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## **BULGARIAN AND GREEK PIPELINE AIMS TO CUT GAS DEPENDENCY ON RUSSIA**

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Small but important gas pipeline eases dependency on Russia

Bulgaria strives to become tech capital of the Balkans 6 hours ago

Moves to increase energy sector competition, boost cross-border supplies and decrease the regions and Europes dependency on Russia for natural gas are afoot in the Balkans.

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An important part of the plan is the construction of a short but significant cross-border pipeline, the Interconnector Greece-Bulgaria (ICGB), due to start next year.

The 180km reverse-flow pipeline will be able to pump gas in either direction between Komotini, in Greeces northeastern province of Thrace, and Stara Zagora in central Bulgaria.

The ICGB has [ ] of EU funding and a [ ] guarantee facility from Bulgaria, which could ensure favourable financing terms for a commercial loan.

In addition to boosting energy security for Bulgaria and Greece, ICGB would link central Europe to the so-called Southern Gas Corridor, a \$45bn project to supply natural gas to Europe from Azerbaijan's Shah Deniz 2 field in the Caspian Sea.

The connector is a joint venture by state-owned Bulgarian Energy Holding (BEH) and IGI Poseidon – a partnership of Greece's state gas company DEPA and Edison of Italy. It will be able to ship 3bn-5bn cubic metres of gas a year from 2019.

The scheme was first mooted in 2009, after Russia cut off midwinter gas supplies to Ukraine in a payment dispute. But the [TAP](#) project initially faced problems in finding backers other than the Sofia and Athens governments. That changed after the Southern Gas Corridor became critical to the EU's efforts to diversify its supplies, says Teodora Georgieva, executive officer of ICGB.

The Southern Gas Corridor project gave ICGB a big push. ICGB makes much more sense if it's part of a transit route to Ukraine's border and part of an integrated regional market, she says.

The connector is part of a wider set of efforts to increase competition in the region's markets. After prods from the European Commission, state-controlled Hungarian, Romanian and Bulgarian gas distributors have signed agreements opening their networks to alternative domestic and foreign suppliers.

The nation's history as the former Soviet Union's IT hub has given it a head start

These agreements are a game changer for the region, Ilian Vassilev, a Bulgaria-based energy consultant, says.

In Thrace, ICGB will connect to the 870km Trans-Adriatic Pipeline (TAP). This will bring Azerbaijan's gas from the Greek-Turkish border across Greece, Albania and the Adriatic Sea to southern Italy. Construction of TAP began in May and its first supplies are due to reach the EU in 2020.

At Stara Zagora, ICGB will also connect with the existing TransBalkan pipeline built to carry Russian gas from Ukraine to Hungary, Romania and Bulgaria.

Greece, too, is poised to allocate capacity to alternative suppliers, as a pipeline carrying Russian gas from the Bulgarian border to Athens has been upgraded to handle 3 bcm of reverse flows annually.

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Kaynak/Source: