




TIGF

**Demand assessment report  
for incremental capacity  
between Trading Region South  
(France) and Enagas (Spain)  
where no non-binding demand  
indications were received**

2017-07-27

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

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## **A. Non-binding Demand indications**

The involved TSOs, TIGF and ENAGAS have not received any non-binding demand indications for firm capacity at the virtual interconnection point between the entry-exit system of TIGF and the entry-exit system of ENAGAS for any future period.

The following periods have been included in this analysis:

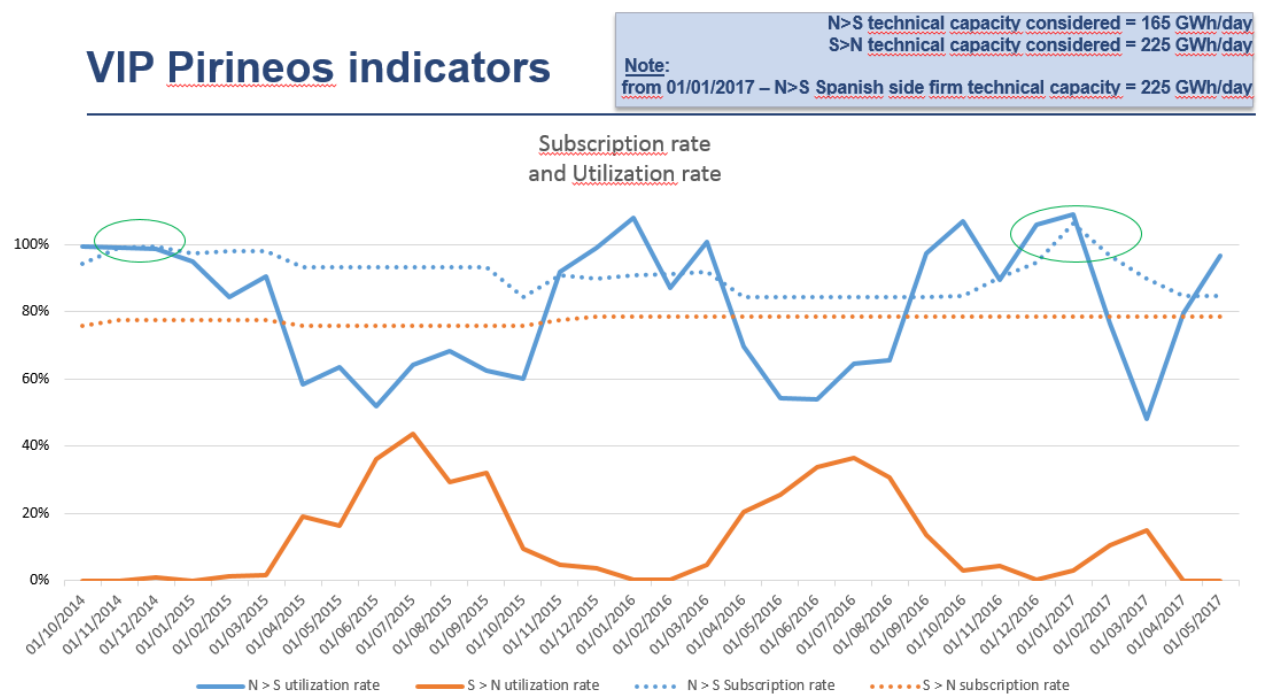
- a) non-binding demand indications received within 8 weeks after the 6 April 2017 – entry into force of REGULATION EC 459/2017.

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

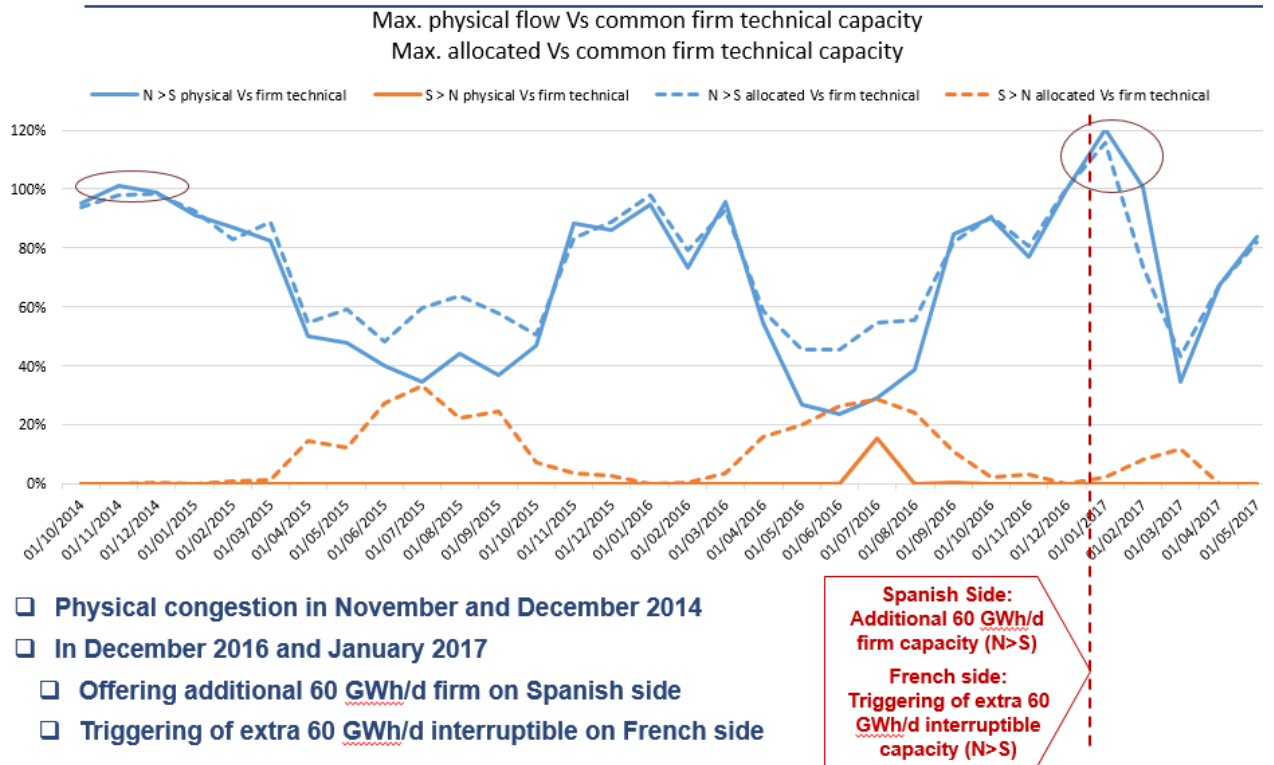
## B. Demand assessment

### i. Historical usage pattern

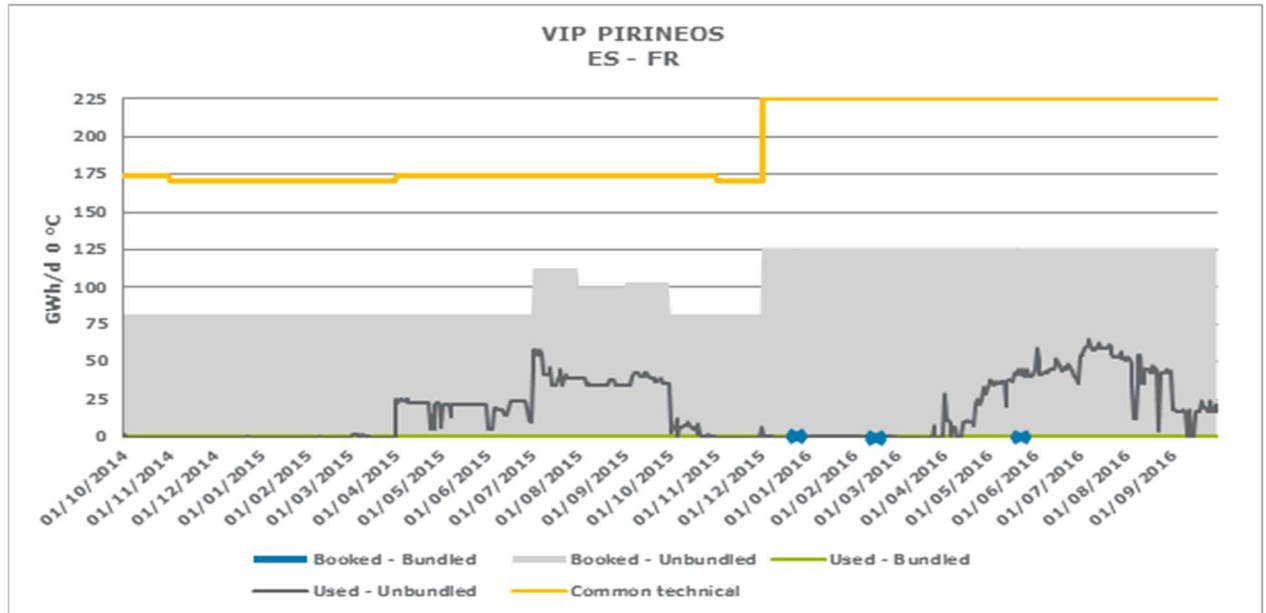
The utilisation of the technical capacity is presented in the charts below by comparing the technical capacity with the booked capacity, the allocated “commercial” flow and the physical flow for the last 3 years at the interconnection point Pirineos.



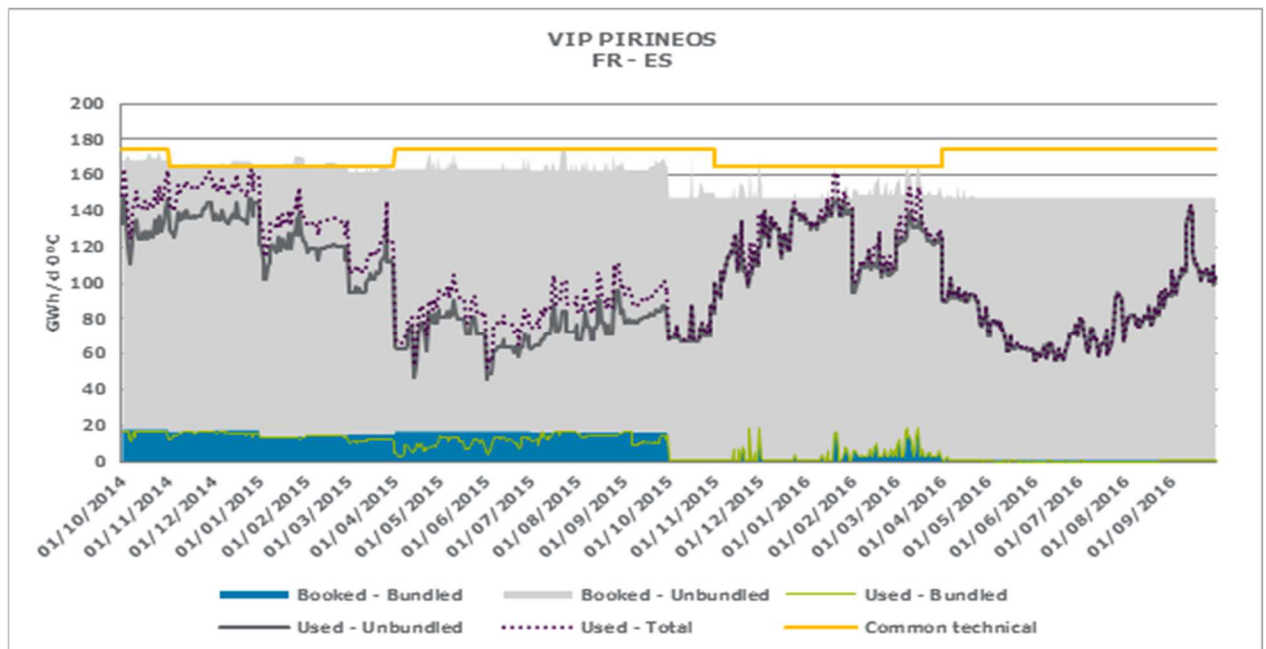
The use of the VIP Pirineos is seasonal. Several events of contractual congestion (green circles here above) have been encountered.



Flow from Spain to France:



Flow from France to Spain:



## ii. Results of current annual yearly auction

In the recent annual yearly auctions, taking place on 06.03.2017 for the joint interconnection point the following results have been achieved:

Interconnection point name	Interconnection point EIC	Flow direction	Gas year [yyyy]	Offered capacity (kWh/h 25°C) Amount	Booked capacity (kWh/h 25°C) Amount	Capacity type [e.g. firm]
VIP PIRINEOS	21Z000000000285D	North>South	2017	40.619	21.001	Firm bundled
VIP PIRINEOS	21Z000000000285D	South>North	2017	1.068.097	1	Firm bundled
VIP PIRINEOS	21Z000000000285D	ENTRY (Spanish side)	2017	54.250.991	125.002	Firm unbundled
VIP PIRINEOS	21Z000000000285D	ENTRY (Spanish side)	2017	2.093.349	1	Firm unbundled

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

The received demand indications within the current incremental process between the entry-exit system of TIGF and the entry-exit system of ENAGAS are zero.



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

According to the assessment result of the non-binding demand indications (conclusions on historical usage patterns here below), no incremental capacity project appears to be initiated.

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

#### Focus on Pirineos historical usage patterns:

The North South gas flow direction (from France to Spain) prevails over the South North direction in terms of net physical flow. Analyses show, in winter 2014-2015 mainly, that VIP Pirineos (North to South) was contractually congested and somehow physically congested (in November and December 2014).

Focusing on the summers 2015 and 2016, the nominated commercial flows from South to North were registered for injection purposes into underground storages located in the TRS market area.

The use of the interconnection is seasonal, whatever the direction.

In reference to the report of ACER published the 31<sup>st</sup> of May 2017: *“ACER 2017 Implementation Monitoring Report on Contractual Congestion at Interconnection Points”*, and based on CMP guidelines from ACER (cf part 4.4), the VIP Pirineos is contractually congested for the period of study. However, there was no demand from the market for the surrender mechanism. Also, the triggering of UIOLI LT was not necessary because the conditions of application were not fulfilled.

At VIP Pirineos some auctions cleared with premium over the reserved price; thus not all demand for capacity has been satisfied at the reserved price. Therefore, in order to avoid these possible situations in which the demand for capacity at the VIP could not be satisfied, new infrastructures could then be investigated.

## **D. Fees**

Both TSOs did not introduce a fee for the evaluation and processing of non-binding demand indications.

**E. Contact information**

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