

**Demand assessment report
for the incremental capacity process
starting 2023
between the Austrian market area
East and the German market area Trading
Hub Europe**

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

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A. Non-binding demand indications

In line with Art. 26 of Regulation (EU) 2017/459, the transmission systems operators conducting this market demand assessment report gave network users the opportunity to submit non-binding demand indications to quantify their potential demand for incremental capacity regarding natural gas. The period for submission on both sides of the border between the Austrian market area East and the German market area Trading Hub Europe (THE) was from 03 July to 28 August 2023.

Within this period, the German transmission system operators involved ((bayernets GmbH, GRT-gaz Deutschland GmbH und Open Grid Europe GmbH – hereinafter referred to as German TSOs have not received any non-binding demand indications regarding the respective border.

Within this period, the Austrian transmission system operator involved (Gas Connect Austria (GCA)) received the following non-binding demand indication:

„Entry Oberkappel (GCA): up to 30 TWh/a until early 2030s“

This equates to an annual capacity of around 3.425 GWh/h/a, which is taken into account below as the demanded capacity. No explicit demand indication for exit capacity was received from the German side.

If non-binding demand indication are received after the deadline, they will be included in the next Market Demand Analysis report (2025-2027 cycle), based on current law, if they remain valid at that time.

B. Demand assessment

Caused by a non-binding demand indication on the Austrian side, in the following a distinction is made between the market demand analysis on the German and Austrian side:

Exit THE-Marktgebiet (DE)

i. Historical usage pattern

As stated above, for the incremental capacity cycle addressed by this report no non-binding market demand indications were received by the German TSOs. Nevertheless, due to the non-binding market demand for entry capacity received on the Austrian side, a consideration of exit capacity at VIP Oberkappel is made. The historical usage, the current booking situation as well as the capacity available according to the current state of knowledge can be retrieved with the current status on the ENTSOG Transparency Platform (TP)¹. The data on the TP shows

¹ <https://transparency.entsog.eu/#/points/data?indicators=Firm%20Booked%2CFirm%20Available&points=de-tso-0009itp-00539exit&to=2024-10-31>

for the transport direction THE -> AT at VIP Oberkappel that there is sufficient capacity available and that it can be freely bookable to meet demand in full from 1.10.2024 onwards.

ii. Relations to GRIPS, TYNDP, NDPs

The last confirmed German National Network Development Plan Gas 2020-2030 (NEP 2020) was published in May 2021 and is legally binding. The NEP 2020 does not mention any specific measures with an impact on demand coverage in connection with the above-mentioned interconnection points. Neither the relevant regional gas investment plan (GRIP) nor the relevant ten-year European network development plan (TYNDP) have identified a need for incremental capacity.

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

Bearing in mind the elements mentioned above, there is no demand for incremental capacity identified stemming either out of market indications or other sources regarding the respective border on German side.

Entry Marktgebiet Ost (AT)

Since the indicative demand decidedly only asks for entry and no exit capacity in Germany, Gas Connect Austria (GCA) assumes that the demanding company does not see any additional capacity need here and would like to use existing capacities. Accordingly, from the point of view of the transmission system operators involved, no cross-border project is required.

C. Conclusion for the (non)-initiation of an incremental capacity project

Considering the findings mentioned in section A and B of this report, at this stage no argument is identified to consider starting an incremental cross-border capacity project nor technical studies for the entry exit systems addressed by this report. This does not preclude conclusions of a following demand assessment exercise.

This conclusion applies to the current process for incremental capacities. In the future, this result may well be different.

D. Provisional timeline

For the time being no incremental project will be initiated. A next incremental process will start, based on current law, after the yearly capacity auction in 2025.

E. Interim arrangements for the auction of existing capacity on the concerned IP(s)

Due to the fact that no cross-border incremental project will be initiated based on this market

demand assessment, interim arrangements are not required for the time being.

F. Fees

In the BNetzA decision BK9-22/042 the collection of a fee according to Art. 26 (11) NC CAM on the German side was approved. According to margin number 37, this fee is also to be charged if the non-binding demand indication is not submitted to the German transmission system operators by the requesting party directly but by a third party (such as an adjacent, foreign TSO).

In view of the fact that the indicated demand here explicitly only requests entry capacity in the Austrian transmission system and that no further steps need to be taken on the German side (and thus, according to the approved concept, the fee would be fully reimbursed), the German TSOs, in consultation with the BNetzA, refrain from charging a fee pursuant to Art. 26 (11) NC CAM. This does not allow any conclusions to be drawn regarding future handling.

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