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Storage in Europe
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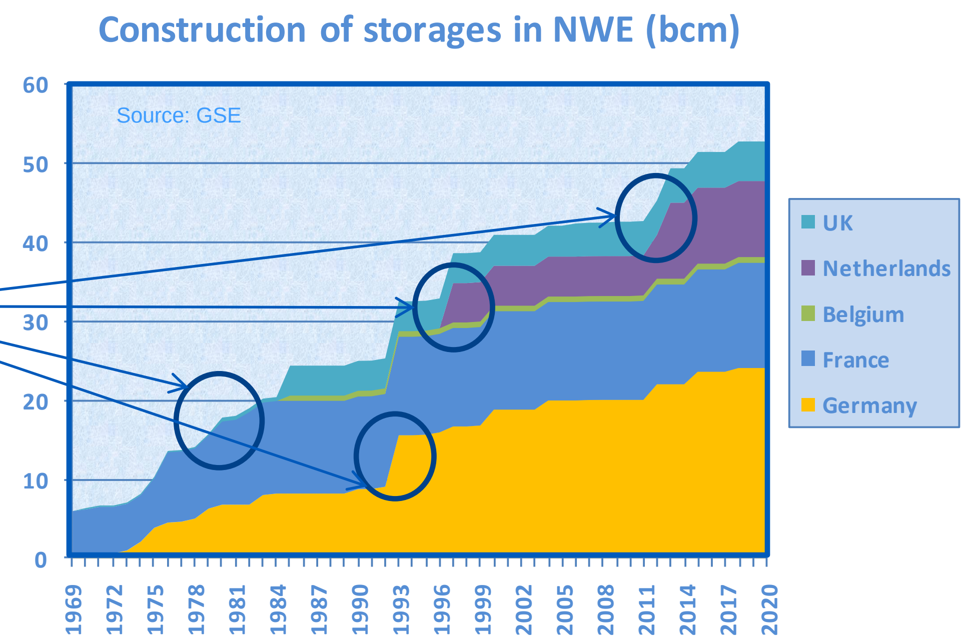
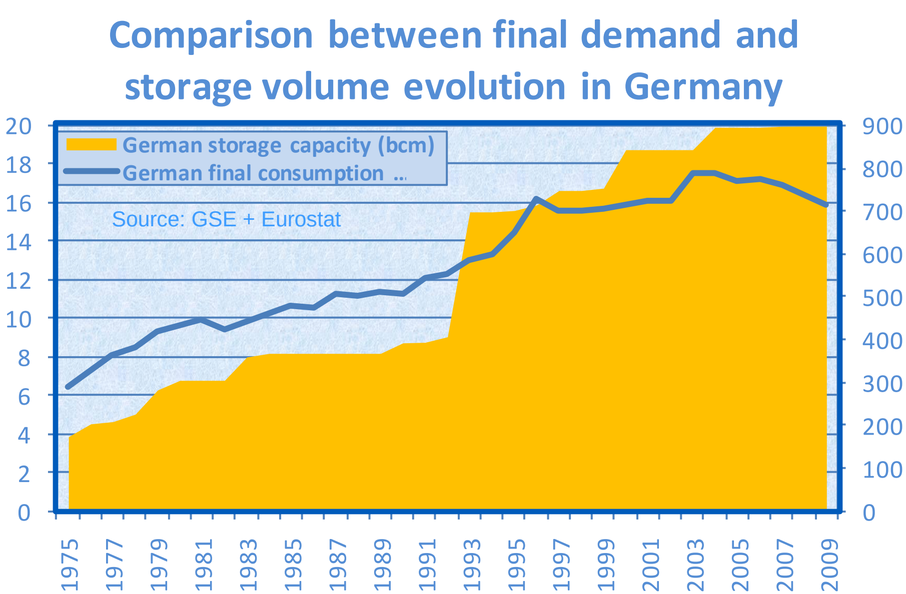
Several waves of investment lead to a storage overcapacity in Europe

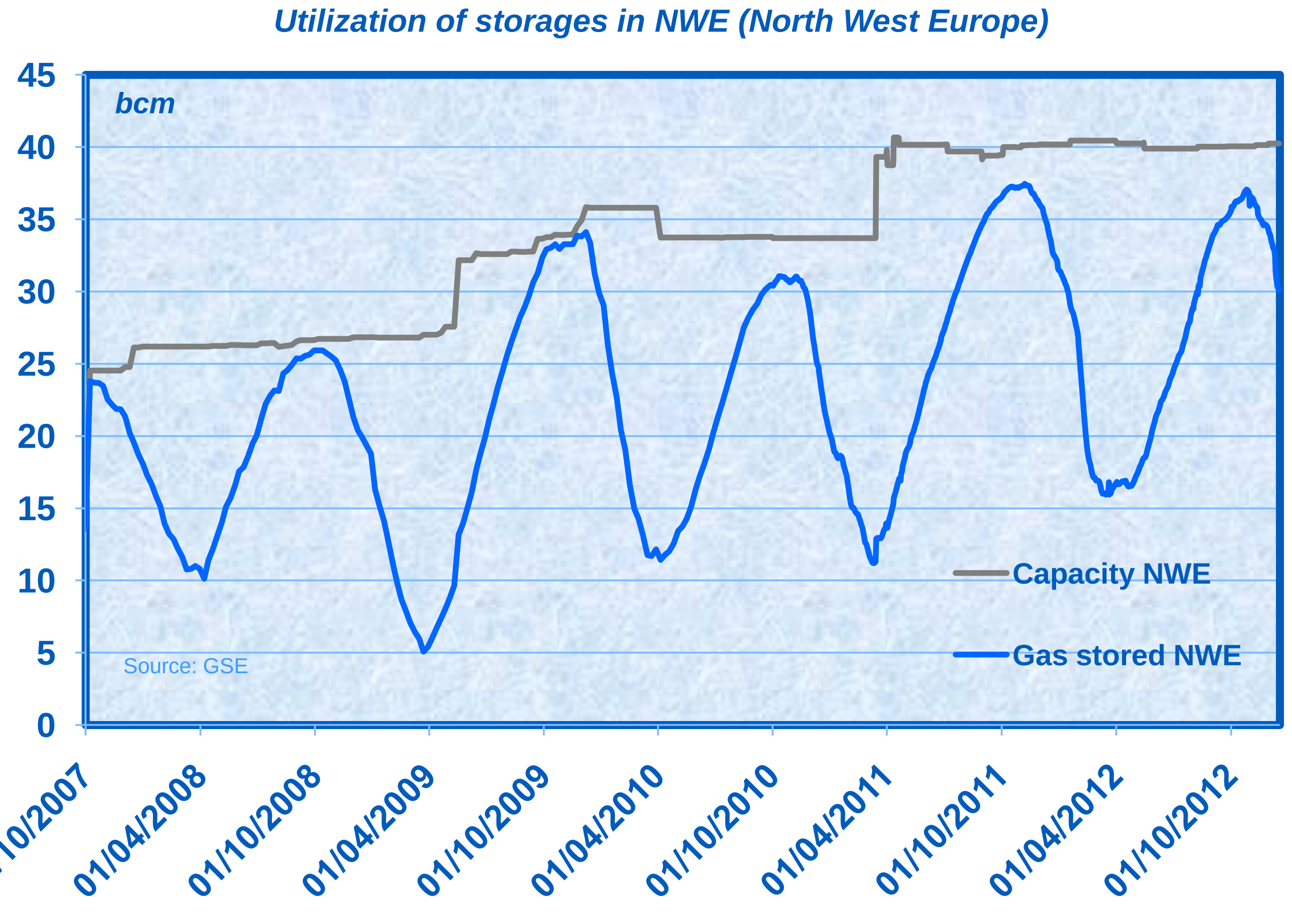
Geology implied important increments of capacity



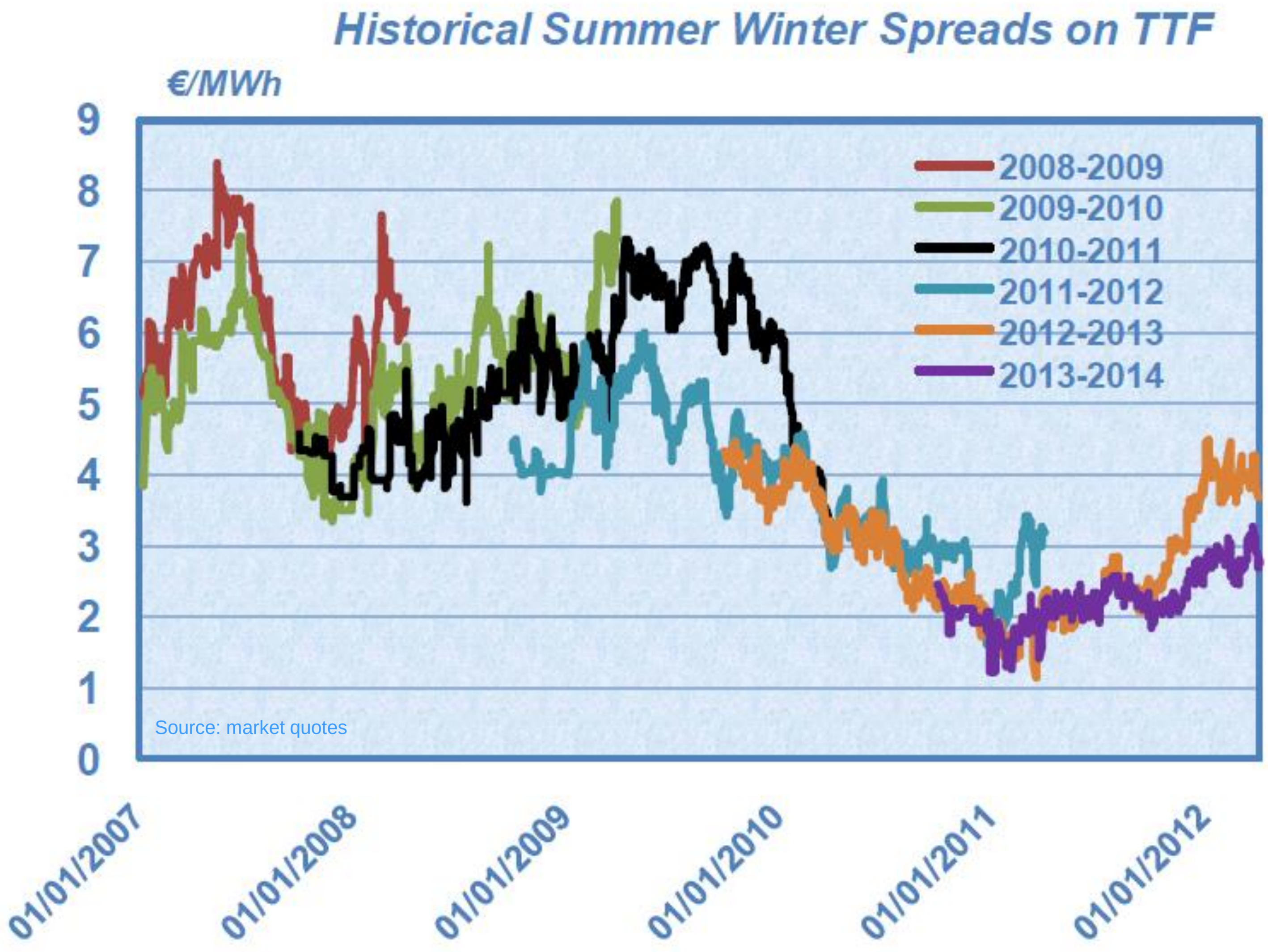


During the 90's, gas storage capacity doubled in Germany when final demand increased only by 40%.

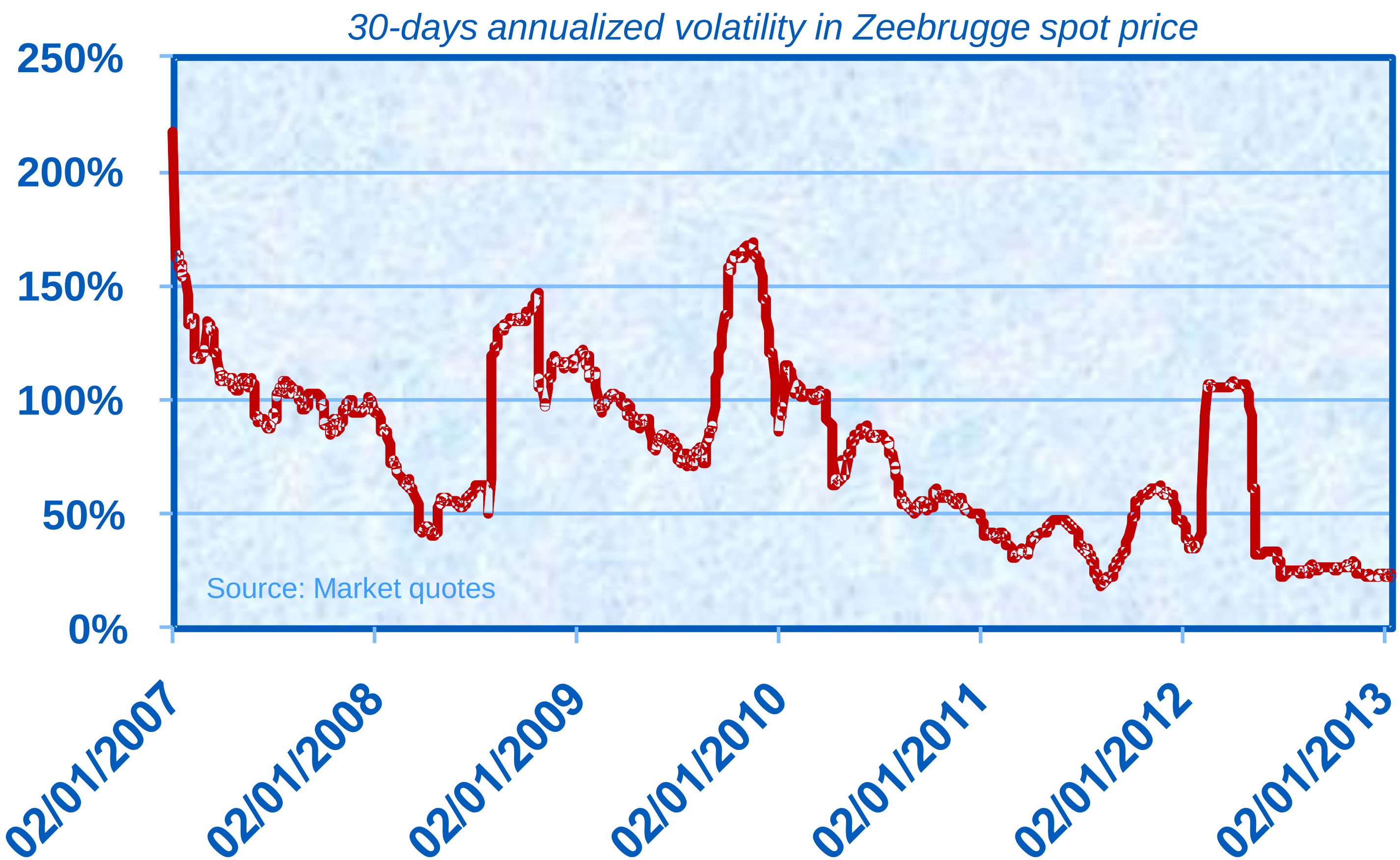
This can be seen by a decrease of storage utilization



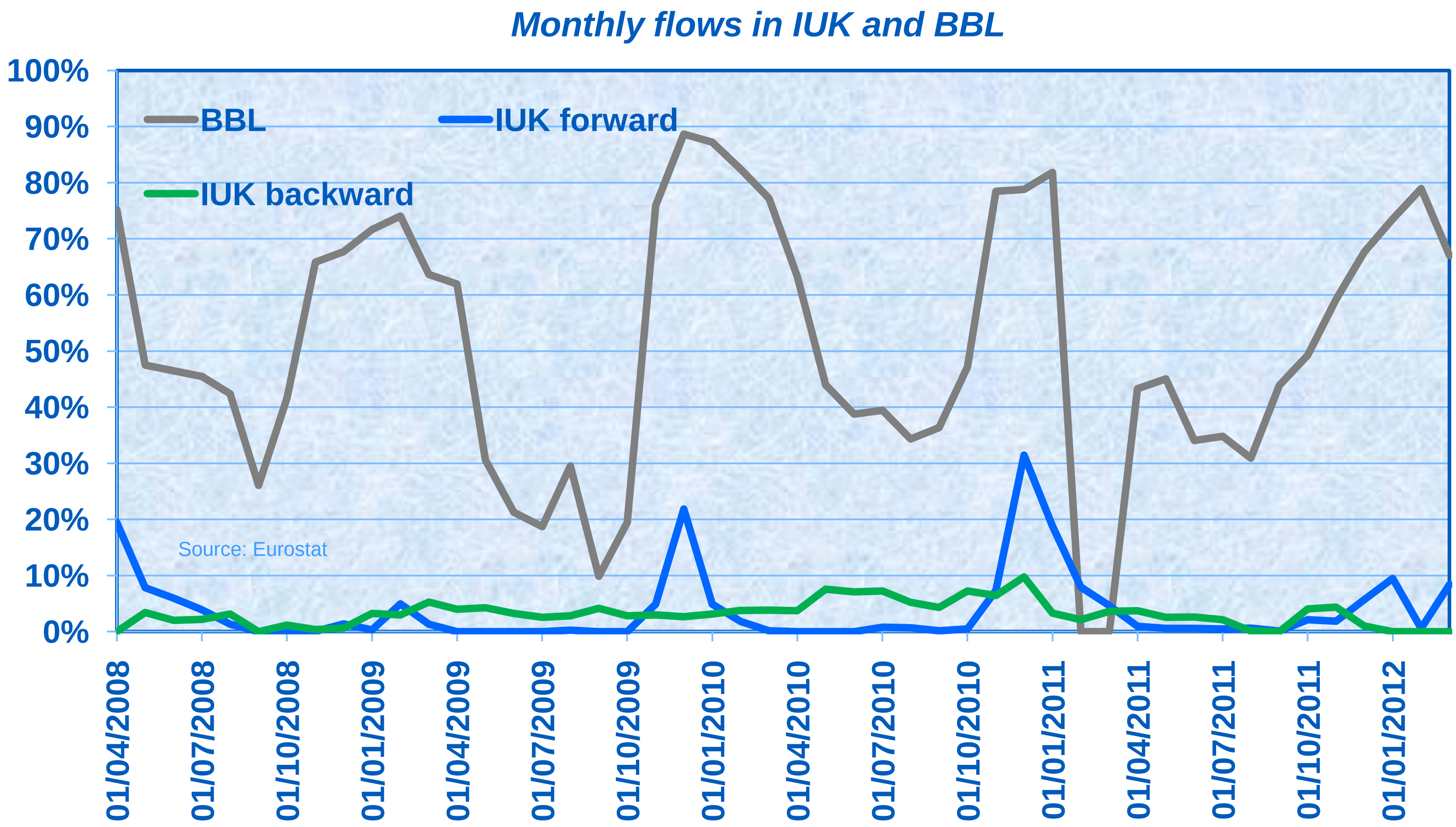
Hence, the summer/winter spreads have collapsed…



… and so have the volatility



Interconnection ensured modulation exchanges between countries, improving market efficiency



There are a couple of uncertainties around the future

- **LNG availability at European regas terminals**

- **Evolution of pipeline import contracts flexibility**

- **Energy efficiency**

- **The impact of wind generation on gas demand**

- **Local gas production is declining (and it isn't anticipated to be offset by shale gas in Europe)**