



Demand assessment report for incremental capacity between Hungary and Slovakia

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Demand assessment report for the incremental capacity process starting 2019 between Hungary and Slovakia



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 involved TSO's FGSZ Ltd. (hereinafter referred to as "FGSZ") and eustream, a.s. (hereinafter referred to as "EUS") have received non-binding demand indication for firm technical capacities increase over the existing level at the interconnection point (hereinafter referred to as "IP") Balasagyarmat / Veľké Zlievce of the entry-exit system of FGSZ and the entry-exit system of EUS.

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"	Type of "EXIT CAPACITY"	Type of "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)	Conditions** [please include the letter(s) a) to c) and describe the conditions in more detail below]	Period when Demand Indication was received* [please include the period according to the numbers 1) - 3)]	Additional Information
FGSZ	EUS	FIRM	FIRM	2024/25 - 2033/34	4,648,063	Yes, EUS, FGSZ	a) b) c)	2	Link over IPs

Note: firm technical capacity available in HU>SK direction from Q4 2019

* The following standardized 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 standardized 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.



B. Demand assessment

i. Historical usage pattern

Historic usage on the IP Balassagyarmat / Veľké Zlievce is available on EUS web sites and published in the Entso-g Transparency Platform as well. Technical firm capacity of IP Balassagyarmat / Veľké Zlievce in direction HU->SK is 50.786 GWh/d (until Q4 2019 on interruptible basis only).

ii. Relations to GRIPS, TYNDP, NDPs

Projects to fulfil above listed incremental capacity demand are part of the Gas Regional Investment Plan for Central and Eastern Europe (CEE GRIP), the network development plan for EU (in Entso-g). Current Ten Year Network development plans (TYNDP) of EUS and FGSZ as part of the North-South Gas Interconnections in Central and South Eastern Europe estimates improvement of interruptible capacity to firm capacity at IP Balassagyarmat / Veľké Zlievce in direction HU>SK up to level of 152.64 GWh/d and firm capacity increase from current level of 126.97 to 152.64 GWh/d in direction SK>HU.

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

Based on received non-binding inquiries for IP Balassagyarmat/Veľké Zlievce the expected demand level for HU>SK direction exceeds the current 2,116,083 kWh/h interruptible capacities.

For HU>SK direction both FGSZ and EUS received 4,648,063 kWh/h for 10 years 2024/25-2033/34.

iv. Elaboration of conditions of capacity demand indication

At least one of non-binding indications was submitted to other transmission system operators, such as demand indication for capacities linked to each other at least at two interconnection points.



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

Demand indication submitted to FGSZ and EUS in the direction HU>SK on the level of 111.55 GWh/d retrospectively is above the available technical firm capacity on the level of 50.786 GWh/d as of October 2019.

According to the Market Demand Assessment result of the non-binding demand indications under point B (technical capacities increase over the existing level at the IP between FGSZ and EUS), one demand level of 152,6 GWh/d (respectively 6,360,000 kWh/h) for incremental capacity need to be developed at HU>SK direction on firm basis at the first stage.

Involved TSOs are going to initiate the incremental capacity projects listed above for IP Balasgyarmat/Veľké Zlievce HU>SK to offer the incremental capacity in 2020. Technical studies for incremental capacity projects of this IP will be conducted under the aforementioned regulation.

During the design phase the required infrastructure developments has to be studied and the gas quality parameters need to be defined.

D. Provisional timeline

Involved TSOs intend to conduct the technical studies and the consultation project proposal according to the following provisional timeline:

Milestone	Plan date (per 21 October 2019)
Design phase completed	13 January 2020
Public consultation completed	14 February 2020
Incremental auction completed ¹	6 July 2020
Start of operational use ²	1 October 2024

¹ 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.

² 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.

TSO's decision about the binding offer: NRAs approval of conditions will be needed before the TSO's decision and publication of the final conditions of the incremental capacity project.



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

In case of interim arrangements or other limitation, respective provisions of Regulation (EU) 2017/459 shall apply.

F. Fees

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



G. Contact information

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