CROATIAN ROLE IN THE REGIONAL NATURAL GAS MARKET DEVELOPMENT AND SECURITY OF SUPPLY

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8th SOUTH EAST EUROPE ENERGY DIALOGUE
11 & 12 June 2014, Thessaloniki
DEVELOPMENT PROJECTS IN SEE & CEE AND POSITION OF REPUBLIC OF CROATIA

HIGHLY DEVELOPED NATIONAL GAS TRANSMISSION SYSTEM
+ UGS POTENTIALS
+ INTERCONNECTIONS
+ NEW SUPPLY PROJECTS

INCORPORATION IN REGIONAL AND EUROPEAN GAS FLOWS

INTEGRATION IN REGIONAL AND EUROPEAN GAS MARKET
Covered 95% of the territory
Significant transmission capacities
Significant interconnection with the systems of neighbouring countries

Upgrade of the system for domestic requirements
Development of the system for transit requirements

CONNECTING TO NEW SUPPLY PROJECTS-ROUTES
HIGHLY DEVELOPED NATIONAL GAS TRANSMISSION SYSTEM

+ SIGNIFICANT POTENTIALS FOR NEIGHBOURING COUNTRIES
+ READINESS FOR NEW SUPPLY PROJECTS

ORIENTATION TOWARDS DEVELOPMENT OF INTERCONNECTIONS AND TRANSIT GAS PIPELINES WITH THE AIM TO CONNECT AND INTEGRATE WITH NEW SUPPLY PROJECTS

INTEGRATION INTO REGIONAL AND EUROPEAN NATURAL GAS ROUTES

INTEGRATION INTO REGIONAL AND EUROPEAN NATURAL GAS MARKET
NEW SUPPLY PROJECTS IN THE SURROUNDING
NEW SUPPLY PROJECTS – KEY FOR REGIONAL COOPERATION AND GAS SYSTEM AND MARKET INTEGRATION

TAP + IAP
LNG (LNGRV, Adria …)
SOUTH STREAM
NABUCCO, ITGI ???

CRUCIAL FOR THE SEE NATURAL GAS SECTOR DEVELOPMENT, SINCE BY PASSING OVER THE TERRITORIES OF THESE COUNTRIES THESE GAS PIPELINES WILL:

- Expand existing gas transmission systems and interconnect them
- Be a backbone of development of the gas transmission systems in the countries where those systems are still underdeveloped
- Connect gas transmission systems of SEE countries and integrate them into the comprehensive European gas transmission system
- Provide natural gas supply from new Middle East, Caspian and other sources
- Provide integration of SEE gas market with the European gas market
DEVELOPMENT PROJECTS

Interconnections:
- Interconnections Croatia/BiH
- Interconnections Croatia/Slovenia
- Interconnection Croatia/Serbia
- Interconnection Croatia/Italy

Regional projects:
- Ionian-Adriatic Pipeline (IAP)
- LNG Project
- South Stream
- North – South Gas Corridor
Connection of gas transmission system of Lika and Dalmatia with TAP Project (Trans – Adriatic-Pipeline)

MP Split (CRO) – Fieri (ALB) DN800 / 85-75 bar, L= 511 km
Supply with natural gas - Albania, Montenegro, Bosnia and Herzegovina and Croatia
Max capacity: 5 bcm/y
Possibility of transit of natural gas to Central and Western Europe
Possibility of reverse flow

September 2007- Albania, Montenegro and Croatia signed Ministerial Declaration.
December 2008 - Bosnia and Herzegovina signed Ministerial Declaration.
EGL and Plinacro signed MOU
June 2010 – Interstate Committee established, led by Croatia
February 2011 – Plinacro and TAP signed MORIS
March 2013 – SOCAR/Plinacro signed MOUC
Request for financing from WBIF for comprehensive feasibility study for the entire IAP led by Croatia i.e. Plinacro; granted EUR 3.5 million – STUDY COMPLETED

28 June 2013 - Shah Deniz Consortium took decision on the selection of the TRANS ADRIATIC PIPELINE (TAP) for the transmission of gas from Shah Deniz II field
➢ Decision – additional impetus and encouragement for the Ionian Adriatic Pipeline

Source IAP – Feasibility Study
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Source: El “Hrvoje Požar”
**LNG Croatia:**
Founded in 2010 - Plinacro 50% (leaving the project), HEP 50%

Capacity: 4-6 bcm/y

Request for financing from WBIF for CS, FS and CD; approved EUR 1 million
Drawing up the Study started in August 2012, finalizing – beginning of 2014
LNG PROJECT – STUDY SCOPE

WEST
Austria, Slovenia, Hungary, Slovakia, Czech Republic

EAST
Albania, Bosnia and Herzegovina, Montenegro, Croatia, Kosovo*, FYROM, Serbia
Ideas of supplying additional markets (Ukraine and Romania) were not analyzed within this study.
INTEGRATION OF THE CROATIAN GAS TSO INTO THE NEW SUPPLY SOURCES
GREAT DEVELOPMENT POTENTIAL IS
SINERGY OF REGIONAL AS WELL AS
TRANSREGIONAL
APPROACH AND ACTIVITY

MARKET DEVELOPMENT
AND
SECURITY OF SUPPLY
<table>
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<th>PCI &amp; PECI</th>
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<tr>
<td><strong>PROJECTS OF COMMON INTEREST- PCI</strong></td>
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<tr>
<td>1. Interconnection HR/SLO (Bosiljevo-Karlovačko-Zabok-Rogatec)</td>
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<td>2. IAP</td>
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<td>3. Cluster Krk LNG</td>
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<td>4. Interconnection HR/BiH (western interconnection)</td>
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<td>5. LNG Project + Zlobin-Bosiljevo-Sisak-Kozarac-Slobodnica</td>
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<td>6. Interconnection HR/SRB (Slobodnica – Sotin – Bačko Novo Selo)</td>
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1. COMPRESSOR STATIONS

2. INTERCONNECTION HR/SLO Bosiljevo-Karlovac-Lučko-Zabok-Rogatec

3. IONIAN – ADRIATIC PIPELINE (IAP)
PRIORITY GOALS

MEETING DOMESTIC MARKET REQUIREMENTS

+ INTEGRATION INTO NEW SUPPLY PROJECTS AND REGIONAL AND EUROPEAN NATURAL GAS ROUTES

MARKET DEVELOPMENT

+ SECURITY OF SUPPLY
Thank you for your attention!