



NEWS4SHIPPERS

January 2020



"Dear business partners,

We are glad to inform you that as of 1 January 2020, NET4GAS has increased its transmission capacities with Germany and Slovakia. This commercial offer of new capacities is a result of the implementation of the first stage of the Capacity4Gas Project. In the new issue of our regular NEWS4SHIPPERS, you will find not only more information about NET4GAS' new capacities but also further news related to the Czech gas transmission system, including new incremental capacity projects which are currently in the consultation process.

If you are interested in a more detailed discussion about the Czech gas market, we will be happy to meet you at E-world Energy & Water 2020 on 11 & 12 February 2020.

We are looking forward to an exciting year and wish you a Happy New Year 2020!"

Tomáš Vyležík, Senior Manager, Client and Contract Management

New Czech entry and exit technical capacities available from 1 January 2020

- The first stage of the Capacity4Gas Project completed
- The Czech entry capacity at VIP Brandov and Czech exit capacity at IP Lanžhot increased
- New capacities still available for short term auctions

PRODUCTS

The aim of the Capacity4Gas Project is to provide additional entry capacities at VIP Brandov between the Czech transmission system and the German GASPOOL area and to further extend the exit capacities at the Lanžhot border point towards Slovakia which will generally contribute to enhancing the security of gas supplies in the Czech Republic and in the entire CEE region.

The project is being implemented in two stages. The first stage, completed at the end of 2019, consists of a new electrically driven compressor station, an extension of the Hora Svaté Kateřiny Border Transfer Station, and a modification/ upgrade of the existing gas infrastructure.

A new high-pressure pipeline, Kateřinský Potok Junction Point – Přimda Junction Point, is planned for the second stage of the project, scheduled to be completed by the end of 2020.

Finalisation of the first stage has already produced increased transmission capacity. The Czech entry capacity at VIP Brandov increased by ~ 530 GWh/d from 1,534 GWh/d to 2,064 GWh/d. The Czech exit capacity at IP Lanžhot increased by ~ 330 GWh/d, from 914 GWh/d to 1,246 GWh/d. After the completion of the second stage of the project, the Czech entry capacity at VIP Brandov will increase further up to the level of 2,546 GWh/d.

More information about NET4GAS' available capacities for upcoming auctions is available on the [Prisma platform](#) and on our website.

Veronika Jurčová

Incremental capacity projects with Austria and Poland

- Public consultation ongoing
- Incremental capacity auctions planned in July 2021

MARKET

On 13 January 2020, NET4GAS in cooperation with the respective adjacent TSOs Gas Connect Austria and GAZ-SYSTEM launched public consultations for new incremental capacity projects at the borders with Austria and Poland.

The design phase of both projects was initiated on the basis of non-binding demand indications received during the Market Demand Assessment phase launched in line with Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanism in the gas transmission system (CAM NC) in July 2019.

The currently ongoing joint public consultations present project drafts of both incremental capacity project proposals including technical solutions, expected offer levels and provisional timelines. The TSOs are conducting a joint public consultation on the draft project proposals for one month. The incremental capacity auctions are planned for July 2021.

Detailed information on both incremental capacity projects is available on our [website](#).

Michal Mareš

NET4GAS Ten-Year Development Plan

MARKET

In December 2019 NET4GAS published the Czech Ten-Year Network Development Plan for the period 2020 – 2029. In accordance with the Energy Act, the plan is prepared every year. Besides a description of the Czech transmission system, the plan describes already implemented and forthcoming investment projects which

would increase the transmission network's capacity. The plan also provides a security of supply analysis for the Czech gas market.

You can find the new development plan on our [website](#) (available in Czech only).

Drahomíra Glacová

tryGAS system expected to be replaced by 2022

PLATFORMS

NET4GAS is preparing to implement a new capacity management system. At the end of last year, the supplier of a new system was selected.

The detailed design phase of the project has already started with the aim to replace the currently used tryGAS system within the next two years. The new system will replace our existing capacity booking & nominations' platform, change the *transmission data* part of our website, and might bring some further updates into the marketing of our products on sales platforms.

Since our goal is to have a user friendly and efficient system, please do not hesitate to send us your thoughts and recommendations to capacitybooking@net4gas.cz.

Drahomíra Glacová

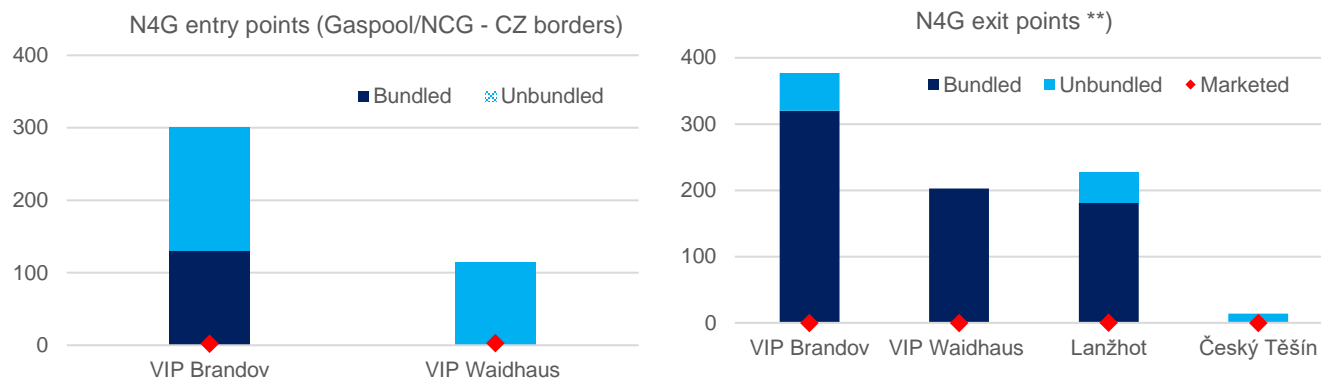
Overview of NET4GAS capacity auctions and planned maintenance

Recent auction activities (Q4 / 2019)

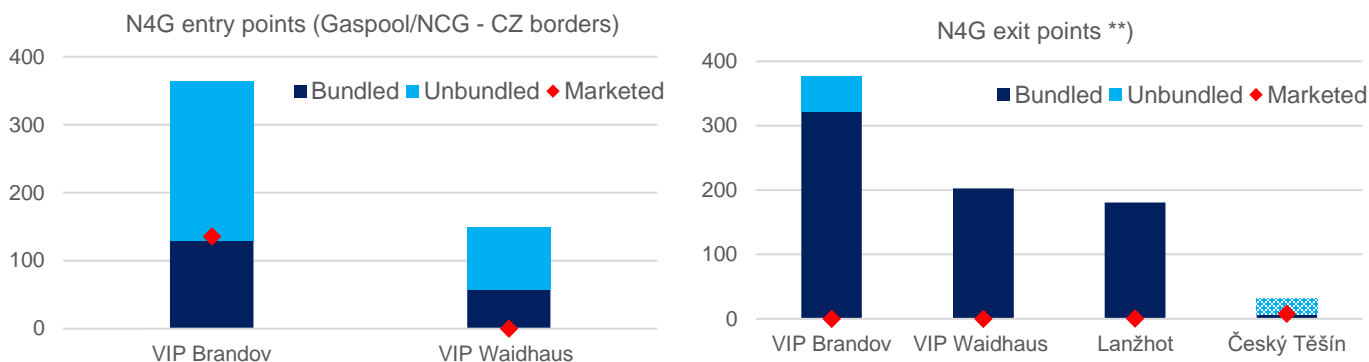
During Q4/2019, we observed a reduction of gas flows at VIP Brandov entry and Lanžhot exit points compared to previous quarters. At the same time, Lanžhot entry flows rose significantly. As there were more entry allocations than exit allocations at Lanžhot, the physical flow of gas was from Slovakia to the Czech Republic for most of Q4/2019. The record-high full storages as described in the last newsletter remained almost full even at the end of the year. According to GIE AGSI pages, storage facilities located in the Czech Republic were 95% full on 31 December 2019.

Tomáš Václavík

NET4GAS capacities offered and booked in monthly auctions for December 2019 in GWh/d



NET4GAS capacities offered and booked in daily auctions in GWh/d for the period 13 January – 19 January 2020 **)



Note: Hatched charts represent unbundled capacities offered on interruptible basis.

*) Daily Český Těšín unbundled exit capacities are only offered on an interruptible basis. However, the daily firm bundled product is also available.

**) These charts represent the daily maximums offered and marketed during the respective time period. Marketed also includes interruptible capacities which are on a day-ahead basis offer for all NET4GAS entry and exit points.

Overview of upcoming planned maintenance work of NET4GAS infrastructure

SHUTDOWNS

Please find below a rough overview of currently planned maintenance up to April 2020. All and complete planned maintenance work and consequent firm capacity interruptions at all entry and exit points of the NET4GAS infrastructure for every gas day are available on our [website](#). The final maintenance plan is in line with the legislation announced 42 days in advance.

Entry points

Month	Entry point	Technical capacity [GWh/d]	Maximum daily interruption [GWh/d]	Maximum available daily firm capacity [GWh/d]
February	VIP Brandov	2,064.196	135.295	2,064.196
March	VIP Brandov	2,064.196	179.344	1 945.681
April	VIP Brandov	2,064.196	161.515	1 945.681

Exit points

Month	Exit point	Technical capacity [GWh/d]	Maximum daily interruption [GWh/d]	Maximum available daily firm capacity [GWh/d]
February			No planned maintenance	
March			No planned maintenance	
April			No planned maintenance	

The last two columns show the maximum daily interruption and the maximum available daily firm capacity in a given month during maintenance, i.e. in case the maintenance affects infrastructure only during some days of the month, the maximum available daily firm capacity equals the whole technical capacity.

Upcoming auctions of NET4GAS capacities

AUCTIONS

All upcoming auctions can be found in the auction calendar on the [PRISMA](#) platform. Find all monthly and quarterly auctions to be published in the next three months in the table below:

Publication date	Auctions start	Auction type	Product runtime	Capacity types
10 February 2020 9:00	17 February 2020 9:00	Monthly	1 March 2020 – 1 April 2020	Firm
18 February 2020 7:00	25 February 2020 9:00	Monthly	1 March 2020 – 1 April 2020	Interruptible
24 February 2020 7:00	2 March 2020 7:00	Quarterly	1 April 2020 – 1 July 2020	Interruptible
24 February 2020 7:00	2 March 2020 7:00	Quarterly	1 July 2020 – 1 October 2020	Interruptible
9 March 2020 9:00	16 March 2020 9:00	Monthly	1 April 2020 - 1 May 2020	Firm
17 March 2020 7:00	24 March 2020 9:00	Monthly	1 April 2020 - 1 May 2020	Interruptible
13 April 2020 9:00	20 April 2020 9:00	Monthly	1 May 2020 – 1 June 2020	Firm
20 April 2020 9:00	4 May 2020 9:00	Quarterly	1 July 2020 – 1 October 2020	Firm
21 April 2020 7:00	28 April 2020 9:00	Monthly	1 May 2020 – 1 June 2020	Interruptible

Daily auctions for firm capacity always start at 4:30 PM on the day before the gas day, and the auctions for interruptible capacity always start at 5:30 PM on the day before the gas day. Within-day auctions start at 7:00 PM on the day before the gas day. Bidding windows open at the start of an auction and start every hour H , with bids to be placed for the remaining part of the gas day starting at hour $H+4$.