



# ENERGY MARKET RADAR GERMANY

22.08.2022

## KEY FACTS

- The temperature-adjusted gas consumption from January to July 2022 was 20 TWh lower compared to the average of 2017-2019; the reduction was solely borne by the industry customer segment
- In the Netherlands and Germany, gas prices in the spot market are particularly high in Q2-2022 compared to other European markets; the spread to the Belgian Zeebrugge hub at times amounts to 100 EUR/MWh
- This reflects a lack of transport capacity; pipeline connections and the Gate LNG terminal are working at capacity; an alleviation of the tense situation is not to be expected before the start-up of German LNG terminals

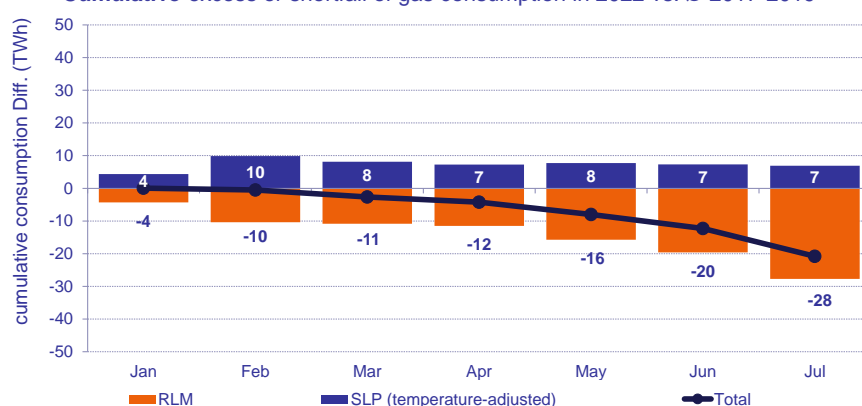
### Gas consumption (total)

- Temperature-adjusted gas consumption from January to July was 20 TWh lower in 2022 compared to the 2017-2019 average
- This is due to lower consumption by RLM customers (-28 TWh)
- Temperature-adjusted SLP consumption was slightly higher than in the reference period. However, in this segment there have been no changes since March

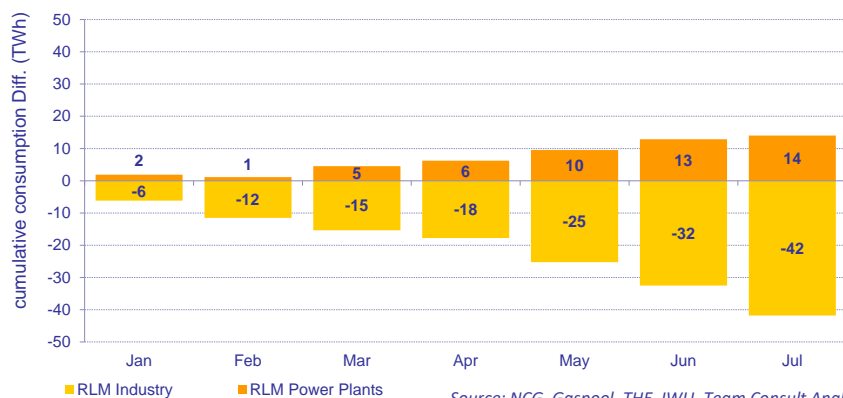
### Gas consumption, RLM customers

- The reduction in RLM gas consumption is fully borne by industry customers (-42 TWh)
- The consumption by power plants is even higher than it was in the reference period (+14 TWh)
- This is the same pattern that was already observed during the pandemic-related restrictions in 2020

Cumulative excess or shortfall of gas consumption in 2022 vs. Ø 2017-2019



Cumulative excess or shortfall of RLM gas consumption by segment 2022 vs. Ø 2017-2019



Source: NCG, Gaspool, THE, IWU, Team Consult Analysis

The GDP forecasts by the leading economic research institutes for this year are dimmed compared to the forecasts published in 2021. This is mainly due to the war in Ukraine, the imposed sanctions and the tense supply situation in the energy market, especially the gas market. Forecasts for 2023 show an upward trend. Gas prices are at historic all-time-highs.

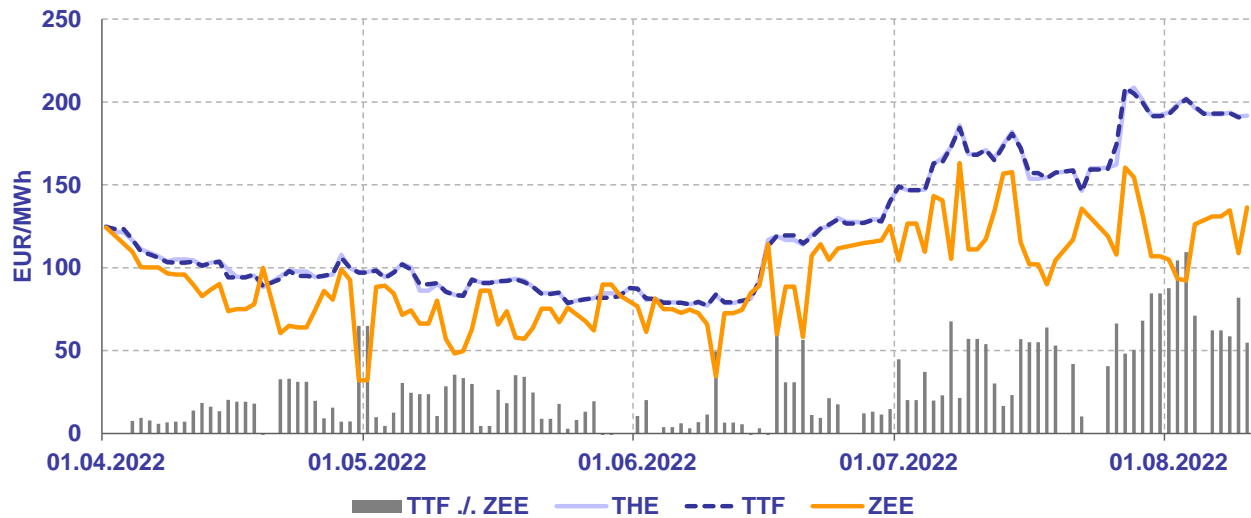
GDP forecast	Current Forecast 2022	Current Forecast 2023	Gas prices (€/MWh)	16.08.22 <sup>1</sup>	Ø 2021 <sup>2</sup>	Difference
Ifo Institute	+2.7% (Collaborative forecast)	+3.1% (Collaborative forecast)	THE Day-Ahead	239.32	47.34	191.98
IfW Kiel			THE Winter 22/23	249.77	30.44	219.33
DIW Berlin			THE Cal 2023	232.97	23.72	209.25
HWWI	+1.7%	+2.5%	THE Cal 2024	166.96	19.59	147.37

1 Source: EEX

2 For the time period before the market area merger (i.e., up to 30.09.21) NCG prices were used in the average.

## Gas price spreads between Germany, Belgium and the Netherlands

### Day-ahead prices in the gas spot market

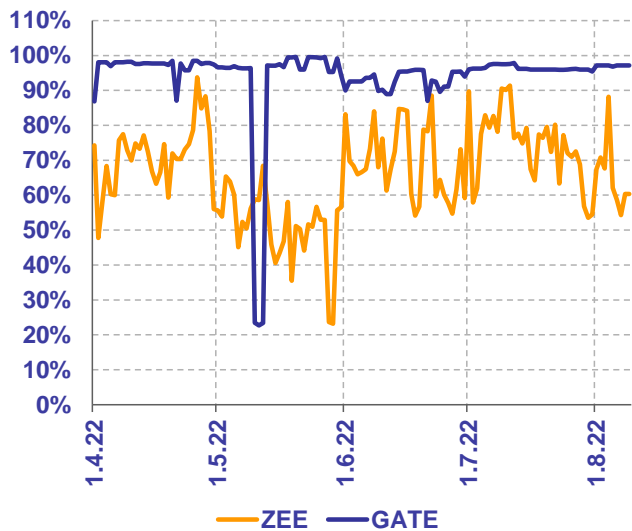


Source: Metanopoly, Team Consult Analysis

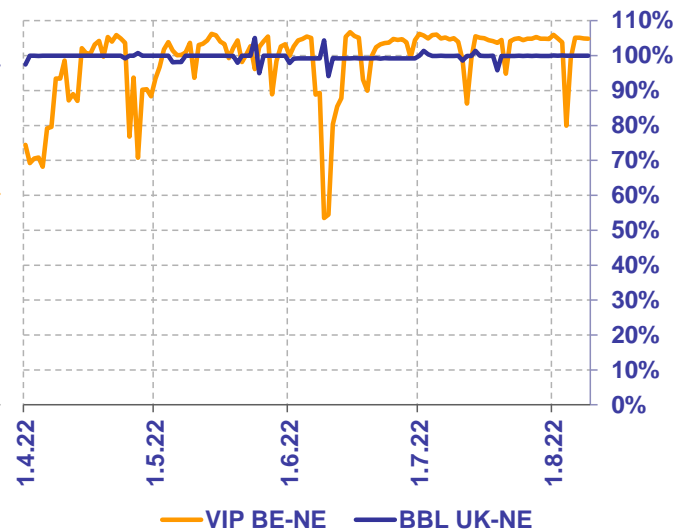
- Compared to Belgium, gas spot prices in Germany and the Netherlands are particularly high in the last few months
- The spread between the Zeebrugge hub on one hand and the Dutch TTF and German THE on the other hand amounts to 100 EUR/MWh on some days
- Obviously, it is impossible to eliminate these spreads by means of arbitrage

## Limited capacities

### Send-out LNG



### Pipelines into the Netherlands



- No additional LNG can be imported into the Netherlands, since the GATE LNG terminal is fully utilized at the moment
- An import of additional volumes via Zeebrugge not possible either, since the VIP BENE in the northbound direction is fully utilized as well
- The same can be said about imports from the UK, as there is no spare capacity on BBL in the eastbound direction

### Imprint

Editor: Team Consult G.P.E. GmbH, Robert-Koch-Platz 4, 10115 Berlin

Contact details: +49.30.400 556 0, info@teamconsult.net

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