



Gas Storage and Transportation

Gas storage, essence, is a vertical pipeline. It enables better utilization of transportation capacity, and this is a key reason why the location of a gas storage facility does matter. Gas storage located in the market area relieves the need to build a pipeline from the producing area (for example Russia) to meet peak gas demand.

A working group called Gas Storage Operators Group consisting of Canatass, Centrica, EDF, E.ON, Ineos Enterprises, National Grid, Scottish and Southern, Portland Gas, Star Energy, Warwick and Wingas commissioned a study (2007) to verify the benefits of storage to the transportation grid in the UK. This study is applicable to all gas consuming countries.

The paper was prepared by Waters Wye Associates and is titled "UK Gas Transmission System Benefits from Gas Storage".

Key findings:

Transportation system benefits in the UK are estimated to be between £30 and £45 million in annual system savings.

Overall benefits to the UK transportation system are approximately £300 to £400 million.

Gas storage sites do provide a benefit to the transmission system because on peak days they deliver to the system close to consumer demand, thereby reducing the need for pipe and compression capacity between alternative sources of gas and demand.