

PRESENTATION SHEET

For project

„Modernization of the natural gas storage infrastructure – Bălăceanca UGS”

SNGN ROMGAZ SA – Natural Gas Underground Storage Subsidiary DEPOGAZ Ploiești SRL

1. ENTSOG code: **UGS - N - 606**
2. TYNDP 2022: „ **Modernization of the natural gas storage infrastructure - Balaceanca UGS”**.
3. Category: Gas Infrastructure
4. Project Promoter: SNGN ROMGAZ SA - Natural Gas Underground Storage Subsidiary DEPOGAZ Ploiești SRL
5. Countries involved: România, RO
6. Technical description of project:

The project aims to use the UGS in a multicycle regime and to increase the daily gas delivery capacity of Bălăceanca UGS to 1.6 million scm/day. To ensure an increased degree of operational safety and to enhance the capacity of the existing gas infrastructure, it is necessary to modernize the existing facilities and to construct new surface facilities that will take over the additional flow and ensure the necessary flexibility to use the storage in multicycle.

From a technical point of view, the project consists of drilling new wells, modernizing existing wells and surface facilities in accordance with the requirements of European safety and control standards, to expand, modernize and optimize the existing compressor, separation and fiscal measurement units.

The project consists of the following:

- Systematization of intake/ discharge (exhaust) manifolds, injection/withdrawal of gas;
- Expansion and modernization of Bălăceanca compressor station;
- Expansion and modernization of TEG dehydration unit;
- Modernization of fiscal metering panel Bălăceanca;
- Modernizations of storage groups;
- Drilling and completion of 3 new wells;
- Modernization of old wells;
- Installation of new facilities to produce electricity and heating agent from renewable sources, to be used for administrative and technological needs;
- Digitization of the natural gas storage process

7. Project location:

Bălăceanca UGS is located in Cernica, Ilfov County, approximately 4 km South of Bucharest.

8. Project objectives:
 - Increase of security of supply through the development and diversification of natural gas resources in the SE of Europe, ensuring a better energetic independence and mitigating the risks of gas flow interruption during peak periods with reference to different disruptive scenarios;
 - Increase of daily withdrawal capacity by 30%, up to 1.6 million scm/day;
 - Expanding the portfolio of storage services with complex services that integrate, among others, flexibility in operation and network balancing services, through a surface infrastructure that will provide the necessary flexibility to allow using the UGS in multicycle regime;
 - Reduction of carbon emissions by decreasing own consumption of electricity required for the storage process by 5%, respectively the execution within the project of an energy production system from renewable sources (photovoltaic panels) and the use of LED technology for interior lighting systems and external;
 - The project contributes to a reduction of greenhouse gas and pollutant emissions, aligned to the European decarbonization policies and in the light of overall increase in costs of ETS emission certificates. The implementation of the project will allow the role of natural gases or of gases from renewable sources to increase significantly;
 - The project contributes to N-1 rule on a regional level, according to EU Regulation 1938/2017;
 - The project lowers national dependence on gas imports during the cold season.
9. Contribution of the project to the regional, European energetic security:

The project „**Modernization of the natural gas storage infrastructure – Bălăceanca UGS**” has an important contribution to the increase of daily withdrawal capacity and to enhancing flexibility of gas storage infrastructure in the SE of Europe and will stimulate and accelerate the development of new resources located both offshore, in the Black Sea and onshore, in Romania:

 - contribution to the development of production capacities in the area, ensuring the premises for their superior exploitation in the transition towards a green energy, by progressively abandoning the use of biomass and coal;
 - contribution to compliance with the obligations to grant solidarity aid imposed by EU Regulations 1938/2017 and 1032/2022
 - Bălăceanca UGS is connected to Bulgaria – Romania – Hungary - Austria Corridor, the BRUA project that is being developed in our country by NTS TRANSGAZ
10. Sales market: internal and regional market
11. Strategy for purchasing the equipment: PUBLIC TENDERING
12. Final date of feasibility study: 30.04.2021
13. Start date of the project (FID): 2026;
14. Estimated finalization date: 2032;
15. Estimated value of project - CAPEX: 50 mil. EUR.
16. Financing sources: own sources and attracted sources (including EU funds)
17. Production and operation after implementation of project:
 - Additional withdrawal capacity of around 0.4 mil. scm/day will be included in the list of available capacities for withdrawal from UGS. The storage facility will be operated by SNGN ROMGAZ SA – Natural Gas Underground Storage Subsidiary DEPOGAZ Ploiesti SRL.
 - Completion of the project will contribute to the flexibility of the national storage system as a result of using the UGS in a multi-cycle mode, thus increasing the degree of use of the UGS to 200%.
18. Status of the project: land acquisition.
19. Environmental protection: The project conforms to the environmental legislation in force.

20. The calendar for project implementation is:

Implementation phases	Estimated start date	Estimated end date
Feasibility study		2021
FID		2026
Engineering	2027	2028
Technical documentation for construction permit and permitting	2027	2028
Tendering procedure and awarding works contract	2028	2029
Construction	2029	2032
Commissioning / start of operation		2032

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