

Western Balkans Gas Infrastructure Workshop

Bosnia and Herzegovina - Position in Regional Gas Network

BH-Gas d.o.o. Sarajevo, Bosnia and Herzegovina











* Source: ENTSOG, SYSDEV Map

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Current situation and Development Strategy



-  EXISTING ENTRY
-  PLANNED ENTRY SOUTH INTERCONNECTION
-  PLANNED ENTRY NORTH INTERCONNECTION
-  PLANNED ENTRY WEST INTERCONNECTION
-  EXISTING GAS PIPELINE
-  PLANNED INTERCONNECTION GAS PIPELINES
-  PLANNED GAS PIPELINE FOR GAS NETWORK EXPANDING
-  POTENTIAL NATURAL GAS STORAGE

BH-Gas main development projects:

1. North Interconnection BiH & CRO Brod – Zenica with branch to Banja Luka and Modrica (Part of EC Gas Ring)
 2. West Interconnection BiH & CRO Trzavka Rastela – Bosanska Krupa with branch to Bihac and Velika Kladusa (PMI 2016)
 3. South Interconnection BiH & CRO Posusje – Tomislavgrad – Bugojno – Novi Travnik with main branch to Mostar (Part of EC Gas Ring) (PMI 2016)
- ... candidated to PECEI 2018 list



Current situation and Development Projects



Main characteristic of natural gas market in Bosnia and Herzegovina:

- Dependence on the only one route and source of supply
- Unordered gas market in the absence of state gas law harmonized with the Third Energy Package
- Gas input control by the Entity Republika Srpska on the entry point at border of BiH and Serbia
- Age of the existing gas pipeline (about 40 years), that is gradually losing projected performance, thus reducing existing consumers security of supply, and especially the ability of new consumers connection

For the above reasons, supplying of gas market of Federation of BiH is currently jeopardized.

The only way to overcome that situation is to realize interconnection of BiH with neighbouring Croatia gas system!

- It is not only about diversification of routes and supply sources or security of supply. Our development projects are to keep providing natural gas supply to BiH /FBiH citizens!
- Both South and North Interconnection of BiH and Croatia projects aim to address reliable and safe gas supply to FBiH and BiH.

Currently, BiH suffer serious obstructions

... such as the attempt to ensure that the supply of the Brod Refinery will be provided with the transformation of the existing refine product pipeline into a direct line contrary to the provisions of the EU law applicable specifically to Directive 2009/73 (Article 2, paragraph 18, Article 38). Pursuant to the current legislation, connection of two countries transport systems is possible only through interstate connecting pipeline - Interconnector that crosses the border between the Member States/ Contracting Parties, exclusively for the purpose of connecting national transport systems, as defined in the Directive 2009/73 (Article 2, paragraph 17)

We are aware that BiH as a member of the Energy Community has difficulties in achieving the obligations arising from the membership, and that is necessary to make additional efforts, but all BH-Gas efforts have no sense if there is no basis for market development and security of fuel supply, and in the case of natural gas it would be based only on new transmission routes.

BH-Gas Projects – State of play

North Interconnection of BiH and Croatia gaspipeline Brod – Zenica with branch to Banja Luka and Modrica (Part of EnC Gas Ring)



Bosnia and Herzegovina:

Brod – Dobojo – Magla – Zenica (DN 500; 75bar, 140 km, bidirectional)

- Entry/Exit Capacity: 44/35 GWh/day
- Pre-feasibility Study ✓

Croatia:

Slobodnica – Brod (DN 700; 75 bar, 5 km, bidirectional)

- Entry/Exit Capacity: 44/44 GWh/day
- Pre-feasibility Study ✓

Planned Commissioning: 2023

April 2017 BH-Gas and Plinacro renewed MOUC in which both Parties agreed to intensify activities on realization of interconnection projects between BiH and Croatia.

Project is included in the BiH Energy Strategy 2035 which is in adoption phase. At the other side, there are attempts to supply Oil Refinery Brod with natural gas through existing old refined products pipeline directly from Croatia, which is the main risk for the realization of the North Interconnection Project.

Proposal that this Project be included in Energy Strategy by Entity Republika Srpska, BH-Gas see as positive step and acceptance by the Republika Srpska.

* The realization of this project will, among other costumers, enable supply of the Oil Refinery Brod.

BH-Gas Projects – State of play



PMI GAS_03

South Interconnection BiH and Croatia Posušje – Tomislavgrad – Bugojno – Novi Travnik with main branch to Mostar (Part of EnC Gas Ring)



Bosnia and Herzegovina:

Posušje – Tomislavgrad-Novı Travnik with main branch to Mostar (DN 500, 75 bar, 165 km, bidirectional)

- Entry/Exit Capacity: 75/38 GWh/day
- Pre-feasibility Study ✓
- CBA ✓ (**more data on the next slide**)
- Preparation of TOR for ESIA and Preliminary Design ongoing

Croatia:

Imotski-Zagvozd-Posušje (DN 500, 75 bar, 22 km, bidirectional)

- Entry/Exit Capacity: 38/75 GWh/day
- ESIA and Environmental Permitt ✓
- Basic Design ✓
- Location Permit ✓

Planned Commissioning : 2023

Financial support for the project in needed. Grant for construction works from EU funds is being investigated.

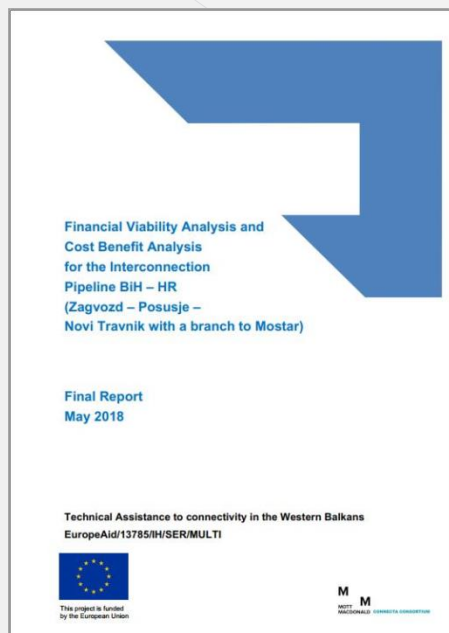
URGENCY !!!

Having in mind limited capacity and age of the existing supply route, South Interconnector in the near future could become the only supply route for Federation of BiH. Because of the urgency of realization of this project, Government of Federation of BiH issued Conclusion V. No. 853/2017 on Strategic importance of the Project.



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South Interconnection BiH and Croatia Posusje – Tomislavgrad – Bugojno – Novi Travnik with main branch to Mostar (Part of EnC Gas Ring)



Financial Viability Analysis and Cost Benefit Analysis for the South Interconnection Pipeline BiH – HR, May 2018.



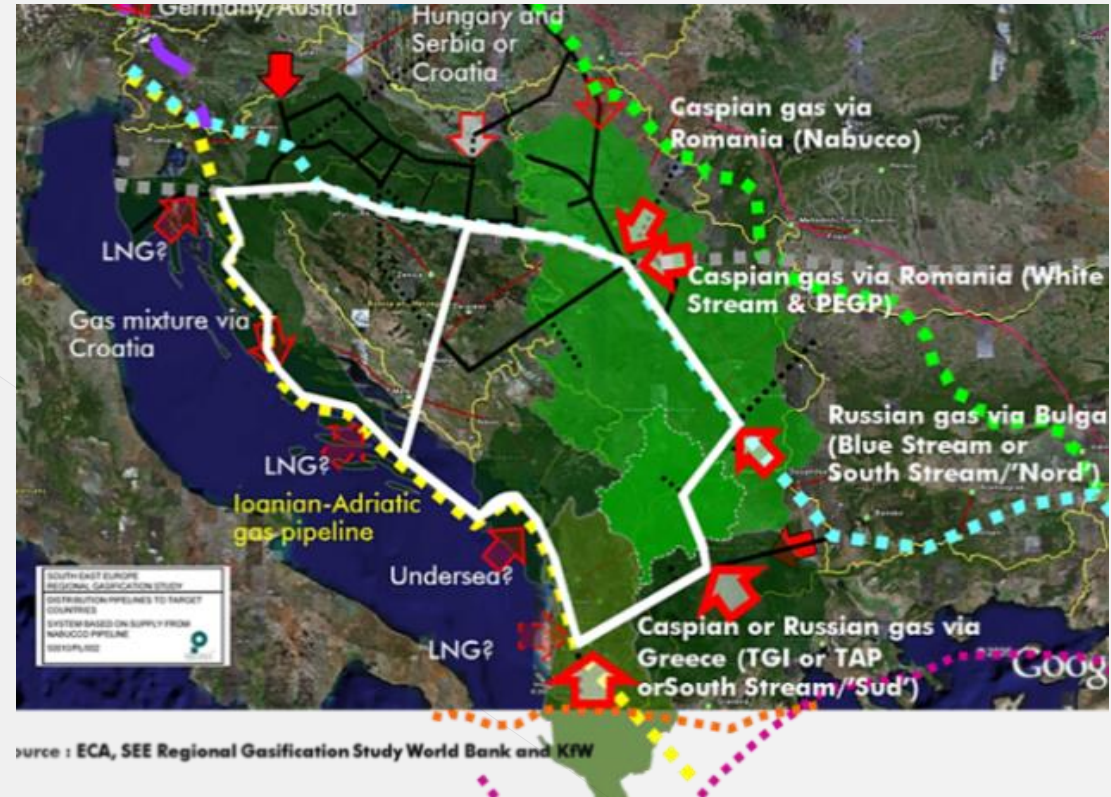
CBA has ultimately showed the full justification of this project, which created the conditions for its continuation.

Currently, BH-Gas in cooperation with EBRD is preparing Terms of Reference for ESIA and Preliminary Design, Support from USAID and EBRD side has secured

BH-Gas started talks with EBRD on financing the construction of South Interconnection Gas pipeline through the Loan Agreement.

Future BiH Position in Regional Gas Network

The Energy Community Secretariat is completely aware of the situation in BiH gas sector and we hope that will have active role in our efforts to adopt **Gas Law at the State level** which will transpose the Third Energy Package **in all segments**.



- BH-Gas is ready to mobilize forces and, together with the relevant ministries of BiH and both entities, and the companies responsible for gas in the RS entity, begin activities on construction of the North Interconnection BiH-Croatia, which would enable the natural gas supply to Oil Refinery Brod and to all others consumers on this route.
- BH-Gas owns human resources for the implementation of the South Interconnection BiH-Croatia, and already has begun activities to secure financing, with the support of the EBRD.

Thank you for your attention!