



**Demand assessment report
for incremental capacity between
Plinovodi d.o.o. and *FGSZ Ltd.***

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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 TSOs, FGSZ and Plinovodi have received 1 non-binding demand indication for firm capacity at the envisaged interconnection points between the entry-exit system of FGSZ and the entry-exit system of Plinovodi in the period “2)” and 2 non-binding demand indications in the period “3)”

Slovenian TSO Plinovodi received 2 non-binding demands for incremental capacities after the deadline defined in the 6th paragraph of the Article 26, Regulation 2017/459.

The non-binding demand is referring for incremental capacities Tornyiszentmiklós Exit and Pince Entry:

From [entry-exit system name] “EXIT CAPACITY”	To [entry-exit system name] “ENTRY CAPACITY”	Gas year [yyyy/yy]	Amount [Please indicate unit: (kWh/h)/y or (kWh/d)/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	Plinovodi	2019/2020	2,440,639 kWh/h	Yes	2), 3)	
FGSZ	Plinovodi	2020/2021	2,440,639 kWh/h	Yes	2), 3)	
FGSZ	Plinovodi	2021/2022	2,540,639 kWh/h	Yes	2), 3)	
FGSZ	Plinovodi	2022/2023	2,590,639 kWh/h	Yes	2), 3)	
FGSZ	Plinovodi	2023/2024	3,846,119 kWh/h	Yes	2), 3)	
FGSZ	Plinovodi	2024/2025	3,896,119 kWh/h	Yes	2), 3)	
FGSZ	Plinovodi	2025/2026	3,896,119 kWh/h	Yes	2), 3)	
FGSZ	Plinovodi	2026/2027	3,896,119 kWh/h	Yes	2), 3)	
FGSZ	Plinovodi	2027/2028	3,896,119 kWh/h	Yes	2), 3)	

<i>FGSZ</i>	<i>Plinovodi</i>	<i>2028/2029</i>	<i>3,896,119 kWh/h</i>	<i>Yes</i>	<i>2), 3)</i>	
<i>FGSZ</i>	<i>Plinovodi</i>	<i>2029/2030</i>	<i>1,455,479 kWh/h</i>	<i>Yes</i>	<i>3)</i>	
<i>FGSZ</i>	<i>Plinovodi</i>	<i>2030/2031</i>	<i>250,000 kWh/h</i>	<i>Yes</i>	<i>3)</i>	
<i>FGSZ</i>	<i>Plinovodi</i>	<i>2031/2032</i>	<i>250,000 kWh/h</i>	<i>Yes</i>	<i>3)</i>	
<i>FGSZ</i>	<i>Plinovodi</i>	<i>2032/2033</i>	<i>250,000 kWh/h</i>	<i>Yes</i>	<i>3)</i>	
<i>FGSZ</i>	<i>Plinovodi</i>	<i>2033/2034</i>	<i>250,000 kWh/h</i>	<i>Yes</i>	<i>3)</i>	
<i>FGSZ</i>	<i>Plinovodi</i>	<i>2034/2035</i>	<i>250,000 kWh/h</i>	<i>Yes</i>	<i>3)</i>	

* 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).

TSOs haven't received any demand indications in direction SI>HU.

B. Demand assessment

i. Historical usage pattern

Tornyiszentmiklós/Pince interconnection point (IP) is not existing point hence the historical usage pattern here is not applicable.

ii. Results of current annual yearly auction

In the recent annual yearly auctions, taking place on 01. 07. 2019 capacity wasn't offered for the joint interconnection point(s), consequently there is no booked capacity.

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

Both TSO's received some non-binding demand indications, that have been considered for the envisaged interconnection point between the entry-exit system of FGSZ and the entry-exit system of Plinovodi. The aim of the interconnection project is to connect the Slovenian and Hungarian transmission systems, and it would allow Slovenian suppliers to access Hungarian underground storages and Hungarian suppliers to access the gas resources in Italy and northern Adriatic. It would also contribute to the security of natural gas supply in Slovenia from the direction of Eastern supply sources and in Hungary from the Italian and Northern Adriatic sources. Based on advantages the project was included in PCI list 2015 and 2017 labelled as "6.23 Hungary - Slovenia interconnection (Nagykanizsa - Tornyiszentmiklós (HU) - Lendava (SI) - Kidričevo)". On Slovenian side, a corresponding project is approved in national development plan 2019-2028 and included in proposal for national development plan 2020-2029. On Hungarian side, the national development plan 2018-2027 contained the corresponding projects, but it is not approved by NRA, approval subject to the market demand and will be included in proposal for national development plan 2019-2028 also.

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

According to the assessment result of the non-binding demand indications, there is significant and sufficient demand level for incremental capacity to be developed; therefore, incremental capacity project will be initiated.

Based on the aforementioned decision, additional technical studies for incremental capacity projects will be conducted.

According to the received demand indications, FGSZ envisages 4 capacity levels to be indicated as demand levels 50,000 m³/h (15°C); 190,000 m³/h (15°C); 230,000 m³/h (15°C); 362,000 m³/h (15°C).

Capacities will be offered in yearly capacity auctions for a maximum of 15 years after the start of operational use where the offer levels will be defined on the basis of the further analysis conducted jointly by the neighbouring TSOs.

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

The received non-binding demand shall be considered according to the paragraph 6 and 7 of the Article 26, Regulation 2017/459.

D. Provisional timeline

Market Demand Assessment will be, according to the Article 26, Regulation 2017/459 performed on regular basis.

In the frame of national development plans and system developments, the interconnection Slovenia – Hungary will be further processed also considering the aspects of security of supply. Bidirectional operation of new interconnection point is increasing its regional importance. Both neighbouring TSOs are interested in preserving the PCI-status of the project.

The timeline will follow the requirements of the Article 27, Regulation 2017/459.

Milestone	Plan date (per 21 October 2019)
Design phase completed	13 January 2020
Public consultation completed	14 February 2020
Incremental auction completed ¹	July 2020 or 2021
Start of operational use ²	October 2023 ³ ; October 2025 ⁴

¹ This milestone depends on the decision of the adjacent TSO on the HU-SI-IT gas corridor and is viable only, if the concerned national regulatory authorities publish a coordinated and positive decision on the project proposal at the latest 2 months before the offer of incremental capacity in the annual yearly capacity auction.

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.

³ 50,000 m³/h capacity available.

⁴ 190,000 m³/h capacity available. (230,000 m³/h and 362,000 m³/h capacity levels available after 2026).

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

Not applicable.

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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