New developments concerning Nord Stream

Dirk von Ameln, Director Permitting, Nord Stream AG
6th seminar on Co-operation on the Environmental Impact Assessment Convention (Espoo Convention) in the Baltic Sea Region
Tallinn, 20 September 2012
Agenda

1. Status of the Nord Stream Project
2. Review of Environmental Monitoring Results
3. Feasibility Study for Nord Stream extension
4. Proposed road map for the Espoo procedure
> Line 1 in operation since November 2011
> Line 2 in commissioning phase – readiness for operation expected October 2012
> 199,755 pipe joints welded
> Around 700 laying days for both lines and three pipe lay vessels
> Lay rate per vessel on average 2.7 km per day
> Between 2006 and beginning of 2012
  – 23 million project work hours performed
  – 48 lost time incidents
  – 0 work related fatalities
Five tailored country-specific Environmental Monitoring Programmes had been prepared focusing on sensitive and selected areas.

Nord Stream’s Environmental Monitoring comprises three phases:

- **Baseline studies prior to construction** (turbidity, sedimentation, contaminants, fish, benthic fauna, hydro-graphic effects)

- **Environmental change monitoring during munitions clearance and construction** (seabed morphology, turbidity, sediments, contaminants)

- **Recovery monitoring after pipelay and during operation** (seabed morphology, recovery of benthic fauna, fish and fishery, hydro-graphic effects)
Environmental Monitoring results verify that the Project’s impacts are minor, locally, and short-term.

> 1,000 sampling stations and more than 20 renowned environmental survey companies monitored the potential impacts to sixteen environmental subjects before and during pipeline construction.

> Recovery monitoring will continue during the first years of operation.

> All the environmental monitoring results are in line with or even minor than the findings in the earlier impact assessments.

Nord Stream’s construction activities caused no unforeseen environmental impacts – most impacts were even less than assessed.

Transboundary impacts proved to be of low significance as assessed beforehand.
Nord Stream’s Feasibility Study on extending the transport capacity through the Baltic Sea

> Nord Stream received a request from its Shareholders to study options to further increase gas transport capacities through the Baltic Sea.

> The Feasibility Study started in May 2012 and is planned to be completed in Q4 2012.

> Prior to the start of the Feasibility Study Nord Stream met/informed high level representatives in all States around the Baltic Sea.

> Nord Stream will assess the feasibility of one or two additional offshore pipelines, including key criteria like:
  - technical solutions
  - route corridor and landfall options
  - environmental constraints
  - financing possibilities
EU energy mix – a growing demand for natural gas

> EU’s gas import requirement grow continuously
  - Natural gas offers economic and environmental advantages and is the EU’s fuel of choice over long term
  - Indigenous production in the North Sea and in the Netherlands is in steady decline
  - Substantial import gap in the EU and in Northwest Europe in particular

> Additional gas transport infrastructure is necessary:
  - To provide capacities for new supplies
  - To ensure diversification and operational flexibility of supply routes

> The launch of the Feasibility Study underlines the natural gas industry’s commitment to explore ways to enhance the EU’s long-term energy security
Route options considered for Nord Stream extension
The Espoo procedure for an activity that is likely to cause a significant transboundary impact >

Party of Origin

- EIA programme
- EIA documentation
- Final decision

Affected Party

- Notification
- Consultation
- Information
- Notification
- Consultation
- Information

Determination on post-project analysis
Proposed preparation of the documentation for the consultations under the Espoo Convention

> Countries of the European Union are bound to follow the EC EIA Directive and the Espoo Convention, whereas Russia has its own EIA legislation.

> Detailed EIA procedures differ slightly among the concerned countries – therefore, impact assessments shall follow the country-specific standards and the boundaries of the countries shall be strictly met.

> The documentation for the consultations under the Espoo Convention shall be prepared in English and translated into the nine local languages of the Baltic Sea countries.

> The Espoo documentation shall contain a project description with environmental key issue papers and the assessment of potential significant environmental transboundary impacts.
Proposed content of the Espoo documentation - one binder in nine languages for all affected parties:

- Non-technical summary and thematic maps
- Description of the whole project and its purpose
- Description of alternatives and the no-action alternative
- Description of environmental and social key issues covering the whole project area, for example sediments, munitions, fishery, and Natura 2000 areas
- Description of the cross-border environment that could be significantly affected
- Description of the assessment of potential transboundary environmental impacts
- Description of mitigation measures to minimise possible transboundary and cumulative impacts
- Outline of transboundary monitoring and environmental management programme
Again, a transparent dialogue shall support all project activities

> Transparency with focus on dialogue in the country specific language is key to Nord Stream’s communication policy

> A grievance management tool is established to record, manage and respond effectively any contacts and grievances arising from any stakeholder

> Project information for the public will be supported by materials in the nine languages of the Baltic Sea bordering countries

> EIA consultations and public participation procedures shall be well timed and synchronised to allow that all stakeholder comments can be taken into account in a clear time period
Proposal for a road map for the Espoo Consultations regarding a possible Nord Stream extension project

<table>
<thead>
<tr>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
</tr>
</tbody>
</table>

- Feasibility Study
- Decision of project development
- Initiation of permitting processes
- Espoo meeting on draft PID
- Joint notification of affected parties
- First public participation phase
- Overview document on comments
- Drafting EIA and Espoo documents
- Espoo consolidation meeting
- Translation, proofreading, printing
- Second public participation phase
- Consultations with affected parties
- To be developed taking into account the national EIA programmes