
BULGARIA-ROMANIA GAS PIPELINE TO OPEN IN AUGUST

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The Austrian company Habau is to complete the long-anticipated first gas interconnector between Romania and Bulgaria by August 2016 after it signed a contract with the gas operators of the two countries – Transgaz and Bulgartransgaz in Sofia on Wednesday.

The 2.1 km-long remaining section of the pipeline, which crosses under the Danube river, will have to be finished in 119 days and will cost 4.577 million euros.

The completion of the interconnector between Bulgaria and Romania opens a new page in the Bulgarian energy sector, Bulgarian Energy Minister Temenuzhka Petkova said at the signing ceremony in Sofia on Wednesday.

She noted that she hoped the first interconnector in Bulgarias history will be operation within four months.

The gas link between the Bulgarian city of Ruse and Giurgiu in Romania has a total length of 25 km, 15.4 km of which are in Bulgaria. The rest is in Romania, including the 2.1 km crossing under the Danube.

The pipeline will have a maximum transport capacity of 1.5 billion cubic metres of gas per year from Bulgaria to Romania, and an initial capacity of 500 million cubic meters per year from Romania to Bulgaria.

After the completion of the compressor station in the city of Podisor, Romania will be able to deliver 1.5 billion cubic meters of gas to Bulgaria, the head of Trasgaz, Grigore Tarsar, explained.

The Ruse-Giurgiu pipeline was initially due to be ready by 2013 and fully operational by 2014, but its completion was delayed several times owing to technical problems with the construction of the underwater section.

It is of key importance for Bulgaria, which is almost entirely dependent on Russia for gas and is struggling to diversify its energy supply.

After years of delays, in December 2015 Bulgaria and Greece signed an investment agreement to build a pipeline, which will carry gas from Azerbaijan to Romania and Hungary with an initial annual capacity of 3 billion cubic meters. Construction is to start in October 2016.

Bulgarias Energy Minister said that things are moving in the right direction with the Bulgaria-

Greece interconnector, as requests for deliveries have exceeded the initial capacity of the pipeline.

Petkova added that Bulgaria is also considering participating in a project to construct a liquid natural gas, LNG, terminal, near the northern Greek town of Alexandroupolis.

Romania is interested in the creation of an efficient gas network in Eastern and Central Europe in order to lessen its dependence on Russian energy. It produces about 11 billion cubic meters of gas per year, covering about 75 per cent of its annual needs. It imports the rest exclusively from Russia.

Analysts say the Giurgiu-Ruse pipeline is a step forward in this regard, as will interconnect Romania with another of its neighbours.

So far, only one pipeline connects Romania to Hungary, the Arad [REDACTED] pipeline, which was inaugurated in 2010 and is 109 km long and can transit 4.4 billion cubic meters of natural gas per year.

It is part of the larger New European Transmission System, which is designed to unite Central and Southeastern Europe's natural gas transmission networks. The total cost of the pipeline was around 68 million euros.

In 2015, a new pipeline was inaugurated connecting Iasi, in eastern Romania, with Ungheni in Moldova. But this 45 km pipeline can transport gas only from Romania to Moldova. It, too, aims to help the former Soviet republic reduce its reliance on gas imports from Russia.

Romania's gas transporter Transgaz is trying to contract loans and will invest its profits in building the Romanian section of a gas pipeline that will run from Bulgaria to Austria. The company needs to finance 60 per cent of the construction costs, 270 million euros.

The value of the whole project amounts to 450 million euros, some 179 million euros of which will come from the European Commission.

The EU agreed in January to the European Commission's proposal to invest 217 million euros in 15 trans-European energy infrastructure projects.

The interconnector that links the gas networks of Bulgaria, Romania, Hungary, and Austria will bring natural gas from the Caspian area to Central Europe.

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