

Publication pursuant to Article 25 (2), Article 28 (3) of Regulation (EU) 2017/459 (NC CAM) concerning the procedure initiated in 2019 for incremental capacities at the border between Switzerland and the market area Trading Hub Europe (THE)

May 5th 2021

I. Introduction

After completion of the demand analysis (Phase 1) of the procedure for incremental capacity at the market area border Switzerland - Trading Hub Europe (hereinafter CH - THE) initiated in 2019 according to Regulation (EU) 2017/459 (Network Code on Capacity Allocation Mechanisms for Transmission Networks, hereinafter "NC CAM"), the involved transmission system operators (TSOs) have carried out the planning phase for the corresponding projects (Phase 2) and concluded with the consultation in autumn 2020.

The Technical Study has presented how the network expansion can be carried out efficiently taking into account the corresponding network topology as well as economic aspects. The project application, which was submitted and published for the first time on October 7th, 2020 and with adjustments on October 23rd, 2020, is a joint document of the affected German TSOs terranets bw GmbH (hereinafter tnbw), bayernets GmbH (hereinafter bayernets), Open Grid Europe GmbH and Fluxys TENP GmbH.

The project application was approved and published by the Federal Network Agency with the decision **BK9-20/001**.¹

Publication pursuant to Art. 28 para. 3 NC CAM

II. Contents of the permit according to Art. 28 par. 1 NC CAM

a. Offer level according to Art. 28 para. 1 lit. a NC CAM

In the 2021 annual auction on July 5, 2021, tnbw will offer an offer level for incremental capacity at a new interconnection point to be created in the Lake Constance region. For the purposes of the auction, this point has been created as "RC Ostschweiz". The mandatory reservation quota of 20% for new capacities according to Art. 8 Para. 8 NC CAM as well as the determination of the "Bundesnetzagentur" (BNetzA) BK7-15-001 (KARLA Gas) is taken into

¹https://www.bundesnetzagentur.de/DE/Beschlusskammern/BK09/BK9_11_LV/08_Incr_Cap/BK9_IIncr_Cap.html

account. There will be one auction for the offer level per gas year (GWJ). The capacity products will be offered unbundled as exit capacity on the part of THE.

The offer level will be offered from GWY 28/29 to GWY 42/43. The auction will take place on the PRISMA Capacity Booking Platform. Registration is required to participate in the auction. The capacity products of the offer level are shown in the table below. The capacity was determined in accordance with Art. 11 Para. 6 NC CAM²:

Gas Year(GWY)	A	B	C	D	E	F	Offer Level
28/29	0	0	0	0	2.000.000	400.000	1.600.000
29/30	0	0	0	0	2.000.000	400.000	1.600.000
30/31	0	0	0	0	2.000.000	400.000	1.600.000
31/32	0	0	0	0	2.000.000	400.000	1.600.000
32/33	0	0	0	0	2.000.000	400.000	1.600.000
33/34	0	0	0	0	2.000.000	400.000	1.600.000
34/35	0	0	0	0	2.000.000	400.000	1.600.000
35/36	0	0	0	0	2.000.000	400.000	1.600.000
36/37	0	0	0	0	2.000.000	400.000	1.600.000
37/38	0	0	0	0	2.000.000	400.000	1.600.000
38/39	0	0	0	0	2.000.000	400.000	1.600.000
39/40	0	0	0	0	2.000.000	400.000	1.600.000
40/41	0	0	0	0	2.000.000	400.000	1.600.000
41/42	0	0	0	0	2.000.000	400.000	1.600.000
42/43	0	0	0	0	2.000.000	400.000	1.600.000

The offer level includes incremental capacity only.

b. General and supplementary terms and conditions pursuant to Art. 28 para. 1 lit. b NC CAM

The general and supplementary terms and conditions are attached to this document.

c. Timetables for the project for new capacity to be created, as well as the measures to avoid delays and reduce the impact of delays pursuant to Art. 28 para. 1 lit. c NC CAM.

The following diagram shows the further steps for the project for incremental capacity and provides a rough schedule of the technical measures in the networks of tnbw and bayernets. This planning already includes time buffers to avoid delays in capacity provision.

² A to F according to Art. 11 par. 6 NC CAM: A - technical capacity; B - technical capacity withheld according to Art. 8; C - technical capacity sold; D - additional capacity; E - new capacity to be created of an offer level; F - amount of new capacity to be created withheld according to Art. 8.

Project steps	Connecting Pipeline (expansion) Wertingen-Kötz to Hittistetten	Connecting pipeline from existing grid of tnbw to Lake Constanze connection point	Compressor station terranets bw
Project Concept	2021	2021	2021
Basic evaluation/feasibility review	2021	2021	2021
Design Planning	2021	2021	2021
Detail Planning	2022	2022	2022
Preparation of general planning procedure	2023	2023	2023
Preparation of plan approval procedure	2022	2022	irrelevant
Implementation of plan approval procedure	2023	2023	irrelevant
Preparation of Federal Emission Control Act (BlmSchG)	irrelevant	irrelevant	2022
Execution of Federal Emission Control Act (BlmSchG)	irrelevant	irrelevant	2023
Preparation of plan approval procedure	2024	2024	irrelevant
Implementation of plan approval procedure	2025/2026	2025	irrelevant
Acquisition of right of way	2025/2026	2025	Irrelevant
Property acquisition	2024	2024	2024
Material and service procurement	2025/2026	2025	2025
Preparation and start of construction	2026 for special construction measures	2026	2026
Assembly/construction	2026/2027	2026	2026
Commissioning	2027	2027	2027
Project conclusion/completion	2028	2028	2028

The dates mentioned are preliminary and therefore still subject to change.

d. Parameters according to Art. 22 par. 1 lit. d NC CAM

i. Parameters according to Art. 22 par. 1 lit. a NC CAM

Estimated reference price

The estimated reference price for the offered new capacities to be created is 2.98 €/kWh/h/a.

Auction premium

In the auction of incremental capacity pursuant to Art. 29 par. 1 NC CAM, the algorithm for multi-stage ascending price auctions pursuant to Art. 17 NC CAM shall apply. This may result in an auction surcharge, which will only be determined at the end of the annual auction in 2021. For this reason, it was not taken into account in the calculation of the f-factor, but must be included in the economic test.

Mandatory minimum surcharge:

According to resolution BK9-20/001 and with the help of the BNetzA tool, a mandatory minimum surcharge in the amount of 9.10 €/kWh/h/a was approved and is applied.

Present value of binding commitments by network users:

In accordance with resolution BK9-20/001 and with the aid of the BNetzA tool, a present value of the binding commitments of the network users was determined. This amounts to € 157,352,717.

ii. Parameters according to Art. 22 para. 1 lit. b NC CAM

In accordance with Resolution BK9-20/004 and with the aid of the BNetzA tool, an estimated increase in allowable revenues of € 160,563,996 was determined and approved.

iii. f-factor according to Art. 22 para. 1 lit. c NC CAM

The f-factor for the supply level is 0.98.

e. Extension of the marketing horizon pursuant to Art. 28 para. 1 lit. e NC CAM

There will be no extension of the marketing horizon.

f. A Alternative allocation mechanism pursuant to Art. 28 para. 1 lit. f NC CAM

An alternative allocation mechanism is not used.

g. Fixed price approach according to Art. 28 par. 1 lit. g NC CAM

A fixed price approach is not applied.

III. Contact

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IV. Anlagen

1. General Terms & Conditions for Entry/Exit Contracts (entry-exit-system) dated 31.03.2020 (GTCs Entry- and Exit-Contracts) and Supplementary Terms and Conditions of terranets bw GmbH
2. Supplementary Terms & Conditions of terranets bw GmbH for Incremental Capacity Contracts effective from July 05th 2021