

# **Guidelines for the 2025 Market Test of Trans Adriatic Pipeline AG**

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# 1. Introduction

The purpose of these Guidelines for the 2025 Market Test of Trans Adriatic Pipeline (“the Guidelines”) is to define the rules and procedures to be followed in the Market Test process to be conducted by TAP starting in July 2025, and inform all Interested Parties, and any other relevant stakeholders thereof. During TAP’s Market Test, all Interested Parties can request (i) incremental capacity at existing entry and/or exit points along TAP’s transportation system (“Capacity Requests”), (ii) and/or the construction of new entry and/or exit points (“Connection Requests”).

These Guidelines reflect TAP’s specific regulatory regime for the performance of its Market Tests. They seek to align the provisions of the *Final Joint Opinion of the Energy Regulators on TAP AG’s Exemption Application, dated 6 June 2013, granted by the Authorities pursuant to Directive 2009/73/EC* (“FJO”) and of TAP’s Tariff Code<sup>1</sup> with Commission Regulation (EU) 2017/459 establishing a network code on Capacity Allocation Mechanisms in gas transmission systems (“CAM NC”).<sup>2</sup>

In compliance with Section 4.1.7 FJO, these Guidelines have been approved by the competent National Regulatory Authorities of Italy, Greece and Albania (“Authorities”), namely ARERA, RAAEY<sup>3</sup> and ERE and, in case of a Market Test proceeding to the Binding Phase, can be expected to be supplemented by Project Proposal(s) approved by the Authorities.

## 1.1 The requirement to expand capacity

For its Initial Capacity, TAP is exempted from provisions on third party access, regulated tariffs and ownership unbundling subject to the terms of the FJO. The exemption from regulated tariffs and ownership unbundling also applies to TAP’s Expansion Capacity.

According to the FJO, TAP must perform a Market Test at least every two years, starting no later than its Commercial Operation Date (“COD”), for the allocation of capacity additional to the Initial Capacity and to any part of the Expansion Capacity allocated as a result of the binding phase(s) of the previous Market Tests.

## 1.2 The Market Test

The Market Test is an open, transparent, and non-discriminatory procedure. The process reflects TAP’s unique and specific regulatory framework. An overview of its phases is set out in Figure 1 below.

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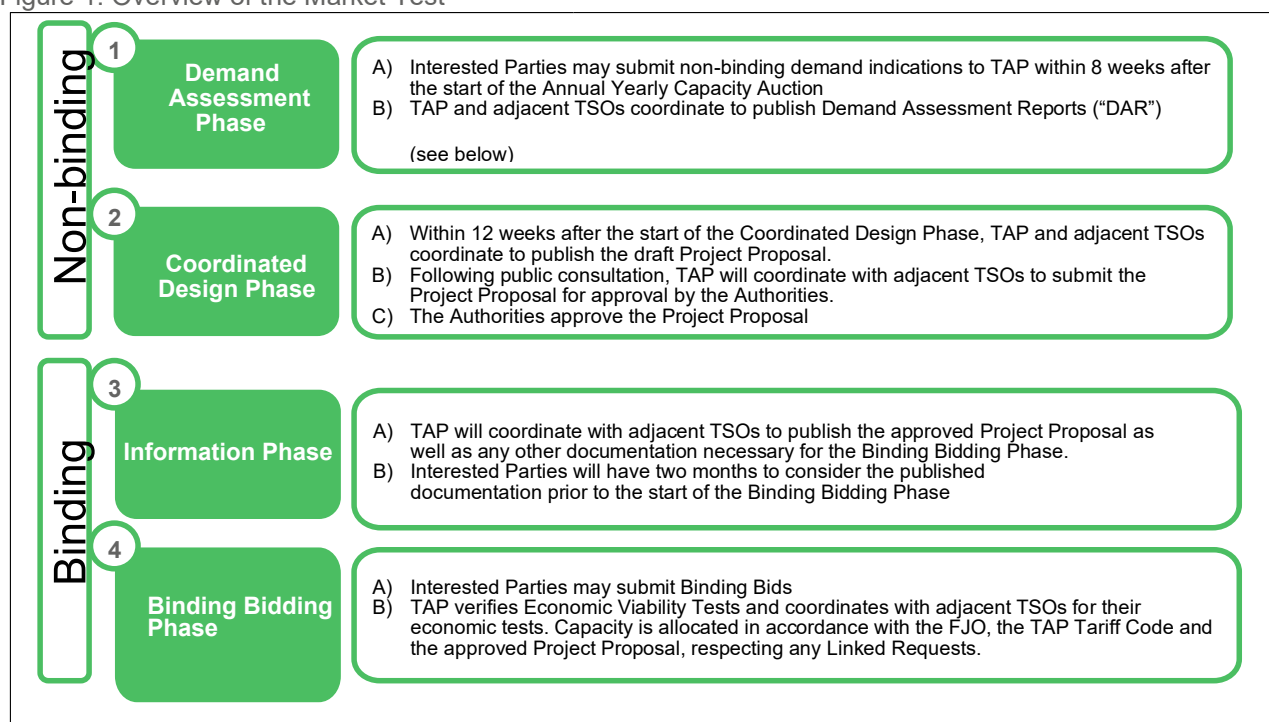
<sup>1</sup> Approved in November 2013 by the Italian, Greek and Albanian National Regulatory Authorities. Subsequent amendments were approved in July 2018 and November 2025.

<sup>2</sup> We do note the General Court (GC) of the European Court of Justice’s ruling in T-684/19 and T 704/19 *MEKH v. ACER* and *FGSZ v. ACER*, judgment of 16 March 2022, ECLI:EU:T:2022:138 on Chapter V of CAM NC: The General Court declares inapplicable the provisions of Regulation 2017/459 relating to the process for the creation of incremental capacity for gas transmission <https://curia.europa.eu/jcms/upload/docs/application/pdf/2022-03/cp220046en.pdf>

<sup>3</sup> Former RAE (before its renaming by virtue of Greek Law 5037/2023, which expanded its scope with responsibilities over Water services and Urban Waste management)

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Figure 1: Overview of the Market Test



The main deadlines applicable to the Non-Binding Phase of TAP's 2025 Market Test<sup>4</sup> are the following:

TAP launches the Non-Binding Phase	7 July 2025
Interested Parties submit the Registration and Non-Binding Demand Indication Form	7 July – 1 September 2025 <sup>5</sup>
TAP and Adjacent TSOs publish Demand Assessment Report(s)	Expected timing end January 2026. The precise timing depends on the publication of any capacity allocation under the Binding Phase of the 2023 Market Test. <sup>6</sup> Following such publication, all Interested Parties from the Non-Binding Phase will be given the opportunity to revise their Non-Binding Demand Indications. Interested Parties will be informed of the precise deadline for such revision with at least two weeks' notice. <sup>7</sup>
Start of Coordinated Design Phase	TBD (immediately after publication of a Demand Assessment Report (DAR) including a decision to proceed)
TAP and Adjacent TSOs publish draft Project Proposal for public consultation	TBD (at the latest 12 weeks after start of the Coordinated Design Phase)

<sup>4</sup> The process related to the 2025 Market Test, specified by these Guidelines, is distinct from the Binding Phase of the 2023 Market Test.

<sup>5</sup> TAP reserves the right to accept non-binding demand indications sent after the 8 weeks deadline. In addition, given the Binding Phase of the 2023 Market Test, all interested parties from the non-binding phase will be given the opportunity to revise their non-binding demand indications.

<sup>6</sup> Such publication would also include a situation where TAP informs the market that no binding bids or no registrations for the Binding Bidding Phase have been received.

<sup>7</sup> Note that for Interconnection Points which are not offered for booking in the Binding Phase of the 2023 Market Test, the Demand Assessment Report(s) may also be issued separately at an earlier stage, and without a window to revise Non-Binding Demand Indications for such Interconnection Point.

### **Update on timeline and process of 2025 Market Test**

The Project Proposal for the Binding Phase of the 2023 Market Test, expected to be submitted for approval to the Italian, Greek and Albanian Authorities in July 2025, contains a timeline in section D1 **“Timeline of the Binding Phase”**<sup>8</sup>, envisaging a Binding Bidding Phase in late 2025.

The indicative timeline of the 2025 Market Test included in these Guidelines intends to mitigate any potential negative consequences of the overlapping market tests by finalizing the DAR only after capacity allocation under the Binding Phase of the 2023 Market Test has taken place.

Once the results of capacity allocation from the Binding Phase of the 2023 Market Test have been published, TAP will give the opportunity to all Interested Parties from the Non-Binding phase to revise their Non-Binding Demand Indications within at least 2 (two) weeks of the publication.

In any case, TAP reserves its rights to accept Non-Binding Demand Indications sent after the 8 weeks deadline, as per the above.

In this way, TAP envisages to ensure that the Coordinated Design Phase is specifically tailored for remaining Non-Binding Demand Indications for incremental capacity, after capacity has been allocated in the Binding Phase of the 2023 Market Test. When published, the DAR will contain a decision on whether to start a Coordinated Design Phase for the 2025 Market Test or not.

In view of this flexible timeline for the 2025 Market Test, TAP will keep the market and relevant stakeholders informed on the opening of the Binding Phase of the 2023 Market Test by publishing information on its website and by publishing the Project Proposal when submitted to the Authorities for approval.

As an outcome of the Market Test, binding requests for Forward Firm Long-Term capacity may, subject to the conditions under the FJO, the TAP Tariff Code and relevant law applicable to TAP, lead to an investment obligation for TAP in line with Section 4.1.8 FJO.

If a situation provided for by Section 4.1.9 of the FJO arises, TAP will enter into discussions with the Authorities on the economic and technical feasibility of such future expansion possibilities beyond the Total Capacity and on the related processes and procedures for implementation.

In addition to accommodating incremental capacity at TAP's existing interconnection points, the Guidelines define the general framework for accommodating Connection Requests for building additional entry and/or exit points in Greece, in accordance with Section 4.7.5 FJO, and requests for increasing the technical capacity of existing and/or building additional entry and/or exit points in Albania, in accordance with Section 4.7.8 FJO. For such Connection Requests to be considered, all costs need to be borne by the party having made the request. These Guidelines contain the high-level principles that govern a Connection Request sent to TAP. More detailed procedures may be developed at a later stage, for separate approval and publication.

## **2. Definitions**

This chapter contains the definitions and terminology used in these Guidelines. Any capitalised terms used but not defined herein will have the meanings given to them in the Final Joint Opinion or in the TAP Tariff Code.

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<sup>8</sup> <https://www.tap-aq.com/shippers/market-tests-7>

**Adjacent TSO** means a TSO that shares an interconnection point with TAP and implements the EU energy legislation, including DESFA, ICGB, Albgaz and Snam Rete Gas.

**Applicant means** the interested party that registers to a Binding Phase under this Market Test.

**Authorities** means the National Energy Regulatory Authorities of Italy ('ARERA'), Greece ('RAAEY') and Albania ('ERE').

**Binding Bid** means a bid submitted by an Applicant during the Binding Bidding Phase.

**Binding Phase** means the general phase of the Market Test which is composed of the Information and Binding Bidding Phases.

**Binding Bidding Phase** means the final phase of the Market Test whereby Interested Parties can submit Binding Bids to TAP and during which TAP will perform the Economic Viability Test and will proceed to capacity allocation.

**Capacity Caps** means the pro-competitive measures for the Italian, Greek and Albanian market as set out in points 3, 6 and 9 of section 4.7 of the FJO.

**Capacity Request** means a binding and/or non-binding request to TAP from an Interested Party to acquire firm long-term capacity at TAP's entry and/or exit points.

**Connection Request** means a non-binding request to TAP from an Interested Party to build a new entry and/or exit point in Albania or Greece and/or to increase the technical capacity of an already existing entry and/or exit point in Albania, in accordance with Sections 4.7.5 and 4.7.8 of the FJO.

**Coordinated Design Phase** means the second part of the Non-Binding Phase of this Market Test.

**Demand Assessment Phase** means the first part of the Non-Binding Phase of this Market Test.

**Demand Assessment Report (DAR)** means the document prepared by TAP and Adjacent TSOs evaluating the prospective demand for expansion.

**Expansion Capacity** means capacity in the TAP transportation system made available in addition to Initial Capacity, as referenced in the FJO.

**Forward Firm Long-Term capacity** means Capacity Products for transportation capacity in the TAP transportation system booked by reference to a separate Entry Point and Exit Point for the forward transportation of natural gas that is made available to Shippers for a period of more than one year and which TAP is not permitted to interrupt except for planned maintenance, capacity restrictions or a force majeure.

**Guidelines** means this document, approved by the Authorities, that sets out how TAP will perform the Market Test launched in 2025, with a view to offer all Interested Parties Expansion Capacity as per section 4.1.7 of the FJO and to accommodate Connection Requests.

**Incremental Capacity Project** means a project to expand TAP's capacity in TAP's existing entry and/or exit points or to establish new entry and/or exit points on TAP transportation system, in accordance with the FJO and TAP's Tariff Code.

**Initial Capacity** means the capacity of 10 BCM/y constructed and made available in the first phase of the TAP transportation system, as referenced in the FJO.

**Interested Party** means any legal person who is interested in participating in the non-binding phase of TAP's Market Test.

**Linked Request** means a request where an Interested Party has indicated that its non-binding demand request at a TAP Entry Point is contingent on allocation of an equal amount of capacity and duration at a second IP (Exit Point).

**Market Test** means the process through which TAP assesses market demand for Expansion Capacity and Connection Requests, that includes a Non-Binding Phase, in which Interested Parties express and quantify their requests and a Binding Phase in which binding commitments may be entered.

**Non-Binding Demand Indication** means the Capacity Request and/or Connection Request indicated by the Interested Party through the filling out of the "Registration and Non-Binding Demand Indication Form".

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**Non-Binding Phase** means the general phase of the Market Test which is composed of the Demand Assessment and Coordinated Design Phases.

**Participation Fee** means the amount to be paid by the Interested Parties for participating in TAP's Market Test – Non-Binding Phase.

**Project Proposal** means the document prepared by TAP and Adjacent TSOs if the demand assessment report identifies demand for incremental capacity projects.

**Total Capacity** means the sum of the Initial Capacity and Expansion Capacity, as referenced in the FJO.

### 3. Demand Assessment Phase

TAP invites all Interested Parties, regardless if they are already Registered Parties with TAP or not, to participate in TAP's Market Tests. TAP will treat all Interested Parties in a transparent and non-discriminatory manner.

To participate in the Demand Assessment Phase, any Interested Party must comply with the provisions of these Guidelines and successfully submit the Registration and Non-Binding Demand Indication Form, as published on TAP's website and related documentation. The list of documentation required will be published on TAP's website together with an announcement (Non-Binding Phase Notice) informing Interested Parties on the opening of the Market Test through initiation of the Demand Assessment Phase.

**The submission by an Interested Party of the Registration and Non-Binding Demand Indication Form and related documentation does not give rise to any obligation on an Interested Party to submit a binding offer, nor shall it bind TAP to invest and realise any Incremental Capacity Project.** A Participation Fee of 10,000 EUR) is payable by each Interested Party wishing to participate in the Market Test. The Participation Fee is intended to cover the administrative costs for TAP of performing the Demand Assessment Phase of the Market Test and must be paid together with the submission of the Registration and Non-Binding Demand Indication Form, at the latest within 8 weeks from the opening of the Market Test. Nonetheless, TAP reserves its right to accept Non-Binding Demand Indication forms -together with the payment of the Participation Fee- sent after the expiration of this deadline.

The Participation Fee shall be reimbursed to each Interested Party if the Market Test results in the installation of at least one additional compressor unit in TAP, following a successful Economic Viability Test and execution of at least one Gas Transportation Agreement (GTA) for Forward Firm Long-Term capacity with any user, even in the case that the user concluding the GTA is different from the Interested Party who made the request. TAP's incurred administrative costs for the Market Test may then be taken into account for the recalculation of TAP's tariffs in accordance with Clause 3.3.3 (d) of the TAP Tariff Code.

**Failure to pay the Participation Fee by the Interested Party may result in TAP disregarding any non-binding Capacity Requests or Connection Requests made by that Interested Party.**

The Market Test documentation which is deemed non-confidential by TAP will be published on TAP's website and made available to the public.

In the Demand Assessment Phase, Interested Parties can submit non-binding Capacity Requests for Firm Long-Term Capacity and/or Connection Requests.

To make a submission during the Non-Binding Phase, an Interested Party must complete the Registration and Non-Binding Demand Indication Form (as published on TAP's website) that must contain at a minimum the following information:

- i. the type of request(s):
    - a. non-binding Capacity Request(s) at TAP's already defined entry and/or exit points.
    - b. Connection Request for building an additional entry and/or exit point in Greece.
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- c. Connection Request for increasing the technical capacity of an existing and/or building an additional entry and exit point in Albania.<sup>9</sup>

Please note that only Capacity Requests for Forward Firm Long-Term capacity shall be considered in the design of the Incremental Capacity Project of TAP. According to TAP's regulatory framework, Commercial Reverse Capacity cannot lead to any investment underpinning the realization of incremental capacity. (TAP offers Commercial Reverse Capacity according to the TAP Network Code on the PRISMA capacity booking platform.)

- ii. the start and end dates for which a demand for incremental capacity is expressed.
- iii. the amount of capacity requested.
- iv. information on non-binding demand indications which were or will be submitted to other TSOs, in case such indications are linked to each other.
- v. indication whether the Non-Binding Demand Indication is subject to any condition in relation to points i-iv above including being a Linked Request.

Interested Parties must submit Non-Binding Demand Indications no later than 8 weeks after the Annual Yearly Capacity Auction. TAP reserves its right to accept Non-Binding Demand Indications beyond the end of the Demand Assessment Phase and will give the opportunity to all interested parties from the non-binding phase to revise their non-binding bids, for at least 2 (two) weeks after the publication of the results of capacity allocation for the 2023 Market Test, as indicated above in Section 1.2 "Market Test".

For the parties interested in submitting a Connection Request to TAP, TAP accepts the Non-Binding Demand Indication form throughout a Market Test, as specified in more detail in section 5 Binding Phase below.

It is the responsibility of the Interested Party who submits the Non-binding Demand Indications to TAP to submit any corresponding non-binding demand indications to relevant Adjacent TSOs. In case of TAP's entry point at Kipoi, it is the responsibility of the Interested Party to initiate any procedures that may be necessary for capacity to be made available at the non-EU side of the interconnection point.

If an Interested Party submits a Registration and Non-Binding Demand Indication Form (as published on TAP's website), TAP will respond in writing to that Interested Party. When applicable and on a case-by-case basis, each written response may be based on TAP's coordination with the Adjacent TSO who operates the corresponding entry-exit system border to the TAP transportation system.

In case of Connection Requests, the response will include a requirement for commitments from the Interested Party to cover any costs incurred by TAP, including in investigating, such points.<sup>10</sup> TAP may require that such commitments are formalised between the Interested Party and TAP at a time indicated by TAP in its response, which may be before inclusion of such points in a Project Proposal.

At the end of the Demand Assessment Phase, TAP, in association with Adjacent TSOs, will publish a joint demand assessment report ("DAR"). The DAR will evaluate the prospective demand for expansion of the TAP pipeline and the prospective demand for expansion at its interconnection points with the transmission systems of Adjacent TSOs. The report will build on the template developed by ENTSOE. In addition, the report will also include the non-binding requests received by TAP for new or expanded entry and/or exit points.

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<sup>9</sup> An overview of the location of TAP's block valve stations, entry and/or exit points as well as current and planned compressor stations, is provided in the supporting document 'TAP Overall Map for the 2025 Market Test'.

<sup>10</sup> Note that the FJO only obliges TAP to facilitate entry and/or exit points and not any other downstream infrastructure or spur lines, etc.



In collaboration with Adjacent TSOs, TAP should publish the DAR(s) in English on its website. The timeline for this publication is set out above at Section 1.2 “Market Test”. If the DAR identifies demand for incremental capacity projects, the Market Test proceeds to the Coordinated Design Phase.

If the DAR does not identify demand for incremental capacity projects, the Market Test ends, without prejudice to any prerogatives the Authorities may have to challenge this conclusion.

## 4. Coordinated Design Phase

In the Coordinated Design Phase, TAP will work in association with Adjacent TSOs at the respective interconnection points to design the Incremental Capacity Project, to the extent that cooperation does not conflict with the FJO, the TAP Tariff Code, the TAP Network Code and any other regulatory instrument that implements the FJO. In all circumstances, TAP retains the options and discretion afforded in the FJO.

The Coordinated Design Phase commences the day after the publication of a DAR that concludes to initiate an Incremental Capacity Project.

TAP and the Adjacent TSOs will conduct technical studies to design the Incremental Capacity Project and comprise the result in a Project Proposal.

TAP may request fees for the performance of technical studies necessitated by the non-binding Capacity and Connection Requests (e.g. to establish technical feasibility of a connection ahead of a Binding Phase or related to an early start-up date of capacity requiring investment ahead of the completion of a Binding Phase or related to demand in excess of TAP’s Total Capacity, as referenced in section 4.1.9 of the FJO). Modalities of such fees would be separately agreed with relevant Authorities, published on TAP’s website and communicated to relevant Interested Parties.

No later than 12 weeks after the beginning of the Coordinated Design Phase, TAP will endeavour, in coordination with Adjacent TSOs, to publish and publicly consult on the design of the proposed Incremental Capacity Project comprised in the draft Project Proposal. The public consultation will last for a minimum of one month and no longer than two months.

Any Project Proposal must be consistent with the FJO. This will include the rules that will govern the Binding Phase, including any alternative allocation mechanism in the sense of Article 30 of CAM NC. Such alternative allocation mechanism can be foreseen to be necessary in order to allow compliance with the rules laid down in Clause 3 of the TAP Tariff Code. It will also include an auction mechanism as mentioned by Clause 3.3.1 (e) of the TAP Tariff Code.

Following the consultation, TAP and the Adjacent TSOs will endeavour to finalise the design of the proposed Incremental Capacity Project and submit the Project Proposal for the approval of the relevant Authorities. Within 6 months of the receipt of the complete Project Proposal by the last of the relevant Authorities, they should publish coordinated decisions on the Project Proposal.

Connection Requests may be treated individually according to a separate timeline, as such requests are not subject to an economic viability test, but to a technical feasibility test, as per the requirements from TAP’s FJO. According to Sections 4.7.5 and 4.7.8 FJO, costs for the construction and operation of such connections will be borne by the requesting third party, according to the national legislation in place at the time of the request.

If the Authorities approve the Project Proposal, the Market Test will proceed to the Binding Phase<sup>11</sup>. If the Authorities do not approve the Project Proposal, the Market Test ends.

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<sup>11</sup> This approval step is without prejudice to the options and discretion afforded to TAP by the FJO, the TAP Tariff Code the TAP Network Code and any other regulatory instrument that implements the FJO.

In what concerns the timeline of the Binding Phase, the Binding Bidding Phase may normally be launched between 12 and 24 months from the start of the Non-Binding Phase. Nevertheless, in exceptional situations, in order to cater to the needs of the market or for other market related and/or, but not limited to, regulatory reasons, the timing of the Binding Phase may deviate from this timeframe.

## 5. Binding Phase

Overall, the Binding Phase provides Applicants with the opportunity to submit Binding Bids to TAP for incremental capacity at TAP's entry and/or exit points.

The Binding Phase consists of the Information Phase and the Binding Bidding Phase.

The Information Phase starts 2 (two) months ahead of the opening of the Binding Bidding Phase.

In the Binding Bidding Phase, Applicants may submit Binding Bids for incremental capacity on TAP.

In the case of binding Capacity Requests, TAP and Adjacent TSOs would conduct relevant Economic Viability Tests (EVT) separately at their side of the relevant IP. For TAP, the EVT considers the net present value of the cost estimates and hypothetical incremental revenues, applying TAP's Target IRR as the discount factor (see TAP Tariff Code for more details, as published on TAP's website). For the avoidance of doubt, the EVT concerns the TAP sides of all IPs where incremental capacity is offered. Costs included in the EVT calculation are all costs to be borne by TAP for the expansion of the pipeline to meet each Offer Level (including relevant costs incurred by TAP in a previous unsuccessful Market Test and not otherwise recovered). Thus, revenues for the calculation of the NPV relate to incremental revenues to be collected by TAP from the application of the TAP Tariff to all incremental capacity allocated at TAP's side of all IPs.

In the case of a positive EVT, after taking into account any admissible conditionality that may have been stated in Binding Bids, TAP may allocate capacity to successful bidders and proceed to initiate required works to make the requested capacity available<sup>12</sup>.

During the Binding Phase, for the Applicants to be able to send binding bids for long-term incremental capacity at new entry/exit points on TAP, a Connection Request must have been sent to TAP during the Market Test in time for inclusion in the Project Proposal submitted to the NRAs for approval.<sup>13</sup> If the Connection Request was received after this deadline, and it was not included in the Project Proposal, the request may be carried over into the next Market Test or offered for capacity booking on PRISMA, for short-term capacity.<sup>14</sup>

### 5.1 Capacity Caps assessment

During a Market Test, in the Binding Phase, it is the responsibility of the Applicant to ensure that their Binding Bids comply with any applicable Capacity Cap. Please note that under Article 4.7 of the Final Joint Opinion certain limitations may apply to undertakings if they are deemed to hold a dominant position following an assessment with the relevant Authorities in the Italian, Greek and/or Albanian gas markets.

For the Authorities to be able to evaluate the compliance of the Binding Bids with the Capacity Caps, Applicants shall provide to TAP and the Authorities the information relating to the Binding Bid made to TAP, as well as any other information that the Authorities may request.

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<sup>12</sup> This is without prejudice to any technical studies TAP may deem necessary to perform earlier in accordance with section 4 above.

<sup>13</sup> The exact deadline will depend on the timeline of that particular Binding Phase and will be discussed bilaterally with each party submitting a Connection Request to TAP.

<sup>14</sup> Further details on connections to TAP pipeline will be provided in a separate document covering the framework for connections to TAP and in TAP's Network Code.

Further details on the process of Capacity Caps assessments will be addressed in documentation for the Binding Phase and Project Proposal.

## 6. Disclaimer

No rights, other than those explicitly stated, may be derived from the contents of these Guidelines, or the supporting documentation.

TAP has taken all reasonable endeavours to ensure that the information in these Guidelines, and supporting documentation is correct at the time of publication. TAP assumes no liability in contract or in tort or breach of statutory duty or otherwise for or in respect of any loss or damage howsoever arising in respect of or in connection with the contents of this publication, its appendices and supporting documentation.

## 7. Supporting documentation

At the opening of the Non-Binding Phase, TAP website will include all relevant information and documentation for participating in the Market Test, including but not limited to the following:

- Non-Binding Phase Notice
- Registration and Non-Binding Demand Indication form
- TAP Overall Map for the 2025 Market Test
- TAP Capacity Overview for the 2025 Market Test
- Gas Transportation Agreement<sup>15</sup>, consisting of:
  - o Transportation Confirmation.
  - o General Terms and Conditions.
  - o TAP Network Code.
- TAP Tariff Code
- Final Joint Opinion
- Regulatory Compliance Programme

All documents available on TAP's website will be in English.

TAP reserves the right to update the supporting documents above at all times.

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<sup>15</sup> The documents constituting the Gas Transportation Agreement are made available for convenience and information only and may be different by the time of the Binding Phase of the 2025 Market Test.

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