

Demand assessment report for incremental capacity between *Spain and Portugal* 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

The involved TSOs, Enagás Transporte S.A.U. (Enagás) and REN Gasodutos S.A. (REN) have not received any non-binding demand indications for firm capacity at the interconnection points between the entry-exit system of Enagás and the entry-exit system of REN for any future period.

The following periods have been included in this analysis:

- a) non-binding demand indications received within 8 weeks after the 1 July 2019 – entry into force of REGULATION EC 459/2017.
- b) non-binding demand indications received later than 8 weeks after the 1 July 2019, which would have been considered in the current incremental capacity cycle.

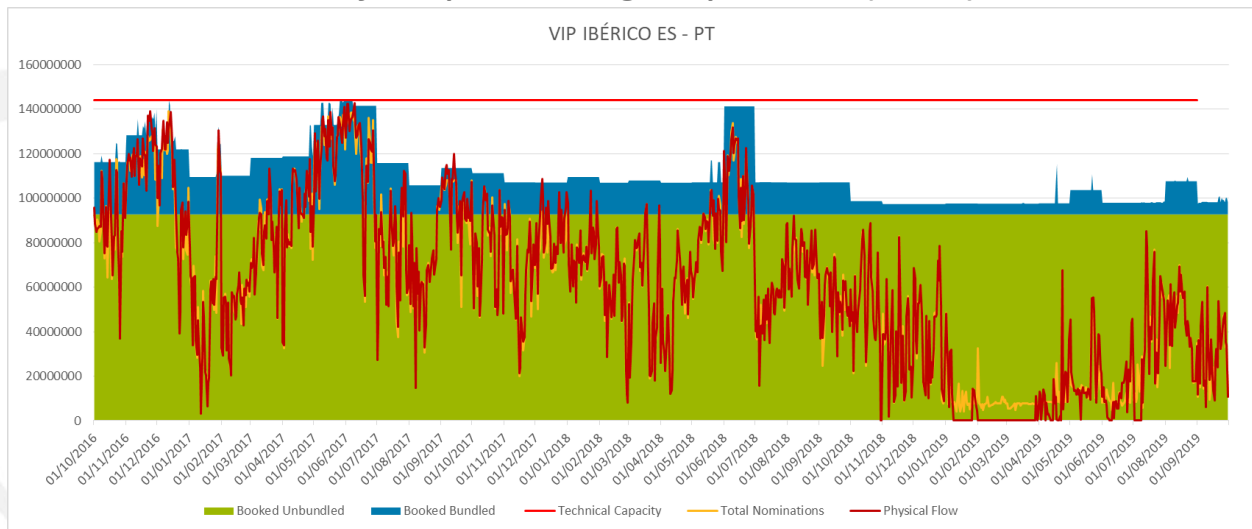
Therefore, the amount of 0 for non-binding demand indications has been used as a basis for this demand assessment.

B. Demand assessment

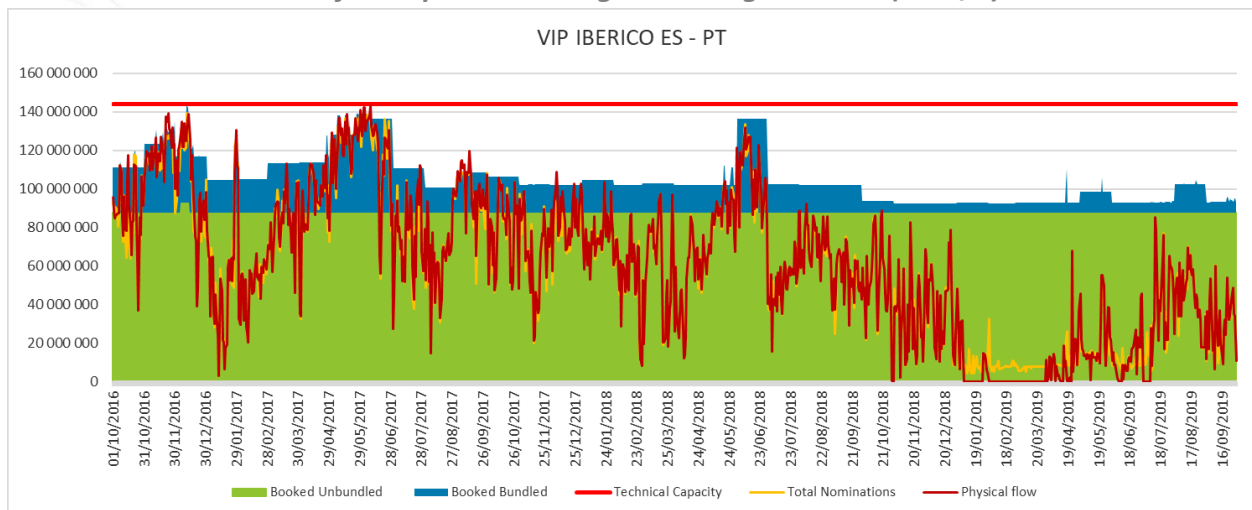
i. Historical usage pattern

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 last 3 years at the concerned interconnection point(s).

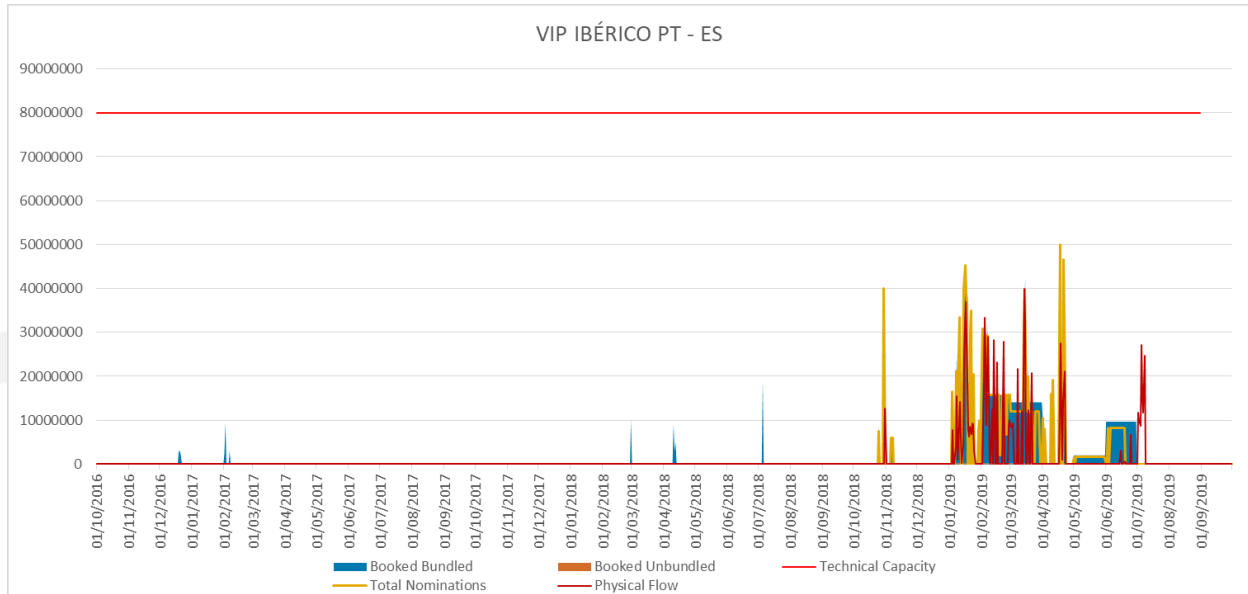
Flow from Spain to Portugal – Spanish Side (kWh/d)



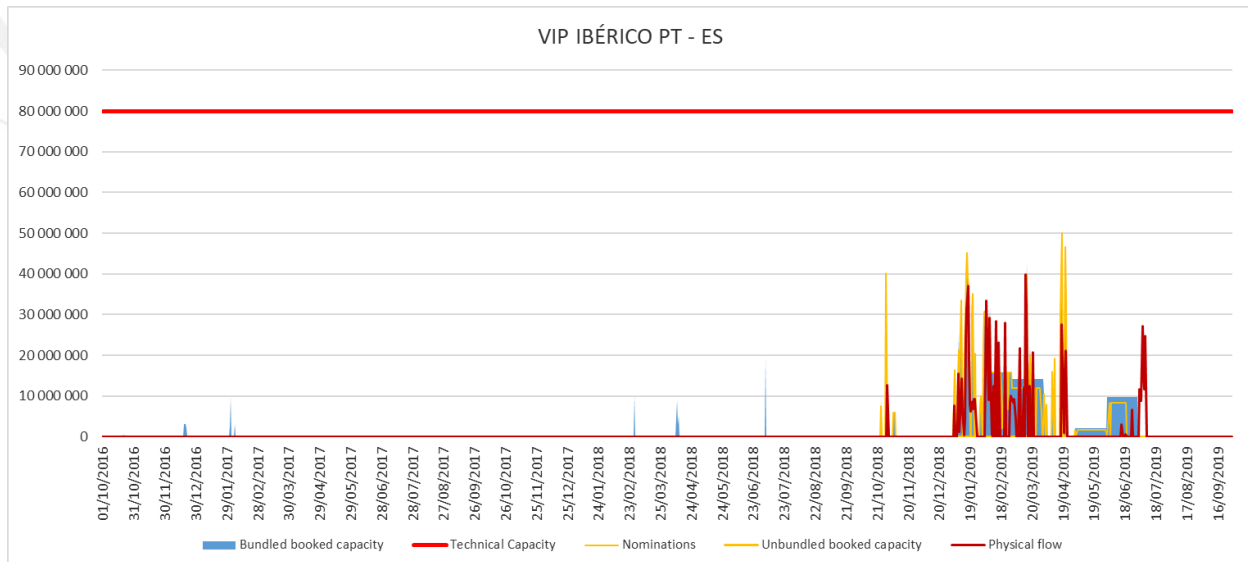
Flow from Spain to Portugal – Portuguese Side (kWh/d)



Flow from Portugal to Spain – Spanish Side (kWh/d)



Flow from Portugal to Spain – Portuguese Side (kWh/d)



ii. Results of current annual yearly auction

In the recent annual yearly auctions, taking place on 01.07.2019 for the joint interconnection point(s) the following results have been achieved:

Interconnection point name	Interconnection point EIC	Flow direction	Gas year [2019]	Offered capacity Amount	Booked capacity Amount	Capacity type [e.g. firm]
VIP Ibérico	21Z000000000282J	ES – PT	2019	1,535,048 kWh/h	110,376 kWh/h	Firm bundled
VIP Ibérico	21Z000000000282J	PT – ES	2019	3,000,000 kWh/h	250,000 kWh/h	Firm bundled
VIP Ibérico	21Z000000000282J	ES – PT (Portuguese side)	2019	3,864,951 kWh/h	2,265,000 kWh/h	Firm unbundled
VIP Ibérico	21Z000000000282J	PT – ES (Portuguese side)	2019	0 kWh/h	0	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 Enagás and the entry-exit system of REN are zero. Since the historical usage of the concerned interconnection point(s) as well as the potentially available capacity (i.e. technical capacity which is not yet booked in the long term) for the requested period are currently sufficient to cover potential future need for capacity.

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

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

The Spain – Portugal flow direction clearly prevails over the opposite one. In the prevailing flow, the booked capacities and flows reached technical capacity during May 2017 and June 2018 for energy production purposes in Portugal. During the rest of the year, the bookings are flat and the nominations are very variable.

In the flow Portugal – Spain, although during the period analysed the bookings are almost zero, until January of 2019, there has been a significant increase in the booking and nominations during the months of January through July of 2019, where the predominant flow was frequently from Portugal to Spain.

D. Contact information

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