2012 Cold Spell

Lessons learnt

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The Cold Spell in January-February 2012

- Exceptionally low temperatures for a prolonged period
- Demand peaks ranging between 1-in-20 and 1-in-60
- Simultaneously in MSs, transit and supplier countries
- Reduced/curtailed supplies via pipelines, LNG
- Internal bottlenecks

AVERAGE DAILY TEMPERATURE

Averaged values
from: 01 February 2012
to: 10 February 2012

Deviation:
Year of interest - LTA

Unit: degrees Celsius
- > 8 (warmer in YOI)
- 6 - 8 (warmer in YOI)
- 4 - 6 (warmer in YOI)
- 2 - 4 (warmer in YOI)
- >1 - 2 (warmer in YOI)
- no difference
- -2 - < -1 (cooler in YOI)
- -4 - -2 (cooler in YOI)
- -6 - -4 (cooler in YOI)
- -8 - -6 (cooler in YOI)
- -10 - -8 (cooler in YOI)
- -12 - -10 (cooler in YOI)
- < -12 (cooler in YOI)

Source: JRC Ispra, Energy Observatory DG ENER
The Cold Spell in January-February 2012

Actions taken and developments

- Shippers optimized their portfolios – increased storage withdrawal, maximization of imports

Prices on hubs reacted rapidly

Source: Market Observatory for Energy

Source: Gas Storage Europe
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Lessons learnt

- The worst-case scenario can happen. In both gas and electricity.

- Gas market in the EU was able to deliver, storage was important. LNG was limited help in this case.

- Close correlation between gas and electricity SoS.

- Coordinate and communicate with neighbours to assess effects of national decisions on other countries!

- Need to take lessons learnt into account at PAPs and EPs.
Energy

The Cold Spell in January-February 2012

Lessons learnt

- Transparency requirements not fully met – information on nominations, flows, demand needed in a user friendly format.

- Always accessible, competent emergency contacts + language!

- Update of the Winter Outlook, resilience of the system.

- Bottlenecks, availability of gas on the spot market?

- Best solutions for peak shaving – new infrastructures? Demand side measures? Need for speedy implementation of EEPR projects!
The Cold Spell in January-February 2012
Possible lessons of the crisis for the Energy Community

- Exchange of information and coordination is essential
  - On regular basis – Security of Supply Coordination Group
  - In case of crisis – SSCG and contacts with the Secretariat

- Swift information is valuable. Late information is useless.

- Assessment of the February situation can help preparedness.
  - What were the effects of the severe conditions?
  - How did the market work?
  - How were neighbours informed?

- Useful elements of the 994/2010 SoS Regulation with minimum investment needs:
  - Risk Assessment
  - Preventive Action Plan and Emergency Plan
  - Nomination of a Competent Authority
  - Multi-level emergency levels (Early Warning, Alert, Emerg.)
Thank you for your attention!