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Croatian gas transmission system operator Plinacro has just completed non-binding procedure for the lease of capacity for gas transportation from the future liquefied natural gas (LNG) terminal on Krk island.

In the procedure, eight non-binding offers were submitted and the interest was expressed for all the offered routes: to Hungary, Slovenia, Serbia, Bosnia and Herzegovina and for Croatian market. This Open Season procedure is an instrument of evaluation of market needs recognized by the institutions of the European Union and the bidders have the opportunity to express interest in leasing the capacity on these routes during the non-binding phase. This procedure is important because it will provide the input for the construction of pipelines from the future LNG terminal. Regarding the indicative tariff for the transportation of gas, it is still in the process of calculation and the binding phase of Open Season procedure is delayed, according to Plinacro. The second phase was supposed to last from 1 April to 2 May 2016.

In addition, these eight non-binding offers for the lease of transmission capacity indicate that the number of companies interested in supplying gas from the LNG terminal has decreased by a third. Last year, there were twelve companies interested in the supply of gas through the terminal at the non-binding expression of interest, which initially shown interest in supplying 4-6 billion cubic meters of gas per year. By the end of 2015, LNG Hrvatska received seven offers from investors interested in the construction of the terminal.

There was a lot of turmoil regarding the construction of LNG terminal on Krk island in the past year. In mid-2015, the United States suggested Croatia to give up the construction of land terminal and consider the construction of much cheaper floating terminal for regasification (FSRU). The construction of land LNG terminal with the capacity of 6 billion cubic meters of gas per year would cost over 600 million euros. However, floating terminal with the annual capacity between 1.5 and 2 billion cubic meters could be operational in year and a half or two, because only minor procedures to the gas transportation system is needed due to its smaller capacity and could be leased for about 50 million euros per year.

In the beginning of March 2016, Deputy Prime Minister Tomislav Karamarko announced after the meeting with Special Envoy of State Department for Energy Issues Amos Hochstein that it would be more beneficial for Croatia to build floating storage and regasification unit (FSRU) on Krk island instead of land one, transmits [Serbia-energy.eu](http://Serbia-energy.eu)