

Serbia: Construction of Serbian section of TurkStream extension started

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Date : May 21, 2019

The construction of 403 kilometers long Serbian section of TurkStream gas pipeline extension, connecting Bulgarian and Hungarian borders, has officially started and is expected to be completed in December.

Permits for preparatory works on the first three sections of the pipeline through Serbia, totaling 300 kilometers, has already been issued. The first section stretches from Bulgarian border to the city of Cuprija, the second one from Cuprija to the Danube and the third one from the Danube to the city of Zrenjanin. Construction permits for sections 2 and 3 have been issued as well, while the one for section 1 will be issued in the following days. The expropriation procedures for the entire route have been completed.

Also, the expansion of Banatski Dvor underground gas storage, which will be connected to this pipeline, should start next month. According to media, Srbijagas plans the construction of two new gas storages, one in Itebej and the other one in Pancevo.

With an envisaged capacity of almost 14 billion cubic meters of gas per year, 403 kilometers long Serbian section should be put into operation as early as 2020, and reach its full capacity during 2022. The operator of the pipeline in Serbia is local company Gastrans, a joint venture between Russian Gazprom and state-owned gas company Srbijagas.

In February, the Energy Community (EnC) Secretariat gave a positive opinion on the exemption granted by Serbian Energy Agency (AERS) to the project for the construction of gas pipeline connecting Bulgarian and Hungarian borders. However, EnC Secretariat said that Serbian company Gastrans, the operator of the future extension of TurkStream gas pipeline through Serbia, should offer 30 % of the pipeline's capacity to third parties. Gas should be offered on a quarterly basis and the price should not be higher than the price defined in the long-term contracts. The annual capacity of the interconnection points on the Bulgarian and Hungarian borders sold via auctions on a capacity booking platform should amount to 30 % and 35 %, respectively. The remainder should be sold to Gazprom Export and Srbijagas - the two shareholders of Gastrans. However, Director of the Energy Community Secretariat Janez Kopac said that AERS did not fulfill all conditions, envisaged by EU regulations for the construction of TurkStream gas pipeline through Serbian territory, especially those related to the improvement of competition.