



CYNERGY®

SHAPING THE NATURAL GAS MARKET OF CYPRUS

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CYNERGY® SHAPING THE NATURAL GAS MARKET OF CYPRUS

1. Current Status
2. Gas Imports – Previous Attempts/Processes
3. Latest Developments
 1. LNG Supply Options Study
 2. CEF Synergy – “CYnergy” Project
 3. New LNG Project (LNG Procurement and Infrastructure Development)
 4. NG Pipeline Network
4. Way Forward



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CYNERGY® 1. CURRENT STATUS

- Cyprus has an energy isolated market (no interconnected capacity)
- High Dependency on Liquid Fuels (Power Gen)
- 3 Main Conventional Power Stations Owned by EAC, Total 1478MW
- Dual fuel (LF & NG) generation capacity 830MW at VPS
- Increasing Renewable Penetration (Solar, Wind)
- NG Market Regulation under CERA
- Cyprus Law - Harmonised with EU Directive 2009/73/EC
- Derogations may apply due to Isolation & Emergent Market
- Possible monopolistic operation for early years





CYNERGY® 2. GAS IMPORTS – PREVIOUS ATTEMPTS/PROCESSES

- 3 Previous Attempts
- The first was for a Long Term LNG Supply & On-Shore Regas Terminal
- Following Leviathan And Aphrodite Discoveries, 2 additional Interim Gas Supply Processes for the period up to indigenous gas arrival
- The unsuccessful conclusion reasons of the processes were analysed, indicating the main issues that must be dealt with for the future
 - Duration
 - Quantities
 - High Demand in Flexibility
 - Prevailing market conditions at the time





3.1. DEFA's LNG Supply Options Study

- Target: NG supply by 2020, due to environmental constraints relating to emission limits
- DEFA analysed and compared all options for LNG Supply
- Optimum way forward (accounting for cost, time, flexibility) is through **floating storage and regas facilities**





CYNERGY® 3. LATEST DEVELOPMENTS

3.2. CEF Synergy – “CYnergy” Project

- Holistic Approach for NG Market development and penetration of use of NG to Energy and Transport sectors
- Total Proposal Cost ≈€7,5m – **CEF EU Co-financing ≈€4,5m (60%)**
- Implementation of CYnergy proposal is aligned with NG supply target date – by 2020
- All CYnergy resources have been mobilised aiming for a new grant under CEF Energy Proposal for PCI “CyprusGas2EU” and the timely completion of the project
- October 12 – Successful CEF Energy Proposal Submission





3.3. New LNG Project (LNG Procurement and Infrastructure Development)

- 2 Separate processes
 - LNG Procurement, Public Tender to be announced by Q1 2018
 - Infrastructure Development, Public Tender to be announced by Q1-Q2 2018
- LNG Project infrastructure requirements have been included in the new CEF Energy Call proposal submission by MECIT, MTCW, DEFA, CPA aiming to secure a grant for the PCI **CyprusGas2EU**

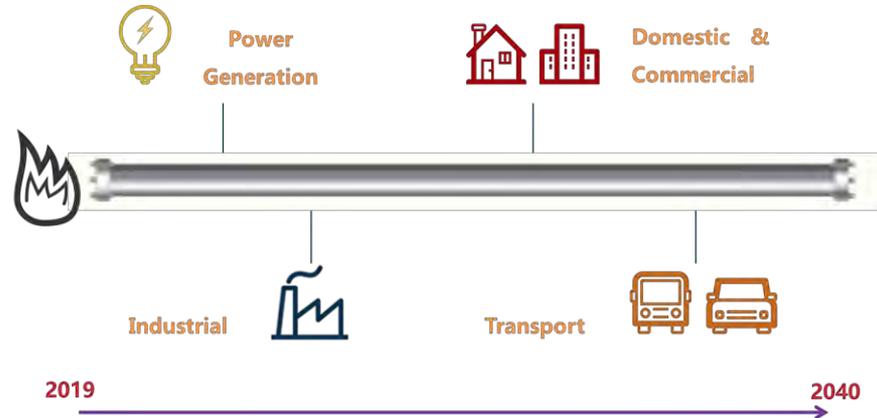




CYNERGY® 3. LATEST DEVELOPMENTS

3.4. NG Pipeline Network

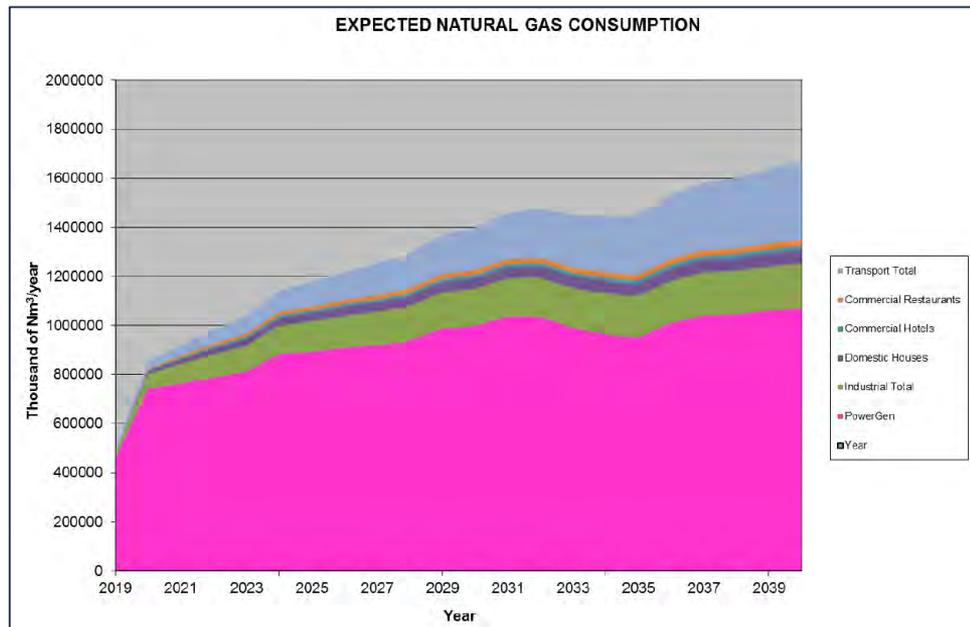
- DEFA appointed GNFe for Engineering Consultancy Services for the NG Pipeline Network Development in 2010
- Feasibility Study completed in 2012
 - Revised in 2016-2017





3.4. NG Pipeline Network

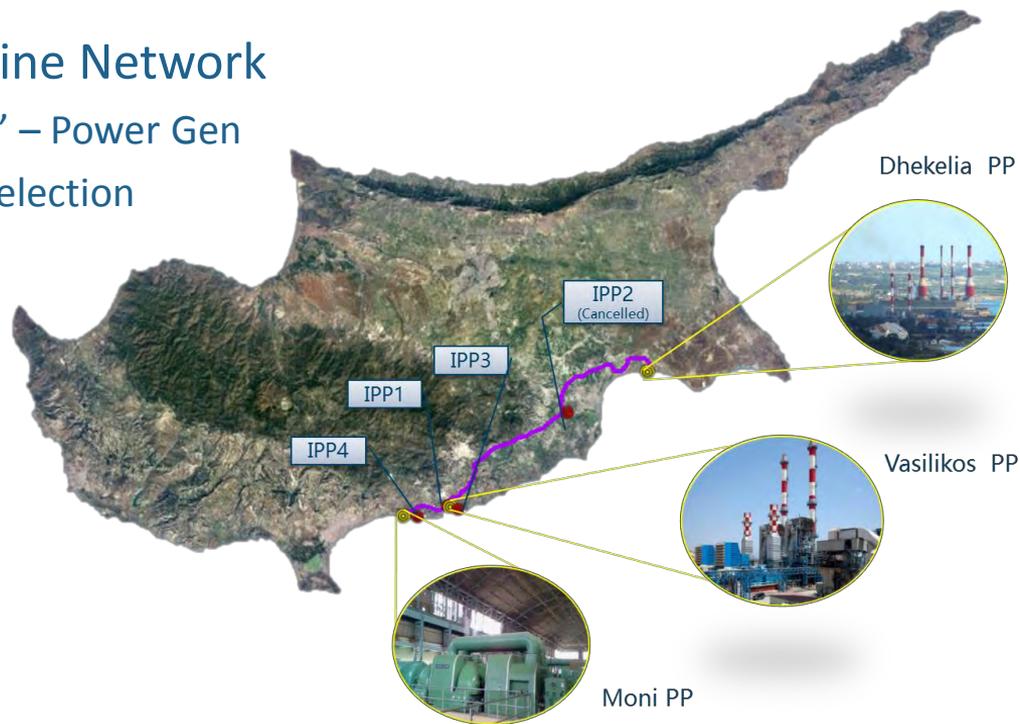
- Various Studies are included in the Feasibility Study
 - Gas Demand
 - Route Selection
 - Network Sizing
 - Preliminary EIA & Risk Assessment
 - Economic & Financial Analysis





3.4. NG Pipeline Network

- Phase A' – Power Gen
- Route Selection

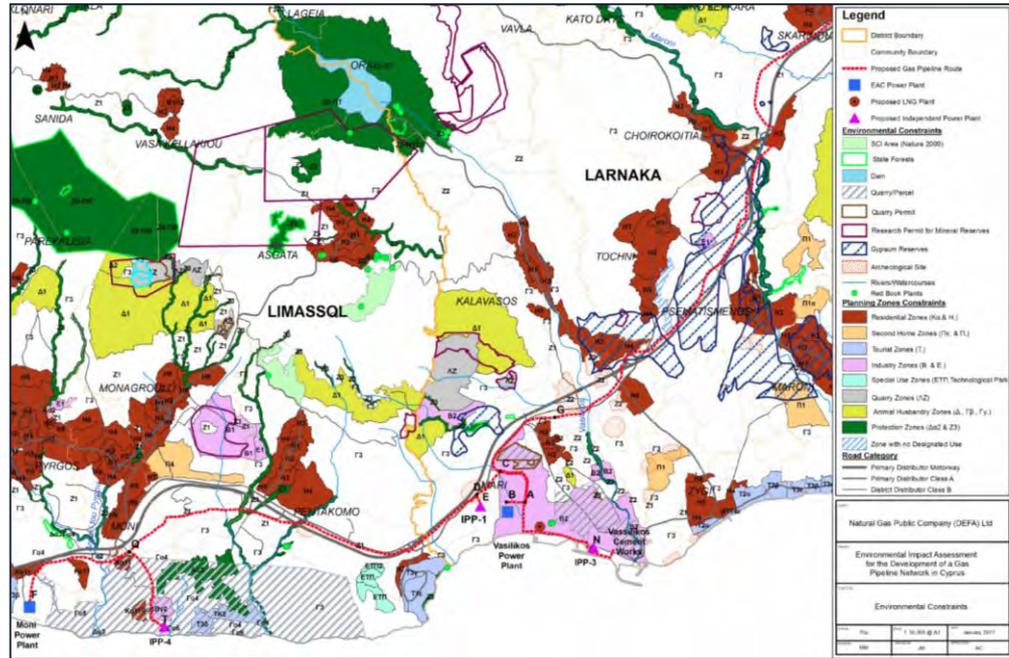




CYNERGY® 3. LATEST DEVELOPMENTS

3.4. NG Pipeline Network

- Route: Selected trying to minimise impact and avoiding all environmental/social/other constraints
- Indicative example: follows highway passing through town planning zones (avoiding housing/touristic zones, etc.)



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CYNERGY® 3. LATEST DEVELOPMENTS

3.4. NG Pipeline Network – Preliminary Estimated Cost

– €10m. Grant EU Co-Financed under EEPR

PROJECT	EPC COSTS (Euro)	OTHER CAPEX (Euro)	TOTAL (Euro)
VASILIKOS NG Pipeline (+ Buffer)	31,319,327	6,361,585	37,680,912
MONI NG Pipeline	9,798,002	1,945,296	11,743,298
DHEKELIA NG Pipeline (- Buffer)	19,692,585	4,036,644	23,729,229
TOTAL NETWORK INVESTMENT	60,809,914	12,343,525	73,153,439



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CYNERGY® 4. WAY FORWARD

- LNG Procurement, Public Tender to be announced by Q1 2018
- Infrastructure Development, Public Tender to be announced by Q1-Q2 2018
- Open Season Process in early 2018, for the determination of demand by all users, committed quantities of NG and spatial allocation users
- FEED for the Pipeline Network (following completion of Open Season and generation expansion plan study of EAC)



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Thank You!

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