

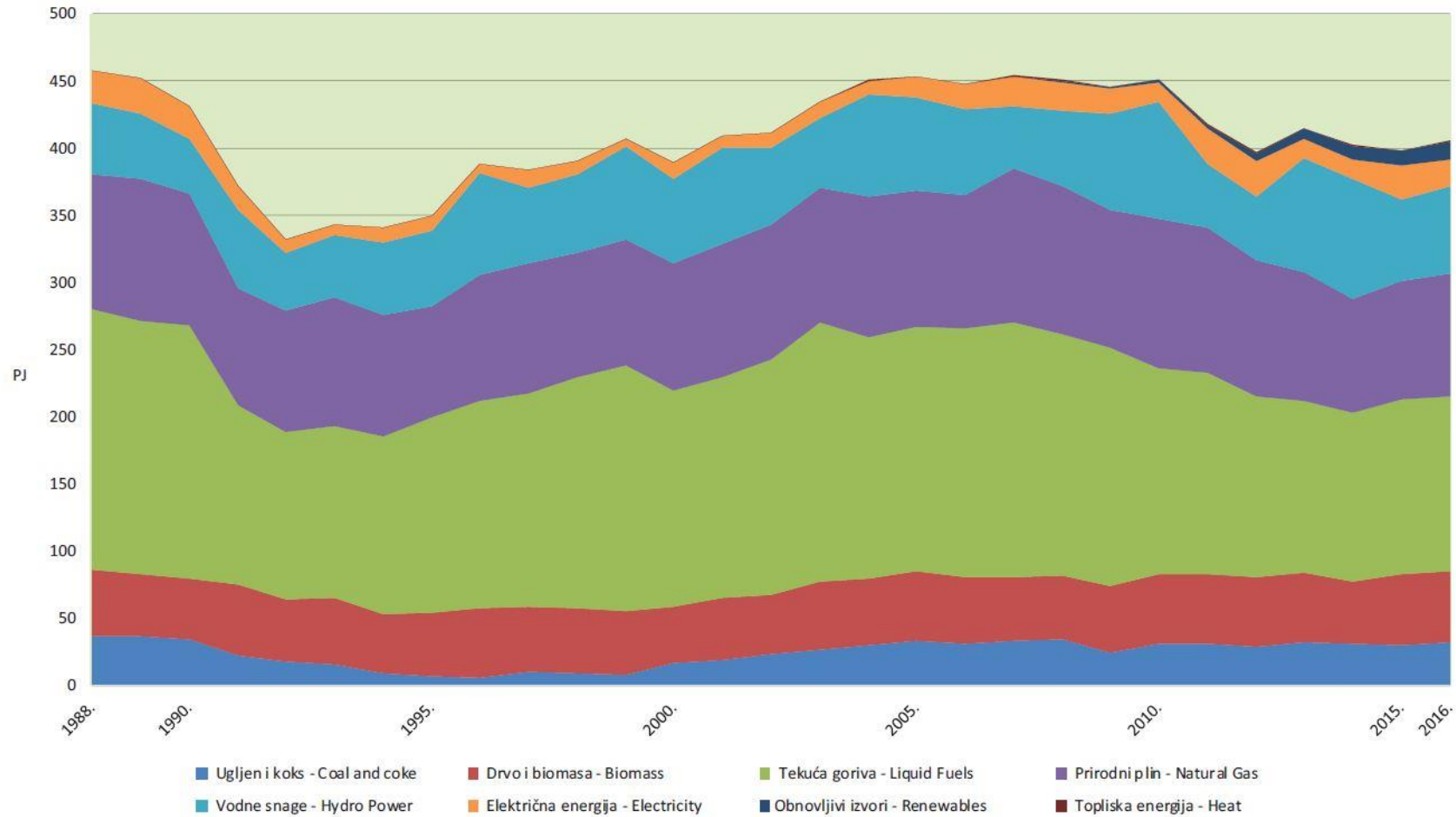
NATURAL GAS IN CROATIA – CROATIA IN NATURAL GAS

11th SE EUROPE ENERGY DIALOGUE

June 26 – 27, Thessaloniki

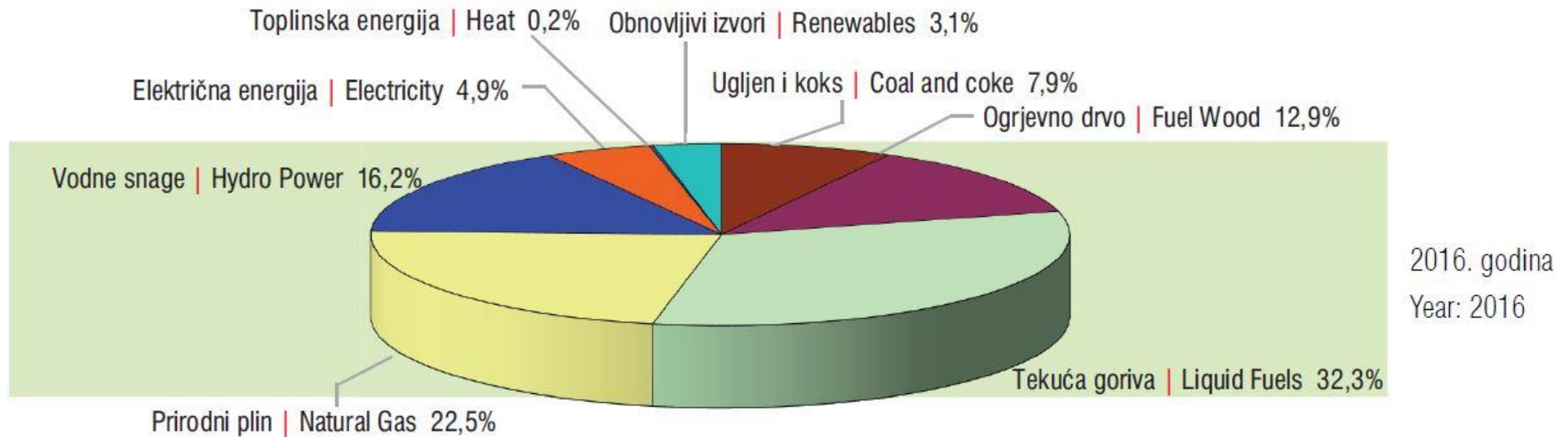
Vladimir Đurović, Energy expert

TOTAL PRIMARY ENERGY SUPPLY IN CROATIA



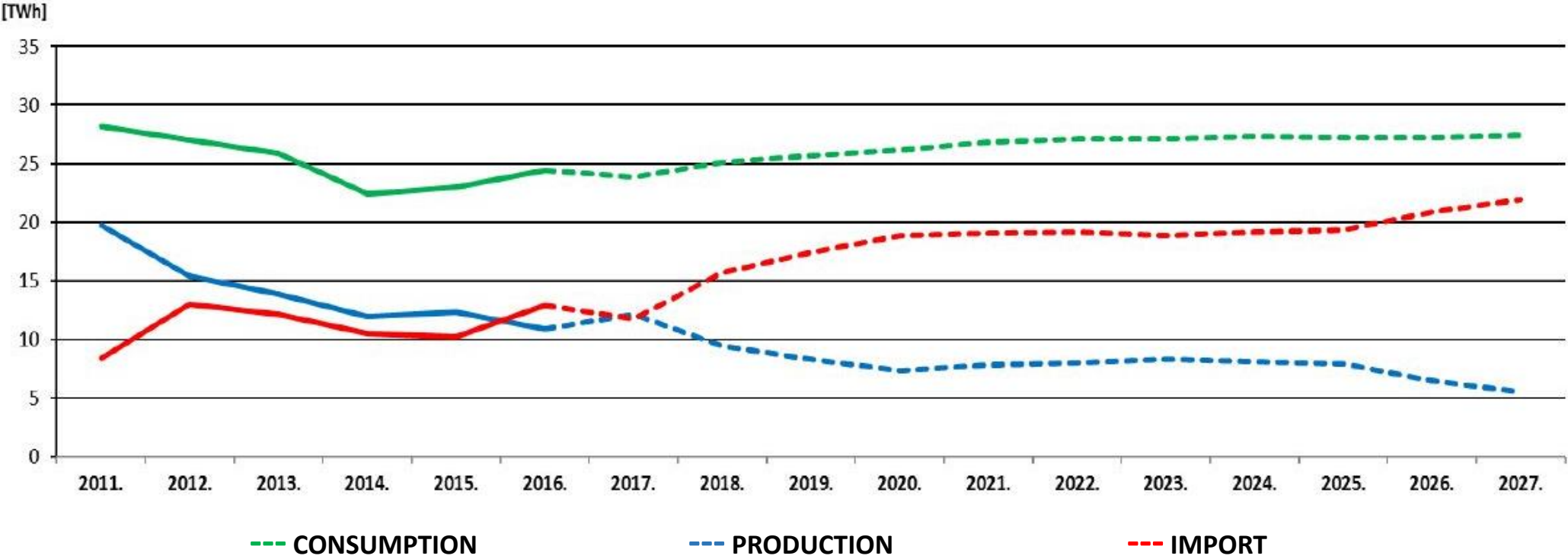
Source: EIHP

SHARES IN TOTAL PRIMARY ENERGY SUPPLY IN 2016



Source: EIHP

BALANCE SHEET OF NATURAL GAS IN CROATIA



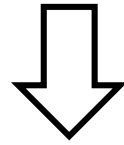
Source: PLINACRO

GAS TRANSMISSION SYSTEM

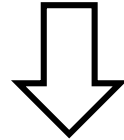


Source: PLINACRO

THE NEED TO INCREASE IMPORT OF NATURAL GAS



NEW SUPPLY SOURCES



NEW SUPPLY INFRASTRUCTURE

DEVELOPMENT PROJECTS

STRATEGIC PROJECTS

- LNG Project
- Ionian-Adriatic Pipeline (IAP)
- Baltic-Adriatic Gas Corridor
- Compressor Stations

INTERCONNECTIONS

- Bosnia and Herzegovina
- Slovenia
- Serbia



IONIAN ADRIATIC PIPELINE - IAP

- *Connecting Croatian Gas Transmission System with project TAP*
- *New supply source for the region from the Southern Corridor*
- *Reverse flow*
- *Provides access to future LNG terminals in Croatia*
- *pipeline Split (HR)-Fieri (ALB) DN800 /1000 / 75 bar, L= 511 km, capacity 5 bcma*
- *gas supply of:*
 - Albania - 1 bcma*
 - Montenegro - 0,5 bcma*
 - BiH - 1 bcma*
 - Croatia - 2,5 bcma*
- *Length:*
 - Croatia – 249 km*
 - Montenegro – 95*
 - Albania – 167*



PROJECT MANAGEMENT UNIT

- August 2016 in Dubrovnik- Ministerial Memorandum of Understanding and Cooperation signed between Albania, Croatia, Montenegro, BiH –pending
- PMU established consisting of: Ministries and TSOs – Albania, BiH, Croatia, MNE and SOCAR; Energy Community Secretariat – Observer Member

Alb: Ministry of Energy and Infrastructure
Albgaz

BiH Ministry of Foreign Trade and
Economic Relations
BH Gas

HR: Ministry of Environment and Energy
Plinacro

MNE: Ministry of Economy
Montenegro Bonus

SOCAR

EnCS Observer Member

Secretariat of IAP PMU – Ministry of Economy
MNE

PMU for IAP Project –

devoted to defining further steps leading to facilitation of development and implementation of the IAP Project

- 4 PMU Meetings held
- Action Plan – drawn up
- ENTSOG TYNDP 2017
- Meetings held with: DG Energy, TAP, EBRD,..

February 2018 – Letter of Intent on the foundation of a Ionian-Adriatic Pipeline project company signed between Plinacro, Montenegro Bonus and Albgaz

-Next steps: establishing IAP company, signing MOU with TAP,...

STATE OF PLAY

HR sections (DN 800/75 bar):

Split-Ploče

ESIA, Basic Design, Location Permit, Main Design ✓

Building Permit :

1. Gas Node Split ✓
2. Split-Zagvozd- in progress
3. Zagvozd –Ploče – in progress

MNE section (DN 800/75 bar):

Gas Master Plan ✓; Preliminary Design– in progress

ALB section (DN 1000/75 bar):

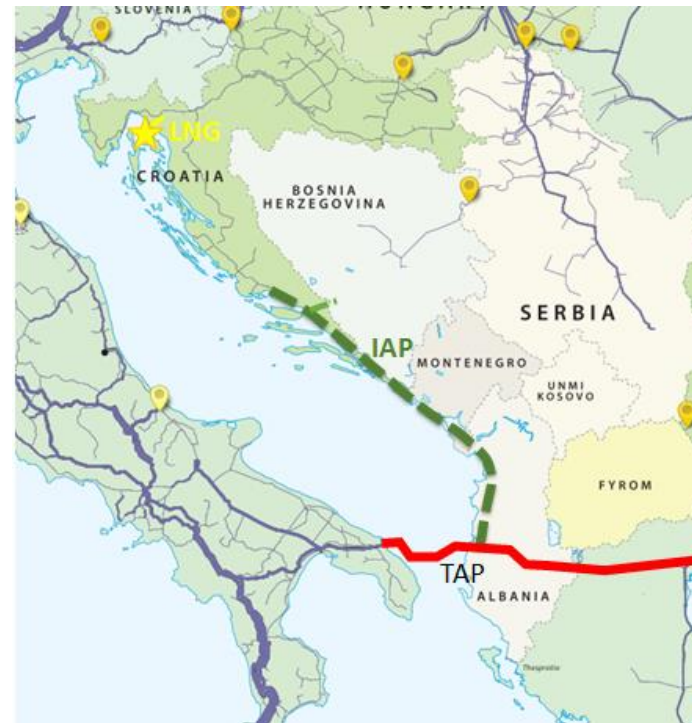
Gas Master Plan ✓; Preliminary Design– in progress

Branch to BiH Imotski – Zagvozd Posušje- Novi Travnik with a branch to Mostar:

Croatia: Preliminary design ✓; ESIA ✓; Location Permit ✓ BiH section: PFS ✓; CBA in progress

Ploče-Dubrovnik and Dubrovnik-Prevlaka-Dobreč

ESIA, Basic Design ✓; Location Permit in progress



Source: PLINACRO

THE SIGNIFICANCE OF IAP

The implementation of this project:

- introduces an environmentally sound energy source in the region (replacement for wood, coal, fuel oil...)
- facilitates gasification of Albania**
- creates precondition for gasification of Montenegro**
- facilitates gasification of significant part of Bosnia and Herzegovina
- facilitate gasification of southern part of Croatia
- provides diversified supply for the entire region**
- provides access to future LNG terminals in Croatia**
- provides access to Croatian and Albanian storage capacities
- provides significant transit and income thereof to Albania, Montenegro and Croatia
- provides access to new potential gas reserves in Montenegro and Croatia
- significantly activates the entire region in an economic aspect

LNG TERMINAL KRK



Source: LNG Hrvatska

- LNG Croatia LLC is a company established for the purpose of building and operating the infrastructure necessary for receiving, storing and regasifying liquid natural gas.
- 50% PLINACRO + 50% HEP
- The LNG receiving terminal will be located in Omišalj county on the Island of Krk in Croatia, North Adriatic. Krk LNG terminal is an important factor in the diversification of natural gas supply as well as the enhancement of security of natural gas supply for Central and South-Eastern Europe.

LNG TERMINAL KRK

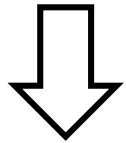
- THE HIGH STAGE STAGE OF PREPAREDNESS PROJECT / I Phase FSRU
- THE FULL STATE SUPPORT / 016/14/2016 The Croatian parliament approved a special Law on LNG PROJECT
- SUPPROT AMD SIGNIFICANT EU FUNDING / 101 mil €
- UNCERTAINTY BINDING OPEN SEASON PROCEDURE / 3 rounds

?

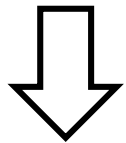
WILL OVERCOME THE POLITICAL CRITERIA OR MARKET CRITERIA IN DECISION – FID?

CROATIAN POTENTIAL

- HIGHLY DEVELOPED NATIONAL GAS TRANSMISSION SYSTEM
- NEW PIPELINES + COMPRESSOR STATIONS + INTERCONNECTIONS
- NEW SUPPLY PROJECTS (IAP, LNG)



IMPORTANT ROLE IN REGIONAL SECURE AND COMPETITIVE SUPPLY



MARKET INTEGRATION

**THANK YOU FOR
YOUR ATTENTION!**

VLADIMIR ĐUROVIĆ

Energy expert

djurovicvlad@gmail.com