

**Demand assessment report
for the incremental capacity process starting
2021
between Poland (E-Gas Transmission System)
and
the Trading Hub Europe**

2021-10-25

This report is a joint assessment of the potential for incremental capacity projects conducted by:

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This analysis concerns the market demand assessment report for incremental capacity on the interconnection point (IP) GCP GAZ-SYSTEM/ONTRAS (GCP), which connects the entry-exit-system of Poland (E-Gas Transmission System)¹ and the entry-exit-system of the Trading Hub Europe (THE).

¹ In the following as Poland denoted

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A. Non-binding demand indications

All requests received in the course of the demand indication period comply with the terms and conditions of participation and can be taken into account in the subsequent analysis.

Transmission System Operators GAZ-SYSTEM and ONTRAS have received non-binding demand indications for firm capacity on the GCP².

The following non-binding demand indication **was received** and has been used as a basis for this demand assessment:

From EXIT CAPACITY	To ENTRY CAPACITY	Gas year	Amount (kWh/h)/y	Request was submitted to other TSOs	Period when de- mand Indi- cation was received*	Additional In- formation (e.g. type of ca- pacity)
<i>THE</i>	<i>Poland</i>	<i>2023/24 - 2037/38</i>	<i>100,000</i>	<i>No, but shared amongst TSOs after submission</i>	<i>2</i>	<i>Freely allocable firm capacity</i>

* The following standardised period shall be used for indicating the receiving date of the demand indication:

- 1) later than eight weeks after the annual yearly capacity auction in the previous incremental capacity cycle, that have not been considered previously;
- 2) within eight weeks after this year's yearly capacity auction (0 – 8 weeks after yearly auction in year);
- 3) later than eight weeks after this year's yearly capacity auction, but that will be considered in this incremental capacity cycle (9 – 16 weeks after yearly auction in year).

² The transport customer submitted its non-binding demand for incremental capacity only to GAZ-SYSTEM. The incremental request has been shared by GAZ-SYSTEM afterwards with ONTRAS.

B. Demand assessment

i. Historical usage pattern on the GCP

An analysis of the historical capacity utilization on the GCP is given to support the assessment of the future demand for incremental capacity.

Historical usage pattern for the GCP can be found directly and up to date on the ENTSOG Transparency Platform (TP)³. The data on the TP show for the requested transport direction, that sufficient capacity was available on the GCP in the past to meet market demands. For this reason, no further analysis of congestion management procedures and secondary marketing is performed.

ii. Results of annual capacity auctions

For the requested transport direction, the gas years from 2021/2022 to 2025/2026 were offered on the marketing platform RBP⁴ in the yearly capacity auction on 5 July 2021. The two gas years 2021/2022 and 2022/2023 were booked and for these two there was an excess of demand which therefore resulted in auction premiums. The capacity auction for the gas year 2021/2022 was closed in auction round 10, the gas year 2022/2023 was closed in auction round 3. Despite of above, the capacity for the gas year 2023/2024 and further on was offered but not booked.

iii. Relations to GRIPs, TYNDP, NDPs

In general, neither GRIPs, the TYNDP nor national development plans identify an infrastructure gap for the requested transport direction.

In the course of the two incremental capacity cycles 2017 – 2019 and 2019 – 2021, GAZ-SYSTEM submitted the “GCP GAZ-SYSTEM/ONTRAS - incremental capacity project” (TRA-N-1202) for the TYNDP 2018 respectively resubmitted it for the TYNDP 2020⁵. However, a resubmission of this former incremental capacity project to the TYNDP 2022 will not be conducted.

The German NRA BNetzA decided that incremental projects should not be part of the German national development plan for gas until binding commitments have been received. To be consistent with that, ONTRAS decided not to submit an incremental capacity project to the TYNDP 2022.

³ <https://transparency.entsog.eu/#/points/data?from=2019-10-01&indicators=Firm%20Technical%2CFirm%20Booked&points=de-tso-0003itp-00497exit%2Cpl-tso-0002itp-00497entry&to=2021-10-01>

⁴ RBP: <https://ipnew.rbp.eu/RBP.eu/#news-and-events>

⁵ The project has not been part of the Polish national development plan.

iv. Expected amount, direction and duration of demand for incremental capacity

The received demand indication within the current incremental capacity process for the GCP is firm capacity in the amount of 100,000 kWh/h for the transport direction from THE to Poland.

The assessment of the demand for incremental capacity will be conducted by analyzing the technical capacity, the booked firm capacity and the received non-binding demand indication⁶.

Direction THE to Poland

Exit ONTRAS

The existing technical capacity is sufficient to meet the requested incremental capacity demand. From today's perspective there is also no contractual congestion. Therefore, the requested incremental capacity demand can be booked by the transport customer during upcoming yearly capacity auctions.

Entry GAZ-SYSTEM

The existing technical capacity is sufficient to meet the requested incremental capacity demand. From today's perspective there is also no contractual congestion. Therefore, the requested incremental capacity demand can be booked by the transport customer during upcoming yearly capacity auctions.

C. Conclusion for the (non-)initiation of an incremental capacity project on the GCP

Due to the level of non-binding indications received during the demand indication phase of the incremental procedure a capacity project will not be initiated.

Considering that there is sufficient bookable firm capacity on the GCP as of 1 October 2023, the requested incremental capacity demand can be already satisfied and there is no substantial basis to deem the necessity of an incremental capacity demand on the GCP. Therefore, it is not necessary to start the design phase according to Article 27 NC CAM and to conduct technical studies. The incremental capacity cycle 2021 – 2023 will end with the publication of the market demand assessment report on 25 October 2021.

⁶ The information regarding technical and booked capacity can be accessed on the ENTSOG TP: <https://transparency.entsog.eu/#/points/data?from=2023-10-01&indicators=Firm%20Technical%2CFirm%20Booked&points=de-tso-0003itp-00497exit%2Cpl-tso-0002itp-00497entry&to=2038-10-01>

D. Provisional timeline

For the time being no incremental capacity project will be initiated. A next incremental process will start after the yearly capacity auction in 2023.

E. Interim arrangements for the auction of existing capacity on the GCP

Due to the fact, that no incremental capacity project will be initiated based on this market demand assessment, interim arrangements are not required for the time being.

F. Fees

For the incremental capacity cycle addressed in this report, none of the involved TSOs introduced a fee for the evaluation and processing of non-binding demand indications.

G. Contact information



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