



PECI/PMI 2018

PECI/PMI Gas Group meeting

Vienna, 23 May 2018



The selection of priority infrastructure projects is done in line with the EU Regulation 347/2013, as adapted for the Energy Community.

- Projects submitted in November 2017

- Public Consultation period: 05 April 2018 to 05 May 2018

The objective of this consultation was to seek for the public view on the proposed projects in the areas of: electricity, gas or oil infrastructure, especially regarding the following questions:

Is, in your view, the project needed to support the Energy Community policies?

Is, in your view the project contributing to regional market integration?

Is, in your view, the project contributing to increasing the security of energy supply?

Is, in your view, the project increasing competition in the market?

Is, in your view, the project supporting better integration of renewable energy in the market?

PECI/PMI 2018 Public Consultations



Party	Project name	Comment
Welland Consultancy Ltd – Mr Oleksandr Khomenko	Southern Druzhba Oil Pipeline - Ukraine	Question 1: Yes Question 2: Yes Question 3: Yes Question 4: Yes Question 5: Do not know
GOGC – Mr. Teimuraz Gochitashvili	Southern Druzhba Oil Pipeline - Ukraine	Question 1: Yes Question 2: Yes Question 3: Yes Question 4: Yes Question 5: Do not know
PJSC Institute of Oil Transportation – Viktor Zavorotniy	Southern Druzhba Oil Pipeline - Ukraine	Question 1: Yes Question 2: Yes Question 3: Yes Question 4: Yes Question 5: Do not know

Preliminary draft list of PECI/PMI_Gas

PECI - Gas		
Project Code	Project Name	Comment
GAS_09	Gas Interconnector Bulgaria - Serbia (IBS)	
GAS_11	Gas Interconnector Serbia-FYR of Macedonia	
GAS_25	Trans-Balkan Corridor Bi-directional Flow between Moldova and Ukraine	
GAS_20&21&22	PECI Cluster of integrated, dedicated and scalable transport infrastructure and associated equipment for the transportation of natural gas from new sources from the Caspian Region, crossing Azerbaijan, Georgia and Turkey and reaching EnC markets in Georgia and Albania (via Trans-Adriatic Pipeline), including the following PECLs: - Cluster of Trans-Caspian Pipeline and South Caucasus Pipeline (further) Expansion (Gas_22); Cluster of Trans-Anatolia Pipeline and South Caucasus Pipeline Expansion (Gas_20-21)	<i>Corridor approach as in PCI (with similar project description), as the eligibility criteria for PECL is met by the fact that the corridor is PCI in the EU.</i>
GAS_13	Albania-Kosovo* Gas Pipeline (ALKOGAP)	

PMI - Gas		
Project Code	Project Name	Comment
GAS_01	Interconnection Pipeline BiH-HR - North (Slobodnica-Brod-Zenica)	
GAS_02	Interconnection Pipeline BiH-HR - West (Licka Jesenica-Trzac-Bosanska Krupa)	
GAS_03	Interconnector BiH-HR - South (Ploce-Mostar-Sarajevo Zagvozd-Posusje-Travnik)	
GAS_04_B	Gas Interconnection Greece-FYR of Macedonia (IGF)	
GAS_08	Gas Interconnector Serbia-Romania	
GAS_10	Gas Interconnector Serbia-Croatia	
GAS_14	Gas interconnection Poland-Ukraine	
GAS_18	Romania - Moldova Gas Interconnector (Ungheni - Chisinau)	
GAS_23	Whitestream Gas Pipeline as assessed together with TCP + SCP(f)X*	<i>PMI label conditional on the Capacity and Investment confirmation by the Government of Azerbaijan by a Consent Letter to ECS and Georgia before 6 June 2018.</i>
GAS_16	Ionian Adriatic Pipeline (IAP)	

PECL Status conditional to agreement between SER and KOS*		
GAS_12	Gas Interconnector Serbia Montenegro - Section Niš (Doljevac) - Priština	<i>ECS note: the project as submitted ends in Kosovo* The project is not officially consented by Kosovo*. Such a consent would be necessary, as Srbijagas submitted the project unilaterally. Kosovo* required an official request from Serbia Government to the Government of Kosovo* to issue such a consent letter. Serbia's view is that Kosovo* should issue a letter of consent based on the original Minutes of the Gas Group meeting of 14.02.2018. These minutes has been commented by Kosovo*, in the way that Serbia Government issues a request to the Gov. of Kosovo* in order for this to consider such a consent letter.</i>

PECE - Oil		
Project Code	Project Name	Comment
OIL_01	Brody – Adamowo oil pipeline	

PMI - Oil		
Project Code	Project Name	Comment
OIL_02	Transportation of different crudes of oil via Southern Druzhba pipeline	

The background is a satellite-style image of the Earth at night, showing city lights. Overlaid on this are numerous glowing blue lines that form a complex network of arcs and loops, representing energy connections or data flow across the globe.

*Thank you
for your attention!*

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QUESTIONNAIRE

PARTICIPANT

First name: Oleksandr
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Name of organisation: Welland Consultancy Ltd
Country of organisation: United Kingdom

QUESTIONS

Question 1: Yes

Comment: As oil industry expert I believe that this Project is needed to translate Energy Charter and EU/EnC principles, norms and declarations on energy supplies diversification, non-discrimination in access to spare transit capacities and on promoting competition into de-bottlenecking of actual 'fixed' state in oil transit on certain sections of CEE oil pipeline networks.

Question 2: Yes

Comment: The project will further integrate oil transportation systems to the East of EU borders into EU oil transportation and oil refining environment through further unification of business practices, through spreading to the East commonly used in the West technologies and technics of transportation (so called 'batching', SCADA systems, communication and control). At the end of the day it will be translate in more trust, into lasting contracts, predictability and sustainability of this business into wider European region.

Question 3: Yes

Comment: This project is about opportunity for suppliers and importers to have a different transportation route. This means more security of supply for them as well as for transporting companies. No investments are said to be required (one reservoir?) to enable those batching shipments and this is 'peanuts' in light of opening decades long profitable business. And those 'country risks' sometimes associated in Western business opinion with Ukraine in case of oil transportation is but misperception or even manipulation with the reality. For 50+ years Ukrainians performed well in oil transit with no major accident. Ukrainians are more than anyone interested in stability of existing Urals supplies via their territory and will guarantee that transportation of different crudes does no harm to Urals transit. Besides that Western (and Eastern) partners in the project could put forward contractual, legislative, technical etc preconditions to Ukraine and it has little choice but except and follow.

Question 4: Yes

Comment: Today because of Communist past divisions the Southern Druzhba market is standing on 'one leg' transporting only one type of crude. In Europe and in other regions pipeline companies transport different crudes at the same time while securing their particular qualities. It also should become normal for Southern Druzhba.

Question 5: Do not know

Comment:

DISCLOSURE

Do you agree with the publication of your contribution: YES

QUESTIONNAIRE

PARTICIPANT

First name: Viktor
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Name of organisation: PJSC Institute of Oil Transportation
Country of organisation: Ukraine

QUESTIONS

Question 1: Yes

Comment: The Project is important because it facilitates relevant reforms and EU / EnC integration trends in Ukraine, Georgia and Azerbaijan in line with the Energy Community policies and strengthens security of supply to EU member countries.

Question 2: Yes

Comment: The project contributes to regional integration by setting the same rules of business conduct in different jurisdictions and by establishing and further consolidating strategic partnerships

Question 3: Yes

Comment: If because of this or another technical or another reason the existing supplies via Southern Druzhba will decrease because for example of steady worsening of quality of Urals supplied via this route (increasing sulphur) for importers there should be the transportation mode in place enabling transportation of different crudes via this pipe while securing the quality of each of them. That's what this project is about. Diversification of routes of supply enhances security and overall economics of supply. Such diversification decreases monopolistic risks and bottlenecks and non-market and non-commercial practices

Question 4: Yes

Comment: Transportation of different crudes of oil via Druzhba pipeline to the CEE refineries uses existing spare capacities in pipelines along the route and the interest of suppliers and consumers in supplementary transportation route in addition to currently overloaded route via Med. The project exploits the interest of oil transportation companies on the route to increase and to diversify transit volumes at the same time guaranteeing volumes and stability of traditional URALS supplies via Southern Druzhba

Question 5: No

Comment:

DISCLOSURE

Do you agree with the publication of your contribution: YES

QUESTIONNAIRE

PARTICIPANT

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Country of organisation: Georgia

QUESTIONS

Question 1: Yes

Comment: Through this trans-boundary oil transportation Project the Energy Community will strengthen engagement into comprehensive Energy Community and EC energy policies of Ukraine and Georgia (if and when primary oil is transported via Georgian pipelines/railway/ports) as EnC contracting parties having association agreements with EU and as important energy transit partners as well as of Azerbaijan as one of EU/EnC key hydrocarbons supplier. For Georgia participation in this Project will also further enhance its profile as an important contributor to Energy Community energy policies.

Question 2: Yes

Comment: Through unification of rules and procedures the project increases competitiveness of oil transportation infrastructure and oil export outlets in Caspian, Black Sea and CEE regional mid- and downstream sectors.

Question 3: Yes

Comment: The project contributes to increasing the security of energy supply because suppliers and consumers will have another supply route in addition to the 'traditional' but already overloaded route

Question 4: Yes

Comment: This Project helps oil transportation pipeline companies in the region significantly increase utilization of their throughput capacities, enhance overall performance of the involved companies and energy sectors the relevant EU member countries. Besides, successful implementation of Brody-Adamovo Oil Pipeline project (part of Euro-Asian Oil Transportation Corridor, sponsored by GOGC (Georgia) together with SOCAR (Azerbaijan), Ukrtransnafta (Ukraine) and PERN (Poland) to a certain extent depends on realization of this (Southern Drujba) project and thus provides increasing completion in the market.

Question 5: Do not know

Comment: It is difficult to precisely evaluate influence of this project on renewable energy market

DISCLOSURE

Do you agree with the publication of your contribution: YES

Energy Community Secretariat

Name of the Event

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