

REPUBLIC OF BULGARIA
MINISTRY OF ENVIRONMENT AND WATER

DECISION
№ 80/02.05.2023

Pursuant to Art. 60, para 1 and para 3 of the Administrative Code of Procedure

I ORDER:

I allow preliminary implementation of Decision on assessing the need to carry out an environmental impact assessment (EIA) No. 2-IIP/2023 of the Minister of the Environment and Water, that considered "no EIA to be carried out" on investment proposal "Gas pipeline connecting Chiren UGS to the existing gas transmission network of Bulgartransgaz EAD in the area of Butan village".

The reasons to allow preliminary implementation are the following:

By Decision on assessing the need to carry out an environmental impact assessment No. 2-IIP/2023 of the Minister of the Environment and Water, it was considered "no environmental impact assessment to be carried out" on investment proposal (IP) "Gas pipeline connecting Chiren UGS to the existing gas transmission network of Bulgartransgaz EAD in the area of Butan village".

The IP "**Gas pipeline connecting Chiren UGS to the existing gas transmission network of Bulgartransgaz in the area of Butan village**" is closely related to achieving the objectives of UGS Chiren capacity expansion. The gas pipeline construction will create a technical capability for natural gas supply via a new route to the gas storage facility in Chiren village and will also enable withdrawal from the gas storage facility if necessary. Currently, natural gas is supplied to/from Chiren UGS only via one route - Gas pipeline Vratsa 1 and Vratsa 2, part of the existing Bulgartransgaz EAD gas transmission network.

Following implementation of the new route of "Gas pipeline connecting Chiren UGS to the existing gas transmission network of Bulgartransgaz EAD in the area of Butan village", natural gas security of supply to Chiren UGS will increase as natural gas will be transported via yet another new route.

The envisaged technological connectivity of the newly designed pipeline with the existing gas transmission system in the area of the Chiren UGS will provide different options for technological modes of the network, and also ensure alternative routes in transmission directions if needed.

The implementation of "Gas pipeline connecting Chiren UGS to the existing gas transmission network of Bulgartransgaz in the area of Butan village" is part of its necessary infrastructure related to Chiren UGS capacity expansion project for ensuring independent natural gas supplies from and to the storage facility. Chiren UGS capacity expansion project is important for improving the energy security, as its implementation will ensure the security of natural gas supplies to consumers and will enhance competition and liquidity in natural gas market in the country and the region. In view of the gas storage role in a regional plan and due to the urgent need to realize its expansion, arising from the current geopolitical situation, its implementation is of the utmost importance for the state, given that Chiren UGS Expansion project is a project of "common interest" (PCI 6.20.2) in line with Regulation (EU) 347/2013, priority corridor: North-South Gas Interconnections in Central Eastern and South Eastern Europe (NSI East Gas), which is also monitored by the Central and South Eastern Europe Energy Connectivity (CESEC) Initiative of the European Commission. PCI 6.20.2 Chiren UGS capacity expansion is included in the following investment plans:

- The Community Ten-year Network Development Plan (Final TYNDP 2020), developed by ENTSOG;
- The Gas Regional Investment Plans for Central and Eastern Europe (CEE GRIP 2019) and for the Southern corridor region (Southern Corridor GRIP 2018);
- The national Ten-Year Network Development Plan of Bulgartransgaz EAD for 2023-2032;

The listed documents emphasize and justify the importance of the project and the growing need for its finalization in relation to its key role for the stability of the regional gas system and the security of natural gas supply.

The project for Chiren UGS expansion envisages its capacity increase in stages in order to achieve larger volumes of stored gas, including increased gas reservoir pressure and higher daily average withdrawal and injection rates. The following will be achieved as a result of implementation of Chiren UGS expansion:

- create a technical capability to increase the working volume (expansion) Chiren UGS, with the possibility to store up to 1 bcm active gas;
- increase the daily injection and withdrawal capacity up to 8-10 mcm/day;
- enhance of the operational safety, security and reliability of Chiren UGS, as a whole.

The implementation of Chiren UGS expansion project will provide additional volume for natural gas storage in a timely manner and, respectively, create conditions to guarantee the security of supplies to Bulgarian consumers and consumers in the countries of the region, promote trade with natural gas, increase market competition and contribute to the functioning of a liquid gas market. By construction of "Gas pipeline connecting Chiren UGS to the existing gas transmission network of Bulgartransgaz in the area of Butan village", diversification of natural gas delivery routes from/to the gas storage will be ensured.

The increasing need to maintain strategic gas reserves, imposed by the current geopolitical situation and reflected in the latest official documents of the European Union /EU/, outlines even more clearly and indisputably the significance of gas storages, including the urgent need for timely optimization of Chiren UGS capacity". PCI 6.20.2 is in the active implementation phase, during which project benefits are continuously increasing. Current events make the task of promptly achieving the new technical parameters of the storage facility even more responsible - Chiren UGS expansion project fully responds to the emergency measures introduced by the European Commission regarding the increase of EU energy sustainability, which should be achieved as soon as possible. By the latest EU-approved documents related to natural gas reserves (REPowerEU plan, Hydrogen and Decarbonised Gas Package), gas storages are given an increasingly strategic importance for providing an emergency reserve in unforeseen and force majeure situations and the timely implementation of PCI 6.20.2 will have a regional impact.

The importance of Chiren UGS expansion increased even further due to the military conflict that broke out at the end of February 2022 in Ukraine.

The excessive actions of the Russian Federation, such as suspension of supplies to various European countries, despite the discussed economic measures of different severity towards the Russian Federation, including the suspension of supplies to Bulgaria at the end of April 2022, necessitated undertaking of urgent measures to ensure the natural gas volumes needed by the country from alternative sources, and in addition increased greatly the need to accelerate enhancement of security of supplies and natural gas supply, including but not limited to storage of the delivered gas for the purpose of increasing reserves and securing the energy gas sector. By construction of "Gas pipeline connecting Chiren UGS to the existing gas transmission network of Bulgartransgaz in the area of Butan village", diversification of natural gas delivery routes from/to the gas storage will be ensured.

As a result of the Russian invasion in Ukraine, the European Commission, in a number of its Communications to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, including to Member States, sets out proposals for joint European actions for more secure and sustainable energy. Thus, at the European level, a strong emphasis is placed and particular importance is attached to natural gas, the gradual removal of dependence on Russian gas and other energy resources, and increasing the sustainability of the energy system throughout the EU.

The project is included in the Energy Strategy of the Republic of Bulgaria and is an integral part of the infrastructure contributing to the concept of gas distribution centre in the country, together with the infrastructure modernization projects of Bulgartransgaz EAD, the liquefied gas terminal near Alexandroupolis and the interconnectors with Serbia and Greece.

In confirmation of its importance in terms of security of energy supply for the country and the region, the Project has the status of a priority project of the Three Seas Initiative.

The specified circumstances are important for the State and public interest, with a view to ensuring diversification of natural gas supply routes from/to the gas storage, which is significant for gas supply of the Republic of Bulgaria, as well as for the commitments undertaken in implementation of EU policies and of the documents adopted by the European Commission.

Bulgartransgaz EAD, in its letter Incoming № OBOC-43/10.04.2023 of the MoEW substantiates the protection of particularly important State and public interests related to implementation of the investment proposal in view of the direct relation between the investment proposal and Chiren UGS expansion project.

The need for accelerated implementation of project activities in the shortest possible time is also justified by the pan-European role and importance of Chiren UGS expansion project, recognized by the EU by assigning it "PCI" status and including it in a number of State and public interest initiatives.

Thanks to Bulgartransgaz EAD realized and planned investments for expansion of the company's gas transmission infrastructure and improvement of interconnectivity with the neighbouring countries, the role of the storage facility will be even more important not only in terms of ensuring security of supply, but also in fostering competition and promoting gas trade throughout the region. The expansion of Chiren UGS is in synergy with the other Bulgartransgaz EAD projects, aimed at establishing a significant regional gas distribution centre in Bulgaria.

According to Art. 60, para. 1 of the Administrative Procedure Code (APC), preliminary execution of the administrative act is allowed when it is necessary to protect particularly important State or public interests. The timely implementation of IP "Gas pipeline connecting Chiren UGS to the existing gas transmission network of Bulgartransgaz EAD in the area of Butan village", as part of Chiren UGS expansion project, is of key importance for the stability and security of natural gas supply.

Any delay in execution of "Gas pipeline connecting Chiren UGS to the existing gas transmission network of Bulgartransgaz EAD in the area of Butan village" can be significant, whereas by its timely implementation, particularly important State and public interests will be protected.

The above circumstances correspond to the hypothesis of Art. 60, para. 1 of the APC, and there are prerequisites for allowing preliminary implementation of the Decision on assessing the need to carry out an EIA of the Minister of Environment and Water, namely, the need to protect particularly significant State and public interests. The approval of preliminary implementation is important for the timely implementation of "Gas pipeline connecting Chiren UGS to the existing gas transmission network of Bulgartransgaz EAD in the area of Butan village" considering that follow-up actions are necessary to approve the implementation of the investment proposal.

Pursuant to Art. 60, para. 5 of the APC, the order to allow preliminary implementation is subject to appeal through the Minister of Environment and Water before the Supreme Administrative Court within three days of its notification.

MINISTER: ROSITSA KARAMFILOVA
/signature and stamp/

Date:

02.05.2023