



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

—

23-10-2023

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

TSO 1

TSO 2

SNTGN TRANSGAZ SA

FGSZ Natural Gas Transmission Private Company  
Limited by Shares

Address

Address

Piata C. I. Motas, Nr. 1

Tanácsház u. 5

551130, Medias Jud.

8600, Siófok,

Sibiu, Romania

Hungary

General contact information

General contact information

telephone +4 0269 80 33 33

Phone: +36-84-505-117

email: [cabinet@transgaz.ro](mailto:cabinet@transgaz.ro)

email: [info@fgsz.hu](mailto:info@fgsz.hu)

fax: +4 0269 83 90 29

Fax. +36-84-505-592

## Table of contents

A. Non-binding demand indications	4
B. Demand assessment	8
i. Historical usage pattern	8
ii. Expected amount, direction and duration of demand for incremental capacity	9
iii. Preparation of the capacity demand indication conditions	10
C. Conclusion for the initiation/non-initiation of an incremental capacity project	10
D. Provisional timeline	11
E. Interim arrangements for the auction of existing capacity on the concerned IP(s)	11
F. Fees	12
G. Contact information	13

## A. Non-binding demand indications

Csanádpalota IP connects the high-pressure Romanian and Hungarian entry-exit natural gas systems.

Technical capacities existing as of 1 October 2023:

IP name	Csanádpalota (HU>RO)	Csanádpalota (RO>HU)
	kWh/h/y	kWh/h/y
	3.250.052	3.283.570
FGSZ physical capacity	3.250.052	3.283.570
Transgaz physical capacity	3.250.052	3.283.570
Published technical capacity (FGSZ/Transgaz)	3.250.052	3.283.570

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

### **Demand indications submitted to TRANSGAZ**

#### *Csanádpalota (HU>RO)*

There was no indicative capacity demand recorded in the HU>RO direction in the incremental capacity demand assessment process launched in 2023.

#### *Csanádpalota (RO>HU)*

There were two capacity demands registered in this direction:

- **NU 1** requested capacity at a level of **3.797.945** kWh/h/y for 10 gas years from 2028/2029 to 2037/2038 with specified conditions. According to these conditions, there are non-binding demand indications for incremental capacity that are linked to each other and include several interconnection points. The indicative volumes for the relevant interconnection point were submitted to the respective transmission system operators.
- **NU 2** requested capacity at a level of **416.667** kWh/h/y for 10 gas years from 2024/2025 to 2033/2034, without any conditionalities.

The two requests aggregated are shown in the table below:

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.	2024/25	416.667	Yes	2	This request is on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2025/26	416.667	Yes	2	This request is on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2026/27	416.667	Yes	2	This request is on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2027/28	416.667	Yes	2	This request is on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2028/29	416.667+ 3.797.945= 4.214.612	Yes	2	These requests are on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2029/30	416.667+ 3.797.945= 4.214.612	Yes	2	These requests are on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2030/31	416.667+ 3.797.945= 4.214.612	Yes	2	These requests are on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2031/32	416.667+ 3.797.945= 4.214.612	Yes	2	These requests are on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2032/33	416.667+ 3.797.945= 4.214.612	Yes	2	There are no previous bookings
Transgaz	FGSZ Ltd.	2033/34	416.667+ 3.797.945= 4.214.612	Yes	2	There are no previous bookings
Transgaz	FGSZ Ltd.	2034/35	3.797.945	Yes	2	There are no previous bookings
Transgaz	FGSZ Ltd.	2035/36	3.797.945	Yes	2	There are no previous bookings

Transgaz	FGSZ Ltd.	2036/37	3.797.945	Yes	2	There are no previous bookings
Transgaz	FGSZ Ltd.	2037/38	3.797.945	Yes	2	There are no previous bookings

\* 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 annual yearly capacity auction);
- 3) eight weeks after the last annual yearly capacity auction, but which will be taken into account in the current incremental capacity cycle (9 – 16 weeks annual yearly capacity auction).

### **Demand indications submitted to FGSZ**

#### *Csanádpalota (HU>RO)*

There was no indicative capacity demand recorded in the HU>RO direction in the incremental capacity demand assessment process launched in 2023.

#### *Csanádpalota (RO>HU)*

There were two capacity demands registered in this direction:

- **NU 1** requested capacity at a level of **3.797.945** kWh/h/y for 10 gas years from 2028/2029 to 2037/2038 with specified conditions: According to these conditions, there are non-binding demand indications for incremental capacity that are linked to each other and include several interconnection points. The indicative volumes for the relevant interconnection point were submitted to the respective transmission system operators.
- **NU 2** requested capacity at a level of **416.667** kWh/h/y for 10 gas years from 2024/2025 to 2033/2034, without any conditionalities.

The two requests aggregated are shown in the table below:

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.	2024/25	416.667	Yes	2	This request is on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2025/26	416.667	Yes	2	This request is on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2026/27	416.667	Yes	2	This request is on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2027/28	416.667	Yes	2	This request is on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2028/29	416.667+ 3.797.945= 4.214.612	Yes	2	These requests are on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2029/30	416.667+ 3.797.945= 4.214.612	Yes	2	These requests are on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2030/31	416.667+ 3.797.945= 4.214.612	Yes	2	These requests are on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2031/32	416.667+ 3.797.945= 4.214.612	Yes	2	These requests are on top of the already booked capacity at this IP
Transgaz	FGSZ Ltd.	2032/33	416.667+ 3.797.945= 4.214.612	Yes	2	There are no previous bookings
Transgaz	FGSZ Ltd.	2033/34	416.667+ 3.797.945= 4.214.612	Yes	2	There are no previous bookings
Transgaz	FGSZ Ltd.	2034/35	3.797.945	Yes	2	There are no previous bookings
Transgaz	FGSZ Ltd.	2035/36	3.797.945	Yes	2	There are no previous bookings

Transgaz	FGSZ Ltd.	2036/37	3.797.945	Yes	2	There are no previous bookings
Transgaz	FGSZ Ltd.	2037/38	3.797.945	Yes	2	There are no previous bookings

\* 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 annual yearly capacity auction);
- 3) eight weeks after the last annual yearly capacity auction, but which will be taken into account in the current incremental capacity cycle (9 – 16 weeks annual yearly capacity auction).

**Aggregated existing firm bundled capacity booking in the direction (RO>HU) registered by the two TSOs:**

IP	Interconnection point EIC	Flow direction	Gas year	Total capacity allocated, kWh/h/y
Csanádpalota	21Z000000000236Q	RO>HU	2024/2025	1.145.000
Csanádpalota	21Z000000000236Q	RO>HU	2025/2026	1.140.001
Csanádpalota	21Z000000000236Q	RO>HU	2026/2027	5.001
Csanádpalota	21Z000000000236Q	RO>HU	2027/2028	2.425.763
Csanádpalota	21Z000000000236Q	RO>HU	2028/2029	2.425.763
Csanádpalota	21Z000000000236Q	RO>HU	2029/2030	2.425.763
Csanádpalota	21Z000000000236Q	RO>HU	2030/2031	1.201.523
Csanádpalota	21Z000000000236Q	RO>HU	2031/2032	1.201.523

## B. Demand assessment

### i. Historical usage pattern

The historical usage at IP Csanádpalota (HU) / Csanadpalota (RO) is available on the websites of both TSOs and is also published on the ENTSO-G transparency platform ([ENTSOG - TP](#)), relevant EIC code: 21Z000000000236Q.



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

*In the HU>RO direction*

Regarding the HU>RO direction there was no indicative capacity demand recorded in the incremental capacity demand assessment process launched in 2023, therefore there are no prerequisites for initiating an incremental capacity project in this direction.

*In the RO>HU direction*

It is noted that the demand indications received by the two TSOs and the bundled capacities previously booked are identical.

The analysis of the provision of non-binding capacity demand indications in the RO>HU direction, taking into account the previous capacity booked and the existing technical capacity, is presented in the table below:

Gas year	IP (Direction)	Firm technical capacity at 01.10.2023	Firm booked capacity	NU 1 demand	NU 2 demand	Total booked capacity + demands	Incremental capacity necessary
		(kWh/h 25°/0°)	(kWh/h 25°/0°)	(kWh/h 25°/0°)	(kWh/h 25°/0°)	(kWh/h 25°/0°)	(kWh/h 25°/0°)
2024/2025	Csanádpalota (RO>HU)	3.283.570	1.145.000	0	416.667	1.561.667	0
2025/2026	Csanádpalota (RO>HU)	3.283.570	1.040.001	0	416.667	1.456.668	0
2026/2027	Csanádpalota (RO>HU)	3.283.570	5.001	0	416.667	421.668	0
2027/2028	Csanádpalota (RO>HU)	3.283.570	2.425.763	0	416.667	2.842.430	0
2028/2029	Csanádpalota (RO>HU)	3.283.570	2.425.763	3.797.945	416.667	6.640.375	3.356.805
2029/2030	Csanádpalota (RO>HU)	3.283.570	2.425.763	3.797.945	416.667	6.640.375	3.356.805
2030/2031	Csanádpalota (RO>HU)	3.283.570	1.201.523	3.797.945	416.667	5.416.135	2.132.565
2031/2032	Csanádpalota (RO>HU)	3.283.570	1.201.523	3.797.945	416.667	5.416.135	2.132.565
2032/2033	Csanádpalota (RO>HU)	3.283.570	0	3.797.945	416.667	4.214.612	931.042
2033/2034	Csanádpalota (RO>HU)	3.283.570	0	3.797.945	416.667	4.214.612	931.042
2034/2035	Csanádpalota (RO>HU)	3.283.570	0	3.797.945	0	3.797.945	514.375
2035/2036	Csanádpalota (RO>HU)	3.283.570	0	3.797.945	0	3.797.945	514.375
2036/2037	Csanádpalota (RO>HU)	3.283.570	0	3.797.945	0	3.797.945	514.375
2037/2038	Csanádpalota (RO>HU)	3.283.570	0	3.797.945	0	3.797.945	514.375

The table analysis shows the following:

- 1) in 2024/2025 - 2027/2028 (4 gas years) the booked capacity and the incremental capacity demand is within the existing technical capacity;
- 2) in gas years 2028/2029 and 2029/2030 the booked capacity and the total incremental capacity demand exceed the existing technical capacity by 3.356.805 kWh/h/y;
- 3) in gas years 2030/2031 and 2031/2032 the booked capacity and the total incremental capacity demand exceed the existing technical capacity by 2.132.565 kWh/h/y;
- 4) in gas years 2032/2033 and 2033/2034 the booked capacity and the total incremental capacity demand exceed the existing technical capacity by 931.042 kWh/h/y;
- 5) in 2034/2035 - 2037/2038 (4 gas years) the booked capacity and the total incremental capacity demand exceed the existing technical capacity by 514.375 kWh/h/y.

Regarding the RO>HU direction the fulfilment of the total demand indication in this assessment stage requires the launching of an incremental capacity project.

### iii. Preparation of the capacity demand indication conditions

According to the conditions indicated by **NU 1**, there are non-binding demand indications for incremental capacity that are linked to each other and include several interconnection points. The indicative volumes for the relevant interconnection point were submitted to the respective transmission system operators.

## C. Conclusion for the initiation/non-initiation of an incremental capacity project

There was no indicative demand for incremental capacity in the HU>RO direction.

The assessment of the total demand in the flow direction (RO>HU) concluded that the **total demand** of the two NUs at the Csanádpalota IP is maximum **4.214.612 kWh/h/y**, firm capacity (from 2028/2029 to 2033/34). **Correlated with the previous capacity booked** in the annual capacity auctions, it was highlighted that, there is a need to move to the stage of a specific analysis of the possibility of developing the networks operated by Transgaz and FGSZ to provide additional capacity as follows:

Gas year	IP (Direction)	Firm technical capacity at 01/10/2023	Total booked capacity + demands	Incremental capacity necessary
x	x	(kWh/h 25°/0°)	(kWh/h 25°/0°)	(kWh/h 25°/0°)
2028/2029	Csanádpalota (RO>HU)	3.283.570	6.640.375	3.356.805
2029/2030	Csanádpalota (RO>HU)	3.283.570	6.640.375	3.356.805
2030/2031	Csanádpalota (RO>HU)	3.283.570	5.416.135	2.132.565
2031/2032	Csanádpalota (RO>HU)	3.283.570	5.416.135	2.132.565
2032/2033	Csanádpalota (RO>HU)	3.283.570	4.214.612	931.042
2033/2034	Csanádpalota (RO>HU)	3.283.570	4.214.612	931.042
2034/2035	Csanádpalota (RO>HU)	3.283.570	3.797.945	514.375
2035/2036	Csanádpalota (RO>HU)	3.283.570	3.797.945	514.375
2036/2037	Csanádpalota (RO>HU)	3.283.570	3.797.945	514.375
2037/2038	Csanádpalota (RO>HU)	3.283.570	3.797.945	514.375

Considering the non-binding demands sent to the two TSOs within eight weeks after the annual capacity auction of 3 July 2023, they take the following **decision** regarding the Demand Assessment Report: **the booked capacity and the aggregated non-binding demand indications received for the Csanádpalota IP, in the flow direction (RO>HU), from gas year 2028/2029 to 2037/2038 (10 consecutive gas years) exceed the existing technical conditions, therefore it is necessary to launch an incremental project.**

## D. Provisional timeline

The TSOs involved intend to carry out the technical studies according to the following provisional timetable.

Description of the tasks	Expected starting date	Expected completion date
Publication of DAR	23.10.2023	
Technical studies for incremental capacity project	24.10.2023	15.01.2024
Public consultation on draft Project proposal	16.01.2024	16.02.2024

This timeline has a provisional character and is therefore indicative and subject to change. Following the end of the public consultation and further refinements of the draft Project Proposal, the TSOs will submit the draft Project Proposal to the relevant NRAs for coordinated approvals. In case of positive decision of the NRAs, the binding phase will start, and a notice will be published on the TSOs' websites at least 2 months before the binding phase. The process for the binding phase will be detailed in the draft Project Proposal. The TSOs intend to hold the binding phase on 1<sup>st</sup> of July 2024.

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

The following cumulative bundled firm booked capacity must be provided by the two TSOs in the direction (RO>HU):

IP	Interconnection point EIC	Flow direction	Gas year	Total capacity allocated, kWh/h/y
Csanádpalota	21Z000000000236Q	RO>HU	2024/2025	1.145.000
Csanádpalota	21Z000000000236Q	RO>HU	2025/2026	1.140.001
Csanádpalota	21Z000000000236Q	RO>HU	2026/2027	5.001
Csanádpalota	21Z000000000236Q	RO>HU	2027/2028	2.425.763
Csanádpalota	21Z000000000236Q	RO>HU	2028/2029	2.425.763
Csanádpalota	21Z000000000236Q	RO>HU	2029/2030	2.425.763
Csanádpalota	21Z000000000236Q	RO>HU	2030/2031	1.201.523
Csanádpalota	21Z000000000236Q	RO>HU	2031/2032	1.201.523

## **F. Fees**

For the incremental capacity cycle addressed by this report, Transgaz did not introduce a fee for the assessment and processing of non-binding demand indications.

For the incremental capacity cycle addressed by this report, FGSZ applied a registration fee for the assessment and processing of non-binding demand indications based on the prevailing regulation (NRA's decision number H1617/ 2021). The details are available at [here](#).

## G. Contact information

FGSZ Ltd.

Balázs Gy. Meggyes

Senior Business Development Expert

Telephone: +36 30-718-9343

Fax: +36-84-505-218

E-mail: [bgymeggyes@fgsz.hu](mailto:bgymeggyes@fgsz.hu)

Tanácsház u. 5

8600 Siófok

Hungary

SNTGN TRANSGAZ SA

Teodora Barbu

Head of Transmission Capacity Management

Telephone: +4/0269/803125

Fax: +4/0269/841181

Email: [cabinet@transgaz.ro](mailto:cabinet@transgaz.ro)

Piața C.I Motaș nr. 1,

551130, jud. Sibiu,

Romania