

THE BLACK SEA SHORE – PODISOR PIPELINE

A NATIONAL DEVELOPMENT PROJECT



NON-TECHNICAL SUMMARY

for the Project

**„Black Sea Shore - Podisor Pipeline (RO) for taking
over Black Sea gas”**

(Reference number in EU List: 6.24.8.)



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TABLE OF CONTENTS

1. A PROJECT OF COMMON INTEREST	3
2. WHO ARE WE?	4
3. WHAT IS THE BLACK SEA SHORE-PODISOR PIPELINE?	5
PROJECT Description	5
Scenarios under analysis	5
Pipeline Route.....	6
4. WHY THE BLACK SEA SHORE-PODISOR PIPELINE?	7
What does the Project bring forth?	7
National and local benefits	8
5. RESPECT FOR ENVIRONMENT AND FOR PEOPLE.....	9
6. PROJECT PRELIMINARY SCHEDULE	10
7. PROJECT STATUS	10
Permitting according to the applicable legislation.....	10
The authorization procedure applicable to Projects of Common Interest based on the provisions of Regulation (EU) no. 347/2013.....	10
8. ADDITIONAL INFORMATION SOURCES	12

1. A PROJECT OF COMMON INTEREST

Regulation (EU) no. 347/2013 of the European Parliament and Council of April 17th 2013 on the guidelines for trans-European energy infrastructure and repealing Decision no. 1364/2006/CE and amending Regulations (EC) No.713/2009, (EC) No. 714/2009 and (EC) No. 715/2009” (hereinafter referred to as the Regulation (EU) no. 347/2013) intends to facilitate and implement energy projects of strategic importance. The Regulation introduces, among others, a new status for projects, namely the Project of Common Interest (PCI) status, a status granted to projects that have a significant contribution to energy market integration, sustainability, security of supply, and that are necessary for energy infrastructure corridors with cross-border impact.

The Project is on the project of common interest list adopted by the European Commission in November 2015:

✓ **6.24.8 “Black Sea Shore – Podișor Pipeline (RO) for taking over Black Sea gas”**

Additional information on projects of common interest are available on the official webpage of the European Commission:

<https://ec.europa.eu/energy/en/topics/infrastructure/projects-common-interest>

and the interactive map of these projects may be found at:

http://ec.europa.eu/energy/infrastructure/transparency_platform/map-viewer/

According to the Regulation (EU) no. 347/2013 the projects of common interest are subject to a specific authorization procedure and they may benefit of grants by Connecting Europe Facility.



2. WHO ARE WE?

The National Gas Transmission Company “TRANSGAZ” S.A. (TRANSGAZ) is the sole operator of the Romanian national gas transmission system. In Romania the gas transmission system is owned by the Romanian state, and TRANSGAZ is the system operator based on a long term concession agreement.

The main object of activity of the company is „Transmission through pipelines”, but complementary to this the company may perform other activities as well, according to the applicable legislation and with the company’s bylaws. The main purpose of the company is to attain the objectives of the national strategy set for gas transmission, gas transit, gas dispatching, gas transmission research and engineering, under efficient, transparent, secure, non-discriminatory access and competitive conditions, while observing the European and national legislation and standards on quality, performance, environment and sustainable development.

TRANSGAZ is a joint-stock company according to the Romanian legislation, and the main shareholder is the Romanian state. The company was listed on the Bucharest Stock Exchange in 2007.



3. WHAT IS THE BLACK SEA SHORE –PODISOR PROJECT?

Project name	6.24.8 “Black Sea Shore – Podisor Pipeline (RO) for taking over Black Sea gas”
Priority corridor	Gas Interconnections in Central-Eastern and South-Eastern Europe („NSI East Gas”),
Country	Romania
Project promoter	S.N.T.G.N. TRANSGAZ S.A.
Project location	Black Sea Shore – Amzacea – Vlaşin - Podișor

Project Description

Considering the European Union’s increasing dependence on gas imports, based on the constant increase of the gas demand and the decrease of the domestic production, the security of gas supplies represents a necessity.

Taking into account the perspective of new projects aimed to diversify gas transmission routes from the Caspian region to Central Europe, as well as the new off-shore gas sources in the Black Sea, Transgaz aims to construct a new gas transmission pipeline to assure the capitalization of the gas volumes from such offshore sources on the Romanian and European markets.

The “Black Sea Shore – Podișor Pipeline (RO) for taking over Black Sea gas” (hereinafter referred to as the Project) consists in the construction of an approximately 308.3 km long telescopic pipeline, Ø48” (Dn 1200) and Ø40” (Dn 1000) diameter, designed to transport gas at a pressure of 63 bar to connect the Black Sea shore to the technological node Podișor in the Black Sea Shore – Amzacea - Vlaşin - Podișor direction.

Scenarios under analysis

Within the pre-feasibility study the following alternate routes were considered:

Option 1 (endorsed):

The location of the gas transmission pipeline on the route Black Sea Shore - Vlaşin - TN Podișor.

Option 2:

The location of the gas transmission pipeline on the route Black Sea Shore – Izvoarele –TN Podișor.

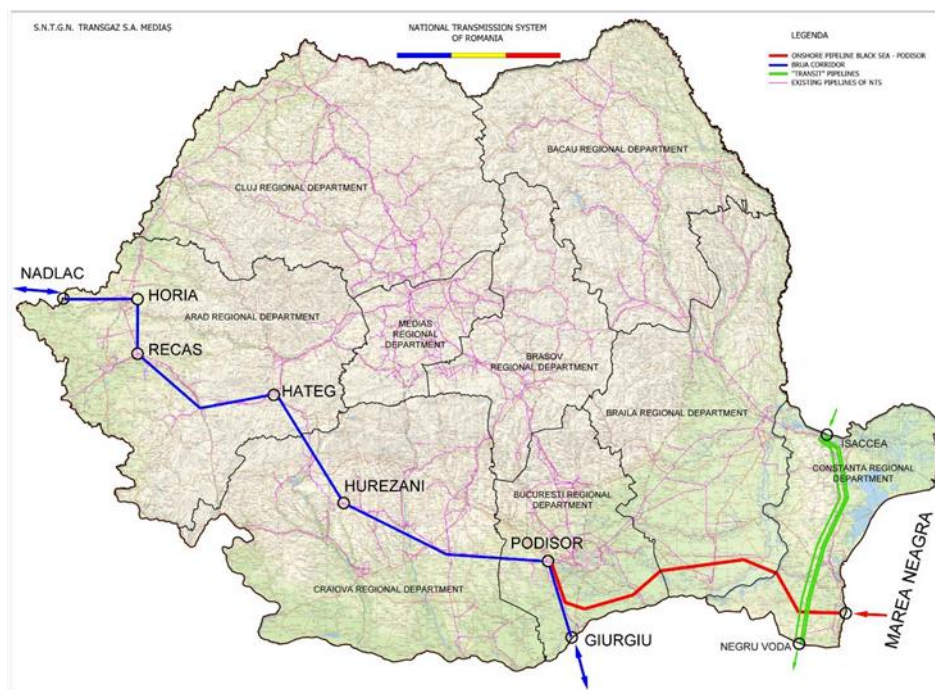
In view of the optimization and selection of the final route the following aspects were taken into account:

- minimum impact on agricultural lands;
- avoidance of landslide areas;
- necessity of minimum land improvement as compared to other possible alternatives;

- technical, economical and construction related considerations, and the possibilities to monitor the pipeline during operation;
- minimum impact on the environment (and on all environmental aspects);
- assurance of conditions for mechanical digging and construction-mounting works;
- safety of operation;
- observance of safety distances to nearby objectives;
- existent access ways;
- minimum negative social impact.

Pipeline Route

When determining the route of Black Sea shore – Podișor several options have been considered, and the final decision weighed in favor of the option that would bring the optimum ratio between the social-economic benefits, the national energy security benefits, the national consumption needs and the minimum impact on the environment and the community.



Black Sea Shore – Podișor pipeline route

The pipeline is located in the South Eastern area of the country and its route goes from SE towards W crossing the counties of Constanța, Călărași and Giurgiu.

Due consideration was also paid to the impact mitigation of some environmental factors, namely to round the

conservative areas, the environmental sensitive areas and inhabited areas.

Along the route, in the 3 counties, the pipeline crosses the following obstacles: access ways (national roads, county roads, country roads, railways), water bodies that are registered in the land register or not, valleys and channels, oil, gas and water pipelines, telecom networks (fibre optic) and forest areas.

On the pipeline route there will be installed a series of above ground installation ancillary to the transmission pipeline, as follows: 21 line valves and 10 cathodic protection stations.

4. WHY THE BLACK SEA SHORE - PODIȘOR PROJECT?

The gas infrastructures in the region currently lack the appropriate interconnectivity and flexibility, which causes a significant negative impact on the gas markets in Bulgaria, Romania, Hungary and Austria, further on bringing higher gas prices and vulnerability in the security of supply. Moreover, some of these countries still depend, at a high extent, by the gas supplied by the Russian Federation.

What does the Project bring forth?

- **Market integration** following the enhanced interoperability and flexibility of the system by assurance of additional gas sources, causing thus a decrease in the congestion of the energy infrastructure;
- **Security of supply** and **competition** by the possibility to assure gas flows in the adequate interconnections, by the diversification of supply sources, of transmission routes and of stakeholders, thus reducing the market concentration;
- **Sustainability** by the opportunity brought by the possibility to replace pollutant fuels with gas, assuring thus a reduction of carbon dioxide emissions per delivered energy unit.

Moreover, project implementation assures:

- diversification of gas supply sources for consumers in Romania, by ensuring access to the gas volumes in the Black Sea;
- the development of a transmission capacity that would allow in the future the interconnection with the pipelines with potential liquefied gas supply sources at the Black Sea Shore (AGRI Project);
- facilitation of the means to allow transmission to the Central European markets of the Black Sea gas by introducing the possibility to connect with Bulgaria – Romania – Hungary – Austria pipeline (BRUA Project);
- the security of gas supply to Romania and Central European markets by access to new gas sources;
- decrease the dependency on gas imports from a single source, by covering the constant and predictable increase tendencies of the consumption in the European countries against the background of gradually gaining the market to lead to a constant medium and long term decrease of the gas deliveries from the area of the Russian Federation.

Through its objectives the Project complies with the guidelines on trans-European energy infrastructures as formulated by the European Parliament, European Council and European Commission.

In the Gas Compressor Station Podișor, the pipeline Black Sea Shore - Podișor is connected to the pipeline Dn 800 x 63 bar Podișor - Corbu, pipeline to be part of the gas transmission corridor Bulgaria-Romania-Hungary-Austria.

National and local benefits

Implementation of the Project will lead to a higher degree of energy security in Romania by assurance of access to diversified sources and routes of gas supply. This new infrastructure will also open way for new opportunities favoring the suppliers of energy equipment and services in Romania and the rest of Europe, and will assure new jobs that are necessary for the execution and exploitation works in Romania.

To this end, from national and local perspective, the following potential benefits have been identified as a result of Project implementation:

- Security of gas supply to Romania by access to new gas sources;
- Incentives to competition on the internal gas market, diversification of market structure and determination, under competitive conditions, of import gas prices;
- A stronger role as country crossed by major energy corridors towards the markets in Central and Western Europe;
- Development of the national gas transmission system;
- Major investments in Romania;
- A positive social-economic impact, by:
 - new jobs both during construction and during operation;
 - increased commodity demand with a positive effect on economy as a result of the new jobs;
 - additional income to the state budget and to the local budget;
 - a positive impact on local tourism operators (accommodation) and therefore an increased tax contribution as income to the local administration (during Project implementation) by contracting accommodation services in the works area for the teams responsible with Project implementation and Project execution;
 - incentives for other investments and ancillary undertakings (manufacturers/suppliers of raw materials, materials, devices/equipment and services necessary for Project implementation);
 - incentives for development of local economy due to a higher value of land in the vicinity of the new pipeline;
 - a higher living standard and a better life due to the increased number of households/economic agents to connect to the gas network.

5. RESPECT FOR ENVIRONMENT AND FOR PEOPLE

TRANSGAZ believes that the use of business practices that pay a tribute to society and to the employees is vital for the success of the Project. As such, the company adheres to a series of key principles:

- observance of strict standards on pipeline systems construction;
- mitigation to the minimum possible of the negative impact on the environment and on the inhabitants caused by construction activities;
- mitigation to the minimum possible of the short term and long term inconveniences caused to land owners and land users;
- TRANSGAZ is responsible for restoration of land and structure (drains, ditches, irrigations and roads) that are necessary during construction;
- mitigation to the minimum possible of Project footprint (including on land subject to easement or right of way, on temporary facilities, on access roads);
- mitigation to the minimum possible of emissions and noxae;
- mitigation to the minimum possible of energy and resources consumption;
- mitigation to the minimum possible of waste resulted from construction and exploitation activities;
- maximum reuse of displaced materials.



During construction



After construction

6. PROJECT PRELIMINARY SCHEDULE

Development and implementation stages	Period
Prefeasibility study	complete
Feasibility study	complete
Environmental Impact Assessment	2016 – 2017
FEED and permitting documentation for the construction permit	2016 – 2017
Construction of pipeline	2018 –2020
Commissioning	2020
Start of operation	2020

Note: The schedule is indicative, the actual implementation of the Project depends upon the development of the Black Sea blocks.

7. PROJECT STATUS

Permitting according to the applicable legislation

The **feasibility study** was completed. Within such study the pipeline route was selected and the following specialty studies were prepared: topographical studies, geotechnical studies and hydrological studies.

The preparation of the **FEED**, to include also the final route of the pipeline, is ongoing.

The activity related to the **identification of land owners** affected by the Project execution works is ongoing, and so is the procedure for the permitting of the construction works, namely the granting of the Town Planning certificates. The **Town Planning Certificate** for Călărași County was issued on 28.03.2017 and for the county of Giurgiu on 05.04.2017.

The environmental impact assessment was initiated in line with Order no.135/76/84/1284 of 10 February 2010 on the approval of the Methodology for the application of the environmental impact assessment for public and private projects. In this respect notifications on the intended Project were submitted to the three County Environmental Protection Agencies (Constanța, Călărași and Giurgiu); the presentation report was drawn up and the National Environment Protection Agency issued the screening decision. At the same time, the procedure related to the procurement of the environmental impact assessment services and granting of the environmental permit was completed, and the contract with the environmental consultant was signed. The National Environment Protection Agency issued the screening decision no. 51/01.03.2017 and the scoping study guidelines are expected to be issued.

Update as in October 2017

The Urbanism Certificate for Constanța county has been issued in May 25th, 2017.

The Adequate Assessment Study has been completed by the environmental expert and has been submitted on August 11th, 2017 to the National Environment Protection Agency.

The authorization procedure applicable to Projects of Common Interest based on the provisions of Regulation (EU) no. 347/2013

Considering the magnitude and regional implications of the projects of common interest (PCIs), Regulation (EU) no. 347/2013 provides for a new formula and a new set of guidelines applicable to the authorization procedures for PCIs. The scope of the new guidelines is mainly to lead the way for an effective administrative processing of application files for PCIs, by concentrating the activities with one dedicated entity, namely: "The National Competent Authority responsible to facilitate and coordinate the permitting procedures for PCIs and to facilitate the application of Regulation 347/2013". In Romania this role falls with the Ministry of Energy.

TRANSGAZ submitted to the Competent Authority for PCIs (A.C.P.I.C) the **Notification for the initiation of the procedure prior to the submission of the candidature** for the "Project Black Sea Shore –Podisor Pipeline (RO) for taking over Black Sea gas"; the Competent Authority approved the Notification by issuing the **Letter of approval of the Notification for the initiation of the procedure prior to the submission of the candidature**.

Upon A.C.P.I.C. request, TRANSGAZ will draw up the detailed schedule for the permitting procedures and will send for approval "The Concept regarding the public participation" to conduct public consultations prior to submission of the application file for the Project. The information related to the public consultations procedure are available on the company's website.

According to the provisions of Regulation (EU) no. 347/2013 the **webpage of the project** was created on the company's website where the information leaflet is available providing, in a clear and succinct manner, information on the Project, as well as the contact details.

Update as in October 2017

The Concept for Public Participation for the Project of Common Interest "Black Sea Shore –Podisor Pipeline (RO) for taking over Black Sea gas" has been submitted to the Competent Authority for PCIs (A.C.P.I.C) on May 24th, 2017 and has been approved by the Ministry of Energy by letter no. 110800/June 27th, 2017.

Between July 17th and July 27th, 2017 the Project promoter has organised public consultations based on (EU) Regulation No. 347/2013 in the following locations: Tuzla, Amzacea, Cobadin, Alexandru Odobescu, Borcea, Frăsinet, Isvoarele, Băneasa and Stoenești.

The Final Synthetic Report regarding the results of the public consultation actions has been issued and sent to A.C.P.I.C. for consultation purposes and is to be published on Transgaz webpage.

8. ADDITIONAL INFORMATION SOURCES

Information on the company:

<http://www.transgaz.ro/>

Information on the Project and on the public consultation procedure:

<http://www.transgaz.ro/ro/informatii-clienti/conducta-tarmul-marii-negre-podisor-ro-pentru-preluarea-gazului-din-marea-neagra>

The official webpage of the European Commission:

<https://ec.europa.eu/energy/en/topics/infrastructure/projects-common-interest>

The interactive map of the European PCIs:

http://ec.europa.eu/energy/infrastructure/transparency_platform/map-viewer/

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