



Consultation paper regarding draft interconnection agreement for Connection Point Faxe

Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. and Energinet SOV (hereinafter – „GAZ-SYSTEM” and „Energinet” respectively, or “TSO”) intend to conclude an interconnection agreement for an interconnection point Faxe (hereinafter “IP Faxe”), which will connect the gas transmission systems of Poland and Denmark after the construction of a new cross-border gas pipeline (Baltic Pipe Project). The capacity of the IP Faxe shall be subject to booking procedures in line with the EU law and transmission network codes of both TSOs.

According to art. 4 (2) of the Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules, both TSOs shall invite the network users to comment on the proposed text of the interconnection agreement for the IP Faxe within the scope of:

- 1) rules for the matching process,
- 2) rules for the allocation of gas quantities,
- 3) communication procedures in case of exceptional events.

This consultation will run from **1st March 2022 until 3rd May 2022**. GAZ-SYSTEM and Energinet will evaluate the comments received during the consultation, and, if necessary, adjust the text of the interconnection agreement for the IP Faxe.

All market participants are invited to submit their comments and questions by sending them to both of the following e-mail addresses: instrukcja@gaz-system.pl and CMP@energinet.dk

Below you can find the proposed content of interconnection agreement in the wording in which the TSOs intend to conclude the interconnection agreement with regard to the abovementioned rules:

1. Definitions

“Active Shipper”

Shall mean the Shipper who is sending the Single-Sided Nomination to the Active TSO.

“Active TSO”

Shall mean the TSO receiving the Single-Sided Nomination from the Active Shipper at the Interconnection Point.

“Allocation”

Shall mean attribution of the energy quantities among individual Shippers as an in-put or off-take to/from transmission system (at IP Faxe will be equal to the last Confirmed Quantities).

“Confirmed Quantity”

Shall mean the quantity of gas confirmed as scheduled to flow commercially on a Gas Day at the IP Faxe, as the result of the Matching Process.

“DELORD”

Shall mean Edig@s message used in Matching Process which contains the Processed Quantities divided according to Shipper Code pairs.

“DELRES”

Shall mean Edig@s message used in Matching Process which contains the Processed Quantities divided according to Shipper Code pairs and the Confirmed Quantities divided according to Shipper Code pairs.

“Double-Sided Nomination”

Shall mean Shipper's notice sent independently to its respective TSO, providing Energinet or Gaz-System with advance notification for the respective Shipper Code pair regarding the quantity of gas which it intends to deliver into/withdraw from the respective transmission system.

“Exceptional Event”

Shall mean any unplanned event that is not reasonably controllable or preventable and that may cause, for a limited period, Capacity reductions, affecting hereby the quantity or quality of Gas at the IP Faxe, with possible consequences on interaction between the Parties as well as between The Parties and the Shippers.

“Initiating TSO”

Shall mean the TSO initiating the Matching Process by sending the necessary data to the Matching TSO.

“Matching Process”

Shall mean the process of comparing and aligning Processed Quantities of gas for Shippers at both sides of the IP Faxe, which results in Confirmed Quantities for the Shippers.

“Matching TSO”

Shall mean the TSO performing the Matching Process and sending the result of the Matching Process to the Initiating TSO.

“Metered Quantity”

Shall mean the fiscally metered quantity of Gas in kWh exiting and metered at MS Everdrup.

“Nomination”

Shall mean the notification from the Shipper to the operator regarding the quantity of natural gas which the Shipper intends to deliver to/ offtake from the transmission system at the IP Faxe for the respective gas day. Nomination means either Single-sided or Double-sided Nomination.

“Operational Balancing Account” (OBA”)

Shall mean an account between the Parties to which differences between aggregated Confirmed Quantities and Metered Quantities (also known as the steering differences) at the IP Faxe shall be continually credited or debited (in the cumulative quantity).

“Passive Shipper”

Shall mean the counterparty of the Active Shipper and is, if Single-Sided Nomination is agreed between the two Shippers, not supposed to nominate quantities to the Passive TSO.

“Passive TSO”

Shall mean the TSO at the other side of the Interconnection Point than the Active TSO and at the same side of the Interconnection Point as the Passive Shipper.

“Processed Quantity”

Shall mean the quantity of gas determined by the Initiating TSO and by the Matching TSO, which takes into account the Shipper's nomination or re-nomination with contractual provisions as defined under the relevant transport contract and which are used as the basis for the Matching Process.

“Re-nomination”

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Shall mean change of the previous nomination.

“Shipper Code”

Shall mean a distinctive alphanumeric identifier used to identify the Shipper.

“Single-Sided Nomination”

Shall mean that there is no corresponding nomination transmitted by the counter Shipper to its TSO.

“Steering difference”

Shall mean the difference between Confirmed Quantities and the Metered Quantity for the IP Faxe.

2. Nomination and Matching Process

- 2.1. The exchange of information and the Matching Process between Energinet and Gaz-System shall be made in accordance with the NC INT.
- 2.2. The Nomination and Matching Process shall be performed on basis of the related Business Requirement Specification of the Nomination and Matching Process (NOM BRS) as amended from time to time.
- 2.3. Both Parties are responsible for the Matching Process, but Energinet performs the matching calculation.
- 2.4. Each Party receives Nominations from its Shippers in accordance with the procedures established under the respective transportation agreements (“Shipper Nominations”). Such Shipper Nominations shall be exchanged between the Parties to check the consistency of the upstream and down-stream Shipper Nominations (in either direction). The Shippers shall be informed by their respective TSO of the result of the Matching Process. The results of the Matching Process shall be the Confirmed Quantities communicated to the Shippers.
- 2.5. Any written information to be given under the Matching Process shall be transmitted using the document layouts and the reliable telecommunication means agreed between the Parties.
- 2.6. Both Single and Double-Sided Nominations can be submitted at the IP Faxe.
- 2.7. Single-Sided Nominations
 - 2.7.1. Designation of roles regarding Single-Sided Nomination
 - 2.7.1.1. The Parties agree to allocate the roles regarding the nomination process for Single-Sided Nominations for the IP Faxe regardless of flow direction as follows:
 - Passive TSO: Energinet,
 - Active TSO: Gaz-System.
 - 2.7.2. Information exchange regarding Single-Sided Nomination.
 - 2.7.2.1. For the Single-Sided Nomination process Gaz-System and Energinet agree to use Edig@s format and the AS4 protocol.
 - 2.7.3. Single-Sided Nomination shall be submitted to Gaz-System. Gaz-System shall forward the received Single-Sided Nominations to Energinet immediately.
 - 2.7.3.1. Energinet will establish the authorization process for Single-Sided Nominations, that

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enables the Passive Shipper to authorize the Active Shipper in the system of Gaz-System to submit Single-Sided Nominations on its behalf to Gaz-System. Energinet shall check whether for all forwarded Single-Sided Nominations a valid authorization from the concerned counter party Shipper to the nominating Shipper is in place.

2.8. Default nomination rule in the absence of a valid Nomination sent by Shipper

2.8.1. The Parties agree that in the absence of a valid Nomination sent by a Shipper before the Nomination deadline (14:00 hours the day before), the Shipper's Nomination is equal to zero.

2.9. Matching Process

2.9.1. Designation of roles regarding the Matching Process.

2.9.1.1. The Parties agree to allocate the roles regarding the Matching Process for IP Faxe regardless of flow direction as follows:

- Matching TSO: Energinet,
- Initiating TSO: Gaz-System.

2.9.2. The exchange of information related to the Matching Process at IP Faxe shall take place in accordance with the Edig@s format.

2.9.3. The Parties agree that the Edig@s messages shall be exchanged using the AS4 protocol. The alternative back-up solution shall be the exchange of Edig@s messages as email attachments.

2.9.4. Gaz-System shall send DELORD with Processed Quantities not later than 14:45 hours the day before, and Energinet shall send DELRES with Confirmed Quantities within three-quarters of an hour.

2.9.5. In case of re-nominations Gaz-System shall send to Energinet DELORD not later than H0+45min (with the re-nominations becoming effective not before H0+2h), where H0 means a full hour (from 16:00, D-1 to 03:00, day D), when the re-nomination is received. Energinet shall send DELRES not later than H0+1h30min.

2.9.6. If there is no new re-nomination, no additional message should be sent.

2.9.7. All Shipper Code pairs are sent every time a new matching is initiated by Gaz-System in case of re-nominations.

2.9.8. In the event that Gaz-System does not send DELORD, the last Confirmed Quantities from previous matching cycle, regarding each of the Shipper Code pair, will be considered as Processed Quantities in Gaz-System's DELORD for Matching purposes in this Renomination cycle. If no DELORD was issued by Gaz-System for a given Gas Day, 0 (zero) quantities will be considered as Processed Quantities in Gaz-System's DELORD.

2.9.9. The application of "lesser rule".

2.9.9.1. If the Parties identify any differences in the Processed Quantities in their respective systems for IP Faxe, the "lesser rule" shall apply, i.e. the Confirmed Quantity for a given Shipper Code pair will be equal to the lower of the two Processed Quantities.

2.9.9.2. In case of different direction of the Processed Quantities for a given Shipper Code pair, the Confirmed Quantity for this Shipper Code pair (as a result of a "lesser rule") is equal to zero (0).

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2.9.9.3. In case the Shipper Code pair provided in DELORD is not valid in the system of Energinet, the Confirmed Quantity for this Shipper Code pair (as a result of a "lesser rule") is equal to zero (0).

2.9.10. In the event there is no possibility of transmitting the data concerning the Matching Process using the Edig@s format, such information shall be sent by electronic mail or other means.

3. Allocation rules

3.1. The allocation principle shall be an OBA, where the (steering) differences between aggregated Confirmed Quantities and Metered Quantity will be allocated to the OBA between Energinet and Gaz-System and the allocations provided to the Shippers are equal to the Confirmed Quantities.

4. Communication procedures in case of exceptional events

4.1. In the event of an Exceptional Event occurring in the territory of either Party and if this may affect the flow of Gas through the IP Faxe, the relevant dispatching center is obliged to notify the other Party by phone as soon as possible, taking into account higher-priority safety-driven actions. The notification shall contain the following information:

4.1.1. The character and the cause of the Exceptional Event;

4.1.2. The impact on the volume of Gas to be transported through IP Faxe and the expected pressure level;

4.1.3. The possible impact on the Confirmed Quantities for Shippers active at IP Faxe;

4.1.4. The expected duration of the Exceptional Event, including the estimated time of its removal.

4.2. The information shall be subsequently confirmed in writing by email, in accordance with an agreed form.

4.3. Furthermore, the Parties shall as soon as possible inform each other by phone of:

4.3.1. Any change in the agreed or carried out maintenance works,

4.3.2. Completion dates for maintenance works and contingency situations in the transmission system of either Party, which resulted in the restriction of transmission capacity through the IP Faxe,

4.3.3. Any connections along cross-border pipeline sections that may affect the transmission of Gas through the IP Faxe,

4.3.4. Any significant change in the quality parameters of the natural gas flowing towards the IP Faxe.

4.4. The information shall be subsequently confirmed in writing.

4.5. The dispatching centres shall inform each other on the progress of the ongoing maintenance works and steps taken in order to remove a failure, emergency or contingency situation at least every four hours, or more frequently in exceptional situations on request of the other Party.

4.6. In cases of Exceptional Events, the Parties shall at least perform an oral communication in English for information, followed by an electronic written confirmation and coordinate the

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necessary actions to minimise the impact of such event on the Shippers.

- 4.7. The Party affected by an Exceptional Event shall be required, as a minimum, to inform its Shippers with respect to the information described in point b) and c) below if there is a potential impact on their Confirmed Quantities and the adjacent TSO with respect to point a) and c) of this clause of the occurrence of such Exceptional Event and to provide all necessary information about:
 - a) The possible impact on the quantities and quality of the Gas that can be transported through the IP Faxe,
 - b) The possible impact on the Confirmed Quantities for Shippers active at the IP Faxe,
 - c) The expected and actual end of the Exceptional Event.
- 4.8. Any communication in cases of Exceptional Events applies without prejudice to the provisions set forth under Regulation (EC) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency and to its implementing acts.
- 4.9. In case of an Exceptional Event at either the IP Faxe or elsewhere on one of the Parties transmission systems, the Parties shall collaborate upon request by the other Party on a reasonable endeavours basis allowing deviations (upwards/downwards) from the agreed flow schedule. In case of an Exceptional Event, where the Parties are not able to apply the Matching Process, they shall contact each other in the most appropriate way with a request for an immediate action to minimize the consequences of this Exceptional Event. The quantities to be allocated to the relevant Shippers for the period of time during which the Exceptional Event occurred, shall be defined ex-post and in mutual agreement between the Parties and in such a way that all relevant Shippers of all Parties shall be treated equally.