

Publication acc. to Art. 25 Para 2, Art. 28 Para 3 REG (EU) 2017/459 (NC CAM) regarding the procedure for marketing incremental capacities in 2017/2018 at the market area border NCG (DE) – Marktgebiet Ost (AT)

Background and procedure

Since the consultation of the technical study had been carried out between 19.10.2017 and 19.11.2017 the project promoters and TSOs Gas Connect Austria GmbH (AT) and bayernets GmbH (DE) have submitted a request for approval to their respective NRAs acc. to Art. 28 Para 1 NC CAM. By letter of E-Control, dated 20 April 2018, and by letter of Bundesnetzagentur, dated 25.04.2018, the approvals have been granted by the respective NRAs. The concerned TSOs therefore publish below the content of these NRA decisions acc. to Art. 25 Para 2, Art. 28 Para 3 NC CAM.

Preliminary remarks regarding the approval process

The approval process acc. to Art. 28 Para 1 NC CAM aims at an upfront NRA approval of the parameters for the binding auctioning of incremental capacities as well as an approval of the parameters for the economic test to be carried out acc. to Art. 22ff NC CAM. The planning and consultation phase acc. to Art. 27 NC CAM showed that only on the Austrian side the construction of additional infrastructure is necessary to serve the demand requested by the market in the non-binding market demand assessment phase. As on the German side no investments are needed and no cost for new infrastructure investments will occur, a positive result of the economic test for the approved offer level 1 on the German side of the border is already clear upfront. Therefore, if the following section makes reference to parameters of the economic test, these references refer exclusively to the economic test to be carried out on the Austrian side of the border.

Content of the NRA decisions acc. to Art. 25 Para 1 NC CAM	Acronym	Value
1. <i>Reference prices estimated for the time horizon of the initial offer of incremental capacity that are used for the calculation of the parameter set out in Article 22 Para 1 lit. a) and Art. 24 Para 2 lit. a) NC CAM.</i>		
Firm, freely allocable capacity at entry point Überackern SUDAL	FZK E UEAK	1.30 EUR/kWh/h/a
2. <i>The parameters set out in Article 22 Para 1 lit. b) to c) and Art. 24 Para 2 lit. b) c) NC CAM.</i>		
Approved present value of the estimated increase of the allowed revenue acc. to Art. 22 Para 1 lit. b) NC CAM	BW 2	166,243.8 TEUR
f-factor	f	50%
3. <i>The range of the level for the mandatory minimum premium referred to in Article 33 Para 4 of Regulation (EU) 2017/460 for each offer level and interconnection point for which the incremental Capacity is offered, Art. 25 Para 1 lit. c) NC CAM.</i>		
Approved mandatory minimum premium for entry point Überackern SUDAL	MMP	4.46 EUR/kWh/h/a

Content of the NRA decisions acc. to Art. 28 Para 1 NC CAM	Acronym	Value		
1. <i>Offer level 1, reflecting the range of expected demand for incremental capacity at the relevant interconnection point Überackern 2 / Überackern SUDAL as a result of the processes provided for in paragraph 3 of Article 27 and Article 26, Art. 28 Abs. 1 lit. a) NC CAM. The time horizon for selling bundled yearly capacity products of the offer level 1 is 15 years starting with the operational use acc. to Art. 11 Para 3 sentence 2 NC CAM. Besides the approved offer level 1 for transparency reasons the existing capacities to be offered are also published.</i>				
a. <i>Available Capacities and approved offer level 1 on the German side of the IP Überackern 2 and taking into consideration capacity to be set aside pursuant to Art. 8 Para. 6f NC CAM.</i>				
Gas year starting with 1 October	Available capacity in kWh/h	Incremental capacity in kWh/h	Offer level 0 in kWh/h¹	Offer level 1 in kWh/h²
2018	3.263.082	—	3.263.082	—
2019	3.854.812	—	3.854.812	—
2020	3.854.812	—	3.854.812	—
2021	4.769.670	—	4.769.670	—
2022	4.769.670	—	4.769.670	4.769.670

¹ Preliminary values, capacity to be offered shall be calculated acc. to Art. 11 Para. 6 NC CAM.

² Preliminary values, capacity to be offered shall be calculated acc. to Art. 11 Para. 6 NC CAM.

2023	3.868.040	—	3.868.040	3.868.040
2024	3.868.040	—	3.868.040	3.868.040
2025	3.868.040	—	3.868.040	3.868.040
2026	3.868.040	—	3.868.040	3.868.040
2027	7.213.040	—	7.213.040	7.213.040
2028	7.213.040	—	7.213.040	7.213.040
2029	7.213.040	—	7.213.040	7.213.040
2030	7.213.040	—	7.213.040	7.213.040
2031	7.213.040	—	7.213.040	7.213.040
2032	7.213.040	—	7.213.040	7.213.040
2033	—	—	—	7.213.040
2034	—	—	—	7.213.040
2035	—	—	—	7.213.040
2036	—	—	—	7.213.040

b. Available Capacities and approved offer level 1 on the Austrian side of the IP Überackern SUDAL and taking into consideration capacity to be set aside pursuant to Art. 8 Para. 6f NC CAM.

Gas year starting with 1 October	Available capacity in kWh/h	Incremental capacity in kWh/h	Offer level 0 in kWh/h ³	Offer level 1 in kWh/h ⁴
2018	—	—	—	—
2019	3.282	—	3.282	—
2020	3.282	—	3.282	—
2021	918.140	—	918.140	—
2022	918.140	2.517.750	918.140	3.435.890
2023	443.124	2.517.750	443.124	2.960.874
2024	443.124	2.517.750	443.124	2.960.874
2025	443.124	2.517.750	443.124	2.960.874
2026	443.124	2.517.750	443.124	2.960.874
2027	3.800.124	2.517.750	3.800.124	6.317.874
2028	3.800.124	2.517.750	3.800.124	6.317.874
2029	3.800.124	2.517.750	3.800.124	6.317.874
2030	3.800.124	2.517.750	3.800.124	6.317.874
2031	3.800.124	2.517.750	3.800.124	6.317.874
2032	3.800.124	2.517.750	3.800.124	6.317.874
2033	3.800.124	2.517.750	—	6.317.874
2034	3.800.124	2.517.750	—	6.317.874
2035	3.800.124	2.517.750	—	6.317.874
2036	3.800.124	2.517.750	—	6.317.874

c. Existing Capacities and approved offer level 1 for the bundled auctions on 2 July 2018

Gas year starting with 1 October	Offer level 0 in kWh/h ⁵	Offer level 1 in kWh/h ⁶
2018	—	—
2019	3.282	—
2020	3.282	—
2021	918.140	—
2022	918.140	3.435.890
2023	443.124	2.960.874
2024	443.124	2.960.874
2025	443.124	2.960.874
2026	443.124	2.960.874
2027	3.800.124	6.317.874
2028	3.800.124	6.317.874
2029	3.800.124	6.317.874
2030	3.800.124	6.317.874
2031	3.800.124	6.317.874
2032	3.800.124	6.317.874
2033	—	6.317.874
2034	—	6.317.874
2035	—	6.317.874
2036	—	6.317.874

³ Preliminary values, capacity to be offered shall be calculated acc. to. Art. 11 Para. 6 NC CAM.

⁴ Preliminary values, capacity to be offered shall be calculated acc. to. Art. 11 Para. 6 NC CAM.

⁵ Preliminary values, capacity to be offered shall be calculated acc. to. Art. 11 Para. 6 NC CAM.

⁶ Preliminary values, capacity to be offered shall be calculated acc. to. Art. 11 Para. 6 NC CAM.

2. The general rules and conditions that a network user must accept to participate and access capacity in the binding capacity allocation phase of the incremental capacity process ..., Art. 28 Para 1 lit. b) NC CAM.		
a. On the German side only existing capacity will be offered. Consequently, only the usual for existing capacities applicable GT&Cs will be used.		
bayernets GmbH GT&Cs for the Entry-Exit-Contract from 1 January 2018	AB bayernets	Link
bayernets GmbH Supplementary Terms and Conditions from 1 January 2018	EB bayernets	Link
b. The terms and conditions for the marketing of incremental capacities are stipulated in the framework contract of Gas Connect Austria GmbH.		
Gas Connect Austria GmbH Frame capacity contract	FRAME GCA	Link
3. Timelines of the incremental capacity project..., Art. 28 Para 1 lit. c) NC CAM.		
Publication of the content of the NRA decisions acc. to Art. 25 Para 2, Art. 28 Para 3 NC CAM by the TSOs	—	2 May 2018
Marketing of incremental capacities via PRISMA	—	2 July 2018
Application of the economic test: within two business days after the closing of the last bidding round (Art. 11 Para 10 last sentence NC CAM)	—	2 July 2018 + 2 business days
Publication of the result of the economic test and the decision whether the project will be initiated (Art. 22 Para 3 NC CAM) on the following websites	FNBGas Capacity GCA	Link Link
A description of the project including a time schedule is available in the approved Network Development Plan 2018-2027 of Gas Connect Austria GmbH	NEP GCA	Link
4. The parameters defined in Article 22 Para 1, Art. 28 Para 1 lit. c) NC CAM.		
a. Art. 22 Para 1 NC CAM covers the parameters of the economic test for incremental capacities. With regards to the German side it can be upfront concluded that the economic test for the offer level 1 will be in any case positive, as only existing capacities will be offered and no costs for incremental investments will occur: Acc. to Art. 22 Para 2 lit. a) NC CAM the result of the economic test is positive, if the following term is true (below picture : Term for calculating the economic test):		
$\sum_{j=1}^T \left[\frac{1}{(1+i)^j} \times \{ (RP_j + AP_j + MP_j) \times NK_j + (AP_j + MP_j) \times \text{verf. BK}_j^{NK>0} \} \right] \geq \sum_{j=1}^H \frac{1}{(1+i)^j} \Delta EOG_j \times f$		
<p>The right-hand side of the term requires an increase of the allowed revenue of a TSO EOG that would only occur in case infrastructure investments would be needed. In the underlying case no investments on the German side are needed to offer the capacities of the offer level 1. Consequently, there will be no increase of the allowed revenue and the f-factor will be multiplied by zero. Therefore, the term on the right-hand side will always show a zero and the inequation is satisfied for all values bigger or equal than zero on the left-hand side of the term and the economic test for the offer level 1 will be in any case positive. It is therefore not meaningful to present the defined parameters of Art. 22 Para 1 NC CAM regarding the German side of the border.</p>		
b. The parameters defined in Article 22 Para 1 NC CAM for the economic test regarding the Austrian side.		
Approved present value acc. to Art. 22 Para 1 lit. a) NC CAM	BW 1	83,251.1 TEUR
Approved present value acc. to Art. 22 Para 1 lit. b) NC CAM	BW 2	166,243.8 TEUR
Approved f-factor acc. to Art. 22 Para 1 lit. c) NC CAM	f	50%
5. Whether an exceptionally extended time horizon for contracting capacity for an additional period of up to 5 years beyond the allocation of up to 15 years after the start of the operational use may be required, in accordance with Article 30; Art. 28 Para 1 lit. e) NC CAM: information about an extended time horizon for marketing capacity are obsolete in the underlying case, as there are not more than two entry-exit-systems involved (see Art. 30 Para 2 lit. a) NC CAM) and therefore the underlying case is out of scope of Art. 30 NC CAM.		
6. Where applicable, the proposed alternative allocation mechanism including its justification pursuant to Article 30 Para 2 as well as the conditions approved by the transmission system operator for the binding phase pursuant to Article 30 Para 3; Art. 28 Para 1 lit. f) NC CAM: The underlying case is out of scope of Art. 30 NC CAM (see above point 5).		
7. Where a fixed price approach is followed for the incremental capacity project, the elements described in Article 24 lit. b) of Regulation (EU) 2017/460; Art. 28 Para 1 lit. g) NC CAM: There is no fixed price approach applied in the underlying case acc. to Art. 24 lit. b) NC TAR.		

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