



Demand assessment report for the incremental capacity process
starting 2017 between PEG Nord and NetConnect Germany

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Open Grid Europe
The Gas Wheel

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

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Table of contents

Introduction	4
A. Non-binding Demand indications	5
B. Demand assessment	6
i. Historical usage pattern at the interconnection point between PEG Nord and NetConnect Germany	6
a. Direction NetConnect Germany to PEG Nord	6
b. Direction PEG Nord to NetConnect Germany	8
ii. Relations to GRIPs, TYNDP, NDPs	9
iii. Expected amount, direction and duration of demand for incremental capacity	10
a. Direction NetConnect Germany to PEG Nord	11
C. Conclusion for the non-initiation of an incremental capacity project/process	12
D. Provisional timeline	12
E. Fees	12
F. Contact information	13

Introduction

The present Demand Assessment Report refers to the Interconnection Point Obergailbach/Medelsheim between Germany and France. This Interconnection Point is operated by GRTgaz Deutschland and by Open Grid Europe on the German side and by GRTgaz on the French side.

The capacities are sold on the PRISMA platform in compliance with the Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems.



Interconnection Point	Obergailbach/Medelsheim		
Energy Identification Code	21Y---A001A014-Z		
Entry-exit-system	PEG Nord	Entry-exit-system	NetConnect Germany
Pipe-in-Pipe	No	Pipe-in-Pipe	Yes
Transmission System Operator	IP name / EIC	Transmission System Operators	IP name / EIC
GRTgaz	Obergailbach 21Z000000000039S	GRTgaz Deutschland	Medelsheim 21Z00000000001208
		Open Grid Europe	Medelsheim 21Z0000000000039S

A. Non-binding Demand indications

The involved TSOs GRTgaz, GRTgaz Deutschland and Open Grid Europe have not received any non-binding demand indications for firm capacity at the interconnection point between PEG Nord and NetConnect Germany for any future period.

The following periods have been included in this analysis:

- a) non-binding demand indications received within 8 weeks after the 6 April 2017 – entry into force of REGULATION EC 459/2017.
- b) non-binding demand indications received later than 8 weeks after the 6 April 2017, which would have been considered in the current incremental capacity cycle.

Therefore, the amount of 0 for non-binding demand indications has been used as a basis for this demand assessment.

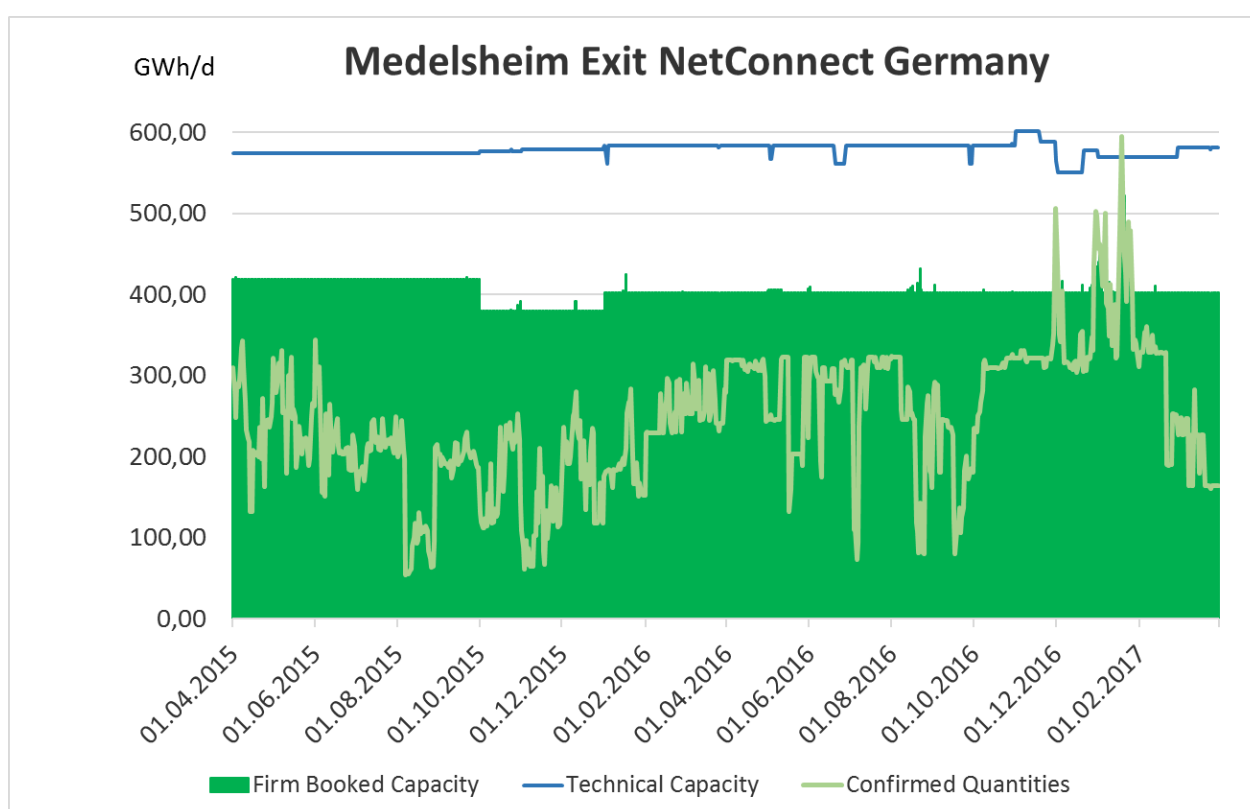
B. Demand assessment

i. Historical usage pattern at the interconnection point between PEG Nord and NetConnect Germany

The utilisation of the technical capacity is presented in the charts below by comparing the technical capacity with the booked capacity and the allocated “commercial” flow (confirmed quantities) for the timeframe 01.04.2015 to 01.04.2017 at the concerned interconnection point. For the confirmed quantities, no distinction between transport in firm or interruptible capacities is performed.

No case of contractual nor physical congestion has been identified.

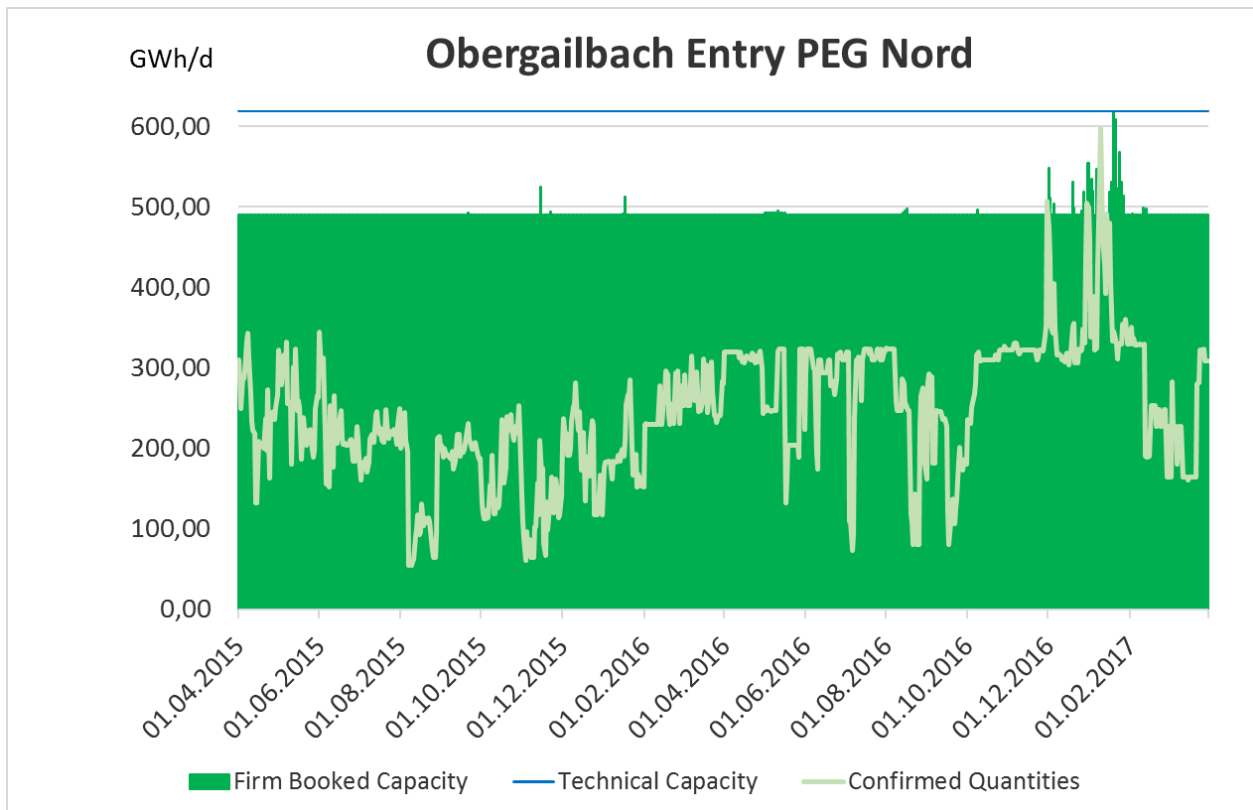
a. Direction NetConnect Germany to PEG Nord



The German TSOs are under the obligation to displace unbooked firm capacities from interconnection points for an unlimited amount of time to meet the demand of internal points in Germany (§ 15 (3) EnWG). This mechanism ensures an efficient use of the

existing capacities. Therefore, technical capacities on NetConnect Germany side is not constant over the considered period.

As no sustained congestion in the historic analysis of the Exit NetConnect Germany is visible, no further analysis in respect to congestion management procedures and secondary marketing has been performed.

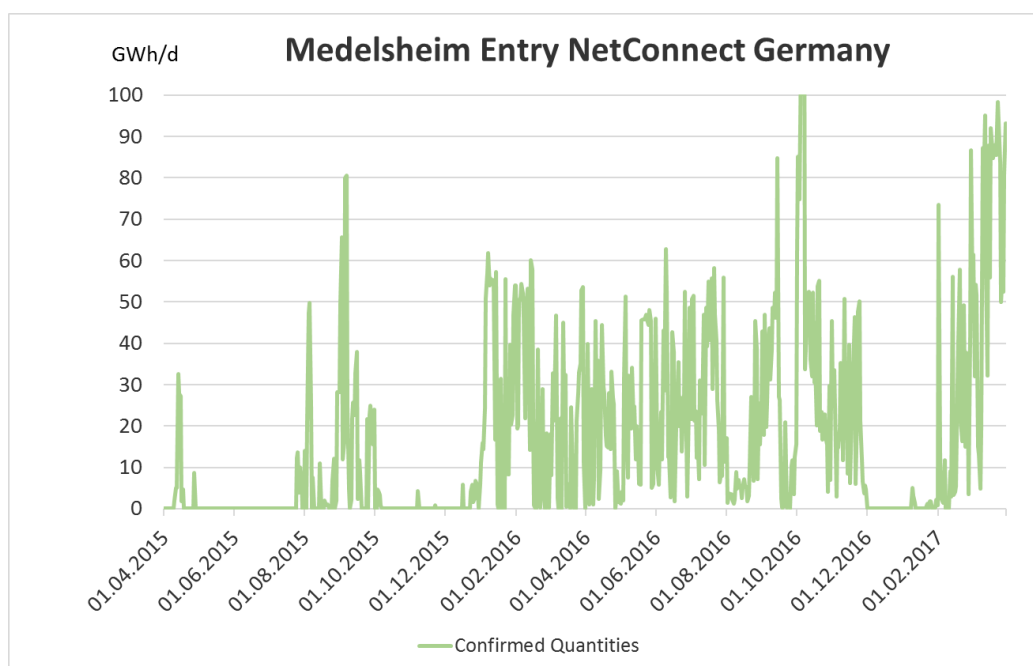
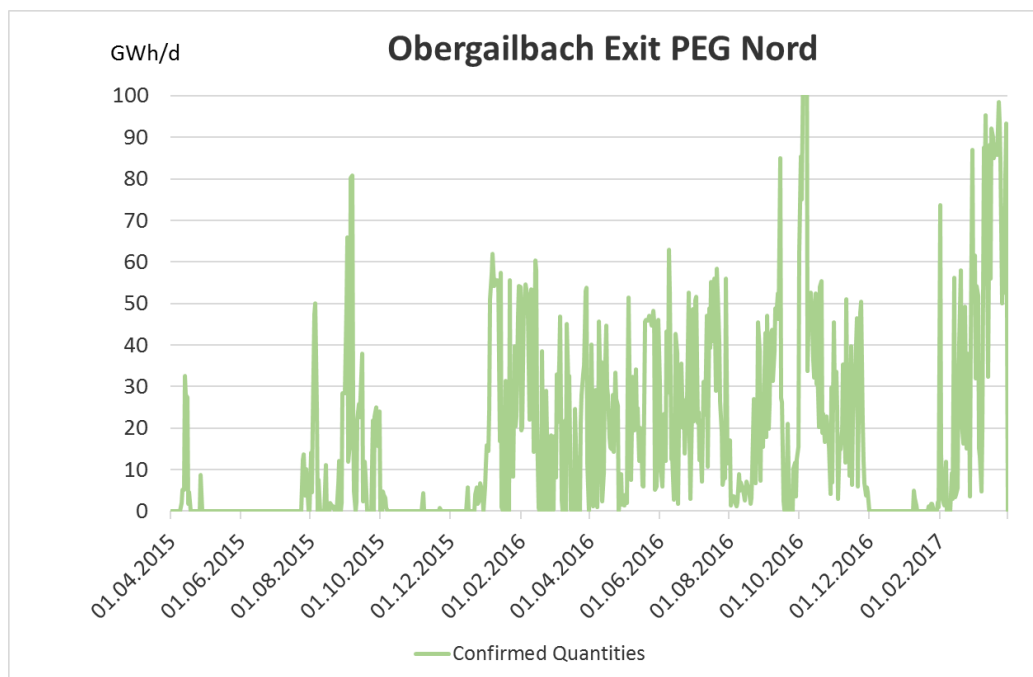


As no sustained congestion in the historic analysis of the Entry PEG Nord is visible, no further analysis in respect to congestion management procedures and secondary marketing has been performed.

b. Direction PEG Nord to NetConnect Germany

Even though no firm capacity product is offered in the direction France to Germany, the existence of a stable flow scheme allows the operators to propose interruptible backhaul products on PRISMA to allow nominations from the French market towards the German market.

The graphs presented hereunder illustrate for information the use of these backhaul products.



ii. Relations to GRIPs, TYNDP, NDPs

The ENTSOG TYNDP 2017 does not indicate that any region is undersupplied in a reasonable peak scenario and that offering incremental capacity at the interconnection point in question could close a gap; nor do the respective national network development plans in France or Germany identify a concrete and sustained physical transport requirement.

The ENTSOG TYNDP 2017 mentions one infrastructure project between France and Germany at the Medelsheim/Obergailbach interconnection point: “Reverse capacity from France to Germany at Obergailbach” (TRA-N-047) with a planned firm capacity increase of 100 GWh/d in 2023 (commissioning planned in 2022).

This project is listed as a Project of Common Interest in the list published on 18 November 2015, for the 2015-2017 period. The project is also identified in GRTgaz’s Ten Year Network Development Plan for the 2016-2025 period, as well as in the second draft of the German Netzentwicklungsplan 2016-2026. GRTgaz Deutschland has set the corresponding Entry capacity of 4,167 GWh/h as conditional freely allocable (bFZK) in Medelsheim. As the firm use of this capacity is subject to certain flow conditions, no expansion project is required on the German side.

The ENTSOG TYNDP 2017 provides a thorough assessment of the European gas system over the next twenty years. No disruptions have been identified in France nor Germany in any configuration (demand scenario, supply route disruption or infrastructure level).

Results for Germany and France are aligned for all indicators except for:

- CSSD-RU (Cooperative Supply Source Dependence for Russian gas): from 2025 to 2035, France can cope without Russian gas, whereas Germany needs a minimum share of Russian gas (from 2% to 15% according to the demand scenario).

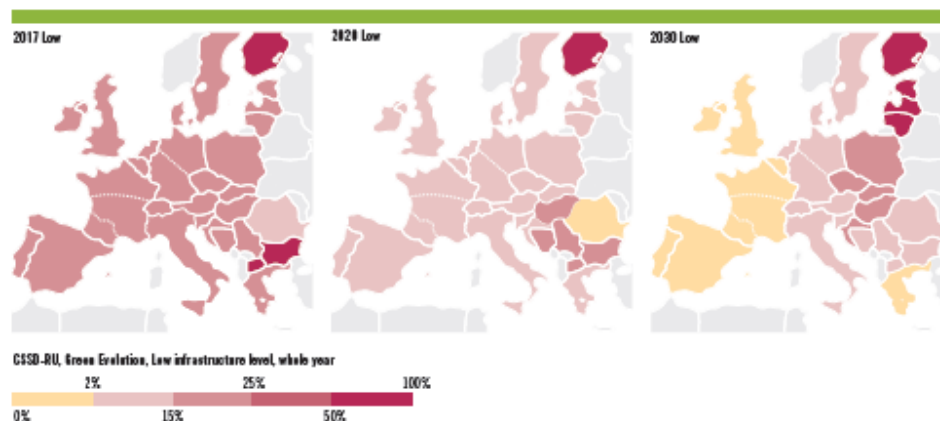
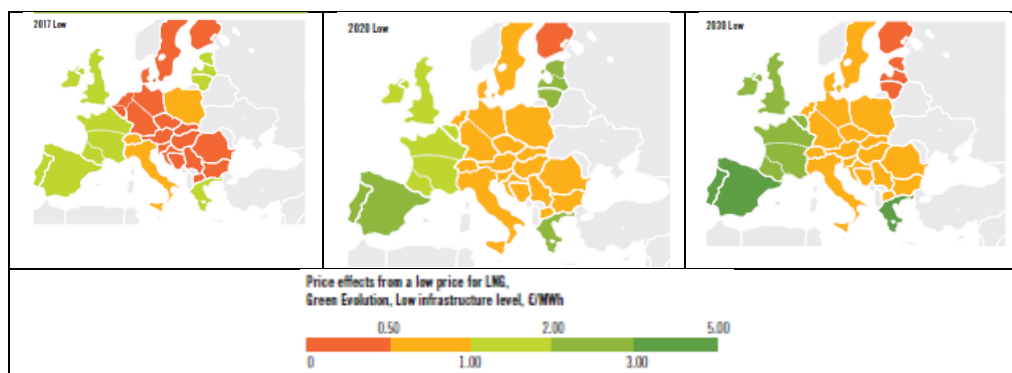


Figure 6.17: CSSD-RU, Green Evolution, Low infrastructure level, whole year

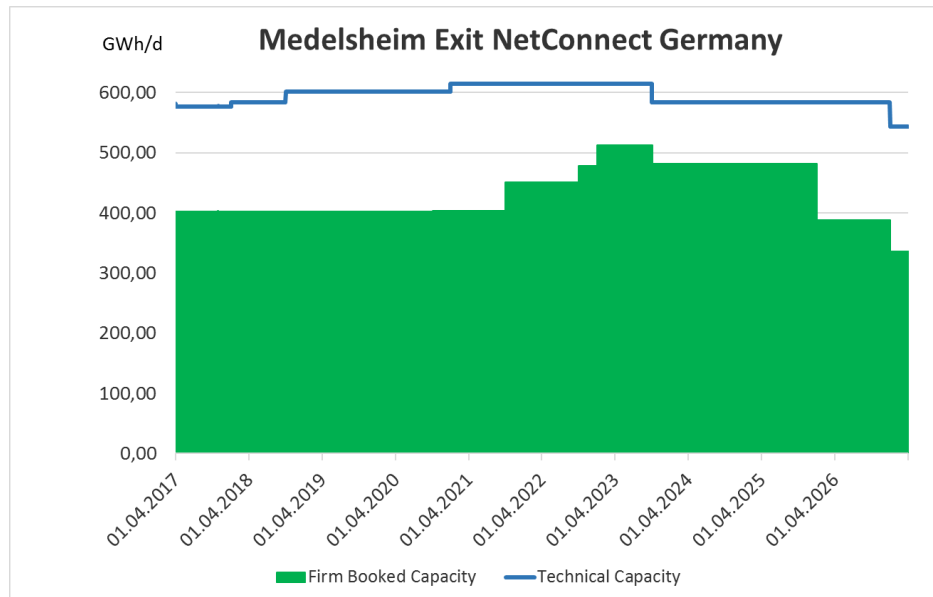
- SSPDi – LNG (Supply Source Price Diversification): France and other countries with LNG facilities can take more benefits from a reduction of LNG price than Germany and neighbouring countries.



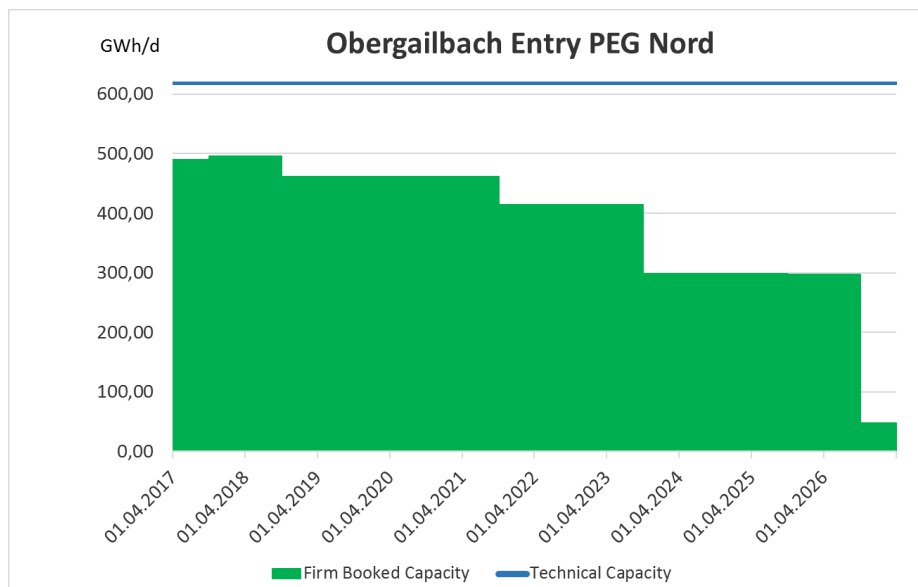
The market has not yet confirmed its interest for this Project of Common Interest. With regards to the above-mentioned findings from the ENTSG TYNDP, the French NRA has stated in June 2016 that in case of insufficient market demand and in the absence of benefits for the Security of Supply for France, the project could only go forward with a cross border cost allocation, as provided in European regulation 347/2013, if other Member States identified benefits for their own Security of Supply.

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

The expected demand levels for each interconnection points between PEG Nord and NetConnect Germany for any future period is zero, since no demand indications have been received as presented in chapter A and since the historical usage of the concerned interconnection point as well as the potentially available capacity (i.e. technical capacity which is not yet booked in the long term as presented in the graphs below) for the requested period are currently sufficient to cover any potential future need for new capacity.

a. Direction NetConnect Germany to PEG Nord

The German TSOs are under the obligation to displace unbooked firm capacities from interconnection points for an unlimited amount of time to meet the demand of internal points in Germany (§ 15 (3) EnWG). This mechanism ensures an efficient use of the existing capacities. Therefore, technical capacities on NetConnect Germany side is not constant over the considered period.



C. Conclusion for the non-initiation of an incremental capacity project/process

According to the assessment result of the non-binding demand indications and the historical usage patterns, which already indicated that no demand levels for incremental capacity need to be developed, no incremental capacity project will be initiated.

Based on the aforementioned decision, no technical studies for incremental capacity projects will be conducted.

D. Provisional timeline

As no incremental project will be initiated in the current cycle, the next relevant date for this entry-exit system is the start of the next incremental cycle after the yearly auctions in July 2019.

E. Fees

According to Article 26 (11) of Regulation (EU) 2017/459 transmission system operators may charge fees for activities which result from the transmission of non-binding demand indications. Whether to demand fees or not will be evaluated by the transmission system operators for every single incremental capacity cycle. The decision on this matter for one specific incremental capacity cycle has no significance on any following cycles.

For the incremental capacity cycle addressed by this report, GRTgaz, GRTgaz Deutschland and Open Grid Europe did not introduce a fee for the evaluation and processing of non-binding demand indications.



F. Contact information

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