

# ***BALKANS AS A CORRIDOR OF ENERGY SUPPLIES TO EUROPE – THE TRANSIT COUNTRIES***

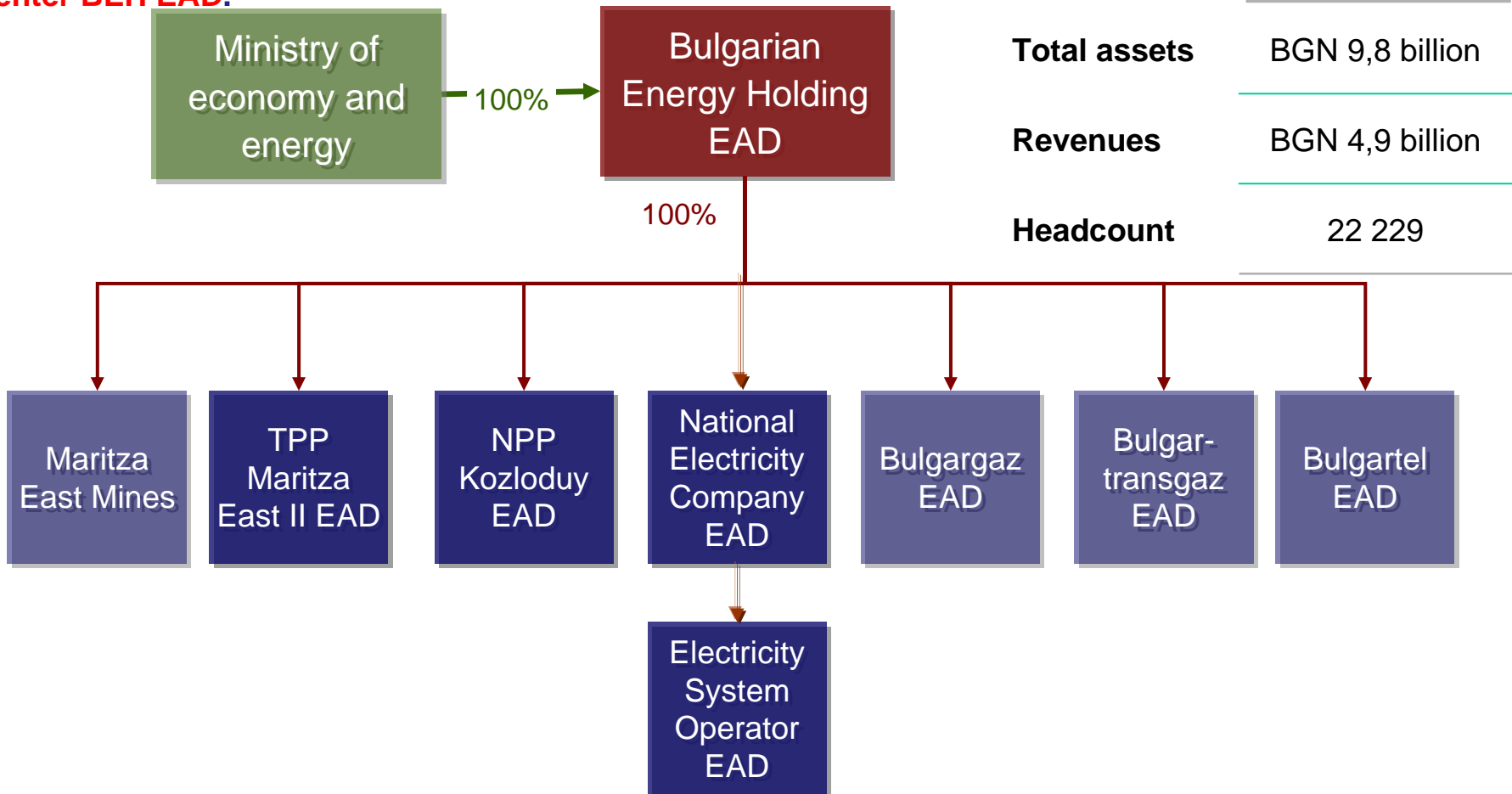
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## **CONTRIBUTION AND ROLE OF BULGARIA**

**Rosen Simitchiev – Chief Expert  
BULGARIAN ENERGY HOLDING EAD  
3<sup>rd</sup> South East Europe Energy Dialoge  
18-19 June 2009, Thessaloniki, Greece**

# STRUCTURE OF THE HOLDING

The companies incorporated into the holding structure are operationally independent. They are solely owned by and directly subordinate to the corporate center BEH EAD.



Key  
consolidated  
figures (2008)

**Total assets**

BGN 9,8 billion

**Revenues**

BGN 4,9 billion

**Headcount**

22 229



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## BEGINNING OF NATURAL GAS ACTIVITIES IN BULGARIA



- 1963 - Start up of natural gas use in Bulgaria
- 1974 - Start up of gas transmission and supply in Bulgaria
- **1987 - Start up of gas transit to neighboring countries**

## **MAIN DRIVERS IN BULGARIAN GAS SECTOR 2008**

### **Bulgarian Gas Transmission Network (Includes National and Transit Networks)**

- High pressure gas pipelines > 2 700 km
- National Gas Transmission Network with length of >1 700 km (3 compressor stations with total capacity 49 MW)
- Compressor stations – 9 (installed capacity – 264 MW)
- Capacity of the national gas transportation network ~7 bcm/year
- **Transit gas network with length 945 km (6 compressor stations with total capacity 214 MW)**
- **Contracted capacity of the transit gas pipelines – 17.8 bcm/year**, however the overall capacity is bigger.

### **Natural Gas Volumes: BULGARIA**

- Indigenous production: 0.22 bcm (6.5%)
- Imports: 3.5 bcm
- Gas import dependence: 93.5 %
- Consumption: 3.3 bcm
- **Transit: 16.7 bcm**

### **Energy Balance Share**

- Gas in the energy mix: 11% (2007)
- Gas in the mix of electricity production: 4 % (2007)
- Gas in the mix of heat production: 49.9 % (2007)
- Gas in the mix of electricity and heat production: 10.5% (2007)

### **UGS “Chiren”** (incl. compressor station with capacity 9 MW):

- Working gas capacity – 0.45 bcm (planned to be increased to 0.85 bcm)
- Max. daily withdrawal capacity – 4.3 mcm (planned to be increased to 10 mcm/day).

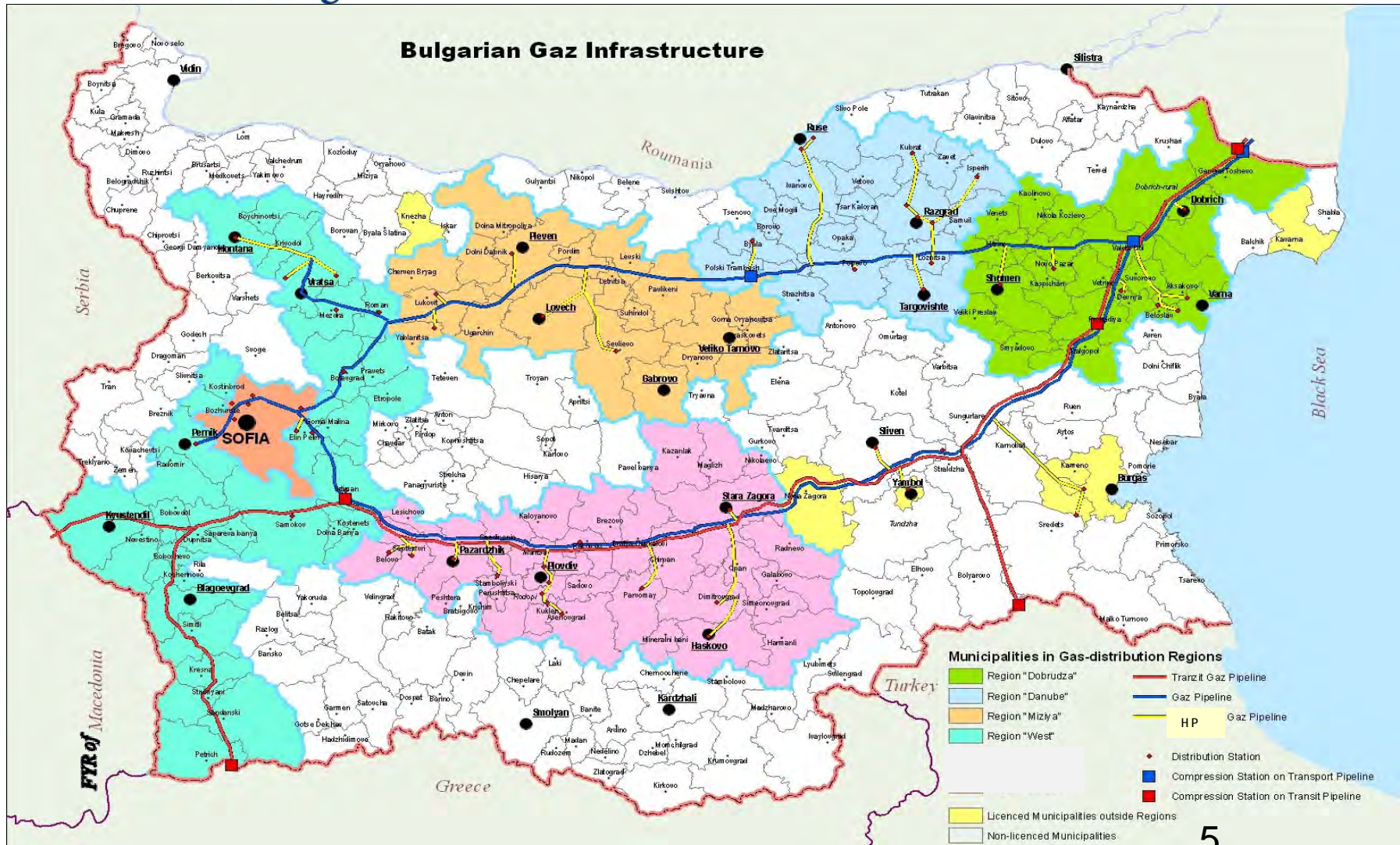




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# BULGARIAN GAS TRANSMISSION NETWORK

## Gas Distribution Regions (Colored)



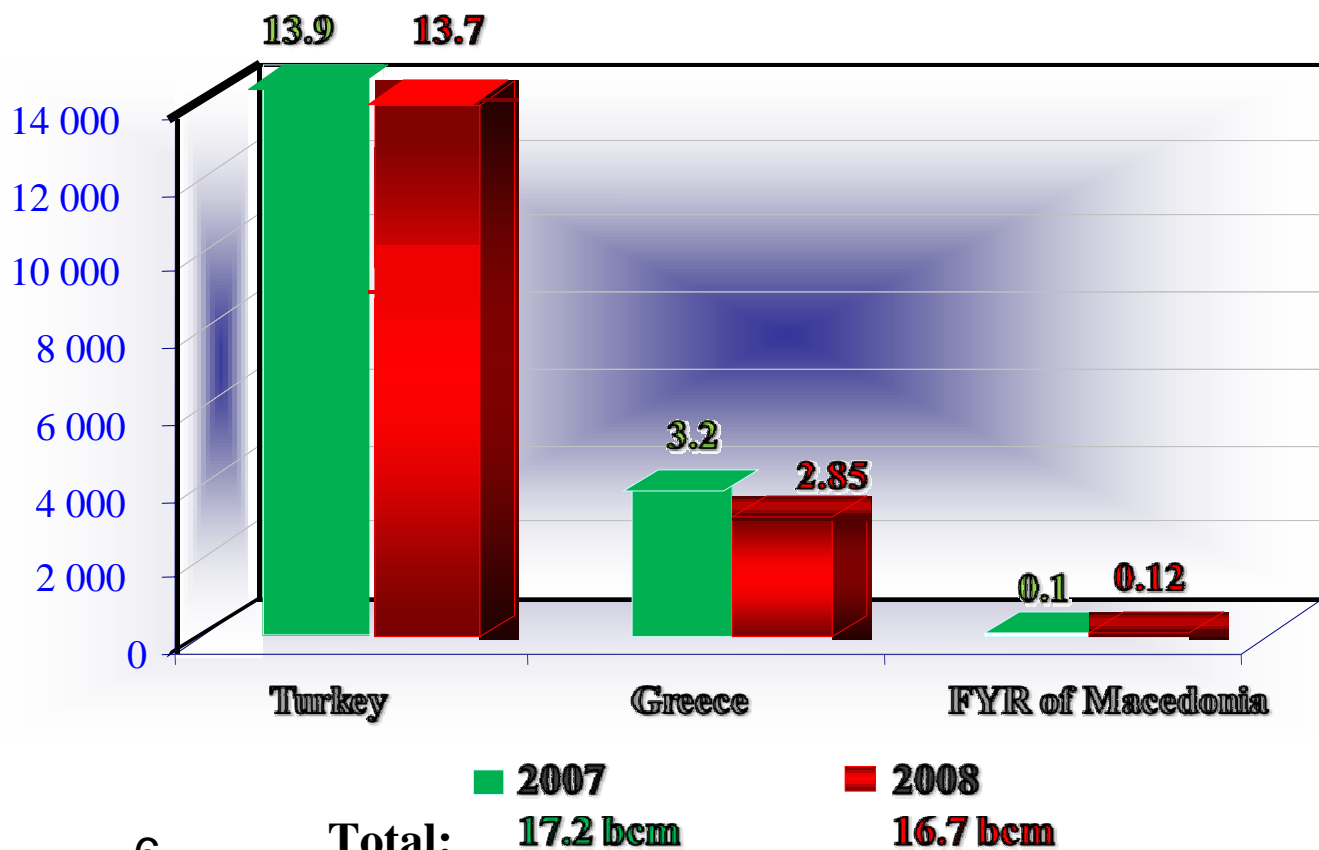


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# TRANSIT OF NATURAL GAS

## BG is the Gas Transit Hub of SEE Region

### Natural Gas Transit Flows in 2008 compared to 2007 in bcm



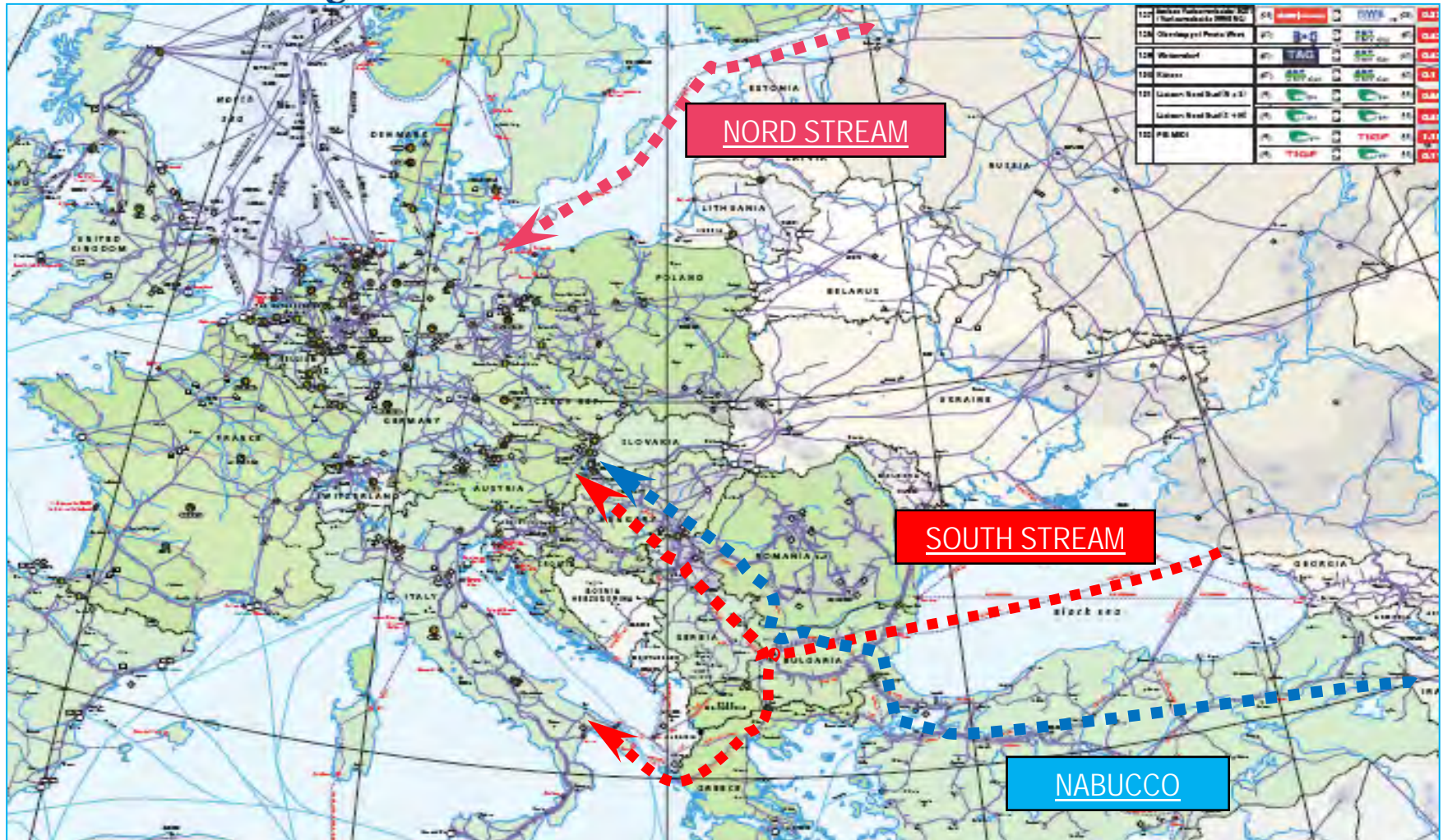


# 3 MAJOR NEW PIPELINE PROJECTS IN EUROPE



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**SEE and Black Sea Regions – Key Regions for the energy security of the EU**



## **GAS PROJECTS FOR DIVERSIFICATION OF SOURCES & ROUTES**

1. NABUCCO
2. South Stream
3. Greece - Bulgaria Interconnection GBI (Komotini GR– Dimitrovgrad BG - Stara Zagora BG);
4. Turkey - Bulgaria Interconnection TBI (Kesan TR – Malkoclar TR - Lozenetz BG);
5. Bulgaria - Romania Interconnection BRI (Russe-Giurgiu);
6. Regional SEE LNG re-gasification terminal (Greek North Aegean Coast);
7. 8<sup>th</sup> European Corridor Gas Pipeline (Bulgaria - FYR of Macedonia – Albania – Italy with possible branches to Kosovo and Montenegro)
8. Bulgaria - Serbia Interconnection (Dupnitsa – Nis or Sofia – Nish);



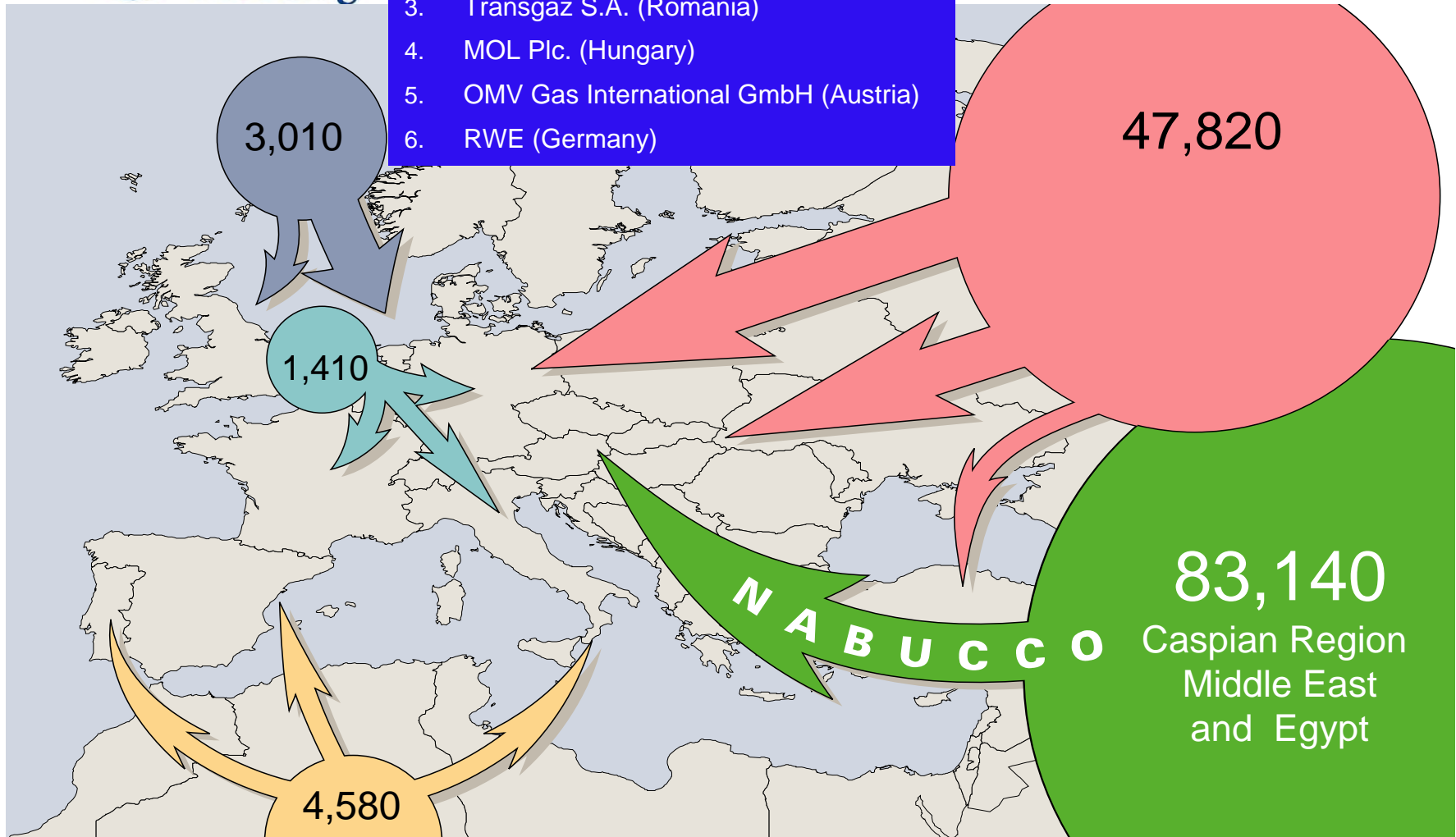
# NABUCCO – THE MISSING CONNECTION BETWEEN THE REGIONS WITH CONSIDERABLE RESERVES AND EUROPE



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## PARTNERS:

1. Botas (Turkey)
2. BEH EAD (Bulgaria)
3. Transgaz S.A. (Romania)
4. MOL Plc. (Hungary)
5. OMV Gas International GmbH (Austria)
6. RWE (Germany)

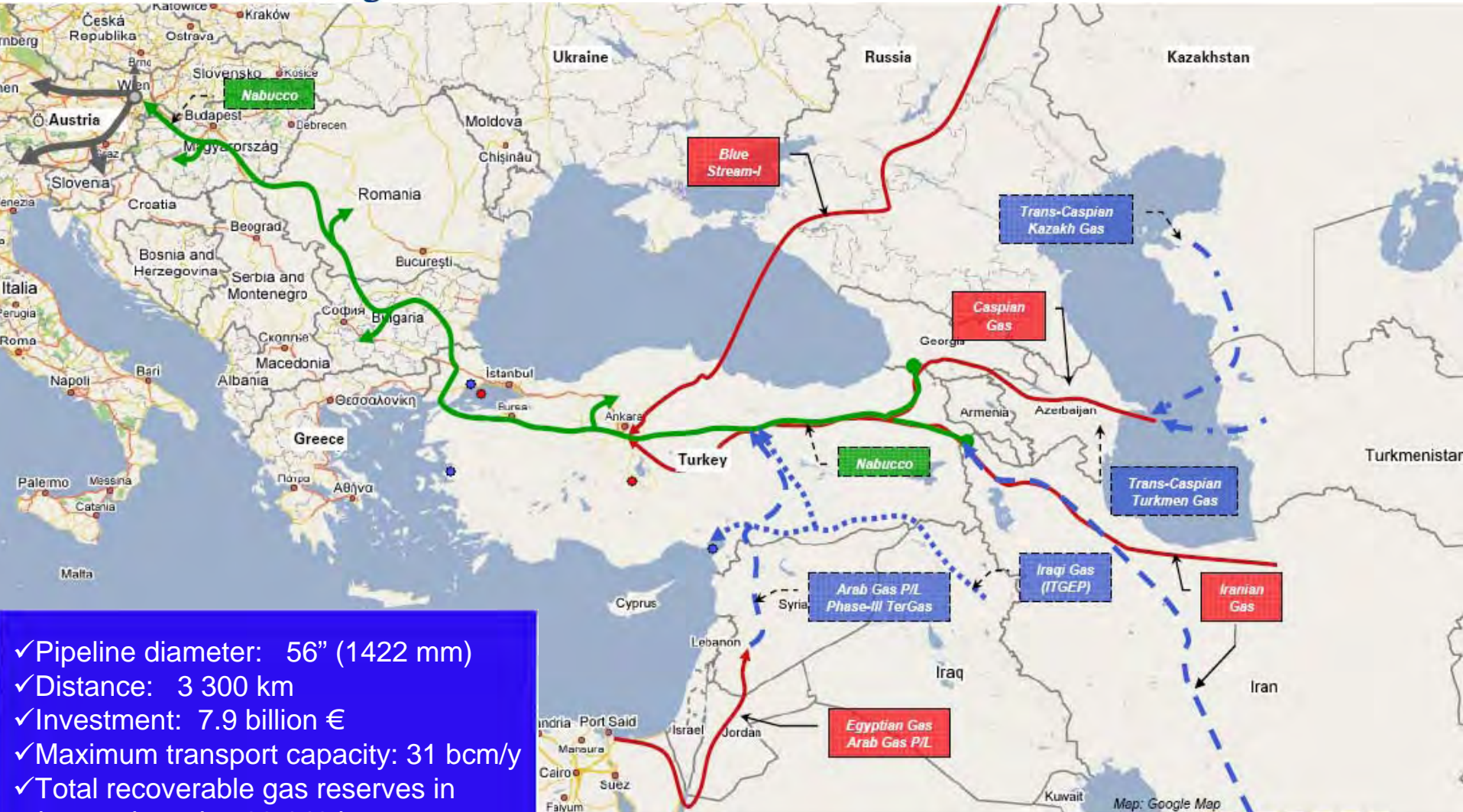


Source: BP Statistical Review 6/2006 (in bcm)



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# NABUCCO Gas Project of the Highest Priority of the EU



- ✓ Pipeline diameter: 56" (1422 mm)
- ✓ Distance: 3 300 km
- ✓ Investment: 7.9 billion €
- ✓ Maximum transport capacity: 31 bcm/y
- ✓ Total recoverable gas reserves in relevant deposits: 83 140 bcm



# "SOUTH STREAM" PROJECT

## Possible Routes of the Branches

Bulgarian

### DIRECT CONNECTION RUSSIA-EU



Transport capacity: 31 bcm/y or 63 bcm/y  
 Under discussion - 2 branches "SOUTH" and "NORTH"  
 Offshore part RU-BG – 900 km; Investments – 8.6 \$ bn  
 Signed MoU Eni – Gazprom, 23 June 2007 & Annex to MoU, 22 Nov 2007  
 Signed bilateral intergovernmental agreements:  
 ✓ Bulgaria-Russia 18 Jan 2008  
 ✓ Serbia-Russia 25 Jan 2008  
 ✓ Hungary-Russia 28 Feb 2008  
 ✓ Greece – Russia 29 Apr 2008  
 Bilateral Corporate Agreements signed 15<sup>th</sup> May 2009  
 Bulgaria, Greece and Serbia

	MATCHING	SCHEDULE	Y	D/D	FLOW	MEAS
80 Bacton						
(UK)						
	NOMINATION		Y		ALLOC	
	MATCHING		Y		FLOW	
	SCHEDULE		D/D		MEAS	
61 Isle of Grain						
(UK)						
	NOMINATION		Y		ALLOC	
	MATCHING		N		FLOW	
	SCHEDULE		D/D		MEAS	



**1** GREECE-BULGARIA INTERCONNECTION (GBI)

**2** TURKEY-BULGARIA INTERCONNECTION (TBI)

**3** BULGARIA-ROMANIA GAS INTERCONNECTION (BRI)

**4** CONSTRUCTION OF SEE REGIONAL LNG TERMINAL

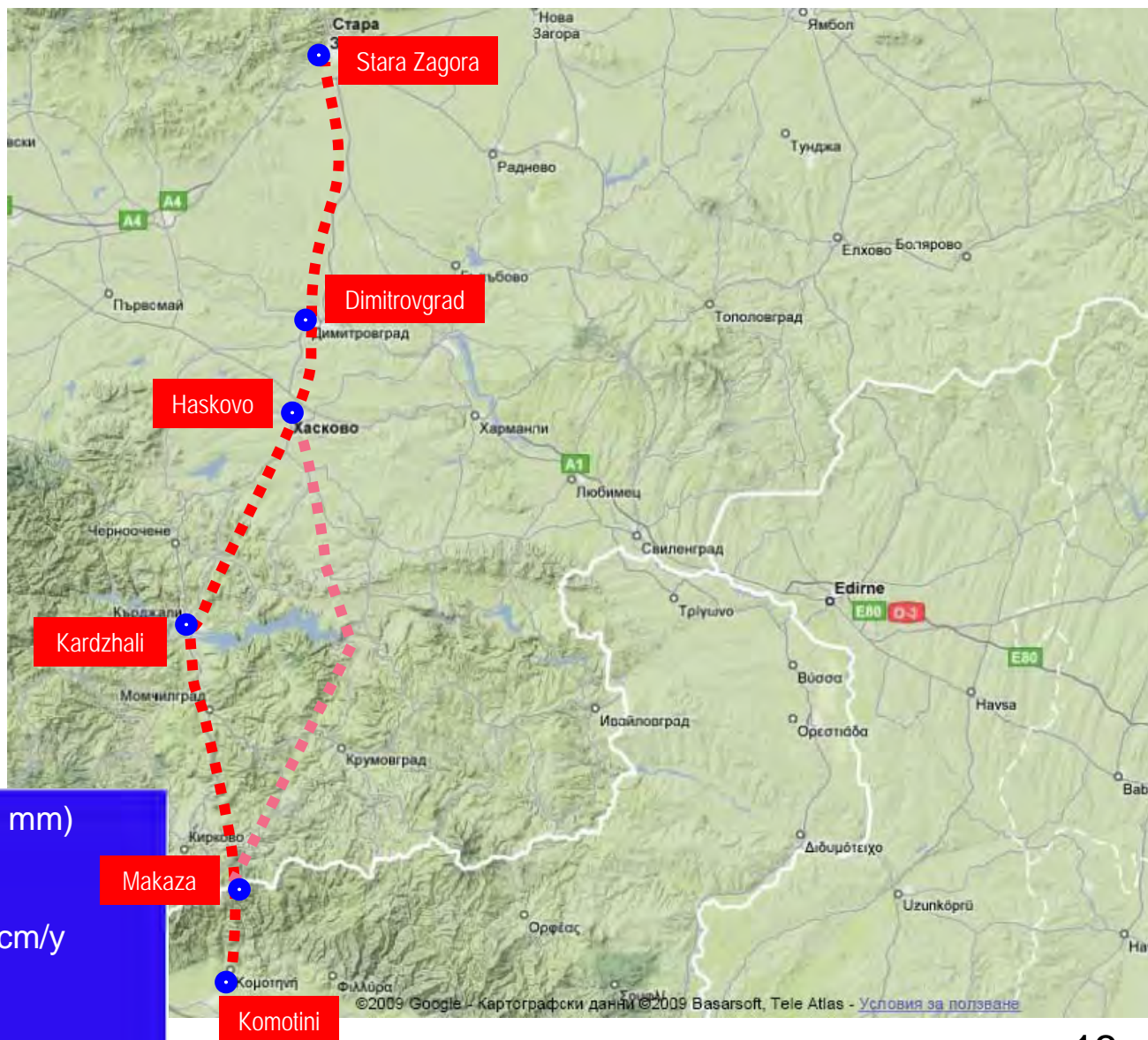
**5** 8th EUROPEAN CORRIDOR GAS PIPELINE





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# Greece - Bulgaria Interconnection GBI



- ✓ Pipeline diameter: 28" (700 mm)
- ✓ Distance: 140-160km
- ✓ Initial capacity – 1.5 bcm/y
- ✓ Max. capacity (with CS): 5 bcm/y
- ✓ Working pressure: 75 bars
- ✓ Investments: 90-125 M €
- ✓ EU grant: 45 M €





**Thank you for your attention!**

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