**A non-binding request for the assessment of the firm capacity demand on the interconnection pursuant to Commission Regulation (EU) 2017/459**

**(Article 26)**

**Zagreb, 4 July 2023**

1. **Introduction**

Pursuant to Article 26 of the Regulation 2017/459 (hereinafter referred to as: CAM Regulation), Plinacro is conducting an incremental capacity process in 2023. As defined by CAM Regulation incremental capacity is any capacity beyond technical capacity on the existing interconnection points, capacity related to the establishment of a new interconnection point or a reverse flow capacity on the interconnection point at which gas was previously flowing in one direction only.

In order to assess market demand for incremental capacity Plinacro is conducting a procedure of assessing the market demand for incremental capacity on the existing interconnection points as well as possible need for constructing a new IP (interconnection point), that is, new IPs.

Having in mind that during the first incremental capacity process transmission system operators noticed that suppliers and gas traders lack understanding in the preparation of answers for adequate market assessment, Plinacro would like to highlight the following:

* A Form for submitting non-binding demand indications for firm capacity on interconnection points (hereinafter referred to as: the Form) is available on the official website of Plinacro;
* The Form is to be completed by the interested suppliers and/or gas traders who are the existing or potential gas transmission system users;
* The Form represents a questionnaire with which Plinacro collects main information necessary for market demand assessment for incremental capacity on interconnection points pursuant to CAM Regulation;
* Participants in the market demand assessment submit non-binding demand indications;
* Submission of the Form to Plinacro does not produce any legally binding effects for the Applicants;
* By completing the Form relevant Applicant authorises Plinacro to make the completed Form and all information it contains available to other transmission system operators for the purpose of a common assessment of the total market demand for incremental capacity pursuant to Article 26 of the Commission Regulation (EU) 2017/459.
1. **Incremental capacity process**

Since every decision of the transmission system operator on any significant investment in the infrastructure has to be subject to a market demand assessment, for this purpose CAM Regulation prescribes an Incremental capacity process. The Incremental capacity process starts by the assessment of market demand of the transmission system users for firm capacity on the interconnection points. Market survey is followed by a structured phase of analysing received requests in which neighbouring transmission system operators cooperate to evaluate if there is enough interest for incremental capacity.

Market demand assessment finishes by public announcement of the *Market demand assessment report* in which interested public can find information on the analyses of received requests and the results of the conducted process. In the Market demand assessment report transmission system operators will inform the interested public whether there is enough market interest to continue Incremental capacity process.

Market demand assessment reports are published on websites of transmission system operators and ENTSOG website at the latest within 16 weeks after the start of the annual yearly capacity products auction.

1. **Market demand assessment**

Collecting of non-binding demand indications for incremental capacity will be conducted in the period from 4 July to 29 August 2023.

In the market demand assessment process suppliers and/or gas traders may submit their non-binding requests for incremental capacity for the maximum period of the following 15 years.

Applicants may submit the request and after the mentioned period, and the transmission system operator retains the right to decide whether it will consider such requests in the ongoing market demand assessment for the incremental capacity or include them in the next one.

For the purpose of the assessment of non-binding demand indications for incremental capacity in compliance with the process prescribed in Article 26 of the New CAM regulation, it is necessary to complete the Table *Survey of non-binding demand for firm capacity on interconnections*.

The table from the link shows all interconnection points at which Plinacro is connected to entry-exit systems of the neighbouring transmission system operators as well as the fields for additional suggestions for new interconnection points.

Non-binding incremental capacity survey can be completed separately for demand indications referred to natural gas transmission or hydrogen transmission.

The Table needs to be completed so that the demand for incremental capacity for appropriate gas years is expressed in a measuring unit kWh/h/g (GCV 25̊C/0̊C). The quantity of demand for incremental capacity is to be entered for the appropriate entry-exit system and appropriate demand direction.

When expressing demand for incremental capacity an interested supplier and/or gas trader enters total capacity he considers necessary for the appropriate gas year for an individual interconnection point regardless of the technical capacity of the interconnection.

Participants are reminded that a non-binding request for the firm capacity on the interconnection must be submitted to both neighbouring transmission system operators. If two entities plan to submit a request jointly, one on the one side and the other one on the other side of the interconnection point, then the interest should be expressed in a joint request with both neighbouring operators at the interconnection point.

If a demand indication is submitted also to one or several other transmission system operators the information about it will be entered in an appropriate field. If demand indications are mutually linked, for example, when we talk about demand on several connected interconnection points it can be described in more details below the table in the field *Detailed description* under number (1).

If a demand indication is linked to certain conditions, for example, when the capacity is conditioned by the LNG terminal construction or similar, such information should be written in the appropriate field and a detailed description can be given below the table in the field *Detailed description* under number (2).

Template “Survey of non-binding demand for firm capacity on interconnections“

