



TIGF

**Demand assessment report
for incremental capacity
between Trading Region South
(France) and Enagas (Spain)
where no non-binding demand
indications were received**

2017-07-27

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


<p>TIGF</p> <p>40, avenue de l'Europe</p> <p>CS 20522</p> <p>64010 PAU CEDEX</p> <p>TIGF TRANSPORT ET INFRASTRUCTURES GAZ FRANCE</p>	<p>Enagas Transporte SAU</p> <p>Paseo de los Olmos 19,</p> <p>28005 Madrid</p> <p></p>
--	---

Table of contents

A.	Non-binding Demand indications	4
B.	Demand assessment	5
i.	Historical usage pattern	5
ii.	Results of current annual yearly auction	8
iii.	Expected amount, direction and duration of demand for incremental capacity	8
C.	Conclusion for the (non)-initiation of an incremental capacity project/process	9
D.	Fees	10
E.	Contact information	11

A. Non-binding Demand indications

The involved TSOs, TIGF and ENAGAS have not received any non-binding demand indications for firm capacity at the virtual interconnection point between the entry-exit system of TIGF and the entry-exit system of ENAGAS for any future period.

The following periods have been included in this analysis:

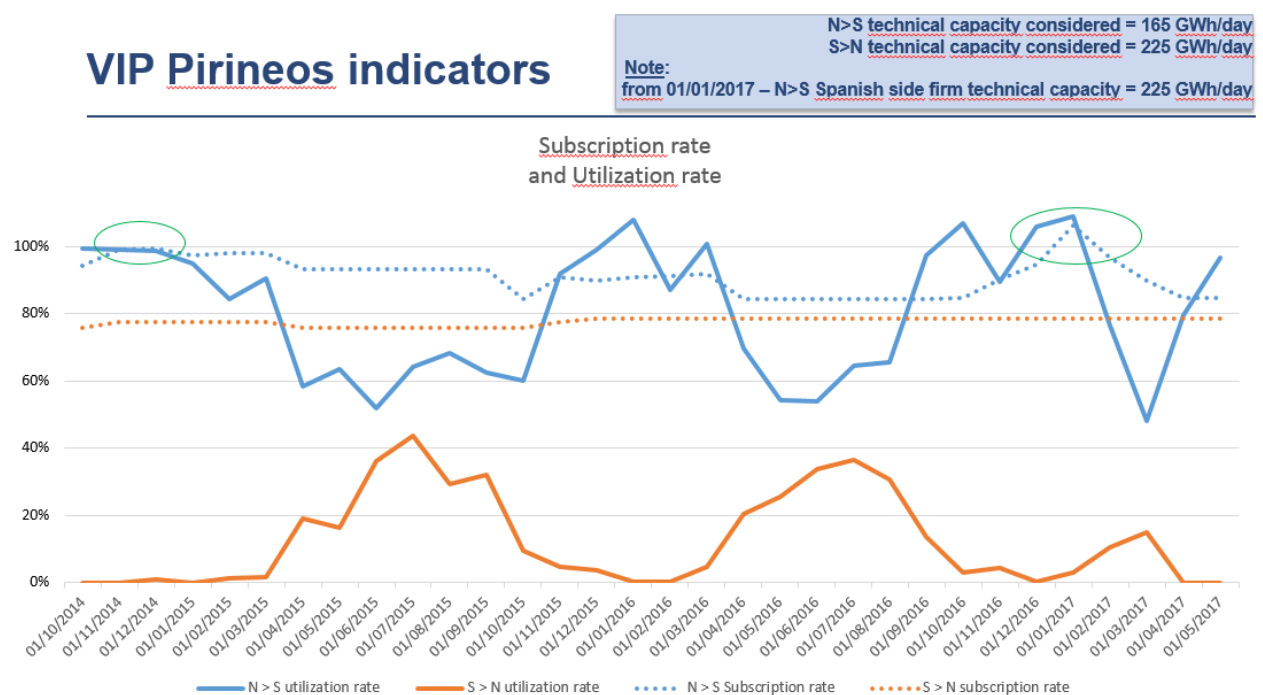
- a) non-binding demand indications received within 8 weeks after the 6 April 2017 – entry into force of REGULATION EC 459/2017.

Therefore, the amount of 0 for non-binding demand indications has been used as a basis for this demand assessment.

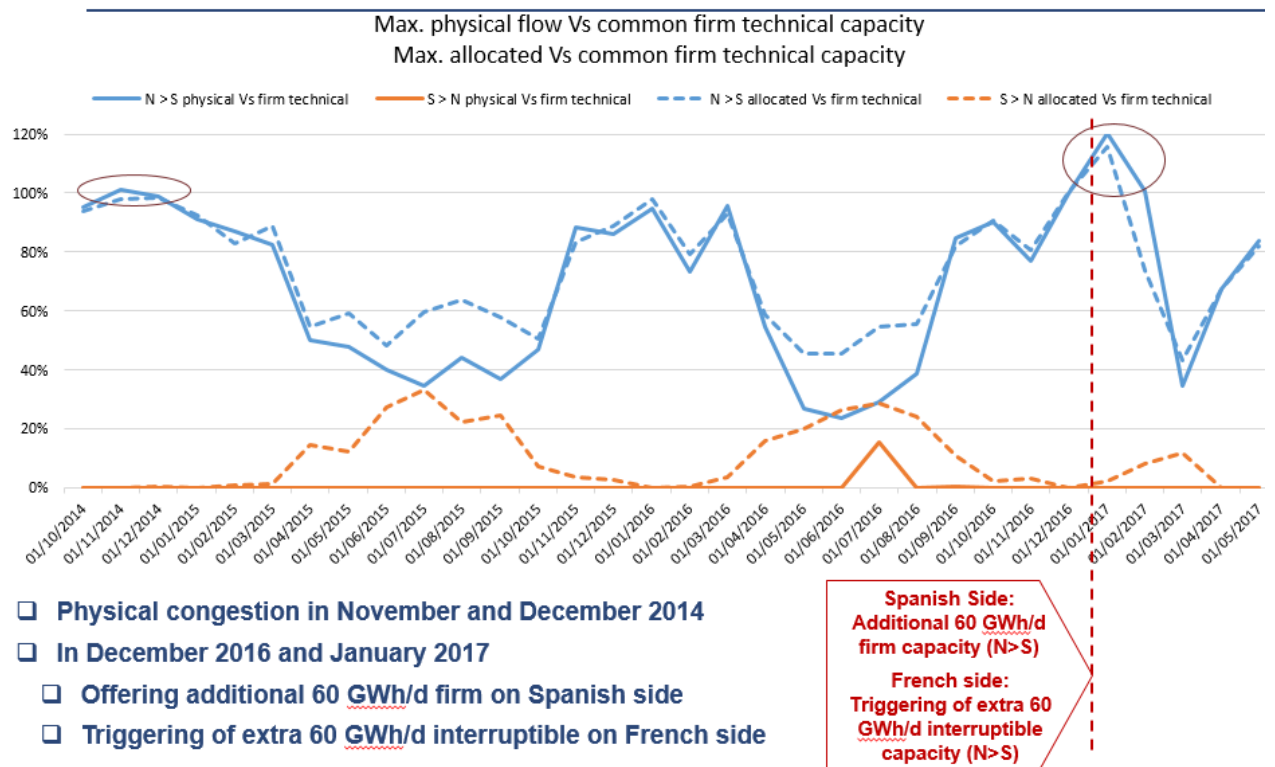
B. Demand assessment

i. Historical usage pattern

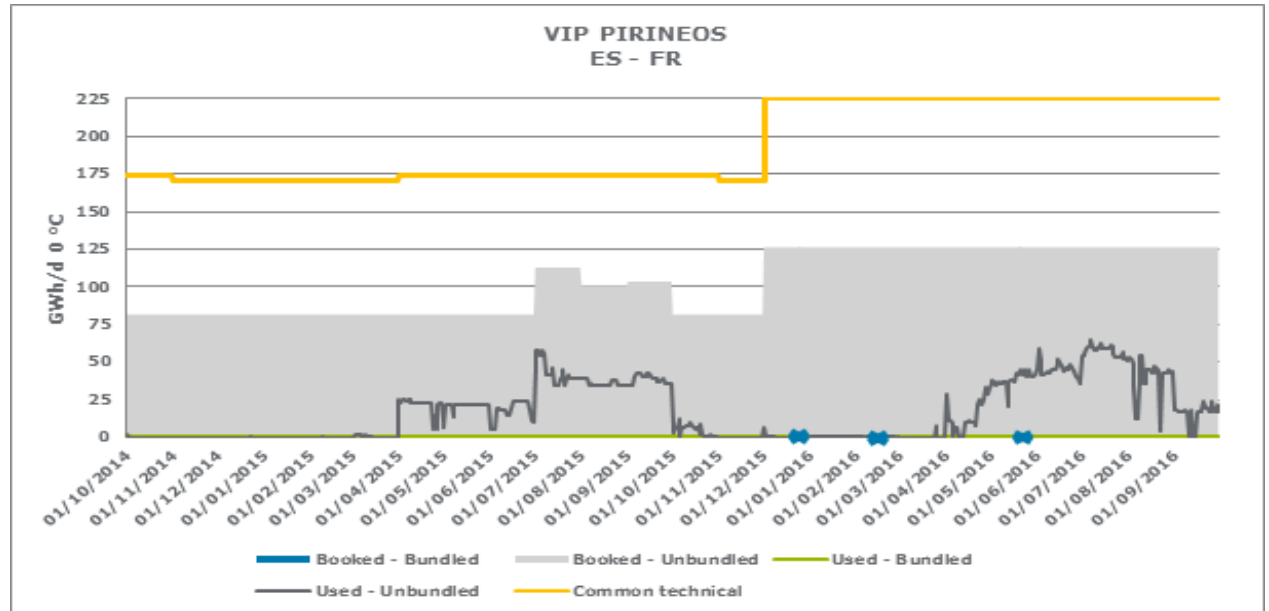
The utilisation of the technical capacity is presented in the charts below by comparing the technical capacity with the booked capacity, the allocated “commercial” flow and the physical flow for the last 3 years at the interconnection point Pirineos.



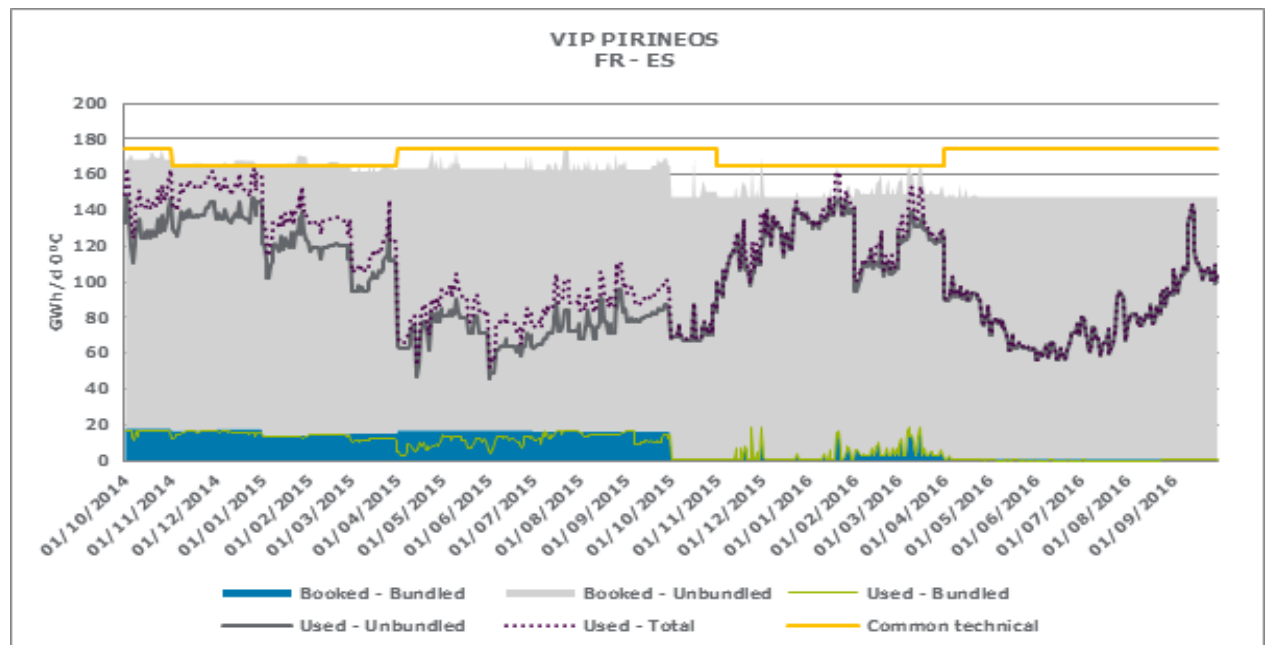
The use of the VIP Pirineos is seasonal. Several events of contractual congestion (green circles here above) have been encountered.



Flow from Spain to France:



Flow from France to Spain:



ii. Results of current annual yearly auction

In the recent annual yearly auctions, taking place on 06.03.2017 for the joint interconnection point the following results have been achieved:

Interconnection point name	Interconnection point EIC	Flow direction	Gas year [yyyy]	Offered capacity (kWh/h 25°C) Amount	Booked capacity (kWh/h 25°C) Amount	Capacity type [e.g. firm]
VIP PIRINEOS	21Z000000000285D	North>South	2017	40.619	21.001	Firm bundled
VIP PIRINEOS	21Z000000000285D	South>North	2017	1.068.097	1	Firm bundled
VIP PIRINEOS	21Z000000000285D	ENTRY (Spanish side)	2017	54.250.991	125.002	Firm unbundled
VIP PIRINEOS	21Z000000000285D	ENTRY (Spanish side)	2017	2.093.349	1	Firm unbundled

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

The received demand indications within the current incremental process between the entry-exit system of TIGF and the entry-exit system of ENAGAS are zero.

C. Conclusion for the (non)-initiation of an incremental capacity project/process

According to the assessment result of the non-binding demand indications (conclusions on historical usage patterns here below), no incremental capacity project appears to be initiated.

Based on the aforementioned decision, no technical studies for incremental capacity projects shall be conducted.

Focus on Pirineos historical usage patterns:

The North South gas flow direction (from France to Spain) prevails over the South North direction in terms of net physical flow. Analyses show, in winter 2014-2015 mainly, that VIP Pirineos (North to South) was contractually congested and somehow physically congested (in November and December 2014).

Focusing on the summers 2015 and 2016, the nominated commercial flows from South to North were registered for injection purposes into underground storages located in the TRS market area.

The use of the interconnection is seasonal, whatever the direction.

In reference to the report of ACER published the 31st of May 2017: *“ACER 2017 Implementation Monitoring Report on Contractual Congestion at Interconnection Points”*, and based on CMP guidelines from ACER (cf part 4.4), the VIP Pirineos is contractually congested for the period of study. However, there was no demand from the market for the surrender mechanism. Also, the triggering of UIOLI LT was not necessary because the conditions of application were not fulfilled.

At VIP Pirineos some auctions cleared with premium over the reserved price; thus not all demand for capacity has been satisfied at the reserved price. Therefore, in order to avoid these possible situations in which the demand for capacity at the VIP could not be satisfied, new infrastructures could then be investigated.

D. Fees

Both TSOs did not introduce a fee for the evaluation and processing of non-binding demand indications.

E. Contact information

TIGF	Enagas Transporte
<p data-bbox="271 638 702 683">Email: capa.incrementale@tigf.fr</p> <p data-bbox="335 985 638 1176">40, avenue de l'Europe CS 20522 64010 PAU CEDEX</p> <p data-bbox="223 1310 750 1467">Find out TIGF sales contacts hereafter: https://www.tigf.fr/en/contact-us/sales-contacts/transport-sales-contacts.html</p> <div data-bbox="247 1601 726 1713"><p data-bbox="486 1612 726 1713">TRANSPORT ET INFRASTRUCTURES GAZ FRANCE</p></div>	<p data-bbox="997 537 1204 571">Fatima Romero</p> <p data-bbox="885 638 1316 672">Logistic Commercial Department</p> <p data-bbox="917 739 1284 772">Telephone: +34 91709 93 03</p> <p data-bbox="917 817 1284 851">Email: fromeroc@enagas.es</p> <p data-bbox="949 985 1252 1097">Paseo de los Olmos 19, 28005 Madrid</p> <div data-bbox="997 1601 1204 1780"></div>