

INCREMENTAL CAPACITY PROJECT AT THE INTERCONNECTION POINT MALLNOW

President of the Energy Regulatory Office decision on approval of incremental capacity project proposal for the Poland (Polish section of the Yamal Transit Gas Pipeline System - Western Europe) and Germany (Trading Hub Europe) market areas.

On 29.04.2021 the President of the Energy Regulatory Office issued a decision no. DRR.WRG.748.8.2020.ABu1 closing the administrative proceedings regarding the application of GAZ-SYSTEM S.A. for the approval of the incremental capacity project proposal for the market border of Poland (Polish section of the Yamal Transit Gas Pipeline System - Western Europe) and Germany (Trading Hub Europe).

The project was a response to the non-binding market demand indications for incremental capacity at Mallnow interconnection point received by Gastransport GmbH (GASCADE) during 2019 marked demand assessment for incremental capacity on the Poland SGT – THE border conducted according to Regulation (EU) 2017/459 (CAM NC).

Since the non-binding demand for incremental capacity between GASCADE and GAZ-SYSTEM was requested only on the German side of the border and capacities to a sufficient extent are already available on the Polish side of the market area border, there was no need to conduct technical analysis on the Polish side for the Mallnow interconnection point and no project for development of incremental capacities was initiated by GAZ-SYSTEM. However, in line with CAM NC, the consultations of the project proposal were carried out jointly so that the offer level for incremental capacity to be created on the German side can be offered as a bundled capacity.

After carrying out market consultations on the initial project proposal, on 29 October 2020, pursuant to Art. 28(1) of CAM NC, GAZ-SYSTEM submitted to the President of ERO an application for approval of an incremental capacity project for the Poland (Polish section of the Yamal Transit Gas Pipeline System - Western Europe) and Germany (Trading Hub Europe) market areas.

In order to obtain coordinated decisions from the national energy authorities on approval of incremental capacity project proposal for the Poland (Polish section of the Yamal Transit Gas Pipeline System - Western Europe) and Germany (Trading Hub Europe) market areas, GASCADE submitted an equivalent application to Bundesnetzagentur (BNetzA). The President of ERO and BNetzA had 6 months to issue coordinated decisions.

The President of ERO decided that the project proposal submitted by GAZ-SYSTEM met all requirements stemming from art. 28(1) of CAM NC allowing to approve the incremental capacity project proposal for the Poland SGT – THE market border.

Documents for download:

- [Decision of the President of the Energy Regulatory Office no. DRR.WRG.748.8.2020.ABu1 dated 29.04.2021.](#)
- [Publication incremental capacity at the interconnection point Mallnow between Poland TGPS and the market area THE FIN](#)
- [Publication pursuant to Article 25 \(2\), Article 28 \(3\) of Regulation \(EU\) 2017/459 \(NC CAM\) concerning the procedure initiated in 2019 for the Poland \(Polish section of the Yamal Transit Gas Pipeline System - Western Europe\) and Germany \(Trading Hub Europe\) border.](#)

Annexes:

1. [Supplementary Terms and Conditions of GASCADE](#)
2. [General terms and conditions of participation and access to capacity in the binding phase of capacity allocation corresponding to incremental capacity on the German side of the border between Poland TGPS \(Transit Gas Pipeline System\) and Germany \(Trading Hub Europe\)](#)
3. [Offer Level Mallnow - GASCADE](#)

CONSULTATION 2020 OF INCREMENTAL CAPACITY PROJECT ON THE BORDER BETWEEN POLAND (TGPS) AND GERMANY (TRADING HUB EUROPE)

In accordance with Chapter V, Article 27 Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms GAZ-SYSTEM ISO and GASCADE are running public consultations for incremental capacity project on the border between Poland (TGPS) and Germany (Trading Hub Europe).

In 2019 within the process of market demand assessment for incremental capacity between transmission system of GAZ-SYSTEM ISO and GASCADE, on the German side of the border GASCADE received a request for an increase of available freely allocable capacity (FZK) of the Mallnow entry point.

Therefore, GASCADE has carried out the necessary technical analyses to develop a incremental capacity project at the Poland (TGPS) – Germany (Trading Hub Europe) interconnection point, including changes in the German transmission system resulting from the planned merger of NCG and Gaspool market areas into Trading Hub Europe (THE) market area.

Due to the fact that GAZ-SYSTEM ISO has received no non-binding demand indications for incremental capacity, and the technical capacity at the Mallnow Exit point is sufficient to ensure transmission towards Germany, there was no need for launching technical analyses on the Polish side of the border and GAZ-SYSTEM ISO did not carry out any additional technical and financial analyses related to the potential expansion of the transmission system.

The joint consultation document includes a description of the incremental capacity project at Mallnow IP, cost estimate, provisional timelines, planned bundled offer level together with general terms and condition of participation in and access to capacity during annual yearly auction in July 2021.

Interested system users are asked to send comments on the draft incremental capacity project proposal on the border between Poland (TGPS) and Germany (Trading Hub Europe) and the accompanying general terms and conditions for participating in the incremental capacity auction, to the e-mail address incremental@gaz-system.pl until **10 September 2020**.

To download:

[Consultation document for incremental capacity project on the border between Poland TGPS and Germany \(Trading Hub Europe\)](#)

[Annex 1: GASCADE's Scenario matrix](#)

[Annex 2: GASCADE's Offer level](#)

[Annex 3: GASCADE's Supplementary business terms and conditions](#)

[Annex 4: GASCADE's Parameters of the economic test per scenario](#)

More information:

[Demand assessment report for incremental capacity between Poland TGPS and Trading Hub Europe](#)

The project proposal submitted to the President of Energy Regulatory Office

According to the provisions of Article 28 (1) NC CAM Gas Transmission Operator GAZ-SYSTEM S.A. presents the Application for the Approval of an Incremental Capacity Project on the border between Poland TGPS and Germany (Trading Hub Europe), prepared in cooperation with GASCADE, which was submitted for the approval by the President of Energy Regulatory Office.

Download:

[Application for the Approval of an Incremental Capacity Project according to Article 28 \(1\) NC CAM on the border between Poland TGPS and Germany \(Trading Hub Europe\)](#)

[Annex 1: GASCADE's Scenario matrix](#)

[Annex 2: GASCADE's Offer level](#)

[Annex 3: GASCADE's Supplementary business terms and conditions](#)

[Annex 4: GASCADE's Parameters of the economic test per scenario](#)

[Comments and remarks to the draft project proposal](#)

According to the provisions of Article 28 (2) NC CAM within six months of receipt of the project proposal, President of the ERO, in cooperation with the German national regulatory authority shall publish coordinated decisions on the proposal for the incremental capacity project.