



Demand assessment report for incremental capacity between *Hungary* and *Romania*

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21-10-2019

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

TSO 1

TSO 2

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Company Limited by Shares

SNTGN TRANSGAZ SA

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A. Non-binding Demand indications

Csanádpalota IP connects the Romanian and Hungarian entry-exit system.

Currently available capacities:

IP name	Csanádpalota (HU>RO)	Csanádpalota (RO>HU)
	kWh/h/y	kWh/h/y
FGSZ physical capacity	2 689 513	2 094 430
Transgaz physical capacity	2 689 513	896 678
Published technical capacity (FGSZ/Transgaz)	2 689 513	896 678

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

Indicative demands submitted to FGSZ

Csanádpalota (HU>RO)

From [entry-exit system name] “EXIT CAPACITY”	To [entry-exit system name] “ENTRY CAPACITY”	Gas year YYYY/YY	Amount (kWh/h)/y	Request is submitted to other TSOs [yes, TSO] or [no] (detailed information shall be provided below)	Period when Demand Indication was received* [please include the period according to the numbers 1) - 3]]	Additional Information (e.g. type of capacity, if different from bundled firm freely allocable)
<i>FGSZ Ltd.</i>	<i>Transgaz</i>	<i>2019/20-2023/24</i>	<i>1,083,904</i>	<i>Yes</i>	<i>2</i>	<i>n/a</i>

Csanádpalota (RO>HU)

From [entry-exit system name] “EXIT CAPACITY”	To [entry-exit system name] “ENTRY CAPACITY”	Gas year YYYY/YY	Amount (kWh/h)/y	Request is submitted to other TSOs [yes, TSO] or [no] (detailed information shall be provided below)	Period when Demand Indication was received* [please include the period according to the numbers 1) - 3)]	Additional Information (e.g. type of capacity, if different from bundled firm freely allocable)
Transgaz	FGSZ Ltd.	2019/20	0	No	2	n/a
Transgaz	FGSZ Ltd.	2020/21	0	No	2	n/a
Transgaz	FGSZ Ltd.	2021/22	0	No	2	n/a
Transgaz	FGSZ Ltd.	2022/23	0	No	2	n/a
Transgaz	FGSZ Ltd.	2023/24	0	No	2	n/a
Transgaz	FGSZ Ltd.	2024/25	5,852,400	Yes	2	n/a
Transgaz	FGSZ Ltd.	2025/26	5,852,400	Yes	2	n/a
Transgaz	FGSZ Ltd.	2026/27	5,852,400	Yes	2	n/a
Transgaz	FGSZ Ltd.	2027/28	5,852,400	Yes	2	n/a
Transgaz	FGSZ Ltd.	2028/29	5,852,400	Yes	2	n/a
Transgaz	FGSZ Ltd.	2029/30	5,250,232	Yes	2	n/a
Transgaz	FGSZ Ltd.	2030/31	5,250,232	Yes	2	n/a
Transgaz	FGSZ Ltd.	2031/32	5,250,232	Yes	2	n/a
Transgaz	FGSZ Ltd.	2032/33	5,250,232	Yes	2	n/a
Transgaz	FGSZ Ltd.	2033/34	5,250,232	Yes	2	n/a
Transgaz	FGSZ Ltd.	2034/35	602,169	Yes	2	n/a

* 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).

Indicative demands submitted to TRANSGAZ

Csanádpalota (HU>RO)

From [entry-exit system name] “EXIT CAPACITY”	To [entry-exit system name] “ENTRY CAPACITY”	Gas year YYYY/YY	Amount (kWh/h)/y	Request is submitted to other TSOs [yes, TSO] or [no] (detailed information shall be provided below)	Period when Demand Indication was received* [please include the period according to the numbers 1) - 3]]	Additional Information (e.g. type of capacity, if different from bundled firm freely allocable)
FGSZ Ltd.	Transgaz	2019/20	2,083,904	Yes, partly	2	n/a
FGSZ Ltd.	Transgaz	2019/20	2,083,904	Yes, partly	2	n/a
FGSZ Ltd.	Transgaz	2020/21	2,083,904	Yes, partly	2	n/a
FGSZ Ltd.	Transgaz	2021/22	2,083,904	Yes, partly	2	n/a
FGSZ Ltd.	Transgaz	2022/23	1,083,904	Yes	2	n/a

Csanádpalota (RO>HU)

From [entry-exit system name] “EXIT CAPACITY”	To [entry-exit system name] “ENTRY CAPACITY”	Gas year YYYY/YY	Amount (kWh/h)/y	Request is submitted to other TSOs [yes, TSO] or [no] (detailed information shall be provided below)	Period when Demand Indication was received* [please include the period according to the numbers 1) - 3]]	Additional Information (e.g. type of capacity, if different from bundled firm freely allocable)
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Transgaz	FGSZ Ltd.	2024/25	5,852,400	Yes	2	n/a
Transgaz	FGSZ Ltd.	2025/26	5,852,400	Yes	2	n/a
Transgaz	FGSZ Ltd.	2026/27	5,852,400	Yes	2	n/a
Transgaz	FGSZ Ltd.	2027/28	5,852,400	Yes	2	n/a
Transgaz	FGSZ Ltd.	2028/29	5,852,400	Yes	2	n/a
Transgaz	FGSZ Ltd.	2029/30	5,250,232	Yes	2	n/a
Transgaz	FGSZ Ltd.	2030/31	5,250,232	Yes	2	n/a
Transgaz	FGSZ Ltd.	2031/32	5,250,232	Yes	2	n/a
Transgaz	FGSZ Ltd.	2032/33	5,250,232	Yes	2	n/a
Transgaz	FGSZ Ltd.	2033/34	5,250,232	Yes	2	n/a
Transgaz	FGSZ Ltd.	2034/35	602,169	Yes	2	n/a

* 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 demands were accompanied by the following conditions:

- the indicative incremental capacity demand will be considered non-binding and **will be taken into account only if the ROHU-Phase 2 Open Season is unsuccessful.**
- **If the Open Season is successful**, resulting the extension of the RO>HU IP firm capacity to 4.4 bcm/y (4.64 GWh/h), no incremental capacity over 4.4 bcm/y is not requested for the Csanadpalota IP, and **the nonbinding indicative demand should not be considered.**
- It is valid only if the ongoing ROHU Open Season is ended without capacity allocation.

B. Demand assessment

On the Hungarian side the corresponding projects (up to 500,000 m³/h capacity) were studied in the national development plan 2018-2029 but these projects are approved only conditionally by NRA yet.

On the Romanian side the following corresponding projects were studied in the National Development Plan 2019-2028 (under approval by ANRE)

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

According to the ongoing Open Season, FGSZ and Transgaz offered in RO>HU direction 4 648 063 kWh/h/y firm capacity at both sides, and in HU>RO direction 4 828 354 kWh/h/y firm capacity at both sides. The technical capacity will be in RO>HU direction 5 164 514 kWh/h/y and in HU>RO direction 5 364 838 kWh/h. FGSZ and Transgaz will publish the aggregated Open Season result on 14.04.2020. In case the ROHU Open Season procedure will be closed unsuccessfully in 2020, the Parties intend to start the incremental procedure.

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

The demand assessment concluded that the expected amount requested at the Csanádpalota IP is of maximum 2,083,904 kWh/h/y firm capacity in the (HU>RO) flow direction (from 2019/20 to 2023/24).

On Hungarian side, in the HU>RO direction, at this IP there is 1,678,632 kWh/h/year long-term booked capacity until 2029/30 and 3,686,206 kWh/h/y available capacity if the Open Season procedure is successful.

On Romanian side, at this IP there is 10,730 kWh/h/y long-term booked capacity until 2029/30 and 5,354,108 kWh/h/y available capacity.

At Csanádpalota IP (RO>HU) flow direction the highest demand on both sides is 5,852,400 kWh/h/y.

Considering the conditions expressed by the applicants in the (above) nonbinding demands sent and the fact that their demands remain valid only if the ongoing Open Season is unsuccessful, and considering that the bid submission deadline for the Open Season was extended until 31 March 2020, at the date of this document, the two TSOs cannot take the decision to initiate technical projects. Demand assessment can be resumed only following closure of the Open Season (15.04.2020).

If the Open Season will be closed unsuccessfully, then the Parties intend to start the incremental procedure.

D. Provisional timeline

Entry Hungary/Exit Romania

Exit Hungary/Entry Romania

Start Date	End Date	Description
	14.04.2020	Open Season

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

There is no interim arrangement.

F. 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.

G. Contact information

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