

Energy regulators' joint decision on the yearly capacity auctions  
to be held by ICGB according to ENTSOG's auction calendar

## **I. Whereas:**

**1.** Interconnector Greece-Bulgaria 'IGB' covers more than one member state of the European Union, Republic of Bulgaria and Republic of Greece.

**2.** On 17.07.2017, ICGB AD submitted to the Bulgarian Energy and Water Regulatory Commission (EWRC) and the Greek Regulatory Authority on Energy (RAE) an "Application pursuant to Art. 36 of European Parliament and Council Directive 2009/73/EC dated 13<sup>th</sup> of July 2009, concerning the general rules applicable to the domestic market of natural gas and the cancellation of Directive 2003/55/EC (Directive 2009/73/EC) on the Greece - Bulgaria Interconnection".

**3.** On 29<sup>th</sup> of May 2018, EWRC and RAE (hereinafter referred to as the "Authorities") took a decision on the exemption of the Greece-Bulgaria Interconnection (IGB) from third party access, on regulated tariffs and on the separation of ownership for a period of 25 years, by adopting the common document titled "EWRC and RAE joint standpoint on an application for the exemption of ICGB AD", which document was stated in the Authorities' respective decisions № P-BO-1 dd. 29.05.2018 and 483/2018. Both decisions were notified to the European Commission.

**4.** On 25<sup>th</sup> of July 2018, the European Commission took a decision [C(2018) 5058 (final)] on the said exemption (hereinafter referred to as the "Commission's Decision").

**5.** On 8<sup>th</sup> of August 2018, the Authorities took a final decision on the exemption by adopting "A final joint decision of the Bulgarian Energy and Water Regulatory Commission and the Greek Regulatory Authority on Energy on an application for exemption sent by ICGB AD" (hereinafter referred to as the "Final Joint Decision") - a document jointly drafted by the Authorities, which amends the joint standpoint so as to reflect the Commission's Decision (EWRC Decision № P-BO-2 dd. 08.08.2018 and RAE Decision № 768/2018).

**6.** The Final Joint Decision has been amended three times:

- i. Decision No. P-BO-1 of 20.03.2020 of EWRC and Decision No. 568 of 12.03.2020 of RAE, which extended the Commercial Operation Date (COD) from 1 July 2020 to 31 December 2020 (target COD) and no later than 1 July 2021.
- ii. Decision No. P-BO-1 of 20.05.2021 of EWRC and Decision No. 424 of 13.05.2021 of RAE, which extended the COD to 1 July 2022.
- iii. Decision No. P-BO-3 of 30.09.2022 of EWRC and Decision No. 742 of 29.09.2022 of RAE, which extended the COD to 1 October 2022.

**7.** According to the Final Joint Decision, ICGB AD was granted an exemption for a period of 25 years, as from the Commercial Operation Date and at the terms and conditions set out in Section 4 of the Final Joint Decision from the provisions of: (i) Article 9 (ownership unbundling); (ii) Article 32 (third party access) for the part of the capacity reserved through the Market Test and stated in the signed Advanced Reservation of Capacity Agreements; and (iii) Articles 41.6, 41.8, 41.10 (regulated tariff) of Directive 2009/73/EC.

8. By EWRC Decision № CH-1 dd. 01.07.2022 and RAE Decision № 593 dd. 30.06.2022, the National Energy Regulatory Authorities of the Republic of Bulgaria and the Hellenic Republic approved the certification of ICGB AD as an Independent Transmission Operator.

9. In its letter with outgoing № V-17 dd. 23.05.2023 (EWRC incoming № E-15-59-16 dd. 23.05.2023 and RAWEW incoming № I-350855/23.05.2023), ICGB AD submitted for the Authorities' approval an *"Approach for participation in yearly capacity auctions at the beginning of July 2023 according to the auction calendar published by ENTSOG"* in connection with Commission's EU Regulation № 459/2017 dd. 16<sup>th</sup> of March 2017 on establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013.

10. In the period between 24<sup>th</sup> of May 2023 and 26<sup>th</sup> of May 2023, Regulatory Authority for Waste, Energy and Water (RAWEW) launched a short public consultation on ICGB's proposal regarding yearly capacity auctions. During this public discussion, RAWEW received comments from three companies. At the same time, public consultation on DESFA's proposal for capacity auctions at the new points of Greek National Natural Gas Transportation System "Amfitriti" and "Komotini" was open by RAWEW.

## **II. The Authorities have made a thorough assessment of ICGB AD's proposal on the yearly capacity auctions and have reached the conclusion that;**

1. ICGB's Interconnection Points (IPs) with TAP and DESFA are equally treated since competing capacities shall be offered between them
2. Since the operation of the IP with DESFA will begin further in time during gas year 2023/2024, non – exempted capacity from 1<sup>st</sup> of October 2023 until the start of the commercial operation of the IP with DESFA will be offered through short term products at the IP with TAP according to auction calendar published by ENTSOG.
3. It is highlighted that the use of the capacity along with the cost of it will be initiated at the start of commercial operation of the new IP with DESFA.
4. As to access the dynamics in the gas market and potential flows from North to South on a yearly basis ICGB will offer annual interruptible reverse capacity for one year, only at the IP with BULGARTRANGAZ and the IP with TAP.
5. ICGB's proposal to offer non exempted capacity at the IP with TAP as unbundled product at least for five years is reasonable since at the moment shippers willing to transport gas through TAP from West to East (reverse flow), according to TAP's Network Code, must book route capacity products (Entry Meledguno or Entry Nea Mesimvria – Exit Komotini). In order to use ICGB system they need to book capacity only at the entry of IGB .
6. ICGB's proposal for setting aside 10% of the non - exempted capacity in each Interconnection Point for the first five years and 20% from the 6<sup>th</sup> year for short term products, is in compliance with the provisions of Commission's EU Regulation № 459/2017

dd. 16<sup>th</sup> of March 2017 on establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013.

**III. Based on the aforementioned arguments, the regulatory authorities of the Republic of Bulgaria and the Republic of Greece have decided to:**

**Approve, within their powers, ICGB's proposal as included in the letter with outgoing № V-17 dd. 23.05.2023.**