

**Demand assessment report  
for incremental capacity  
between the *Hungarian entry-exit system*  
and the *Austrian Market Area East***

**2019-10-21**

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

FGSZ Ltd. (hereinafter referred to as 'FGSZ')      GAS CONNECT AUSTRIA GmbH (hereinafter referred to as 'GCA')

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## A. Non-binding demand indications

The following aggregated non-binding demand indications received by FGSZ and GCA for firm capacity are the basis for this demand assessment:

In the direction from Hungary to Austria:

From [entry-exit system name] "EXIT CAPACITY"	To [entry-exit system name] "ENTRY CAPACITY"	Gas year [yyyy/yy]	Amount Unit: kWh/h/y	Request is submitted to other TSOs [Yes] or [No]	Period when demand indication was received* [please include the period according to the numbers 1) - 3)]
Hungarian entry-exit system	Austrian Market Area East	2020/21	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2021/22	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2022/23	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2023/24	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2024/25	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2025/26	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2026/27	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2027/28	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2028/29	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2029/30	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2030/31	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2031/32	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2032/33	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2033/34	1,277,397.26	Yes	2
Hungarian entry-exit system	Austrian Market Area East	2034/35	1,277,397.26	Yes	2

In the direction from Austria to Hungary:

From [entry-exit system name] "EXIT CAPACITY"	To [entry-exit system name] "ENTRY CAPACITY"	Gas year [yyyy/yy]	Amount Unit: kWh/h/y	Request is submitted to other TSOs [Yes] or [No]	Period when demand indication was received* [please include the period according to the numbers 1) - 3)]
Austrian Market Area East	Hungarian entry-exit system	2019/20	4 271 119	Yes	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2020/21	4 271 119	Yes	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2021/22	4 271 119	Yes	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2022/23	4 271 119	Yes	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2023/24	4 271 119	Yes	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2024/25	4 271 119	Yes	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2025/26	4 271 119	Yes	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2026/27	4 271 119	Yes	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2027/28	4 271 119	Yes	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2028/29	4 271 119	Yes	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2029/30	0	-	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2030/31	0	-	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2031/32	0	-	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2032/33	0	-	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2033/34	0	-	2 (FGSZ) 3 (GCA)
Austrian Market Area East	Hungarian entry-exit system	2034/35	0	-	2 (FGSZ) 3 (GCA)

\* The following standardised period is 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).

## **B. Demand assessment**

The Austrian national network development plan contains the incremental capacity project 'GCA 2015/04 Entry Mosonmagyaróvár Minimum' foreseeing the creation of 120,000 Nm<sup>3</sup>/h (0°C) freely allocable capacity at the entry point Mosonmagyaróvár. The Hungarian national network development plan will be published after its adoption by the Hungarian NRA, that is foreseen for a later date.

No firm bundled yearly standard capacity products linking the concerned entry-exit systems were offered for the gas years 2024/25 to 2034/35 in the annual yearly capacity auctions of 1 July 2019, as the Hungarian national regulatory authority had decreed to set aside 100% of the existing technical capacity on the Hungarian side of the interconnection point Mosonmagyaróvár.

Network users have submitted non-binding demand indications requesting incremental capacity for a sustained number of years: the expected amount of demand for incremental capacity at the interconnection point Mosonmagyaróvár is 1,277,397 kWh/h per year for the gas years from 2020/21 to 2034/35 in the flow direction from Hungary to Austria. Currently, only virtual backhaul capacity exists in the flow direction from Hungary to Austria.

Network users have submitted non-binding demand indications requesting incremental capacity for a sustained number of years: the expected amount of demand for incremental capacity at the interconnection point Mosonmagyaróvár is 4,271,119 kWh/h per year for the gas years from 2019/20 to 2028/29 in the flow direction from Austria to Hungary. GCA has sufficient availability of existing firm capacity to cover that demand indication from 1 October 2024 onwards. This date is way before the earliest start-up date for an incremental capacity project. For FGSZ, in 2022/23 and 2023/24 there are slightly more demand than available.

## **C. Conclusion for the (non)-initiation of an incremental capacity project**

FGSZ and GCA conclude to initiate an incremental capacity project based on the non-binding demand indication received for the direction from Hungary to Austria. Technical studies for an incremental capacity project at the interconnection point Mosonmagyaróvár will be conducted for expected demand levels of up to 120,000 Sm<sup>3</sup>/h (15°C). During the design phase, the required infrastructure and the cross-border gas quality parameters will be defined.

FGSZ and GCA conclude not to initiate an incremental capacity project based on the non-binding demand indication received for the direction from Austria to Hungary for the reasons as stated under section B. However, FGSZ and GCA will analyse economically efficient means for maximising the existing capacity in the short term.

## D. Provisional timeline

Milestone	Plan date (per 21 October 2019)
Technical studies completed	13 January 2020
Public consultation completed	14 February 2020
Incremental auction completed <sup>1</sup>	July 2020
Start of operational use <sup>2</sup>	October 2023

FGSZ and GCA are planning to offer the incremental capacity in yearly capacity auctions for 15 years after the start of operational use.

## E. Fees

FGSZ will not charge fees for activities resulting from the submission of non-binding demand indications.

GCA will not charge fees for activities resulting from the submission of non-binding demand indications.

## F. Publications for reference

- General information on transparency requirements (including flow data)
  - [ENTSOG Transparency Platform](#)
  - FGSZ: <https://fgsz.hu/en/transparency-information/eu-regulations>
  - [GCA transparency overview](#)
- Network development plans
  - [ENTSOG Ten Year Network Development Plan](#)
  - Hungarian national network development plan: [https://fgsz.hu/file/documents/1/1159/tyndp\\_18122018\\_en.pdf](https://fgsz.hu/file/documents/1/1159/tyndp_18122018_en.pdf)
  - Austrian national network development plan: [binding German version](#), [English version](#)
- Results of capacity auctions at the interconnection point Mosonmagyaróvár
  - [Regional Booking Platform®](#)
- Documentation of previous incremental capacity processes
  - [FGSZ's DAR about Mosonmagyaróvár](#), <https://www.entsog.eu/capacity-allocation-mechanisms-nc#incremental-capacity-demand-assessment-2017>
  - [GCA's incremental capacity processes started in 2017](#)

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<sup>1</sup> This milestone is viable only, if the concerned national regulatory authorities publish a coordinated and positive decision on the project proposal by 31 May 2020 at the latest.

<sup>2</sup> This milestone is viable only in case of a timely achievement of the previous milestone and subject to a positive outcome of the economic tests.