

Croatia: Investment cycle of gas storage operator will provide stability to Croatian gas system, expansion of capacity will cost 20MEUR

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National operator of Croatian gas storage system, the factory "Podzemno skladište plina", planned to invest around 150 million HRK in the reconstruction of existing gas warehouse in Okoli and construction of new warehouse in Grbisno Polje this year.

There is the only gas storage in Croatia at the moment and it's placed in Okoli, 50km southeast from Zagreb. 500 million cubic meters of natural gas can be stored there, but output capacities decreasing quickly after ½ of volumen is pulled out from it because of characteristics of exhausted gas sites where gas is input. Existing warehouse doesn't have ability to cover the peak consumption, which occurs during the cold winter season, because of these characteristics. Warehouse in Okovi is built 26 years ago and it have been doing business in contain of INA until the end of 2008.

Factory „Podzemno skladište plina” (PSP), the youngest energy subject in Croatian gas economy which is, as national operator of storage system in charge of directing, maintaining and developing of safe, reliable and productive gas warehouse.

Investments of 150 million HRK

Ministry of Economy is aware of the fact that underground gas storages are guarantee for safety and flexibility of consumers' supply, while energy safety and independence is the base for economy development of Croatia so they decided to give full support to new leadership of PSP factory which intends to launch investment activities as soon as possible and these activities will amount around 150 million HRK only for this year.

Main directions of this new development plan are based on additional increase of capacity, safety and reliability of the existing gas storage's work with decrease of negative influences on environment and on construction of new storage capacities because of increase of safety and flexibility of natural gas supply to Croatia. Development of gas storage system will be realized in three phases:

- upgrading of exiting underground gas storage in Okoli
- construction of peak warehouse in Grubisno Polje
- construction of new season underground gas storage

The first phase of gas storage development is already in progress and PSP experts have done partial reconstruction and upgrading of Okoli storage in the last three years, what increased

its output capacities for 15-25% (depending on pressure i.e. amount of gas in the warehouse). Maximal output capacities are increased from 240 000 to 280 000 m³/h this way.

Three dimension model of site where gas is stored is made by use of the newest methods. This opened the window to additional drilling of new and so called re-entry drillings (new drillings that are drilled from existing measuring or inactive channels, but also from existing work drilling of circulating capacity). This will result with additional, significant increase of output PSP Okoli capacities exactly in the phase when warehouse is half empty or empty.

Research work in Grubisno Polje

The most important PSP factory activity for this year are certainly additional research work in Grubisno Polje and their goal is to collect additional geological data important for projecting and construction of this new peak gas storage. Warehouse will have small volume, but also big output capacity what will enable covering all peak consumptions and additionally optimize work of existing gas storage in Okoli and increase flexibility and safety of gas supply to Croatia.

Construction project will be realized in two phases. Objects and facilities for natural gas pumping will be constructed first in order to release space for warehouse in exhausted gas site and in order to confirm information about geological structure and gas reservoirs while objects and facilities for gas storing will be constructed in the second phase (compressor, new drillings and other).

150 million HRK worth investment will be invested until the end of this year where the mayor part is in upgrading of PSP Okoli. PSP factory will provide bigger stability of Croatian gas system until the construction of new warehouse and it will contribute to launching of economy recovery of Croatia.