

# **Future Prospects for the European Natural Gas Infrastructure**

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# 1 - The European response to the financial crisis

## European Energy Programme for Recovery

### An action to reinforce the EU's energy supply

- European Economic Recovery Plan proposed by the Commission in November 2008; endorsed by European Council in December 2008
- European Energy Programme for Recovery (draft EEPR Regulation) proposed by Commission in January 2009; adopted by EP and the Council on 13 July 2009.
- Entered into force 1 August 2009

### Financial envelope of almost € 4 billion

- € 2,365 million: gas and electricity infrastructure projects
- € 565 million: offshore wind energy projects
- € 1,050 million: Carbon Capture and Storage projects

## 2 – State of play of Commitments

43 projects / 44 Commission Decisions

43 Decisions adopted to date

- Last Decision to be adopted by end of November 2010

Commitments amount to a total of 2.268 M€

- Gas interconnectors: 1.285 M€
- Reverse flow: 78 M€
- Electricity interconnectors: 905 M€

## 2 – State of play of Commitments (2)

### □ List of gas interconnections (1)

<b>Project</b>	<b>Countries concerned</b>	<b>Amount M€</b>
Nabucco	Austria, Hungary, Bulgaria, Germany, Romania	200
ITGI-Poseidon	Italy, Greece	100
Skanded	Poland, Denmark, Sweden	150
LNG terminal	Port of Świnoujście, Poland	79.5
Slovakia-Hungary	Velky Krtis - Balassaqyarnat	30
Slovenia	Austrian Border to Ljubljana	40
Bulgaria-Greece	Hoskovo-Komotini	45
Romania-Hungary	Romania, Hungary	16
Gas Storage	Czech Republic	35
Hungary-Croatia	Hungary	20
Bulgaria-Romania	Bulgaria, Romania	9

Source: European Commission, DG Energy and Transport

## 2 – State of play of Commitments (3)

- List of gas interconnections (2)

<b>Project</b>	<b>Countries concerned</b>	<b>Amount M€</b>
Africa-Spain-France axis	France	176
Galsi	Italy	120
Western Axis Larrau Branch	Spain	45
Germany-Belgium-UK	Belgium	35
France-Belgium	France, Belgium	175
Cyprus	Cyprus	10

Source: European Commission, DG Energy and Transport

## 2 – State of play of Commitments (4)

### □ List of gas reverse flow projects

<b>Project</b>	<b>Countries concerned</b>	<b>Amount M€</b>
RF-CZ-PL	Czech Republic, Poland	14
RF-PT	Portugal	10,7
RF-RO	Romania	1,6
RF-AT-01/ 02/ 03 and 04	Austria	6,7
RF-SK-01 and 02	Slovakia	3,6
RF-CZ-01 and 02	Czech Republic	6
RF-HU	Hungary	8
RF-LV-LT	Latvia, Lithuania	13
RF-PL	Poland	14,4

Source: European Commission, DG Energy and Transport

### 3 – Payments forecasts

- Based on the payments requests planned by the Beneficiaries
- € 593 million by the end of 2010

## 4 – Success stories (1)

- Projects with massive European added-value and regional dimension
- Substantial contribution to the increasing of security of gas supply
- Reinforcement of regional cooperation for cross-border projects implementation
- EEPR support often allowed prioritising the projects at project promoters level and, thus not delay their implementation
  - Purchase of material not delayed
  - Construction works started/ completed

## 4 – Success stories (2)

### □ RO-HU gas interconnector

- First interconnection between the high pressure pipeline networks of Romania and Hungary
- practical tool to shield gas disruption crisis
- Important regional dimension – contributor to the transformation of the gas market in the South East Europe and a likely element of the North-South gas corridor

## 4 – Success stories (3)

### □ HU-HR gas interconnector

- Contributes massively to increasing the security of supply in the whole region and the overall flexibility of the gas network
- benefits also to Slovakia, Romania, Czech Republic (access to LNG terminal on Krk Island in Croatia)
- Once Nabucco is constructed, it will give Croatia, Slovenia and Italy access to the Caspian gas that it will transport
- EEPR grant support (20 million EUR) helped in preventing this 310 million EUR project from being postponed or even abandoned
- Expected to be completed by end of 2010

## 4 – Success stories (4)

### □ LNG terminal in Poland

- Key for the energy security of Poland
- Will reduce Polish energy dependence on Russian gas
- EEPR support contributes to overcome financial obstacles to this project implementation (leverage effect)
- EPC contracts related to the construction of the LNG discharging post in the external port berth as well as to the designing and construction of two LNG tanks have been concluded

## 4 – Success stories (5)

### □ **Reverse flow in Slovakia**

- Small projects but contribute substantially to increasing the security of supply in the whole region
- Projects meant as a short-term response to possible future gas supply disruption in Slovakia
- Projects will strengthen the flows not only within Slovakia, but also to Austria, Hungary, Italy and Czech Republic
- Operation foreseen respectively by end of 2011/ Q1 2012

### □ **Reverse flow in Latvia-Lithuania**

- Enhancement of bi-directional interconnection between Latvia and Lithuania will substantially increase the security of supply in the Baltic states
- EPR support contributes to overcome the financial obstacles to its implementation

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