

Demand Assessment Report for incremental capacity

September 2022

Market test 2022 - Demand Assessment Report GASTRANS d.o.o. Novi Sad
IP Serbia

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

by:

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A. Non-binding Demand indications

In line with Article 9 of GASTRANS d.o.o. Novi Sad Natural Gas Transmission System Network Code (hereinafter NC) and Article 26 of Regulation (EU) 2017/459, GASTRANS d.o.o. Novi Sad conducted, from 4 June to 30 July 2022, "Market Test Invitation" in which natural gas market participants were invited to submit their non-binding demand indications in order to determine existence of market interest for incremental capacities.

In accordance with the submitted non-binding demand indications, GASTRANS d.o.o. Novi Sad publishes this Demand Assessment Report on market interest for incremental capacities.

During the implementation of the "Market Test Invitation", GASTRANS received non-binding demand indications and determined that there is market interest for firm capacity at the IP Serbia interconnection point between the entry-exit systems of GASTRANS d.o.o. Novi Sad and Transportgas Srbija d.o.o. Novi Sad. Additional capacity is needed to supply a new potential customer with natural gas near the city of Prahovo in Eastern Serbia.

The non-binding demand request is presented in the following table:

Non-Binding Incremental Capacity Demand Survey 2022	
Interconnection Point	IP Serbia
EIC Code	67Z-RS-VP-GST-1N
Flow Direction	GASTRANS d.o.o. Novi Sad → Transportgas Srbija d.o.o. Novi Sad
Request is submitted to other TSOs? [yes, TSO name] or [no]	Yes. Transportgas Srbija d.o.o. Novi Sad
Additional Information (if any)	Incremental capacity is needed to meet additional natural gas demand in city of Prahovo at Eastern Serbia
Conditions	-
Current technical capacity, kWh/d	120.966.144
Non-binding demand request [(kWh/d)/y]	
2023/2024	16.865.747
2024/2025	16.865.747
2025/2026	16.865.747
2026/2027	16.865.747
2027/2028	16.865.747
2028/2029	16.865.747
2029/2030	16.865.747
2030/2031	16.865.747
2031/2032	16.865.747
2032/2033	16.865.747

B. Demand Assessment

1. Historical Usage Pattern

The IP Serbia interconnection point exists since January 1, 2021, when the commercial operation of the new interconnector gas pipeline, connecting the transmission systems of the Republic of Bulgaria and Hungary, commenced. The operator of the new gas interconnector is GASTRANS d.o.o. Novi Sad. The exemption from "third-party access" applies to the new gas interconnector for 90% of its capacities, which are contracted on a long-term basis (Exemption Act No. 40/2018-0-03/62a, Energy Agency of the Republic of Serbia).

The total technical capacity on the IP Serbia is 5.040.256 kWh/h (120.966.144 kWh/day).

Capacity amounting 4.536.021 kWh/h is exempted and it is contracted on long term basis. The rest of the technical capacity, amounting 504.235 kWh/h, is offered on the short-term basis in accordance with capacity allocation mechanism through the auctions on the Regional Booking Platform (RBP).

2. Results of Current Annual Yearly Auction

In accordance with article 6.2.1. of NC, GASTRANS d.o.o. Novi Sad shall offer for contracting Firm Yearly Capacity when firm long-term capacity from the Long-Term Gas Transportation Agreements becomes available for contracting on the basis of Surrender, cessation of the Long-Term Gas Transportation Agreements and in case from the Article 9.4 of the NC. GASTRANS d.o.o. Novi Sad until publication of this report didn't offer for contracting Firm Yearly Capacity.

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

The amount and direction of the demand for incremental capacity, at IP Serbia, considered during the present procedure is the one presented in paragraph A. "Nonbinding Demand Indications". The requested capacities will be studied in regard with the offer levels that will be described in the draft Project Proposal to be issued for public consultation on 17th December 2022, after the performance of the respective technical studies.

Please note that the transmission system operators will consider the technical and commercial options (transfer of existing long-term contracted capacities between users) of providing additional capacity at the mentioned interconnection point, which may lead to the newly built capacity being less than the capacity that was listed in paragraph A.

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

GASTRANS d.o.o. Novi Sad and Transportgas Srbija d.o.o. Novi Sad will proceed to the next phase of the Incremental Capacity process and open the Coordinated Design Phase, the day after the publication of this Demand Assessment Report, in order to offer incremental capacity products at IP Serbia.

D. Expected Timeline

The involved TSOs plan to conduct the technical studies and the consultation of the draft Project Proposal according to the following timeline:

Activity	Expected start	Expected end	Expected duration
Drafting of project of incremental capacities	From the publication of this Demand Assessment Report	17.12.2022	12 weeks
Public Consultation on draft Project Proposal	17.12.2022	17.02.2023	2 months

After the conclusion of public consultation, draft of incremental capacities project shall be submitted to the Energy Agency of Republic of Serbia, which project includes parameters of economic test.

If the justification for the realisation of incremental capacities is determined GASTRANS d.o.o. Novi Sad shall publish on its website incremental capacities project as well as model of the agreement on access to the system and transportation of natural gas for incremental capacities approved by AERS, no later than two (2) months before the publication of auction for yearly Capacity Product on which the incremental capacities shall be offered for contracting.

E. Fees

GASTRANS d.o.o. Novi Sad did not introduce a fee for the evaluation and processing of nonbinding demand indications.