



# BALTIC PIPE PROJECT

Shipper information meeting

*Copenhagen – 21<sup>st</sup> of June 2017*

# AGENDA

- 1 Introduction
- 2 Project scope, status and forward plans
- 3 The Open Season process



# AGENDA

**1** Introduction



# INTRO – FEASIBILITY STUDY FINALISED

Gaz-System and Energinet have jointly completed the Feasibility Study and the initial market assessment – a sound basis for the coming technical and commercial work

- In 2016 both Project Promotors, i.e.: GAZ-SYSTEM S.A. Energinet developed a **Feasibility Study for a new interconnector that connects the Danish and Polish national markets** through an offshore pipeline and the expansion of national transmission networks
- In order to ensure full functionality of the planned connection, both operators analysed also the **new connection linking the Danish and Norwegian transmission systems**, and initiated the cooperation with the Norwegian transmission system operator, Gassco A/S
- The Feasibility Study was **prepared by a consortium** consisting of Rambøll Danmark A/S and BSiPG GAZOPROJEKT S.A., together with a subcontractor, Ernst & Young. The Feasibility Study was **co-financed by the European Commission under the CEF** (Connecting Europe Facility) program
- The Feasibility Study was **focused on a technical, financial and socio-economic analysis of the project – also in a regional perspective**
- A **non-binding market study** was conducted as part of the Feasibility Study, to provide an initial assessment of market interest in the Baltic Pipe project. The outcome of the study was positive and led to an assessment of the **Baltic Pipe capacity of up to 10 bcm per year to Poland and up to 3 bcm per year to Denmark and Sweden.**



# KEY CONCLUSIONS FROM THE FEASIBILITY STUDY

1

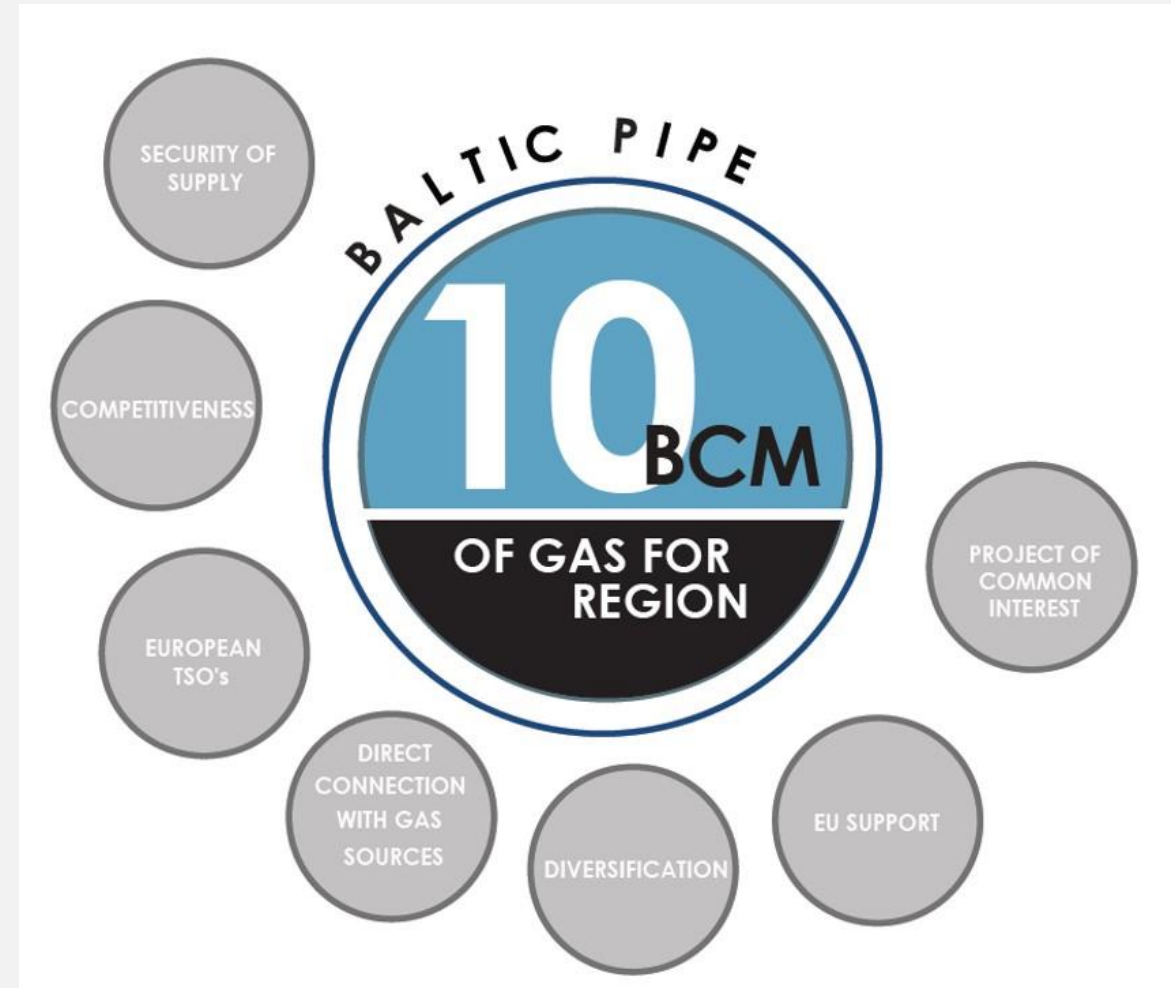
The Baltic Pipe can bring **significant positive level of socioeconomic profitability to societies in Poland and in Denmark**. The Baltic Pipe induced benefits relate to increased market integration, competitiveness, sustainability and security of gas supply. The Baltic Pipe can spur the development of local gas markets in the direction of the EU- targeted common energy market.

2

The implementation of the Baltic Pipe project and a direct connection from Denmark to Norway, **would allow Central Eastern Europe (CEE) including inter alia Poland, Czech Republic, Slovakia, Ukraine and the Baltic region (including Lithuania, Latvia, Estonia, Finland) to gain access to gas from the Norwegian Continental Shelf.**

3

**The main objectives of the Baltic Pipe Project** are to further strengthen supply diversification, market integration, price convergence and security of supply in primarily Poland and Denmark and secondarily in Sweden, Central and Eastern Europe (CEE) and the Baltic region



# STAKEHOLDERS COMMITMENT

Cooperation principles and strong stakeholders commitment have been established

The Project Promoters have established principles of cooperation between all stakeholders from Poland, Denmark and Norway. **The project have strong political and business support**

**Poland and Denmark have signed a Memorandum of Understanding and project activities including study and survey contract awards are progressing – strong commitment**

GAZ-SYSTEM and Energinet agreed on launching of the Open Season procedure, which aims at collecting the binding bids for the available capacity from the market participants. **Successful Open Season will facilitate the future decision on the project implementation, especially in the Fast Track Approach aiming at First Gas from 2022.**



Photo: Paweł Supernak, PAP

# AGENDA

- 2 Project scope, status and forward plans



# BALTIC PIPE SCOPE OVERVIEW

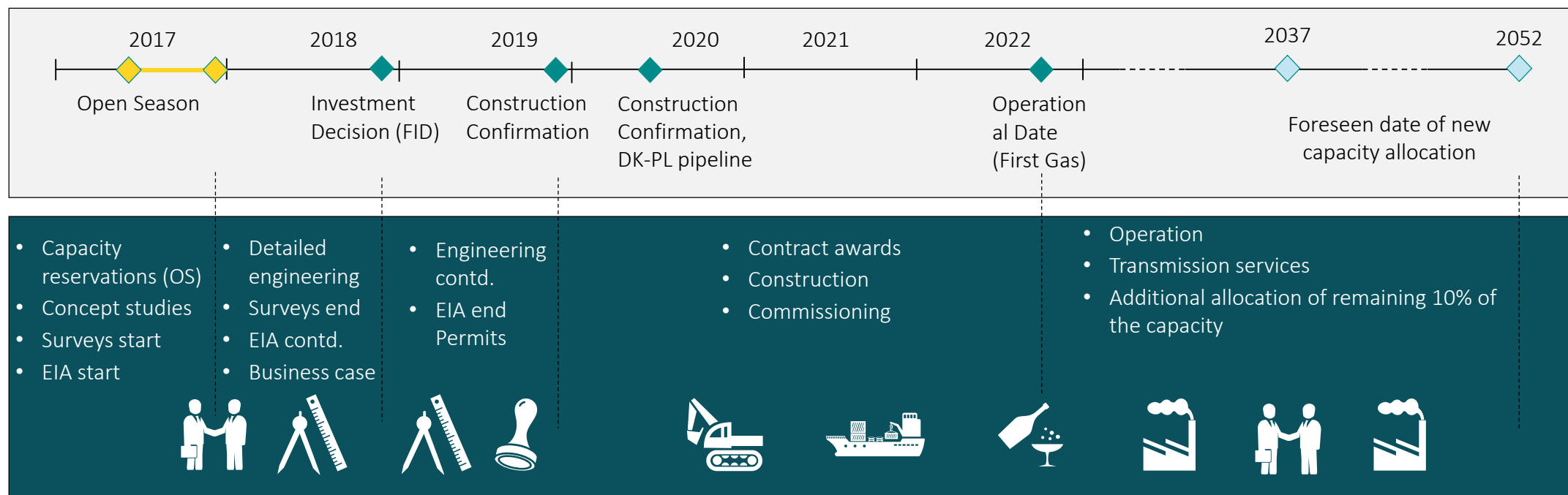
1. Norwegian Tie-in
2. Expansion of the Danish transmission system
3. Compressor Station Zealand
4. Offshore Interconnector
5. Polish Expansions





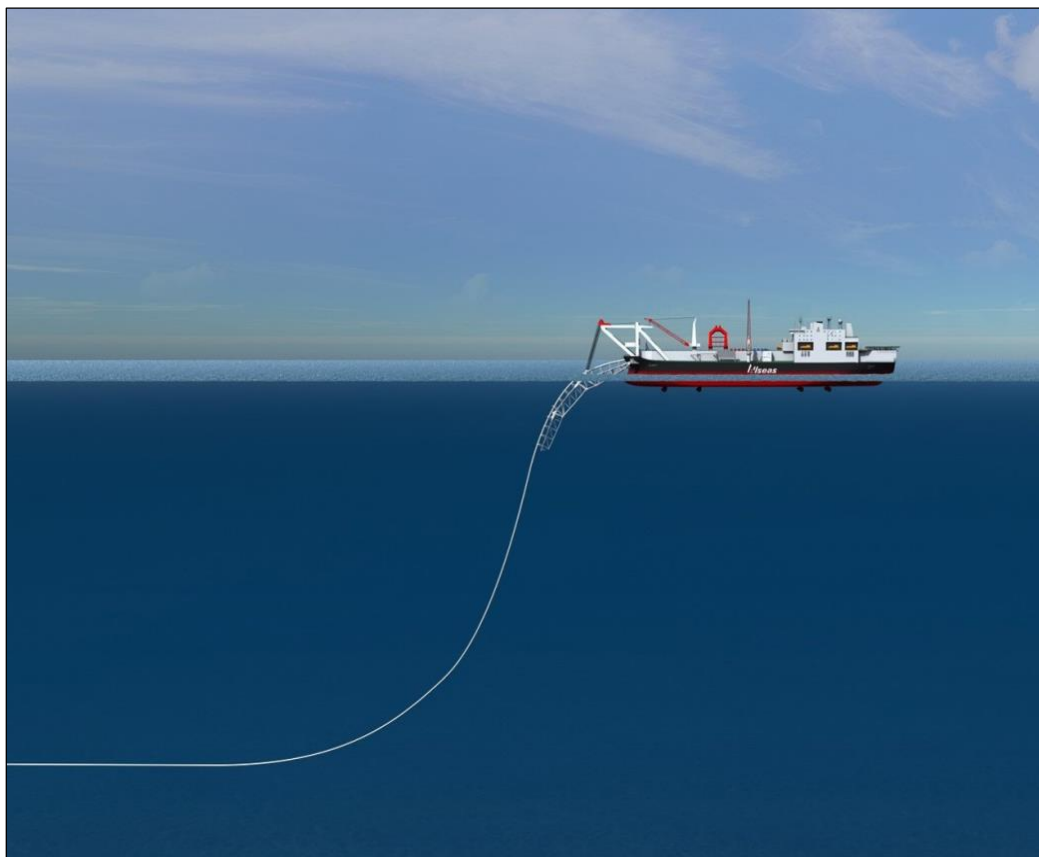
# BALTIC PIPE PROJECT - MILESTONE OVERVIEW

The business case and the FID will be based on Open Season capacity reservations and conceptual study costs. Once all permits are in place, construction will begin and the project will deliver First Gas in 2022



# SCOPE – NORWEGIAN TIE-IN

122 km 32” offshore gas pipeline connecting Europipe II to the Nybro Gas Treatment Plant

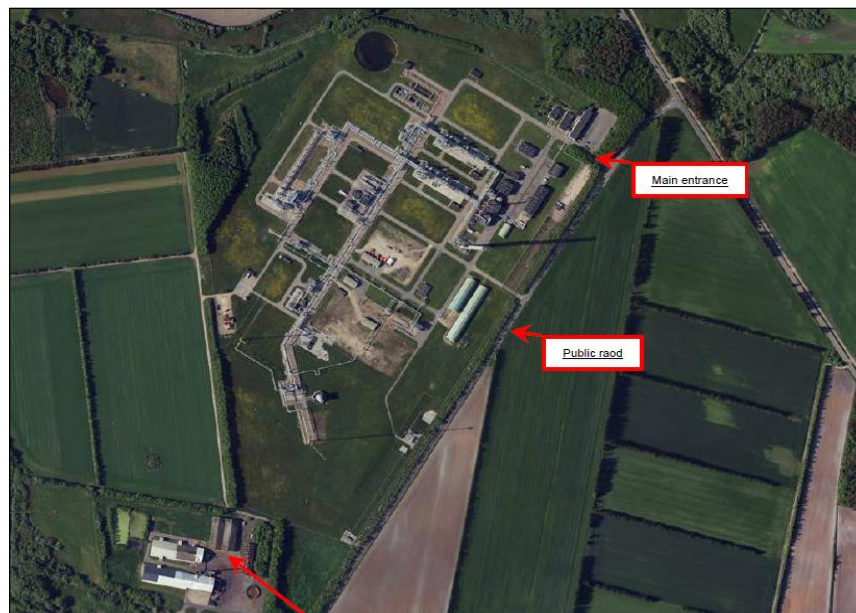


**Tie-in to Europipe II and pipeline to shore**

The new pipeline to the Nybro Gas Treatment Plant will be connected to the Norwegian pipeline Europipe II via a pipeline end manifold PLEM.

Length from tie-in to Nybro	122 km
Outer diameter	32"
Design pressure	163.4 barg
Flow from Norway to Nybro	per year 10 BCM
	per day 28 MNm <sup>3</sup>

# SCOPE – NYBRO TERMINAL (NO TIE-IN)



## Gas receiving terminal at Nybro

The gas receiving terminal consists of filtration, heater, pressure control units and a meter station. The terminal will be controlled from the control room at Nybro.

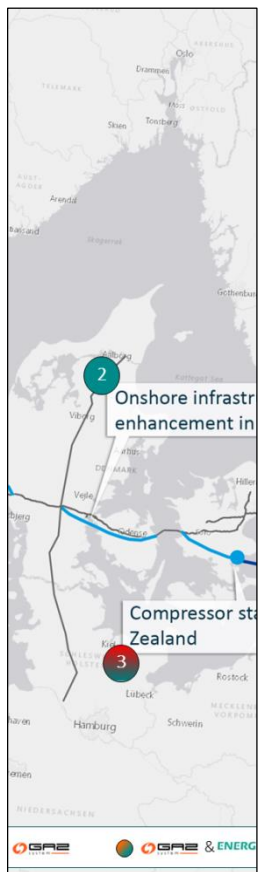
The gas receiving terminal can be located at the existing gas treatment plant at Nybro.

Design pressure	163.4 barg - 80 barg	
Flow	per year	10 BCM
	per day	28 MNm <sup>3</sup>



# SCOPE – DANISH EXPANSIONS

Some 230 km of gas transmission pipeline across Denmark incl. a subsea belt crossing

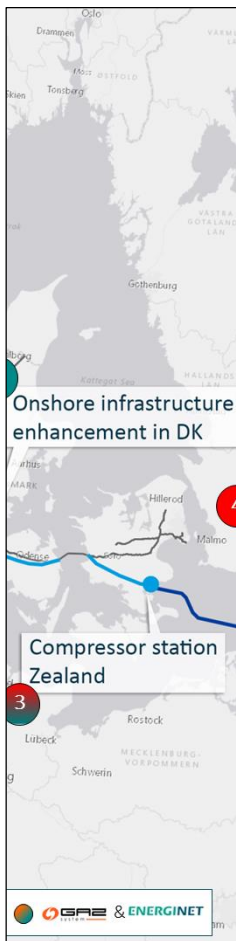


## Expansion of the Danish transmission system

The existing gas transmission system in Denmark will be extended via a new pipeline from Egtved in Jutland to Bellinge, a new pipeline from Bellinge to Nyborg on Funen and a new pipeline from Kongsmark to the East coast of Zealand.

Design pressure at the pipelines	80 barg
Total length	approx. 205 km
Outer diameter	36" to 42"

# SCOPE – COMPRESSOR STATION ZEALAND



## Compressor Station in the Eastern part of Zealand

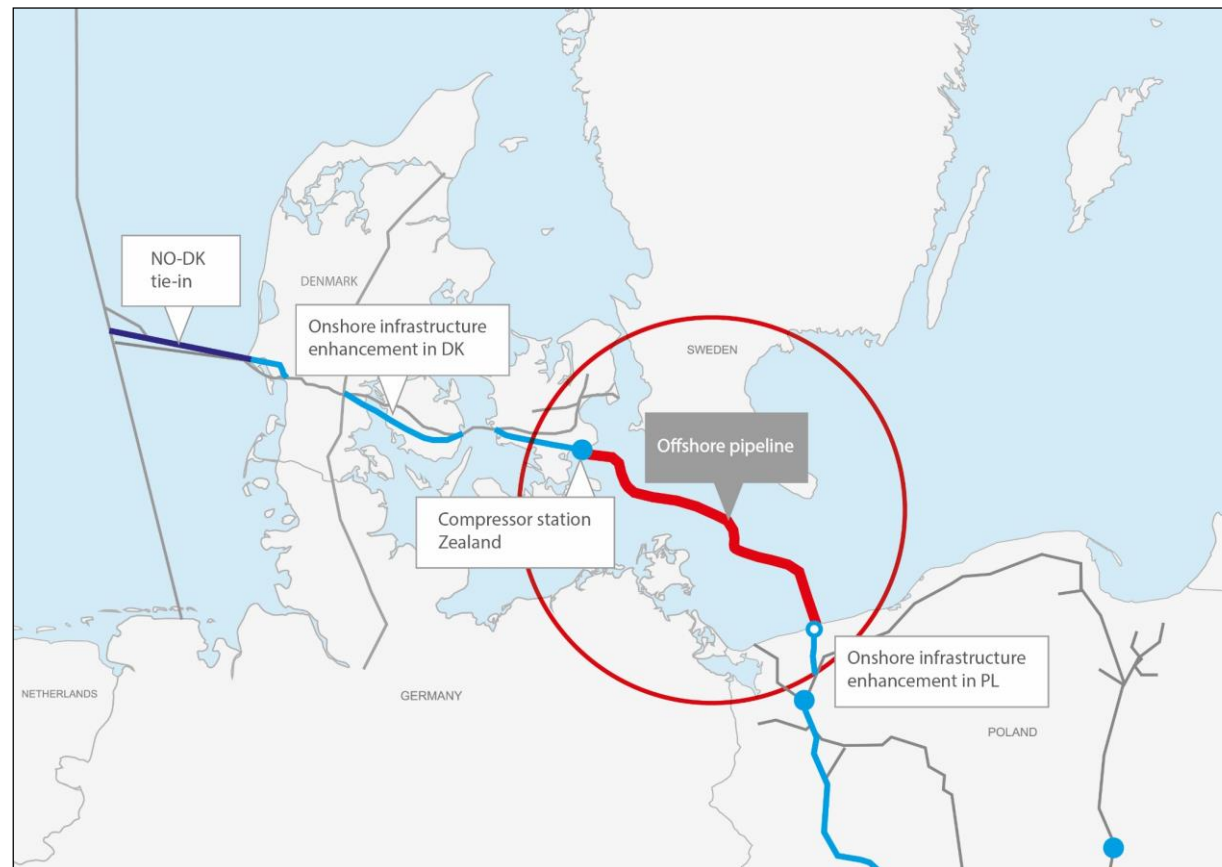
The Compressor Station will be designed for bi-directional use. The main duty will be export from Denmark to Poland.

Duty	36 MW
Capacity per day	28 MNm <sup>3</sup>
Suction - discharge pressure	46-120 barg



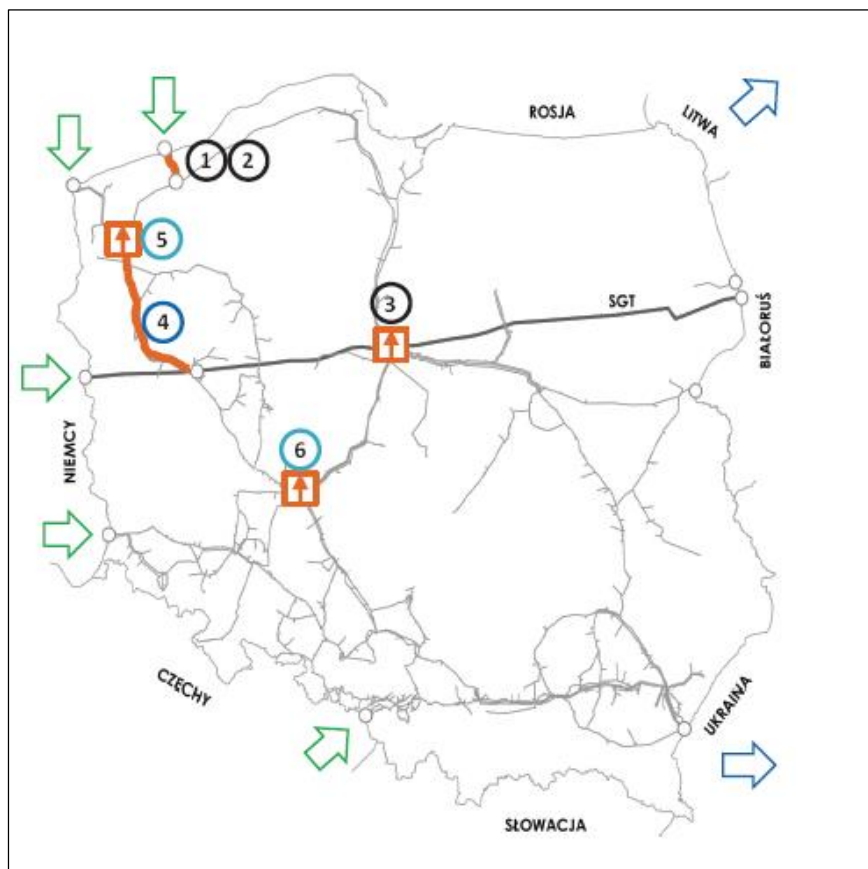
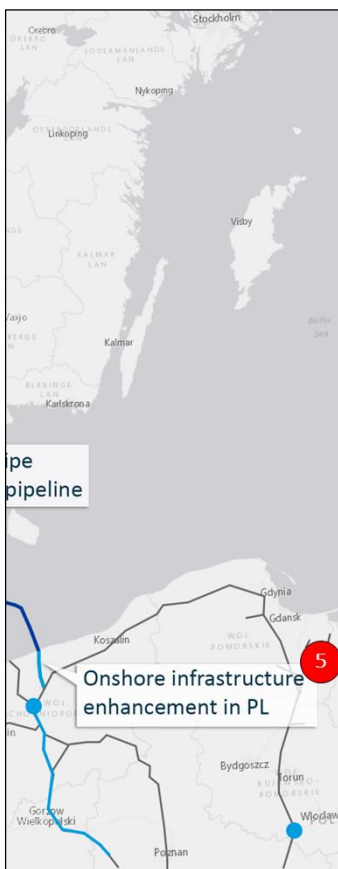
*Egtved compressor station, example*

# SCOPE – OFFSHORE INTERCONNECTOR



- 260-310 km offshore pipeline connecting Denmark and Poland
- Bidirectional: 10 BCM to PL and 3 BCM to DK
- 36" design pressure of 120 – 150 bar
- Routing through:
  - Corridors of heavy commercial traffic
  - Environmentally sensitive areas
  - A number of (EU) territorial seas
- A number of infrastructure crossings

# SCOPE – POLISH EXPANSIONS



Additional expansions in Polish transmission grid are needed in order to receive a gas coming from Denmark.

In 10 bcm/a scenario GAZ-SYSTEM foresees a construction of more than 250 km of pipelines and 3 Compressor Stations with additional power of 41 MW

- (1) Niechorze – Płoty gas pipeline (example) + Receiving Terminal
- (3) Extension of CS Gustorzyn
- (4) Goleniów – Lwówek gas pipeline
- (5) Extension of CS Goleniów
- (6) CS Odolanów

# TECHNICAL WORK – PROGRESSING (1)

Conceptual engineering studies and contact to authorities have been initiated by Gaz-System and Energinet early June 2017 in relation to both N, DK and PL scope



## Conceptual studies being kicked off

- Gassco (Europipe II) conceptual studies of NO-DK tie-in awarded and being kicked off
- Energinet conceptual studies of Nybro expansions have been awarded & kicked-off
- Energinet conceptual studies and onshore surveys for DK expansions being initiated
- Energinet is tendering the conceptual study of Compressor Station Zealand
- Energinet has received offers for offshore surveys in the North Sea and Lillebælt. The **surveys will be initiated after positive OtP**

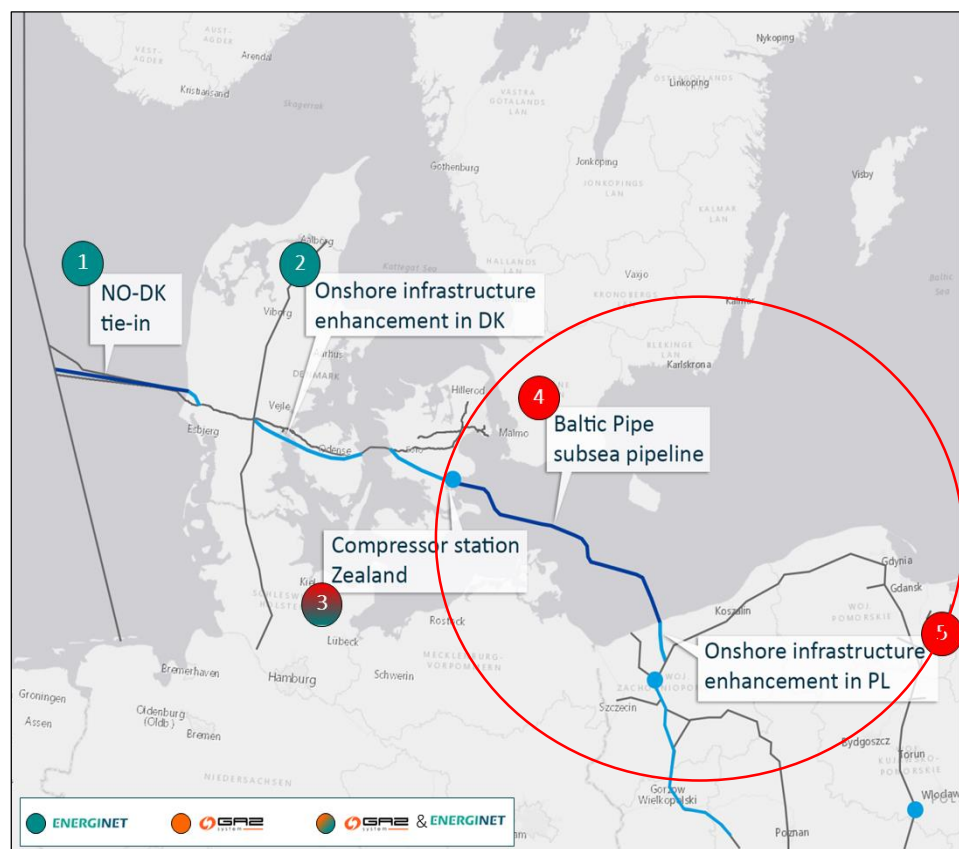
## Dialogue with authorities

- Energinet has contacted affected municipalities officially following the OS press release.
- The **public EIA process** onshore and offshore Denmark **will be initiated after positive OtP**.



# TECHNICAL WORK – PROGRESSING (2)

Conceptual engineering studies and contact to authorities have been initiated by Gaz-System and Energinet early June 2017 in relation to both N, DK and PL scope



## Overall:

- Baltic Pipe (as a part of Northern Gate concept) included in Gaz-System’s Strategy till 2025
- Baltic Pipe subsea pipeline and Onshore infrastructure enhancement in Poland **already included in Polish TYNDP 2018-2027** which is a subject of a discussion with Polish Energy Regulatory Office.
- Dedicated project structure for the Project consisting of the G-S employees and external advisors/contractors

## Baltic Pipe subsea pipeline:

- Conceptual study awarded, updated routings, survey specification and others already completed. **Expected completion in Aug 2017**
- Baltic Pipe subsea pipeline – geophysical, geotechnical, environmental surveys + engineering under tendering. **Expected launch of works in 3Q 2017**

## Onshore infrastructure enhancement in PL:

- Scope: Niechorze – Płoty gas pipeline + Receiving Terminal, Extension of CS Gustorzyn, Goleniów – Lwówek gas pipeline, Extension of CS Goleniów and CS Odolanów
- Technical conditions for design of the above mentioned infrastructure partially completed
- Conceptual studies and engineering works tendering expected soon

# AGENDA

## 3 The Open Season process

- A Introduction to the Open Season 2017
- B Open Season 2017 Rules
- C Danish Appendices
- D Polish Appendices



# INTRODUCTION TO THE OPEN SEASON

A standard for obtaining capacity reservations prior to the Final Investment Decision on a new infrastructure project

## Open Season

- The term 'Open Season' is adopted from hunting.
- In the gas market, pipeline transmission capacity is sold and often drives the revenue of Transmission System Owners (TSOs) like GAZ-SYSTEM and Energinet
- **Open Season is an European standard for obtaining an indication on appetite for longer term investments;** through capacity reservations up to 15 years
- This enables the project promoter – e.g. a TSO – to get full or partly financing of developments from the market
- The Open Season standard offers systematic documentation (ref. later slide)

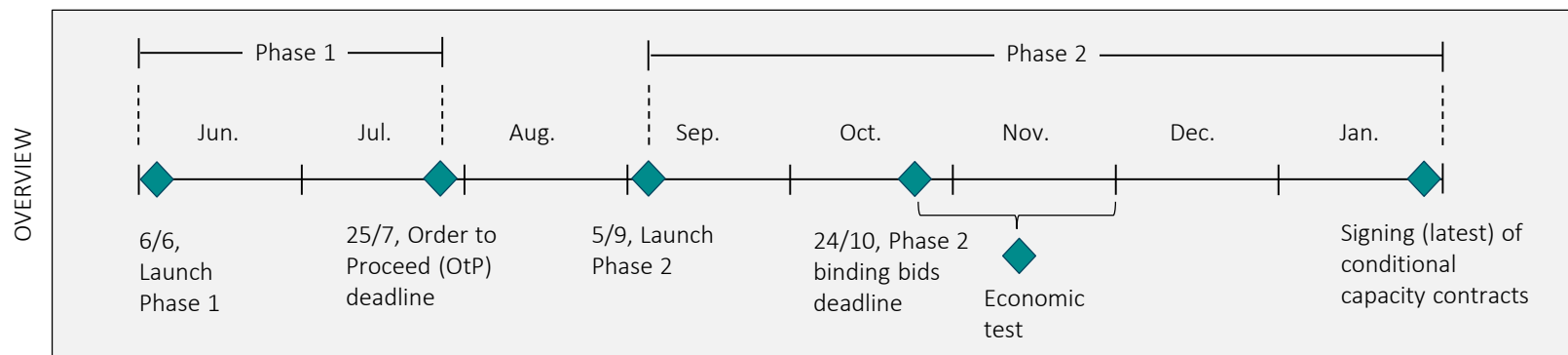


# INTRODUCTION TO THE OPEN SEASON 2017

The Open Season Standard offers a structured process which is split in 2 phases on the Baltic Pipe project

## Open Season Phase 1

## Open Season Phase 2

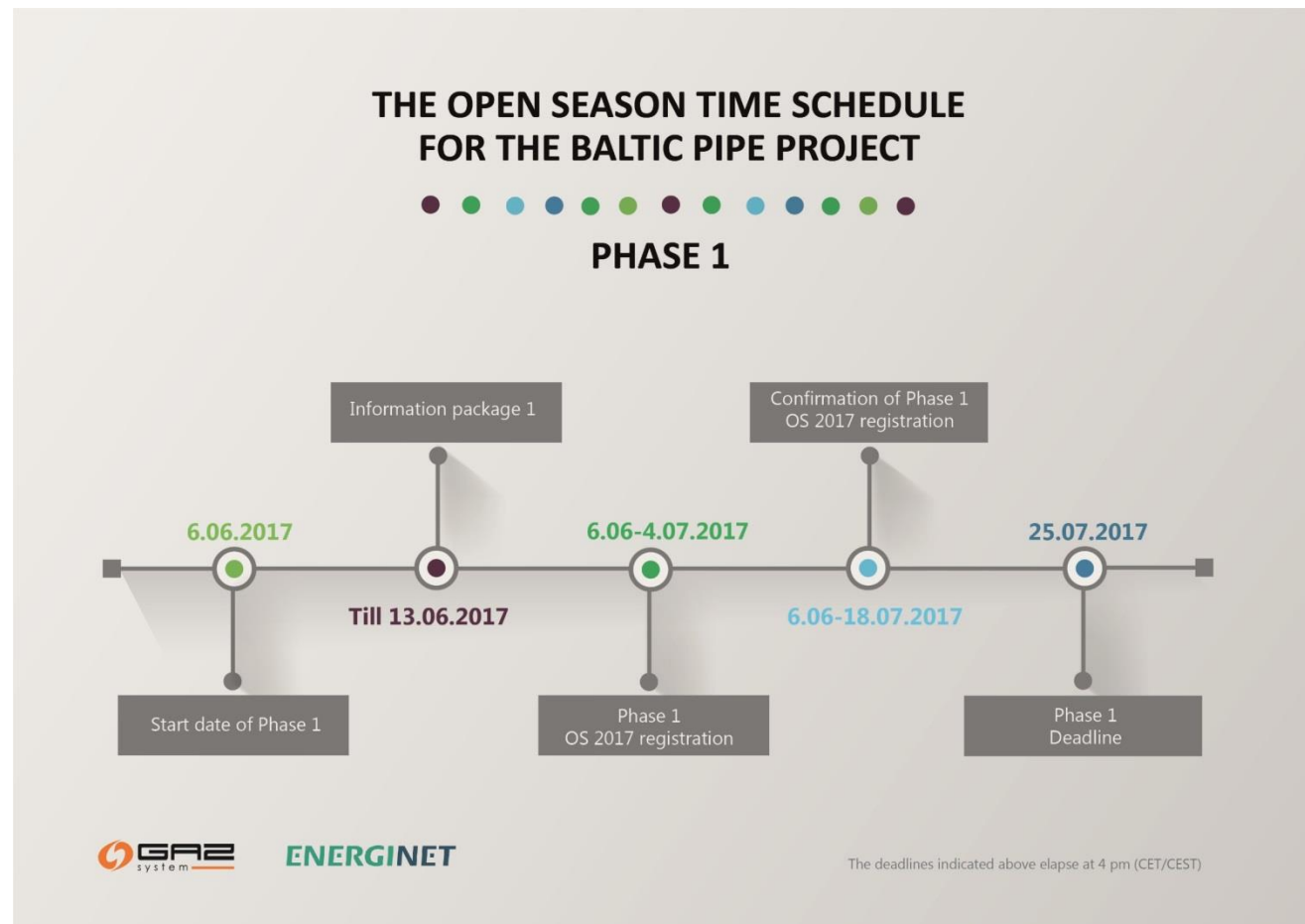


**Open Season Phase 1- already launched**



# OPEN SEASON 2017 RULES

## OVERVIEW OF PHASE 1 – ORDER TO PROCEED



# OPEN SEASON 2017 RULES – OTP

The Open Season 2017 includes an Order to Proceed which enables earlier First Gas

## Order to Proceed – A subset of the Open Season framework

The term ‘Order to Proceed’ aims at describing that enough bids are placed early in the Open Season process

What is Order to Proceed in general?

- In a “ordinary” process, the Open Season is the first step, before starting up the more detailed technical studies
- However, in some projects, it can be necessary to start early, in order to reach a certain date, based on market demand.
- Thus, Order to Proceed is **a method to collect binding bids at an early stage** in the implementation process of a project

Why is OtP used as part of Open Season on this project?

- The market shows a **demand for capacity already from October 2022**
- To reach this date, the **technical studies should be started mid 2017** – before running a binding Open Season (Phase 2)

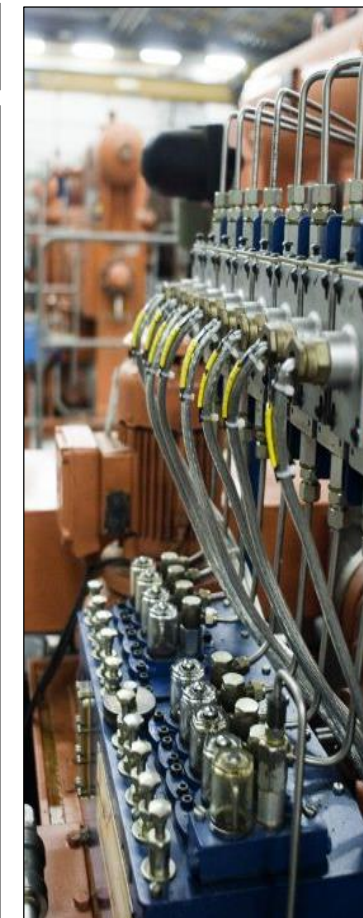
## How is the OtP handled?

If a sufficient level of OS 2017 Capacity is **reached** in the OtPs:

- Energinet and GAZ-SYSTEM are **obliged** to proceed with the so called **fast-track** where the technical studies are started early
- The Participant who submitted OtP is obliged to submit a Phase 2 Bid **at least** for the same amount of OS 2017 Capacity as included in the OtP (consequence: liquidated damages).

If a sufficient level of OS 2017 Capacity is **not reached** in the OtPs, Energinet and GAZ-SYSTEM will:

- Change the parameters of the Baltic Pipe Project and offer the transmission capacity from 1.10.2024 onwards. **The OtP submitted by the participants expire**



# OPEN SEASON 2017 RULES – CAPACITY OVERVIEW

The Open Season offers significant capacity with both stable long term and flexible short term products included

## Points offered – direct (bidirectional) access to Eastern European markets:

- A. North Sea Entry Point (Gassled/Energinet) (NO-DK)
- B. Interconnection Point: Interconnection Point Baltic Pipe (Energinet.dk/GAZ-SYSTEM) (DK-PL) (PL-DK)

## Long-term capacity offered in Open Season 2017:

- 90% of planned technical capacity for long term products (15 gas years) offered in OS
- Remaining 10% of planned technical capacity for short term products

## Type of capacity:

- Firm, unbundled (NO-DK)
- Firm, bundled (DK-PL)
- Firm, bundled (PL-DK)

## Start of the service:

- Earliest 1 October 2022

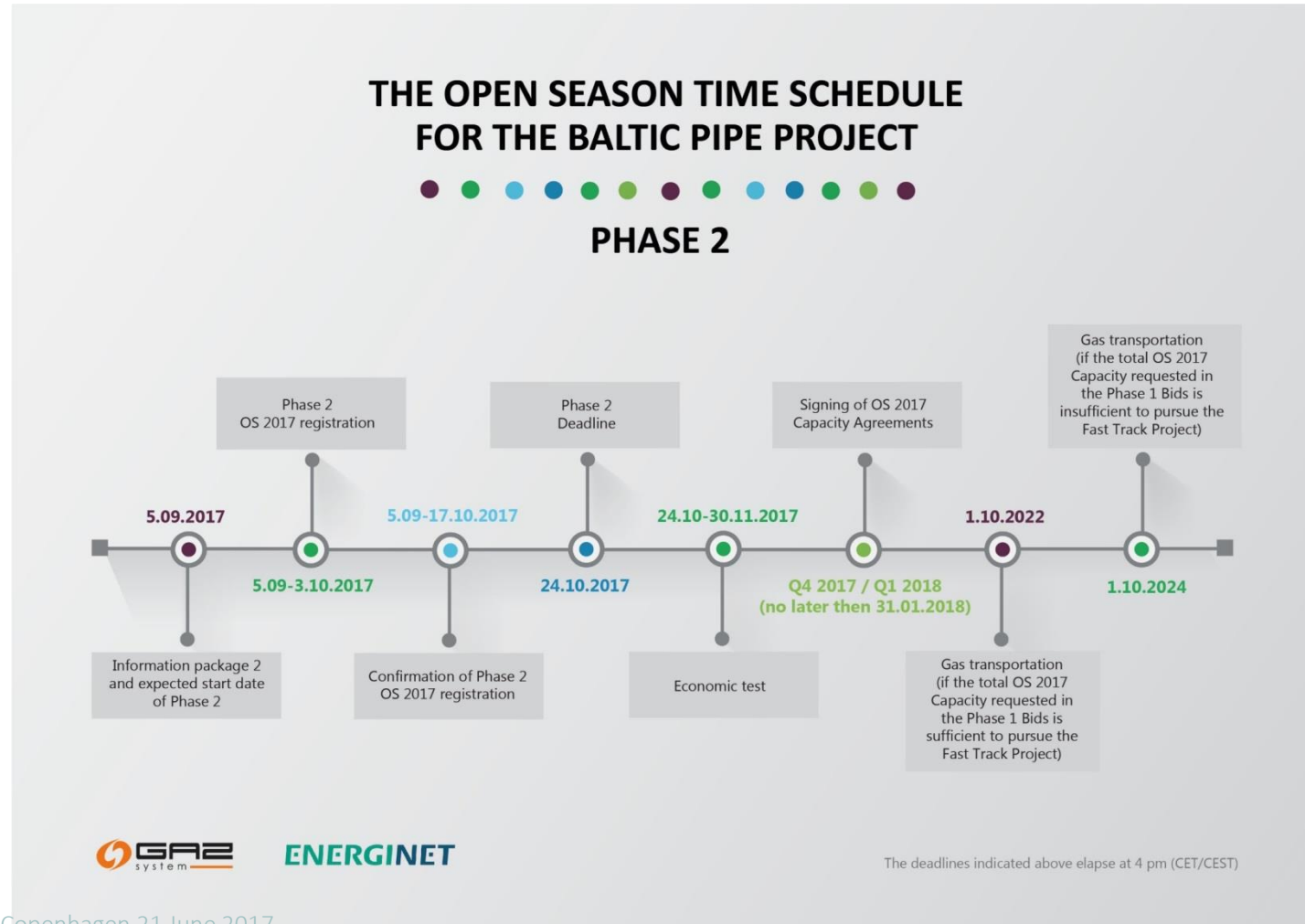
## Capacity to be offered during the Open Season (90 % of the planned technical capacity):

- North Sea Entry Point (NO-DK): Approx. 13 GWh/h
- Interconnection Point Baltic Pipe (DK-PL): Approx. 12 GWh/h
- Interconnection Point Baltic Pipe (PL-DK): Approx. 3.5 GWh/h



# OPEN SEASON 2017 RULES

## OVERVIEW OF PHASE 2 – ALLOCATION PHASE





# OPEN SEASON 2017 RULES – PHASE 2 FOCUS

TSOs have aligned the bidding process, and the benefit of the pro-rata distribution of capacity is predictability tariff levels

## Allocation Bid Process

- **Goal of Phase 2:** Allocate capacity to the interested Participants
- Participation in **Phase 1 not a prerequisite** for Phase 2 participation
- To take part; Participants shall submit Phase 2 Bids:
  - Phase 2 Bid for **IP Baltic Pipe**, to be submitted **to both GAZ-SYSTEM and Energinet**
  - Phase 2 Bid for **North Sea Entry Point** to be submitted **only to Energinet**
- Submission of the Phase 2 Bid shall **oblige Participant to the conclusion** of the OS 2017 Capacity Agreement, if the OS 2017 Capacity is allocated to him

## Capacity allocation mechanisms

### No over-demand:

- The OS 2017 Capacity shall be allocated to all the Participants **in line with their Phase 2 Bids**

### Over-demand:

- The TSOs shall allocate the OS 2017 Capacity **using the pro-rata rule**
- However, giving **priority to the Participants who submitted the Phase 2 Bids for the longest duration** – i.e. for the allocation for a given Point, in a given direction, within a higher number of Gas Years



# OPEN SEASON 2017 RULES – PHASE 2 FOCUS

Allocation method and relation between points: Flexibility has been built into the capacity reservation in the respective points

- In the allocation phase, there is **no obligation to submit Phase 2 Bids for the same amounts capacity in all Points**
- **Participants can state that Phase 2 Bids** submitted for the North Sea Entry Point and IP Baltic Pipe (DK->PL) **are interdependent** (requiring that capacities are identical in those two Points)
- **In case** the allocation results in a **discrepancy of allocated amounts in those two Points due to pro-rata allocation method**:
  - Participant be entitled to reduce allocation at the Point with the highest amount of the two.
  - The amount of capacity allocated at this Point shall be reduced to the amount of capacity allocated to the Participant in the other Point, i.e. the Point with the lower allocation of the two Points



# OPEN SEASON 2017 RULES - AGREEMENTS

The allocation of the OS 2017 Capacity shall be subject to an Economic Test. The Capacity Contract includes Conditions Precedent

## Economic test

The aim of the economic test is to assess whether – on the basis of the OS 2017 Capacity allocated to the Participants in the Phase 2 Bids – the implementation of the Baltic Pipe Project is feasible and financially and socio-economically viable for both TSOs.

## Signing of the Capacity Agreement

- Each Participant to whom the OS 2017 Capacity of the IP Baltic Pipe was allocated, will conclude two separate OS 2017 Capacity Agreements – with Energinet and with GAZ-SYSTEM
- OS 2017 Capacity allocated at the Entry Point North Sea will be a subject only of the Capacity Agreement concluded with Energinet
- The OS 2017 Capacity Agreements shall be concluded in the end of 2017 (beginning of 2018 at the latest) – immediately after the requirements for their conclusion are fulfilled.
- The commencement of gas transmission services provided on the basis of the OS 2017 Capacity Agreements, as well the obligation of the Participant to pay tariff fees for the OS 2017 Capacity, shall depend on the fulfillment of conditions precedent, determined in the OS 2017 Capacity Agreement.



# OPEN SEASON 2017 RULES – DOCUMENTS' OVERVIEW

The Open Season rules are documented in a systematic set of appendices

## General Appendices:

- Appendix 1: **Phase 1 Order to Proceed Bid Form:** North Sea Entry Point and Interconnection Point Baltic Pipe
- Appendix 2: **Phase 2 Final Bid Form:** North Sea Entry Point and Interconnection Point Baltic Pipe

## Danish Appendices:

- Appendix 3: **Rules** applicable to participation in the **Danish part** of the OS 2017
- Appendix 3.A: **Registration** form
- Appendix 3.B: **Guarantee**
- Appendix 3.C: Draft of the OS 2017 **Capacity Agreement**
- Appendix 3.D: Standard **Framework Agreement** (Appendix 2 of the Rules for Gas Transport)

## Polish Appendices:

- Appendix 4: **Additional GAZ-SYSTEM's Rules** for the Open Season 2017
- Appendix 4.A: Transmission **Network Code** of GAZ-SYSTEM
- Appendix 4.B: **Tariff** of GAZ-SYSTEM
- Appendix 4.C: **Registration** form
- Appendix 4.D: Framework **transmission contract** template
- Appendix 4.E: Draft of the OS 2017 **Capacity Agreement**





# Rules applicable to participation in the Danish part of the Open Season 2017

*Julie Frost Szpilman and Christian Rutherford*

# OVERVIEW OF CAPACITY OFFER IN THE DANISH PART

## Points offered in the Danish part

- A. North Sea Entry Point (Gassled/Energinet) (NO-DK)
- B. Interconnection Point: Interconnection Point Baltic Pipe (Energinet.dk/GAZ-SYSTEM) (DK-PL) (PL-DK)

## Type of capacity:

- Firm, unbundled (NO-DK)
- Firm, bundled (DK-PL)
- Firm, bundled (PL-DK)

## Capacity to be offered during the Open Season (90 % of the planned technical capacity):

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# THE DANISH APPENDICES

Please visit <https://en.energinet.dk/Gas/Shippers/Open-Season-2017>

## DOCUMENTS FOR PHASE 1

[Open Season 2017 Rules](#)

### General appendices

Appendix 1: [Phase 1 bid form \(Order to Proceed\)](#)

Appendix 2: [Phase 2 bid form](#)

### Appendices applicable to participation in the Danish part of OS 2017

Appendix 3: [Rules applicable to participation in the Danish part of OS 2017](#)

Appendix 3.A: [Registration form](#)

Appendix 3.B: [Guarentee](#)

Appendix 3.C: [Draft of the Danish OS 2017 Capacity Agreement](#)

Appendix 3.D: [Standard framework agreement \(appendix 2 of the Rules for Gas Transport\)](#)

### Appendices applicable to participation in the Polish part of OS 2017

### Information package 1

[Information package 1](#)

[Economic model \(Excel\)](#)

[Guidelines for the economic model](#)

### Related documents

[Feasibility study](#)

[Opinion on principles for market zone and tariffs](#)

App. 3: Rules applicable to participation in the Danish part of the OS 2017

App 3.A: Registration Form

App 3.B: Guarantee

App 3.C: Draft of the OS 2017 Capacity Agreement

App 3.D: Standard Framework Agreement

# ENERGINET HAS LISTENED

The rules have been in market consultation. We have made some adjustments based on comments from the market

**MEMO**

**INFORMATION PAPER**

Energinet and GAZ-SYSTEM S.A. conducted a market consultation of the OS 2017 Rules in December 2016 - January 2017. Some of the comments received during the consultation caused Energinet to make amendments in the OS 2017 Rules, including the Danish Appendices. Not all comments gave rise to amendments.

The purpose of this document is to reflect on a number of comments and questions received during the market consul-

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## Some changes are.....

- The Phases have been prolonged
- Conditions for initiation of Fast Track have been closely described
- Expiration of Phase 1 Bid if Fast Track Project is not pursued
- More information is provided in the Information Packages e.g. tariff forecasts
- Limited possibility for Energinet to amend rules for Open Season



# Requirements for participating in OS 2017

## REGISTRATION

- Participants must be registered as shipper at Energinet (the Register of Players)
- Participants must be registered as OS 2017 Participant with Energinet
- See the registration form - Appendix 3.A

## FORMAL REQUIREMENTS

- In general, associated Participants are not allowed to both forward bids in the OS 2017
- However Energinet has opened up for the possibility for associated companies to bid, but will consider bids from associated companies at the same point as 1 joint bid
- See Appendix 3, point 5.3 for more information

## CREDIT LINE REQUIREMENTS

- A participant must have a credit line in place, covering the highest level of OS 2017 capacity requested in Phase 2 (expected payment)
- The non-secured credit limit is calculated, based on the Participants equity capital and credit rating
- If the non-secured credit limit is not sufficient, the Participant must provide external security
- See Appendix 3, point 7 for more information

# INFORMATION PACKAGE NO. 1

Please find more information about the economic viability for the Danish part of the Baltic Pipe project

## DOCUMENTS FOR PHASE 1

### Open Season 2017 Rules

#### General appendices

Appendix 1: [Phase 1 bid form \(Order to Proceed\)](#)

Appendix 2: [Phase 2 bid form](#)

#### Appendices applicable to participation in the Danish part of OS 2017

Appendix 3: [Rules applicable to participation in the Danish part of OS 2017](#)

Appendix 3.A: [Registration form](#)

Appendix 3.B: [Guarantee](#)

Appendix 3.C: [Draft of the Danish OS 2017 Capacity Agreement](#)

Appendix 3.D: [Standard framework agreement \(appendix 2 of the Rules for Gas Transport\)](#)

#### Appendices applicable to participation in the Polish part of OS 2017

#### Information package 1

[Information package 1](#)

[Economic model \(Excel\)](#)

[Guidelines for the economic model](#)

#### Related documents

[Feasibility study](#)

[Opinion on principles for market zone and tariffs](#)

The Information Package will be updated before launching Phase 2

# IF SUFFICIENT PHASE 1 BIDS....

....the Fast Track Project is pursued and enable gas transportation from 1 October 2017

## The main elements in the Fast Track Project are:

- Start dialogue with relevant Danish authorities
- Prepare, plan and initiate the environmental impact assessment
- Define the scope of work for and execute different concept studies
- Start planning detailed engineering phase

Sufficient level enables Energinet to spend resources even though Phase 2 Bids have not yet been received



# THREE IMPORTANT TOPICS TO NOTICE IN THE OS 2017 CAPACITY AGREEMENT

## Condition Precedent

- The Capacity Agreement is subject to the fulfillment of 4 Conditions Precedent
- All CP's specify certain dates, where specific decisions/approvals must have been obtained
- If the CP's have not been fulfilled, the Capacity Agreement will terminate

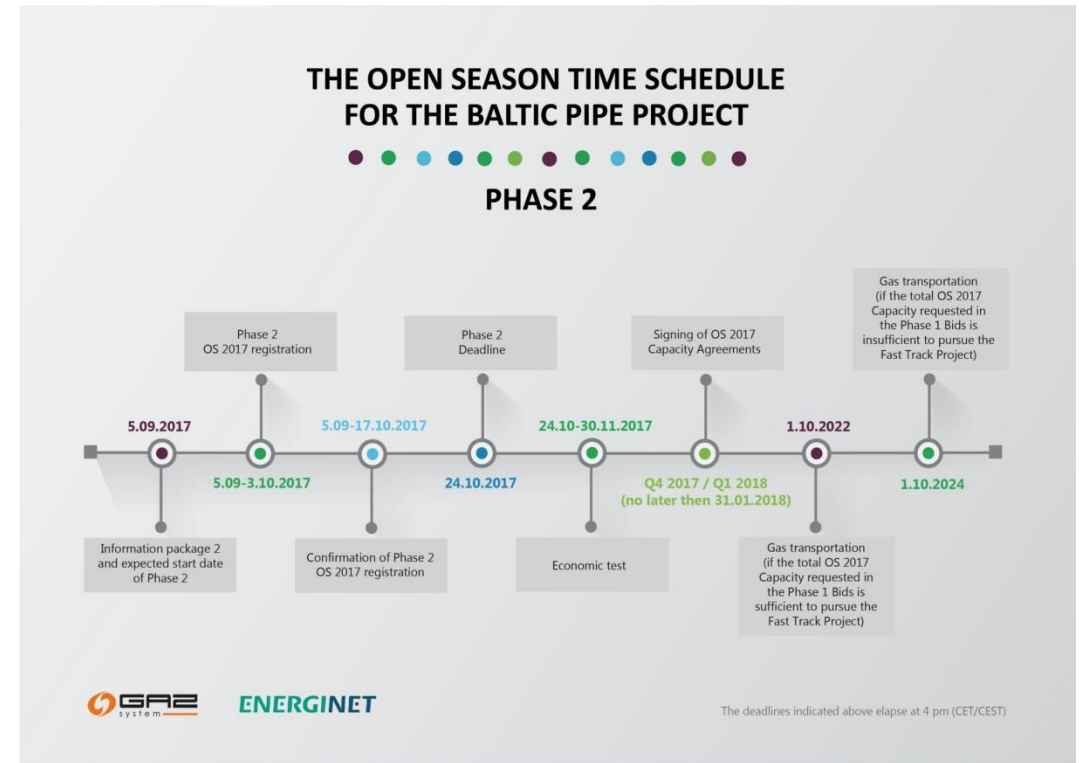
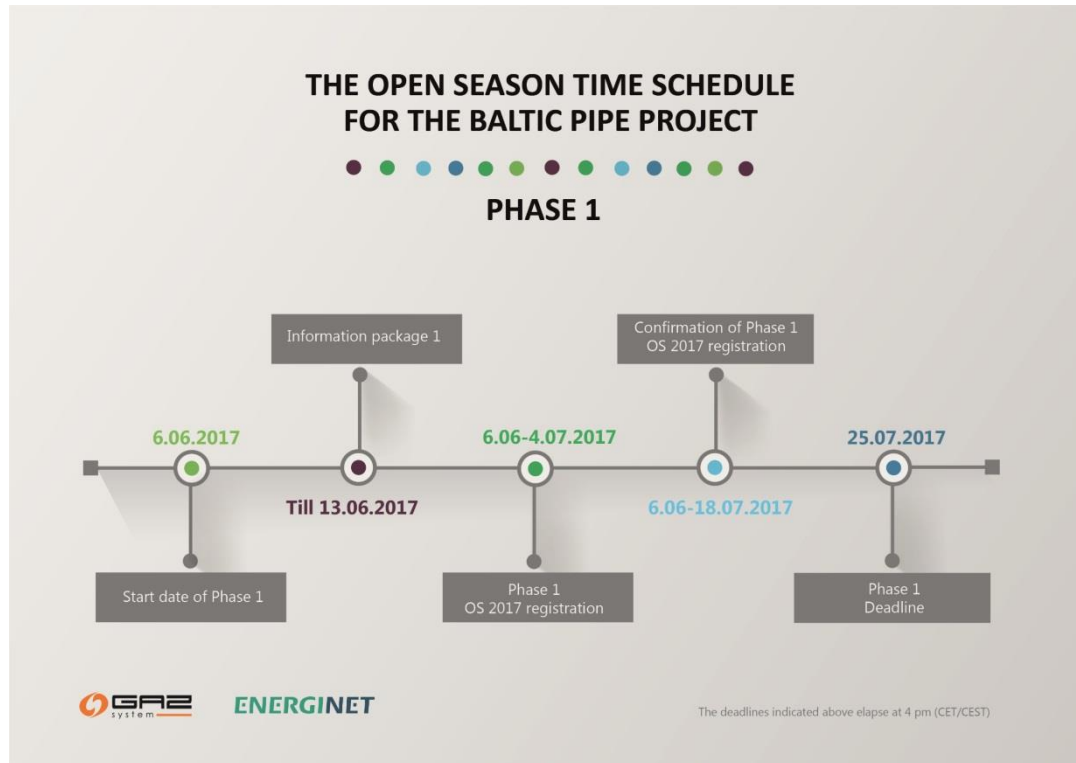
## Indemnification

- Energinet will use best endeavors to include an indemnification clause into the Danish OS 2017 Capacity Agreement
- If introduced, Energinet will indemnify and hold the shipper harmless based changes to a number of predefined prerequisites in Information Package 2

## Shipper involvement

- Energinet will host briefings about the development of the Baltic Pipe Project on a regular basis
- The briefings are open for all market participants
- Following such briefings, the Parties may have bilateral meetings with Energinet relating to the Capacity Agreement

# IMPORTANT DATES



For participation only in Phase 2, the deadline for registration is 3 October 2017

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<https://en.energinet.dk/Gas/Shippers/Open-Season-2017>





# Rules applicable to participation in the Danish part of the Open Season 2017

*Adam Marzecki*

# OPEN SEASON – POLISH APPENDICES

## Polish Appendices:



- ✓ Appendix 4: Additional GAZ-SYSTEM's Rules for the Open Season 2017
- ✓ Appendix 4.A: Transmission Network Code of GAZ-SYSTEM
- ✓ Appendix 4.B: Tariff of GAZ-SYSTEM
- ✓ Appendix 4.C: Registration form
- ✓ Appendix 4.D: Framework transmission contract template
- ✓ Appendix 4.E: Draft of the OS 2017 Capacity Agreement



# OPEN SEASON – REGISTRATION

- 1) Entities interested in taking part in the OS 2017 are obliged to register as a Participant of the OS 2017, submitting the documents necessary for successful registration (in line with the list included in the Additional GAZ-SYSTEM's Rule).
- 2) Applicant who has not concluded framework Transmission Agreement with GAZ-SYSTEM will be registered as Participant OS 2017 only if he concludes with GAZ-SYSTEM a standard framework Transmission Agreement.
- 3) For this purpose, Applicant should submit, **together with the Registration form**, the documents which are normally required by GAZ-SYSTEM for the conclusion of the framework transmission agreement (list of those documents is included in the Additional GAZ-SYSTEM's Rules).

**After receiving a registration confirmation from GAZ-SYSTEM,  
the applicant gains a Participant status in the Open Season 2017.**

# OPEN SEASON – REGISTRATION

## Submission of the registration documents:

**DEADLINE:** 4 July 2017, 4 p.m. for Phase 1 (or 3rd of October for Phase 2) (posting documents at a post office and sending scans by email to: [openseason@gaz-system.pl](mailto:openseason@gaz-system.pl))

**FORM:** written and electronic form. Documents should be submitted in the Polish language (sworn translation is required for documents in foreign language).

The registration proces for each Participant shall be completed by 18th of July for Phase 1 (or 17th of October for Phase 2) at the latest, taking into account the deadlines for the verification proces, presented in the Additional GAZ-SYSTEM's Rules.

**GAZ-SYSTEM strongly encourages early registration!**

# OPEN SEASON – PHASE 1 BIDS

## DOCUMENTS:

- Order to Proceed Form (Appendix 1 to the Open Season 2017 Rules) signed by authorised person
- If necessary - Power of attorney issued to the signatory of the Order to Proceed or another document confirming the right of the signatory of the Order to Proceed to represent the Participant. (document in polish language or a sworn translation)

**DEADLINE:** 25 July 2017 (posting documents at a post office and sending scans by email to: [openseason@gaz-system.pl](mailto:openseason@gaz-system.pl))

**FORM:** written and electronic form.

# SUFFICIENT LEVEL OF OTP – GAZ-SYSTEM

The Fast Track Project can be pursued by GAZ-SYSTEM if:

The total amount of the OS 2017 Capacity of the Entry Point Baltic Pipe (DK->PL) demanded by the Participants in the valid Phase 1 Bids is, at least, at the level of 10,058,250 kWh/h for each Gas Year made available under the OS 2017.

If this level is not reached, GAZ-SYSTEM may still, **at its sole discretion**, decide to pursue the Fast Track Project.

**Fast Track shall only be pursued if both TSOs decide to do so.**

# PHASE 2 BIDS

## DOCUMENTS:

- Bid Form in Phase 2 (Appendix 2 to OS 2017 Rules),
- If necessary - Power of attorney issued to the signatory of the Order to Proceed or another document confirming the right of the signatory of the Order to Proceed to represent the Participant.
- Proof of establishment of a financial security, if it is required in accordance with Additional GAZ-SYSTEM's S.A. Rules

**DEADLINE:** 24 October 2017, 4 p.m.

**FORM:** Documents should be submitted in written and electronic form, in Polish language (sworn translation if necessary).

# FINANCIAL SECURITY

Financial security shall be calculated individually by the Participant, on the basis of the following assumptions:

$$FS = A - B$$

Where:

**FS:** financial security to be established by the Participant

**A:** the highest fee expected to be paid by the Participant for the use of the OS 2017 Capacity in the Entry Point Baltic Pipe (DK->PL) in a Gas Year, calculated on the basis of the IP2

**B:** Non-Secured Credit Line, as calculated on the basis of credit rating of the Participant and its' equity capital

**The Phase 2 Bid shall be valid only if it the Participant has established sufficient financial security, in a proper form.**

# POLISH OS 2017 CAPACITY AGREEMENT

1. The conclusion of the Polish OS 2017 Capacity Agreement will depend on:
  - ✓ allocation of the OS 2017 Capacity for the given Participant,
  - ✓ obtainment a positive result of the obligatory economic test by both TSOs,
  - ✓ **obtainment of corporate approvals of GAZ-SYSTEM, which object will be a conclusion of individual contracts.**
2. The Participants which obtained the OS 2017 Capacity in the OS 2017 will receive drafts of the Polish OS 2017 Capacity Agreement from GAZ-SYSTEM.
3. Each Participant will be obliged to submit to GAZ-SYSTEM a unilaterally signed draft of the Polish OS 2017 Capacity Agreement within **10 working days** from the date of receipt of this draft.
4. GAZ-SYSTEM will send back signed Polish OS 2017 Capacity Agreement to the Participant within **10 working days** from the date of receipt by GAZ-SYSTEM of the unilaterally signed draft of the Polish OS 2017 Capacity Agreement from the Participant.

# INFORMATION PACKAGE NO. 1, GAZ-SYSTEM

S.A. on the basis of the annex to the decision of the President of the Energy Regulatory Office dated on 24 March 2017 (Decision no.: DRR.WRG.7129.2.1.2017.AC1) approving the allocation methods as defined in the document "Baltic Pipe Project. The decision with an attachment is available at the following link:

- THE DECISION OF THE PRESIDENT OF ERO APPROVING THE CAPACITY ALLOCATION MECHANISM FOR BALTIC PIPE PROJECT (only Polish version is available)

- THE DOCUMENT "BALTIC PIPE PROJECT. TRANSMISSION CAPACITY ALLOCATION METHODS UNDER OPEN SEASON 2017" (only Polish version is available)

## ▶ APPENDICES

### ● GENERAL APPENDICES

APPENDIX 1 - Phase 1 Order to Proceed Bid Form: North Sea Entry Point and Interconnection Point Baltic Pipe

APPENDIX 2 - Phase 2 Final Bid Form: North Sea Entry Point and Interconnection Point Baltic Pipe

### ● POLISH APPENDICES

APPENDIX 4. - ADDITIONAL GAZ-SYSTEM'S RULES FOR THE OPEN SEASON 2017

APPENDIX 4.A. - TRANSMISSION NETWORK CODE OF GAZ-SYSTEM

APPENDIX 4.B. - TARIFF OF GAZ-SYSTEM

APPENDIX 4.C. - REGISTRATION FORM

APPENDIX 4.D. - FRAMEWORK TRANSMISSION CONTRACT TEMPLATE

APPENDIX 4.E. - DRAFT OF THE POLISH OS 2017 CAPACITY AGREEMENT

### ● DANISH APPENDICES

Documents are available on the Energinet's website:

<https://en.energinet.dk/OpenSeason2017>

## ▶ INFORMATION PACKAGE 1

INFORMATION PACKAGE 1: DOCUMENTS

## ▶ INFORMATION MEETINGS FOR THE OPEN SEASON PROCEDURE

Energinet and GAZ-SYSTEM S.A. would like to invite all market participants to attend one of the two information meetings which are planned regarding the Open Season Procedure and Baltic Pipe project.

First meeting will take place in Stavanger, Norway 20th of June 2017.

Second meeting will take place in Energinet location in Ballerup, 21st June 2017 10:30 CET.

For participation, please register either to:

Energinet: [openseason2017@energinet.dk](mailto:openseason2017@energinet.dk)

GAZ-SYSTEM: [openseason@gaz-system.pl](mailto:openseason@gaz-system.pl)

## ▶ MORE INFORMATION ON THE PROJECT

GAZ-SYSTEM: <http://en.gaz-system.pl/our-investments/integration-with-european-gas-transmission-system/baltic-pipe/>

Energinet: <http://en.energinet.dk/baltic-pipe>

## ▶ CONTACT

### ● Contact GAZ-SYSTEM

Mr Adam Marzecki, [adam.marzecki@gaz-system.pl](mailto:adam.marzecki@gaz-system.pl), +48 22 220 17 07

Ms Agnieszka Ozga, [agnieszka.ozga@gaz-system.pl](mailto:agnieszka.ozga@gaz-system.pl), +48 22 220 17 50

### ● Contact Energinet

Mr Christian Rutherford, [cr@energinet.dk](mailto:cr@energinet.dk), +45 23 33 89 08

Ms Julie Frost Szpilman, [jfs@energinet.dk](mailto:jfs@energinet.dk), +45 23 33 86 52

Please download Information Package no. 1 from the link below:

[http://www.gaz-system.pl/fileadmin/pliki/open-season/20170613\\_IP1\\_GAZ-SYSTEM.rar](http://www.gaz-system.pl/fileadmin/pliki/open-season/20170613_IP1_GAZ-SYSTEM.rar)

1. *Guidelines for the MS Excel Model "Indicative tariff charges for the period 2017-2038"*
2. *MS Excel Model "Indicative tariff charges for the period 2017-2038"*
3. *Tariff Principles and Market Design in a Baltic Pipe Open Season 2017*

We invite all potential Open Season participants to get familiar with this documents and calculate your business case with the usage of the MS Excel tool provided.

Please be informed that the documents are of non-binding character.

The Information Package will be updated before launching Phase 2



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[openseason@gaz-system.pl](mailto:openseason@gaz-system.pl)

<http://en.gaz-system.pl/strefa-klienta/konsultacje-z-rynkem/aktualne-konsultacje/open-season-baltic-pipe/>



# QUESTIONS



THANK YOU

