

Baltic Pipe: Launching of the Binding Open Season Procedure

Transmission System Operators of the Polish and Danish natural gas transmission systems – GAZ-SYSTEM and Energinet are launching the Binding Open Season Procedure for the Baltic Pipe Project.

Rules of the Open Season Procedure for the Baltic Pipe Project along with all necessary appendices are available at the following websites:

- [GAZ-SYSTEM](#)
- [Energinet](#)

The goals of the Open Season Procedure

Energinet and GAZ-SYSTEM invite all market participants to take part in the Open Season 2017, which enables submission of the binding bids for the new capacity within the planned Baltic Pipe Project.

The goal of this procedure is to identify if there is sufficient market demand for the establishment of respectively upstream and transmission infrastructure that allows for transportation of gas from Norway to Poland, through Denmark, or from Poland to Denmark.

The Feasibility Study regarding the PCI Poland – Denmark interconnection ‘Baltic Pipe’ has previously indicated that the project is feasible and could provide socioeconomic benefits for Denmark and Poland if market demand materializes. The feasibility study was co-financed by the European Union's Connecting Europe Facility.

On this background Energinet and GAZ-SYSTEM have decided to conduct an Open Season 2017 procedure in order to determine and confirm the demand for the long-term capacity.

The two phases of the Open Season 2017

The Open Season 2017 will be conducted in two Phases: Phase 1 and Phase 2*.

Phase 1 of the Open Season Procedure 2017 starts, June 6th 2017 and is launched by publishing of the Open Season 2017 Rules as well as other documents related to Procedure. In accordance with the envisaged timeframe of the Phase 1, market participants will be able to submit the Order to proceed for capacity no later than July 25th 2017.

If the market participants will submit Phase 1 bids for a sufficient volume of capacity, TSOs will commence a fast track implementation of the Baltic Pipe Project, in order to start the provision of gas transmission services from 1 October 2022.

Phase 2 of the Open Season Procedure 2017 is expected to start September 5th 2017. At the Phase 2, market participants will be able to submit their final bid for the final allocation of OS 2017 capacity.

**Disclaimer: The overall timeframe of the OS 2017 might be subject to changes. Such changes may occur, in particular, if the total requested OS 2017 Capacity in the Phase 1 Bids is insufficient to pursue the Fast Track Project, meaning that the Baltic Pipe Project shall be evaluated and potentially changed.*

Invitation to Information meetings

Energinet and GAZ-SYSTEM would like to invite all market participants to attend one of the two information meetings which are planned.

One will take place in Stavanger, Norway 20th of June 2017. More information will come. The other one at Energinet premises in Ballerup 21st June 2017 10:30 CET (please remark there is an ordinary Shippers Forum for Energinet in the afternoon).

At the Information meetings there will be a presentation of the Baltic Pipe Project and how to participate in the Open Season 2017. For participation, please register either to

- Energinet: openseason2017@energinet.dk
- GAZ-SYSTEM: openseason@gaz-system.pl

Information on the Baltic Pipe project

The Baltic Pipe Project is a major gas infrastructure project that aims at creating a new supply corridor for gas in the European gas market. The project will enable transport of gas directly from Norway to the markets in Denmark and Poland together with their neighboring markets.

The project is aiming at establishing capacity, linking two national markets using a two-way submarine pipeline and developing local transmission network in order to provide a full functionality of a new pipeline, to secure gas transmission from Norway to Denmark and Poland. Such an option has been analyzed within the feasibility study.

The feasibility study comprised a market screening, meant to evaluate a general interest of stakeholders in the Baltic Pipe Project. The research output was positive, pointing out non-binding demand concerning this particular project for more than 10 bcm/y. Therefore, the subsequent stage is inviting current and potential providers of transmission services to take part in the Open Season Procedure, to receive a confirmation of long-term capacity bookings.

The main objectives of the Baltic Pipe Project include: strengthening diversification of gas deliveries, market integration, price convergence and security of deliveries, most of all in Poland and Denmark, and then, in Sweden, Central and Eastern Europe and the Baltic States:

- integration of gas markets – Danish-Swedish and Polish, by competing among various sources of supply and bilateral trade, taking into account interconnectors planned to be located within the states of Central and Eastern Europe (interconnectors such as Poland-Czech Republic, Poland-Slovakia, Poland-Ukraine) and the Baltic States (Poland-Lithuania connection) in a long-term perspective.
- consolidation of the supply security, owing to diversification gas sources (providing access to new gas supply sources);
- growth of competition on regional gas markets and facilitation of price convergence between particular markets, an opportunity to let new actors on the market and a potential rise in demand for gas within the areas exposed to the project's influence;
- the massive volumes of gas transported from Norway to Poland through Baltic Pipe would create optimal conditions for a significant drop in transport tariffs for the Danish gas transmission system, which in turn would benefit Danish consumers and businesses;

- enhancement of technological reliability in terms of gas deliveries for the recipients, thanks to diversification of directions of import supplies;
- connecting Baltic Pipe with the LNG terminal in winouj cie, that could guarantee the Scandinavian countries an access to the global market of liquid natural gas (LNG).

More information about the project:

- [GAZ-SYSTEM](#)
- [Energinet](#)

Energinet is the Danish TSO, transmission system operator, of the main electricity and gas transmission systems. Energinet's main task is to maintain the overall short-term and long-term security of electricity and gas supply. Moreover, some of our tasks are to develop the main Danish electricity and gas transmission infrastructure together with creating objective and transparent conditions for competition on the energy markets and to monitor that competition works. The company is organized as an independent public enterprise owned solely by the Danish state as represented by the Danish Ministry of Energy, Utilities and Climate.

Gas Transmission Operator GAZ-SYSTEM S.A. is a strategic company for the Polish economy, responsible for the transmission of natural gas and the management of the most important gas pipelines in Poland. GAZ-SYSTEM S.A. is also the owner of Polskie LNG S.A., a company established to build the winouj cie LNG terminal. As part of its 2015-2025 investment scheme, GAZ-SYSTEM S.A. is planning to build over 2,000 km of new gas lines in western, southern and eastern Poland. Further expansion of the domestic transmission system, including construction of new gas pipelines being part of the North-South Gas Corridor, as well as construction of interconnections with Lithuania, Slovakia and the Czech Republic, will enhance Poland's energy security and contribute considerably to the development of the European transmission system. In 2009-2015, GAZ-SYSTEM S.A. completed an investment plan consisting in the construction of over 1,200 km of new gas transmission lines in north-western and central Poland. The projects implemented by the company and the physical and virtual reversal on the Yamal pipeline have translated into a significant increase in the technical import opportunities on routes other than from the East.

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 Connecting Europe Facility

GAZ-SYSTEM is a strategic company for the Polish economy. It is responsible for the transmission of natural gas, manages the most important gas pipelines in Poland and owns the President Lech Kaczy ski LNG Terminal in winouj cie.

As part of the 2015-2025 investment programme, GAZ-SYSTEM is constructing over 2000 km of new gas pipelines in the western, southern and eastern parts of Poland. Over a dozen new gas pipelines are under construction within the North-South Gas Corridor and the compressor station in K dzierzyn Ko le, as well as interconnections with Lithuania and Slovakia. Onshore gas pipelines are planned to connect the planned FSRU floating terminal in the Gulf of Gdansk with the national transmission system. The LNG Terminal in winouj cie is also being extended, as a result of which the regasification capacity of this facility will be increased by more than a half.

The company is also implementing one of the most important infrastructural projects in the country - the Baltic Pipe project which consists in the construction of a two-way offshore gas pipeline connecting Poland and Denmark, expansion of the local transmission network and three gas compressor stations.

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