

PRESENTATION SHEET

For Project:

„Increase of underground storage capacity of natural gas - Ghercești UGS”

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

1. ENTSOG code: UGS – F - 398
2. TYNDP 2020: „Ghercești underground gas storage in Romania”.
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 the project:

The project aims to complement the natural gas storage infrastructure from Ghercești, providing operating conditions at 600 million scm/cycle storage capacity. The implementation of the project correlated with the SNTGN Transgaz project - "Ghercești-Jitaru natural gas transmission pipeline" will lead to an increase of the injection capacity by 3 million scm/ day, to a total of 5 million scm/ day and an increase of the withdrawal capacity by 3 million scm/ day, to a total of 5 million scm/ day.

The project will consist of the following:

- Gas compressor station equipped with hydrogen ready gas-compressors, using up to 20% mix;
- Expansion of dehydration plants and fiscal metering units;
- Installation of facilities for the production from renewable sources of electricity and heating agent, for administrative and technological needs;
- Interconnection of Ghercești UGS to NTS;
- Digitalization of natural gas storage and withdrawal processes;
- Modernization of 20 injection / withdrawal wells;

7. Project location:

From a geographical point of view, Ghercești UGS is located in the South – West of Romania, in Dolj County, in close vicinity, approximately 10 km, of Craiova.

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;
- The project contributes to market integration: the 150% increase of the daily withdrawal capacity from Ghercesti UGS, up to 5 million scm/day will have immediate effects in reducing market congestion;
- Expanding the portfolio of storage services with complex services that integrate, among others, flexibility in operation and network balancing services. The new surface infrastructure will provide a high degree of flexibility that will allow a fast reversal of the storage cycle (and therefore allow injection during withdrawal cycle and withdrawal during injection cycle);

- The reduction of carbon emissions will be achieved through the decrease of the energy costs required for the storage process by 25%, through the implementation of a renewable energy producing solar panel system and the use of LED lighting for both indoor and outdoor use;
 - The project contributes to a reduction of greenhouse gas and pollutant emissions, aligned to the context of European decarbonization policies and the 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 implementation of the project allows the N-1 indicator to increase from 106,3% up to 110,42%.
 - Diminishing of natural gas imports during winter time.
- 9. Contribution of the project to the European and regional energetic security:**
The project „**Increase of underground gas storage capacity - Ghercești UGS**” contributes to increasing the storage capacity in South Eastern Europe and, at the same time, stimulates and accelerates the development of new resources located both offshore, in the Black Sea and onshore, in Romania:
- The implementation of this project will contribute to the development of the production capacities in the area, ensuring the premises for the superior capitalization of these in the transition to green energy by giving up the use of biomass and coal.
 - The project has an important contribution to complying with the obligations to grant solidarity aid imposed by EU Regulation 1938/2017;
 - Ghercesti UGS will be interconnected through the Ghercesti-Jitaru transmission pipeline to BRUA pipeline.
- 10. Sales market:** internal and regional market
- 11. Purchasing strategy:** PUBLIC TENDERING
- 12. Final date of feasibility study:** 30.04.2021;
- 13. Start date of project (FID):** 2021;
- 14. Estimated finalization date:** 2028.
- 15. Estimated value of project (CAPEX):** 126 million EUR.
- 16. Financing sources:** own sources and attracted sources (including EU funds)
- 17. Production and operation after implementation of project:**
- Additional storage capacity obtained - 450.mil. scm/cycle will be included in the list of available capacities for gas storage. The storage facility will be operated by SNGN ROMGAZ SA – Natural Gas Underground Storage Subsidiary DEPOGAZ Ploiesti SRL.
 - The national storage capacity will increase by 16% and the national daily withdrawal capacity will increase by 10%
- 18. Project Status:**
In December 2023, the completion of the elaboration of the technical project of the Ghercești gas compression station is scheduled, including the modernization/expansion of the gas dehydration facilities and the gas fiscal metering system. The value of the contract for the technical project design is 1.20 mil. EUR.
- 19. Benefits of project implementation**
- Increasing the daily gas injection capacity by 3 million scm/day, obtaining a total daily injection capacity of 5 million scm/day;
 - Increasing the daily gas delivery capacity by 3 million scm/day, obtaining a total daily withdrawal capacity of 5 million scm/day;

- Increasing in storage capacity by 450 million scm/cycle, obtaining a total storage capacity of 600 million scm/cycle.

20. Environmental protection:

The project conforms to the environmental legislation in force.

21. The calendar for project implementation is:

Implementation phases	Estimated start date	Estimated end date
Feasibility study		2021
FID		2021
Technical design (Engineering)	06.2022	12.2023
Technical documentation for construction permit and permitting	06.2022	2024
Tendering procedure and awarding works contract	2024	2025
Construction	2025	2028
Commissioning / start of operation		2028

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