

EFG 2009 – SESSION 4

INFRASTRUCTURE PLANNING IN A LIBERALIZED ENVIRONMENT: AUSTRIAN EXPERIENCES

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Abstract

AGGM is the control area manager of the Austrian control area east. The main duties of the control area manager are a) the (flow) control of the transmission lines in the control area (operative task) and b) to work out the Long Term Plan (LTP) for the gas transmission lines (strategic task).

The targets of the LTP are to provide enough transport capacity for the Austrian customers, for transports to and from storage facilities and to reach a high level of operational availability for the infrastructure.

The Long Term Plan contains an analysis of the existing and expected capacity shortages in the transmission lines and specifies infrastructure projects to solve them. The LTP is updated once a year and has a time horizon up to 25 years to the future.

Since the control area east comprises 5 transmission system operators and 16 distribution system operators, the LTP must look for a global optimum of the infrastructure extension for the whole control area and not just for a single optimum satisfying the needs of only one system operator.

Why does this work? There are 2 main factors:

- 1) AGGM as an independent system manager treats all market participants as equals. In compliance with the Austrian gas act, equal treatment is implemented in AGGM's daily work.
- 2) There is a cooperation duty to all market participants in the Austrian gas act. System operators, gas traders, storage operators, producers etc. have to provide the necessary data for the LTP.

There are also incentives for the cooperation. Investment costs for the projects which are listed in the LTP are accepted by the regulatory authorities. The transmission system operators' payback is guaranteed through fixed tariffs. Another advantage is that projects which are listed in the LTP get the status of "public interest". This is advantageous in the case of legal challenge.

The main incentive for the gas traders to cooperate is the possibility to participate in a perfect information platform. Thus they know about the future infrastructure extension at a very early stage and can optimise their gas supply portfolio.

The experience with the infrastructure planning in the liberalised Austrian market is very good. The process is already established and the cooperation between the market participants and AGGM works fine.

Past planning has already resulted in a big project: Two new transmission pipelines (DN 800) with a total length of 400 km will be built within the next 4 years, total investment costs will be about 450 million Euros.