

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

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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 not received any non-binding demand indications for firm capacity at the interconnection points between the entry-exit system of FGSZ and the entry-exit system of Plinovodi in the period “1”).

The following periods have been included in this analysis:

- a) non-binding demand indications received within 8 weeks after the 6 April 2017 – entry into force of REGULATION EC 459/2017.
- b) non-binding demand indications received later than 8 weeks after the 6 April 2017, which would not have been considered in the current incremental capacity cycle.

Slovenian TSO Plinovodi received some non-binding demand 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 Pince Exit:

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)
<i>Plinovodi</i>	<i>FGSZ</i>	<i>2019/2020</i>	<i>3,960,000 kWh/d</i>	<i>No</i>	<i>3*</i>	<i>LNG Krk</i>
<i>Plinovodi</i>	<i>FGSZ</i>	<i>2020/2021</i>	<i>3,960,000 kWh/d</i>	<i>No</i>	<i>3*</i>	<i>LNG Krk</i>
<i>Plinovodi</i>	<i>FGSZ</i>	<i>2021/2022</i>	<i>3,960,000 kWh/d</i>	<i>No</i>	<i>3*</i>	<i>LNG Krk</i>
<i>Plinovodi</i>	<i>FGSZ</i>	<i>2022/2023</i>	<i>3,960,000 kWh/d</i>	<i>No</i>	<i>3*</i>	<i>LNG Krk</i>
<i>Plinovodi</i>	<i>FGSZ</i>	<i>2023/2024</i>	<i>3,960,000 kWh/d</i>	<i>No</i>	<i>3*</i>	<i>LNG Krk</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).

Demands are mostly connected to the realization of the LNG Terminal Krk.

Indicative demand was not requested on the Hungarian side.

Therefore, the amount of 0 for non-binding demand indications has been used as a basis for this demand assessment.

B. Demand assessment

i. Historical usage pattern

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

ii. Results of current annual yearly auction

In the recent annual yearly auctions, taking place on 06.03.2017 for the joint interconnection point(s) it wasn't offered capacity, consequently there is no booked capacity.

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

Currently no demand indications have been considered for the 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 labelled as "6.23 Hungary - Slovenia (Nagykanizsa - Tornyiszentmiklós (HU) - Lendava (SI) - Kidričevo) interconnection". As presented on PCI candidate's assessment on the Meeting of the Regional Group of the NSI East Gas Priority Corridor on 30th June 2017, the project (labelled as "NSIEAST_17") also has very good position among project candidates for next PCI status. On Slovenian side, a corresponding project is approved in national development plan 2017-2026 and included in proposal for national development plan 2018-2027.

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

According to the assessment result of the non-binding demand indications and the historical usage patterns, which already indicated that no sufficient demand levels for incremental capacity need to be developed, therefore no incremental capacity project will be initiated.

The received non-binding demand shall be considered according to the paragraph 7 of the Article 26, Regulation 2017/459. Market Demand Assessment will be, according to the Article 26, Regulation 2017/459 performed on regular basis. The Slovenian and Hungarian TSO opt to perform the assessment every year.

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; agreed technical parameters will not be changed. Both neighbouring TSOs are interested in preserving the PCI-status of the project.

D. 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.

E. Contact information

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