

Press release

Baumgarten natural gas hub: 60 years of energy for Austria and Europe

Vienna, 20 September 2019 – **Sixty years ago, the foundation stone was laid in Baumgarten an der March in the east of Austria for a natural gas collection station for the Zwerndorf gas field and for one of Europe's most important and most modern natural gas hubs. Guests of honour from politics and the energy industry, and representatives from the owners of OMV, SNAM and Allianz Capital Partners, as well as international energy experts, honoured the significance of Baumgarten gas station today alongside the operating companies Gas Connect Austria and Trans Austria Gasleitung.**

The Baumgarten gas hub is hugely important for the supply of Austria and for the European market. Every year, around 40 billion cubic metres of natural gas flow through the Baumgarten station, about 20% of which is used to supply Austria. Over the last 60 years, the station has undergone continuous expansion to meet the growing demand for gas. During this time, central gas pipelines were laid, significant supply contracts were signed with gas-producing countries and new technologies were implemented. Today, Baumgarten is a powerful and reliable distribution node for European gas supply and is also ready for green gas.

The Managing Directors of Gas Connect Austria Harald Stindl and Stefan Wagenhofer are confident that Baumgarten will continue to play an important role in the future: “Gas, whether natural gas or renewable gas, has the best prerequisites as the energy source of the future. Unlike electricity, it can be stored and is ready when water, solar or wind power cannot deliver due to seasonal or daily fluctuations.”

Daniele Gamba and Rudolf Starzer, Managing Directors of TAG GmbH, say: “It is becoming increasingly necessary to import natural gas into Europe, due to a sharp decline in regional production and the phase-out of coal for the well-being of the climate. A modern and well-developed gas infrastructure will therefore continue to be indispensable in the future.”

The Managing Directors of Gas Connect Austria and TAG add to this: “Gas is the optimal partner for the energy transition and can make a significant contribution to decarbonisation through Baumgarten’s high-performance distribution node. By bringing together electricity and gas networks, and by supporting alternative energy sources, gas can meet Europe’s growing energy needs in an environmentally friendly, green way. And all this can be done without high investment costs. The efficient and existing infrastructure, as well as the innovative technologies that come along with it, make gas indispensable for an energy economy with vision and strengthening Baumgarten’s position for the future.”

The 60th anniversary was celebrated today by the two operating companies – Gas Connect Austria GmbH and Trans Austria Gasleitung GmbH – with representatives from politics and the energy industry, including owner representative Rainer **Seele**, CEO of **OMV**; Marco **Alverà**, CEO of **SNAM**; Christoph **Holzer**, Managing Director of **Allianz Capital Partners** and experts such as the former EU energy commissioner **Andris Piebalgs** as well as international long-standing business partners such as Elena **Burmistrova**, Deputy CEO of **Gazprom**.

Baumgarten is Europe's energy hub – history in brief

Large natural gas deposits in Zwerndorf – a municipality of Weiden an der March – led to the construction of the Baumgarten gas collection station in 1959. The extracted natural gas is processed here and then forwarded to major consumers, such as the city of Vienna and the Schwechat refinery. This laid the foundation stone of the so-called primary distribution system, which is still important to this day.

Since the gas field extends as far as Slovakia, the Treaty of Vysoka – an agreement between Austria and the then Republic of Czechoslovakia on the exploitation of the common natural gas and oil deposits – followed in 1960. In 1968, Austria became the first Western European country to sign a natural gas supply contract with the then Soviet Union. This was followed by the commissioning of the Trans-Austria gas pipeline to Italy in 1974, the West Austria gas pipeline (WAG) in 1980 to Germany, and the Hungary-Austria gas pipeline in 1996 to Hungary. In 1993, the import of natural gas from the North Sea to Austria was taken on. Today, 60 years after its commissioning, the Baumgarten gas compressor station is Austria's largest and most modern transition point and main distribution node for natural gas in Central Europe.

Energy for today and tomorrow

Gas as an energy source is environmentally friendly, versatile and indispensable in terms of everyday energy supply. Whether being used for heat-intensive industrial sectors such as steel or glass production, in the private sector for heating, warming, cooking and cooling, or as fuel for cars, lorries and ships – the global demand for gas has been steadily increasing in recent years, and is forecast to continue to grow in the future. More than 40 billion cubic metres of natural gas flows through the pipes of the Baumgarten gas station on average every year.

Baumgarten gas station is an attractive employer in the region and regularly trains apprentices for demanding technical occupations in the energy supply sector. 58 employees are responsible for receiving, preparing, digitally capturing and distributing this valuable energy source – gas.

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About Gas Connect Austria GmbH

Based in Vienna, Gas Connect Austria is a natural gas transmission system and distribution system operator. The company has 280 employees working at a total of six locations in Vienna, Lower Austria and Upper Austria. Gas Connect Austria operates a modern and powerful high-pressure natural gas network centred on the Baumgarten hub, with connections to Germany, Hungary, Slovakia and Slovenia, as well as to storage and production facilities. The pipeline system is 900 kilometres long and comprises five compressor stations, 40 metering and transfer stations and more than 100 transfer metering points. The company's core business is marketing gas transportation capacity at cross-border interconnection points, and for domestic natural gas supply in Austria. It plays a key role in the Central European gas network, with marketed entry/exit capacity of 150 billion cubic metres a year. As a logistics services provider with a strong customer focus, the company is constantly developing its products and services in line with market requirements. Gas Connect Austria is a subsidiary of the OMV Group, which holds a 51% stake, with the remaining 49% split between Allianz Capital Partners and Snam at a ratio of 60:40. Gas Connect Austria is a shareholder in AGGM, AGCS, TAG GmbH and PRISMA, and a member of ENTSOG and GIE.

About Trans Austria Gasleitung GmbH

Trans Austria Gasleitung GmbH is a transmission system operator in Austria headquartered in Vienna. The company employs 160 people at 8 locations in Vienna, Lower Austria, Styria and Carinthia. The TAG natural gas pipeline system connects Baumgarten in Austria with Tarvisio in Italy over a distance of 380 km and has an annual transport capacity to Italy of 30 billion cubic meters of natural gas. The TAG pipeline network consists of around 1,140 km of high-pressure natural gas pipelines from the Slovakian-Austrian to the Austrian-Italian border. Along the route in Austria, the natural gas pipeline also supplies natural gas for consumption in Lower Austria, Styria and Carinthia as well as natural gas for transport to Slovenia via the SOL pipeline. The shareholders of Trans Austria Gasleitung GmbH are the Italian company Snam S.p.A. with a share of 84.47 % and the Austrian Gas Connect Austria GmbH with a share of 15.53 %. The company is certified as an Independent Transmission Operator (ITO) by the Austrian regulatory authority Energie-Control Austria. At the European level, TAG GmbH is co-owner of PRISMA European Capacity Platform GmbH, the unified European platform for the allocation of transport capacities in natural gas pipelines, and a member of ENTSOG (European Network of Transmission System Operators for Gas).