

FACTBOX

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European Gas Markets Impacted by Number of Unplanned Outages Tuesday

BY STUART ELLIOTT & JAMES LEECH, S&P GLOBAL PLATTS

European gas markets were being affected by a series of outages on Tuesday, causing price spikes and an increasingly tight supply-demand balance. Below are some details on the current outages, which include an explosion at the key Baumgarten gas hub in Austria, the shutdown of two major UK North Sea gas field areas and an unplanned outage at Norway's giant Troll field. Markets are also being affected by delays to the return of a number of French nuclear reactors.

BAUMGARTEN EXPLOSION

- An explosion on Tuesday hit the major European gas hub at Baumgarten in Austria, forcing the closure of the facility
- Following the blast, there was zero capacity available for the supply of Russian gas through Austria to Italy.
- Italian gas prices more than doubled in early trading as a result of the blast and the Ministry of Economic Development declared that the Italiangas market had entered "emergency level."
- Russia's Gazprom said it was having to re-route gas supplies following the explosion as it looked to secure uninterrupted gas supplies to the clients on this transport route.
- Italy has limited flexibility for making up the 108 million cu m/d shortfall, with other pipeline supplies running at maximum.

UK NORTH SEA CLOSURES

- Two UK gas field areas – Elgin-Franklin and Britannia – have been forced to shut down because of the closure of the Forties Pipeline System.
- The two North Sea areas combined produce some 20 million cu m/d and, with the extension of maintenance works at North Morecambe, UKCS output is currently 27 million cu m/d down.
- Condensate volumes from production at Elgin-Franklin and Britannia are exported via the Forties Pipeline system, which links 85 separate oil and gas fields to create Forties, currently the single largest crude oil grade in the North Sea region.



UNPLANNED OUTAGE AT NORWAY'S TROLL

- A power failure at the Troll field offshore Norway has caused a 47 million cu m/d within-day reduction in volumes.
- The Troll reduction is set to last for 10-16 hours, Norway's TSO Gassco said at 12:46 pm CET (1146 GMT).
- The outage at Troll adds to production reductions at a number of other Norwegian fields, including Valemon (10.5 million cu m impact), Kvitebjorn (6.5 million cu m), Visund (5 million cu m) and Oseberg (2.5 million cu m).
- Troll, Visund and Kvitebjorn feed gas into the Kollsnes terminal, which transits gas onward to the Sleipner and Draupner hubs serving Easington in the UK and Continental European delivery points.
- Valemon and Oseberg feed gas into the Heimdal gas hub, which can send gas to the UK or Continental Europe.

EDF DELAYS PLANNED RETURN OF FIVE REACTORS

- French nuclear operator EDF has further delayed the planned returns of five reactors, scheduled for this week, by a combined 11 days.
- The fresh delays add to similar delays announced since Friday's market close and amount to over 400 GWh in reduced output mainly this week due to extended reactor unavailability.
- Nuclear output on Tuesday peaked just above 50 GW, according to grid operator RTE. ■