



**Demand assessment report
for incremental capacity
between *Trans Adriatic Pipeline, Snam Rete
Gas and DESFA***

– Document for publication –

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

Trans Adriatic Pipeline AG

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A. NON-BINDING DEMAND INDICATIONS

Trans Adriatic Pipeline (**TAP**), Snam Rete Gas (**SRG**) and DESFA have launched the Demand Assessment Phases of the Incremental Capacity process in July 2021, in line with the provisions of Article 26 of Commission Regulation (EU) 2017/459 establishing a network code on capacity allocation mechanisms in gas transmission systems (**CAM NC**).

- TAP

TAP conducts its Market Test process under the Guidelines for the 2021 Market Test of Trans Adriatic Pipeline (**the Guidelines**) which define the rules and procedures to be followed in the 2021 Market Test process. These Guidelines reflect TAP's specific regulatory regime for the performance of its Market Tests. They seek to align the provisions of the Final Joint Opinion of the Energy Regulators on TAP AG's Exemption Application, dated 6 June 2013, granted by the Authorities pursuant to Directive 2009/73/EC (**FJO**) and of TAP's Tariff Code with the CAM NC.

The non-binding demand indications accounted for in this report were submitted by the interested parties to TAP in compliance with the 8 weeks deadline set out in the Guidelines.¹

The non-binding demand indications are listed in an aggregated manner per each of TAP's interconnection points with the adjacent Transmission System Operators (**TSOs**) who launched the Incremental Capacity processes as per the provisions of the CAM NC, namely SRG and DESFA. TAP publishes also the non-binding demand indications received at TAP's side of the interconnection point at Kipoi (with TANAP)² and at foreseen interconnection points in Albania. In addition, TAP hereby publishes the non-binding Connection Requests³ received by TAP at various locations in Albania.

- SRG

SRG received most of the non-binding demand indications by the interested parties in compliance with the 8 weeks deadline set out as per Article 26(6) CAM NC.

Nevertheless, SRG received some non-binding demand indications for incremental capacities after the deadline defined in Article 26(6) CAM NC.

¹ The Guidelines may be found on TAP's Market Test [webpage](#).

² TANAP is not covered by the incremental capacity process of the CAM NC.

³ As per the [Guidelines for the 2021 Market Test of TAP AG](#), as approved by the Greek, Italian and Albanian NRAs in June 2021 and Sections 4.7.5 and 4.7.8 of the Final Joint Opinion of the National Regulatory Authorities on the exemption of TAP from the requirements on third party access, tariff regulation and ownership unbundling laid down in Articles 9, 32, 41(6), 41(8) and 41(10) of Directive 2009/73/EC: a Connection Request means a binding and/or non-binding request to TAP from an Interested Party to build a new entry and/or exit point in Albania or Greece and/or to increase the technical capacity of an already existing entry and/or exit point in Albania.

The non-binding demand indications refer to incremental capacities at the interconnection point Melendugno Entry. Some of these non-binding demand indications were not received by the adjacent TSO. The received non-binding demand shall be considered according to article 26(7) CAM NC for the current cycle of incremental capacity. These non-binding demand indications have been reported in the tables in this Demand Assessment Report as received by SRG.

- DESFA

On July 5th, DESFA invited all interested parties to submit non-binding demand indications for incremental capacity at existing or new Interconnection Points of the Greek Natural Gas Transmission System, according to the provisions of CAM NC. DESFA received non-binding demand indication(s) by interested party(ies) after the 8 weeks deadline set out as per Article 26(6) CAM NC, regarding the Nea Mesimvria Exit Point. However, such indication(s) shall be assessed in accordance with paragraph 7 of Article 26 of CAM NC.

The aggregated non-binding demand indication(s) as received by DESFA is presented in the table 1.4 below.

The below tables show the aggregated non-binding demand indications per IP and a breakdown of the non-binding demand indications for Forward Firm Capacity.

1. Non-Binding Demand Indications for Forward Firm Capacity

1.1 Aggregated demand at TAP Entry Kipoi

The aggregated non-binding demand indications received by TAP for the entry point of Kipoi are shown below:

Entry CAPACITY	Gas year(s)	Amount kWh/d
TAP	2024/25	5,500,000
TAP	2025/26	5,500,000
TAP	2026/27	5,500,000
TAP	2027/28	5,500,000
TAP	2028/29	5,500,000
TAP	2029/30	5,500,000
TAP	2030/31	5,500,000

1.2 Aggregated demand IP Melendugno TAP Exit, SRG Entry

The aggregated non-binding demand indications which were received by both TAP and SRG for IP Melendugno are shown below:

<i>From Exit CAPACITY</i>	<i>To Entry CAPACITY</i>	<i>Gas year(s)</i>	<i>Amount kWh/d</i>
TAP	SRG	2021/22	15,000,000
TAP	SRG	2022/23	15,000,000
TAP	SRG	2023/24	15,000,000
TAP	SRG	2024/25	15,000,000
TAP	SRG	2025/26	15,000,000
TAP	SRG	2026/27	15,000,000
TAP	SRG	2027/28	15,000,000
TAP	SRG	2028/29	15,000,000
TAP	SRG	2029/30	15,000,000
TAP	SRG	2030/31	15,000,000

1.3 Aggregated demand IP Melendugno, SRG entry only⁴

<i>From Exit CAPACITY</i>	<i>To Entry CAPACITY</i>	<i>Gas year(s)</i>	<i>Amount kWh/d</i>
-	SRG	2024/25	720,000
-	SRG	2025/26	26,500,000
-	SRG	2026/27	45,700,000
-	SRG	2027/28	45,700,000
-	SRG	2028/29	45,700,000
-	SRG	2029/30	45,700,000
-	SRG	2030/31	45,700,000
-	SRG	2031/32	45,700,000
-	SRG	2032/33	26,500,000
-	SRG	2033/34	26,500,000
-	SRG	2034/35	26,500,000
-	SRG	2035/36	26,500,000

⁴ Please note that no matching requests have been received by TAP at IP Melendugno, TAP Exit.

1.4 Aggregated demand IP Nea Mesimvria DESFA Exit, TAP Entry – Forward Firm Capacity

The aggregated non-binding demand indications referring to TAP's Forward Firm Capacity received by both TAP and DESFA for IP Nea Mesimvria are shown below:

<i>From Exit CAPACITY</i>	<i>To Entry CAPACITY</i>	<i>Gas year(s)</i>	<i>Amount kWh/d</i>
DESFA	TAP	2021/22	15,000,000
DESFA	TAP	2022/23	15,000,000
DESFA	TAP	2023/24	30,000,000
DESFA	TAP	2024/25	30,000,000
DESFA	TAP	2025/26	30,000,000
DESFA	TAP	2026/27	30,000,000
DESFA	TAP	2027/28	30,000,000
DESFA	TAP	2028/29	30,000,000
DESFA	TAP	2029/30	30,000,000
DESFA	TAP	2030/31	30,000,000

1.5 Aggregated non-binding demand at Relievi Roskovec - TAP Exit

The aggregated non-binding demand indications received by TAP for a potential future exit point in Albania at Relievi Roskovec are shown below:

<i>From Exit CAPACITY</i>	<i>Gas year(s)</i>	<i>Amount kWh/d</i>
TAP	2024/25	5,500,000
TAP	2025/26	5,500,000
TAP	2026/27	5,500,000
TAP	2027/28	5,500,000
TAP	2028/29	5,500,000
TAP	2029/30	5,500,000
TAP	2030/31	5,500,000

In addition to the request for capacity at Relievi Roskovec in Albania, TAP has also received a non-binding Connection Request for facilitating such an exit point at Relievi Roskovec, Albania with a technical capacity of 7,500,000 kWh/d.

1.6 Aggregated non-binding demand potential at Kucove - TAP Exit

The aggregated non-binding demand indications received by TAP for a Kucove exit point are shown below:

<i>From Exit CAPACITY</i>	<i>Gas year(s)</i>	<i>Amount kWh/d</i>
TAP	2023/24	7,500,000
TAP	2024/25	7,500,000
TAP	2025/26	7,500,000
TAP	2026/27	7,500,000
TAP	2027/28	7,500,000
TAP	2028/29	7,500,000
TAP	2029/30	7,500,000
TAP	2030/31	7,500,000

In addition to the request for capacity at Kucove in Albania, TAP has also received a non-binding Connection Request for facilitating such an exit point at Kucove, Albania.

1.7 Aggregated non-binding demand at IP Fier TAP Exit

<i>From Exit CAPACITY</i>	<i>Gas year(s)</i>	<i>Amount kWh/d</i>
TAP	2023/24	7,500,000
TAP	2024/25	7,500,000
TAP	2025/26	7,500,000
TAP	2026/27	7,500,000
TAP	2027/28	7,500,000
TAP	2028/29	7,500,000
TAP	2029/30	7,500,000
TAP	2030/31	7,500,000

In addition to the request for capacity at the IP Fier in Albania, TAP has also received 2 (two) non-binding Connection Requests concerning Fier, potentially making the interconnection point bidirectional.

TAP intends to engage in separate discussions for the Kucove and Fier non-binding Connection Requests with TAP's interconnecting TSO in Albania and the interested party.

2. Conditionalities

A number of interested parties specified conditionalities applicable to their non-binding Capacity Requests in TAP.

The main conditionality refers to linking commitments at different interconnection points (*i.e.* interest in entry capacity to TAP being conditional upon the same amount of capacity being allocated at the requested exit point of TAP as well as at the entry to the relevant adjacent TSO).

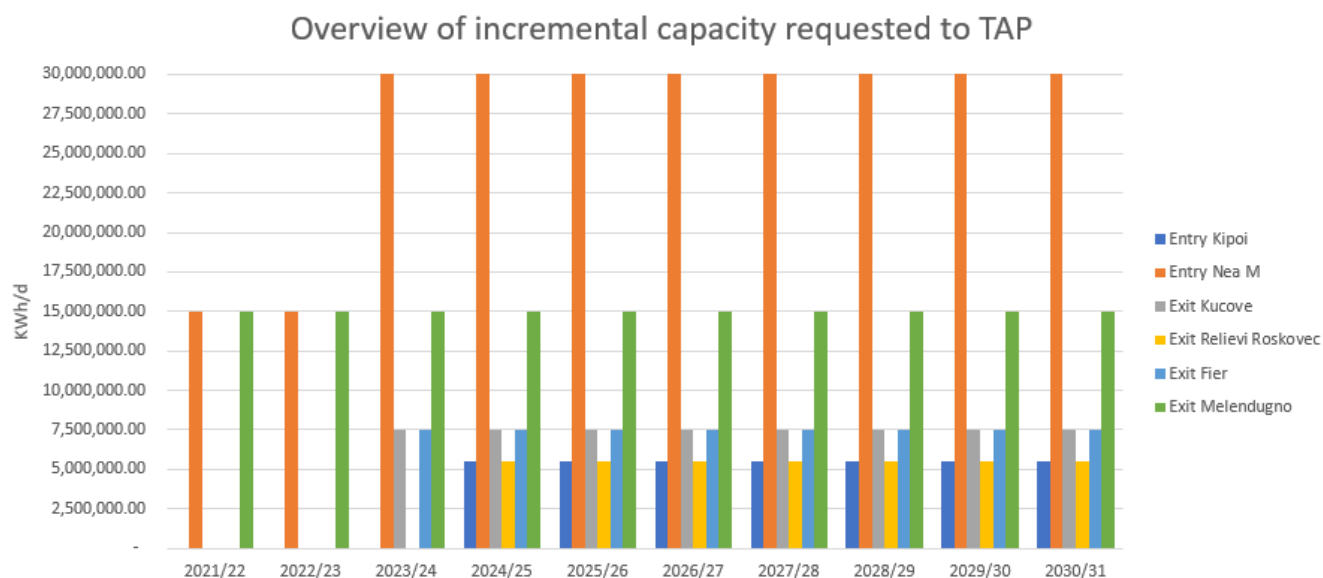
B. DEMAND ASSESSMENT

The Demand Assessment Phase commenced immediately after the start of the Annual Yearly Capacity Auction, as specified in Article 11(4) of CAM NC, and closed maximum 16 weeks after the Annual Yearly Capacity Auction in accordance with Article 26 of CAM NC.

The TSOs conducting this market Demand Assessment Report gave network users the opportunity to submit non-binding demand indications to quantify potential demand for incremental capacity starting from July in compliance with the timeline provided by Article 26(2) CAM NC and the Guidelines.

- TAP

In total, TAP has received the following maximum amounts expressed in kWh/d, as shown in the graph below:



In accordance with Section 4.7.5 and 4.7.8 of the FJO and to the Guidelines for the 2021 Market Test of Trans Adriatic Pipeline, approved by the NRAs in June 2021, interested parties could also submit non-binding requests to build a new entry and/or exit point in Albania or Greece and/or to increase the technical capacity of an already existing entry and/or exit point in Albania.

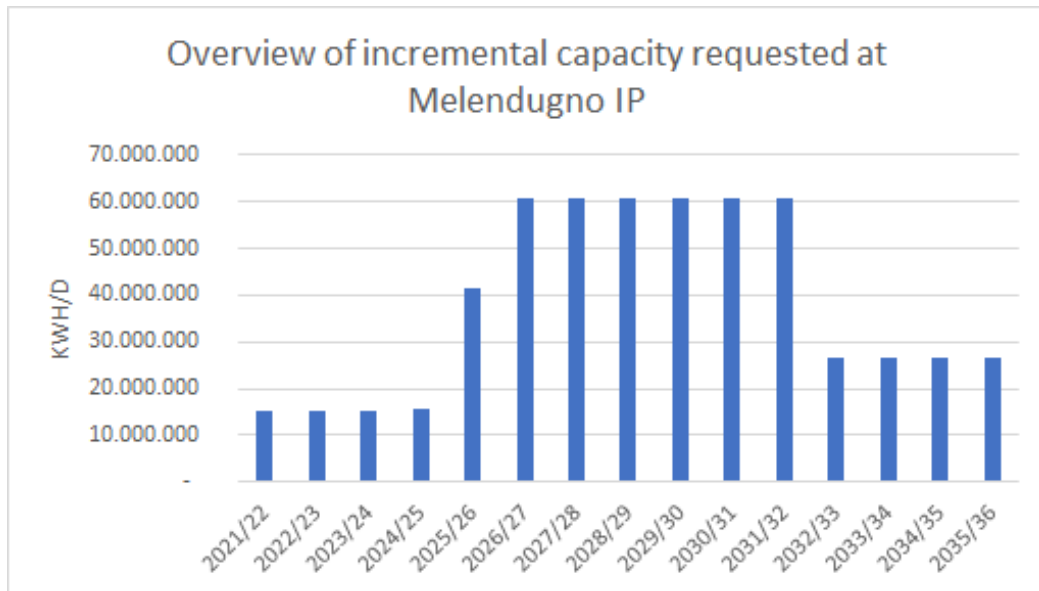
TAP has thus received the following non-binding Connection Requests in Albania:

- Exit Kucove – 7,500,000 KWh/d.

- Exit Relievi Roskovec – 7,500,000 KWh/d.
- Exit Fier – 7,500,000 KWh/d.
- Entry Fier – 1.8 bcm.

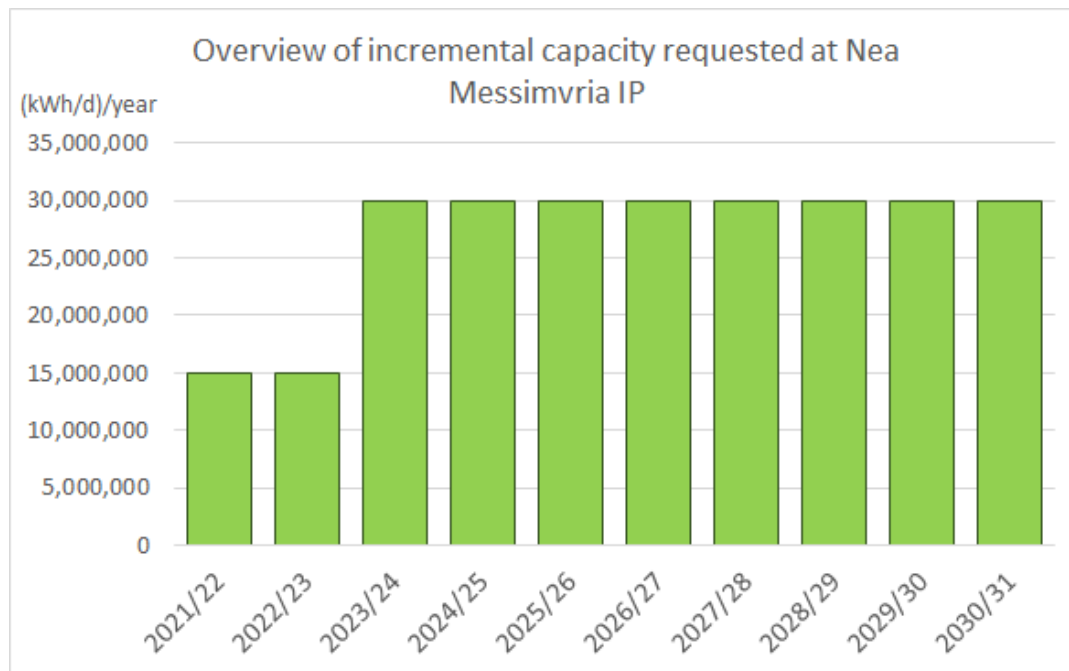
- SRG

In total, SRG has received the following maximum amounts expressed in kWh/d, as shown in the graph below:



- DESFA

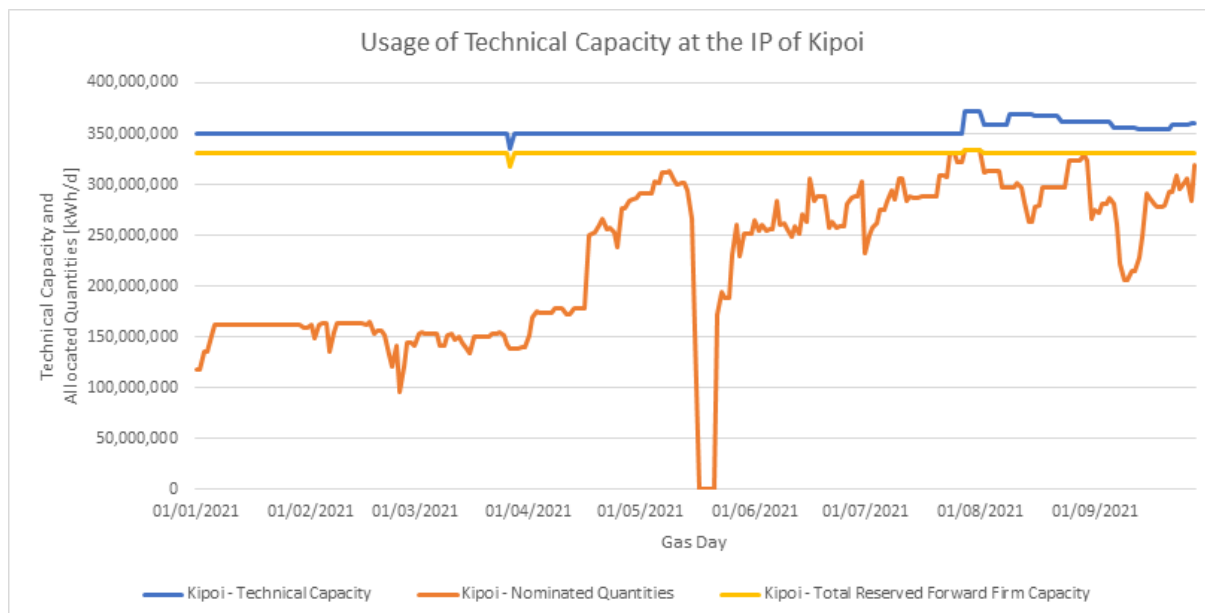
In total, DESFA has received the following maximum amounts expressed in kWh/d, as shown in the graph below:

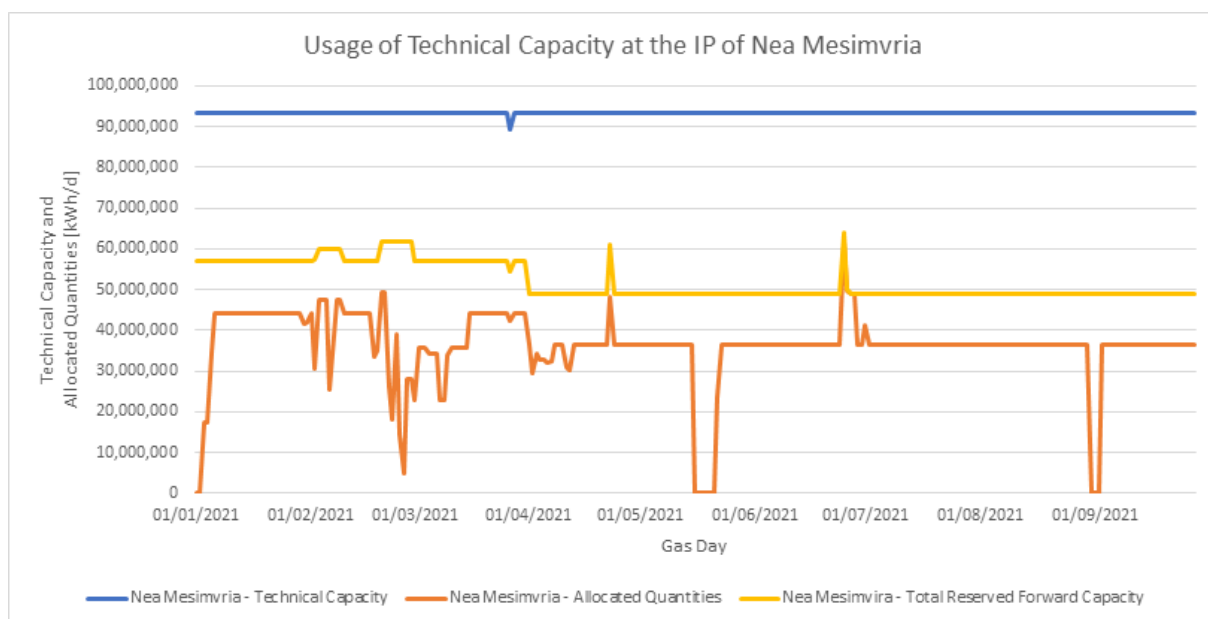
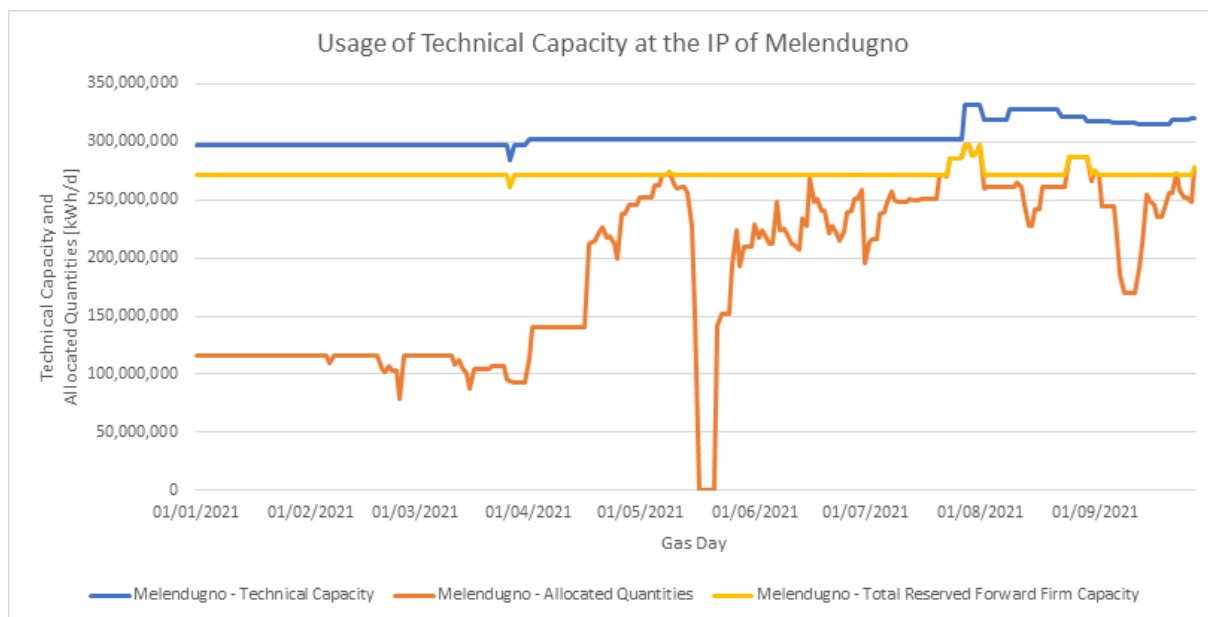


1. Historical usage pattern

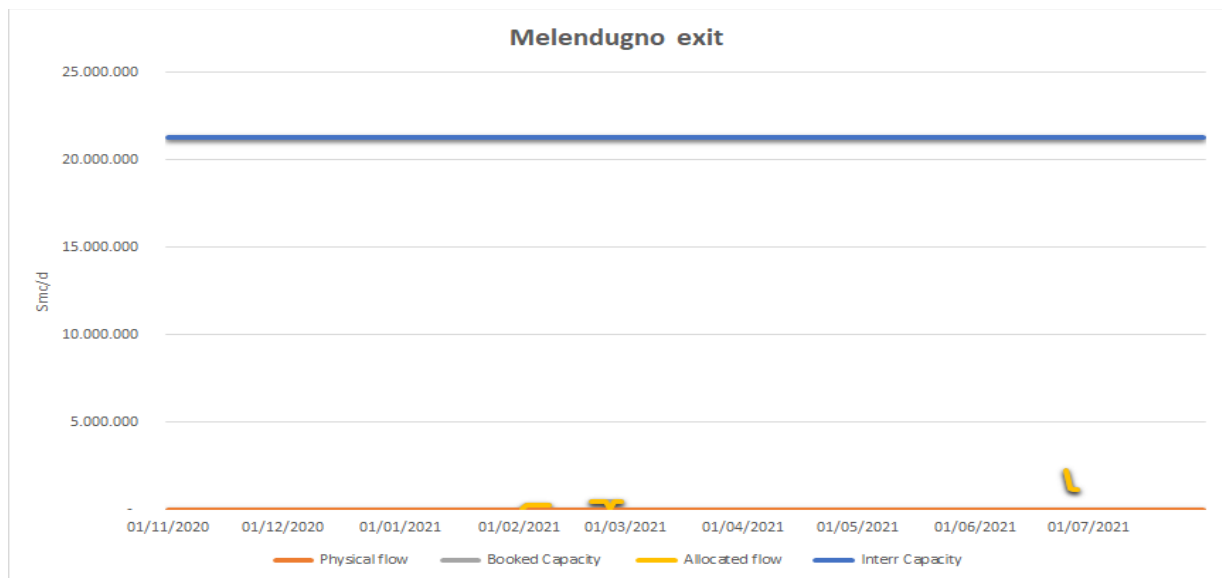
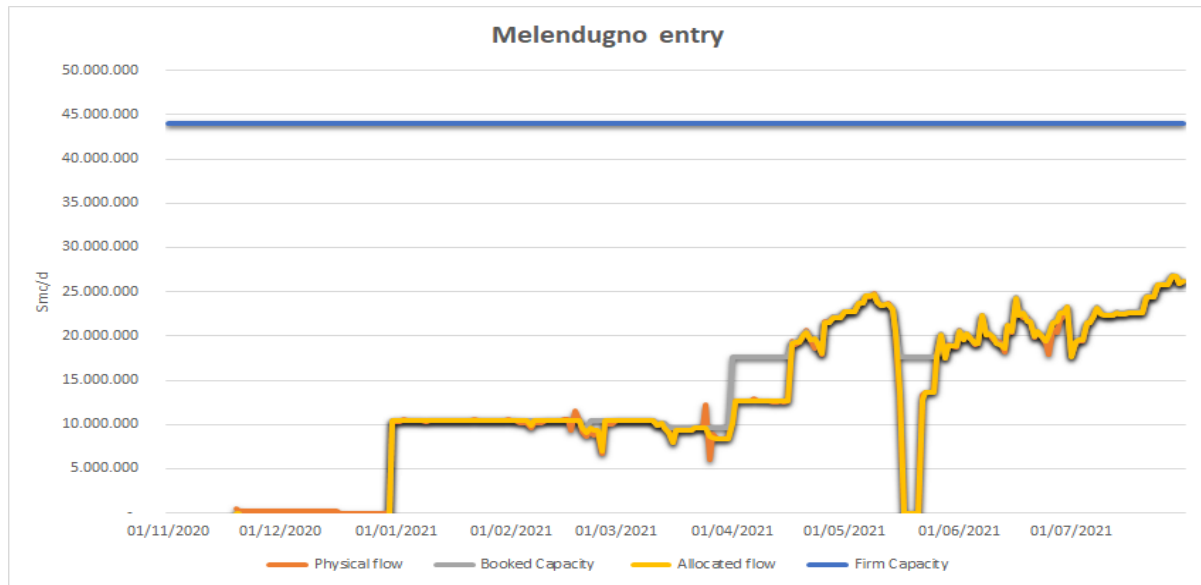
The utilization of the technical capacity is presented in the charts below by comparing the technical capacity with the booked capacity.

- TAP



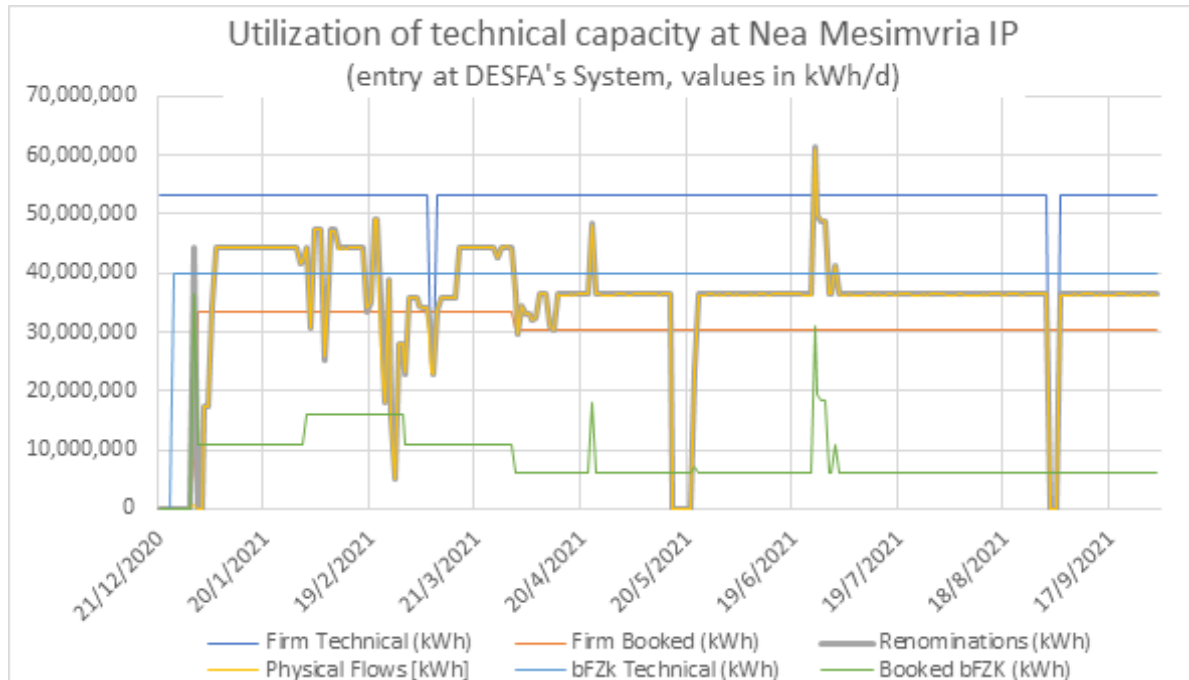


- SRG



- DESFA

The interconnection between TAP and DESFA gas Systems at Nea Mesimvria IP was completed in December 2020. At Nea Messimvria IP, DESFA offers a firm unconditional product and a conditional bFZK⁵ product in the direction from TAP System to DESFA System. The utilization of the entry capacity in DESFA System is presented in the graph below.



From August 2021, DESFA also offers 26.500.000 kWh/day as interruptible capacity in the direction from DESFA System towards TAP. Until now there are no bookings in this direction from interested users.

2. Results of current annual yearly auction

- TAP

Considering TAP's existing long-term contractual commitments and TAP's obligations to offer short-term capacity as per TAP's specific regulatory framework, there was no capacity available to be offered by TAP as forward firm yearly capacity at TAP's IPs in the July 2021 annual yearly auction.

⁵ Conditional firm capacity with free allocability (bFZK) is a capacity product that restricts the possibility to use the contracted capacity to a set of predefined external conditions related to temperature or physical gas flows within the network. The bFZK capacity product is applied as firm, as long as the conditions of interruption are not applied.

- SRG

The results of the recent annual yearly firm capacity auction taking place on 5th July 2021 for the IP Melendugno, are presented below:

IP name	IP EIC code	Flow direction	Gas year	Offered capacity (kWh/d)	Booked capacity (kWh/d)	Capacity type
<i>Melendugno</i>	21Z000000000474A	<i>Entry</i>	2021/2022 - 2025/2026	166.412.450	0	Firm

- DESFA

The results of the recent annual yearly firm capacity auction that took place on the 5th July 2021 for the IP Nea Mesimvria, are presented below:

Interconnection Point name	Interconnection point EIC	Flow direction	Gas year	Offered capacity Amount, kWh/d	Booked capacity Amount, kWh/d	Capacity type
Nea Mesimvria	21Z000000000473C	TAP → DESFA	2021/2022	48.031.430	31.354.301	Firm
Nea Mesimvria	21Z000000000473C	TAP → DESFA	2022/2023	48.031.430	30.346.301	Firm

The results of the recent annual yearly bFZK capacity auction that took place on the 12th July 2021 for the IP Nea Mesimvria, are presented below:

Interconnection Point name	Interconnection point EIC	Flow direction	Gas year	Offered capacity Amount, kWh/d	Booked capacity Amount, kWh/d	Capacity type
Nea Mesimvria	21Z000000000473C	TAP → DESFA	2021/2022	27.000.000	0	bFZK

3. Relations to GRIPS, TYNDP, NDPs

- TAP

In line with TAP's exemption decision, TAP is exempted from network investment as provided under Article 22 of the Directive 2009/73/EC concerning common rules for the internal market in natural gas

for a period of 25 years as of TAP's Commercial Operations Date. TAP has not been listed in any National Development Plans (**NDP**) (even for its initial capacity) as TAP is an interconnector and its significance is only national.

At the moment of the publication of the Demand Assessment Report⁶, data on non-binding demand indications received during the Demand Assessment Phase of the 2021 Market Test had not yet been submitted to ENTSOG, for the purposes of the Ten-Year Network Development Plan (**TYNDP**) 2022. However, data from the 2019 Market Test has been shared with ENTSOG for the TYNDP 2020⁷, Incremental Capacity Report 2019-2021⁸ and the 2021 Southern Corridor Gas Regional Investment Plan (**GRIP**) Report.⁹ It is more likely that the information from the 2021 Market Test will be reflected in the next GRIP Report.

In addition, the European Commission, Parliament and Council have given TAP's initial project the Project of Common Interest (**PCI**) status in 2013, 2015, 2017 and 2019 for its role, amongst others, in opening up the Southern Gas Corridor, one of the energy corridors identified by the EU as priorities for the achievement of European energy policy objectives. TAP Expansion is currently taking part in the on-going 5th PCI process.

- SRG

The projects included in the Snam Rete Gas TYNDP 2021-2030 that might be considered in the studies are:

- Adriatica line, strengthening the capacity of import from the South (included in ENTSOG TYNDP, TRA-N-7).
- Matagiola-Massafra pipeline, increasing the maximum capacity at the entry point in Puglia ((included in ENTSOG TYNDP, TRA-N-1195).

- DESFA

The projects included in the DESFA draft TYDP 2021-2030 that are relevant to the non-binding demand indications received for Nea Mesimvria IP are presented below. These projects are also included in the TYNDP 2020, and the 4th edition of the Gas Regional Investment Plan (GRIP) for the Southern Corridor .

- TRA-N-971 "Compressor station at Nea Messimvria" (booster C/S towards TAP). This will be a booster C/S that will enable the increase of the pressure level at DESFA's System up to the pressure level of TAP, in order to allow physical flow, in firm basis, from DESFA to TAP. After the completion of the project, Nea Messimvria IP will be considered as a bi-directional IP.
- TRA-F-1276 " Compressor station at Nea Messimvria (3rd unit)". The project consists in the addition of a third compressor unit at the existing Compressor Station at Nea Messimvria with the aim to

⁶ 25 october 2021

⁷ Details on the TYNDP 2020 can be found [here](#).

⁸ Publication pending.

⁹ Publication pending.

increase the maximum transmitted gas quantities from north to south but also, in reverse flow, from south to north.

TRA-N-1278 "Compressor station at Ambelia". The project consists in the installation of a new compressor station at Ambelia (Farsala) in Central Greece which will increase the capacity of the transmission system of DESFA to transport gas from north to south but also, in reverse flow, from south to north.

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

- TAP

The amounts and directions of the demand for incremental capacity considered during the present procedure are the ones represented above in Section A for Forward Firm Capacity. Please note that no further long-term Forward Firm Long-Term Capacity¹⁰ may be accommodated within TAP's initial configuration of 10 bcma. Any additional demand, including the non-binding capacity requests received during the 2021 Demand Assessment Phase, would thus need to be covered through the current Market Test process.

The full, partial and limited expansion scenarios have already been identified during the Coordinated Design Phase of the 2019 Market Test and comprised in the Project Proposal approved by the Italian (ARERA), Greek (RAE) and Albanian (ERE) NRAs.¹¹ During the Demand Assessment Phase of the 2021 Market Test, TAP has received non-binding demand indications which TAP deems worthy of further investigation and definition of an additional expansion scenario in order to accommodate them on TAP's system. Depending on the results of the technical assessments for this expansion scenario, the existing full, partial and limited scenarios, already defined in the Project Proposal, may also be adapted further.

- SRG

Three expansion scenarios have already been identified during the Coordinated Design Phase of the 2019 Market Test and comprised in the Project Proposal approved by the Italian (ARERA), Greek (RAE) and Albanian (ERE) NRAs. During the Demand Assessment Phase of the 2021 Market Test, SRG has received non-binding demand indications, represented above in Section A for Forward Firm Capacity, which determined further investigations and the definition of an additional expansion scenario. Depending on the results of the technical assessments for this expansion scenario, the existing scenarios, already defined in the 2019 Project Proposal, may also be adapted further.

¹⁰ According to Section 2 of TAP's Network Code, **Forward Firm Long Term Capacity** means Firm Capacity in the TAP Transportation System for the transportation of Natural Gas in the Forward IP Direction that is made available to Shippers under a Gas Transportation Agreement at a particular Interconnection Point on every Gas Day for a period of more than one Gas Year.

¹¹ [2019 Market test > Trans Adriatic Pipeline \(TAP\) \(tap-ag.com\)](#); <https://www.arera.it/allegati/docs/21/189-21alla.pdf>

The capacity requested during the Demand Assessment Phase will be made available for binding bookings in the Binding phase.

More details on the timing of the Binding Phase and on the operational availability of the incremental infrastructure will be comprised in the draft Project Proposal, to be issued for Public Consultation on 18 January 2022.

- DESFA

The amount and direction of the demand for incremental capacity, at Nea Messimvria IP, considered during the present procedure is the one presented in Section A “Non-binding 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 18 January 2022 after the performance of the respective technical studies.

In parallel, DESFA and TAP may evaluate the possibility to assess the technical and economic feasibility for the offer of (a) bundled capacity product(s) in the opposite direction than the one requested (meaning from TAP towards DESFA).

C. CONCLUSION FOR THE INITIATION OF AN INCREMENTAL CAPACITY PROJECT/PROCESS

TAP, DESFA and SRG will proceed to the next phase of the 2021 Incremental Capacity process and open the Coordinated Design Phase on 26 October 2021, the day after the publication of this Demand Assessment Report.

During the Coordinated Design Phase, the TSOs deem it necessary to conduct further technical studies to investigate, document and evaluate the preliminary technical solutions, costs and schedules for development options to meet a range of demand cases.

The output of the technical studies and of the coordinated actions taken by TAP, SRG and DESFA during the Coordinated Design phase, including specific expansion thresholds, provisional costs and timelines will feed into the Project Proposal, to be included in the consultation expected to be launched according to article 27 CAM NC.

In addition, TAP intends to enter into discussions with the NRAs regarding the Connection Requests in Albania.

D. PROVISIONAL TIMELINE

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

Activity	Expected start	Expected end	Expected duration
Technical studies for incremental capacity projects	26/10/2021	17/01/2022	12 weeks
Public Consultation on draft Project Proposal	18/01/2022	18/02/2022	1 month

**The above stated timeline has a provisional character and is therefore subject to change.*

Following the end of the public consultation in February 2022 and further refinements of the draft Project Proposal, the TSOs will submit the draft Project Proposal to the relevant NRAs for coordinated approvals. Upon approval of the Project Proposal by the NRAs, the Binding Phase starts and a notice will be published on the TSOs' website at least 2 months before any binding auctions. The process for the Binding Phase will be detailed in the draft Project Proposal, including indicative schedule information building on the studies from the Coordinated Design phase.

E. INTERIM ARRANGEMENTS FOR THE AUCTION OF EXISTING CAPACITY ON CONCERNED IP(S)

N/A

F. FEES

According to article 26(11) of CAM NC, transmission system operators may charge fees for activities which result from the submission of non-binding demand indications.

For the incremental capacity cycle addressed by this report, in compliance with CAM NC and the provisions of the Guidelines, TAP has requested fees for the evaluation and processing of the non-binding demand indications received in the value of 10,000 EUR/interested party.

SRG and DESFA do not currently charge fees as foreseen by Article 26.11 of CAM NC.

G. FURTHER COSTS

- TAP – other fees

Further, in accordance with the Guidelines, TAP may assess further guarantees / fees to be introduced through the Project Proposal.

- SRG

SRG reserves the right to request a fee from the entities, that submitted non-binding indications after the project finalization and before the submission of the Project Proposal to the NRA, subject to approval of the relevant NRA.

- DESFA

DESFA reserves the right to request a fee from the entities, that submitted non-binding indications after the project finalization and before the submission of the Project Proposal to the NRA, subject to approval of the relevant NRA.

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