



**Demand assessment report
for incremental capacity
between Polish gas transmission system and
Czech gas transmission system**

2021-10-25



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 transmission system operators GAZ-SYSTEM and NET4GAS have received non-binding demand indications for firm capacity at the interconnection points between the entry-exit system of GAZ-SYSTEM (Poland) and the entry-exit system of NET4GAS (Czech Republic) for future periods as presented below.

Indications submitted for each TSO are not equal due to the fact that not all market participants decided to submit indications on both sides of the entry-exit system border.

All indications were provided no later than 8 weeks after the start of the incremental capacity process, so by 30 August 2021.

Non-binding demand indications received after the deadline referred to in Art. 26 paragraph 6 of Regulation (EU) 2017/459 will be considered in the next market demand assessment report.



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

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)
Poland	Czech Republic	2023/2024	1 167 920	Yes, NET4GAS	2	
Poland	Czech Republic	2024/2025	1 167 920		2	
Poland	Czech Republic	2025/2026	1 167 920		2	
Poland	Czech Republic	2026/2027	1 167 920		2	
Poland	Czech Republic	2027/2028	1 167 920		2	
Poland	Czech Republic	2028/2029	1 167 920		2	
Poland	Czech Republic	2029/2030	1 167 920		2	
Poland	Czech Republic	2030/2031	1 167 920		2	
Poland	Czech Republic	2031/2032	1 167 920		2	
Poland	Czech Republic	2032/2033	1 167 920		2	
Poland	Czech Republic	2033/2034	1 167 920		2	
Poland	Czech Republic	2034/2035	1 167 920		2	
Poland	Czech Republic	2035/2036	1 167 920		2	
Poland	Czech Republic	2036/2037	1 167 920		2	
Poland	Czech Republic	2037/2038	1 167 920		2	
Czech Republic	Poland	2023/2024	100 000		No	2
Czech Republic	Poland	2024/2025	100 000	No	2	



Czech Republic	Poland	2025/2026	100 000	No	2	
Czech Republic	Poland	2026/2027	100 000	No	2	
Czech Republic	Poland	2027/2028	100 000	No	2	
Czech Republic	Poland	2028/2029	100 000	No	2	
Czech Republic	Poland	2029/2030	100 000	No	2	
Czech Republic	Poland	2030/2031	100 000	No	2	
Czech Republic	Poland	2031/2032	100 000	No	2	
Czech Republic	Poland	2032/2033	100 000	No	2	
Czech Republic	Poland	2033/2034	100 000	No	2	
Czech Republic	Poland	2034/2035	100 000	No	2	
Czech Republic	Poland	2035/2036	100 000	No	2	
Czech Republic	Poland	2036/2037	100 000	No	2	
Czech Republic	Poland	2037/2038	100 000	No	2	

* 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).



The following **aggregated non-binding demand indications received by NET4GAS** for firm capacity have been used as a basis for this demand assessment:

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)
Poland	Czech Republic	2023/2024	1 167 920	Yes, GAZ-SYSTEM	2	
Poland	Czech Republic	2024/2025	1 167 920		2	
Poland	Czech Republic	2025/2026	1 167 920		2	
Poland	Czech Republic	2026/2027	1 167 920		2	
Poland	Czech Republic	2027/2028	1 167 920		2	
Poland	Czech Republic	2028/2029	1 167 920		2	
Poland	Czech Republic	2029/2030	1 167 920		2	
Poland	Czech Republic	2030/2031	1 167 920		2	
Poland	Czech Republic	2031/2032	1 167 920		2	
Poland	Czech Republic	2032/2033	1 167 920		2	
Poland	Czech Republic	2033/2034	1 167 920		2	
Poland	Czech Republic	2034/2035	1 167 920		2	
Poland	Czech Republic	2035/2036	1 167 920		2	
Poland	Czech Republic	2036/2037	1 167 920		2	
Poland	Czech Republic	2037/2038	1 167 920		2	

* 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).



B. Demand assessment

Based on the received demand indications, which can be seen as aggregated values in chapter A, incremental capacity is requested between the entry-exit systems of Poland and the Czech Republic in both directions.

The existing interconnection between Poland and the Czech Republic (interconnection point Cieszyn) enables the firm gas transmission only from the Czech to the Polish transmission system with a capacity of approx. 0.5 bcm annually (technical capacities: October – April 28.4 GWh/d, May – September 4.3 GWh/d). Considering the role in the process of integration and liberalisation of the gas market in this region of Europe, the Polish transmission system operator GAZ-SYSTEM and the Czech transmission system operator NET4GAS continue the cooperation in the scope of the further development of the transmission system between the countries.

i. Historical usage pattern

Historical usage pattern at IP Cieszyn may be found directly and up to date on the Transparency Platform (link below):

<https://transparency.entsog.eu/#/points/data?from=2013-06-03&points=CZ-TSO-0001ITP-00158exit>

Physical flow at the IP Cieszyn is irregular.

ii. Results of current annual yearly auction

Capacity at the IP Cieszyn is allocated up to gas year 2025/2026 on the Polish side.

Exit capacity at this point on the Czech side in total amount of 3 768 MWh/day was allocated by 30 September 2022 in the current yearly auction dated 5 July 2021.

Auctions results may be found on the GSA Platform webpage: <https://gsaplatform.eu/>



iii. Relations to GRIPs, TYNDP, NDPs

In 2019 the **Polish-Czech Interconnection** project, which was a joint project of GAZ-SYSTEM and NET4GAS was developed. This Project was prepared as reaction to the non-binding capacity demand received by NET4GAS and GAZ-SYSTEM in 2019 during the previous market demand assessment process for incremental capacity realized based on the Commission Regulation (EU) 2017/459.

This project was part of the National Network Development Plans (NNDP) of both respective countries (Poland and the Czech Republic).

- NNDP of Poland 2020-2029: Project name “Połączenie Polska – Czechy”. This project is part of the last approved NNDP of Poland 2020-2029 but is not part of the latest NNDP 2022-2031, which is currently under preparation.
- NNDP of the Czech Republic 2021-2030: project ID TRA-N-137 “Polsko-české propojení”. This project is part of the last approved NNDP of the Czech Republic 2021-2030 but is not part of the latest NNDP 2022-2031, which is currently under preparation.

In accordance with CAM NC, both TSOs offered the common offer level of incremental capacity for bundled capacity at IP Cieszyn/Český Těšín in this Polish-Czech Interconnection project at the annual capacity auction on 5 July 2021. No amount of incremental capacity was booked by any market participant in the abovementioned annual auction and therefore the economic test ended with a negative result on both sides of the Polish-Czech border.

The project was terminated as according to Art. 22(3) of CAM NC in case no offer level results in a positive outcome of the economic test, the specific incremental capacity process shall be terminated.

No cross-border project is currently being planned between Poland and the Czech Republic.



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

The amount, direction and duration of the received demand for incremental capacity are presented in chapter A. Taking into account that currently there is no existing technical capacity between the entry-exit system of Poland and Czech Republic in the requested direction from Poland to Czech Republic as well as considering information provided in chapter B, an assessment of the submitted demand for incremental capacity is necessary.

The assessment will be conducted by analysing the existing interconnection point (reverse flow at Cieszyn IP) as well as the parameters of a potentially new bidirectional interconnection point together with a technical analysis of the potential needs for an extension of the natural gas infrastructure in Poland and the Czech Republic.



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

Based on the evaluation of the received non-binding demand indications as presented in chapter A, **an incremental capacity project will be initiated.**

Therefore, in the upcoming design phase the affected TSOs will conduct technical studies based on the expected demand for incremental capacity in line with the considerations made in paragraph B. iv.

D. Provisional timeline

The involved TSOs plan to conduct the technical studies according to the following provisional timeline:

Start Date	End Date	Description
25.10.2021		Start of Design Phase
25.10.2021	17.01.2022	Technical studies and preparation of consultation documents
17.01.2022		Publication of consultation documents
17.01.2022	17.03.2022	Two months public consultation
Q2/2022	Q3/2022	Further development of the project proposal, potential adjustments of the project parameters based on consultation feedback
03.11.2022		Submission of the project proposal to NRAs
03.11.2022	03.05.2023	6 months period for national regulatory authorities to publish coordinated decisions on the project proposal
03.05.2023		Publication of the approved parameters by NRAs and of a template of the contract(s) related to the capacity to be offered
03.07.2023		Yearly capacity auction/economic test

The stated dates have provisional character and might therefore be subject to changes.



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

Not applicable.

F. Fees

The involved TSOs will not charge fees for activities resulting from the submission of non-binding demand indications.



G. Contact information



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