The Spanish Gas Industry 2014

Marta Margarit
General Secretary

September 2014

Summary

1. Sedigas.
2. Spanish Natural Gas Industry figures.
3. Infrastructure and security of supply.
4. Present Key Issues for the Spanish Gas Industry.

Summary

1. **Sedigas**
2. Spanish Natural Gas Industry figures.
3. Infrastructure and security of supply.
4. Present Key Issues for the Spanish Gas Industry.

Sedigas – Spanish gas association

More than 150 associates

Created in 1970, its an association representing all the gas value chain sector in Spain.

Objectives

Promoting gas usage and defenging asociates interests

Organization

General Assembly

Council

Board

Working comittee | WC | .... | WC

sedigas

Sedigas counts over 150 members, grouping all the value chain activities

Gas Storage, regasification and transmission companies:

BAHIA DE BIZKAIA GAS, S.L. (BBG); ENAGAS, S.A.; REDEXIS GAS TRANSPORTE; GAS NATURAL TRANSPORTE SDG, S.L; GRUPO EMPRESARIAL IVERDUERO, S.A.U.; MEDGAZ, S.A.; NATURGAS ENERGÍA TRANSPORTE, S.A.U.; PLANTA DE REGASIFICACIÓN DE SAGUNTO, S.A.(SAGGAS); REGASIFICADORA DEL NOROESTE, S.A. (REGANOSA); TRANSPORTISTA REGIONAL DE GAS.

Gas Distribution Companies:

DISTRIBUCIÓN Y COMERCIALIZACIÓN DE GAS EXTREMADURA, S.A. (DICOGEXSA); DISTRIBUIDORA REGIONAL DEL GAS, S.A.; REDEXIS GAS DISTRIBUCIÓN; REDEXIS GAS ARAGÓN; GAS DIRECTO, S.A.; GAS ENERGÍA DISTRIBUCIÓN MURCIA SDG, S.A.; GAS GALICIA SDG, S.A.; GAS NATURAL ANDALUCÍA, S.A.; GAS NATURAL CASTILLA – LA MANCHA, S.A.; GAS NATURAL CASTILLA Y LEÓN, S.A.; GAS NATURAL CEGAS, S.A.; GAS NATURAL DISTRIBUCIÓN SDG, S.A.; GAS NATURAL RIOJA, S.A.; GAS NAVARRA, S.A.; REDEXIS GAS BALEARES; IBERDROLA DISTRIBUCIÓN DE GAS, S.A.U.; MADRILEÑA RED DE GAS, S.A.; NATURGAS ENERGÍA DISTRIBUCIÓN, S.A.U.; REPSOL BUTANO, S.A.; TOLOSA GASA, S.A.

Gas suppliers:

ALPIQ ENERGIA ESPAÑA, S.A.U.; AXPO IBERIA, S.L.; BAHÍA DE BIZKAIA ELECTRICIDAD, S.L.; BP GAS EUROPE, S.A.U.; CEPSA GAS COMERCIALIZADORA, S.A.; E.ON GENERACIÓN S.L.; ENDESA ENERGÍA, S.A.; ENERGYA VM GESTION DE ENERGIA SLU; GALP ENERGÍA ESPAÑA, S.A.U.; GAS NATURAL COMERCIALIZADORA, S.A.; GAS NATURAL SERVICIOS SDG, S.A.;GAS NATURAL SUR SDG, S.A.; GDF SUEZ ENERGIA ESPAÑA, S.A.U.; IBERDROLA GENERACIÓN, S.A.U.; INCOGAS, S.A.; NATURGAS ENERGÍA COMERCIALIZADORA, S.A.U.; NEXUS ENERGÍA, S.A.; RWE S&T GMBH; SHELL ESPAÑA, S.A.; SONATRACH GAS COMERCIALIZADORA, S.A.; STATOIL; UNION FENOSA GAS COMERCIALIZADORA, S.A.

Main activities

Other activities

Suppliers of equipment and services for the gas industry:

ACTIVA INNOVACIÓN Y SERVICIOS, S.A.U. (ACTIVAIS); ACUSTER BAHISA, S.L.U.; ARGO, S.A.; ARISTON THERMO ESPAÑA S.L.U.; ARKEMA QUÍMICA; ASOCIACIÓN ESPAÑOLA DE OPERADORES DE GASES LICUADOS DEL PETRÓLEO (A.O.G.L.P.); ATISAE (ASISTENCIA TÉCNICA INDUSTRIAL, S.A.E.); ATOS WORLDGRID; BAXI ROCA CALEFACCIÓN, S.A.U; BUTSIR, S.L.; CAÑADA MILLOR, S.L.; CLESSE INDUSTRIES; COBRA INSTALACIONES Y SERVICIOS, S.A.; COFLUCAM, S.L.; CONAIF; CONTAGAS, S.A.; CRINGAS, S.L.; CRISERGAS, S.A.; DENSO QUÍMICA, S.A.U.; DISMOL MASQUEFAL, S.L.; ECLIPSE COMBUSTIÓN, S.L.; ECOPIPE, S.L.; ELECNOR, S.A.; ELSTER MEDICIÓN, S.A.U. (DIVISIÓN ELSTER-INSTROMET); EMOI, S.A.; EQS - ENGENHARIA, QUALIDADE, SEG; EQUIPOS DE COMBUSTIÓN, S.L.; EUROCIVIL, S.L.; EXCLUSIVAS Y SUMINISTROS BARA, S.A.; FEGECA - ASOCIACIÓN DE FABRICANTES DE GENERADORES Y EMISORES DE CALOR POR AGUA CALIENTE; FULLGAS, S.A.; FUSIÓN ESPAÑA; GIRBAU, S.A.; Guesa; HAM CRIOGÉNICA, S.L.; IDOM INGENIERÍA Y SISTEMAS, S.A.; INEREX, S.L.; INGENIERÍA, ESTUDIOS Y PROYECTOS NIP, S.A.; INIMO INGENIERÍA, S.L.; INSEASA (INSTALACIONES Y SERVICIOS ENERGETICOS DE ANDALUCIA, S.A.); INSTRUMENTOS TESTO, S.A.; ITRÓN SPAIN, S.L.; KROMSCHROEDER, S.A.; MAESSA (MANTENIMIENTOS, AYUDA A LA EXPLOTACIÓN Y SERVICIOS, S.A.); NOVA TESTA, S.L.; NOVAGAS CRIOGENIA, S.L.; OBREMO, S.L.; OMICRON-AMEPRO, S.A.; Orkli, S. Coop.; PIPELIFE AUSTRIA GmbH & Co KG; PRIMAGAS ENERGIA S.A.U.; PROCAINSA, S.A.; QATARGAS OPERATING COMPANY LIMITED; ROBERT BOSCH ESPAÑA S.L.U. (JUNKERS, BUDERUS, BOSCH); SAMPLING, S.L.; SGS TECNOS S.A.; STANDARD HIDRÁULICA; STREAM (REPSOL-GAS NATURAL LNG, S.L.); TALLERES RUMA, S.A.; TECNOSA - NUEVAS TECNOLOGÍAS, S.A.; TESMED, S.L.; TORRE GAS, S.L.; VÁLVULAS ARCO, S.L.; VITOGAS ESPAÑA S.A.U.; WITZENMANN ESPAÑOLA, S.A; WWI GULDAGER ELECTRÓLISIS, S.A.

Professionals of gas industry.

Sedigas Annual Meeting

This national meeting, joins together the most important representatives of the Spanish Gas Industry.

- Key representative speakers
- Spanish Government
- European Administration

Mr.Tanaka, Director General AIE, 2010

Mr.Lowe, Director General Energía CE, 2012

Mr.Soria, Spanish Minister of Energy, 2014

Summary

1. Sedigas

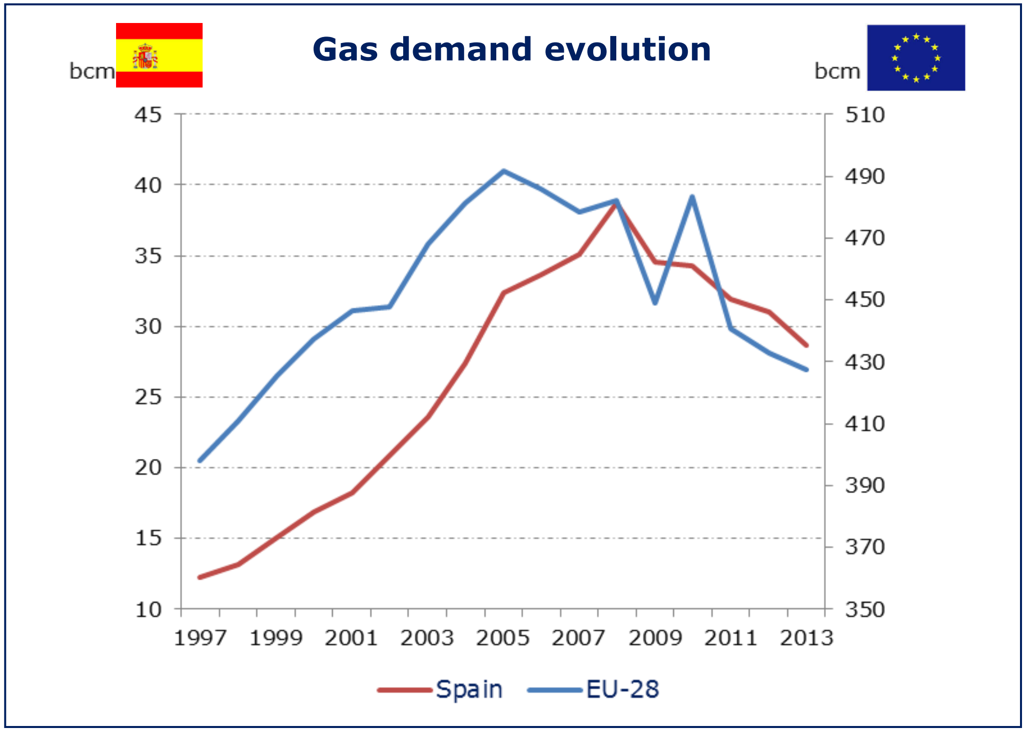
2. Spanish natural gas industry figures.

3. Infrastructure and security of supply.

4. Present Key Issues for the Spanish Gas Industry.

Similarly to the European trend, in 2013 Spanish gas demand has decreased 8% to 28.5 bcm.

This decrease is a fundamental consequence of the decrease of the gas deliveries for power generation, while the conventional sector, industry and households, maintain its level of demand.



Decrease of the electric generation demand

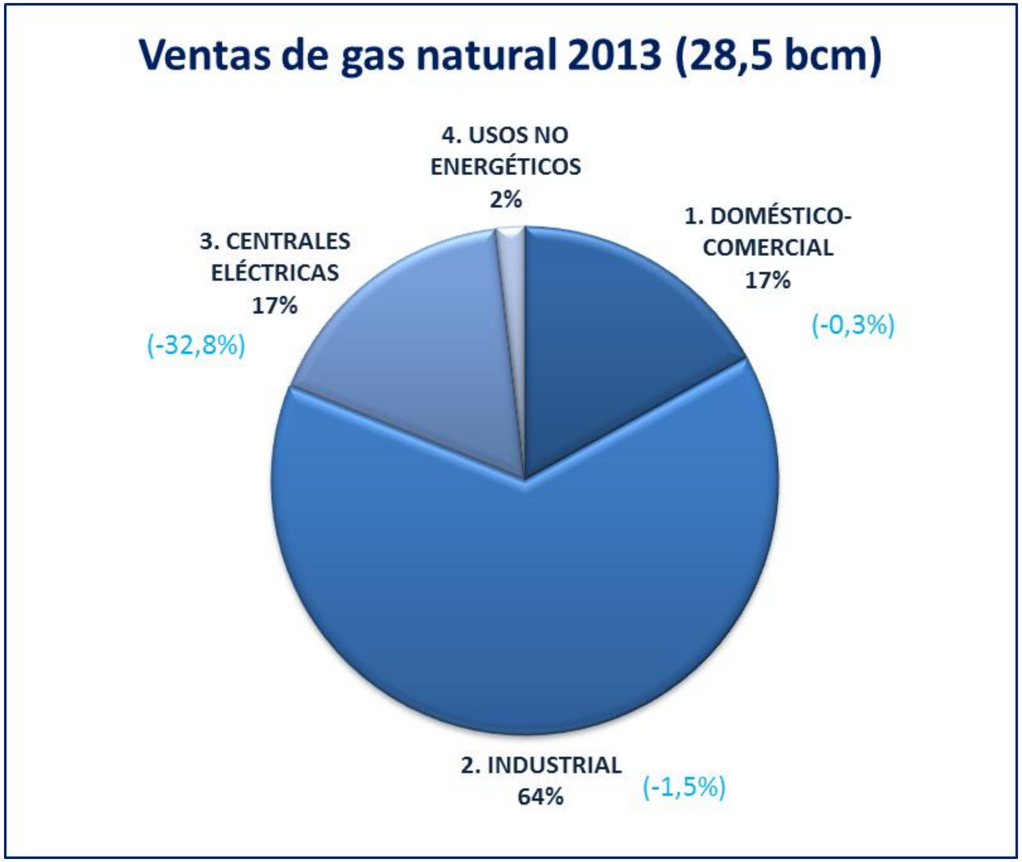
Decrease of the gas deliveries for electrical generation

2013-2014 winter milder than 2012-2013

Source: Eurogas, Sedigas

sedigas

Conventional demand accounts for 83% of the total demand.



(%2013/2012) Fuente: Sedigas

Industry is our first client

sedigas

But the sector is still growing....

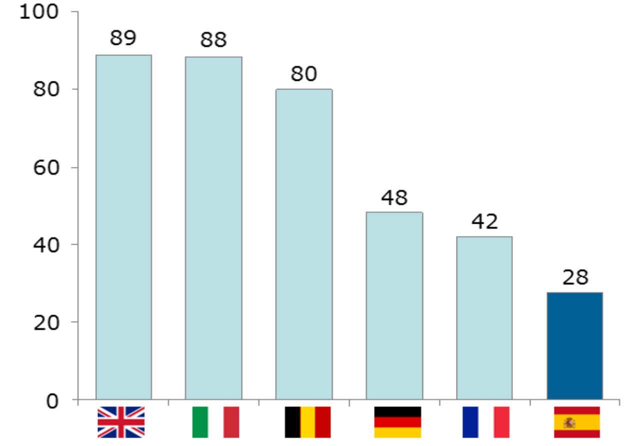
2013

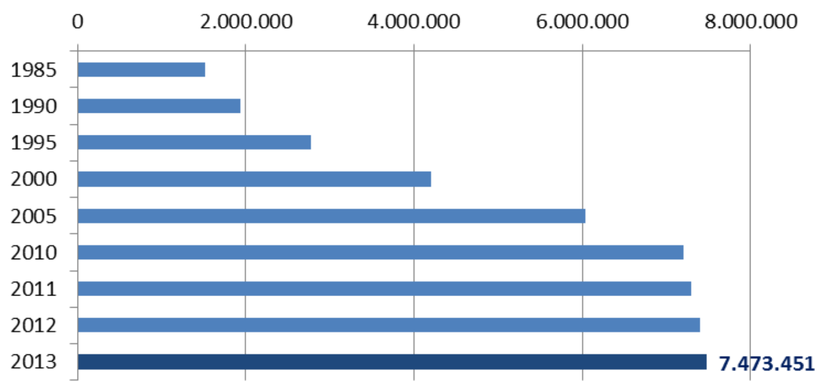
~7.5 million clients
29% penetration

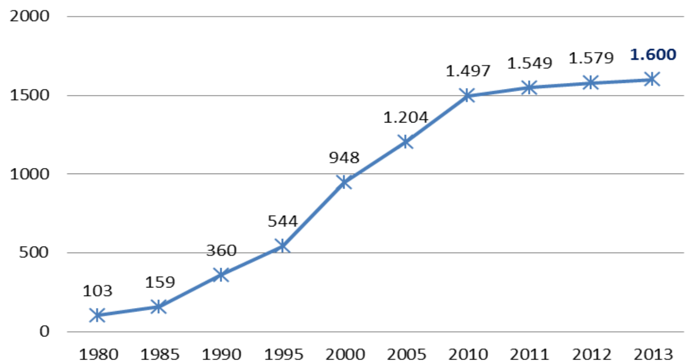
€ 690 million investment

2.147 km pipelines

1.600 municipalities served

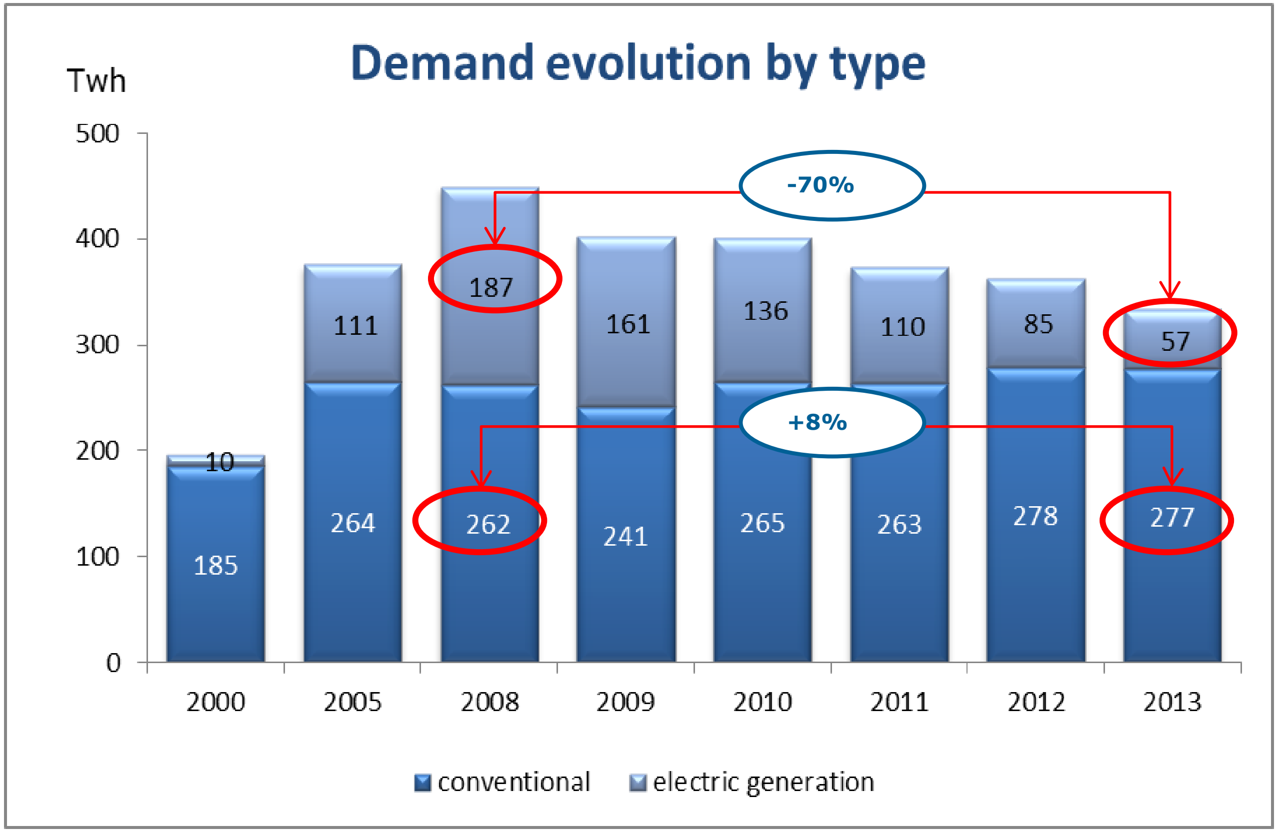






sedigas

The penetration of renewables in the electric market has diminished cycle power gas consumption by 70% (131 TWh) since 2008



Source: Sedigas

sedigas

Summary

1. Sedigas
2. Spanish Natural Gas Industry figures.
3. **Infrastructures and security of supply.**
4. Present Key Issues for the Spanish Gas Industry.

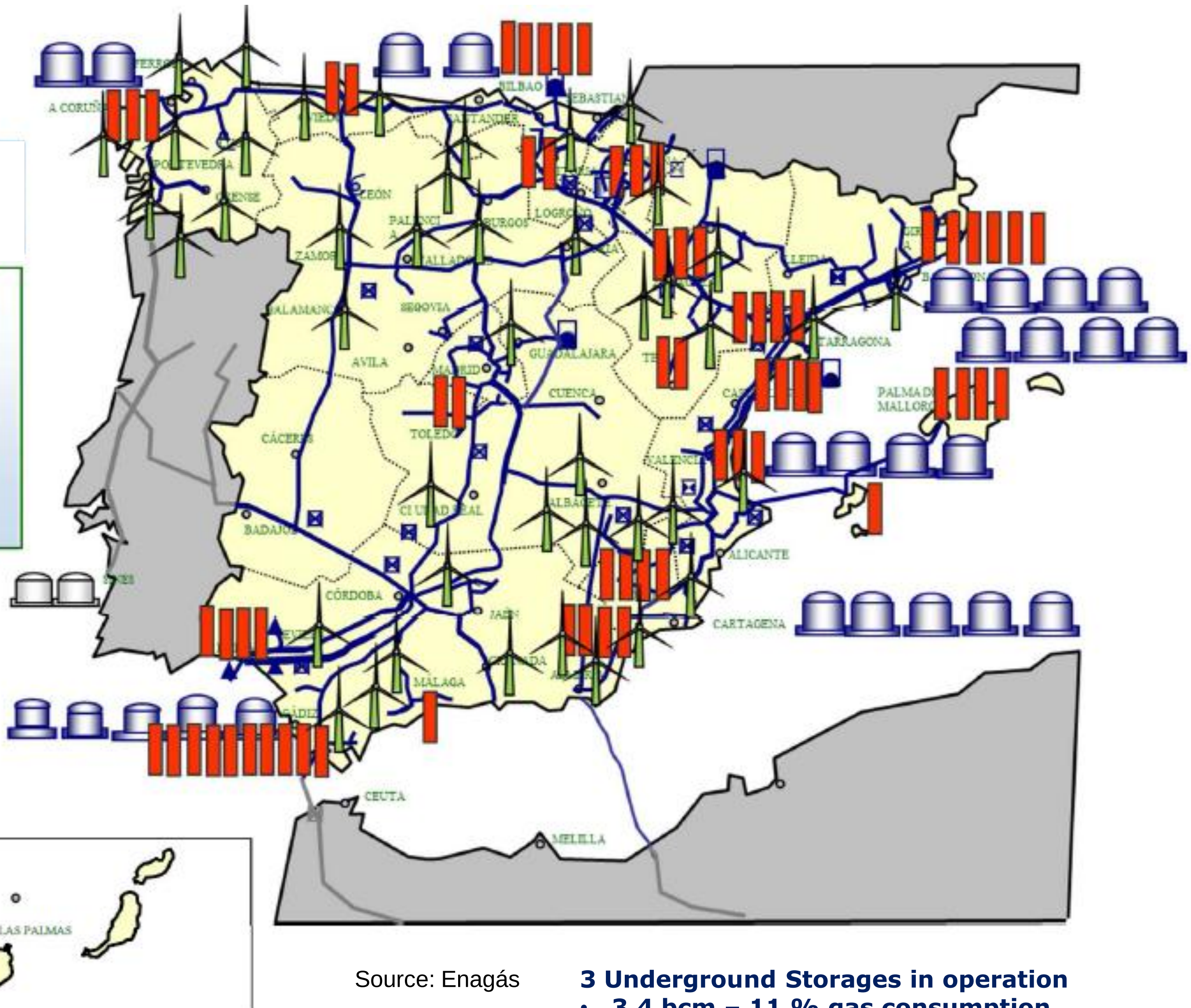
Natural Gas Infrastructures 2013

2013

- Regasification Terminals No LNG Tanks
- Compressor Station
- Underground Storage
- Gas field
- Pipeline in operation
- CCGT

CCGTs 26 GW

Wind Power 23 GW



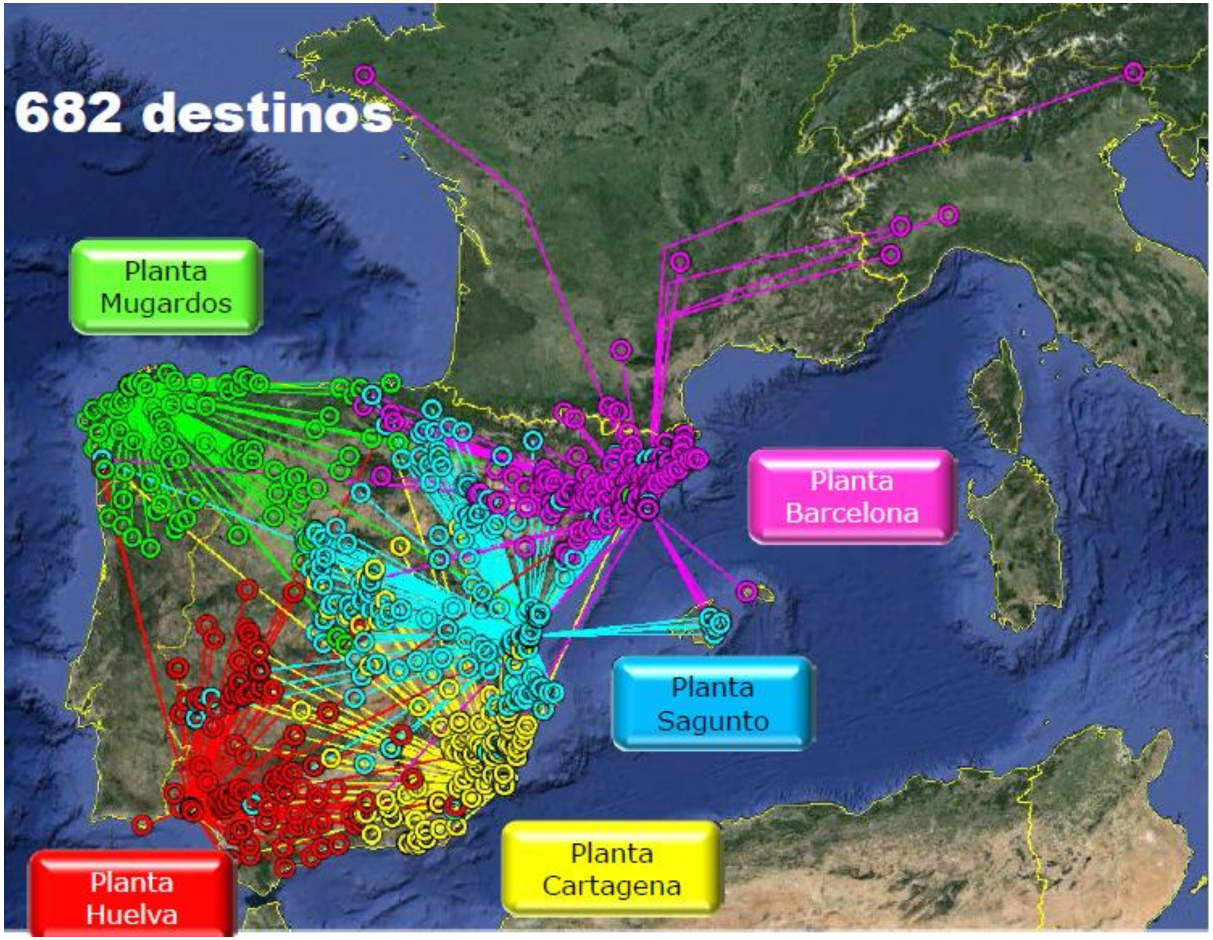
Source: Enagás

3 Underground Storages in operation
- **3,4 bcm – 11 % gas consumption**
- **27 Mm³/day**

Total Storage including LNG Terminals
- **5,4 bcm – 19 % gas consumption**

sedigas

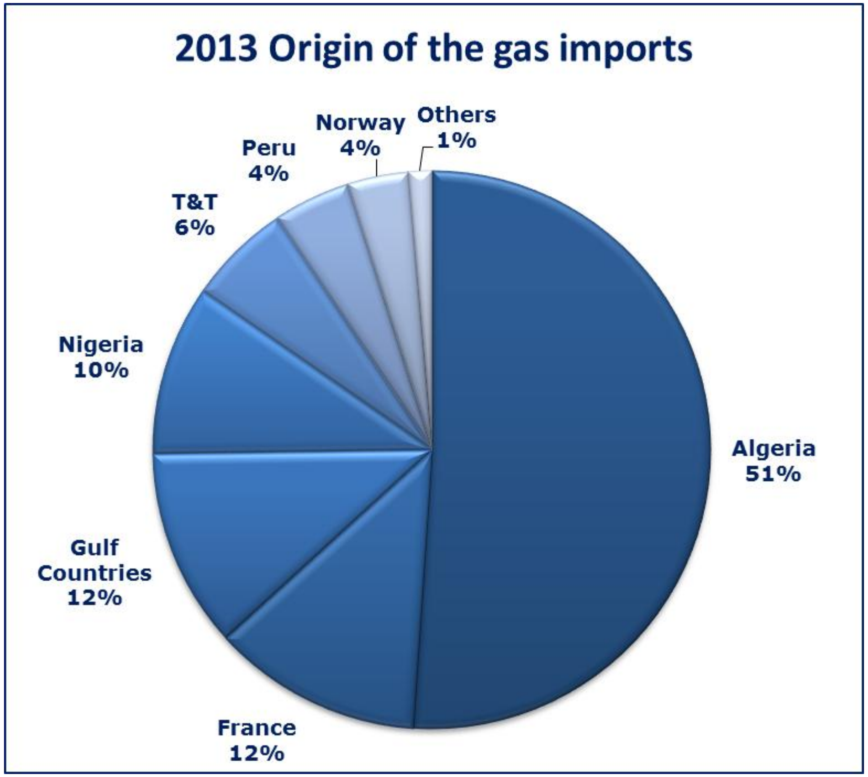
LNG Satellite Plants



- **725 Single-Consumer Plants**
- **80 Plants supplying Distribution networks**
- **12 TWh in 2013**
- **Transport by tankers (39.240 in 2013)**

sedigas

The Spanish gas system is the most diversified and secure in Europe



2013 Imports 376 TWh

Source: Enagás GTS

Entry points capacity

2 pipelines with Algeria: 21,5 bcm

6 regasification plants: 60,12 bcm

28,5 bcm consumption

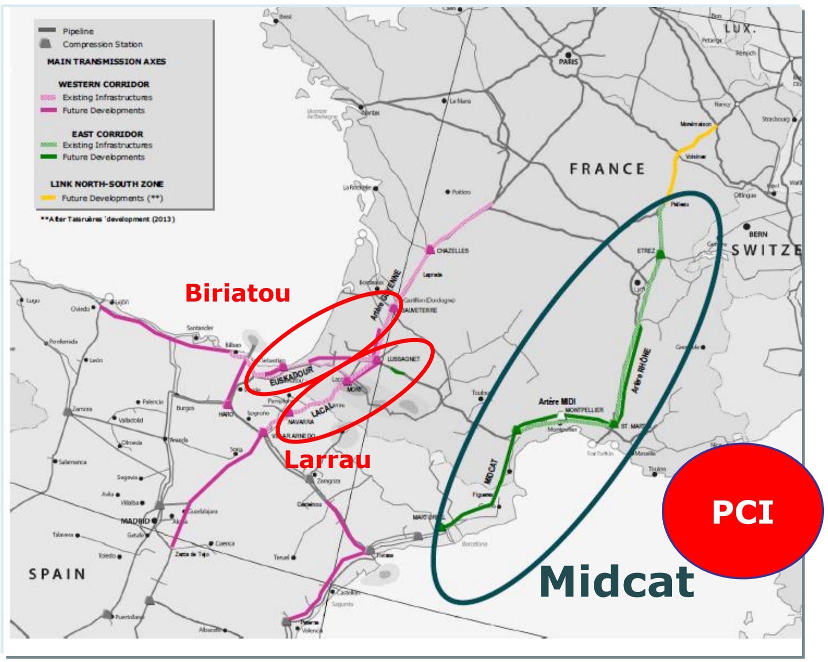
46% GNL

54% GN

Spain could supply Europe with gas straight from Algeria and LNG from any part or the world.

sedigas

Spain could supply up to 12% of the EU gas imports from Russia



Fuente: Enagás GTS

bcm	Spain interconnection capacity
with France	
2014	5,36
2015	7,1
with Midcat	15,1

Total projected interconnections capacity is equivalent to

- Bluestream capacity
- 12% EU gas imports from Russia
- 37% EU gas imports through Ukrain

Midcat

- PCI project and included in the EES document
- Spanish side of the project is almost ready.
- France is not aiming to build it.

Interconnections are the key to Security of Supply

Summary

1. Sedigas
2. Spanish Natural Gas Industry figures.
3. Infrastructures and security of supply.

4. Present Key Issues for the Spanish Gas Industry.

Present key issues for the Spanish Gas Industry

Grid Extension and increase of Natural Gas consumption

- There is still room for natural gas to replace more pollutant energies like gasoil and coal for heating use, but for some renewables local harmful emissions are not taken into account;
- Relatively low penetration of natural gas in households in Spain (30 %);
- EED requires 1,5 %/year of final consumption decrease. Suppliers responsible. Opportunity for natural gas to replace less efficient energies;
- New markets in development: Road and Maritime Transport .

Iberian gas hub

- Spanish and Portuguese markets suppose 37 bcm/year;
- Enough entry points due to LNG supplies;
- Works are in place to prepare the rules of the future Iberian Hub.

Present key issues for the Spanish Gas Industry

3rd Energy Package - Effect on Spanish NSOs

- Ownership Unbundling and ISO Models for TSOs
- Legal unbundling requirements complied by all Spanish DSOs;
- Different safety regulations create different activities of DSOs in different MS (i.e: check up of installations for commissioning or periodic check up);
- Common IT platform owned by all Spanish DSOs (SCTD) providing to all suppliers:
- Some requirements arising from different Network Codes like Balancing (Intraday information provisions) will impact the Spanish DSOs activity; other NCs like Interoperability also have a potential impact on the distribution activity.

Thank you

www.sedigas.es