

Bulgarian natural gas transmission system operator Bulgartransgaz and the European Climate, Infrastructure and Environment Executive Agency (CINEA) signed a grant agreement for financing the expansion of the Chiren underground gas storage facility (UGS).

In 2021, the European Commission included Chiren in the 5th list of projects of common EU interest, and on 27 January 2022 it announced that an agreement had been reached among Member States for funding under the Connecting Europe Facility (CEF).

The Chiren UGS expansion is one of the five energy projects approved for EU funding and the only one related to natural gas. According to the grant agreement, co-funding of up to 78 million euros under CEF is provided for the project's implementation.

The expansion includes a 45 kilometers long pipeline and aims to increase the natural gas storage capacity to 1 billion cubic meters and the daily production and injection capacities to 8-10 million cubic meters.

Bulgartransgaz CEO Vladimir Malinov said that the expansion of Chiren gas storage is in synergy with the LNG terminals in the region, including the terminal in Greek Alexandroupoli, in which Bulgartransgaz holds a 20 % stake. The combination of the project with the significant transmission capacities at the connection points with the neighboring countries underscores the importance of Chiren regionally, as well as the potential for increasing gas transmission and storage services in purely commercial terms. The opportunity for trading the extraction and injection volumes on the Balkan Gas Hub platform is also essential, he added.

The storage facility will continue to operate normally throughout the entire period of project implementation. The phased commissioning of the new infrastructure is planned to be completed by the end of 2024.

The Chiren enlargement project is in line with the European Commission's policy on increasing energy sustainability, presented through the REPowerEU plan.