



Honorary Patronage

Ministry of Climate and Environment
Republic of Poland

Undersecretary of State, Government Plenipotentiary
for Strategic Energy Infrastructure

RULES OF NON-BINDING MARKET SCREENING PROCEDURE
IMPLEMENTED UNDER “HYDROGEN MAP OF POLAND”



April 2024

Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. (hereinafter "GAZ-SYSTEM S.A. or a "Company") as the gas transmission system operator in Poland and a strategic enterprise for the Polish economy, is actively participating in the process of dynamic changes associated with energy transition and decarbonisation of the European economy. The process of moving away from fossil fuels is also evident in Poland. Consequently, GAZ-SYSTEM is taking measures to prepare the Company to operate in view of the accelerating decarbonisation of the Polish economy and the transformation to renewable and low-carbon energy sources and carriers such as hydrogen. GAZ-SYSTEM's competence in natural gas transmission, as well as its infrastructure resources naturally predetermine the Company to assume the role of hydrogen transmission network operator in the future, should this function be vested in the Company by the regulatory office.

In the context of the aforementioned process, GAZ-SYSTEM is planning to develop the infrastructure to measure up with the challenges arising from decarbonisation of the economy. To this end, the Company is actively collaborating with potential domestic and foreign stakeholders on initiatives associated with the possible implementation of hydrogen economy in Poland, including the development of assumptions for a hydrogen grid comprising:

- the main domestic transmission corridors,
- interconnectors with other countries,
- entry points from systems producing hydrogen or providing energy conversion service (e.g. electrolyzers),
- hydrogen storage facility entry-exit points,
- exit points to end-customers and local distribution grids.

As part of its efforts to decarbonise the transmission infrastructure, GAZ-SYSTEM plans to hold a dialogue with Market Participants to identify the demand and possible need for expansion of the transmission system. To this end, the company is launching a market screening procedure concerning hydrogen projects.

It is assumed that the newly developed transmission grid will be open to all entities dealing with hydrogen production, consumption, distribution and storage. By means of a non-binding market screening procedure conducted in accordance with these Rules, GAZ-SYSTEM intends to:

- estimate the level of interest in the development of projects dedicated to hydrogen transmission on the part of companies dealing with hydrogen production, consumption, distribution and storage.
- create a map demonstrating hydrogen demand and supply as well as outline the preliminary routes of hydrogen pipelines across Poland.

The results of the market screening will be taken into account by GAZ-SYSTEM in its ongoing work on plans and analyses concerning the establishment of infrastructural conditions to enable the transportation of hydrogen in terms of collection from production facilities, as well as supplying it to locations indicated by the survey participants. The demand reported in the Procedure shall not oblige GAZ-SYSTEM to make any commitments regarding investment decisions in that respect.

GAZ-SYSTEM is open to direct dialogue with market participants in the course of market screening and intends to organise bilateral meetings to discuss the subject matter of the Procedure. For the entities interested in participating in market screening, the Company plans to organise at least two webinars. The objective of such webinars will be to describe and present the purpose and benefits of the project entitled "Hydrogen Map of Poland". At the webinar, participants will also learn how to complete the survey questionnaire correctly and will be provided with a possibility to ask questions concerning the project. If any confidential information is to be communicated at such meetings, GAZ-SYSTEM declares its readiness to sign a Non-Disclosure Agreement (NDA), the template of which is attached as Appendix 2 to the hereto.

1. DEFINITIONS

Survey Questionnaire - a questionnaire in an electronic form, published at the address provided in point 9.1 of the Rules;

GAZ-SYSTEM or Company - Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A.;

Procedure - a non-binding market screening procedure, the rules of which are set out herein, devised to estimate the market demand for development of hydrogen projects in the domestic transmission system;

Rules - this document describing the rules of conducting the Procedure;

Participant - any entity that submitted the Survey Questionnaire during the Procedure;

Hydrogen - inorganic chemical element with the molecular formula H₂, produced from renewable or low carbon sources;

Webinars - online workshops (on the MS-Teams platform) for all interested participants in the market screening. At the webinar, the speakers will describe the purpose and benefits of the survey, provide instructions on how to complete the survey questionnaire correctly and answer questions concerning the project.

2. GENERAL INFORMATION

About GAZ-SYSTEM S.A.

The core business of GAZ-SYSTEM is the transport of natural gas via transmission system in Poland, the supply of gas to the distribution network and to end-customers connected to the transmission system. The domestic transmission system also enables natural gas transmission to and from connected storage facilities and transmission systems in neighbouring countries.

On 6 December 2018, the President of the Energy Regulatory Office (ERO) issued a decision granting GAZ-SYSTEM the status of Transmission System Operator on the territory of Poland until 6 December 2068.

3. LEGAL BASIS

3.1 The legal basis for the market screening procedure are the provisions set out in:

3.1.1 Article 16(5) of Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No. 1775/ 2005 (JoL.UE.L.2009.211.36);

3.1.2 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (JoL.UE.L.2021.243.1);

3.1.3 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — A hydrogen strategy for a climate-neutral Europe' (COM(2020) 301 final);

3.1.4 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions COM(2022) 230 final - RePowerEU Plan.

3.2 The proceedings are conducted by GAZ-SYSTEM in accordance with the provisions of Sections 2.2.1.12 Transmission Network Code (TNC) which oblige the Company to conduct periodic market demand surveys for new transmission infrastructure, the results of which will be taken into account in the preparation of development plans or in the procedures for providing access to newly constructed or extended entry points.

4. SCHEDULE OF THE PROCEDURE

GAZ-SYSTEM intends to conduct the Procedure in accordance with the schedule set out below.

No.	DATE	Stage of the Procedure
1.	2024-04-18	Launching the Procedure together with publication of the Rules of Procedure
2.	2024-05-19	Commencement of subscriptions for webinars
3.	2024-05-07	First webinar
4.	2024-05-21	Second webinar
4.	2024-06-20	Survey Questionnaire submission deadline
5.	June – September 2024	Analysis of the survey data collected in the procedure

6.	31.10.2024	Deadline for announcing of the market screening results
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Notwithstanding the foregoing, GAZ-SYSTEM extend the duration of any stage of the Procedure may at any time before the deadline of a given stage. Changes to the deadlines will be published by the Company without undue delay.

5. MARKET SCREENING PROCEDURE

5.1 The Rules set out the principles and conditions for the Procedure, as well as the rights and obligations of the entities participating in the Procedure, as established by GAZ-SYSTEM.

5.2 By submitting the Survey Questionnaire, the Participant accepts the provisions of the Rules.

5.3 As a result of the Procedure, GAZ-SYSTEM intends to:

- to estimate the level of interest in the development of dedicated hydrogen transport projects on the part of producers, consumers, distributors and storage facilities.
- create a map demonstrating hydrogen demand and supply as well as outline the preliminary routes of hydrogen pipelines across Poland.

5.4 The Participants interested in joining the Procedure are requested to complete and submit the Survey Questionnaire in accordance with section 6 of the Rules.

6. SURVEY QUESTIONNAIRE SUBMISSION

6.1 In the Survey Questionnaire, the Participant should provide:

6.1.1 Participant's company details.

6.1.2 Answers to the Survey questions on their hydrogen projects in the appropriate section: production, consumption, distribution, storage.

6.2 The Survey Questionnaire shall be submitted by the scheduled deadline stipulated in clause 4 and in the form provided for in clause 6 of the Rules.

6.3 The Survey Questionnaire completed by an authorised person should be forwarded to GAZ-SYSTEM electronically to the following address: **wodor@gaz-system.pl**.

6.4 The Participant may submit an updated/amended Survey Questionnaire by the date specified in the Schedule as the "Final date for Survey Questionnaire submission". The updated/amended Survey Questionnaire shall supersede the previous Survey Questionnaires and all information contained in the previous Survey Questionnaires will be ignored. The new Survey Questionnaire should comply with the requirements referred to in the Rules.

6.5 If the answers in Survey Questionnaire contain omissions or errors, in particular if not all the necessary information is provided, GAZ-SYSTEM reserves the right to contact the Participant in order to clarify and explain the inaccuracies.

7. CONFIDENTIALITY

7.1 GAZ-SYSTEM treats all information provided by Participants in the course of the Procedure as confidential. GAZ-SYSTEM undertakes to use the information obtained in the course of the Procedure exclusively for the purposes of the Procedure.

7.2 GAZ-SYSTEM may disclose information obtained provided by the Participants in the course of the Procedure within its corporate group and furthermore, if so required by law, court decision, administrative decision or if the information has already been made public at the time of disclosure.

If it is necessary to disclose the information obtained from Participants in the course of the Procedure on account of the requirements of applicable law, GAZ-SYSTEM will inform the Participant of such disclosure.

7.3 In addition, GAZ-SYSTEM may disclose information in aggregated and anonymised form to third parties. Information in such form may be disclosed to market participants, during planned meetings, workshops, etc., as well as to the competent authorities in order to obtain requisite permits or to parties involved in the implementation of a given investment project.

7.4 GAZ-SYSTEM may disclose information to any consultant or advisor engaged by GAZ-SYSTEM subject to the consultant's or advisor's commitment to maintain confidentiality of obtained information (NDA).

8. FINAL PROVISIONS

- 8.1 These Rules do not constitute an offer to the Participants within the meaning of Article 66 § 1 of the Act of 23 April 1964 Civil Code (consolidated text in Journal of Laws of 2023, item 1610, as amended), and the Parties acknowledge that the Procedure is preliminary and non-binding only.
- 8.2 Neither the Participant nor GAZ-SYSTEM shall be accountable to each other for any damage, including loss of profits suffered in connection with the Procedure, unless a party has incurred damage through the wilful misconduct of the other party.
- 8.3 In matters not regulated by the provisions of these Rules, the provisions of Polish law shall apply.
- 8.4 GAZ-SYSTEM reserves the right to amend or supplement these Rules, including the extension of the deadlines set out herein, in particular in the event of any changes in the applicable legislation the need to obtain administrative permits or decisions of competent authorities that are not provided for herein. Such amendments and additions will be published on GAZ-SYSTEM website.
- 8.5 In the event that any provision of these Rules is found to be prohibited or unenforceable, such provision shall be deemed to be excluded. The remaining provisions of the Rules will remain in full force and effect, while the provision deemed to be prohibited or unenforceable will be replaced by a similar provision reflecting the original intention of GAZ-SYSTEM to the extent that this is consistent with the applicable law.
- 8.6 The Rules of Procedure, the Survey Questionnaire and the Appendices to the Rules of Procedure have been drawn up both in Polish and in English.
- 8.7 The information clause required under Articles 13 and 14 of the GDPR, is attached as Appendix 1 hereto. Participants in the Procedure undertake to acknowledge its content and to share it with those whose personal data will be provided in connection with the pending Procedure.

9. NOTICES AND CONTACT DETAILS

9.1 By the date specified in the Schedule, the Participants shall submit the completed Survey Questionnaire to GAZ-SYSTEM in electronic form to the following address:
wodor@gaz-system.pl

All questions and electronic correspondence related with the Procedure should be addressed to the following e-mail address: *wodor@gaz-system.pl*

9.3 All correspondence shall be in Polish. GAZ-SYSTEM also accepts working correspondence in English.

APPENDICES

1. Appendix 1 - GDPR clause
2. Appendix No. 2 – Non-Disclosure Agreement template



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