

**Project Proposal
of
DESFA and ICGB
for the
Incremental Capacity Process 2023
for the Komotini IP**

March 2024

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Disclaimer

Each TSO has acted in good faith to ensure that the information in this Project Proposal is correct as of the date of publication of this Project Proposal, however no representation or warranty is made by any TSO as to the accuracy or completeness of such information and the TSOs will not accept any liability, of any kind, for any inaccuracies or incompleteness in such information. Furthermore, the TSOs shall have no obligation to update the Project Proposal for any changes arising after the date of issue of the Project Proposal. Nonetheless, if new or revised information is provided in the Project Proposal, the TSOs shall have no liability to any third party. TSOs will have no liability to any third party for any acts, omissions, breaches, or decisions of the other TSOs or any other third party.

Introduction

Currently, the Hellenic Natural Gas Transmission System (NNGTS or DESFA System), operated by Hellenic Gas Transmission System Operator S.A. (**DESFA**) and the Interconnector Greece-Bulgaria (**IGB pipeline** or **IGB**), operated by ICGB AD (**ICGB**), are interconnected in the area of Komotini on the territory of Greece (GR), in the Interconnection Point “**Komotini – DESFA / IGB**” (EIC Code: 21Z0000000005398) (**Komotini IP** or the **IP**). The start of the Commercial Operation of the IP is expected to take place within Q1 2024. So far, no unconditional firm capacity is offered in the NNGTS side of the IP, while the available firm capacity of the IGB side of the IP, is offered in competition with the firm capacity of the interconnection point Komotini - TAP/IGB, in accordance with the provisions of the Commission Regulation (EU) 2017/459 of 16 March 2017 (**CAM NC**)¹ establishing a harmonized European Union wide process for the offer of incremental capacity between Member States.

IGB pipeline became operational in October 2022, enabling additional gas flows from the Greek territory to be transmitted to Bulgaria (BG). ICGB operates under a specific regulatory regime pursuant to the *Final Joint Decision of the Energy Regulators on the Exemption Application of ICGB AD dated August 2018* (and the amendments to it)², establishing the possibility for upgrading the IGB capacity to approximately 5 bcm/y. This Project Proposal does not address capacity expansion beyond approximately 5 bcm/y.

The Incremental Capacity Project described herein aims to increase the technical capacity at the IP, where DESFA and ICGB intend to offer bundled capacity, in the direction from DESFA System towards IGB, as presented in the map below.

DESFA launched a Market Test process in March 2023³, the binding phase of which is described in the Guidelines approved by RAEWW. The NRAs acknowledge that the Guidelines contain all necessary information about the Market Test, taking into account among others that the Incremental Capacity Project may affect the amount of technical capacity at other interconnection points, entry or exit points of the DESFA System. The investment upgrades, the offer levels, the binding bid submission rules as well as the Economic Viability Test related to DESFA, are provided in said Guidelines and will be considered in the context of this Incremental Capacity Process. For this reason, DESFA’s binding phase of the Market Test will take place simultaneously with this process after the CAM Yearly Capacity Auctions, in line with the timeline of Section 4.2. For the avoidance of any doubt, the Guidelines, attached herein as Annex II, should be considered as an integral part of this Project Proposal. In the event of discrepancies between Sections 5.3, 5.4, and 5.5 of the Guidelines (attached here as Annex II) and the Project Proposal, the Guidelines take precedence. In the event of discrepancies between the rest of the Guidelines and the Project Proposal, for ICGB, the Project Proposal takes precedence.

¹ Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 / <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R0459>

² Accepted by Decisions of RAEWW of Greece n. 768/2018 and EWRC of Bulgaria n. P-BO-2 on 08.08.2018.// <https://www.dker.bg/bg/resheniya/resheniya-za-2018-god.html>

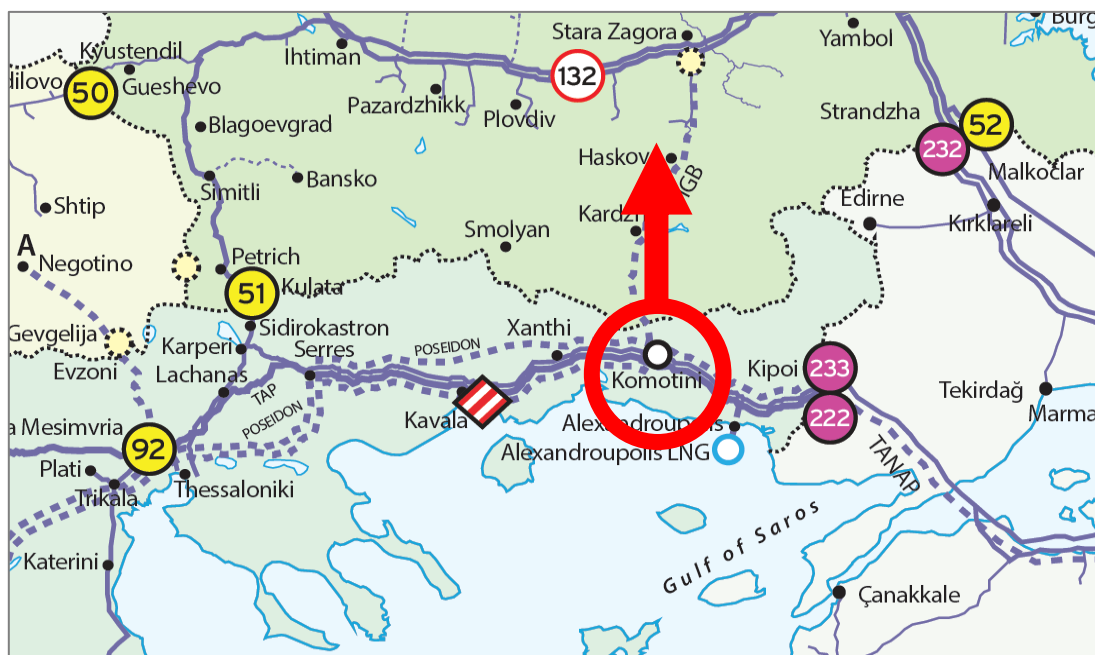
³ <https://www.desfa.gr/en/announcements/nngs-users-information/call-of-interest-for-the-allocation-of-future-firm-capacity-in-the-national-natural-gas-system>

ICGB launched the Incremental Capacity Process–2023 on the 3rd of July 2023, with the launch of its Non-binding phase according to Chapter V of Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a Network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013. The investment upgrades, the offer levels, the binding bid submission rules, the Economic Viability Test, etc. related to ICGB, are provided in the present Project Proposal, which is one of documents governing the Incremental Capacity Process-2023 for ICGB.

For both TSOs the current Incremental Capacity Process refers to the procedure in accordance with Chapter V of CAM NC for the assessment of demand for incremental capacity.

The TSOs launched the non-binding phase of the Incremental Capacity Process on the 3rd of July 2023 to assess market demand for incremental capacity in accordance with CAM NC. The TSOs received Non-binding demand indication(s) and produced a joint Demand Assessment Report, which was published on the 23rd of October 2023 with the conclusion that there was sufficient indicative demand to initiate technical studies for a potential incremental capacity project.

Based on the capacity request(s) received in the non-binding phase, the TSOs have analyzed potential infrastructure developments in their respective Transmission Systems to fulfill interested parties' requests.



For the avoidance of doubt, the TSOs clarify to the interested parties that with this Incremental Capacity Process, only firm bundled capacity at both sides of the IP will be offered.

This Incremental Capacity Project is driven by potential increases of the technical capacity at the IP. Hence, this Incremental Capacity Project is conducted in close coordination between the TSOs, to enable the offering of bundled capacity at the IP.

In February 2024, DESFA and ICGB in accordance with the provisions of article 27 (3) of CAM NC, jointly launched a public consultation on the draft Project Proposal prepared with the purpose to meet the received indicative non-binding demand indications. The draft of the present Project Proposal was available for public consultation for the period from the 7th of February 2024 to 8th of March 2024. ICGB did not receive any comments during the public consultation. DESFA received comments from two participants during the public consultation which have been considered into the current Project Proposal. The text of the Project Proposal was subject to minor changes before submission to the NRAs for final approval.

The current Project Proposal has been jointly prepared by DESFA and ICGB in accordance with the provisions of article 28 of CAM NC and constitutes a Project Proposal for the Incremental Capacity Project of the involved TSOs. In line with the provisions of article 28 of CAM NC this Project Proposal is submitted to the Greek and Bulgarian NRAs for their coordinated approval.

1. Description of the Incremental Capacity Project and relative cost estimates

1.1 Market demand for incremental capacity

The following Non-binding demand indications for firm, long-term capacity have been received at the IP, and consequently are considered in the Design Phase of the Incremental Capacity Project. The demand indications are shown below as aggregated values.

Non-Binding Incremental Capacity Demand Survey 2023, according to CAM NC	
Interconnection Point	Komotini – DESFA / IGB
EIC Code	21Z0000000005398
Flow Direction	GR->BG
Request is submitted to other TSOs?	Yes
Additional Information (if any)	-
Conditions	*
Current technical capacity, kWh/d	N/A
Non-binding demand indications [(kWh/d)/y]	
GY 2024-2025	108.424.630
GY 2025-2026	134.674.630
GY 2026-2027	137.374.630
GY 2027-2028	137.374.630
GY 2028-2029	137.374.630
GY 2029-2030	94.024.630

GY 2030-2031	94.024.630
GY 2031-2032	89.024.630
GY 2032-2033	81.281.507
GY 2033-2034	58.581.507
GY 2034-2035	58.581.507
GY 2035-2036	58.581.507
GY 2036-2037	49.581.507
GY 2037-2038	49.581.507
GY 2038-2039	49.581.507
GY 2039-2040	49.581.507
GY 2040-2041	34.581.507
GY 2041-2042	34.581.507
GY 2042-2043	34.581.507
GY 2043-2044	20.060.959
GY 2044-2045	20.060.959
GY 2045-2046	20.060.959
GY 2046-2047	5.610.959

**The only conditionality applicable to some Non-binding demand indications received by DESFA, refers to linked commitments. ICGB has not received any conditionality applicable to the Non-binding indications for the IP.*

Based on the above results, the DAR concluded that the Non-binding demand indications received were sufficient to initiate the Design Phase of an Incremental Capacity Project in accordance with article 26.2 of CAM NC.

1.2 Description of the Incremental Capacity Project

On the basis of the capacity requests received in the non-binding phase, ICGB and DESFA have started analyzing potential infrastructure developments in their respective Transmission Systems to fulfil interested parties' requests.

The next paragraphs provide further information on the alternatives regarding capacity increases and associated costs for each of the TSOs. We note that the investment costs provided in the descriptions below are established in line with established regulatory practices, as individually applicable to each TSO.

1.2.1 DESFA

The level of incremental capacity offered by DESFA in the framework of this incremental process, is calculated considering the existing technical capacities of DESFA System entry and exit points and the future investments of the DESFA System which are already included in DESFA's TYNDP 2023-2032⁴.

⁴ [Development Plan 2023-2032 6.2023.pdf \(desfa.gr\)](#)

DESFA has performed preliminary technical studies to identify the projects needed to make incremental capacity available at the IP in the direction from DESFA System towards IGB. The technical studies take into consideration the request(s) submitted during the non-binding phase.

As mentioned above, in March 2023, DESFA launched the non-binding phase of a Market Test process. This wider process includes many entry/exit points of DESFA System, also including Komotini IP. DESFA assessed expansion projects that create incremental capacity at various points of DESFA's System at the same time. This evaluation is a broader assessment that aims to determine the projects which will more efficiently satisfy incremental capacity requests at every entry and exit point of the DESFA System for which the participants expressed their interest through the relevant process and is included in the Guidelines. So, regarding DESFA System expansion projects, three different levels have been assessed and are presented below. These expansion projects include duplication of the main branch of DESFA System with 30" pipeline, as well as Compression Stations' (CS) upgrades.



Figure 1: Simplified scheme of the proposed expansion projects

In parallel, DESFA has included in the TYNDP 2023-2032 a duplication project in the North-Eastern branch of the System (Karperi-Komotini branch). For DESFA, the realization of this project is one of the main prerequisites for offering firm capacity at Komotini IP. In June 2023,

with Decision E-68/2023 RAEWW approved the said project, which is expected to have been completed in Q2 2027.

DESFA's analysis takes also into account the requirement, as notified by ICGB to DESFA, for at least 70 barg pressure level at Komotini IP to increase the capacity at 5 bcma, which will be feasible after the completion of Komotini CS, a project included in DESFA's TYNDP 2023-2032.

The assessments described above collectively resulted to the projects presented next. Thus, the capacity created by the said projects includes the creation of incremental capacity at Komotini IP, along with other points of DESFA. It is noted that in the final assessment for the determination of the appropriate Expansion Project (if any) and the Economic Viability Test (EVT), Komotini IP will be assessed together with other points of the NNGTS which are part of DESFA's Market Test.

The Offer Level(s), as well as the respective investments described in this document may be subject to changes during the subsequent stages of the Design Phase and especially after the public consultation phase. The different Expansion Projects are described below.

Expansion Project	Duplicated section	Length (km)	Maximum upgrade of Nea Messimvria CS	Maximum upgrade of Ampelia CS
Full	Patima – Nea Messimvria	410	Considerable	Moderate/Considerable
Partial	Katerini - Livadia	250	Moderate	Small
Limited	Rapsani - Brallos	160	Small	None

The estimated cost of the above-mentioned duplication projects is given in the table below:

Expansion Project	Duplicated section	Length (km)	Cost Estimation (mill.€)
Full	Patima – Nea Messimvria	410	574
Partial	Katerini - Livadia	250	350
Limited	Rapsani - Brallos	160	224

The estimated cost of the above-mentioned CS upgrades is given in the table below:

Upgrade of Nea Messimvria CS	Cost Estimation (mill.€)	Upgrade of Ampelia CS	Cost Estimation (mill.€)
Considerable	67,5	Considerable	60
Moderate	45	Moderate	30
Small	22,5	None	-

In order to estimate the final cost of the expansion projects, the cost of the CSs upgrades must be added to the duplication cost per expansion project (Full, Partial or Limited). However, this cost can be correctly estimated only ex post (after the submission of the binding requests) since the upgrade of the CSs is strongly dependent on the actual capacity requested per entry/exit point. At this phase DESFA has estimated the maximum CS upgrade needed per expansion project (Full, Partial or Limited). These maximum CS upgrades correspond to respective maximum investment costs. After the submission of the binding requests, DESFA will evaluate the level of the CS upgrades and the relevant cost which will be at maximum the presented in the tables above.

It is clarified that DESFA will perform the EVT (in line with the timeline of Section 4.2) considering the estimated cost of the selected expansion project (including the CSs upgrades) based on the outcome of the Market Test process performed by DESFA according to the Guidelines.

1.2.2 ICGB

ICGB has performed preliminary technical studies to identify the steps and investments needed to make incremental capacity available at the IP in the direction from DESFA towards IGB. It must be noted that the presented assumptions are indicative and have a preliminary character and might be subject to change during the advanced stages of the technical studies phase.

The expansion on ICGB side involves the incorporation of several key components:

Process Equipment:

- New filtering section: to ensure the efficient and safe passage of natural gas.
- New regulating line: to control and manage gas flow effectively.
- New metering line: for accurate measurement of gas volumes.
- New Gas pre-heater with associated bypass.

Utilities:

- Integration with Existing Utilities: Seamless connection of existing utilities (i.e. hot water system) with the new infrastructure.
- Automation and Control Systems: Expansion and upgrade of SCADA systems for enhanced monitoring and control.

Cost Estimate:

The estimated cost for the current expansion project for ICGB is in the range of 4.0 - 4.5 million euros. This includes all aspects of infrastructure enhancement and system upgrades. The cost breakdown includes labour, material & equipment, technology & ICS, permitting & regulatory, travel & accommodation, contingency, and overhead. Each cost component is strategically allocated to ensure optimal resource utilization and budgetary control throughout the project lifecycle.

2. Offer Levels

Incremental capacity of 53.242.150 (kWh/d)/y (gas direction DESFA->IGB)

This Offer Level can be developed through each of the DESFA System Expansion Projects described in Section 1.2.1, each of which has a different cost and completion date. The final upgrade scenario for DESFA will be decided on the basis of the outcome of the Binding Phase of the Market Test.

Incremental capacity will be offered as bundled product to Participants with the earliest possible start date being the relevant planned COD⁵. In line with the provisions of articles 8.8 and 30.5 of the CAM NC, DESFA and ICGB will set aside an amount of 10% of the capacity of the actually built incremental capacity to be offered as short-term capacity.

The Offer Level(s) in the table below represent the long-term capacity that could be allocated in the Binding Bidding Phase of this Incremental Capacity Project.

	Offered Level (kWh/d)/y			Entry / Exit TSO offering capacity
DESFA Expansion Project	Limited	Partial	Full	
Firm incremental capacity	53.242.150			Exit DESFA / Entry ICGB
Offered incremental capacity	47.917.935			
Starting date	Q4 2028	Q2 2029	Q4 2029	

For the avoidance of doubt, DESFA and ICGB clarify to the interested parties that with this Incremental Capacity Process, firm bundled capacity at both sides of the IP will be offered.

In addition, with the present process, **Participants will be able to submit to the TSOs Binding Bids for capacity as of Q4 2026.** On ICGB's side of the IP (Entry ICGB) firm incremental capacity will be bundled with the Coupled Capacity (with Entry Amfitriti or Kipi) on DESFA's side of the IP (Exit DESFA). Participants shall submit Linked Bids to DESFA linking Amfitriti or Kipi entry point to Komotini IP (Exit DESFA). Participants may submit Linked Bids to ICGB linking Komotini IP (Entry ICGB) with IP STARA ZAGORA with EIC: 58Z-IP-00034-STZ (Exit ICGB). Binding Bids submitted to DESFA as Linked Bids will be considered as bids for Coupled Capacity until the starting date of the selected Expansion Project. Binding Bids submitted to DESFA as non-Linked Bids will be rejected until the starting date of the selected Expansion Project. On DESFA's side

⁵ DESFA already offers Coupled Capacity of 119.412.000 kWh/Day at Komotini IP towards IGB. This capacity will be expanded to more than 154.000.000 kWh/Day within 2025.

of the IP the offer of the Coupled Capacity has as a prerequisite the completion of the fourth unit of the projected CS at Komotini, currently estimated to be completed within 2025.

3. Alternative Allocation Mechanism (AAM)

In order to maximize the offer of bundled firm capacity at the IP, DESFA and ICGB intend to apply an Alternative Allocation Mechanism (**AAM**) with an extended capacity booking horizon of 20 years after the start of the operational use, subject to the approval of the NRAs.

The criteria envisaged under article 30.2 of CAM NC for the potential application of an AAM are fulfilled, since

- The Incremental Capacity Project involves at least three entry-exit systems, indicatively, DESFA System, ICGB System and BULGARTRANGAZ System.
- The Non-binding demand indications received were linked to more than one interconnection points.
- The Non-binding demand indications concern capacity reservations of more than one (1) year.

In accordance with the provision of article 30.3 of the CAM NC, the TSOs intend to allow interested parties to submit Binding Bids on the following basis:

- Requests at the IP linking commitments at other interconnection points.
- Requests, conditional on the allocation of a minimum amount of capacity.

Furthermore, DESFA intends to allow interested parties to submit Binding Bids at the IP linking commitments at other points of DESFA System according to the Guidelines.

Binding Bids will be processed subject to the Participants meeting the requirements set out in Section 5.1. In the event of congestion, in order to ensure coherent allocation results for the TSOs, a ranking will be performed according to Section 5.4 and the Guidelines.

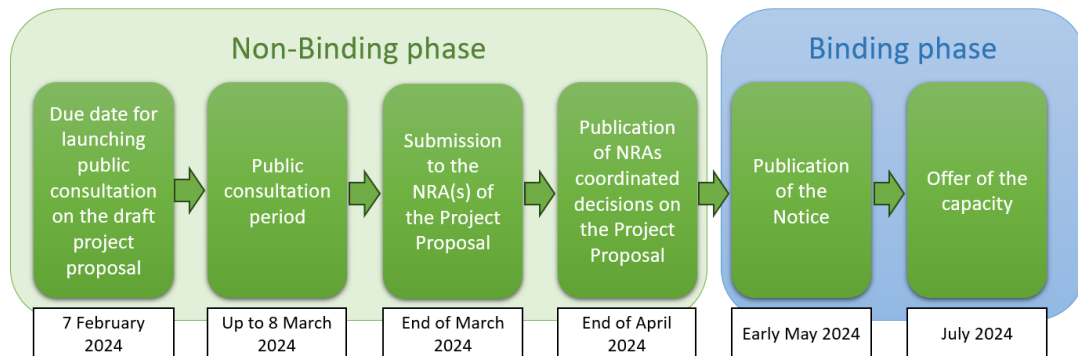
4. Provisional Timeline

This Section describes the proposed timeline for the conclusion of the Incremental Capacity Project and provides estimates of the possible time needed for the realization of the new incremental capacity.

4.1 Incremental Capacity Process Timeline

NRAs decision on the Project Proposal is awaited at the end of April 2024, on the condition of NRAs decision. The Binding Phase will commence with the publication of the Binding Phase Notice. The Binding Phase Notice is expected to be published at the latest at the beginning of May 2024.

Proposed Timeline



Within the initial two-month information phase commencing upon the issue of the Binding Phase Notice (Information Phase), the parties interested in participating in the Binding Bidding Phase should complete their registration with the concerned TSOs (as applicable per TSO) in order to participate in the Binding Bidding Phase.

At the beginning of the Information Phase, together with the Binding Phase Notice, ICGB and DESFA will make available a list of the relevant documentation that needs to be submitted by the Participants for their registration and the respective deadline for submission of such documentation.

Incremental capacity will be offered after the annual yearly capacity auctions in July 2024. Only coordinated offer levels shall be offered.

Following the end of the abovementioned process, DESFA and ICGB will proceed with the Economic Viability Test (EVT), as applicable for each TSO. In case of a positive EVT, Participants to whom capacity has been allocated (successful Participants) shall sign a gas transportation agreement (GTA) with each TSO in respect to their Capacity Allocation.

The Binding Phase ends either in case the EVT is finally confirmed as negative by the TSOs or in the cases foreseen in Section 5.6.

4.2 Milestone Timeline

	Milestones	Dates
	Launch of Binding Phase / Publication of the Joint Notice	2 May 2024
1	Information Phase	2 May 2024 - 1 July 2024
	DESFA and ICGB make available a list of documentation to be submitted to each TSO	2 May 2024
	Registration Period	2 May - 24 June 2024

	Milestones	Dates
	DESFA and ICGB evaluate the Applicants' eligibility	25 June – 01 July 2024
2	Binding Bidding Phase	2 July – 30 September 2024
	Bid Submission Window	2 July - 12 July 2024
	Bid Evaluation Period	12 July – 31 July 2024
	Preliminary Capacity Allocation	1 August - 30 August 2024
	Economic Viability Test Results published	31 August 2024
3	Capacity Allocation	31 August 2024
4	Execution of GTAs	30 September 2024

After the finalization of the above-mentioned steps, the TSOs will inform the NRAs about the result of the EVT on both sides of the IP. **In any case, the TSOs may postpone, extend, or alter the above timeline if needed.**

4.3 Duration of project realization

4.3.1 DESFA

For DESFA, as mentioned above, the investment upgrades related to DESFA are linked to the Market Test and subject to positive EVT in accordance with the Guidelines.

Regarding Full Expansion Project, DESFA estimates that the duration of the activities from the design until the commissioning of the projects needed will be approximately 60 months after the date of “Execution of GTAs” of Section 4.2.

Regarding Partial Expansion Project, DESFA estimates that the duration of the activities from the design until the commissioning of the projects needed will be approximately 55 months after the date of “Execution of GTAs” of Section 4.2.

Regarding Limited Expansion Project, DESFA estimates that the duration of the activities from the design until the commissioning of the projects needed will be approximately 50 months after the date of “Execution of GTAs” of Section 4.2.

In parallel, DESFA has included in the recent TYNDP 2023-2032 a duplication project in the North-Eastern branch of DESFA System (Karperi-Komotini branch). For DESFA, this project is considered as a prerequisite for the offer of capacity at Komotini IP. In June 2023, with Decision E-68/2023 RAEWW approved the said project, which is expected to have been completed in Q2 2027. Thus, irrespective of the expansion project that will be finally adopted by DESFA, firm capacity at Komotini IP can be offered only after the finalization of the Karperi-Komotini project.

In any case, it must be noted that the above-mentioned timeframes, which include major investments, are indicative and will be clarified during the technical studies phase, which will start after the positive outcome of the procedure.

4.3.2 ICGB

ICGB estimates that the expected start of commercial operation of the Incremental Capacity Project is Q4 of 2026.

The expansion takes place within a live plant environment, posing challenges in terms of safety, operational continuity, and construction logistics. The new infrastructure needs to seamlessly integrate with the already existing facilities, requiring meticulous planning and execution. Overcoming design limitations and space constraints presents an additional challenge that may impact the project timeline.

In any case, it must be noted that the above-mentioned timeframes, which include major investments, are indicative and will be clarified during the technical studies phase. In any case COD will be notified to the parties at least one month in advance.

5. General rules and conditions for the Binding Phase

This Section describes the general rules and conditions which the involved TSOs will apply for the participation of interested parties in the Binding Phase.

The Binding Phase will be open to all interested parties, including those that have not submitted a non-binding demand indication during the non-binding phase of the Incremental Capacity Process or the Market Test. Access to the transportation service on the respective TSOs systems is permitted impartially and on an equal basis to all interested parties that possess the specific requirements as presented below in this document.

Together with the Binding Phase Notice, the TSOs Concerned will make available a list of the relevant documentation that needs to be submitted by the Participants for their eligibility to participate in the Binding Bidding Phase and the respective deadline for submission of such documentation.

Incremental capacity will be offered as bundled products to the Participants.

5.1 Participation criteria and registration

The requirements referred to in this Section will apply to this Binding Phase carried out by the TSOs.

Applicants will have to submit filled-in Binding Phase Registration Forms to the TSOs, which will be provided together with the Joint Notice and each TSO's own Binding Phase Notice. The information to be submitted by Applicants shall include (but not be limited to) the following information:

- Company Name and Address.
- Name and contact details of Company Representative.

The above registration requirements apply in addition and are subject to each TSO's further requirements in relation to registration and their applicable regulatory framework, in each case.

Applicants must submit (within the required deadlines) all the documents needed, as described in this Section, each TSO's own Binding Phase Notice and the Joint Notice.

At the end of the Registration Period, the TSOs will communicate to the Applicants their eligibility to participate in the Binding Bidding Phase.

By participating in a Binding Bidding Phase, each Participant will be required to accept that:

- the Capacity Allocation referred to in the Incremental Capacity Process is subject to the positive outcome of the EVT of the TSOs Concerned, in accordance with the Project Proposal and the Guidelines;
- the Participant is required to provide the TSOs the relevant and respective Binding Bid Guarantees;
- in case of a negative outcome of the EVT carried out prior to Capacity Allocation, the TSOs Concerned shall, if applicable, return any Binding Bid Guarantees and no transmission capacity will be contractually or otherwise allocated;
- in case of a positive outcome of the EVT carried out prior to Capacity Allocation, the successful Participant shall enter into a GTA and, if applicable, present to the TSOs respective GTA Guarantees as described below in Section 5.7;
- in case a Participant is not allocated incremental capacity after a positive EVT, the Binding Bid Guarantees shall be returned; and
- if the Participant is allocated capacity but the GTA between the TSO and the Participant is not executed between the relevant parties or does not, for any reason, become fully effective, the Participant will be subject to TSO-specific rules as set out below.

5.1.1 DESFA

Applicants will be required to state the possession of or submit to DESFA relevant requirements defined in the NNGS Network Code, Annex I of the NNGS Standard Transmission Agreement and the relevant Application. Only Transmission Users, as defined in the NNGS Network Code, can submit Binding Bids for capacity in DESFA system, in the Binding Bidding Phase. The specific requirements that must be fulfilled by the interested parties will be defined in detail in the Binding Phase Notice. DESFA shall not allow any interested party to submit Binding Bids if these requirements are not met and even if submitted shall be rejected for this reason.

Any statement of possession of requirements (requests, commitments, declarations or acceptances), as well as any request/communication or expression of will, made by the

Applicant, including via the relevant functionality of DESFA's website, constitutes a formal obligation and commitment on the part of the Participant, which accepts – even in respect of third parties – any and all liability arising from any breaches/errors or omissions.

Participants shall be required to provide to DESFA within the required deadlines a Binding Bid Guarantee, cashable at first request of DESFA, issued by any Greek financial institute supervised by the ECB (systemic Banks, namely any of Alpha Bank, Eurobank, National Bank of Greece and Piraeus Bank) including their subsidiaries or any Greek branch of an internationally reputable bank with a minimum investment grade credit rating from the following Agencies: BBB at Standard and Poor's, BBB at Fitch or Baa3 at Moody's, or any internationally reputable bank with a minimum investment grade credit rating (as described above), or any subsidiary of an internationally reputable bank with a minimum investment grade credit rating (as described above), or any subsidiary of an internationally reputable bank without a minimum investment grade credit rating (or without any rating at all), provided that the Binding Bid Guarantee is counter-guaranteed by any internationally reputable bank with a minimum investment grade credit rating (as described above); which has been approved in advance by DESFA, at its sole discretion, equal in value to 20% of the maximum annual capacity charge (based on the indicative tariff made available by DESFA, including any premium) of the incremental capacity they intend to request, valid until two (2) months from the execution of the GTAs according to Section 4.2). For the calculation of the Binding Bid Guarantee the sum of the Reference Price and the respective Mandatory Minimum Premium per Offer Level, according to Section 6.2.1 and 6.2.2, shall be calculated and the maximum of the three sums shall be used, i.e. 5,9688396 €/ (kWh/h)/y.

The respective tariff by DESFA, according to the provisions of the relevant tariff regulation, as approved by RAEWW (to be used as estimated reference price for the duration of the initial incremental capacity requests) and any premium applicable, will be published on TSO's website during the Information Phase.

Binding Bids by Participants will be accepted only within the limits of the guarantees which will have been presented to DESFA according to the provisions above. By submitting a binding request to DESFA, the Participant accepts that said request will constitute an irrevocable commitment to enter a GTA with DESFA, subject to positive EVT.

The Binding Bid Guarantee provided to DESFA by each Participant will be returned to such Participant once:

- DESFA confirms that the Participant will not be allocated incremental capacity.
- DESFA's EVT is finally determined to be negative (in accordance with the provisions of Section 5.6), or
- If the Participant is allocated incremental capacity, upon the presentation to DESFA of the GTA Guarantee described in Section 5.7.

5.1.2 ICGB

Applicants will be required to fulfill the relevant requirements defined in IGB NETWORK CODE, the Project Proposal, the Binding Phase Notice and the GTA (in respect to the incremental capacity that has been allocated according to the present process) and the relevant application. Only Network Users, as defined in the IGB NETWORK CODE, can submit Binding Bids for capacity in ICGB System, in the Binding Bidding Phase. ICGB shall not allow any interested party to submit Binding Bids if these requirements are not met and even if submitted shall be rejected for this reason.

Any statement of possession of requirements (requests, commitments, declarations, or acceptances), as well as any request/communication or expression of will, made by the Applicant, constitutes a formal obligation and commitment on the part of the Participant, which accepts – even in respect of third parties – any and all liability arising from or related with the correctness of the said statements, including but not limited to errors or omissions contained thereto.

Participants shall be required to provide ICGB within the required deadlines a Binding Bid Guarantee in the form of a bid bank guarantee, bid parent company guarantee or bid cash deposit.

The bid bank guarantee or the bid parent company guarantee shall be on demand and to include irrevocable and unconditional undertake that, forthwith upon ICGB giving written notice to the guarantor stating in its sole and absolute judgement that the Participant has failed to observe or perform any of the terms, conditions or provisions of the Binding Bidding Phase on its part to be observed or performed, the guarantor will, on one or more occasions and notwithstanding any objection which may be made by the Participant, promptly pay to ICGB the amount of the Binding Bid Guarantee.

The bid bank guarantee shall be issued in EUR by a bank having a registered main office in the European Union that has the credit rating as specified in Minimum Credit Rating at the IGB NETWORK CODE in the forms to be provided with the Binding Phase Notice.

The bid parent company guarantee shall be issued in EUR and shall be on demand parent company guarantee to be provided (i) by a parent or affiliate of the Participant with a rating for its long-term unsecured and non-credit-enhanced debt obligations as specified in Minimum Credit Rating at the IGB NETWORK CODE; and (ii) on behalf of the Participant to ICGB to secure the obligations of the Participant related to the Binding Bid. If the long-term issuer credit rating for any guarantor under any bid parent company guarantee falls below the specified in the Minimum Credit Rating at the IGB NETWORK CODE, then within 10 days of such event, the relevant Participant shall procure replacement of Binding Bid Guarantee.

The bid cash deposit shall represent a sum of money in EUR paid into a bank account of the ICGB set out in the Binding Phase Notice. By making such payment, the Participant shall transfer to the ICGB, and the ICGB shall acquire the full title over the cash deposit (and any of its parts), free of any encumbrances held by either the Participant or any third party. No interest or any other amount shall be payable by the ICGB to the Network User in connection

with the bid cash deposit. ICGB shall have the right to utilize the cash deposit only for the purpose of ensuring that the Participant meets its Binding Bidding Phase requirements.

In case of the full or partial enforcement of the Binding Bid Guarantee, the Participant shall ensure that the Binding Bid Guarantee is either renewed or replenished or the cash amount corresponding to the amount drawn under the Binding Bid Guarantee is promptly paid to the ICGB, all in order the Participant continuously to meet the relevant amount of the Binding Bid Guarantee. Any cost incurred by the ICGB as a result of enforcing, adjusting and/or renewing or maintaining the Binding Bid Guarantee shall be charged to the Participant.

The Participant shall ensure that the Binding Bid Guarantee shall remain in full force and effect until two (2) months from the actual date of the execution of the GTA or from the date for execution of the GTAs according to Section 4.2, whichever is the latest.

The amount of the Binding Bid Guarantee shall be equal in value to 15% of the annual capacity charge (based on the indicative tariff made available by ICGB, including any premium) for the incremental capacity the Participants intend to request. For any booking spanning multiple years, the Binding Bid Guarantee must be 15% of the annual capacity charge for each year within the requested period. The respective annual transmission tariff of ICGB, according to the provisions of IGB TRANSMISSION TARIFF CODE annex to the IGB NETWORK CODE as approved by the NRAs or other relevant tariff documentation/regulation, approved by NRAs (to be used as estimated reference price for the duration of the initial incremental capacity requests) and any premium applicable, will be published on TSOs' websites during the Information Phase, to the extent applicable.

In case an amendment is made to the amount of the incremental capacity the Participants intend to request, the Binding Bid Guarantee shall be modified accordingly upon request by ICGB to the relevant Participant and the relevant Participant shall procure that such amendments are made within ten (10) Days.

Binding Bids by Participants will be accepted only within the limits of the Binding Bid Guarantees which will have been presented to ICGB. By submitting a binding request to ICGB, the Participant accepts that said request will constitute an irrevocable commitment to enter a GTA with ICGB, subject to the positive EVT.

The Binding Bid Guarantee provided to ICGB by each Participant will be returned to such Participant once:

- ICGB confirms that the Participant will not be allocated incremental capacity.
- ICGB's EVT is finally determined to be negative (in accordance with the provisions of Section 5.6).
- if the Participant is allocated incremental capacity, upon the provision to ICGB of the GTA Guarantee described in Section 5.7.

5.2 Binding Bid process

During the Binding Bidding Phase, Participants will have to submit their Binding Bids for incremental capacity products at the IP to both TSOs. These Binding Bids should match, having

identical start and end dates, and identical capacity requested per gas year. For Binding Bids that do not meet these requirements the TSOs shall apply the 'lesser-of' rule for every year of mismatch.

Participants shall specify in each Binding Bid:

- **If a Binding Bid is a Linked Bid as per the indications from the Binding Bid Form.**
- **The capacity requested (in kWh/day).** Capacity requested cannot exceed the maximum incremental capacity on offer at the IP, as defined in Section 2.
- **The requested start date of the bid.** (Gas Year)
- **The requested end date of the bid.** (Gas Year)
- **Indication whether capacity reduction is acceptable or not.** Participants must also indicate whether they will accept a reduction in their Capacity Allocation (and up to which amount) in the event of congestion and their bid happens to be marginal. For Linked Bids, any reduction in capacity at the IP where the Linked Bid is assessed as being marginal will result in an equal reduction in incremental capacity at the linked IP/entry/exit point (it should be noted that bundled capacity is reduced by the same amount at both sides of the IP).

Incremental capacity will be offered as bundled products to Participants for a minimum duration of 3 (three) consecutive years, with the earliest possible Gas Year being the Gas Year that includes the earliest COD of the Offer Levels provided (Section 2) and the latest possible Gas Year for capacity being Gas Year 2045/2046.

Participants may submit only one Binding Bid for the IP. As a basic rule, in a single Binding Bid, Participants may specify only one value of incremental capacity for all gas years requested. A Binding Bid may however indicate a ramp-up over the first two years of the period to which the Binding Bid relates, with a minimum value for the first year of 40% of capacity and 70% for the second year and/or a ramp-down over the last two years of the period to which the Binding Bid relates, with a minimum value for the second last year of 70% of capacity and 40% for the last year.

A Binding Bid does not have to specify a bid price, as the price applicable to the incremental capacity for the purposes of the evaluation process shall be equal to the Reference Price plus any premium where applicable.

By submitting a Binding Bid Form, a Participant will be deemed to have agreed to the terms and process set out in this Project Proposal and the Joint Notice published by the TSOs Concerned, the Binding Phase Notice of each TSO as well as with the Guidelines, including the process regarding the overall Project Proposal and the potential liability of the Participant in connection with a GTA not being executed between the relevant parties or not becoming fully effective in accordance with its terms and/or the termination or modification of the Incremental Capacity Process (see further detail in Section 5.1 and 5.7).

The above requirements apply in addition and are subject to each TSO's further requirements in relation to Binding Bid Process and their applicable regulatory framework, in each case.

5.2.1 DESFA

With regard to the Komotini IP, registration requirements and Binding Bids for incremental capacity products submitted to DESFA during the Binding Bidding Phase shall be considered as if they were also submitted to DESFA within the context of DESFA's Market Test for the expansion of DESFA System. Registration requirements and Binding Bids submitted to DESFA within the context of the Market Test concerning the Komotini IP shall be considered as if they were also submitted to DESFA within the context of this Project Proposal. No other Binding Bid shall be required to be submitted by the Participants to DESFA and, if submitted, shall be rejected.

During the Binding Bidding Phase, Participants will have to submit the same Binding Bids for incremental capacity products at Komotini IP to ICGB in accordance with the rules set out in this document (including all annexes where applicable information is provided).

In a Linked Bid the capacity requested at a DESFA entry point must equal the exit capacity requested at the IP. For DESFA System, Linked Bids are considered as bids for firm entry and firm exit capacity. DESFA shall have the right to convert a Linked Bid to a Coupled Capacity product in case this turns a negative EVT to positive, unless the Participant has explicitly declared, in its Binding Bid, its non-acceptance for such conversion.

In relation to the allocation of bundled capacity, in the event of a delay or misalignment in the COD for an adjacent TSO, DESFA has the right (but not obligation) to agree and implement ways of mitigating the consequences of such delay or misalignment, including by making adjustments to any bundled Capacity Allocation as may be agreed with the relevant Participant. Any such mitigation is expected to be finally neutral to DESFA.

The respective tariff by DESFA, according to the provisions of the relevant tariff regulation, as approved by RAEWW (to be used as estimated reference price for the duration of the initial incremental capacity requests), will be published on DESFA's website during the Information Phase. If required, DESFA may specify a premium charged on top of the Reference Price in accordance with article 33 of Commission Regulation (EU) 2017/460, subject to the approval of RAEWW. There will be no other additional auction premia charged.

Bids will have to be submitted inside the Bid Submission Window in accordance with the instructions that will be provided in the Joint Notice published by the TSOs, as well as with the Binding Phase Notice of each TSO.

5.2.2 ICGB

During the Binding Bidding Phase, Participants will have to submit their Binding Bids for incremental capacity products to ICGB. In a Linked Bid the capacity requested at ICGB entry Komotini IP must equal the exit capacity requested at the exit IP STARA ZAGORA. For ICGB, Linked Bids are considered as bids for firm entry and firm exit capacity.

Exempted Network Users under the IGB NETWORK CODE shall observe capacity caps for dominant players under the *Final Joint Decision of the Energy Regulators on the Exemption Application of ICGB AD dated August 2018 (and the amendments to it)*⁶, when providing their Binding Bids.

⁶ Accepted by Decisions of RAEWW of Greece n. 768/2018 and EWRC of Bulgaria n. P-BO-2 on 08.08.2018.// <https://www.dker.bg/bg/resheniya/resheniya-za-2018-god.html>

In relation to the allocation of bundled capacity, in the event of a delay or misalignment in the COD for an adjacent TSO, ICGB has the right (but not obligation) to agree and implement ways of mitigating the consequences of such delay or misalignment, including by adjusting any bundled Capacity Allocation as may be agreed with the relevant Participant. Any such mitigation is expected to be finally neutral to ICGB.

The respective annual transmission tariff for ICGB, according to the provisions of the IGB TRANSMISSION TARIFF CODE annex to the IGB NETWORK CODE as approved by the NRAs (to be used as estimated Reference Price for the duration of the initial incremental capacity requests), will be published on ICGB's website during the Information Phase. ICGB may specify a premium charged on top of the Reference Price. If any premium is applicable, it will be outlined in the Binding Phase Notice of ICGB.

Bids will have to be submitted inside the Bid Submission Window in accordance with the instructions that will be provided in the Joint Notice published by the TSOs, as well as with the Binding Phase Notice of each TSO.

5.3 Bid evaluation

At the end of the Bid Submission Window, each TSO will assess the respective received Binding Bids for completeness and compliance with the relevant requirements set out under this Project Proposal, the Joint Notice and the Binding Phase Notice issued by each TSO (including, where capacity is being made available as bundled capacity, that equal Binding Bids have been made to each of the TSOs Concerned) and the Guidelines. Those Binding Bids that are accepted at this stage will be considered as part of the preliminary Capacity Allocation procedure of Section 5.4. In case of rejection of a Binding Bid, the relevant TSO shall (without prejudice to the procedure applicable to Equal Marginal Bids) notify the relevant Participant of such rejection and the other TSOs Concerned within 5 Business Days from the end of the Bid Submission Window. For the avoidance of doubt, the rejecting TSO shall have no liability whatsoever to the other TSOs Concerned, the relevant Participant or any other party in connection with such rejection.

5.4 Preliminary Capacity Allocation Procedure (Bid Ranking)

The rules for preliminary Capacity Allocation of incremental capacity at the IP are described below. If a TSO curtails or rejects any Binding Bid at an IP where capacity is made available as bundled capacity, the bundled Binding Bid submitted to the other TSO Concerned will also be curtailed or rejected to the same extent.

For ICGB, taking into account the pipeline topology, available capacity at Komotini IP is offered in competition with the capacity at interconnection point with TAP "KOMOTINI-TAP-IGB". The total sum of (a) all previously, before the Binding Bidding Phase, reserved or booked capacity at ICGB's interconnection points with DESFA and TAP for the relevant Gas Year and (b) the sum of all Binding Bids for the relevant Gas Year in the Incremental Capacity Process at Komotini IP with DESFA cannot exceed 159.726.027 kWh/day/y (approx. 5 bcm/y).

The IP shall be considered congested either:

- i. when the sum of the requested capacity at the IP exceeds the maximum offered capacity according to Section 2, or
- ii. when the sum of the requested capacity at a cluster of points that a) includes the IP or b) includes other points of DESFA System linked with the IP through Linked Bids, exceeds the maximum offered capacity at that cluster (either a) or b)), according to the Guidelines.

The TSOs will undertake the actions listed below:

- For each year, the sum of Binding Bid capacity requests is calculated at the IP and at any interconnection point and any entry point where incremental capacity is offered.
- If there is no congestion at the IP, the TSOs Concerned shall undertake a preliminary capacity allocation, under which capacity allocated to each Participant is equal to the capacity requested by such Participant and proceed with the EVT process set out in Section 5.6.
- If there is congestion at the IP, Participants are ranked according to the NPV of their Binding Bids and subsequently their Binding Bids are also ranked according to their NPV. The NPV used for the ranking takes into account the Binding Bids at the IP, and the bids at any other point of DESFA System where incremental capacity is offered according to the Guidelines.
 - In case of Linked Bids, the NPV includes revenues in DESFA System from the linked DESFA entry point and the IP.
 - A Marginal Bid is being allocated the remaining incremental capacity unless the Participant has explicitly declared, in its Binding Bid, non-acceptance of such a capacity reduction. If the Participant of such Marginal Bid has declared non-acceptance of capacity reduction, the remaining capacity is allocated to the next Participant with a lower NPV ranking. If there is no other Participant with a lower NPV ranking, only the allocated capacity (without such Participant) will be considered in the EVT.
- Curtailment of Marginal Bids shall be conducted according to the provisions of the Guidelines.
- In the case of two or more Equal Marginal Bids, Section 5.5 shall apply.
- If a Linked Bid happens to be a Marginal Bid or one of Equal Marginal Bids, an equal capacity reduction shall be made by the TSOs Concerned, where applicable, at the linked interconnection/entry/exit points.
- The outcome of the preliminary allocation process shall include the successful Offer Level, the Binding Bids received, and the preliminary capacity allocated per Participant.

The timescales and the procedural details related to the bid submission process will be specified in the Joint Notice published by the TSOs and the Notice of each TSO.

5.5 Allocation of Equal Marginal Bids (EMB)

In case two or more Marginal Bids have the same ranking according to Section 5.4 (Equal Marginal Bids), the Equal Marginal Bids shall be curtailed on a pro-rata basis so that there is no Marginal Bid remaining.

5.6 Economic Viability Test

The Economic Viability Test (EVT) is carried out separately by each TSO at their side of the relevant IP.

For DESFA, the EVT takes into account the present value of the estimated increase in its allowed revenue multiplied by the f-factor (see Section 5.11) as approved by RAEWW and the present value of binding commitments of Participants for incremental capacity, which is calculated as the discounted sum of the respective Reference Prices (and any potential premium) multiplied by the amount of contracted incremental capacity according to article 22 of CAM NC, following any potential bid ranking, if needed.

The outcome of each EVT will be either positive or negative according to the provisions of article 22.2 of CAM NC and taking into account that:

- For DESFA the EVT shall concern the DESFA side of the IP, and shall include the DESFA side of any interconnection point and any entry point where incremental capacity is offered according to the Guidelines. Costs concern all costs associated with the expansion of DESFA System to meet each Offer Level, according to Section 1.2.1.
- For ICGB, the EVT shall concern the ICGB side of the IP.

For ICGB, the EVT will take into account the Present Value of the estimated revenue increase (the respective updated tariff will be generated as per the Exemption decision and IGB TRANSMISSION TARIFF CODE) multiplied by the f-factor (see Section 5.11) as approved by NRAs and the Present Value of binding commitments of Participants for contracting capacity, using a discount rate to meet the targeted IRR as per the IGB TRANSMISSION TARIFF CODE.

For the avoidance of doubt, ICGBs EVT concerns the ICGB side of the IP. Costs concern all costs borne by ICGB for the expansion of the ICGB System to meet each Offer Level.

The following results are anticipated following each TSO carrying out their EVT:

- Each TSO will verify their EVT. If positive for both TSOs Concerned, capacity is allocated according to the bid ranking.
- If the EVT is negative for DESFA, DESFA reserves the right to examine the possibility to implement any, or a combination of any, of the following so that the EVT turns to positive:
 - Convert Linked Bids to Coupled Capacity products, unless the Participant has explicitly declared, in its Binding Bid, non-acceptance of conversion.
 - Adjust the f-factor upon approval by RAEWW.

- Discuss, on a reasonable effort basis, with the Participants from the Binding Phase any potential future changes to their respective bookings.
 - Investigate whether a lower Offer Level or a customized technical solution meeting all or part of the demand, potentially curtailing Binding Bids according to Section 5.4, upon approval by RAEWW. Curtailment may impact the Offer Level to be tested at the IP. If DESFA curtails or rejects any Binding Bid at the IP where capacity is made available as bundled capacity, the bundled Binding Bid made with the other TSO Concerned will also be curtailed or rejected to the same extent.
- If the EVT is negative for ICGB, ICGB reserves the right to examine the possibility to implement any, or a combination of any, of the following so that the EVT turns to positive:
 - ICGB may investigate in coordination with the NRAs a redistribution of revenues from incremental capacity, coming from a positive market test of ICGB at IP STARA ZAGORA (EIC: 58Z-IP-00034-STZ).
 - Adjust the f-factor upon approval by the NRAs.
 - Discuss, on a reasonable effort basis, with the Participants from the Binding Phase any potential future changes to their respective bookings.
 - Investigate whether a lower Offer Level or a customized technical solution meeting all or part of the demand, potentially curtailing Binding Bids according to Section 5.4, upon approval by the NRAs. Curtailment may impact the Offer Level to be tested at the IP. If ICGB curtails or rejects any Binding Bid at the IP where capacity is made available as bundled capacity, the bundled Binding Bid made with DESFA will also be curtailed or rejected to the same extent.
- According to article 24.4 of CAM NC if a redistribution of revenues could potentially lead to a decrease in the level of binding commitments for contracting capacity required for a positive single economic test outcome, TSOs may submit to the NRA(s) for coordinated approvals the mechanisms for a redistribution of revenues from incremental capacity.
- If after the above actions, where possible, the EVT for DESFA is positive but the bids at the IP still lead to a negative EVT for ICGB, no Capacity Allocation will take place at the IP. DESFA shall have the right to conduct an EVT excluding the IP for the rest of the interconnection points and entry points where incremental capacity is offered in the Market Test according to the Guidelines.

In case at the time of the Binding Bidding Phase there is capacity already available at the IP, DESFA will first allocate to the Participants the already available capacity and, subsequently, any incremental capacity. If, according to the aforementioned procedure, no incremental capacity is allocated at the IP and no incremental capacity is allocated at other points of the DESFA System that are linked to the IP by at least one Linked Bid:

- a) The available capacity at the IP shall not be allocated to the Participants, and
- b) DESFA shall exclude from the EVT calculations the revenues from the Binding Bids at the IP.

The TSOs shall jointly communicate the EVT results of the Binding Bidding Phase to respective Participants no later than the date set for milestone “3. Capacity Allocation” as per Section 4.2, subject to the present Section in case of a negative EVT.

5.7 Gas Transportation Agreement

Each successful Participant shall enter a GTA with the TSO Concerned according to the respective applicable regulatory framework in relation to the allocated capacity.

In addition to the TSO-specific requirements, TSOs have aligned a number of key timings and milestones in the GTA process – these concern:

- Countersignature or signature of the relevant GTAs by the date set for milestone “4. Execution of GTAs” as per Section 4.2;
- The GTA(s) becoming fully effective upon a set of specific Conditions Precedent being met to the satisfaction of each TSO by the Long Stop Date;
- Closing of the Incremental Capacity Project and declaring the GTAs void if the Conditions Precedent are not met or waived by respective TSOs by the Long Stop Date.

Further details, reflecting applicable law and commercial specifics are provided, in relation to each TSO below.

5.7.1 DESFA

In case of a positive EVT, each Participant is bound to the commitments arising from the successful outcome of the procedure.

DESFA will send to the Participant(s) that have been allocated capacity the GTA, which must be returned to DESFA, signed by the Participant no later than the date set for milestone “4. Execution of GTAs” as per Section 4.2.

It is intended that the final positive outcome of the EVT leading to the realization of the Incremental Capacity Project is subject to the execution of the GTA(s) by all the Participants(s) with successful binding commitments. DESFA may waive said requirement for execution of the GTA(s) by all the Participants(s) with successful binding commitments, in case the non-execution of one or more of the GTAs does not alter the result of the EVT to negative and upon consultation with RAEWW.

The signed by both parties (DESFA and the Participant) GTA(s) will each become fully effective upon a set of Conditions Precedent being met to the satisfaction of DESFA, including:

- DESFA’s relevant part of the Incremental Capacity Project, as described in Section 1.2.1, has been unconditionally included in DESFA’s latest approved TYNDP by the Long Stop Date.
- The relevant GTAs between the Participants and TSOs Concerned have become fully effective by the Long Stop Date.

- ICGB has decided to proceed with the Incremental Capacity Project, due to the fact that its specific Conditions Precedent, as described in the Project Proposal, have been met or waived and has notified DESFA by the Long Stop Date.
- DESFA's updated estimations for the cost of the Project, which will be based on the detailed design that will follow the Capacity Allocation, will not alter the result of a positive EVT.
- DESFA has proceeded with an FID by the Long Stop Date.

If the Conditions Precedent are not met or waived by DESFA by the Long Stop Date, DESFA may close the Incremental Capacity Project. In such case, the GTAs shall be terminated ipso jure and the GTA Guarantee returned to the Participant.

The Participants shall have a step-out option according to which they will be able to withdraw from the GTA without any liability, with the exception of the actual costs incurred by DESFA up to that point allocated as foreseen below. In order to exercise the step-out option, Participants shall duly notify DESFA in this regard no later than three (3) months before the Long Stop Date (Step-out Deadline).

The Participant shall present to DESFA five (5) Business Days before GTA execution the required bank guarantee (GTA Guarantee), cashable at first request, issued by any Greek financial institute supervised by the ECB (systemic Banks, namely any of Alpha Bank, Eurobank, National Bank of Greece and Piraeus Bank) including their subsidiaries or any Greek branch of an internationally reputable bank with a minimum investment grade credit rating from the following Agencies: BBB at Standard and Poor's, BBB at Fitch or Baa3 at Moody's, or any internationally reputable bank with a minimum investment grade credit rating (as described above), or any subsidiary of an internationally reputable bank with a minimum investment grade credit rating (as described above), or any subsidiary of an internationally reputable bank without a minimum investment grade credit rating (or without any rating at all), provided that the GTA Guarantee is counter-guaranteed by any internationally reputable bank with a minimum investment grade credit rating (as described above); which has been approved in advance by DESFA, at its sole discretion. The GTA Guarantee shall be equal to the maximum annual capacity charge for the capacity allocated to that Participant. Once the GTA Guarantee described here above is presented to DESFA, the Binding Bid Guarantee indicated in Sections 5.1, will be returned.

The GTA Guarantee shall have a duration and shall remain valid until the end of the sixth month succeeding the end of the first year of the transportation services provided to that Participant in relation to the capacity allocated to the said Participant within the framework of the incremental capacity process. One (1) month before the COD for DESFA, the Participant shall present to DESFA the guarantee required according to the relevant provisions of the NNGS Standard Transmission Agreement and chapter 3A of the NNGS Network Code for the capacity allocated to that Participant in the context of the Incremental Capacity Process. For the capacity allocated to that Participant in the context of the Incremental Capacity Process the guarantee under the NNGS Transmission Agreement is calculated as per article 21H of the NNGS Network Code. For the avoidance of any doubt, all other Participant's obligations should

be fulfilled pursuant to the relevant provisions of the NNGS Network Code and the NNGS Standard Transmission Agreement, as applicable from time to time.

The Participant has the right to request the reduction of its GTA Guarantee up to the amount corresponding to the part of the guarantee provided for the capacity booked under the NNGS Standard Transmission Agreement. No later than six (6) months after the end of the first year of the transportation services provided to that Participant, and only if said Participant has duly and timely paid the charges invoiced by DESFA for that year, the GTA Guarantee shall be returned to the Participant.

In the event of a positive EVT, if the successful Participant does not issue the GTA Guarantee or does not execute the GTA it shall pay a penalty to DESFA equal to the value of the Binding Bid Guarantee described in Section 5.1.

If the GTAs do not become effective, as provided for in this Section, DESFA will allocate the actual costs incurred by DESFA for the Incremental Capacity Process up to that point to each Participant with a GTA, pro rata to the amount of their GTA Guarantees. The GTA Guarantee will be returned after such actual costs have been settled.

If the Participant terminates the GTA for reasons not attributable to DESFA after the Step-out Deadline and until the Long Stop Date, it shall pay a penalty to DESFA equal to the value of the GTA Guarantee.

Once the GTA becomes fully effective (i.e. all Conditions Precedent are met or waived by DESFA and DESFA's FID is taken until the Long Stop Date), the Participant shall be required to pay to DESFA all the applicable transmission charges with start date from the date the capacity is made available and for full duration for which capacity has been allocated to that Participant, in accordance with the terms of the GTA.

5.7.2 ICGB

In case of a positive EVT, each Participant is bound to the commitments expressed in relation to the successful Offer Level.

ICGB will send to the Participant(s) that have been allocated capacity the GTA, which must be returned to ICGB, signed by the Participant no later than the date set for milestone "4. Execution of GTAs" as per Section 4.2.

It is intended that the final positive outcome of the EVT leading to the realization of the Incremental Capacity Project is subject to the execution of the GTA(s) by all the Participants(s) with successful binding commitments. ICGB may waive said requirement for execution of the GTA(s) by all the Participants(s) with successful binding commitments, in case the non-execution of one or more of the GTAs does not alter the result of the EVT to negative and upon consultation with NRAs.

The signed by both parties (ICGB and the Participant) GTA will become fully effective upon a set of Conditions Precedent being met to the satisfaction of ICGB, including:

- ICGB has proceeded with a Final Investment Decision (FID) by the Long Stop Date.
- Considering the specific topology of IGB as an Interconnector having two Entry points (Komotini/DESFA and Komotini/TAP) and one Exit point (IP STARA ZAGORA) the FID on the Incremental Capacity Project is conditional upon taking the FID on the expansion of IP STARA ZAGORA (EIC code: 58Z-IP-00034-STZ).
- The relevant GTAs between the Participants and TSOs Concerned have become fully effective by the Long Stop Date.
- DESFA has decided to proceed with the Incremental Capacity Project, due to the fact that its specific Conditions Precedent, as described in the Project Proposal, have been met or waived and has notified ICGB by the Long Stop Date.
- ICGB's updated estimations for the cost of the Project, which will be based on the detailed design that will follow the Capacity Allocation, will not alter the result of a positive EVT.
- The allocated Participant has provided the necessary credit support under the GTA.

If the Conditions Precedent are not met or waived by ICGB by the Long Stop Date, ICGB may close the Incremental Capacity Project, void the GTAs and return the GTA Guarantee to the Participant.

The Participant shall present to ICGB five (5) Business Days before GTA execution the required GTA Guarantee in the form of a GTA bank guarantee, GTA parent company guarantee or cash deposit.

The GTA bank guarantee and GTA parent company guarantee shall be on demand and to include irrevocable and unconditional undertake that, forthwith upon ICGB giving written notice to the guarantor stating in its sole and absolute judgement that the Participant has failed to observe or perform any of the terms, conditions or provisions of the GTA on its part to be observed or performed, the guarantor will, on one or more occasions and notwithstanding any objection which may be made by the allocated Participant, promptly pay to ICGB the amount of the GTA Guarantee.

The GTA bank guarantee shall be issued in EUR by a bank having a registered main office in the European Union that has the credit rating as specified in Minimum Credit Rating at the IGB NETWORK CODE in the forms to be provided with the Binding Phase Notice.

The GTA parent company guarantee shall be issued in EUR and shall be on demand parent company guarantee to be provided (i) by a parent or affiliate of the Participant with a rating for its long-term unsecured and non-credit-enhanced debt obligations as specified in Minimum Credit Rating at the IGB NETWORK CODE; and (ii) on behalf of the Participant to ICGB to secure the obligations of the Participant related to the Allocated Incremental Capacity under the GTA. If the long-term issuer credit rating for any guarantor under any GTA parent company guarantee falls below the specified in the Minimum Credit Rating at the IGB NETWORK CODE, then within 10 days of such event, the relevant Participant shall procure replacement of GTA Guarantee.

The GTA cash deposit shall represent a sum of money in EUR paid into a bank account of the ICGB set out in the Binding Phase Notice. By making such payment, the allocated Participant shall transfer to the ICGB, and the ICGB shall acquire the full title over the GTA cash deposit (and any of its parts), free of any encumbrances held by either the Participant or any third party. No interest or any other amount shall be payable by the ICGB to the allocated Participant in connection with the GTA cash deposit. ICGB shall have the right to utilize the GTA cash deposit only for the purpose of ensuring that the Participant meets its GTA requirements.

The allocated Participant shall ensure that the GTA Guarantee shall remain in full force until the date on which the allocated Participant presents to ICGB the network user credit support as per the *existing non-exempted gas transportation agreement between the Network User (the allocated Participant) and ICGB*. One (1) month before the COD, the allocated Participant shall present to ICGB the network user credit support required according to the relevant provisions of the *existing non-exempted gas transportation agreement between the Network User (the allocated Participant) and ICGB* pursuant to Article 9 of IGB NETWORK CODE, for the capacity allocated to that Participant in the context of the Incremental Capacity Process. For the capacity allocated to that Participant in the context of the Incremental Capacity Process the network user credit support is governed by Articles 29.3.1 to 29.3.5 (incl.) and 29.3.7 of the IGB NETWORK CODE. For the avoidance of any doubt, all other Participant's obligations should be fulfilled pursuant to the relevant provisions of the *existing non-exempted gas transportation agreement between the Network User (the allocated Participant) and ICGB* and the IGB NETWORK CODE.

The GTA Guarantee provided to ICGB by each Participant will be released to such Participant once the Participant provides the network user credit support under the *existing non-exempted gas transportation agreement between the Network User (the allocated Participant) and ICGB* and the IGB NETWORK CODE. In the event of a positive EVT, if the successful Participant does not issue the GTA Guarantee or does not execute the GTA it shall pay a penalty to ICGB equal to the value of the Binding Bid Guarantee described in Sections 5.1

If the GTAs do not become effective, as provided for in this Section, ICGB will allocate the actual costs incurred by ICGB for the Incremental Capacity Process up to that point to each Participant with a GTA, pro rata to the amount of their GTA Guarantees. The GTA Guarantee will be returned after such actual costs have been settled.

Following the execution of the GTA, the Participant shall be required to pay to ICGB all the applicable (transmission) charges and fees with start date from the date the capacity is made available and for full duration for which capacity has been allocated to that Participant, in accordance with the terms of the GTA and IGB NETWORK CODE.

5.8 Progress of the project, lack of permits, delays in making available the capacity

The TSOs Concerned will share with the relevant Participants the progress of the Incremental Capacity Project. By signing the GTA, the Participant shall be deemed to have accepted that, if

the authorizations, permissions, approvals, easements, procurement contracts and any other relevant land rights necessary for the construction phase of the project are not obtained/signed or delayed, then the execution times for the implementation of the Incremental Capacity Project including the expected date of commissioning of the IP, will be considered correspondingly extended, and TSOs shall have no liability to any Participant in connection with such delays, other than what may be set out in the relevant GTA.

Each TSO shall apply appropriate mechanism to notify duly about occurrence of events of the above nature that may affect the ability to complete the timeline for the implementation of the Incremental Capacity Project.

5.9 Force Majeure

Force Majeure conditions of the different TSOs are defined in their respective contractual terms as indicated below.

5.9.1 DESFA

For DESFA, “Force Majeure” for the Binding Bidding Phase is defined in the NNGS Network Code and for the implementation of the GTA in its relevant terms.

5.9.2 ICGB

In addition to the reasons defined above in item 5.8. which may objectively affect the ability of the TSO to meet the expected timeline for finalization of the Incremental Capacity Process, including the expected date of commissioning of the capacity of the IP, ICGB and the allocated Participant may refer to the Force Majeure Event.

Force Majeure Event definition

For ICGB “Force Majeure Event” shall mean an event or circumstance (or a combination of events and/or circumstances) beyond the reasonable control of a Party, acting and having acted as a Reasonable and Prudent Party, which results in such Party being unable to perform one or more of its obligations (either wholly or partly) under the provisions governing the Incremental Capacity Process – 2023 (incl. but not limited to the Project Proposal, the Binding Phase Notice, IGB NETWORK CODE, GTAs, etc.), which inability could not have been foreseen, prevented or overcome by such Party acting as a Reasonable and Prudent Party and incurring reasonable expenses.

Subject to fulfilment of the requirements set out in the preceding paragraph, Force Majeure Event shall include, without limitation: strikes; lockouts; labour and other industrial disturbances (including sabotages); acts of God; unavoidable accidents; new Applicable Law, order, rule, regulation, act or restraint of any governmental body or authority (municipal, national, supranational, including European Union, or other) or a court; acts of war or conditions arising out of or attributable to war (declared or undeclared); shortage of materials, or limitations upon the use thereof; collapse of structures; and failure or breakdown of plant or machinery and pipes.

Limitation of Force Majeure Event

Notwithstanding the provisions of Force Majeure Event definition above, any or all of the following events and circumstances shall not constitute a Force Majeure Event:

- 1) changes in market conditions, including changes that directly or indirectly affect the demand for or price of Gas or any commodity produced from or with Gas, such as loss of customers or loss of market share;
- 2) financial hardship of a Party or the inability of a Party to make a profit or receive a satisfactory rate of return from its operations;
- 3) any event or circumstance whatsoever affecting infrastructure and/or facilities (directly or indirectly) used for the transport in systems (other than the IGB Pipeline;
- 4) the imposition of Sanctions by any Governmental Authority due solely to the failure of the ICGB to comply with any Applicable Laws; or
- 5) the breakdown or failure of machinery caused by normal wear and tear that should have been avoided by a Reasonable and Prudent Party, the failure to comply with the manufacturer's recommended maintenance and operating procedures, or the unavailability at appropriate locations of standby equipment or spare parts in circumstances where a Reasonable and Prudent Party would have had the equipment or spare parts available.

Limitation on obligation relief

Where a Party is affected by a Force Majeure Event, that Party shall (subject to the provisions of Limitation of Force Majeure Event above) be relieved from its affected obligations only and its unaffected obligations shall continue to apply.

Any failure to timely pay amounts which are owed under the Incremental Capacity Process – 2023 (incl. but not limited to the Project Proposal, the Binding Phase Notice, IGB NETWORK CODE, GTAs, etc.) shall not be excused by a Force Majeure Event, unless the payment procedure itself is affected by a Force Majeure Event.

Notification and Force Majeure Event estimation

The Party affected by a Force Majeure Event shall, as soon as practicable after learning of the Force Majeure Event, notify the other Party of the occurrence of the Force Majeure Event and, to the extent then available, provide to it a bona fide non-binding estimate of the extent and duration of its inability to perform.

The Party affected by the Force Majeure Event shall use commercially reasonable endeavours to mitigate and overcome the effects of the Force Majeure Event and shall, during the continuation of the Force Majeure Event, provide the other Party with reasonable bona fide updates, when and if available, of the extent and expected duration of its inability to perform under the Incremental Capacity Process – 2023 (incl. but not limited to the Project Proposal, the Binding Phase Notice, IGB NETWORK CODE, GTAs, etc.)

There shall be no obligation of the Party affected by a Force Majeure Event to:

- 1) settle any labour dispute (except in such a manner as it shall deem fit, in its own judgment); and
- 2) negotiate, arrange or agree alternative transportation for Gas.

5.10 Element IND and RP for fixed price approach

5.10.1 DESFA

To be consistent with the tariff regulatory framework in place, DESFA will apply floating applicable payable price derived from its reference price methodology also to incremental capacity. DESFA is therefore not considering the adoption of a fixed price approach and consequently elements IND and RP foreseen by Commission Regulation (EU) 2017/460 are not relevant.

5.10.2 ICGB

ICGB shall apply to the incremental capacity the already approved by RAEWW and EWRC Transmission Tariff Code based on the Exemption from the provisions of Articles 41.6, 41.8, 41.10 of the Gas Directive 2009/73/EC that has been granted to ICGB for a period of twenty-five (25) Years from the Commercial Operation Date pursuant to the *Final Joint Decision of the Energy Regulators on the Exemption Application of ICGB AD dated August 2018* (and the amendments to it)⁷.

Therefore, ICGB is not considering the adoption of a fixed price approach and consequently elements IND and RP foreseen by Commission Regulation (EU) 2017/460 are not relevant.

5.11 Level of user commitments (f-factor)

5.11.1 DESFA

The level of user commitments (f-factor) for the individual EVT on the Greek side of the IP Komotini for Offer Level 1 in the direction from DESFA towards ICGB System is equal to 0.7.

The level of user commitments (f-factor) for the individual EVT on the Greek side of the IP Komotini for Offer Level 2 in the direction from DESFA towards ICGB System is equal to 0.7.

The level of user commitments (f-factor) for the individual EVT on the Greek side of the IP Komotini for Offer Level 3 in the direction from DESFA towards ICGB System is equal to 0.7.

5.11.2 ICGB

The preliminary level of user commitments, expressed as an estimate of the f-factor, proposed for the individual EVT on ICGB side is 1.

⁷ Accepted by Decisions of RAEWW of Greece n. 768/2018 and EWRC of Bulgaria n. P-BO-2 on 08.08.2018.// <https://www.dker.bg/bg/resheniya/resheniya-za-2018-qod.html>

6. Economic Viability Test Parameters

6.1 ICGB

6.1.1 Reference price

In order to ensure the transparency and predictability of the Transmission Tariff for all users of IGB, an official letter followed by positive consultations with both NRAs have been performed by ICGB for extending the Exemption decision from 3 bNcm/y to 5 bNcm/y. Thus, a reference tariff for the allocated incremental capacity shall be generated as per the Exemption decision and IGB Transmission Tariff Code.

According to the Transmission Tariff Code, the transmission tariff shall reflect the Present Value of Expected Yearly Revenues divided by Present Value of Reserved Capacity Booked on a yearly basis, achieving certain minimum of nominal equity internal rate of return (IRR), capped at certain percentage for the period of the exemption decision.

For indicative purposes, the current tariff for Standard Capacity Product of ICGB is 0.6055 EUR/kWh/Gas day/Year (Entry Komotini ICGB (TAP/DESFA) 0.102935 EUR/kWh/Gas day/Year plus Exit Stara Zagora ICGB 0.502565 EUR/kWh/Gas day/Year), according to the applicable Transmission Tariff Code. The capacity projections from non-binding phase will lead to a new reference tariff (reference price) to be used for the upgraded capacity project phase and for the purpose of the EVT calculations. For the avoidance of doubts, the new reference tariff will be finally determined according to the Transmission Tariff Code provisions as per the approved by the NRA's tariff methodology.

6.1.2 Mandatory minimum premium

No mandatory premium is envisaged.

6.1.3 Present value of estimated increase in allowed revenue

Not applicable for ICGB due to the Exemption decision in force.

6.2 DESFA

6.2.1 Reference price

The tariffs for the allocated capacity shall be governed by the principles and methodology detailed in the Tariff Regulation as in force at any given time. Consistently with the current tariff regulatory framework, DESFA considers applying a floating reference price.

For indicative purposes, the tariff for the current regulatory period for long term bookings at Komotini, in the direction from DESFA System towards IGB, according to the Tariff Regulation, as in force at the time of publication of this Project Proposal is equal to 4,3000262 €/(kWh/h)/y without taking into account any regulatory adjustment provisioned in the applicable Tariff Regulation.

The inclusion of the Project of the Offer Level 1 in DESFA's Regulated Asset Base (RAB) will lead to an estimated tariff equal to 5,1409195 €/kWh/h/y being the Reference Price for DESFA's calculations for the EVT.

The inclusion of the Project of the Offer Level 2 in DESFA's RAB will lead to an estimated tariff equal to 5,6808396 €/kWh/h/y being the Reference Price for DESFA's calculations for the EVT.

The inclusion of the Project of the Offer Level 3 in DESFA's RAB will lead to an estimated tariff equal to 5,7074633 €/kWh/h/y being the Reference Price for DESFA's calculations for the EVT.

For the avoidance of doubts, in all cases, the reference price effectively applied will be finally determined according to the provisions of the regulatory framework in place at the time of the transmission service and considering the actual costs incurred by the TSO.

6.2.2 Mandatory minimum premium

For Offer Level 1 in the direction from DESFA System towards IGB the mandatory minimum premium is equal to 0,4080 €/kWh/h/year.

For Offer Level 2 in the direction from DESFA System towards IGB the mandatory minimum premium is equal to 0,2880 €/kWh/h/year.

For Offer Level 3 in the direction from DESFA System towards IGB the mandatory minimum premium is equal to 0€/kWh/h/year.

6.2.3 Present value of estimated increase in allowed revenue

The present value of the estimated increase of the allowed revenues associated to the investments for Offer level 1 in the direction from DESFA System towards IGB is estimated to approximately 152,293,723 €.

The present value of the estimated increase of the allowed revenues associated to the investments for Offer level 2 in the direction from DESFA System towards IGB is estimated to approximately 255,434,644 €.

The present value of the estimated increase of the allowed revenues associated to the investments for Offer level 3 in the direction from DESFA System towards IGB is estimated to approximately 403,293,027 €.

7. Decrease in the utilization of other non-depreciated gas infrastructure.

The realization of the projects for incremental capacity on the both sides of the IP is not expected to lead to a sustained, significant decrease in the utilization of other existing gas infrastructures in the two adjacent entry-exit systems.

8. Contact information

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9. Annex I – Definitions

This Annex contains definitions and abbreviations used in this document.

1. **Alternative Allocation Mechanism or AAM** as defined in art. 30 CAM NC.
2. **Applicant** means the interested party that registers during the Binding Phase according to Section 5.1.
3. **Bid Submission Window** means the period during which Participants may submit a Binding Bid.
4. **Binding Bid** means a binding transmission capacity request submitted by a Participant during the Binding Phase using the Binding Bid Form.
5. **Binding Bid Form** means a form attached to Binding Phase Notice of each TSO, to be used by Applicants for the submission of their Binding Bids by which Participants express their irrevocable commitment to enter a GTA with the TSO, subject to positive EVT.
6. **Binding Bid Guarantee** means a binding bid guarantee in the form as defined by each TSO submitted by a Participant and specifically related to the Binding Bid and aiming to secure participation in the Binding Phase and execution of GTA.
7. **Binding Phase Notice** means the document under Article 28.3 of NC CAM, published by each TSO at the start of the Information Phase, specifying the requirements, instructions and documents related to the Binding Phase participation and development.
8. **Binding Bidding Phase** means a phase of the Incremental Capacity Process whereby interested parties can submit Binding Bids to the TSOs through a binding process in accordance with Section 5 and during which the TSOs will perform the Economic Viability Test and will proceed to Capacity Allocation.
9. **Binding Phase** means the general phase of the Incremental Capacity Process which is composed of the Information Phase and the Binding Bidding Phase.
10. **Binding Phase Registration Form** means the forms attached to Binding Phase Notice of each TSO, to be used by Applicants for their registration to the Binding Phase by which Participants will declare acceptance of the conditions set by TSOs.
11. **BULGARTRANGAZ System** means the Bulgarian Gas Transmission System, operated by BULGARTRANGAZ EAD.
12. **Business Day(s)** shall mean any calendar day, but not a Saturday, Sunday, or a public holiday either in Greece or Bulgaria as applicable.
13. **CAM NC** means the Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on Capacity Allocation mechanisms in gas transmission systems.
14. **Capacity Allocation** means allocated capacity to each of the successful Participants

after the positive outcome of a Binding Bidding Phase and EVT.

15. **Commercial Operation Date (COD)** means the date for commercial operation following successful commissioning of the incremental capacity at the IP, realized following a positive EVT.
16. **Condition(s) Precedent** means the events or actions that must be completed (or otherwise waived) before or as part of the GTA(s) in order the latter to become effective, as required by each TSO in their respective sub-section of Section 5.7.
17. **Coupled Capacity** refers to the provision of natural gas transmission services in coupled points according to the provisions of chapter 2D of NNGS Network Code as in force from time to time.
18. **Demand Assessment Report (or DAR)** means the report published jointly by the TSOs on 23 October 2023 *[defined in article 26 of CAM NC]*. The DAR summarizes the results of the Non-binding demand indications received by the TSOs.
19. **Design Phase** means the design phase of the incremental capacity process as defined in article 27 of CAM NC.
20. **DESFA System (or NNGTS)** means the National Natural Gas Transmission System, operated by DESFA.
21. **Economic Viability Test (or EVT)** means the test applied to assess the economic viability of the Incremental Capacity Project according to Section 5.6.
22. **EWRC** means Energy and Water Regulatory Commission of Bulgaria, the National Energy Regulatory Authority of Bulgaria.
23. **Expansion Project** means a project to expand DESFA's capacity in DESFA's existing entry and/or exit points or to establish new entry and/or exit points on DESFA System, and includes a Limited Expansion Project, Partial Expansion Project and/or Full Expansion Project in accordance with Section 1.2.1.
24. **F-factor** as defined in art. 3 (24) CAM NC.
25. **GTA (or gas transportation agreement)** means the agreement signed by the TSO and a Participant to whom incremental capacity has been allocated pursuant to the Incremental Capacity Process, as specified in each TSO's specific requirements in Section 5.7. GTA is specific to each TSO and could be drafted and titled differently.
26. **GTA Guarantee** has the meaning given to it in each TSO's specific requirements in Section 5.7.
27. **Guidelines** means the incremental capacity project proposal set in public consultation and approved by RAEEW by its Decision no [____], which describes the technical project and the process that will be followed in order for DESFA to offer incremental capacity in the Market Test for the expansion of DESFA System.
28. **ICGB System or IGB** means the Interconnector Greece-Bulgaria operated by ICGB AD.
29. **IGB NETWORK CODE** shall mean the Network Code of ICGB AD as in force and amended from time to time and published here – <https://www.icgb.eu/media/akuj3oph/igb-network-code.pdf> ;
<https://www.icgb.eu/network-users/contractual-arrangement/>.

- 30. **Incremental Capacity Process** means the current process to assess market demand for incremental, firm bundled, capacity at the IP.
- 31. **Incremental Capacity Project** means the project described in this document aiming to increase the amount of technical capacity at the IP *[defined in art. 3 (11) CAM NC]*. For DESFA, the Incremental Capacity Project may increase the amount of technical capacity at other entry or exit points at DESFA System, as described in the Guidelines.
- 32. **Information Phase** has the meaning given to it in Section 4.
- 33. **Interconnection Point (IP or Komotini IP)** means the interconnection point at Komotini (Greece) between DESFA and ICGB.
- 34. **Joint Notice** means the notice jointly published by the TSOs Concerned according to Art. 28.3 CAM NC at the start of the Information Phase.
- 35. **Linked Bid** means a bid where the Participant has indicated that its binding request at a DESFA's entry point or ICGB exit point is subject to allocation of an equal amount of capacity and duration at the IP under the Incremental Capacity Process described in this Project Proposal.
- 36. **Long Stop Date** has the meaning given in Section 5.7 and being the date of 31st of May 2025.
- 37. **Mandatory Minimum Premium** means an additional amount added on the Reference Price of each TSO, where applicable according to Section 6, to ensure a positive EVT [according to article 33 of Commission Regulation (EU) 2017/460 (TAR NC)].
- 38. **Market Test** means the market test process for the expansion of DESFA System, launched by DESFA in March, the binding phase of which is described in the Guidelines.
- 39. **Member State** means a member state of the European Union.
- 40. **Marginal Bid** means a bid where capacity cannot be met by TSOs Concerned at one Offer Level.
- 41. **Network User** means an entity that has entered into a Gas Transportation Agreement according to the IGB NETWORK CODE.
- 42. **NNGS Standard Transmission Agreement (or Framework Transmission Agreement)** the standard framework agreement between DESFA and a Transmission User (Government Gazette B 4802/30.10.2020) according to Art. 6A of NNGS Network Code as in force from time to time.
- 43. **NNGS Network Code** shall mean the Network Code of the Greek National Natural Gas System (Government Gazette B 5773/04.10.2023) as in force from time to time.
- 44. **National Regulatory Authorities (or NRAs)** means the National Energy Regulatory Authority of Greece (RAEWW) and of Bulgaria (EWRC).
- 45. **Non-binding demand indications** the non-binding demand indication(s) for incremental capacity at the IP, received by the TSO(s).
- 46. **Notice (or Binding Phase Notice)** means the notice published by each TSO according to article 28.3 CAM NC at the start of the Information Phase.

- 47. **NPV** means the net present value.
- 48. **Offer Level** means the respective level of capacity offered for each of the yearly standard capacity products at the Komotini IP.
- 49. **Participant(s)** means an Applicant that is considered compliant by TSOs (in accordance with Section 5.1) with the requirements for registration process and can further participate in the Binding Bidding Phase.
- 50. **Project Proposal** means the incremental capacity project proposal set in public consultation (draft Project Proposal) or sent to the NRAs for approval (final Project Proposal or Project Proposal), which describes the technical project and the process that will be followed in order for the TSOs Concerned to offer firm incremental capacity at an IP.
- 51. **RAEWW** means the Regulatory Authority for Energy, Water and Waste, the National Energy Regulatory Authority of Greece.
- 52. **Reference Price** means the price for a capacity product for firm capacity of duration of one year at the IP according to Section 6.
- 53. **Tariff Regulation** means the Tariff Regulation for the Basic Activities of the National Natural Gas System as defined in article 88 of Law 4001/2011 and in force from time to time.
- 54. **Transmission System** means any natural gas pipeline system, including pipes above and below ground and all other related equipment owned, or used and operated, by a TSO in order to provide natural gas transportation services.
- 55. **Transmission User(s)** an entity that has entered into an NNGS Standard Transmission Agreement.
- 56. **TSO** means Transmission System operator, being ICGB and DESFA (as relevant).
- 57. **TSOs Concerned** means DESFA and ICGB.
- 58. **TYNDP** a TSO's Ten Year Network Development Plan.

10. Annex II – Guidelines