Joint notice of DESFA and BULGARTRANSGAZ for the Binding Phase of the Incremental Capacity Process 2023

2nd May 2024

This document is published at the websites of DESFA and BULGARTRANSGAZ in accordance with Article 28 (3) of Regulation (EU) No 2017/459 of 16 March 2017.

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Disclaimer

Each TSO has acted in good faith to ensure that the information in this Joint Notice is correct as at the date of this Joint Notice, however no representation or warranty is made by any TSO as to the accuracy or completeness of such information and the TSOs will not accept any liability, of any kind, to each other or to any third party, for any inaccuracies or incompleteness in such information.

Furthermore, whilst each of the TSOs will endeavour to co-ordinate the processes and steps anticipated under the Project Proposal for the Incremental Capacity Process 2023, no TSO will have any liability to any third party for any acts, omissions, breaches or decisions of the other TSOs or any other third party.

Introduction

This is a Joint Notice drafted by DESFA and BULGARTRANSGAZ, in accordance with Article 28 (3) of Regulation (EU) No 2017/459 of 16 March 2017.

This Joint Notice initiates the Binding Phase of the Incremental Capacity Process 2023 at the Interconnection Point "Kulata/Sidirokastro" (EIC Code: 21Z0000000000000C) (Kulata/Sidirokastro IP or the IP).



This Incremental Capacity Project is primarily driven by potential increases of the technical capacity at Kulata/Sidirokastro IP and is conducted in close coordination by DESFA and BULGARTRANSGAZ. Notwithstanding such co-ordination, each TSO will be responsible for its own infrastructure upgrades and the other TSO shall not have any liability to any party for the undertaking, or failing to undertake, such infrastructure upgrades.

The purpose of this Joint Notice is to provide high level information about the procedure for registration and participation in the Binding Phase of the Incremental Capacity Process 2023 and to inform on how to submit Binding Bids to DESFA and BULGARTRANSGAZ, as applicable.

The Incremental Capacity Process 2023 is structured as follows: (i) a Non-Binding Phase (which started in July 2023 and lasting until the opening of the Binding Phase), and (ii) the Binding Phase initiated by the publication of this Joint Notice by the TSOs and publication of further details and supporting documentation on the websites of each of the TSOs.¹

During the Non-Binding phase, interested parties submitted non-binding requests to DESFA and BULGAR-TRANSGAZ. The non-binding capacity requests that were received have been published in an aggregated manner jointly by DESFA and BULGARTRANSGAZ in their <u>Demand Assessment Report (DAR)</u>.

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¹ For BULGARTRANSGAZ: https://bulgartransgaz.bg/pages/2023-236.html For DESFA: Incremental Capacity Process 2023 - desfa.gr

This Binding Phase process is subject to the terms and conditions of the Project Proposal for the Incremental Capacity Process 2023 developed jointly by DESFA and BULGARTRANSGAZ and approved by the National Regulatory Authorities (Authorities) of Greece (RAEWW) and Bulgaria (EWRC) in April 2024 (*the Project Proposal*) ² and the Guidelines³ for the Market Test for the expansion of the Greek National Natural Gas System, proposed by DESFA and approved by RAEWW as well. Capacity allocation during the Binding Phase shall take place according to the Alternative Allocation Mechanism of Article 30 of EU NC CAM, as approved in the Project Proposal and the Guidelines.

The Binding Phase of the Incremental Capacity Process 2023 is open to all interested parties, irrespective of their participation in the Non-Binding Phase.

The parties wishing to submit Binding Bids, shall do so under and in accordance with the terms and conditions of the Project Proposal and the Guidelines, as approved by the Authorities, and are also required to follow the procedural rules as laid out in respective documentation (e.g., notices of DESFA and BULGARTRANSGAZ).

Milestones

The Binding Phase is commencing with the publication of the Project Proposal for the Incremental Capacity Process 2023 and the Guidelines together with this Joint Notice and the individual Binding Phase Notice(s) of DESFA and BULGARTRANSGAZ.

Parties interested in participating in the Binding Bidding Phase are requested to register with the TSOs in order to participate in the Binding Bidding Phase according to the rules and conditions set in the Project Proposal, the Guidelines and the procedure specified in the individual Binding Phase Notices of each TSO:

- DESFA: <u>Market Test desfa.gr</u>
- BULGARTRANSGAZ: https://bulgartransgaz.bg/pages/2023-236.html

In the Bid Submission Window which will last from **2 to 12 July 2024**, the parties interested in participating in the Binding Bidding Phase will be required to submit Binding Bids. Following the end of the Bid Submission Window, DESFA and BULGARTRANSGAZ will proceed with bid evaluation, Preliminary Capacity Allocation and the Economic Viability Test (*EVT*), and if EVT is positive, entering into Gas Transportation Agreements (*GTAs*)/Capacity Booking Agreements (*CBAs*) with the successful parties.

Milestones Timeline

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² EWRC Decision No. ПДК-4/26.04.2024 & RAEWW Decision No. E-94/2024

³ RAEWW Decision No. E-93/2024

	Milestones	Dates
	Launch of Binding Phase / Publication of the Joint Notice	2 May 2024
1	Information Phase	2 May 2024 - 1 July 2024
	DESFA and BULGARTRANSGAZ make available a list of documentation to be submitted to each TSO	2 May 2024
	Registration Period	2 May - 24 June 2024
	DESFA and BULGARTRANSGAZ evaluate the Applicants' eligibility	25 June – 01 July 2024
2	Binding Bidding Phase	2 July – 30 September 2024
	Bid Submission Window	2 July - 12 July 2024
	Bid Evaluation Period	12 July – 31 July 2024
	Preliminary Capacity Allocation	1 August - 30 August 2024
	Economic Viability Test Results published	31 August 2024
3	Capacity Allocation	31 August 2024
4	Execution of GTAs	30 September 2024

Final remarks

Please refer to the Project Proposal and each TSO's individual Binding Phase Notice, which shall be considered an integral part of this Joint notice, for further details including:

- References to contractual information including the general rules and conditions that a network user must accept to participate and access capacity in the binding capacity allocation phase of the Incremental Capacity Process, including any guarantees to be provided by network users;
- Information on offer levels, reflecting the range of expected demand for incremental capacity at the relevant interconnection point;
- Further specifics on detailed timelines of the incremental capacity project per respective TSO;
- The relevant parameters defined in Article 22(1) of CAM NC;
- Regulatory details including products, and the use of alternative allocation mechanism.