

**Demand assessment report  
for incremental capacity  
between *Austria (Market Area East)*  
and *Hungary***

**2017-07-27**

This report is a joint assessment for incremental capacity projects conducted by

Gas Connect Austria GmbH

FGSZ Ltd.

Floridsdorfer Hauptstraße 1

Tanácsház u. 5.

1210 Vienna, Austria

8600 Hungary, Siófok

email: [info@fgsz.hu](mailto:info@fgsz.hu)

[Tel:+36-84-312-311](tel:+36-84-312-311)



## **Table of contents**

A. Non-binding Demand indications	4
B. Demand assessment	10
i. Historical usage pattern	10
ii. Results of current annual yearly auction	10
iii. Relations to GRIPS, TYNDP, NDPs	11
iv. Expected amount, direction and duration of demand for incremental capacity	11
C. Conclusion for the (non)-initiation of an incremental capacity project/process	12
D. Provisional timeline	13
E. Fees	13
F. Contact information	14

## A. Non-binding Demand indications

### Indicative demand submitted to GCA:

The following **aggregated non-binding demand indications** for firm capacity have been used as a basis for this demand assessment:

From  [entry-exit system name]  “EXIT CAPACITY”	To  [entry-exit system name]  “ENTRY CAPACITY”	Gas year  [yyyy/yy]	Amount  [Please indicate unit: (kWh/h)/y or (kWh/d)/y]	Request is submitted to other TSOs  [yes, TSO] or [no] (detailed information shall be provided below)
<i>Hungary</i>	<i>Austria (Market area East)</i>	<i>2019/20 – 2036/37</i>	<i>11,115,307 kWh/h/y</i>	<i>Yes, FGSZ</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).

The following table shows the **non-binding demand indications**, where a **condition** was attached by the network users:

From  [entry-exit system name]  “EXIT CAPACI- TY”	To  [entry-exit system name]  “ENTRY CA- PACITY”	Gas year  [yyyy/yy]	Amount  [Please indicate unit: (kWh/h)/y or (kWh/d)/y]	Request is submitted to other TSOs  [yes, TSO]	Conditions**
<i>Hungary</i>	<i>Austria (Market area East)</i>	<i>2022/23 – 2036/37</i>	<i>6,378,300</i>	<i>Yes, FGSZ Yes, Transgaz</i>	<i>a)</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).

\*\* The following standardised terminology shall be used for describing the conditions:

- a) commitments linking or excluding commitments at other interconnection points;
- b) commitments across a number of different yearly standard capacity products at an interconnection point;
- c) commitments conditional on the allocation of a specific or minimum amount of capacity;
- d) other.

**Indicative demand submitted to FGSZ:**

The following **aggregated non-binding demand indications** for firm capacity have been used as a basis for this demand assessment:

**Mosonmagyaróvár (HU>AT):**

<b>From</b>  [entry-exit system name]  “EXIT CAPACI- TY”	<b>To</b>  [entry-exit system name]  “ENTRY CA- PACITY”	<b>Gas year</b>  [yyyy/yy]	<b>Amount</b>  (kWh/h)/y	<b>Request is sub- mitted to other TSOs</b>  [yes, TSO] or [no] (detailed infor- mation shall be provided below)	<b>Period when Demand Indica- tion was re- ceived*</b>  [please include the period ac- cording to the numbers 1) - 3)]	<b>Additional Information</b>  (e.g. type of capacity, if different from bundled firm freely alloca- ble)
<i>FGSZ Zrt.</i>	<i>Austria (Mar- ket Area East)</i>	<i>2018/19</i>	<i>0</i>	<i>Yes</i>	<i>2</i>	<i>n/a</i>
<i>FGSZ Zrt.</i>	<i>Austria (Mar- ket Area East)</i>	<i>2019/20</i>	<i>4,737,000</i>	<i>Yes</i>	<i>2</i>	<i>n/a</i>
<i>FGSZ Zrt.</i>	<i>Austria (Mar- ket Area East)</i>	<i>2020/21</i>	<i>4,737,000</i>	<i>Yes</i>	<i>2</i>	<i>n/a</i>
<i>FGSZ Zrt.</i>	<i>Austria (Mar- ket Area East).</i>	<i>2021/22</i>	<i>6,021,247</i>	<i>Yes</i>	<i>2</i>	<i>n/a</i>
<i>FGSZ Zrt.</i>	<i>Austria (Mar- ket Area East)</i>	<i>2022/23</i>	<i>6,021,247</i>	<i>Yes</i>	<i>2</i>	<i>n/a</i>
<i>FGSZ Zrt.</i>	<i>Austria (Mar- ket Area East)</i>	<i>2023/24</i>	<i>6,021,247</i>	<i>Yes</i>	<i>2</i>	<i>n/a</i>
<i>FGSZ Zrt.</i>	<i>Austria (Mar- ket Area East)</i>	<i>2024/25</i>	<i>6,021,247</i>	<i>Yes</i>	<i>2</i>	<i>n/a</i>
<i>FGSZ Zrt.</i>	<i>Austria (Mar- ket Area East).</i>	<i>2025/26</i>	<i>6,021,247</i>	<i>Yes</i>	<i>2</i>	<i>n/a</i>

<b>FGSZ Zrt.</b>	<b>Austria (Market Area East)</b>	2026/27	6,021,247	Yes	2	n/a
<b>FGSZ Zrt.</b>	<b>Austria (Market Area East)</b>	2027/28	6,021,247	Yes	2	n/a
<b>FGSZ Zrt.</b>	<b>Austria (Market Area East)</b>	2028/29	4,737,000	Yes	2	n/a
<b>FGSZ Zrt.</b>	<b>Austria (Market Area East)</b>	2029/30	4,737,000	Yes	2	n/a
<b>FGSZ Zrt.</b>	<b>Austria (Market Area East)</b>	2030/31	4,737,000	Yes	2	n/a
<b>FGSZ Zrt.</b>	<b>Austria (Market Area East)</b>	2031/32	4,737,000	Yes	2	n/a
<b>FGSZ Zrt.</b>	<b>Austria (Market Area East)</b>	2032/33	4,737,000	Yes	2	n/a
<b>FGSZ Zrt.</b>	<b>Austria (Market Area East)</b>	2033/34	4,737,000	Yes	2	n/a
<b>FGSZ Zrt.</b>	<b>Austria (Market Area East)</b>	2034/35	4,737,000	Yes	2	n/a

Mosonmagyaróvár (AT>HU):

<b>From</b>  [entry-exit system name]  “EXIT CAPACITY”	<b>To</b>  [entry-exit system name]  “ENTRY CAPACITY”	<b>Gas year</b>  [yyyy/yy]	<b>Amount</b>  (kWh/h)/y	<b>Request is submitted to other TSOs</b>  [yes, TSO] or [no] (detailed information shall be provided below)	<b>Period when Demand Indication was received*</b>  [please include the period according to the numbers 1) - 3)]	<b>Additional Information</b>  (e.g. type of capacity, if different from bundled firm freely allocable)
<b>Austria (Mar-</b>	<b>FGSZ Zrt.</b>	<b>2018/19</b>	<b>2,420,775</b>	<b>Yes</b>	<b>2</b>	<b>n/a</b>

<b>ket Area East)</b>						
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2019/20	1,420,775	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2020/21	1,420,775	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2021/22	1,420,775	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2022/23	1,490,775	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2023/24	920,000	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2024/25	920,000	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2025/26	920,000	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2026/27	920,000	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2027/28	920,000	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2028/29	920,000	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2029/30	920,000	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2030/31	920,000	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2031/32	920,000	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2032/33	920,000	Yes	2	n/a
<b>Austria (Market Area East)</b>	FGSZ Zrt.	2033/34	920,000	Yes	2	n/a



<i>ket Area East)</i>						
<b><i>Austria (Market Area East)</i></b>	<i>FGSZ Zrt.</i>	<i>2034/35</i>	<i>920,000</i>	<i>Yes</i>	<i>2</i>	<i>n/a</i>

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

- 4) later than eight weeks after the annual yearly capacity auction in the previous incremental capacity cycle, that have not been considered previously;
- 5) within eight weeks after this year's yearly capacity auction (0 – 8 weeks after yearly auction in year);
- 6) 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).

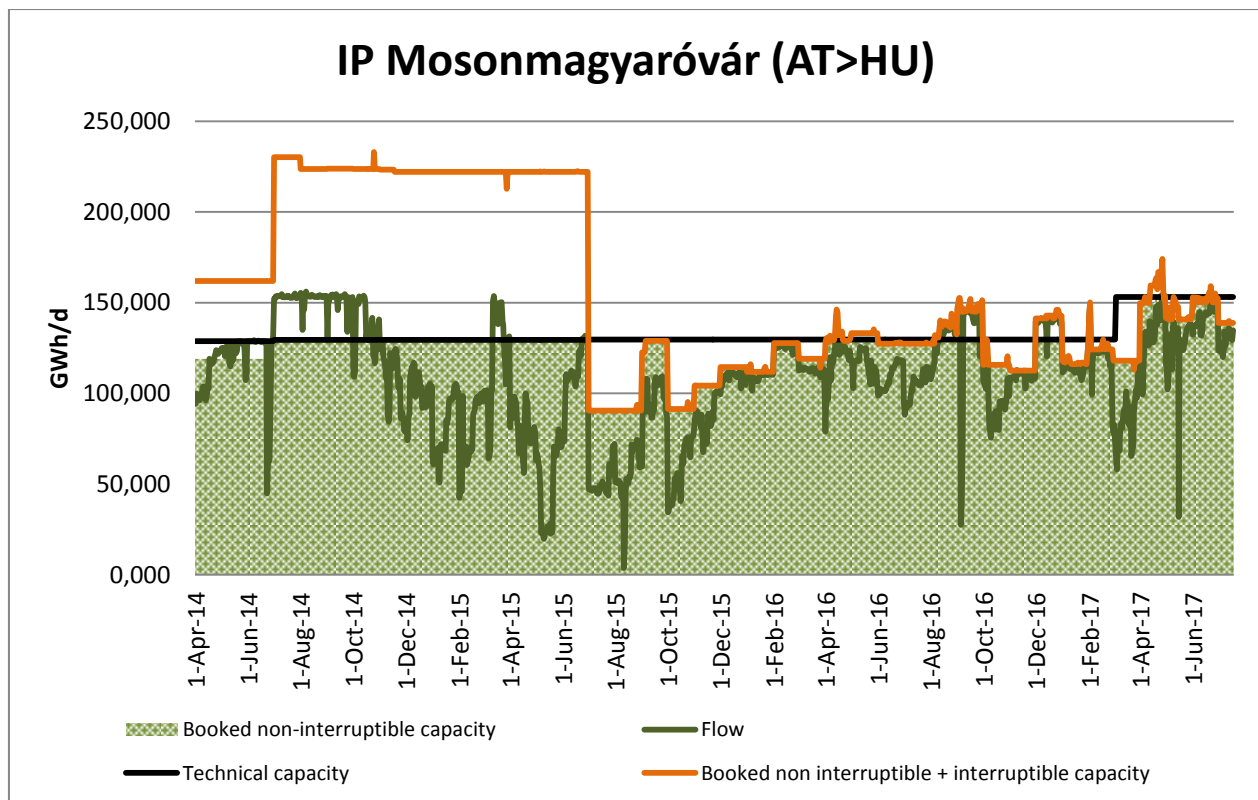
Shippers didn't submit **non-binding demand indications**, with **condition**.

## B. Demand assessment

### i. Historical usage pattern

Historic usage on the Austrian side is published in the [national planning documents](#) and the EN-TSOG Transparency Platform.

Historical usage on the Hungarian side (AT>HU):



### ii. Results of current annual yearly auction

The direction Hungary to Austria, capacity is only available on virtual interruptible (backhaul) basis so far.

Yearly products (direction Austria to Hungary) have been auctioned at the Regional Booking Platform (RBP) the first time in 2017. Please note that at very short notice MEKH (Hungarian regulatory authority) prohibited FGSZ (Resolution No. 1852/2017) to offer any yearly capacities

including and beyond 1.10.2019. FGSZ removed the offered capacities from the RBP, therefore only two yearly auctions have been offered in a bundled manner.

The booked firm capacity direction from Austria to Hungary was:

- 3 658 102 kWh/h/y between 2017/18
- 1 733 100 kWh/h/y between 2018/19

The booked interruptible capacity direction from Hungary to Austria was:

- There is no booked interruptible yearly capacity.

### **iii. Relations to GRIPS, TYNDP, NDPs**

The Priority Corridor North-South Gas Interconnections in Central Eastern and South Eastern Europe („NSI East Gas“) includes the Cluster phased capacity increase on the Bulgaria - Romania - Hungary - Austria bidirectional transmission corridor (currently known as “ROHUAT/BRUA”) to enable 1.75 bcm/a in the first phase and up to 5 bcm/y in the second phase (# 6.24). This includes several PCI in the concerned Member States.

On the Austrian side a corresponding incremental project is included in the approved national network development plan 2017-2026 (# GCA2015/05).

On the Hungarian side the corresponding projects up to 5.2 bcm/y were studied in the national development plan 2016-2027 but these projects are not approved by NRA yet.

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

Based on received non-binding inquiries the expected demand level for HU>AT direction reaches 6,021,247 kWh/h/y firm capacity at FGSZ side.

At the IP Mosonmagyaróvár (entry into Austria) the demand for incremental capacity amounts to 11,115,307 kwh/h/y for the direction Hungary to Austria for a period from GY 2019/20 to 2036/37.

## C. Conclusion for the initiation of an incremental capacity project/process

GCA conclusion:

GCA will initiate two incremental capacity projects: Project 1 results from the valid and approved Austrian national network development Plan 2017-2026, the NSI East Gas priority corridor ("ROHUAT/BRUHA) and the respective design of an alternative allocation mechanism ("ROHUAT Open Season"). Project 2 results from Project 1 plus additional incremental capacity demand received on top.

Project 1:

6,378,300 kWh/h technical capacity for flow direction HU > AT.

Project 2:

11,115,307 kWh/h technical capacity for flow direction HU>AT.

Gas Connect Austria intends to conduct the technical studies and the consultation of the draft project proposal according to the following provisional timeline:

Start Date	End Date	Description
27.7.2017		Start of design phase
28.7.2017	11.08.2017	Technical studies
06.09.2017	02.10.2017	Public consultation

FGSZ assumptions

The demand assessment concluded that the expected amount is maximum 2,420,775 kWh/h/year firm capacity is required at Mosonmagyaróvár IP (AT>HU) flow direction. Existing capacity of Mosonmagyaróvár (AT>HU) 6,378,300 (kWh/h)/y. There is no need for increment capacity in this direction.

At Mosonmagyaróvár IP (HU>AT) flow direction the highest peak demand on Hungarian side is 6,021,247 kWh/h/y. The required incremental capacity project is part of the Hungarian National Development Proposal 2016-2025 and also included ENTSG's TYNDP 2017 document with 6,378,300 (kWh/h) capacities (not approved yet).

The possible development would ensure the requested capacity which fulfils all capacity demand provided the necessary gas volume will be available on existing and future developed entry IPs.

During the design phase TSOs will study and determine the necessary developments to provide requested capacity.

Technical studies for incremental capacity projects will be conducted for IP Mosonmagyaróvár (HU>AT direction) for two different capacity levels:

1. 6,378,300 kWh/h
2. 11,115,300 kWh/h\*

\*According to the available information the indicative demands were submitted calculated with GVC (25/20). Therefore during the design phase the capacity value will be revised.

#### Exit Hungary

Start Date	End Date	Description
27.07.2017		Start of design phase
28.07.2017	18.10.2017	Technical studies
19.10.2017	18.11.2017	Public consultation

FGSZ Ltd. and GCA GmbH. are only affected TSOs by the incremental project on either side of the IP.

### **D. Provisional timeline**

Possible start-up of commercial operations for incremental capacity at Mosonmagyaróvár (HU>AT) IP is 01.10.2022.

### **E. Fees**

For the incremental capacity cycle addressed by this report, involved TSOs did not introduce a fee for the evaluation and processing of non-binding demand indications.

## F. Contact information

Gas Connect Austria GmbH

FGSZ Ltd.

Martin Bliem

Sándor Bogoly

Senior Key Account Manager

Head of Product and Service Management

Sales Transmission

System Operation

+43-1-27500-88135

+36-84-505-202

+43-1-27500-88291

+36-20-944-0706

[martin.bliem@gasconnect.at](mailto:martin.bliem@gasconnect.at)

[sbogoly@fgsz.hu](mailto:sbogoly@fgsz.hu)

Floridsdorfer Hauptstr. 1

Tanácsház u. 5.

1210 Vienna

8600 Siófok

Austria

Hungary