

Demand assessment report for incremental capacity between GREECE and ITALY

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This document is published on the national transportation system operator's website in accordance with Chapter V of Regulation (EU) No 2017/459 of 16 March 2017.

ENTSOG coordinates and assists the incremental capacity process.

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

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A. Non-binding Demand indications

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

FROM		TO		THERMAL YEAR	CAPACITY	REQUEST SUBMITTED TO OTHER TSOs	Period when Demand Indication was received (**)	CONDITIONS [Ref. Art. 26 Par.9 of Regulations]
EXIT CAPACITY		ENTRY CAPACITY						
ENTRY-EXIT SYSTEM	EXIT POINT NAME	ENTRY-EXIT SYSTEM	ENTRY POINT NAME	[YYYY/ YYYY+1]	[kWh/day]	[If positive answer, please indicate the TSOs' name]		
Greece		Italy		2019/2020 – 2038/2039	357.672.000	Same request submitted to Snam Rete Gas and DESFA*	1	<p>Note1: for calculation purpose will be assumed a gross calorific value equal to 10,4 kWh/m3 (@20°C)</p> <p>Note 2: Demand Request referred to long-term, mid-term and short-term</p> <p>Note 3: *DESFA received a non-binding demand indication of 460.512.000 kWh/day related to the interconnection between Turkey and Greece for the same period.</p>

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

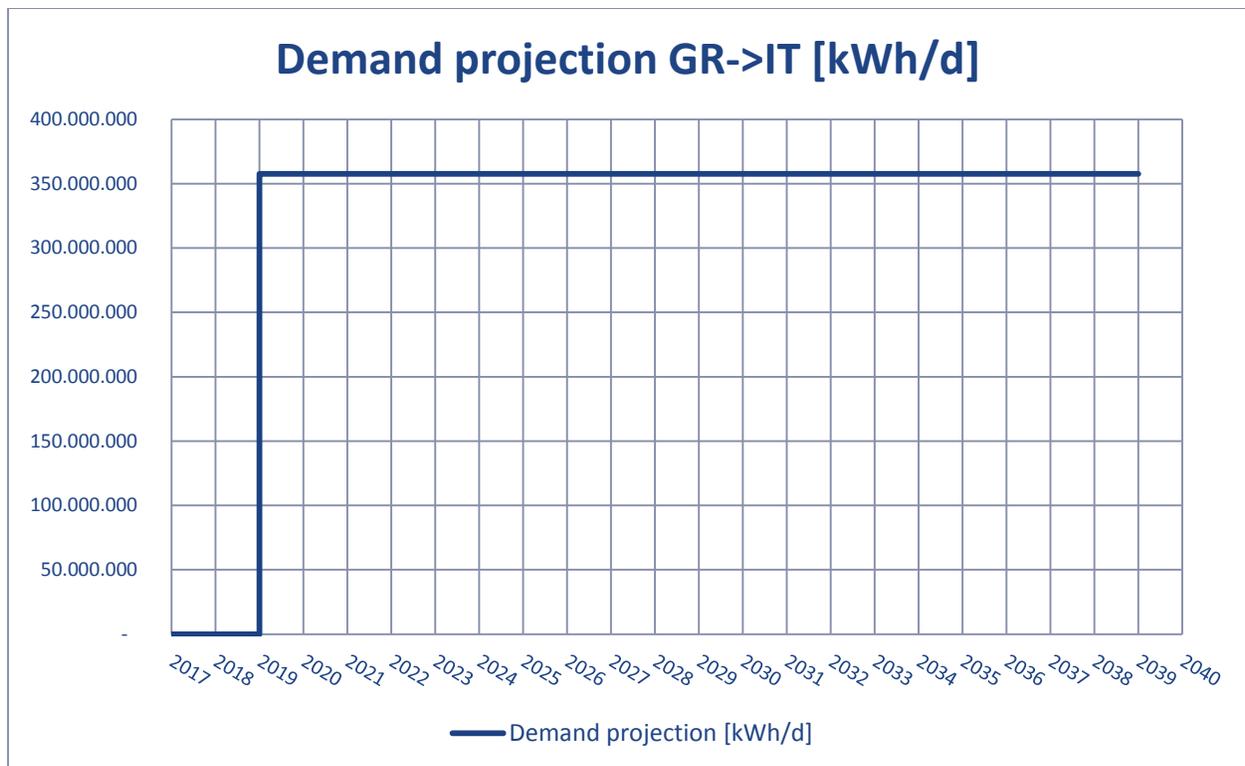
- 1) within eight weeks after the start of Incremental Capacity procedure;
- 2) later than the start of Incremental Capacity procedure, but that will be considered in this incremental capacity cycle (9 – 16 weeks after the start of Incremental Capacity procedure).

B. Demand assessment

There is no interconnection point between Greece and Italy at this time, although in the ENTSOG Ten-Year Network Development Plan 2017 (TYNDP) and in the Gas Regional Investment Plan (GRIP) there are projects that would allow the two countries to interconnect (please see paragraph B iii)

i. Historical usage pattern

As there is not an interconnection point currently existing between Greece and Italy, the expressed demand indications as presented in chapter A, served as basis for modelling the following future demand projection.



Referring to the non-binding demand indication related to the interconnection between Turkey and Greece it is important to underline that there is an interconnection point currently existing between Turkey and Greece, however it is of lower capacity than the expressed demand indications as presented in chapter A.

Without prejudice to the timing of the availability of new transport capacity and taking into account the best effort that TSOs will undertake to offer capacity within the earliest feasible timeframe, it is noted that the dates proposed by the shipper appear to be challenging.

ii. Results of current annual yearly auction

Not applicable.

iii. Relations to TYNDP, GRIP and NDP

In the TYNDP 2017 issued by ENTSOG and in the Southern Corridor Gas Regional Investment Plan (GRIP), there are two projects that make available an interconnection between Greece and Italy via Turkey:

- i. Poseidon (TRA-N-010, direct connection between Greece and Italy), enabled by Komotini - Thesprotia (TRA-N-014), and by the Kipi compressor station (TRA-N-128) at the Greek/Turkish border;
- ii. Trans Adriatic Pipeline (TRA-F-051, indirect connection between Greece and Italy through Albania);

The ten-year development plan 2016-2025 of DESFA, as well as the draft (currently in public consultation stage) NDP 2017-2026 includes the Komotini - Thesprotia project which includes an interconnection point to Poseidon (offshore line) project.

The Snam Rete Gas NDP 2016 – 2025 mentions the Poseidon project and also the Trans Adriatic Pipeline (this project is already in the construction phase with a planned commissioning in 2020), that offers an indirect interconnection between Greece and Italy, via Albania, which may be considered relevant to the capacity request.

This means that Snam Rete Gas and DESFA are ready to implement the measures necessary to facilitate the connection to the national network, when the progress of the project will prefigure an effective commitment to its realization.

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

The amount and direction of the demand for incremental capacity considered during the present procedure are the ones represented at paragraph (i).

This demand level shall serve as input for the technical studies that will result in the offer levels.

The capacity will be offered for the maximum period defined by the Regulation.

Notwithstanding the TSOs commitment to follow up on requests sent by the shipper, it should be pointed out that the completion times of the incremental procedures and the realization of the infrastructure could be not compatible with the requested start of operational use of the infrastructure.

Nevertheless, it will be made available in the binding capacity phase for the same period mentioned above.

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

Based on the evaluation of the received non-binding demand indications as presented in chapter B, taking into account that Greece and Italy are not interconnected at the moment, so there is not existing technical capacity for the same period, for the interconnection point required by Demand Indication phase, **an incremental capacity project will be initiated.**

Therefore, in the upcoming Design phase the affected TSOs will conduct technical studies with the aim to create offer level in order to meet the expected demand for incremental capacity.

These technical studies will be based on the considerations made in paragraph B.iv.

D. Provisional timeline

The following indicative timeline provides an overview about the planning for the technical studies and consultation on the draft project proposal to be developed and conducted in the upcoming Design phase according to Article 27 of REGULATION (EU) 2017/459.

Activity		Expected start*	Expected end*	Expected duration
Incremental Capacity Process				
Design phase				
	Technical studies for incremental capacity projects	28/07/2017	20/10/2017	12 weeks
	Public Consultation on draft project proposal	21/10/2017	20/12/2017	2 months

** The deadlines are indicative and in line with the provisions of the Regulations; TSOs, in coordination with their NRAs, will make their best efforts to reduce the time of the process.*

After the end of design phase the proposal for the incremental capacity project will be submitted to the relevant national regulatory authorities (NRA) for coordinated approvals. In case of positive decision of NRAs binding phase start and an allocation notice will be published on TSOs website at least 2 months before the start of incremental capacity auction.

If the economic test for at least one offer level will be positive, the realization of the incremental capacity project will be initiated.

Without prejudice to the timing of the availability of new transport capacity and taking into account the best effort that TSOs will undertake to offer capacity within the earliest feasible timeframe, it is noted that the dates proposed by the shipper appear to be challenging.

In any case it is provided that any delays in obtaining the authorization for construction may occur, the timing may therefore differ from the time schedule that will be determined in the incremental capacity design phase, without any consequence for the TSOs.

TSOs will provide more details during the next steps of the process.

E. Interim arrangements for the auction of existing capacity on the concerned IP(s)

Currently not relevant.

F. Fees

Both involved TSOs do not currently charge fees foreseen by Article 26.11 of REGULATION EU 2017/459. This is without prejudice to the possibility of introducing fees in the subsequent process phases should they be required for activities resulting from the submission of non-binding demand indications. Such fees will be reimbursed if the economic test is positive for at least one offer level that includes incremental capacity.

G. Contact information

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