

## ΠΑΡΑΡΤΗΜΑ Β



### **Notice**

to the

*Market Test Guidelines for the allocation of capacity*

*at the Greek Side of the Interconnection Point “Evzoni – Gevgelija”*

May 2022

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## 1. INTRODUCTION

DESFA S.A. (“DESFA”) is a company incorporated under Greek Law with the scope to own, maintain, develop and operate the National Natural Gas System. Among its activities DESFA intends to develop the natural gas pipeline (the “Section of the Project in Greece”) that will interconnect the gas transmission systems of DESFA with the one of NER at the future Interconnection Point at the border between Greece and North Macedonia.

The Authority, with its Decision no 775/2020, approved the inclusion of the Section of the Project in Greece in DESFA’s Ten Year Development Plan 2020-2029 subject to the performance of a successful Market Test proving that there is adequate interest from the market for this project.

According to the Market Test Guidelines (the “Guidelines”) approved by the Regulatory Authority for Energy (the “Authority”) and published in DESFA’s website<sup>8</sup>, DESFA intends to perform a market test (“the Market Test”) in a single phase in which Interested Entities shall be asked to submit binding requests for booking transmission capacity at the Section of the Project in Greece (Greek Side of the Interconnection Point), in accordance with the present Notice and the Guidelines.

Successful Market Test Participants shall be invited to sign an Advance Reservation Capacity Agreement (“ARCA”), a pro-forma version of which is attached herein (Attachment IV), in accordance with the provisions of the Guidelines.

The purpose of this Market Test Notice is to provide general information on the Section of the Project in Greece and the Products on Offer, to the Interested Entities, and to detail the procedure for participation in the Market Test in accordance with the conditions set out in the Guidelines. Failure to comply with this procedure and these conditions will result in the Market Test Participants being excluded from participating in the Market Test.

Following the signing of the NDA attached herein (Attachment I) DESFA will respect the confidentiality of any information received by the Market Test Participants according to its terms. Notwithstanding the above, DESFA shall disclose to the Authority any information and/or data requested by the Authority in order to complete the Market Test as well as the Market Test results in compliance with the provisions of article 66 of L. 4001/2011.

## 2. DEFINITIONS

All capitalized terms in this Notice have the meaning provided for in the Guidelines.

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<sup>8</sup> <https://www.desfa.gr/en/regulated-services/transmission/market-test>

### **3. PROJECT TECHNICAL DESCRIPTION, INDICATIVE COSTS AND TIMEFRAME**

The Section of the Project in Greece consists of an approximately 55 km long, 30” pipeline, stretching from Nea Mesimvria, in the Thessaloniki area, to Evzoni, at the border between the two countries, and of a Border Metering Station.

Indicative investment cost for the Section of the Project in Greece is € 66.8 mil.

The Section of the Project in North Macedonia, consists of a 68 km long, 28” pipeline, to be built by NER Skopje JSC in the territory of North Macedonia from the area near Gevgelija village, to Negotino where it will connect to the existing gas transmission system of NER.

The Authority has approved the inclusion of the Greek part of the Project in the Ten Year Development Plan of DESFA (2021-2030) subject to the carrying out of a binding capacity allocation procedure (Market Test).

Subject to the approval of the Market Test results by the Authority, construction of the Section of the Project in Greece is indicatively expected to begin in Q3 2022 and indicatively expected to be completed in Q3 2024. The Indicative Commercial Operation Date is the [DD] [MM] [YY]. The Planned Commercial Operation Date will be included in the Advanced Capacity Reservation Agreements that will be signed between DESFA and the Allocated Participants.

The indicative routing of the Project is illustrated with the red-dotted line in the map of Greece and North Macedonia. The red-dotted part of the Project in the yellow circle indicates the Section of the Project in Greece.



*Location of the Greek part of the Project*

#### 4. PRODUCTS ON OFFER

Interested Entities are invited to express their interest for the reservation of transmission capacity for the following Products on Offer pursuant to article 5 of the Guidelines and dully fill-in the Binding Product Form as provided in Attachment III herein:

- i Yearly Firm Capacity Products, at the Greek Side of the IP in the direction from Greece to North Macedonia (GNM Capacity) expressed in kWh/Gas Day and starting from the Gas Year 2024-2025 up to the Gas year 2045-2046. If the Commercial Operation Date is different than the start of a Gas Year, the first Firm Capacity Product will be of a duration shorter than a year, starting from the Commercial Operation Date up to the end of September 2025. This period's capacity shall be charged at the same rates as the yearly capacity i.e. without an increase due to its shorter duration.
- ii The Maximum GNM Capacity on Offer for each Product shall be equal to 34.000.000 kWh/Gas Day.
- iii Market Test Participants shall declare, in the Binding Product Form, whether they accept, or not, the allocation of a capacity lower than their Binding Capacity, in case there will not be sufficient capacity available to be allocated to all Market Test Participants in accordance with their requests, following the Allocation Procedure of article 7 of the Guidelines. If yes, Market Test Participants shall declare the minimum acceptable Binding Capacity.

#### 5. BINDING OFFER DEADLINE

The Binding Offer Deadline is set to be 14.00', local time (CET +1) on [Day] [Month] 2022. DESFA shall be entitled to postpone the Binding Offer Deadline by giving a notice, uploaded to DESFA's website.

## **6. REQUESTS FOR CLARIFICATION**

No later than ten (10) Days before the expiration of the Binding Offer Deadline, as this may have been postponed, in accordance with article 5 herein, requests for clarification exclusively regarding the provisions of this Notice or the Guidelines, can be addressed to the following email address:

[market-test@desfa.gr](mailto:market-test@desfa.gr)

## **7. SUBMISSION OF DOCUMENTS**

a) Market Test Participants shall submit their Binding Offers not later than the Binding Offer Deadline, specified in article 5 herein. After the Binding Offer Deadline, no additional document shall be accepted for any reason regardless of the reason for the latesubmission, unless DESFA has specifically requested that additional submission, with a Remedy Notification, according to article 3.13.ii of the Guidelines.

b) For the timely submission of the Binding Offer, shall be taken into account the date and time of its submission in the DESFA Protocol and not the date of sending the Binding Offer. In case of submission by courier or registered mail, DESFA shall not be responsible for the timely submission of the Binding Offer or any other document whatsoever.

c) Binding Offers shall be submitted in a sealed package, on which shall be mentioned:

- "Binding Offer on the MARKET TEST ON ALLOCATION OF CAPACITY AT THE GREEK SIDE OF IP EVZONI – GEVGELIJA";
- Market Test Participant's company name, business residence, telephone number and e-mail address.

The sealed package shall contain two (2) separate envelopes (A, B), both bearing the same indications as the main envelope and in addition: "ENVELOPE A" or "ENVELOPE B":

- Envelope A shall contain the mandatory supporting documentation listed in article 6.2 of the Guidelines, the NDA and the Market Test Guarantee in the form of Attachments I and II, respectively, according to the Guidelines.
- Envelope B shall contain the Binding Product Form, in the form of Attachment III.

All documents to be submitted to DESFA under this Market Test should be submitted to DESFA's Protocol service (Secretariat Unit) to the following address:

DESFA S.A.

357-359 Messogion Ave.

GR - 152 31 HALANDRI, GREECE

General Document Centre, T: +30 213 088 4278, +30 213 088 4286

"To the attention of Commercial Services Division"

## **8. EVALUATION of BINDING OFFERS and CONCLUSION OF the MARKET TEST**

DESFA shall proceed to the evaluation of the Binding Offers, and following a positive economic test, shall invite the Market Test Participants to which capacity shall have been allocated, to sign ARCAs in the form of Attachment IV herein, providing also the relevant ARCA Guarantee, in accordance with the procedure described in the Guidelines.

The Market Test shall be concluded with the issue of the Market Test Decision by the Authority, as per article 3.20 of the Guidelines. In case of a negative Market Test Decision, ARCAs shall be *ipso jure* terminated.

## **9. ATTACHMENTS**

Attachment I: Confidentiality and Non-Disclosure Agreement (NDA) Attachment

II: Market Test Guarantee in the form of a Bank letter of guarantee Attachment

III: Binding Product Form

Attachment IV: Pro-forma ARCA