

President of the Energy Regulatory Office cancelled the proceeding regarding the approval of incremental capacity project proposal for the GCP GAZ-SYSTEM/ONTRAS interconnection point between Poland-Germany (GASPOOL)

On 8 May 2019 by decision DRR.WRG.7128.9.2018.ŁWe the President of the Energy Regulatory Office (President of ERO) cancelled the administrative proceedings regarding the application for the approval of the incremental capacity project proposal for the market border of Poland (E-Gas Transmission System) and GASPOOL submitted by GAZ-SYSTEM.

The project proposal was a response to the non-binding market demand indications for incremental capacity at GCP GAZ-SYSTEM/ONTRAS interconnection point received by GAZ-SYSTEM and ONTRAS Gastransport GmbH (ONTRAS) during 2017 marked demand assessment for incremental capacity between transmission systems of Poland and Germany conducted according to Regulation (EU) 2017/459 (CAM NC).

After carrying out technical and economic analysis as well as market consultations on the initial project proposal, on 23 October 2018, 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 market border of Poland (E-Gas Transmission System) and GASPOOL. ONTRAS filed an analogous application to Bundesnetzagentur (BNetzA) in order to obtain coordinated decisions of the regulators. The President of ERO and BNetzA had 6 months to issue coordinated decisions.

The President of ERO and BNetzA reached agreement regarding project parameters specified in art. 28(1) of CAM NC. The NRAs assessed also the impact of parallel ACER proceeding regarding the choice of a capacity booking platform on the Polish-German border based on art. 37(3) of CAM NC. On 16 October 2018 ACER selected the GSA Platform as a tool for booking capacity at the GCP GAZ-SYSTEM/ONTRAS for the next 3 years. On 22 February 2019, as a result of an appeal lodged by the PRISMA GmbH, the ACER Board of Appeal annulled ACER's October decision. Consequently, on 8 May 2019 ACER decided to start new procedure regarding the choice of a common booking platform, the result of which will be known on 14 August 2019. Due to ACER's decision to start the proceeding from the beginning the situation at the Polish-German border remains unchanged i.e. there is no common booking platform, and hence, offering bundled capacity is not possible.

On 17 April 2019 BNetzA issued a decision approving the project submitted by ONTRAS on condition that by 30 April 2019 ONTRAS and GAZ-SYSTEM agree on a common booking platform to offer incremental capacity of the GCP GAZ-SYSTEM/ONTRAS during yearly auction in July 2019 or ACER issues a decision regarding the platform until 30 April 2019. As the condition was not met within the given deadline, BNetzA's approval of the project expired on 30 April 2019.

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 issue a positive decision. However, due to the lack of President of ERO power to issue a conditional decision and thus the inability to issue coordinated NRAs' decisions within the required 6-month period, the President of ERO lost the competence to issue a decision in this matter and as a consequence ACER became the competent authority. At the same time, due to the expiry of the 6-month period indicated by the CAM NC and the lack of a legal basis for issuing a decision, the President of ERO discontinued the proceedings ex officio.

The lack of NRAs' coordinated decisions means that GAZ-SYSTEM and ONTRAS will not offer incremental capacity at the GCP GAZ-SYSTEM/ONTRAS in the yearly auction in July 2019. According to the Regulation (EC) No. 713/2009 ACER became the competent authority to issue decision on the approval of the incremental capacity project proposal for the market border of Poland and GASPOOL.

Documents for download:

- [Application for the Approval of an Incremental Capacity Project according to Article 28 \(1\) NC CAM for the Market Border of Poland \(E-Gas Transmission System\) and GASPOOL](#)
- [Decision of the President of the Energy Regulatory Office no DRR.WRG.7128.9.2018.ŁWe dated 8 May 2019 – Polish version](#)

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 Kaczyński 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 Kole, 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.