adapt its network to new ecological and digital challenges. It is committed to a 100% carbon-neutral French gas mix by 2050. It supports the hydrogen and renewable gas sectors (biomethane and gas from solid and liquid waste). GRTgaz carries out public service missions to guarantee the safety of gas transmission for its 945 clients (shippers, distributors, industrial companies, biomethane plants and producers). With its subsidiaries Elengy, the European leader in LNG terminal services, and GRTgaz Deutschland, operator of the MEGAL transmission network in Germany, GRTgaz plays a key role on the European gas infrastructure scene. The company exports its know-how internationally, in particular services developed by its research centre, RICE. Find us at https://www.grtgaz.com/, on Twitter, on LinkedIn, Instagram and on Facebook.

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Teréga

Located in south-western France at the intersection of major European gas flows, for more than 75 years, Teréga has been sharing its exceptional expertise in developing gas transport and storage infrastructure. Today, it continues to develop innovative solutions to overcome the major energy challenges facing France and Europe more widely. Teréga is a fully-fledged accelerator of the energy transition and operates more than 5000 km of pipelines and two underground storage facilities representing 16% of the French gas transport network and 24% of national storage capacity. In 2022, the company generated revenue of €799 million. It employs some 650 people.

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