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PRESS RELEASE

Cooperation for the Vertical Corridor is strengthened with the signing of a Memorandum of Understanding which sees the participation of three new operators: GTSO from Ukraine, Vestmoldtransgaz from the Republic of Moldova, Eustream from Slovakia

An important step towards the activation of a bi-directional corridor of natural gas flow from Greece to Ukraine and vice versa was taken on Friday, January 19th 2024, by the natural gas infrastructure operators participating in the Vertical Corridor initiative, with the signing of the Memorandum of Understanding by operators from the Republic of Moldova (Vestmoldtransgaz), Ukraine (GTSO) and Slovakia (Eustream).

The Memorandum of Understanding establishing a bidirectional gas flow from Greece to Ukraine was signed in the margins of the CESEC High Level Group Ministerial Meeting. On behalf of SNTGN Transgaz SA, the Memorandum was signed by Mr Ion Sterian. The respective Executive Directors signed on behalf of the other companies.

This Memorandum seals the intensive cooperation developed by gas and LNG transmission system operators from Greece (DESFA, Gastrade), Bulgaria (ICGB, Bulgartranzgaz), Romania (Transgaz), Hungary (FGSZ) and Slovakia (Eustream), following the meeting organized in Bucharest by Transgaz on January 11th 2023.

On the occasion of the signing of the Memorandum, Transgaz' Director General, Mr Ion Sterian, stated: ***"This corridor will bring prominence to Romania and energy security for countries in Eastern Europe, the Republic of Moldova and Ukraine, as well as for Central Europe. Transgaz is a constant and solid supporter of the Vertical Corridor, and has acted effectively by honouring its commitments and developing a productive dialogue and close cooperation. Transgaz believes in the synergy of the Technical System Operators of Greece, Bulgaria, Romania, Hungary, Ukraine, the Republic of Moldova and Slovakia and in the substantial impact they can bring to the enhancement and strengthening of the energy security of those countries, the region and the European Union. A coordinated development of these countries' systems and interconnection capacities can contribute to the transformation of the region and the continent in terms of gas supply security and enable Romania to become a pole of economic development for Europe."***

The full activation of the Vertical Corridor, through the appropriate upgrading of the networks of the above-mentioned countries, will allow the transmission of gas from the South to the North and vice versa, through European natural gas and LNG transmission systems, leveraging the enhanced capabilities of the new and under development FSRUs in the area. This potential can be further extended by the use of said infrastructures for renewable gases and hydrogen

The Operators signing the MoU express their commitment to promote PCI and other necessary projects, jointly or individually, for the activation of the Vertical Corridor, underlining at the same time their intention to support each other in securing funding from European and other funding sources for these projects. They also agree to seek, where appropriate, the facilitation and guidance of the European Commission.

As for the next steps, participants believe that the best way forward is to coordinate according to market-based solutions and European legislation.

In this context, they agree to carry out simultaneously, in July 2024, one year earlier than the foreseen schedule, a binding market test for capacity allocation at their respective interconnection points, according to the CAM Regulation (EU) of the European Commission. Then, based on user interest, they will identify and size the most appropriate and targeted capacity expansion projects needed to meet demand along the Vertical Corridor route.

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PHOTO





