President
Philippe Petitpierre
Chairman and CEO
Holdigaz SA (Vevey)

Vice-Presidents
Raphaël Morisod
Chairman, Gazoduc SA (Sion) Until 12 June 2017
Jean-Albert Ferrez
Chairman, Gazoduc SA (Sion) From 22 September 2017
Pierre Gautier
Board member
Geneva Industrial Services

Vincent Collignon
Commercial Director
Geneva Industrial Services

Jean-Yves Pidoux
Director
Lausanne Industrial Services

Marc-Antoine Surer
Head of Sales,
Lausanne Industrial Services

Antoine de Lattre
Director
Holdigaz SA, Vevey

Dominique Gachoud
Chairman
Groupe E Celsius SA, Fribourg

Remigio Plan
Director of Energy and Products
Viteos SA, Neuchâtel

Caroline Cavalieri Rudaz
Company Secretary
Non-board member
Gaznat SA, Vevey

Gilles Verdan
Head of Networks

Henri Bourgeois
Chief Financial Officer (CFO)
Head of Finance and Services

Frédéric Rivier
Head of Trading
From 1 April 2017

KPMG SA, Lausanne Until 21 May 2017
Ernst & Young SA From 22 May 2017

STATUTORY AUDITORS

Administrative
23
**KEY FIGURES**

<table>
<thead>
<tr>
<th>Consolidated (CHF thousands)</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>529'387</td>
<td>484'243</td>
<td>479'418</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>12'782</td>
<td>12'628</td>
<td>13'176</td>
</tr>
<tr>
<td>Cash flow</td>
<td>21'870</td>
<td>17'691</td>
<td>16'762</td>
</tr>
<tr>
<td>Total assets</td>
<td>407'029</td>
<td>394'074</td>
<td>376'044</td>
</tr>
<tr>
<td>Net capital assets</td>
<td>222'151</td>
<td>228'477</td>
<td>223'741</td>
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<tr>
<td>Net debt</td>
<td>87'982</td>
<td>89'433</td>
<td>64'121</td>
</tr>
<tr>
<td>Equity</td>
<td>132'154</td>
<td>126'937</td>
<td>117'588</td>
</tr>
<tr>
<td>Energy (GWh)*</td>
<td>13'185</td>
<td>12'812</td>
<td>11'398</td>
</tr>
<tr>
<td>Power (MW)</td>
<td>3'858</td>
<td>3'507</td>
<td>3'442</td>
</tr>
</tbody>
</table>

* Distributed through Gaznat’s network

NB: 1 GWh = 1 million kWh = approximately 90,000 m³ of natural gas

**SHAREHOLDINGS**

- **Swissgas SA**
  - Business: representing the interests of the Swiss gas industry abroad and gas supply for Switzerland.
  - Other shareholders: EGO, GVM, EGZ, ASIG

- **Petrosvibri SA**
  - Business: exploring for and operating hydrocarbon fields in Switzerland.
  - Other shareholder: Holdigaz SA

- **Unigaz SA (Union interrégionale pour le transport du gaz naturel)**
  - Business: interconnecting Swiss transportation and distribution networks serving the Swiss plateau and Western Switzerland.
  - Other shareholder: GVM

- **Fingaz SA (Financière Internationale du Gaz)**
  - Business: financing gas storage and transportation facilities between Switzerland and France.
  - Other shareholders: EGO, GVM, EGZ, ASIG

- **Gas&Com SA**
  - Business: building and operating optical fibre networks running alongside gas pipelines.
  - Other shareholders: EGO, GVM

- **gazmobile SA**
  - Other key shareholders: EGO, GVM, EGZ, ASIG

**SHAREHOLDERS**

<table>
<thead>
<tr>
<th>Shareholder</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Geneva Industrial Services</td>
<td>37.51%</td>
</tr>
<tr>
<td>Lausanne City Council</td>
<td>26.89%</td>
</tr>
<tr>
<td>Holdigaz SA, Vevey</td>
<td>15.56%</td>
</tr>
<tr>
<td>Gazoduc SA, Sion</td>
<td>9.67%</td>
</tr>
<tr>
<td>Viteos SA, Neuchâtel</td>
<td>3.81%</td>
</tr>
</tbody>
</table>

**IN BRIEF**

- Head office: Lausanne
- Founding date: 12 March 1968
- Financial year: 1 January to 31 December
- Share capital: CHF 27 million
**15.79%**

**Swiss Gas Invest SA**

Business: acquiring, holding, administering and disposing of equity interests in all categories of companies operating in the natural gas industry.

Other key shareholders: Holdigaz, EGO, Swissgas, Gas&Com, Groupe E

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**OUR HOLDINGS THROUGH SWISSGAS**

- **Swissgas Speicher SA**
  - 100%

- **Transigas SA**
  - Swissgas (51%), FluxSwiss (46%), UNIPER (3%)
  - 51%

- **FluxSwiss SA**
  - Swissgas (4.9%), Fluxys (50.65%), Swiss Gas Invest (7.89%), CSEIP (36.56%)
  - 4.9%

- **SET Swiss Energy Trading SA**
  - Swissgas (100%)
  - 100%

- **SEAG Aktiengesellschaft für schweizerisches Erdol SA**
  - Swissgas (10%)
  - 10%

- **Swiss Gas Invest SA**
  - Swissgas (5.26%)
  - 5.26%

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**1968-2018**

**50 YEARS OF RELIABLE, LOYAL SERVICE**

**1968-2018**

**50 YEARS OF RELIABLE, LOYAL SERVICE**

**IN 1969, MARKET RESEARCH WAS CONDUCTED THAT LAID THE FOUNDATIONS FOR A HIGH-PRESSURE GAS TRANSPORTATION NETWORK IN WESTERN SWITZERLAND.**

Gaznat was formed on 12 March 1968 by seven entities active in the gas industry. These were Geneva Industrial Services, Lausanne City Council, Neuchatel City Council, Gazoduc SA (Sion), the Compagnie Industrielle et Commerciale du Gaz (Vevey), Igesa (Le Locle) and the Swiss Gas Plant Federation (Zurich). The original objectives for which our company was formed were to conduct research, and apply for and obtain the necessary authorisations and concessions to build and operate pipelines for carrying natural gas to homes and businesses in Western Switzerland. At the time, natural gas was new to Switzerland; it was only due to reach the country for the first time in the early 1970s. In addition, Gaznat’s founders decided to entrust the company with buying natural gas and selling it to its shareholders and future customers. In 1969, a market study was conducted to lay the foundations for a high-pressure network for transporting natural gas that would supply the whole of Western Switzerland. Most of the demand was set to stem from the replacement of heavy oil with natural gas, estimated to represent nearly 75% of prospective requirements.

**Developing a transportation infrastructure for Western Switzerland**

While the transportation network for Western Switzerland was being planned, measures were also being taken both nationally and internationally for Switzerland to secure the transiting of a key cross-border gas pipeline through Switzerland, linking up Northern European gas fields with Italy, which had recently opted for natural gas over nuclear power. In 1971, the main contract was signed, providing...
for the transit through Switzerland of 6 billion m³ of gas annually over a 20-year period beginning in December 1973. Swissgas (founded in April 1971) would be entitled to draw 500 million m³ of gas annually from this pipeline for supplying Gaznat and other regional gas companies. In September 1973, Gaznat laid the first pipeline along the bed of Lake Geneva – a world depth record at the time. The pipeline connected Les Grangettes and Genève along a distance of almost 100 km. A further 70 km of land-based pipeline was laid between Bex and Les Grangettes and between Tolochenaz and Orbe. In November 1973, the laying of the gas pipeline linking the Netherlands and Italy was completed, just as the first oil crisis was beginning. On 15 April 1974, all construction work for laying the Gaznat pipeline was finished, except for a small stretch in the Geneva area. On 25 June of the same year, the transportation network was inaugurated at the Aigle Control Centre. Natural gas was first supplied to Switzerland in time for the first oil crisis (1973), which gave a helping hand to the nascent gas industry in Switzerland because of the affordability of natural gas (the proportion of which as a percentage of total energy demand rose from 1.9% in 1973 to 4% in 1975).

Gaznat strengthened infrastructure through updated supply contracts

New contracts were signed in quick succession by Switzerland. This enabled Gaznat to secure its supply base, most notably with the help of German giant Ruhr gas, which began supplying gas in 1977. This base contract is still one of the pillars of Switzerland’s procurement, more than 50 years later. Gaznat lost no time in strengthening its supply network. A key link transiting via the Swiss plateau was created in 1979 through the formation of the company Unigaz, in partnership with our colleagues at Gasverbund Mittelland AG (GVM), Fribourg (FRIGAZ) and Neuchâtel (GANSA) also harnessed this new pipeline to extend their cantonal distribution networks. For a long time previously, strong ties had existed between French and Western Switzerland gas companies, and Western Switzerland was able to benefit from France’s broad experience when it made the move to natural gas. An agreement dating from 1976 facilitated the supply of natural gas to French regions close to Lake Geneva, between the Geneva area on the French side and Evian, before the arrival of the French pipeline around a decade later. After working successfully with Germany, the Swiss gas industry was thus able to forge ties with France over a period of several years. This relationship is still going strong today. Healthy business ties also led to a strengthening of the transportation network in Western Switzerland, following construction of the Etrez - La Cure - Gland gas pipeline, which was inaugurated in October 1989 and which gave Gaznat access to the deep underground storage facility at Etrez (France). This strategic asset made Gaznat the first Swiss company to have a physical storage facility at its disposal. Gaznat’s network continued to develop strongly in the mid-1990s with the completion of the high-capacity pipeline between Ruswil (Lucerne) and Altavilla (Fribourg), enabling Unigaz to link up with the Transitgas main pipeline. This was followed by the installation of the second underwater gas line. Geneva and France were also connected across Geneva’s southern border. The latest key development, dating back to 2013, was the direct physical link-up between the main pipeline at La Cure and Geneva.
Throughout its 50 years, Gaznat has grown harmoniously, constantly meeting the changing needs of its shareholders. Throughout its 50 years, Gaznat has grown harmoniously, constantly meeting the changing needs of its shareholders.

GAZNAT is preparing for the next steps in the energy transition. Throughout its 50 years, Gaznat has grown harmoniously, constantly meeting the changing needs of its shareholders. At present, our company – like every other company in the energy industry – is having to contend with changing trends in its markets and business models. Most notably we are making preparations for gas-market deregulation and shifting our procurement practices predominantly away from long-term supply contracts, which have without fail proven their stability and led to high-quality relationships with our suppliers, based around an ethos of mutual trust and respect. Thanks to this way of working, our company has been able to fulfil its commitment to Western Switzerland by providing natural gas, never falling short of the mission assigned to it by its shareholders. New times bring new challenges. The modern practice of deregulation is changing our business model. We are busy making preparations for the paradigm shifts in the energy industry approved by referendums in Switzerland. During this transition, natural gas will continue to play a pivotal role. At the same time, we are preparing to develop our energy source in a different direction in terms of its composition. Indeed, we want to shift the form of the gas we supply from a fossil fuel to a green energy source by committing to a new record at 3,858 MWh. Since early 2017, Gaznat Trading has been increasing strongly in gas-fired plants. In January 2017, power was in short supply on the European market because of a cold snap during which several nuclear reactors in France had been taken off line. Gas-fired plants working at full tilt.

Gas infrastructure key to security of power supply in Europe. Europe and China were the two economic regions where sales of natural gas rose the fastest in 2017, increasing by 5% and 13% relative to 2016. This mainly arose as gas was substituted for coal in power stations and output increased strongly in gas-fired plants. In January 2017, power was in short supply on the European market because of a cold snap during which several nuclear reactors in France had been taken off line. Gas-fired plants were working at full tilt. It is thanks to this seasonal storage of natural gas that network bottlenecks could be resolved. The cold conditions in the early months of 2017, and the role played by gas, once again proved the importance of encouraging convergence between electricity and gas networks as a way of ensuring continuity of supply.

A positive year for Gaznat. Gas volumes sold by Gaznat rose by 3.3% in 2017, outpacing the Swiss average (0.5%) by a wide margin. This reflected a 0.8% increase in sales to partner distributors (including climate effect) and a solid 22% rise in sales to industrial customers. The total annual volume transported on Gaznat’s network reached a new high of 13.2 TWh. Power supplied also set a new record at 3,858 MWh. Since early 2017, Gaznat Trading has been expanding its services and offers partner distributors a range of products to help them structure their procurement. At the same time, gas trading on the wholesale market has been largely computerised. We also noted increased demand for renewable energy products such as biogas certificates. In the infrastructure sector, investments were made to modernise network equipment and guarantee the operational safety of gas pipelines. Digitalisation also continued in this business unit, with the development of industry applications. In 2017, Gaznat’s revenues rose by 9.3% to CHF 529 million, reflecting increased sales and higher average energy prices on the wholesale market. The company’s financial position was also reinforced, as illustrated by a decrease in net gearing to 67%, while cash flow from operations rose by almost 22%.

We would like to thank all our business partners and employees for their steadfast commitment to the company throughout the year under review.

Philippe Petitpierre
Chairman

René Bautz
Chief Executive Officer

13.2
TWh

THIS REPRESENTS A NEW RECORD IN TERMS OF THE GAS TRANSPORTED BY GAZNAT’S NETWORK.
INDUSTRY DEVELOPMENTS
According to statistics from the International Energy Agency, natural gas consumption rose in OECD countries by 1% in 2017. In European OECD countries, the growth rate was 4.8%, encouraged by power generation from gas-fired plants. In Switzerland, gas sales amounted to 39.2 TWh, which was 0.5% higher than in 2016. A report published in 2017 under the aegis of the World Energy Council forecasts that, as renewable energy becomes more common, gas will be the only fossil fuel whose usage will grow between now and 2050.

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The ambitious targets aim at a 16% reduction in average energy consumption per capita by 2020 and a 43% reduction by 2035, taking 2000 as the reference year. Even though it is focused on the electricity sector, the new strategy offers an opportunity for natural gas to stake its claim on the cogeneration plants being developed, including partial repayment of the CO2 tax and the possible introduction of a certificate of origin for renewable gas sources. The Swiss Federal Office of Energy (OFEN) is also pushing for integrated energy systems. This includes bringing different energy sectors together to make optimal use of the gas infrastructure in the area of climate policy: the amending of the CO2 Act is likely to be extensively debated in the Federal Assembly, since the Federal Council’s blueprint contains several controversial proposals.

The new 2050 Energy Strategy for Switzerland was approved by referendum last year. By voting it through, the Swiss population laid the foundation for a new nuclear-free energy paradigm in which renewable energies would be developed and greater emphasis placed on energy efficiency. The ambitious targets aim at a 16% reduction in average energy consumption per capita by 2020 and a 43% reduction by 2035, taking 2000 as the reference year. Even though it is focused on the electricity sector, the new strategy offers an opportunity for natural gas to stake its claim on the cogeneration plants being developed, including partial repayment of the CO2 tax and the possible introduction of a certificate of origin for renewable gas sources. The Swiss Federal Office of Energy (OFEN) is also pushing for integrated energy systems. This includes bringing different energy sectors together to make optimal use of the gas infrastructure. The Swiss Federal Office of Energy (OFEN) is also pushing for integrated energy systems. This includes bringing different energy sectors together to make optimal use of the gas infrastructure. The Swiss Federal Office of Energy (OFEN) is also pushing for integrated energy systems. This includes bringing different energy sectors together to make optimal use of the gas infrastructure. Unlike in the electricity industry, it will not be necessary to set up a nationwide gas-transportation company.
SERVICES

GAZNAT’S SERVICES
TRADING

2.75% | CONSUMPTION BY GAZNAT CUSTOMERS UP 2.75%
According to the Swiss Meteorological Office, 2017 was the sixth warmest year since records began in 1864. The average annual temperature was 0.5°C higher than in 2016, and 0.8°C higher than the average for 1981–2010. January was a very cold month: 2.9°C colder than the average for 1981–2010. Cold, snowy weather returned from November onwards.

Consumption increased for the fourth consecutive year in the area served by Gaznat

In the area covered by Gaznat, temperatures were slightly warmer (by 0.1°C) in 2017 than in 2016. In 2017, there were 0.8% fewer annual heating degree days [20/12 HDDs] than in 2016. The volume of natural gas delivered by Gaznat to its business partners and direct customers totalled 11.2 TWh in 2017, up 2.75% on 2016 and just below the record 11.3 TWh achieved in 2010. Gaznat’s sales have therefore risen for the last four years, at a compound annual growth rate of 5.6%.

After correcting for differences in the weather, consumption by Gaznat’s business partners (shareholder customers) increased by 1.7% relative to the previous year. Consumption by Gaznat’s direct industrial customers went up by 23%.

Sharp rise in market price of gas since the summer

Market prices in Germany (NCG) and the Netherlands (TTF) fluctuated strongly during 2017.

There was a sudden price rise to €23.3/MWh on the NCG at the start of February in reaction to the cold snap, followed by a gradual decline to €14.9/MWh by the beginning of August.

Prices recovered in line with the oil price during the last four months of the year, hitting €22.2/MWh in mid-December. The price stood at €19.0/MWh by the end of the year, mainly because of the mild temperatures being forecast for early 2018.

Gaznat’s sales have been rising for 4 years.

Upward trend in the price of oil products

The Brent crude price was $55.5 a barrel at the start of the year. It then fell to $44.8 by 21 June, before entering a long phase of almost constant prices which pushed it up to $66.9 by the end of the year. The price of long-term contracts indexed to oil products, especially when averaged over periods of 5 to 8 months, lag slightly and therefore follow this trend after a short delay.

Adjustments to Gaznat supply portfolio

Generally speaking, the terms governing medium/long-term supply contracts have changed significantly in recent years. Previously, the contracts included minimum take-or-pay volumes. This type of contract was notable for imposing a two-way limitation: the supplier was limited to delivering a maximum annual volume to the customer, while the customer had to withdraw and/or pay for a minimum volume – often amounting to 70-80% of the maximum annual volume. This flexibility enabled climatic fluctuations to be managed from one year to the next. Nowadays, medium/long-term contracts increasingly specify minimum volumes, which have usually been greatly reduced and sometimes even eliminated altogether.

Until recently, medium/long-term contracts were indexed to the price of oil products. In 2005, oil-indexed gas still accounted for only 9% of Gaznat’s portfolio. By then, most of the oil-indexed contracts had been replaced or renegotiated, and “market” indexations substituted for oil indexation.

At the end of 2017, 15% to 20% of Gaznat’s supply was still indexed to oil products, while the majority is now dependent on market prices, through either indexing of medium/long-term contracts or wholesale market purchases. As a result of higher gas and oil prices in 2017, Gaznat’s import prices rose by around €2/MWh relative to 2016. The Trading division was nevertheless able to take advantage of market opportunities in order to optimise supply, and to carry out a number of arbitrages which allowed it to make better use of portfolio assets that remain unutilised at certain times of the year.

1 20/12 heating degree days: when the average daily outdoor temperature is below 12°C, 20/12 HDDs are calculated using the difference between 20°C and this temperature.
2 NCG: Net Connect Germany (virtual trading point for the southern Germany region).
3 TTF: Title Transfer Facility (virtual trading point for the Netherlands).
4 Belgium, Denmark, France, Germany, Ireland, Luxembourg, Netherlands and UK.
5 11.2 TWh in 2017, up 2.75% on 2016
6 Increase of 0.5% relative to 2016 to 23'325 GWh.
7 Sharp rise in market price of gas: €23.3/MWh on the NCG at the start of February in reaction to the cold snap, followed by a gradual decline to €14.9/MWh by the beginning of August.
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28 As a result of higher gas and oil prices in 2017, Gaznat’s import prices rose by around €2/MWh relative to 2016. The Trading division was nevertheless able to take advantage of market opportunities in order to optimise supply, and to carry out a number of arbitrages which allowed it to make better use of portfolio assets that remain unutilised at certain times of the year.
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Long-term contracts remain the backbone of Gaznat’s supply chain. These long-term contracts remain the backbone of Gaznat’s supply chain. They are gradually being adjusted to take greater account of market conditions. They continue to help guarantee security of supply – an essential consideration since no gas deposits are being exploited in Switzerland and nor are there any seasonal storage facilities at present. Since some current long-term contracts are set to expire in 2019 and 2020, Gaznat’s supply strategy needs to be reviewed in the light of the development of the NCG and TTF marketplaces, the forthcoming merger of the northern and southern zones in France, which is planned for November 2018, and new opportunities for reverse flow from Italy via the Transitgas pipeline system. A reverse flow project was launched in spring 2017.

Development of new products and associated services for business partners and customers

With the reduction in the ‘oil’ segment of the supply portfolio, and with price formulae taking account of average prices (over 5 to 8 months), there was a significant increase in price volatility as regards gas sales to business partners. Gaznat therefore offers portfolio management services to its business partners and implements hedging transactions for market risk on their behalf. For certain business partners wishing to fine-tune their supply, Gaznat has since 1 January offered to supply them by product, giving the partners concerned the opportunity to optimise these products in line with market price signals and their own consumption. Business partners may also buy or sell quantities of gas at the market price via a secure and user-friendly platform.

Gaznat also offers renewable products. These use Swiss or German ‘biogas’ certificates, which allow business partners to offer their residential customers gas derived partly or wholly from renewable sources.

Of Gaznat’s supply is still indexed to oil products

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NETWORKS

RECORD-BREAKING YEAR
In 2017, peak power on Gaznat’s network reached 3,858 MW – a new all-time high, up 10% on the figure for 2016 (3,507 MW).

VOLUMES TRANSPORTED
13,185 GWh

There was an appreciable rise in the volumes transported in 2017, with year-on-year growth of 2.9% to 13,185 GWh – another all-time record. These results are primarily due to a noticeable increase in the volumes transported for the industrial sector.

NETWORKS, RECORD-BREAKING YEAR

Power measured
3’858 MW

VOLUMES TRANSPORTED
13’185 GWh

Niedergesteln metering and regulating station
New metering line installed.
New equipment brought into service in August 2017.

SAFETY

AS IN PREVIOUS YEARS, VARIOUS MEASURES WERE INTRODUCED LAST YEAR WITH THE AIM OF ENSURING OR INCREASING THE SAFETY OF TRANSPORTATION INSTALLATIONS IN THE FOLLOWING AREAS:

- Monitoring third-party works near gas installations: 87 approvals issued by the Federal Pipelines Inspectorate – a sharp rise of 14% compared with 2016.
- Weekly aerial surveys of the entire length of the gas pipelines, which revealed two cases of third-party works that had not been approved in advance.
- Slabs laid in several sectors in order to provide additional mechanical protection for the pipelines.
- Sending a smart pig through a gas pipeline to check for damage. No anomalies were detected during these monitoring procedures.

WORKING FOR OUR CUSTOMERS

Last year, Gaznat worked on several large-scale studies and other projects, including:

- Expanding the Niedergesteln metering and regulating station by adding another metering line.
- Modernising metrology and electrotechnics equipment at the Altavilla interconnection station.
- Replacing a safety valve at the La Louvière (Geneva) customs post.
Gaznat SA’s revenues continued on an upward trend in 2017 thanks to a surge in gas and capacity sales to business partners as well as industrial customers, together with a minor currency effect in the later months when the euro bounced back against the Swiss franc, moving from 1.09 to 1.17 CHF versus the euro by the end of the year.

Revenues rose to CHF 529 million, which was up 9.3% on 2016, thus returning to much the same level as 2014, when they came to CHF 525 million.

Both business units of the company contributed, with Trading boosting sales by 9.9% and Networks by 6.3%.

The rise in gross profit, which increased by 9.3%, and in net profit, which rebounded to CHF 13 million, illustrates the company’s solid financial performance. The net margin over sales was 2.5% for the third consecutive year.

Group net debt rose slightly compared with the previous year, reflecting the company’s solid balance sheet, with net gearing (net debt divided by equity) of 67%. The average cost of debt fell slightly to 2.26%. The short maturity (2 years and 1 month) indicates that major refinancing will be needed in 2018 and especially 2019. Gaznat will negotiate the best possible terms against a backdrop of gradually increasing market rates.

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The agreement with the Swiss Federal Institute of Technology Lausanne (EPFL) to fund research projects relating to natural gas at the EPFL laboratories and institutes has entered its second year. Considerable progress has been made on the six research projects selected, which cover the following topics:

- Carbon management (capture, use and storage);
- Gas-driven mobility (natural gas, hydrogen and fuel cells);
- Power-to-gas and gas-to-power technology;
- Biogas and methanation.

Following discussions between Gaznat and the EPFL under the aegis of the Science Committee, it was decided that legal and technical investigations would be carried out to determine whether the results of three of these projects are patentable.
and the residual synthetic methane is injected directly into the network. This process therefore creates gas and reduces CO₂, which is very important in view of the company’s increased efforts to reduce its carbon footprint. This method thus softens the delivery station’s environmental impact and cuts the company’s costs.

What does Gaznat make you think of?

I would say that Gaznat, as a supplier of conventional energy carriers, shows exceptional vision in this field. Indeed, a good number of traditional energy companies remain largely focused on their traditional core business, despite claiming to be forward-looking and keen on renewables. Unlike such companies, Gaznat is clearly shifting its focus towards the eco-transition and is already working on the next stage, in which renewables will play an integral role. It is therefore very motivating to work with such a dynamic, innovative company.

Interview by
Laura Giaquinto
Sion, 13 March 2018

The EPFL provides the necessary human resources, academic expertise and technical knowledge to carry out the projects. Gaznat provides financial support, of course, but also offers a technical and industrial perspective on the issues studied, which benefits the overall progress of our projects.

INTERVIEW

PROFESSOR ZÜTTEL

FULL PROFESSOR OF CHEMISTRY AND DIRECTOR OF THE LABORATORY OF MATERIALS FOR RENEWABLE ENERGY AT THE EPFL VALAIS WALLIS IN SION.

What is the framework for your collaboration with Gaznat?

Gaznat has concluded an agreement with the EPFL with the aim of launching calls for projects at its laboratories and research institutes. Several projects are being conducted at the Energypolis Campus of EPFL Valais Wallis in Sion. We are working on two projects in particular: a demonstrator that can convert solar energy into synthetic methane and a reactor that can create both synthetic methane and heat for decompressing gas in a delivery station.

What are these projects all about?

The first project is the demonstrator, which we have set up in our building in Sion. It converts the solar energy collected on the roof, via photovoltaic cells, into electricity. This electricity is next converted into hydrogen, then combined with CO₂ to produce synthetic methane. It has allowed us to demonstrate how a source of renewable energy can be used to produce methane so that this energy can be stored in the existing gas infrastructure. The second project is a new-generation reactor which is being installed in the Sion delivery station. Up to now, Gaznat has been burning gas to produce the heat required for decompressing natural gas in the stations, thus emitting CO₂. With this reactor, we can combine hydrogen with CO₂ to produce heat and methane. The heat is used to decompress the gas passing through the station and the residual synthetic methane is injected directly into the network. This process therefore creates gas and reduces CO₂, which is very important in view of the company’s increased efforts to reduce its carbon footprint. This method thus softens the delivery station’s environmental impact and cuts the company’s costs.

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AMBITIOUS TARGETS: A DECLINE IN AVERAGE ENERGY CONSUMPTION PER CAPITA OF 16% BY 2020 AND 43% BY 2035.