



**Joint public consultation  
conducted in compliance with the NC CAM Article 27 (3)**

by  
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and

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Based on Article 27 of the Commission Regulation (EU) 2017/459 (NC CAM) this analysis concerns the draft project proposal on the incremental capacity project for the Tornyiszentmiklós (HU) / Pince (SI) interconnection point (IP) as a potential IP of the Hungarian and Slovenian gas transmission systems.

The Market Demand Assessment Report (MDAR) complying Article 26 NC CAM assessed the non-binding demand indication received in the Market Demand Assessment (MDA) launched on 2 July 2019. Based on the outcome of the MDA the MDAR for the Incremental Capacity between Slovenia and Hungary was published on 21 October 2019.

Assumptions presented in this document are based on the evaluation of last available known data and information.

#### **Consultation period:**

13 January 2020 - 14 February 2020

#### **Project description:**

The project promoters Hungarian TSO FGSZ Ltd. and Slovenian TSO Plinovodi d.o.o. propose a bidirectional HU-SI interconnection in the frame of bidirectional gas corridor HU-SI-IT. The project creates bidirectional interconnection between Hungary and Slovenia and thus is enabling natural gas flows between Hungary and Italy through Slovenia. The project has, in accordance with the Delegated Commission Regulation (EU) 2018/540 of 23 November 2017, the status of the project of common interest (PCI).

Details about the project on the Hungarian side can be found in the [Hungarian National Ten-Year Network Development Proposal](#) on Page 21.

Details about the project on the Slovenian side will be found in the Slovenian Ten Year Gas Transmission Network Development Plan for the 2020-2029 period on the corresponding web page of Plinovodi d.o.o.

The projects enable the bidirectional physical natural gas flow between Hungary (VTP) and Slovenia (VTP) via the Interconnection Point Tornyiszentmiklós (HU) / Pince(SI).

## **Capacities, Timeline and estimated CAPEX:**

Based on MDAR for incremental capacity between Slovenia and Hungary, dated 21 October 2019, the planned incremental capacity projects including four offer levels are consulted. Incremental capacity projects for the interconnection point between Slovenia and Hungary are part of the gas corridor HU-SI-IT.

Version		1	2	3	4
Phase		I	II	II	II
Capacity level HU>SI*/**	cm/h (15C)	50 000	190 000	230 000	362 000
Capacity level SI>HU*/**/*****	cm/h (15C)	50 000	50 000	50 000	50 000
GCV	kWh/cm (25/0C)	11.339	11.339	11.339	11.339
Technical capacity HU>SI	kWh/h (25/0C)	537 185	2 041 303	2 471 052	3 889 220
Offered capacity HU>SI	kWh/h (25/0C)	483 467	1 837 173	2 223 946	3 500 298
Technical capacity SI>HU*****	kWh/h (25/0C)	537 185	537 185	537 185	537 185
Offered capacity SI>HU*****	kWh/h (25/0C)	483 467	483 467	483 467	483 467
Planned commercial operational date		01.10.2023	01.10.2025	after 2027	after 2027
CAPEX HU with 10% contingency ***	MEUR	217.72	329.09	365.09	412.42
f factor HU****	-	1.0	1.0	1.0	1.0
CAPEX SI with 25% contingency	MEUR	29,87	84,53	182,08	272,16
f factor SI	-	1,0	1,0	1,0	1,0

\* Phase I is the 50 000 cm/h capacity version and Phase II means alternatives (CAPEX under Phase II versions include Phase I CAPEX)

\*\* Availability of the 50 000 cm/h non interruptible capacity depends on the extent of the HU>AT exit capacity

\*\*\* CAPEX estimation is based on FGSZ' experience. The estimated CAPEX serves for information purposes only and shall not be considered as an official proposal or basis for future tariff calculation.

\*\*\*\* This is an initial value of f-factor for the time being, due to the lack of appropriate information and NRA decision, accordingly this may be subject to change.

\*\*\*\*\*Network users did not indicate non-binding capacity demand in SI>HU direction, so in this direction only Phase I capacity was analyzed to ensure the basic bi-directional operation of interconnection point.

The border pressure 64 barg in the direction HU>SI and 35 barg in the direction SI>HU, represents equal pressure condition at both borders in the corridor HU-SI-IT. In market demand assessment there was no interest for incremental capacity in the direction SI>HU, therefore there is actually no capacity demand related to the border pressure of 35 barg. The above listed CAPEX covers the costs of infrastructure elements securing the 35/64 barg border pressure. FGSZ prefers symmetric border pressure operation with 45/45 barg in both flow directions. Plinovodi position is to provide the

same pressure condition 64 barg for both, HU>SI and SI>IT border interconnection points, and 35 barg for reverse flow IT>SI and SI>HU.

### **Allocation procedure:**

Capacities will be offered on a common capacity platform, jointly identified by concerned TSOs, as bundled capacities in both directions in the annual yearly auction for 15 consecutive gas years starting from 1 October 2023 in case of Phase I (Version 1) and 1 October 2025 in case of Phase II (Version 2). Version 3 and Version 4 will not be offered on Slovenian side due to no indicated interest above the capacity of Version 2 for the corridor HU-SI-IT and due to timely indefinable spatial planning procedure. The Hungarian side intends to offer all four capacity levels identified during the latest MDA procedure as stated in the MDAR published on 21 October 2019.

The Design phase will be finalized by November 2020 at the latest and it will be concluded with the submission of all the relevant documentation to the Hungarian and Slovenian NRAs for evaluation and approval. In case of coordinated approvals of the proposed project by the NRAs, an allocation notice is expected to be published in May 2021 and the incremental capacity to be allocated during the annual yearly auctions in July 2021.

In order to proceed with the realization of the Transportation Contract(s) by all the Shipper(s) with successful binding commitments, the outcome of economic tests on both sides of the interconnection point must be positive as well as on the gas corridor Hungary - Slovenia - Italy has to be positive.

### **Miscellaneous:**

- PLINOVODI rules on terms and conditions for capacity allocation mechanisms at interconnection points of the transmission system through auctions and the general terms and conditions for incremental capacity of Plinovodi has to be approved by the NRA and will be published on the TSO's website ([www.plinovodi.si](http://www.plinovodi.si)).
- The Business Code of FGSZ Ltd. is accessible [here](#).
- Floating price approach will be followed.
- Estimation of the f-factor is 1.0 on the Hungarian side.
- Estimation of the f-factor is 1.0 on the Slovenian side.
- No additional demand indications have been received after the deadline for the demand assessment.
- The incremental capacity commissioning will not determine a decrease in the utilisation of other gas infrastructure in the Slovenian or in adjacent entry-exit systems.
- Shipper is committed to the contracted incremental capacity and is not allowed to cancel the contracted incremental capacity at any time.

- The commitment of Plinovodi to the contracted incremental capacity is subject to positive outcomes of the economic tests on both sides of the interconnection point for the relevant offer level for the gas corridor Hungary - Slovenia - Italy.
- In case more than one offer level results in a positive outcome of the economic test on both sides of the relevant interconnection point Plinovodi shall initiate an incremental capacity project corresponding to the offer level with the largest amount of capacity that resulted in a positive outcome.
- In case the outcomes of the economic tests on both sides of the relevant interconnection point are negative according to the requirements set by Commission Regulation (EU) 2017/459 at all offer levels, the incremental capacity process shall be terminated.
- All contracted incremental capacity that, as a result of the negative economic tests, will not be part of an incremental capacity project shall automatically be terminated, without the obligation for Plinovodi and FGSZ to pay any damages or costs to shipper.
- If Plinovodi and FGSZ are unable to make the contracted incremental capacity for the gas corridor Hungary - Slovenia - Italy available to shipper in time, Plinovodi and FGSZ shall continue to endeavor to make the contracted incremental capacity available at the earliest practicable date thereafter.
- If Plinovodi is unable to make the contracted incremental capacity available on its side in time, or if FGSZ is unable to make the relevant incremental capacity on the other side of the interconnection point available in time, as a sole remedy the performance of shipper's corresponding obligations on both sides of the border shall be delayed accordingly. Neither party shall have any further claims or remedies against the other party.

Please send consultation responses to both parties to the contact persons below:

**Plinovodi d.o.o.**

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