

**Demand assessment report
for incremental capacity
between *Bulgaria* and *Greece*
where no non-binding demand indications were
received**

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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

Currently Bulgaria and Greece have one interconnection point (IP) – Kulata/Sidirokastro connecting Bulgartransgaz EAD (BG) gas transmission network for transit transmission and the gas transmission system operated by DESFA (GR), located on the Bulgarian-Greek border in the area of Kulata/Sidirokastro.

This interconnection entry-exit point (IP) Kulata/Sidirokastro serves mainly as an entry point enabling Greece to receive natural gas. During the January 2009 crisis, physical reverse flow to Bulgaria was carried out through this interconnection. As a result of the Interconnection Agreement (IA) for IP Kulata/Sidirokastro signed between Bulgartransgaz EAD and DESFA S.A in June 2016 and a Protocol to the long-term contract for transit transmission with OOO Gazprom Export as of 1 July 2016, an alternative possibility has been provided for natural gas import in Bulgaria through reverse flow supplies on commercial basis e.g. backhaul. Moreover, physical reverse transmission in reverse direction was made possible, following the entry into force of the 3rd revision of the Hellenic Network Code, in June 2017, through the reverse connection of the modernized CS Petrich.

The involved TSOs, Bulgartransgaz EAD (BG) and DESFA S.A. (GR) have not received any non-binding demand indications for firm capacity at the interconnection points between the entry-exit system of Bulgartransgaz EAD and the entry-exit system of DESFA S.A.

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.

Therefore, zero (0) amount for non-binding demand indications has been used as a basis for this demand assessment.

B. Demand assessment

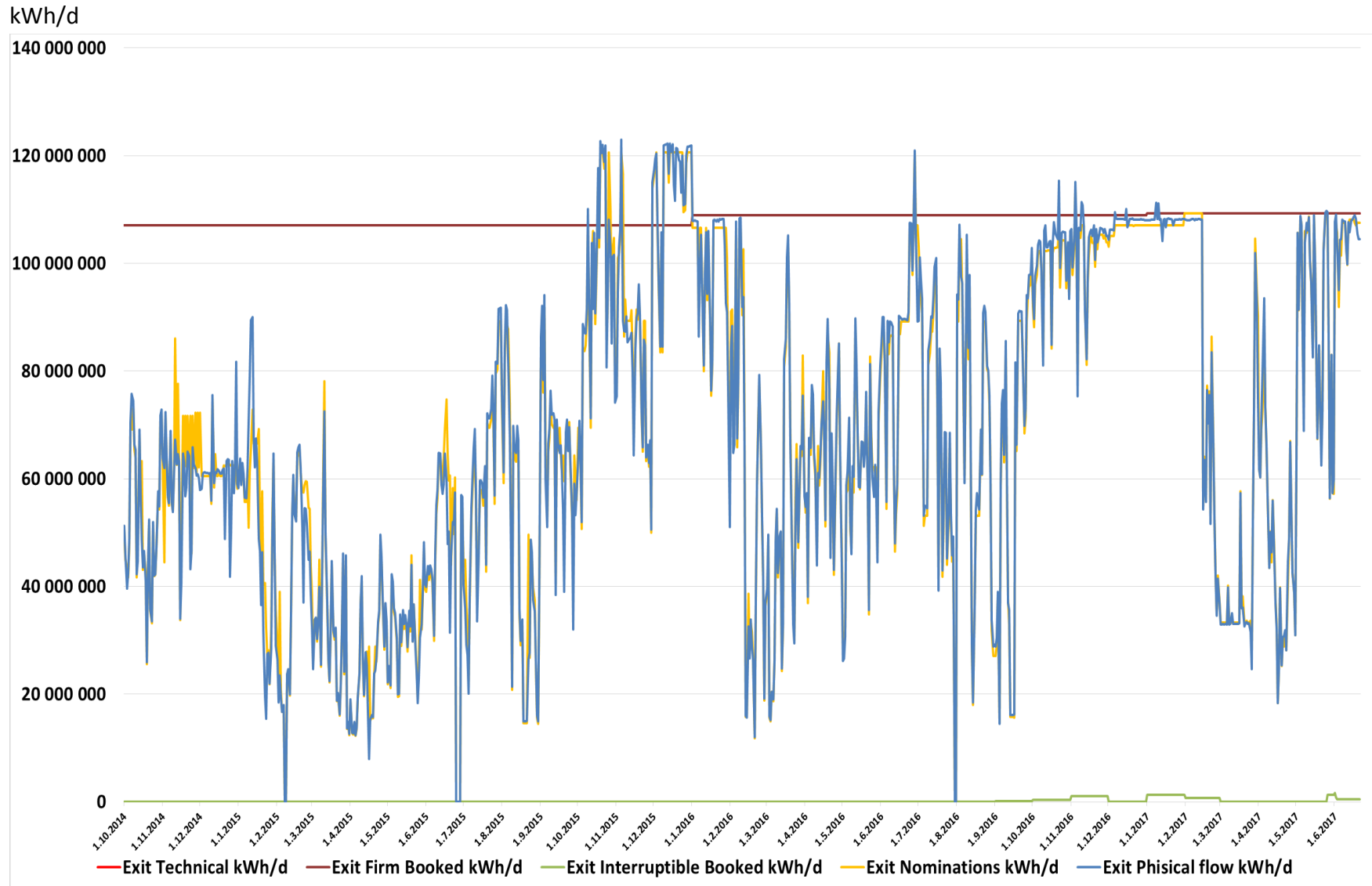
i. Historical usage pattern

The utilisation of the technical capacity is presented in the chart below by comparing the technical capacity with the booked capacity, the allocated “commercial” flow and the physical flow for the past 3 years at the concerned interconnection point.

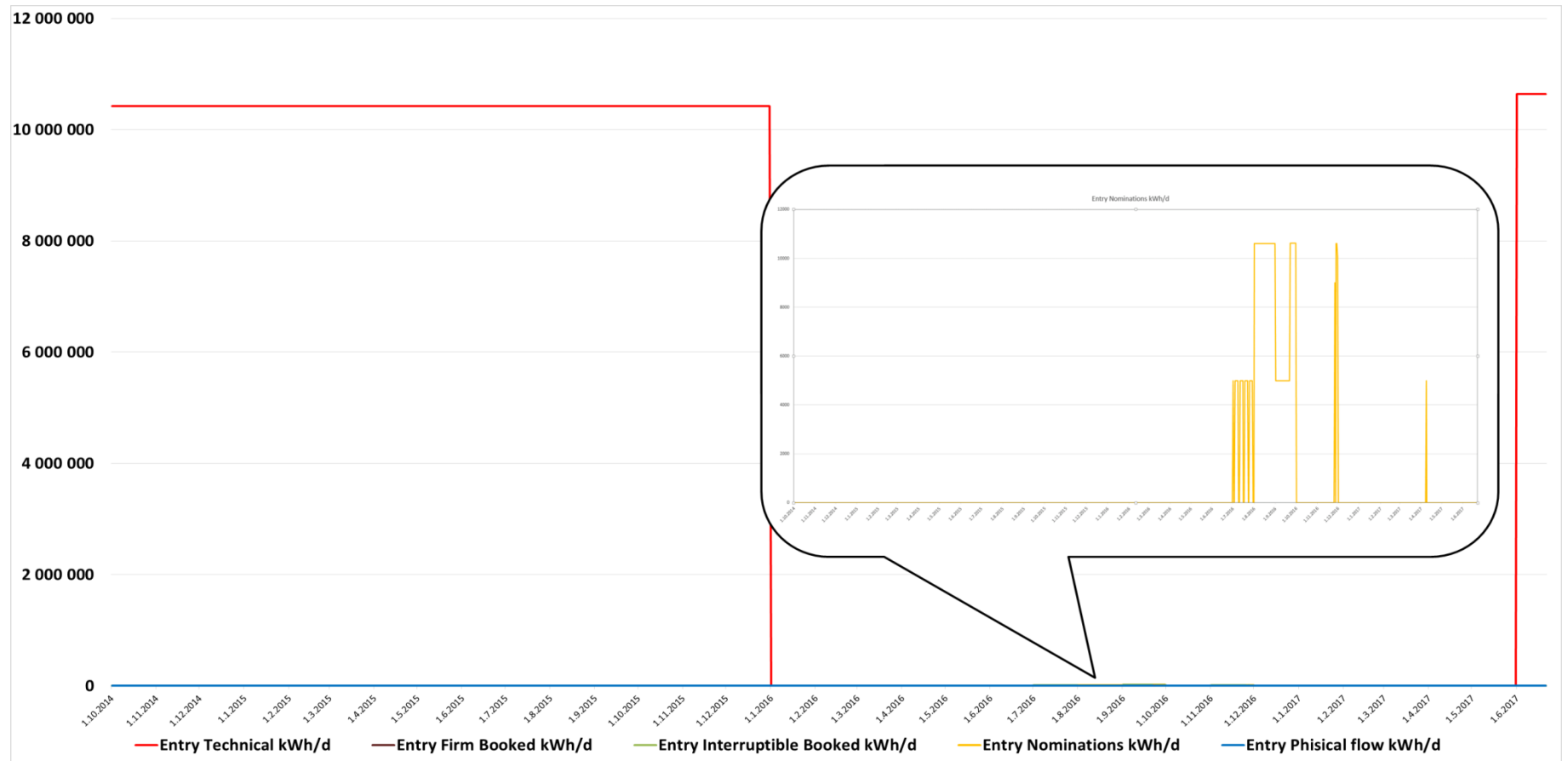
i.1. Transparency Platform data:

According to ENTSOG Guidelines included in the DAR Template, operational TP data is used for the following Graphs:

Graph 1: IP Kulatra/Sidirokastro exit Bulgaria / entry Greece



Graph 2: IP Kulatra/Sidirokastro exit Greece / entry Bulgaria kWh/d



Note: The offered reverse flow technical capacity (GR->BG) prior to 1st of June 2017 shown on the above graph for the period up to 1st of January 2016 was only offered by Bulgartransgaz. DESFA offered such capacity only on an interruptible basis until the entry into force of the last revision of the Hellenic Network Code on 1.6.2017. Since that date both companies offer firm reverse flow (GR->BG) capacity.

ii. Results of current annual yearly auction

In the recent annual yearly firm capacity auction taking place on 06.03.2017 for the joint IP Kulata/Sidirokastro the following results have been achieved:

ii. 1. Bulgartransgaz results of current annual yearly auction - bundled firm capacity yearly auction from Greece to Bulgaria

Interconnection point name	Interconnection point EIC	Flow direction	Gas year	Offered capacity Amount, kWh/d	Booked capacity Amount, kWh/d	Capacity type
<i>Kulata/Sidirokastro</i>	21Z000000000020C	<i>Exit GR Entry BG</i>	<i>2017/ 2018</i>	9 576 000	0	Firm

In the recent Bulgartransgaz EAD annual yearly interruptible capacity auction taking place on 03.04.2017 for the joint IP Kulata/Sidirokastro the following results have been achieved:

ii. 2. Bulgartransgaz results of annual unbundled interruptible capacity yearly auction from Bulgaria to Greece

Interconnection point name	Interconnection point EIC	Flow direction	Gas year	Offered capacity Amount, kWh/d	Booked capacity Amount, kWh/d	Capacity type
<i>Kulata/Sidirokastro</i>	21Z000000000020C	<i>Exit BG Entry GR</i>	<i>2017/ 2018</i>	32 792 480	0	Interruptible

In the recent DESFA S.A. annual yearly firm capacity auction that took place on 06.03.2017 for the joint IP Kulata/Sidirokastro the following results have been achieved:

ii. 3. DESFA results of current annual unbundled firm capacity yearly auction from Bulgaria to Greece and Greece to Bulgaria

Interconnection Point name	Interconnection point EIC	Flow direction	Gas year	Offered capacity Amount, kWh/d	Booked capacity Amount, kWh/d	Capacity type
<i>Kulata/Sidirokastro</i>	21Z00000000020C	<i>Exit BG Entry GR</i>	2017/ 2018	109.162.552	109.160.000	<i>Firm</i>
<i>Kulata/Sidirokastro</i>	21Z00000000020C	<i>Exit GR Entry BG</i>	2017/ 2018	531.643	0	<i>Firm</i>

i. **4. DESFA results of current annual yearly auction - bundled firm capacity yearly auction from Greece to Bulgaria**

Interconnection Point name	Interconnection point EIC	Flow direction	Gas year	Offered capacity Amount, kWh/d	Booked capacity Amount, kWh/d	Capacity type
<i>Kulata/Sidirokastro</i>	21Z00000000020C	<i>Exit GR Entry BG</i>	2017/ 2018	9.576.000	0	<i>Firm</i>

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

The expected demand levels for incremental capacity at the interconnection points between the entry-exit system of Bulgartransgaz EAD and the entry-exit system of DESFA S.A. for the future period is zero, since no demand indications have been received as presented in chapter 0 and since the historical usage of the concerned interconnection point as well as the available capacity on firm or interruptible basis (i.e. technical and / or interruptible capacity which is not yet booked in the long term) for the requested period are currently sufficient to cover potential need for incremental capacity in the period before the start of the next Incremental process (i.e. 2019), taking into account the zero demand indicators received and also the possibility to use CMP procedures if needed.

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. Fees

Neither Bulgartransgaz EAD , nor DESFA S.A. introduced a fee for the evaluation and processing of non-binding demand indications.

E. Contact information

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