



**RULES ON NON-BINDING ASSESSMENT
OF MARKET DEMAND
FOR INCREMENTAL CAPACITY**

Warsaw, July 2023

GENERAL INFORMATION

This market demand assessment is carried out in the framework of the Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013.

For harmonizing the process for the development of incremental capacity in the European Union, provisions on the incremental capacity process have been introduced by the 2017 CAM NC amendment which is a standardised procedure for market participants to indicate in a non-binding way their demand for incremental capacity.

The first market demand assessment for incremental capacity was conducted in 2017. This year, GAZ-SYSTEM S.A. will conduct a fourth non-binding market demand assessment for incremental capacity between Polish transmission system and neighbouring transmission systems. The non-binding market demand assessment for incremental capacity will start on 3 July 2023 and will last for 8 weeks.

Market demand assessment for incremental capacity 2023-2025 will be carried out through the GSA Platform, in accordance with the applicable GSA Platform Rules. GAZ-SYSTEM S.A. charges no fees for submitting non-binding requirements.

Based on the non-binding demand indications received under this year's procedure for assessing market demand for incremental capacity, GAZ-SYSTEM S.A. and adjacent transmission system operators will produce common market demand assessment reports, each covering all interconnection points connecting given entry-exit system. The reports will estimate the potential demand for incremental capacity on each entry-exit system and state whether it is necessary to initiate an incremental capacity project.

The market demand assessment reports will be published no later than 16 weeks after the start of the procedure, by 23 October 2023 at the latest, at the websites of transmission system operators.

1. DEFINITIONS

- 1.1. **CAM NC** – Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013;
- 1.2. **GAZ-SYSTEM S.A.** – the company under the name Gas Transmission Operator GAZ-SYSTEM S.A. with its headquarters in Warsaw;
- 1.3. **Schedule** – described in point 3. framework plan of the Procedure;
- 1.4. **Offer (non-binding demand indication)** – indication of a non-binding market demand for incremental capacity between Polish and adjacent transmission systems by System User, according to CAM NC, through the GSA Platform;
- 1.5. **GSA Platform (GSA)** – an IT platform fixed on the GSA Operator's Internet server as a separated module in the domain www.gsaplatform.eu, including the collection of applications, static and dynamic documents with graphic files, scripts and other documents combined by mutual relations, used to order Capacities in the transmission system made available by TSO via the platform, on a primary and secondary market;
- 1.6. **President of ERO** – President of the Energy Regulatory Office, national regulatory authority

in Poland;

- 1.7. **Procedure** – procedure for assessing market demand for incremental capacity, covering non-binding phase of the Incremental capacity process, in which Participants express and quantify their demand for incremental capacity on firm basis between Polish entry-exit system and adjacent entry-exit systems;
- 1.8. **Incremental capacity process** - means a process to assess the market demand for incremental capacity that includes a non-binding phase, in which network users express and quantify their demand for incremental capacity, and a binding phase, in which binding commitments for contracting capacity are requested from network users by one or more transmission system operators;
- 1.9. **Incremental capacity project** - means a project to increase the amount of technical capacity at an existing interconnection point or to establish a new interconnection point based on capacity allocation in the preceding Incremental capacity process;
- 1.10. **The Rules** – this document describing the rules of conducting the Procedure within the first market demand assessment for Incremental capacity;
- 1.11. **Participant** – each entity that has made the Offer through GSA Platform, indicating the future demand for the incremental capacity on firm basis between Polish entry- exit system and adjacent entry-exit systems;
- 1.12. **GSA Platform Rules** – GSA Platform Rules, as published by GAZ-SYSTEM S.A.;
- 1.13. **Incremental capacity** - means a possible future increase via market-based procedures in technical capacity or possible new capacity created where none currently exists that may be offered based on investment in physical infrastructure or long-term capacity optimisation and subsequently allocated subject to the positive outcome of an economic test, in the following cases: (a) at existing interconnection points; (b) by establishing a new interconnection point or points; (c) as physical reverse flow capacity at an interconnection point or points, which has not been offered before.

2. LEGAL BASIS

- 2.1. The Rules describe rules of conducting the Procedure and rights and obligations of Participants in the Procedure. The Rules is binding document that includes requirements of GAZ-SYSTEM S.A. to Participants of the Procedure;
- 2.2. The market survey regarding the demand for incremental capacity is conducted according to the obligations and provisions of CAM NC.

3. TIMESCHEDULE OF THE PROCEDURE

GAZ-SYSTEM S.A. intends to conduct the Procedure in accordance with Schedule stipulated by the CAM NC, as presented below. Nevertheless, GAZ-SYSTEM S.A. shall reserve the right to modify Schedule in the case of occurrence the events during conducting the Procedure, in particular changes to the applicable law.

	Timeframe	Phase of the Procedure
1.	03.07.2023	The start of the period for making the Offers
2.	28.08.2023	The end of the period for making the Offers
3.	from 28.08.2023	Evaluation of the Offers received and preparation of common Demand Assessment Reports
4.	23.10.2023	Publication of the common Demand Assessment Reports

4. THE PROCEDURE FOR PARTICIPATION IN THE MARKET SURVEY

- 4.1. Under the Procedure, GAZ-SYSTEM S.A., together with adjacent transmission system operators will assess the demand for the incremental capacity in accordance with Article 26 of the CAM NC amendment.
- 4.2. In order to participate in the Procedure, Participants shall make the Offer through the GSA Platform, in accordance with the applicable GSA Platform Rules.
- 4.3. Submission of the Offers means acceptance of the Rules by the Participant.
- 4.4. **The Offer shall be submitted through the GSA Platform, until 26 August 2019 2019 (CEST).**
- 4.5. According to Art. 26(7) of CAM NC non-binding demand indications submitted after the deadline mentioned in point 4.4. may be considered in the ongoing market demand assessment, or will be introduced in the next market demand assessment.
- 4.6. Based on the non-binding demand indications expressed by the network users, within 16 weeks from the start of the Procedure GAZ-SYSTEM S.A. in cooperation with adjacent transmission system operators will publish demand assessment reports, which will evaluate the prospective need for incremental capacity, each covering all interconnection points of at least one entry-exit system border, and in which it will be stated whether it is necessary to initiate an Incremental capacity project. Specific elements that should be included in the report are indicated in Article 26(13) of CAM NC.
- 4.7. In parallel, within 16 weeks after the start of the Procedure, GAZ-SYSTEM S.A. will respond to non-binding demand indications submitted by the Participants pursuant to these Rules or within 8 weeks in case of non-binding demand indication as referred to in point 4.5., in accordance with Article 26(10) of CAM NC.

5. CONFIDENTIALITY

- 5.1. Any information obtained by GAZ-SYSTEM S.A. in the course of the Procedure shall be treated as confidential and shall not be made available to any third parties. However, GAZ-SYSTEM reserves the right to make the confidential information obtained during the Procedure available to the following:
 - 5.1.1. adjacent transmission system operators for assessing demand for incremental capacity in the respective entry-exit system and preparation of demand assessment report;

- 5.1.2. corporate bodies of GAZ-SYSTEM S.A.;
- 5.1.3. the President of ERO and the European Commission;
- 5.1.4. other entities that are entitled to obtain information on the basis of applicable provisions of law.

6. FINAL PROVISIONS

- 6.1. Any expenses incurred by the Participant in connection with participation in the Procedure shall be borne by the Participant and shall not be asserted against GAZ-SYSTEM S.A.
- 6.2. These Rules do not constitute an offer to the Participants in the meaning of the article 66 § 1 of the Civil Code (Journal of Laws from 2018 item. 1025).
- 6.3. Neither the Participant nor GAZ-SYSTEM S.A., shall be liable towards each other for the loss suffered due to the Procedure, unless the party suffered loss due to willful misconduct of the other party.
- 6.4. GAZ-SYSTEM S.A. reserves the right to amend or supplement the Rules hereto, in particular in the case of changes in legal regulations, a need to obtain, unforeseen in the Rules, administrative approvals or decisions from competent authorities, including regulators. Such amendments and supplements will be published on the website of GAZ-SYSTEM S.A.
- 6.5. In the event any of the provisions hereof is found impermissible or unenforceable, such a provision will be deemed to be excluded therefrom. Other provisions of the Rules will remain in force and the provision that is considered impermissible or unenforceable will be replaced with a similar provision that reflects the original intention of the Parties to the extent it complies with the applicable law.
- 6.6. The Parties shall endeavor to amicably resolve any potential disputes arising from the Procedure or the interpretation of the Rules. If an amicable settlement fails, any dispute arising from the Rules or related to it shall be settled by the Court of Arbitration at the Polish Chamber of Commerce according to its rules applicable at the date of filing the petition, by three arbitrators established in accordance with the mentioned Rules.
- 6.7. In matters not covered by the provisions of the Rules, the provisions of Polish and European law shall apply, in particular CAM NC.
- 6.8. Rules were developed in Polish and English. In case of any discrepancies between documents in Polish and documents in English, Polish version prevails.

7. NOTICES AND CONTACT DATA

- 7.1. Any questions and electronic correspondence related to the Procedure shall be addressed to the following e-mail address: incremental@gaz-system.pl;
- 7.2. Correspondence concerning the Procedure may be addressed in Polish and in English.