

# INCREMENTAL PROCEDURE 2019-2021

## RULES FOR CONDUCTING THE PROCEDURE IN ACCORDANCE WITH CAM NC AND PARTICIPATION IN THE PROCEDURE VIA THE GSA PLATFORM

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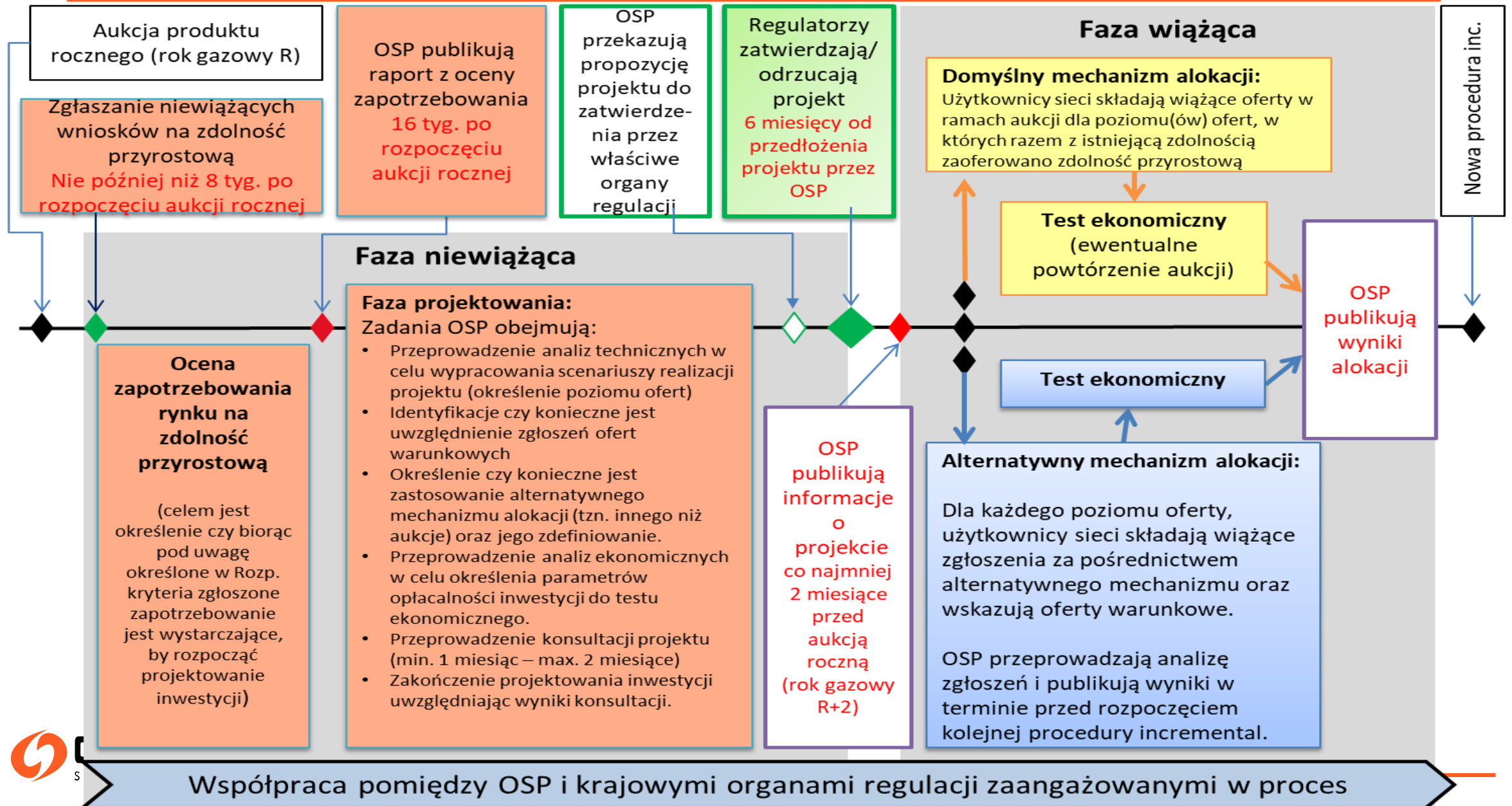
Warsaw, 29 May 2019



# INCREMENTAL PROCEDURE UNDER CAM NC

- ▶ In 2017, COMMISSION REGULATION (EU) 2017/459 (CAM NC) **introduced a new cyclical and harmonised mechanism at the EU level for testing market demand for incremental capacity** (the so-called incremental procedure).
- ▶ **The incremental procedure has standardized:**
  - ▶ how and when market participants indicate their need for incremental capacity (every two years after the annual auction);
  - ▶ rules for allocation of incremental capacity (capacity offered together with existing capacity during a single auction as the so-called offer level);
  - ▶ the process of determining the economic feasibility of an investment project (economic test to assess the profitability of the project).
- ▶ **“Incremental capacity” that may result from an incremental procedure means:**
  - ▶ increase of technical capacity at existing interconnection points;
  - ▶ creation of a new interconnection point or new interconnection points;
  - ▶ making physical reverse flows available on interconnection point(s) which were not previously offered.

# INCREMENTAL PROCEDURE - PHASES AND SCHEDULE



# INCREMENTAL PROCEDURE 2017-2019

## First incremental procedure:

- ▶ GAZ-SYSTEM conducted the first assessment of the market demand for incremental capacity in 2017
- ▶ On the basis of the received non-binding notifications for the entry-exit systems Poland-Gaspool, Poland-Czech Republic, Poland-Lithuania, GAZ-SYSTEM and neighbouring TSOs prepared joint market demand assessment reports (DAR)
- ▶ The reports estimate the potential demand for incremental capacity within a given entry-exit system and determine whether the incremental capacity project should be initiated
- ▶ On the basis of the received demand indications for the market area Poland-GASPOOL, GAZ-SYSTEM and ONTRAS began the implementation of the incremental project at the GCP GAZ-SYSTEM/ONTRAS point (PL → DE)

# INCREMENTAL PROCEDURE IN THE NETWORK CODE

- ▶ The procedure of obtaining incremental capacity (non-binding and binding phase) has been included in the TNC and TNC TGPS
- ▶ The incremental procedure applies to interconnection points with neighbouring transmission systems
- ▶ The TSO may also apply the procedure at interconnection points with non-EU transmission systems

# INCREMENTAL PROCEDURE 2019-2021 NON-BINDING DEMAND ASSESSMENT

- ▶ In 2019, GAZ-SYSTEM will conduct the non-binding market demand assessment for incremental capacity between the Polish and neighbouring transmission systems
- ▶ The procedure will begin **on 1 July 2019 and will last 8 weeks**
- ▶ A non-binding market demand assessment procedure will be carried out for the first time via the the new functionality of the **GSA Platform**
- ▶ The neighbouring transmission systems being subject to the assessment will also be announced on 1 July 2019

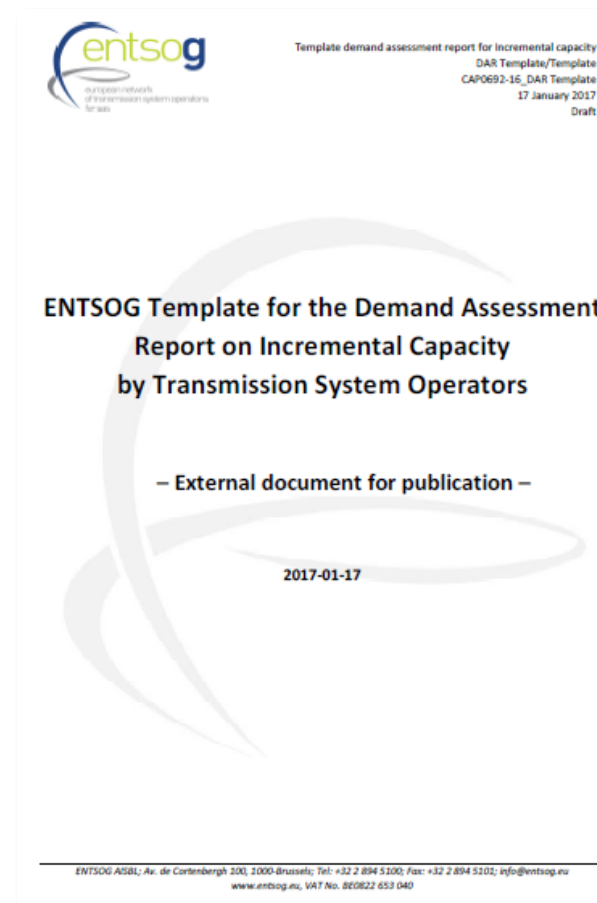
# INCREMENTAL PROCEDURE 2019-2021 NON-BINDING DEMAND ASSESSMENT

## Information required to be indicated by the System Users as part of a non-binding demand survey:

- ▶ **Entry-exit systems** (on one side or on both sides of the interconnection point) and the **direction of flow**;
- ▶ **period for which the demand is notified** (gas year / gas years - max. 15 gas years from the start of operation);
- ▶ **amount of incremental capacity** for which the demand is indicated;
- ▶ **information on the non-binding demand that has been or will be provided to the relevant neighbouring TSOs**;
- ▶ **indication whether the demand is dependent on any conditions** (e.g. capacity booking at another IP, booking of a specific or minimum amount of capacity).

# INCREMENTAL PROCEDURE 2019-2021 DEMAND ASSESSMENT REPORTS

- ▶ On the basis of the received demand indications, GAZ-SYSTEM together with the neighbouring TSOs will assess the level of market participants' demand for firm capacity between the Polish transmission system and the neighbouring transmission systems
- ▶ **Until the end of October 2019** GAZ-SYSTEM and neighbouring TSOs will publish a joint demand assessment report (DAR)
- ▶ The report will specify:
  - ▶ level of non-binding demand reported by System Users;
  - ▶ expected directions, volumes and duration of demand for incremental capacity;
  - ▶ conclusion on whether to initiate an incremental capacity project and for what capacity, and a decision to undertake technical studies



**The Demand Assessment Report is the basis for initiating the design stage for projects  
which will be evaluated in the report as justified**



**INCREMENTAL PROCEDURE 2019-2021**  
**MARKET DEMAND ASSESSMENT VIA THE GSA**  
**PLATFORM**

GAZ-SYSTEM FORUM  
Warsaw, 29 May 2019

 **GSA Platform**

# PROCEDURE FOR TESTING INTEREST IN INCREMENTAL CAPACITY VIA THE GSA PLATFORM



GAZ-SYSTEM will carry out this year's procedure of assessing the market demand for incremental capacity between the Polish and neighbouring transmission systems through the new functionality of the **GSA Platform**



Questionnaire to indicate non-binding demand notifications through **the GSA Platform** has been prepared in accordance with the requirements of the CAM network code and based on the non-binding questionnaire template developed by ENTSOG in 2017



According to the CAM NC, **the procedure will be launched immediately after the start of the annual capacity auction**, which will take place on July 1, 2019.

# HOW TO GAIN ACCESS TO THE GSA PLATFORM - SHIPPER

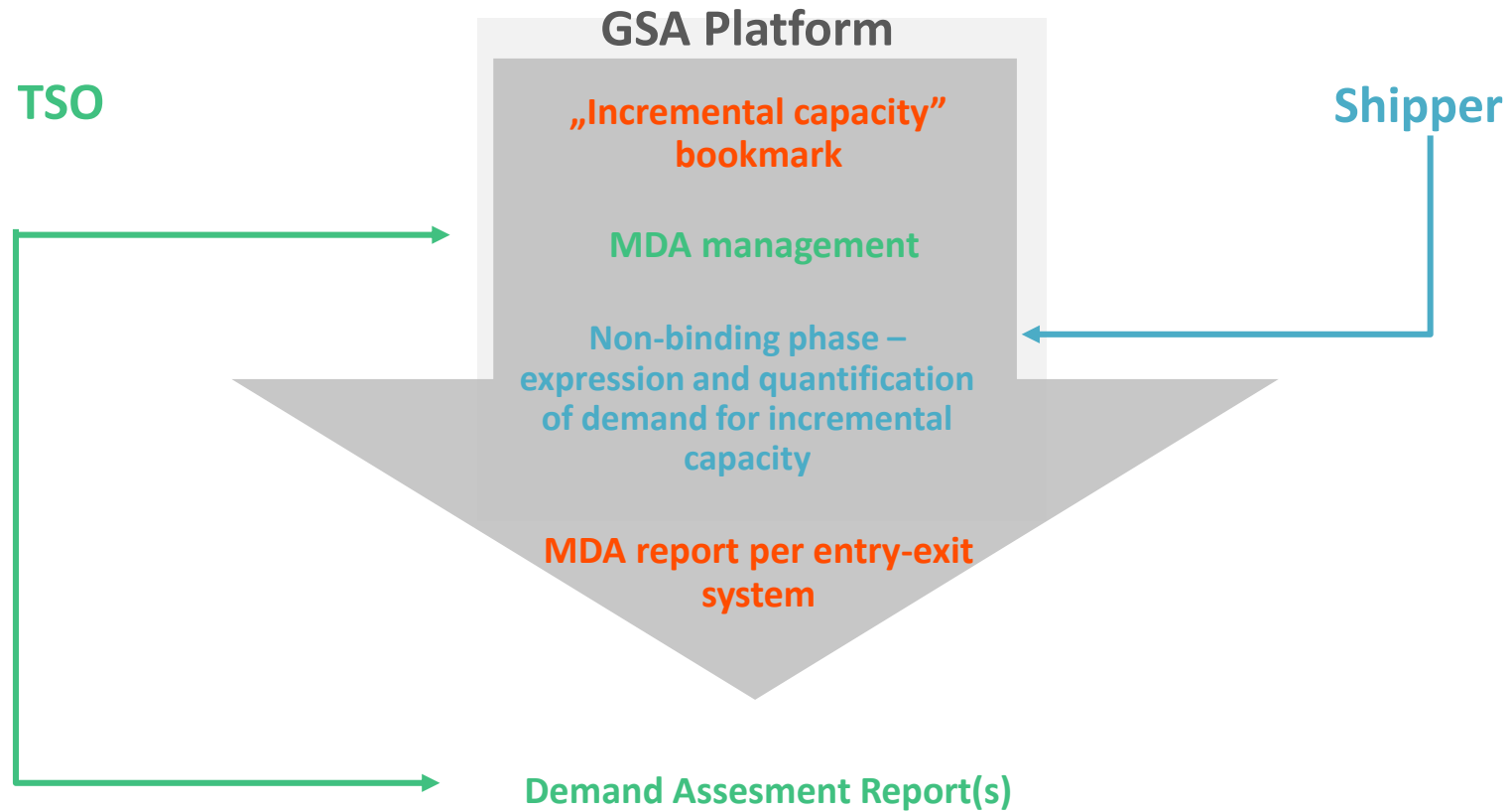
Self-registration on the GSA Platform and acceptance of the GSA Platform Rules

Submission the original of the Power of attorney for GSA Platform and valid transcript from the National Court Register of the company (in Polish or English)

Account activation by administrators of the GSA Platform

The screenshot displays the GSA Platform website interface. At the top, there is a navigation bar with the following items: Auctions, Secondary market, Incremental capacity, Operators, Shippers, Network points, News, Documents, and UMM. Below the navigation bar, there is a section titled "GSA Platform Workshops" with a "More" button. The main content area is divided into three columns. The left column is titled "Operators" and contains the text: "We invite all of the new Transmission System Operators interested in cooperating with the GSA Platform to register." with a "Register »" button. The middle column is titled "Shippers" and contains the text: "We invite all of the new Network Users interested in cooperating with the GSA Platform to register." with a "Register »" button. The right column is titled "Sign in" and contains a "Login" input field, a "Password" input field, a "Forgot your password?" link, and a "Login" button. The background of the website features a blue-toned image of a robotic arm.

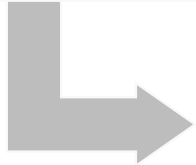
# MARKET DEMAND ASSESSMENT VIA THE GSA PLATFORM



# TSO-SHIPPER ACTIONS FOR CARRYING OUT THE MDA AT THE GSA PLATFORM

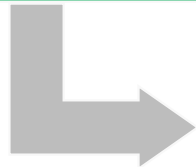
Shipper

- Establish the cooperation with TSO to obtain clearance for participation in the MDA at the GSA Platform



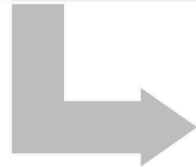
TSO

- Accept the cooperation with Shipper and confirm the Shipper's eligibility for participation in the MDA at the GSA Platform



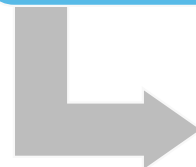
TSO

- Define the entry-exit systems which the MDA will concern
- Create new non-binding MDA procedure



Shipper

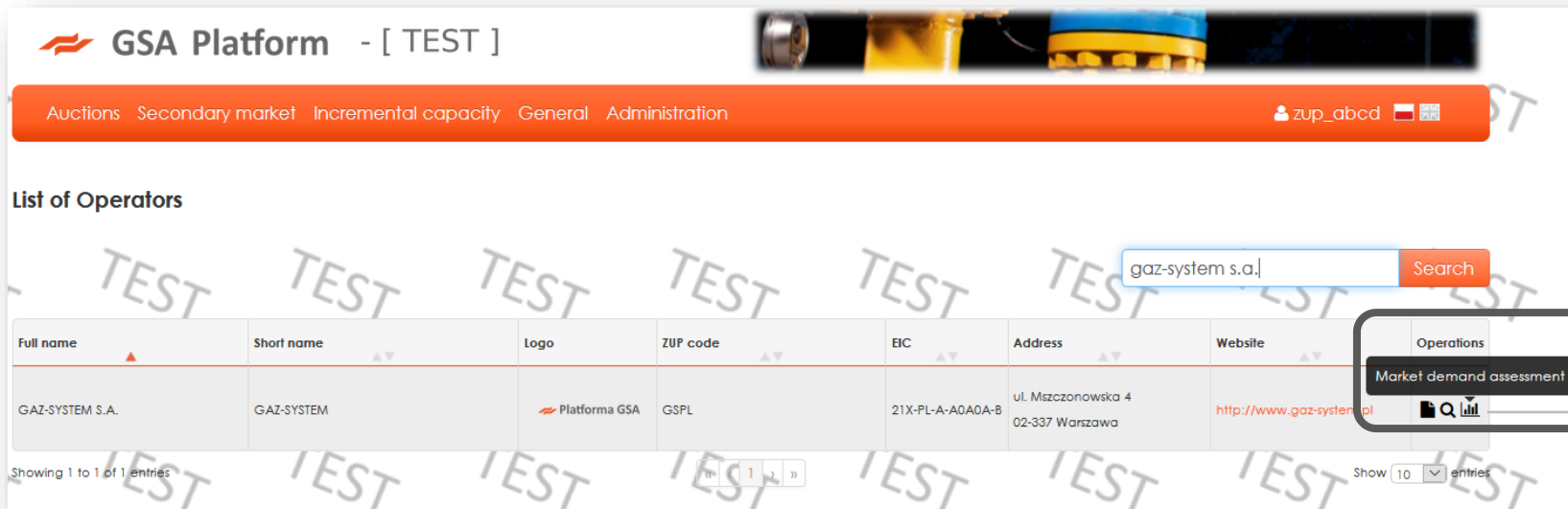
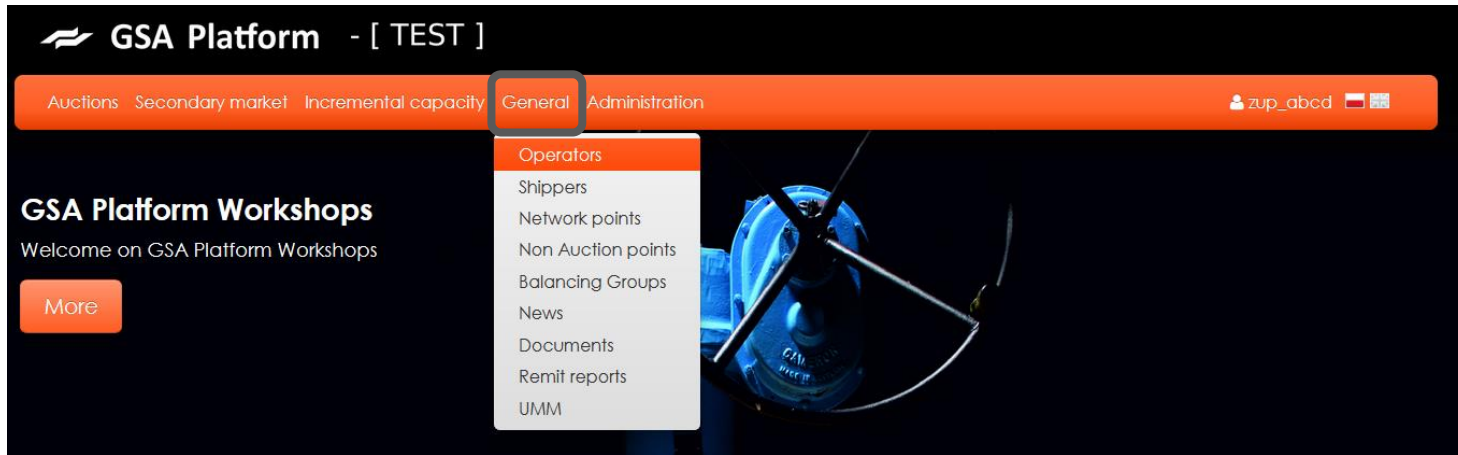
- Express and quantify the demand for incremental capacity during 8-weeks MDA non-binding phase



TSO

- Analysis of submitted offers based on MDA reports generated by the GSA Platform

## ESTABLISH THE COOPERATION WITH TSO TO PARTICIPATE IN THE MDA



If the Shipper already has access to MDA conducted by the TSO, the "Market demand assessment" icon will not be visible.

# ACCEPTANCE OF THE SHIPPER FOR PARTICIPATION IN THE MDA

**GSA Platform** - [ TEST ]

Auctions Secondary market Incremental capacity General **Administration**

**GSA Platform Workshops**  
Welcome on GSA Platform Workshops

More

- Users
- Auction privileges
- Contractual relations management**
- Gas Supply Contracts
- Auction calendar
- Auction configurations
- Rate of exchange
- Financial guarantees
- Capacity type mapping
- Tariffs management
- Tariff rates management
- OMP Agreements
- UMM manage

## Contractual relations management

Show filters

Clear filters

Apply

Search

Operator	Shipper	Request date	Status	Status change date	Status changed by	Current agreement from	Current agreement to	Relation type	Actions
GAZ-SYSTEM	ABCD Gaz	2019-04-09 11:45	Request sent			2014-01-24		Market research	Accept 

# DEFINITION OF THE ENTRY-EXIT SYSTEMS MDA RELEVANT

 GSA Platform - [ TEST ]



Auctions Secondary market **Incremental capacity** General Administration



Entry-Exit Systems

Add

Entry-Exit Systems

Market Demand Indication

Reports

Search

Id	Name	Operator	Direction	Operations
----	------	----------	-----------	------------

## New Entry-Exit System

Name \*

Operator \*

Direction \*

Save

Cancel



# CREATE NEW NON-BINDING MARKET DEMAND INDICATION PROCEDURE

GSA Platform - [ TEST ]

Auctions Secondary market Incremental capacity General Administration

Entry-Exit Systems  
Market Demand Indication  
Reports

Add

Show filters Clear filters Apply

Search

Id	Date from	Date to	Operator	Create date	Action
161	2019-04-09 06:00	2019-04-11 06:00	GAZ-SYSTEM	2019-04-08 12:18	

Showing 1 to 1 of 1 entries

New non-binding demand indication procedure

Date from \*

Date to \*

Operator \* GAZ-SYSTEM

Save Cancel

Market Demand Indication

Add

Show filters Clear filters Apply

Search

Id	Date from	Date to	Operator	Create date	Action
161	2019-04-09 06:00	2019-04-11 06:00	GAZ-SYSTEM	2019-04-08 12:18	

Showing 1 to 1 of 1 entries

Action Assessments

# NON-BINDING PHASE – EXPRESSING DEMAND FOR INCREMENTAL CAPACITY

GSA Platform - [ TEST ]



Auctions Secondary market **Incremental capacity** General Administration

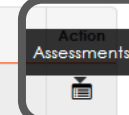
zup\_abcd

## Market Demand Indication

Show filters Clear filters **Apply**

161 **Search**

Id	Date from	Date to	Operator	Create date
161	2019-04-09 06:00	2019-04-11 06:00	GAZ-SYSTEM	2019-04-08 12:18



To express demand for incremental capacity in non-binding phase, it is necessary to fill in the survey

Showing 1 to 1 of 1 entries

« 1 »

Show 25 entries

GSA Platform - [ TEST ]

Auctions Secondary market Incremental capacity General Administration

zup\_abcd

Market Demand Assessment : [2019-04-09 - 2019-04-10] GAZ-SYSTEM

Back **Add**

Search

Id	Entry-Exit System From	Entry-Exit System To	Type of Entry Capacity	Type of Exit Capacity	Gas Years	Capacity	Unit	Conditions	Request is submitted to other TSOs	Respondent	Period when Demand Indication was received	Additional Information	Create date	Action
No data available in table														

Showing 0 to 0 of 0 entries

« »

Show 10 entries



# MARKET DEMAND ASSESMENT REPORT(S)

GSA Platform - [ TEST ]



Auctions Secondary market Incremental capacity General Administration



TSO has permanent view of active MDA and offers submitted by the Shippers

## Reports

- Entry-Exit Systems
- Market Demand Indication
- Reports**

Show filters

Clear filters

Apply

Search

Report Id	File name	Date from	Date to	Type	Operator	Action
913	market_demand_2017-11-22_2017-12-31_1_condition...	2017-11-22 06:00	2018-01-01 06:00	Market research	GAZ-SYSTEM	
897	market_demand_2019-01-14_2019-01-15_1_216541513...	2019-01-14 06:00	2019-01-16 06:00	Market research	GAZ-SYSTEM	
896	market_demand_2019-01-13_2019-01-14_1_condition...	2019-01-13 06:00	2019-01-15 06:00	Market research	GAZ-SYSTEM	
895	market_demand_2019-01-13_2019-01-14_1_215677537...	2019-01-13 06:00	2019-01-15 06:00	Market research	GAZ-SYSTEM	

Showing 1 to 4 of 4 entries

« ( 1 ) »

Show 10 entries

The Market Demand Assesment reports will be generated upon survey completion

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Id	Entry-Exit System From	Direction From	Capacity type From	Entry-Exit System To	Direction To	Capacity type To	Shipper	Gas Year	Amount	Unit	Request is submitted to other TSOs	Period when Demand Indication was received	Additional Information
2	63	POL_LITW	Entry	Firm	POL_LITWA	Entry	Firm	ABC	2020-2025	8878	kWh/h	No		
3	64	POL_LITW	Entry	Firm	POL_LITWA	Entry	Firm	ABC	2020-2028	887877	kWh/h	No		
4	44	POL_LITW	Entry	Firm	POL_LITWA	Entry	Firm	XYZ	2020-2022	50	kWh/h	Yes		
5	45	POL_LITW	Entry	Dynamical	POL_LITWA	Entry	Dynamically allocable capacity (DZK)	XYZ	2020-2022	77	kWh/h	No		

# INCREMENTAL PROCEDURE 2019-2021

- ▶ A non-binding assessment of the demand for incremental capacity between Polish and neighbouring transmission systems will take place in July and August 2019.
- ▶ The announcement of the start of the procedure will appear on the GAZ-SYSTEM website on **1 July 2019**

**WE INVITE ALL THE INTERESTED MARKET PARTICIPANTS TO SUBMIT THEIR NON-BINDING INDICATIONS OF DEMAND FOR INCREMENTAL CAPACITY VIA THE GSA PLATFORM**

If you have any questions about this year's incremental procedure, please contact us by

e-mail: [incremental@gaz-system.pl](mailto:incremental@gaz-system.pl)

THANK YOU

