Gas Supply



Simon Durk
Gas Supply Manager
Energy Strategy and Policy

Gas supply

Indigenous production

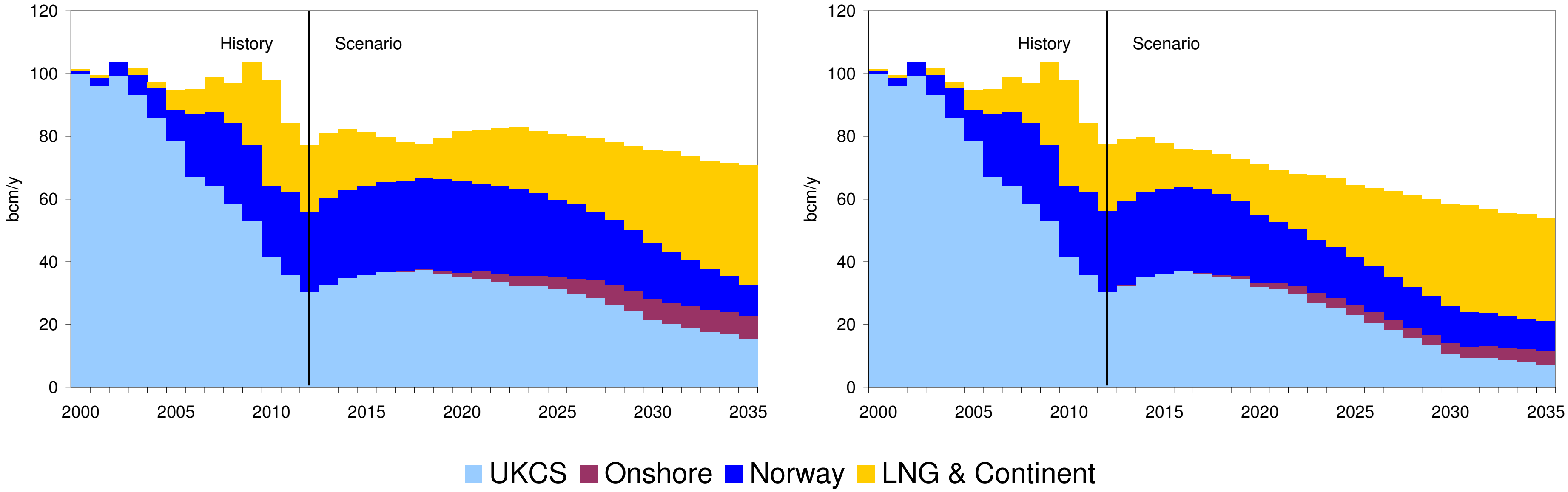
Global markets

Shale gas

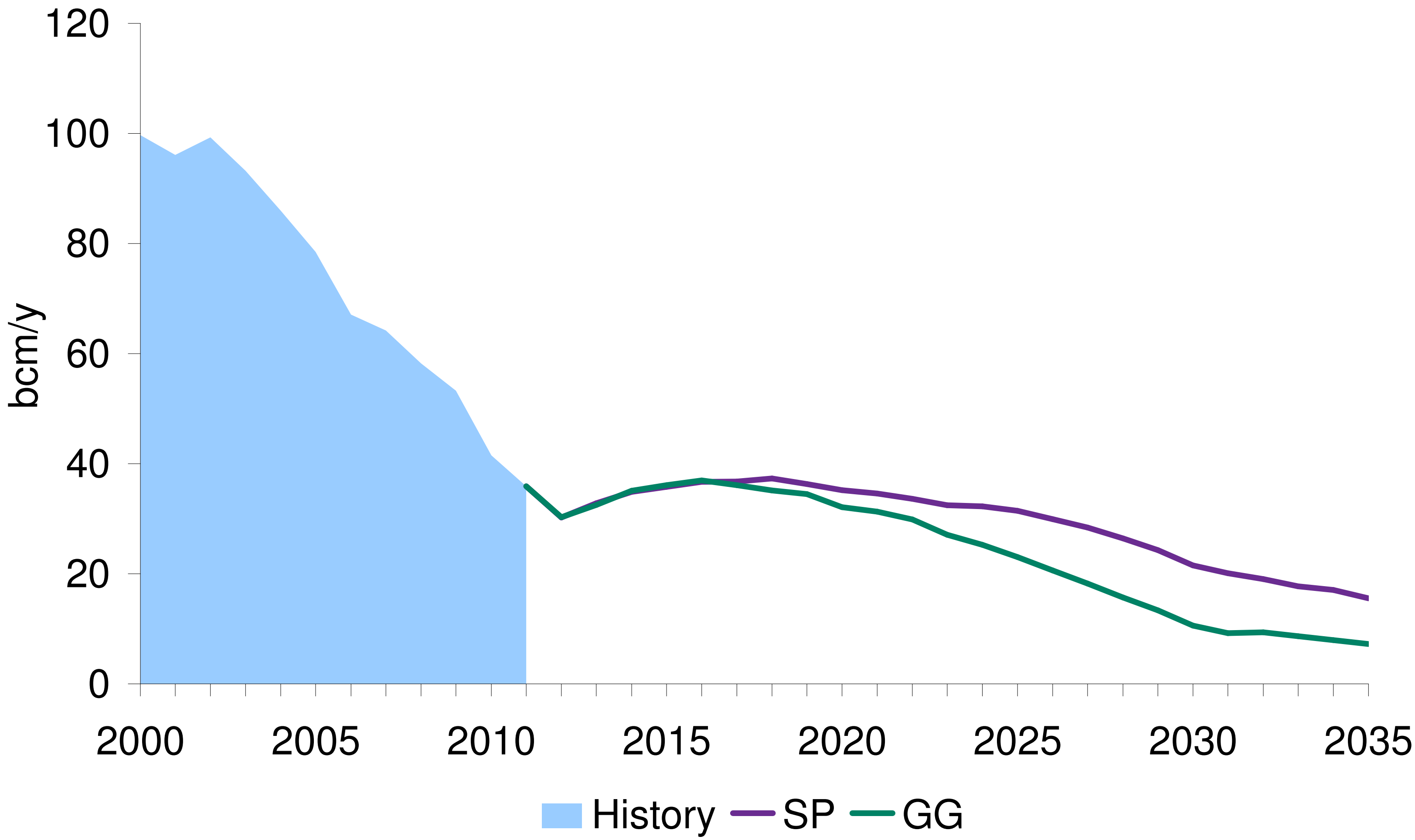
nationalgrid

UK gas supply

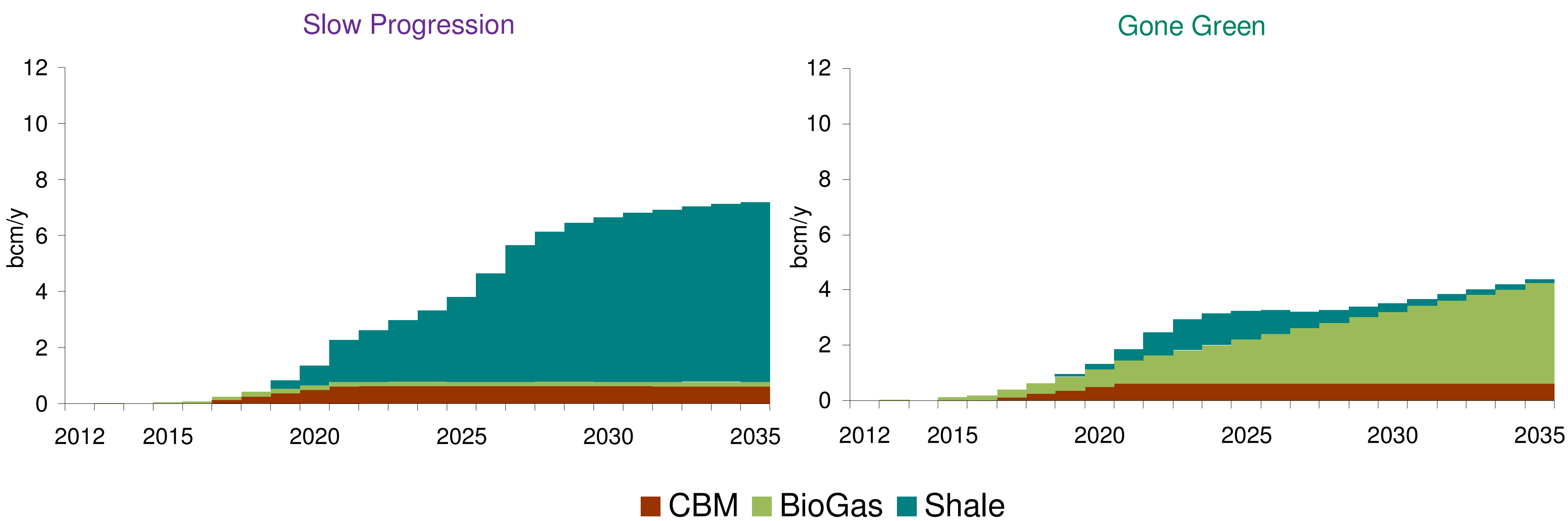
Slow Progression | Gone Green



UKCS history and scenarios



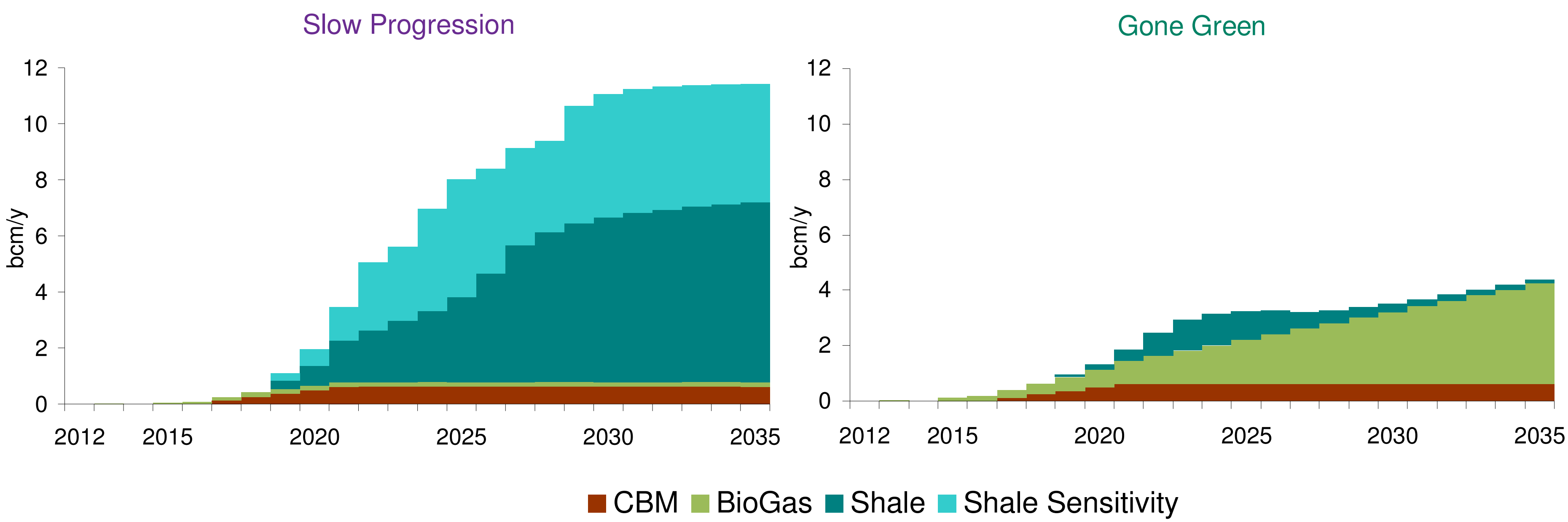
Onshore gas



- Coal bed methane the same in each scenario
- More shale in Slow Progression
- More bio gas in Gone Green

Excluding natural gas from onshore fields: << 1bcm/yr

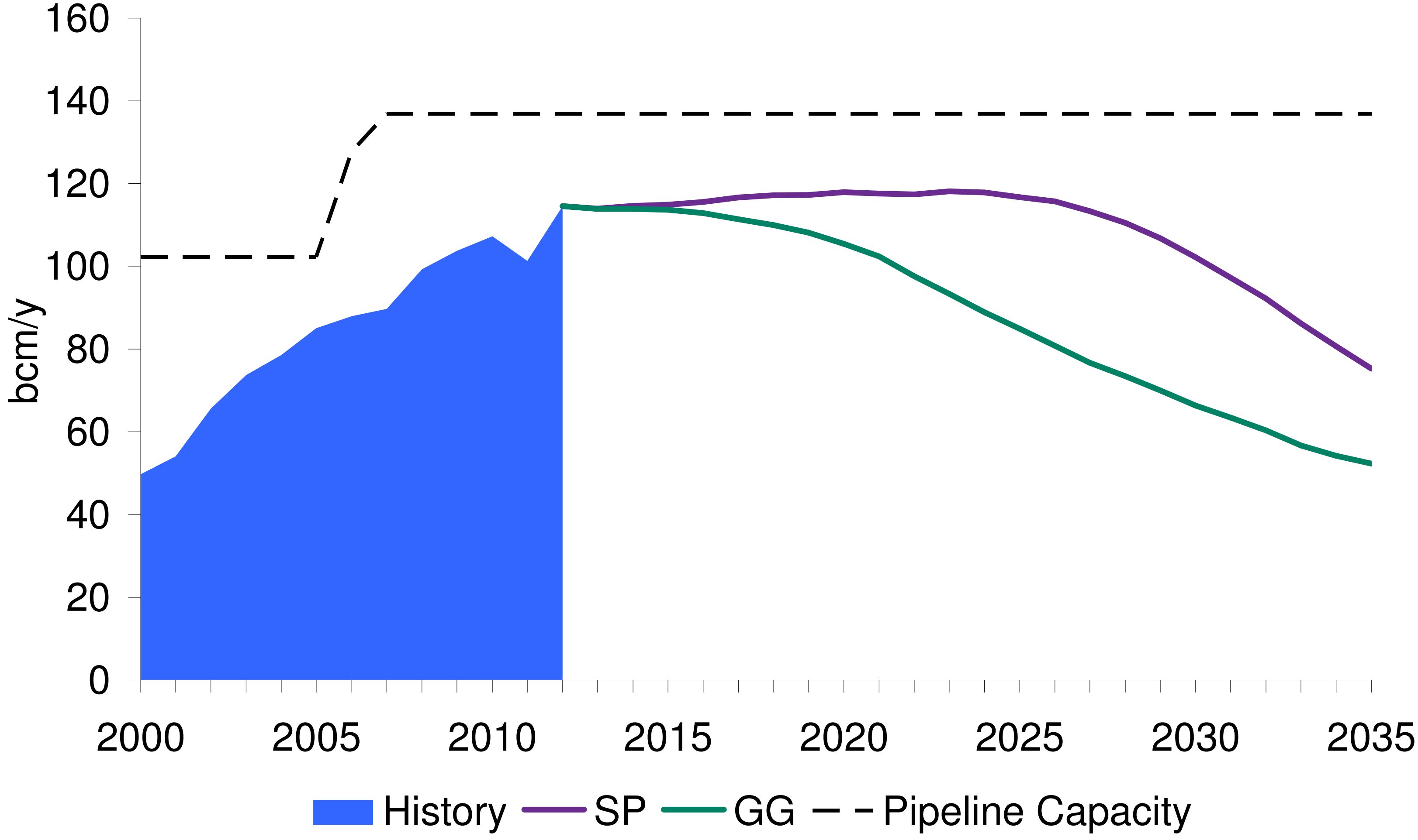
Onshore gas



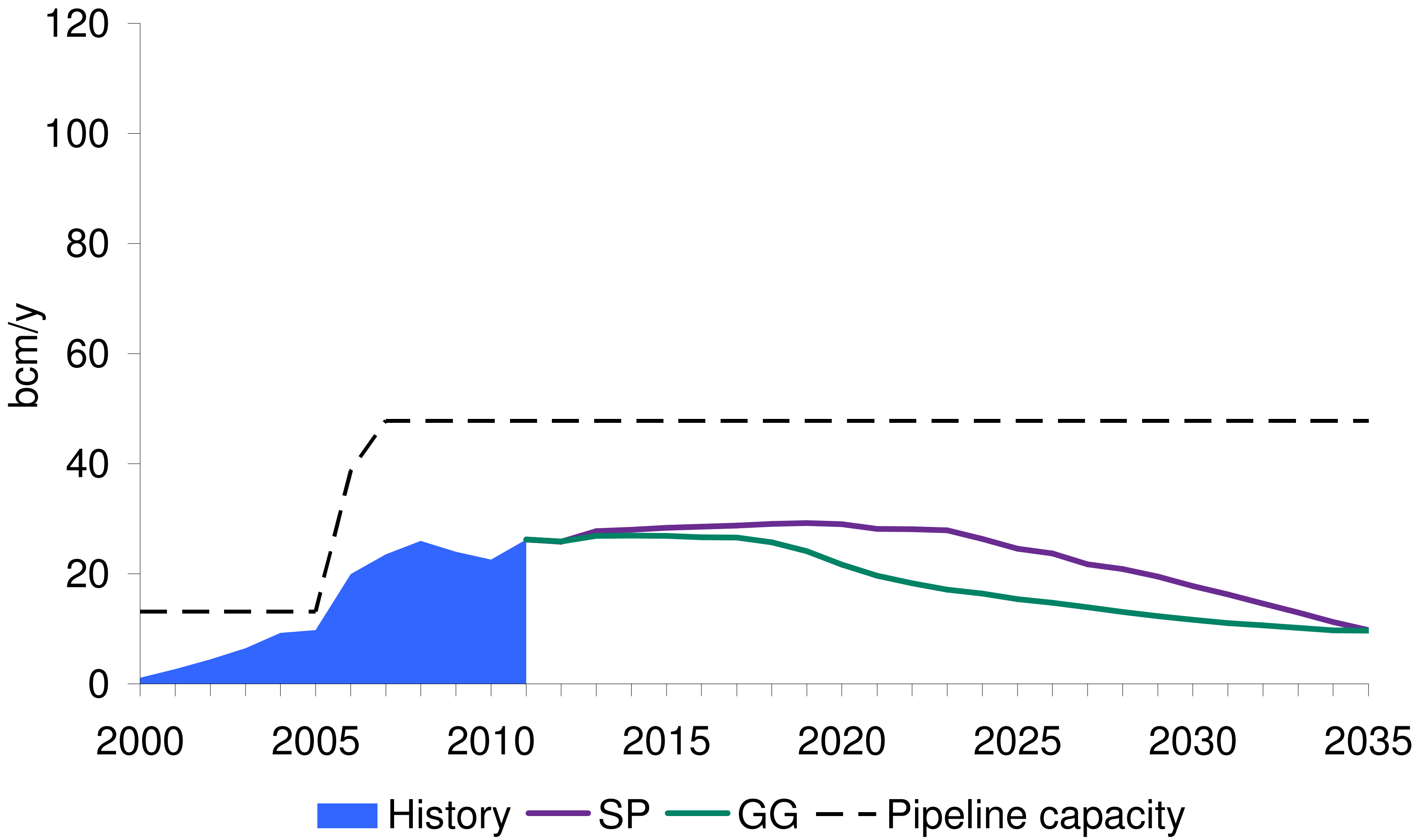
- Coal bed methane the same in each scenario
- More shale in Slow Progression
- More bio gas in Gone Green
- High shale case based on optimistic production profiles from US

Excluding natural gas from onshore fields: << 1bcm/yr

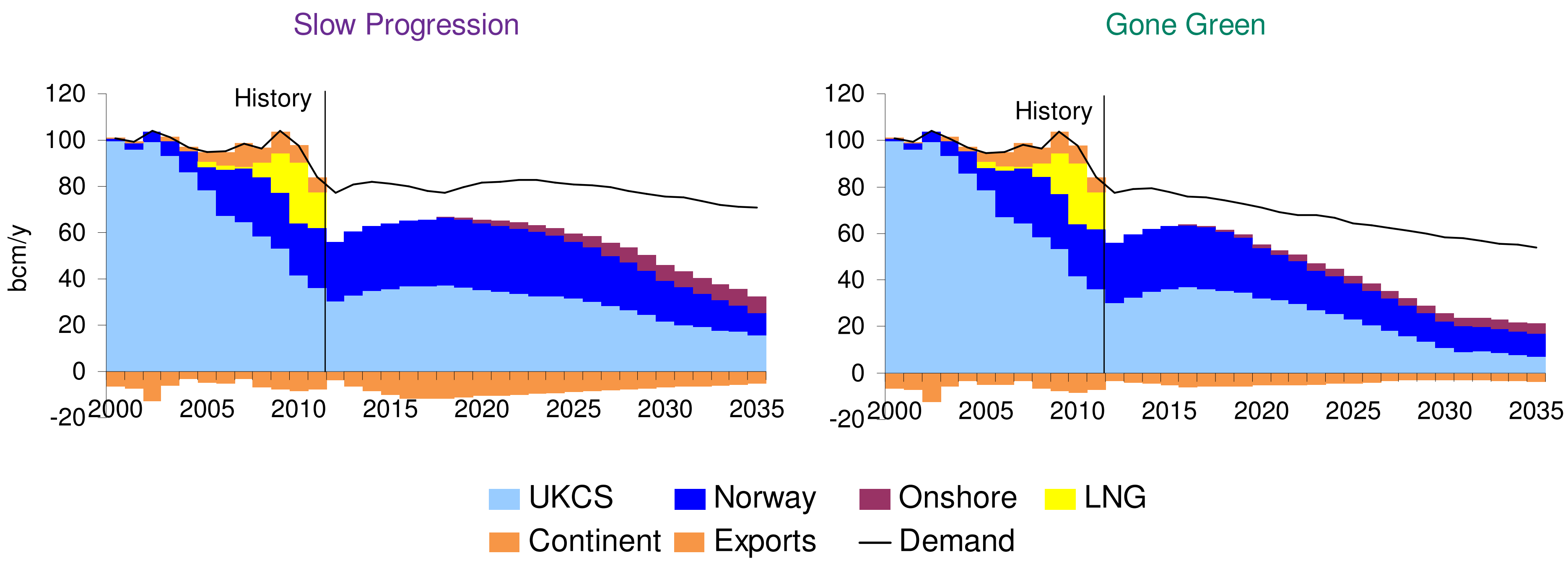
Norwegian Production



Norwegian supply to UK

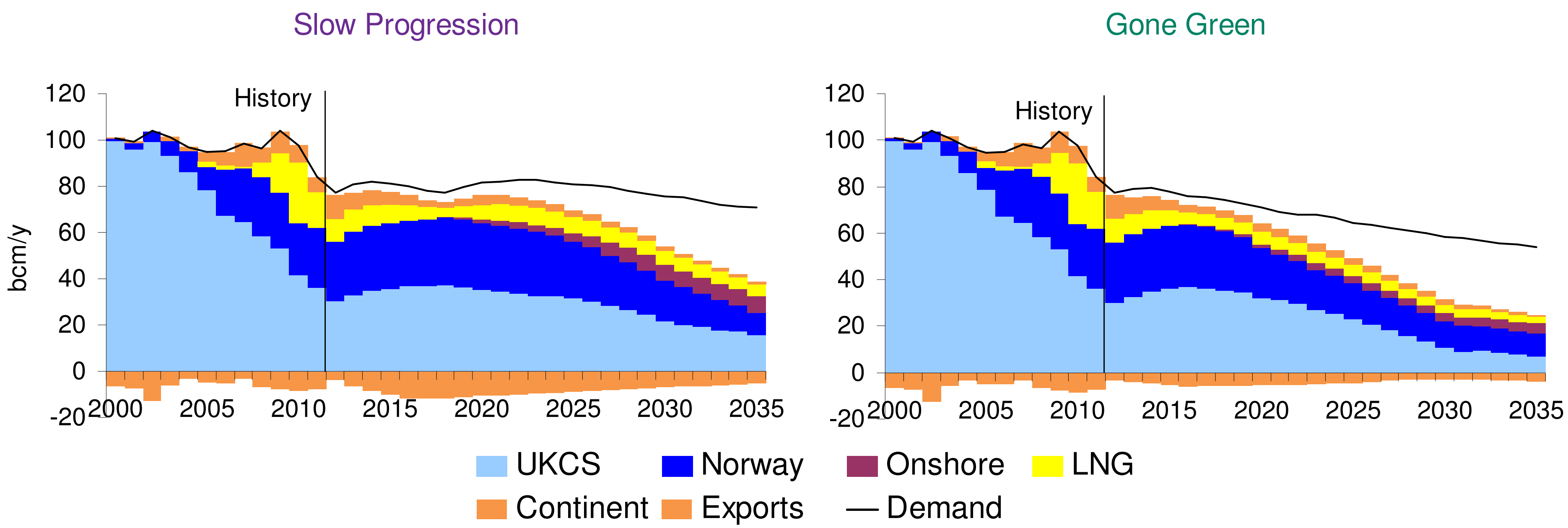


Cumulative supplies so far



nationalgrid

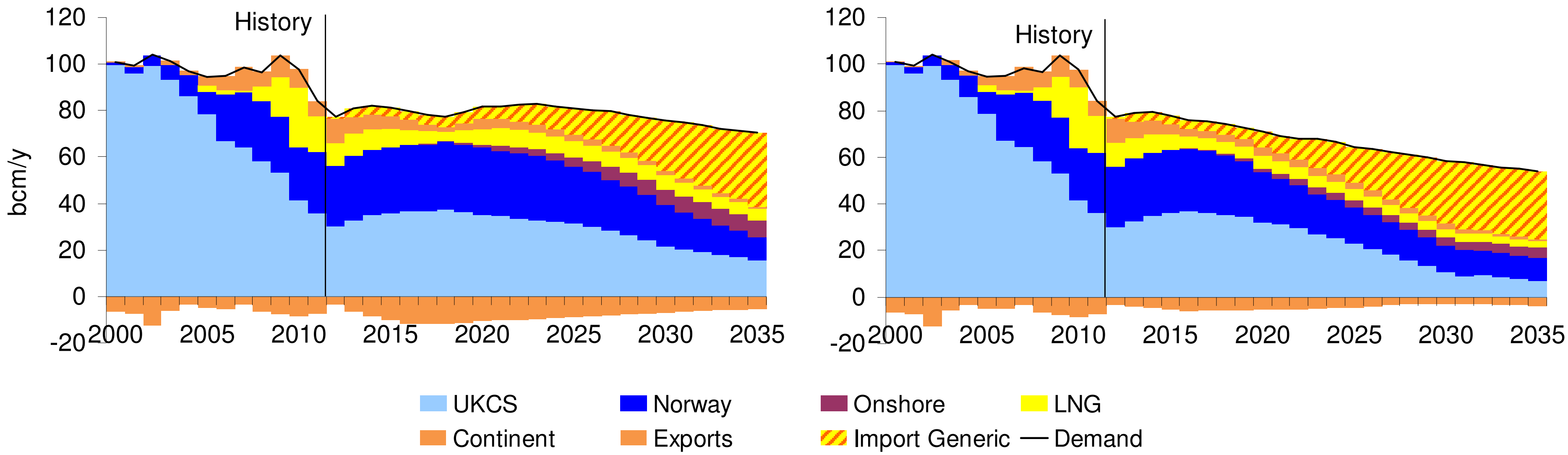
…add in LNG and Continental gas



- LNG and continent shown at expected minimum values

More LNG or Continental gas to fill the gap

Slow Progression — Gone Green



LNG

- ↑ More LNG liquefaction
- ↓ More LNG to S.E. Asia?
- ↓ Local consumption not export?
- ↓ New markets

Continent

- ↑ Market liberalisation
- ↑ Russian supply
- ↕ European supply/demand

nationalgrid

UK Security of Supply

Risks

- Subject to global market forces – supply security
- Limited seasonal storage (space)
- CCGTs - provision of back-up generation
- Risk / exposure:
  - Multiple events
  - Market intervention (Continent)
- Gas quality restrictions
- Limited demand side response
- Managing the network

Upside

- Subject to global market forces – lower prices
- Diversity of supply
- Import capacity
- Storage deliverability
- Access to Continental transmission and storage continues to improve
- Greater Continental reliance on markets & hubs rather than long term contracts
- Potential UK shale developments