
GREEK ENERGY MINISTER 'POSITIVE' ON SOUTH STREAM CONSTRUCTION

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Greece's energy minister Panos Skourletis yesterday (7 August) said that Athens was positive on the prospect of South Stream pipeline construction.

In an interview with Real News Sunday newspaper, Panos Skourletis presented Greece's energy plans and left the door open about Gazprom-led South Stream pipeline.

Asked whether the apparent rapprochement between Moscow and Ankara would bring the South Stream pipeline again on the table, Skourletis replied that its construction is not against the European strategies.

We are positive on the prospect of its construction, he added.

Meanwhile, last week Bulgaria's premier Boyko Borisov discussed over the phone with Russian President Vladimir Putin about the establishment of working groups to decide what to do about joint energy projects.

These include the abandoned projects for the construction of South Stream gas pipeline and Belene nuclear power plant.

According to Sofia News Agency, Prime Minister Boyko Borisov expressed hope that the planned Bulgarian-Russian working groups on joint energy projects will quickly propose solutions to Belene and South Stream issues acceptable to both sides.

Uncertain future for DESFA

Skourletis also spoke about the privatisation of the country's gas transmission operator (DESFA) and the state-of-play with Azerbaijan's SOCAR.

In December 2013, Azerbaijan's state-owned oil and gas producer SOCAR won the tender, and both a 66% stake in Greece's gas transmission operator DESFA, for [] million. The Greek state controls the remaining 34% stake in DESFA.

The deal boosted the chances that the Trans-Adriatic Pipeline (TAP) will win its bid for Azeri gas, against its competitor Nabucco, and indeed, soon after, TAP won over Nabucco. SOCAR has a 20% stake in TAP.

However, Greece last month tabled a bill which changes the way gas tariffs are calculated

retroactively from 2006. The move will contain tariff hikes from next year but much lower than expected, potentially hurting the profits SOCAR estimated to get from DESFA when it struck the deal.

The Chief Executive of SOCAR Energy Greece, Anar Mammadov, met Energy Minister Panos Skourletis to discuss the issue. Mammadov warned after the meeting that enacting the bill would put the deal at risk.

If implemented, those changes would reduce the value of the company and its future profitability dramatically, Mammadov told Greek news website capital.gr.

Referring to a potential withdrawal of Socar Skourletis noted that the TAP pipeline was being constructed rapidly and everything indicates that the Greek part will be the first that will be ready.

Regarding the Hellenic Gas Transmission Operator (DESFA) privatisation, he stressed that it was up to the Azeris to decide what they want and can do.

With this [tariffs] amendment we avoided an increase of user charges by 68 percent and we protected domestic production in households [*□ if the tender fails then all scenarios are open. Every cloud has a silver lining, he explained.

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