



**Demand assessment report  
for incremental capacity  
between *Polish gas transmission system* and  
*Lithuanian gas transmission system***

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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**

Transmission System Operators GAZ-SYSTEM has received non-binding demand indications for firm capacity at the interconnection points between the entry-exit system of GAZ-SYSTEM (Poland) and the entry-exit system of AMBER GRID (Lithuania) for future period as presented below. Indications were submitted only to the GAZ-SYSTEM, not on both sides of the entry-exit zones border. TSOs approached market participant in order to clarify the reason for submitting the demand indication only to GAZ-SYSTEM. The explanation provided TSOs with information that since the market participant operates only on Polish Gas Market, it did not submit demand indication to the neighbouring TSO.

Indications were provided no later than 8 weeks after the start of the incremental capacity process, so by 1 June 2017.



The following **aggregated non-binding demand indications received by GAZ-SYSTEM** for firm capacity have been used as a basis for this demand assessment:

From [entry-exit system name] “EXIT CAPACITY”	To [entry-exit system name] “ENTRY CAPACITY”	Gas year [yyyy/yy]	Amount [(kWh/h)/y]	Request is submitted to other TSOs [yes, TSO] or [no] (detailed information shall be provided below)	Period when Demand Indication was received* [please include the period according to the numbers 1) - 3)]	Additional Information (e.g. type of capacity, if different from bundled firm freely allocable)
Poland	Lithuania	2019/2020	100 000	No	2	
Poland	Lithuania	2020/2021	100 000	No	2	
Poland	Lithuania	2021/2022	100 000	No	2	
Poland	Lithuania	2022/2023	100 000	No	2	
Poland	Lithuania	2023/2024	100 000	No	2	
Poland	Lithuania	2024/2025	100 000	No	2	
Poland	Lithuania	2025/2026	100 000	No	2	
Poland	Lithuania	2026/2027	100 000	No	2	
Poland	Lithuania	2027/2028	100 000	No	2	
Poland	Lithuania	2028/2029	100 000	No	2	
Poland	Lithuania	2029/2030	100 000	No	2	
Poland	Lithuania	2030/2031	100 000	No	2	
Poland	Lithuania	2031/2032	100 000	No	2	
Poland	Lithuania	2032/2033	100 000	No	2	
Poland	Lithuania	2033/2034	100 000	No	2	
Lithuania	Poland	2019/2020	0	No	2	
Lithuania	Poland	2020/2021	100 000	No	2	



Lithuania	Poland	2021/2022	100 000	No	2	
Lithuania	Poland	2022/2023	100 000	No	2	
Lithuania	Poland	2023/2024	100 000	No	2	
Lithuania	Poland	2024/2025	100 000	No	2	
Lithuania	Poland	2025/2026	100 000	No	2	
Lithuania	Poland	2026/2027	100 000	No	2	
Lithuania	Poland	2027/2028	100 000	No	2	
Lithuania	Poland	2028/2029	100 000	No	2	
Lithuania	Poland	2029/2030	100 000	No	2	
Lithuania	Poland	2030/2031	100 000	No	2	
Lithuania	Poland	2031/2032	100 000	No	2	
Lithuania	Poland	2032/2033	100 000	No	2	
Lithuania	Poland	2033/2034	100 000	No	2	

\* The following standardised period shall be used for indicating the receiving date of the demand indication:

- 1) later than eight weeks after the annual yearly capacity auction in the previous incremental capacity cycle, that have not been considered previously;
- 2) within eight weeks after this year's yearly capacity auction (0 – 8 weeks after yearly auction in year);
- 3) later than eight weeks after this year's yearly capacity auction, but that will be considered in this incremental capacity cycle (9 – 16 weeks after yearly auction in year).



Amber Grid did not receive any non-binding demand indications for firm capacity.



## **B. Demand assessment**

### **GIPL**

The aim of the project is the construction of a new cross-border gas pipeline, which will connect the natural gas transmission systems of Poland and Lithuania. The Parties to the project are GAZ-SYSTEM S.A. and AB Amber Grid – the Lithuanian transmission system operator.

The Poland – Lithuania Interconnector is perceived by the European Commission as infrastructure contributing to the integration of the European Gas System and the shaping of a liberalised gas market in the northeastern part of Europe. It is considered to be a significant element that can eliminate the barriers in the formation of a gas market in this part of Europe, lifting the isolation of Baltic States gas markets from the continental gas market and increasing diversification and security of gas supplies.

The GIPL project is aimed at the establishing a well-functioning new bidirectional interconnection between the Polish and Lithuania gas transmission systems assuring transmission capacity up to 2.4 bcm/y (73.9 GWh/d). The planned capacity is planned to be used for enhancing Baltic States diversification of gas supplies routes and sources. The indicative reverse capacity up to 1.7 bcm/y (51,1 GWh/d) and on certain conditions even more, would be provided to Polish Gas Transmission System. Depending on the market signals, the capacities of GIPL project may be extended.

Construction of GIPL is in compliance with all EU policies, strategies and action plans, including the Regulation (EU) 347/2013 and the recent European Energy Security Strategy from 28 May 2014, as it integrates currently isolated Member States into common EU gas market and GIPL is a key project for improving diversification of natural gas routes and sources as well as regional gas market development. GIPL constitutes a solution for key issues related to the gas market in the Baltic countries. Moreover, the Project has been identified by the EC as one of the key infrastructure projects critical for EU's energy security in the short and medium terms.

GIPL project will cover the needs indicated by market participants in Incremental Procedure.

#### **i. Historical usage pattern**

Due to the fact, that currently no IP exists on PL-LT Border such data cannot be presented.



#### **ii. Results of current annual yearly auction**

Due to the fact, that currently no IP exists on PL-LT Border such data cannot be presented.

#### **iii. Relations to GRIPS, TYNDP, NDPs**

GIPL

ENTSOE Ten-Year Network Development Plan (TYNDP) 2017 and BEMIP Gas Regional Investment Plan (GRIP) 2017 mention infrastructure project between the Lithuania and Poland: Project ID TRA-N-341 "Gas Interconnection Poland-Lithuania (GIPL) (Lithuania's section)" (project promoter is AB Amber Grid) and ID TRA-N-212: "Gas Interconnection Poland-Lithuania (GIPL) - PL section" (project promoter is GAZ-SYSTEM S.A.). The project is also part of the National Network Development Plans (NNDP) of respective countries - NNDP of Poland 2016-2025: Project name "POŁĄCZENIE POLSKA – LITWA (GIPL)" and NNDP of the Lithuania 2016-2025: Project name "DUJOTIEKIŲ JUNGTIS TARP LENKIJOS IR LIETUVOS (GIPL)". GIPL has the project of common interest (PCI) status with a number 8.5 Poland-Lithuania interconnection, which is a gas pipeline that will connect the Polish and Lithuanian gas transmission systems, currently known as GIPL. It consists of the construction of the GIPL pipeline and its supporting infrastructure. The implementation of GIPL will constitute an important element of expansion of the BEMIP gas network, connecting the isolated Baltic States (Lithuania, Latvia and Estonia) to the EU gas market. Furthermore, GIPL will open the way to new sources and routes of gas supplies, significantly enhancing the competitiveness and strengthening the liberalisation of the gas market in the Baltic countries.

#### **iv. Expected amount, direction and duration of demand for incremental capacity**

Due to the ongoing investment process, demand for incremental capacity submitted to the TSOs during the Demand Indication phase of Incremental Procedure will be covered when the GIPL project would be fully implemented.

### **C. Conclusion for the (non)-initiation of an incremental capacity project/process**

Due to the level of non-binding indications submitted to the TSOs during the Demand Indication phase of Incremental Procedure, and taking into account scale and meaning of the GIPL project the additional incremental capacity project will not be initiated.

### **D. Provisional timeline**

Due to the fact that incremental capacity project will not be initiated, information will not be provided.

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

Due to the fact that incremental capacity project will not be initiated, information will not be provided.

### **F. Fees**

Fees were not introduced into the non-binding market demand indications phase.

### **G. Contact information**

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