



**Demand assessment report
for incremental capacity
between *Ukrainian* and
*Romanian gas transmission systems***

2023-10-23

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



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A. Non-binding Demand indications

During the public market demand assessment procedure, the interested gas market participants have sent indicative demands on the incremental capacity for **IP Isaccea1/Orlovka 1**. The specified interconnection point between *the Gas Transmission System of Ukraine* operated by **Gas Transmission System Operator of Ukraine** (hereinafter referred to as **GTSOU**) and *the National Gas Transmission System of Romania* operated by SNTGN Transgaz S.A. Romania (hereinafter referred to as **TRANSGAZ**), located on the Ukrainian-Romanian border near Orlovka (Ukraine) and near Isaccea (Romania), which can be currently used for gas transmission both from Ukraine to Romania and from Romania to Ukraine.

No non-binding demand indications were received by the two TSOs for the **IP Tekove/Mediesu Aurit** during the public market demand assessment procedure.

In accordance with the Interconnection Agreement concluded between the National Gas Transmission Company Transgaz S.A. and Limited Liability Company Gas Transmission System Operator of Ukraine for **IP Isaccea1/Orlovka1** the following technical capacities are currently available:

Maximum technical capacity (currently offered on a firm basis)	Isaccea1/Orlovka1 (UA>RO)	
	m ³ (0)/d	kWh/d
	17 776 800	202 897 296
Maximum technical capacity (currently offered on an interruptible basis and subject to capacity booking in the Negru Voda1/Kardam IP in the BG-RO direction).	Isaccea1/Orlovka1 (RO>UA)	
	m ³ (0)/d	kWh/d
	10 709 950	121 421 208

GTSOU and **Transgaz** have received non-binding demand indications for firm capacity at the interconnection point IP Isaccea1/Orlovka1 between the entry-exit system border for future periods as described below.

Incremental capacity indications submitted for each TSO are not identical because some interested market participants have sent the non-binding indicative incremental capacity demands only to one TSO. The two TSOs have jointly agreed to consider all indicative requests submitted, regardless of which side of the border they were received on.

No non-binding capacity demand were submitted later than 8 weeks after the start of the incremental capacity process, respectively by 28 August 2023.

The following **aggregated non-binding demand indications received by GTSOU** for **firm** capacity at IP **Isaccea1/Orlovka1** (21Z00000000304Z) 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/d)/y]	Amount [m3(0)/d/y]	Type of capacity [firm, interruptible]	Date when Demand Indication was received* [please include the period according to the numbers 1) - 3)]	Additional Information
Romania	Ukraine	2024/2025	142 513 830	12 450 352	firm	2	There is no firm transmission capacity in the RO-UA direction
Romania	Ukraine	2025/2026	206 520 746	18 042 151	firm	2	There is no firm transmission capacity in the RO-UA direction
Romania	Ukraine	2026/2027	206 520 746	18 042 151	firm	2	There is no firm transmission capacity in the RO-UA direction
Romania	Ukraine	2027/2028	192 020 746	16 775 396	firm	2	There is no firm transmission capacity in the RO-UA direction
Romania	Ukraine	2028/2029	192 020 746	16 775 396	firm	2	There is no firm transmission capacity in the RO-UA direction
Romania	Ukraine	2029/2030	192 020 746	16 775 396	firm	2	There is no firm transmission capacity in the RO-UA direction
Romania	Ukraine	2030/2031	192 020 746	16 775 396	firm	2	There is no firm transmission capacity in the RO-UA direction

* 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 SNTGN Transgaz S.A.** for **firm** capacity at IP **Isaccea1/Orlovka1** (21Z00000000304Z) 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/d)/y]	Amount [m3(0)/d/y]	Type of capacity [firm, interruptible]	Date when Demand Indication was received* [please include the period according to the numbers 1) - 3)]	Additional Information
Romania	Ukraine	2024/2025	141 100 000	12 326 835	firm	2	There is no firm transmission capacity in the RO-UA direction. The existing technical capacity is temporarily offered as interruptible capacity and is subject to capacity booking in IP Negru Voda1/Kardam on the BG-RO direction.
Romania	Ukraine	2025/2026	14 500 000	1 266 755	firm	2	There is no firm transmission capacity in the RO-UA direction. The existing technical capacity is temporarily offered as interruptible capacity and is subject to capacity booking in IP Negru Voda1/Kardam on the BG-RO direction.
Romania	Ukraine	2026/2027	14 500 000	1 266 755	firm	2	There is no firm transmission capacity in the RO-UA direction. The existing technical capacity is temporarily offered as interruptible capacity and is subject to capacity booking in IP Negru Voda1/Kardam on the BG-RO direction.
Ukraine	Romania	2024/2025	126 000 000	11 147 781	firm	2	The existing maximum technical capacity is 17 776 800 m3(0)/d which covers the demand.

* 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

i. Results of current auctions for yearly capacity

The firm capacity at the interconnection points Isaccea1/Orlovka1 (flow direction from Romania to Ukraine) was not offered at the current annual auction.

For IP Isaccea1/Orlovka1, on the Ukrainian side, the existing technical capacity has been offered on an interruptible basis, but has not been requested and booked.

For IP Isaccea1/Orlovka1, on the Romanian side, the existing technical capacity has been offered on an interruptible basis and subject to capacity booking in IP Negru Voda1/Kardam, on the BG-RO direction, but has not been requested and booked.

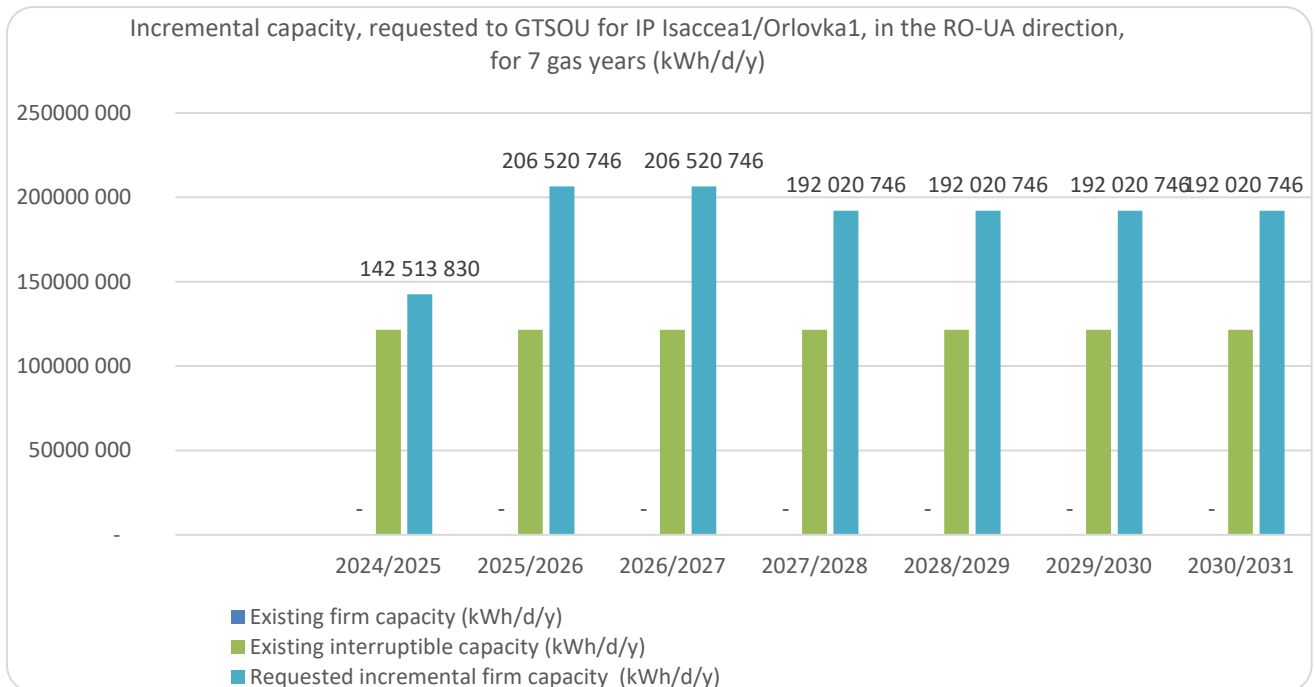
Auctions results may be found on the Regional Booking Platform webpage: <https://ipnew.rbp.eu/Rbp.eu/#/capacityauction-list>

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

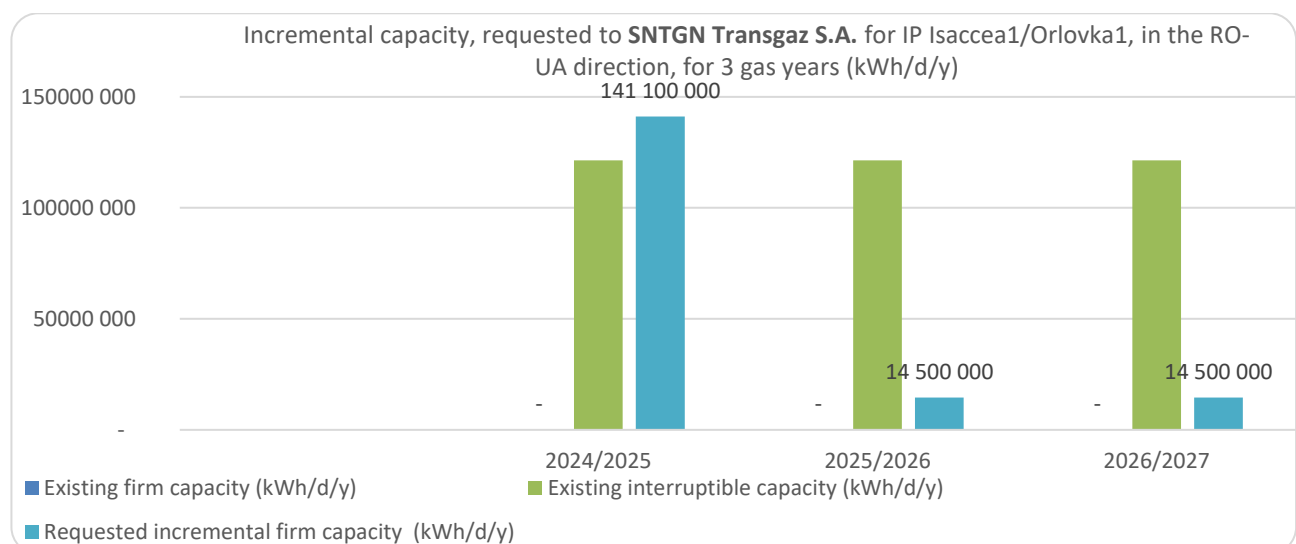
The evaluation of the demand for incremental capacity is based on the existing technical capacity and the non-binding requests for incremental capacity between the entry-exit systems. The analysis focuses on the requested transport direction as well as for each side of the entry-exit system.

For IP Isaccea 1/Orlovka 1, in the (UA-RO) flow direction, there was a single non-binding incremental capacity demand for a gas year, 2024/2025, amounting to 126 000 000 kWh/d/y, received only by Transgaz, which can be ensured by the technical capacity existing in this direction, that is **201 882 585 kWh/d/y**.

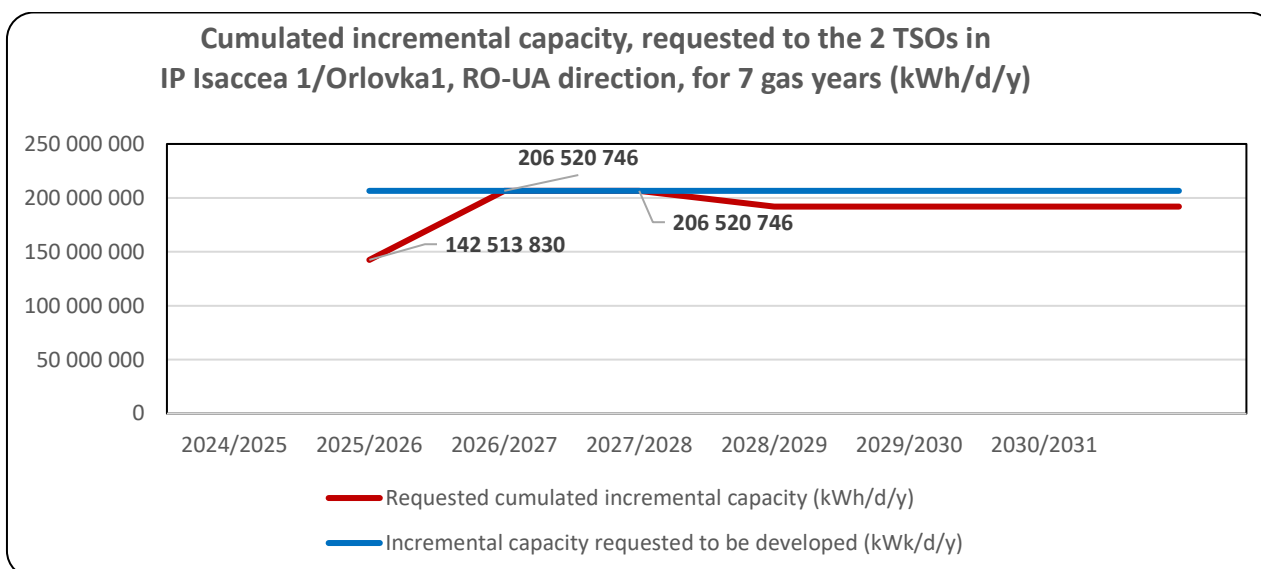
For IP **Isaccea1/Orlovka1, on the flow direction (RO-UA)**, the non-binding incremental capacity indications received by GTSOU are at the **maximum level of 206 520 746 kWh/d/year** for 2 gas years (2025/2026 to 2026/2027). Also it is at the level of 142 513 830 kWh/d/year for 1 gas years (2024/2025) and 192 020 746 kWh/d/year for 4 gas years (from 2027/2028 to 2030/2031). **The existing technical capacity on this direction (121 421 208 kWh/d/year) is offered temporarily on interruptible basis** (as the gas quality requirements in Romania and Bulgaria are different from the gas quality requirements in Ukraine) and from Romanian side **is conditional on the capacity booking in IP Negru Voda1/Kardam on BG-RO direction**.



On the Ukrainian side the corresponding project “*Transportation of natural gas through Trans-Balkan pipeline in two directions*” for IP Isaccea/Orlovka (up to 55 790 000 m³(0)/d capacity) was studied in the national TYNDP 2020-2029.



It should be mentioned that the capacity requested for 2024/2025 is almost identical for the two TSOs.



The capacity requested to be developed is at the level of the peak cumulated demand of 206 520 746 kWh/d/year in the gas years 2025/2026 and 2026/2027.

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

For IP Isaccea 1/Orlovka 1, in the (UA-RO) flow direction, the non-binding incremental capacity demand received by Transgaz for gas year 2024/2025, amounting to **126 000 000 kWh/d/y**, may be ensured by the technical capacity existing in this transmission direction, that is **201 882 585 kWh/d/y** and it is **not necessary to initiate an incremental capacity process.**

At IP Isaccea1/Orlovka1 in the (RO-UA) flow direction according to the description at point B, the cumulative non-binding indications received by the two TSOs are at the maximum level of **206 520 746 kWh/d/year**. The existing technical capacity (**121 421 208 kWh/d/year**) is available only on interruptible basis. **The two TSOs will make joint efforts, so that the existing capacity may be offered to the market as firm capacity as soon as possible (the harmonization of the gas quality conditions, solving downstream bottlenecks, etc.).**

Based on the evaluation of the received non-binding indications as presented in chapter A, and based on the analysis made at chapter B, we conclude that for **IP Isaccea1/Orlovka1, the (RO-UA) flow direction, the next phase of this incremental capacity process will be initiated.**

A technical study is necessary to be prepared for this IP and in this transmission direction to determine the feasibility of an incremental capacity project to cover the peak of the cumulated firm capacity demand in the RO-UA direction, presented in chapter B.

Offer levels will be assessed later, since they are an output of the technical study thoroughly taking into account aspects of technical feasibility.

Therefore, in the upcoming design phase the **two involved TSOs will conduct technical studies based on the expected demand for incremental capacity for IP Isaccea1/Orlovka1, the (RO-UA) flow direction**, in line with the considerations presented in chapter B and the conclusions at chapter C.

D. Provisional timeline

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

Start Date	End Date	Description
23.10.2023		Start of Design Phase
23.10.2023	15.01.2024	Technical studies and preparation of public consultation documents
15.01.2024		Publication of public consultation documents
15.01.2024	15.02.2024	One month public consultation
16.02.2024	16.10.2024	Further development of the project proposal, potential adjustments of the project parameters based on public consultation feedback
	16.10.2024	Submission of the project proposal to the NRAs
17.10.2024	17.04.2025	6 months period for national regulatory authorities to publish coordinated decisions on the project proposal
	24.04.2025	Publication by the TSOs of the parameters approved by NRAs and of a template of the contract(s) related to the capacity to be offered
	07.05.2025	Final date for publication of auction notice for the incremental capacity offer
	07.07.2025	Conducting the yearly capacity auction/incremental capacity auction

	Publication of incremental capacity auctions result (aggregated)
2 days after auction closure	Economic test
1 day after the result of the economic test	Allocation/or not of the requested incremental capacity and publication of the results

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)

There is no interim arrangement.

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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