



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

2021-10-25



This report is a joint assessment of the potential for incremental capacity projects conducted by



GAZ-SYSTEM S.A.

**LLC "Gas Transmission System Operator
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A. Non-binding Demand indications

The transmission system operators GAZ-SYSTEM and LLC “Gas Transmission System Operator of Ukraine” 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 LLC “Gas Transmission System Operator of Ukraine” (Ukraine) 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]	Amount [(kWh/h)/y]	Request is submitted to other TSOs [yes, TSO] or [no] (detailed information shall be provided below)	Date when Demand Indication was received* [please include the period according to the numbers 1) - 3])	Additional Information
Poland	Ukraine	2021/2022	1 534 167	yes	2	
Poland	Ukraine	2022/2023	1 534 167	yes	2	
Poland	Ukraine	2023/2024	4 474 863	yes	2	
Poland	Ukraine	2024/2025	4 474 863	yes	2	
Poland	Ukraine	2025/2026	4 474 863	yes	2	
Poland	Ukraine	2026/2027	4 474 863	yes	2	
Poland	Ukraine	2027/2028	4 474 863	yes	2	
Poland	Ukraine	2028/2029	4 474 863	yes	2	
Poland	Ukraine	2029/2030	4 474 863	yes	2	
Poland	Ukraine	2030/2031	4 474 863	yes	2	
Poland	Ukraine	2031/2032	4 474 863	yes	2	
Poland	Ukraine	2032/2033	3 869 863	yes	2	
Poland	Ukraine	2033/2034	3 869 863	yes	2	
Poland	Ukraine	2034/2035	3 869 863	yes	2	
Poland	Ukraine	2035/2036	3 869 863	yes	2	
Poland	Ukraine	2036/2037	3 869 863	yes	2	
Poland	Ukraine	2037/2038	3 869 863	yes	2	



* As some of indications were submitted by the market in m³/d, GAZ-SYSTEM used an assumed energy content for 1 m³ of natural gas of 11,15 kWh.

** 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 LLC “Gas Transmission System Operator of Ukraine”** 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]	Amount [(kWh/h)/y]	Request is submitted to other TSOs [yes, TSO] or [no] (detailed information shall be provided below)	Date when Demand Indication was received* [please include the period according to the numbers 1) - 3)]	Additional Information
Poland	Ukraine	2021/2022	2 835 000	Up to 1 534 167 - yes, GAZ-SYSTEM , above 1 534 167 - no	2	
Poland	Ukraine	2022/2023	3 344 132		2	
Poland	Ukraine	2023/2024	1 905 833	Up to 4 474 863 - yes, GAZ-SYSTEM , above 4 474 863 - no	2	
Poland	Ukraine	2024/2025	5 775 696		2	
Poland	Ukraine	2025/2026	5 775 696		2	
Poland	Ukraine	2026/2027	5 775 696		2	
Poland	Ukraine	2027/2028	5 775 696		2	
Poland	Ukraine	2028/2029	5 775 696		2	
Poland	Ukraine	2029/2030	5 775 696		2	
Poland	Ukraine	2030/2031	4 474 863		yes	2
Poland	Ukraine	2031/2032	4 474 863	yes	2	
Poland	Ukraine	2032/2033	3 869 863	yes	2	
Poland	Ukraine	2033/2034	3 869 863	yes	2	
Poland	Ukraine	2034/2035	3 869 863	yes	2	
Poland	Ukraine	2035/2036	3 869 863	yes	2	
Poland	Ukraine	2036/2037	3 869 863	yes	2	
Poland	Ukraine	2037/2038	3 869 863	yes	2	



* As some of indications were submitted by the market in m3/d, LLC "Gas Transmission System Operator of Ukraine used an assumed energy content for 1 m3 of natural gas of 11,15 kWh.

** 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 system of Poland and Ukraine in direction from Poland to Ukraine.

The existing interconnection between Poland and Ukraine (interconnection point GCP GAZ-SYSTEM/UA TSO) towards UA enables the interruptible conditionally firm gas transmission with a capacity of 1 887 000 kWh/h in the period from 1 May to 31 August, 2 825 000 kWh/h in the period from 1 September to 30 April (increasing the offered capacity above 1 887 000 kWh/h is possible in monthly products after each agreement between the Polish and Ukrainian TSOs).

i. Historical usage pattern

Historical usage pattern at IP GCP GAZ-SYSTEM/UA TSO (t.UA) may be found directly and up to date on the Transparency Platform (link below):

<https://transparency.entsog.eu/#/points/data?from=2014-10-01&indicators=Allocation%2CPhysical%20Flow&points=pl-tso-0002itp-10008exit%2Cua-tso-0001itp-10008entry>

Physical flow at the IP GCP GAZ-SYSTEM/UA TSO is irregular.

ii. Results of current annual yearly auction

Capacity at the IP GCP GAZ-SYSTEM/UA TSO (t. UA) is allocated (not fully) up to gas year 2021/2022 on the Polish side. Capacity at the IP GCP GAZ-SYSTEM/UA TSO (t. UA) has not been allocated at the last yearly auction on the Ukrainian side.

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

iii. Relations to GRIPs, TYNDP, NDPs

The Polish-Ukrainian Interconnection

ENTSO TYNDP 2020 included the following infrastructure projects between Poland and Ukraine: Project ID TRA-A-621 “Poland – Ukraine Gas Interconnection (PL section)” (project promoter was GAZ-SYSTEM S.A.) and project ID TRA-A-561 “Poland – Ukraine Gas Interconnection (Ukrainian section)” (project promoter was Ukrtransgaz, previous TSO in Ukraine).

The project was also a part of the National Network Development Plans (NNDP) of both respective countries (Poland and Ukraine).

- NNDP of Poland 2020-2029: Project name “Połączenie Polska-Ukraina”,
- NNDP of Ukraine: 2018 – 2027: Project name “Poland – Ukraine Gas Interconnection”.

The implementation of the project “Poland – Ukraine Gas Interconnection” was suspended by the TSOs until the finalization of the market demand assessment and how the mentioned demand can be covered optimally.

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 firm capacity between the entry-exit system of Poland and Ukraine in the requested direction from Poland to Ukraine 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 (flow at IP GCP GAZ-SYSTEM/UA TSO) as well as the parameters together with a technical analysis of the potential needs for an extension or construction of a new natural gas infrastructure in Poland and Ukraine.

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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