

GENERAL NON-TECHNICAL SUMMARY

According to Annex VI, item 6 (b) of Regulation (EU) No 347/2013

PCI 6.8.3 GAS INTERCONNECTION BULGARIA-SERBIA (IBS)

[currently known as IBS] (6.10 in the 3rd PCI list)

PROJECT PROMOTER: BULGARTRANGAZ EAD

*1336 Sofia, 66 Pancho Vladigerov Blvd.
e-mail: info@bulgartransgaz.bg
<https://www.bulgartransgaz.bg/>*

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PROJECT DESCRIPTION AND OBJECTIVES

PCI 6.8.3 Interconnection Bulgaria-Serbia (IBS) is a project for construction of a new gas pipeline to connect the gas transmission networks of the Republic of Bulgaria and the Republic of Serbia. The gas pipeline's total length is approximately 170 km from the town of Novi Iskar, Republic of Bulgaria to the city of Niš, Republic of Serbia, 62 km of which on Bulgarian territory.

Project promoter on Bulgarian territory: **BULGARTRANGAZ EAD**

Project promoter on Serbian territory: **SRBIJAGAS**

Project significance

The project for construction of the Interconnection Bulgaria - Serbia (IBS) on the Bulgarian territory is a Project of Common Interest (PCI) according to Regulation (EU) 347/2013, priority corridor: North-South Gas Interconnections in Central Eastern and South Eastern Europe (NSI East Gas)¹.

IBS is a priority project for the Central and South Eastern Europe Energy Connectivity (CESEC) High Level Group².

Pursuant to Art. 3(6) of Regulation (EU) 347/2013 the projects of common interest included in the Union list shall become an integral part of the relevant regional investment plans and of the relevant national Ten-Year Network Development Plans and such projects shall be conferred the highest possible priority within those plans.

PCI 6.8.3 Interconnection Bulgaria-Serbia is included in the following investment plans:

- Part of 2018 Ten-Year Network Development Plan (2018 TYNDP) drawn-up by ENTSOG³
- Part of 2017 Gas Regional Investment Plan (GRIP) for Central and Eastern Europe (CEE GRIP)⁴

¹ Information on the project is available on the European Commission website: <https://ec.europa.eu/energy/en/topics/infrastructure/projects-common-interest>.

² Information on the project is available on CESEC initiative website: <https://ec.europa.eu/energy/en/topics/infrastructure/high-level-groups/central-and-south-eastern-europe-energy-connectivity/Past-and-upcoming-CESEC-meetings>

³<https://www.entsog.eu/tyndp#entsog-ten-year-network-development-plan-2018>

⁴<https://www.entsog.eu/gas-regional-investment-plans-grips#>

- Part of 2017 Gas Regional Investment Plan (GRIP) for the Southern Corridor (Southern CorridorGRIP)⁵
- Part of the national 2019-2028 Ten-Year Network Development Plan of Bulgartransgaz EAD, approved with Decision under Protocol No 345/23.04.2019 at Bulgartransgaz EAD Management Board meeting.⁶

Priority status at national level

The realization of Interconnection Bulgaria-Serbia is part of the Government's management programme in the Energy sector, a priority of the Bulgarian energy policy aimed at ensuring the country's energy security, diversifying the supply sources and routes, deepening the process of energy market liberalization and protecting consumers' rights.

By Decision No 111 of 15 February 2013 of the Council of Ministers, the site: Interconnection Bulgaria - Serbia on Bulgarian territory has been declared a national site within the meaning of § 1 of the Supplementary Provisions of the State Property Act and a site of national significance within the meaning of §5, item 62 of the Supplementary Provisions of the Spatial Development Act.

The intentions of the Republic of Bulgaria to implement the project follow the diplomatic line of the well-established diplomatic relations between the two countries according to the signed Memorandum of Understanding under the Project for construction of Interconnection Bulgaria-Serbia signed on 19 January 2017 (Councils of Ministers Decision No 873 of 14 October 2016), Memorandum of Understanding for the Project Gas Interconnection between Bulgaria and Serbia, signed on 14 December 2012.

In May 2018 the Minister of Energy of the Republic of Bulgaria and the Minister of Mining and Energy of the Republic of Serbia signed a joint declaration on the construction of the gas interconnection, by which and with the consent of the European Commission, Bulgartransgaz EAD was selected as a project promoter and future operator of the interconnection. A joint commitment has been undertaken by both parties on construction of the gas pipeline by mid-2022.

The Declaration and the activities therein are in line with the Action plan to the Memorandum of Understanding on a common/joint approach to address the challenges of diversification and security of supply signed on 10 July 2015 in Dubrovnik by the CESEC High Level Group and the implementation of 2015 IBS Project Development Roadmap.

⁵<https://www.entsog.eu/gas-regional-investment-plans-grips#southern-corridor>

⁶<https://www.bulgartransgaz.bg/files/useruploads/files/amd/tyndp%202017/TYNDP%202019-2028%20EN.pdf>

Project objectives

The construction of the Interconnection Bulgaria - Serbia will:

- provide an opportunity for Bulgaria and the region to diversify natural gas supplies by ensuring new natural gas supply sources and routes;
- enhance security of supply for the Republic of Bulgaria and the region;
- gradually increase natural gas consumption;
- promote the investor's interest in border regions, along the gas pipeline route;
- generate economic benefits, both for consumers and suppliers.

The project's realization will create prerequisites for improving the business environment in the region. Project realization will allow the future design and construction of branches supplying gas to the towns of Slivnitsa, Dragoman, and Godech, which in turn is an incentive for economic development in this region.

Secure access to natural gas will reduce the energy dependency, ensure gas supply along the route of the interconnection for all household and industrial users, ensure recovery and economic development in the municipalities along the pipeline route, enable enterprises switching from electricity and petroleum products to natural gas, to generate significant savings and reduce harmful emissions. All this makes the IBS project extremely important for the Bulgarian economy.

TECHNICAL DESCRIPTION OF THE PROJECT

Characteristics of the gas transmission pipeline route:

- Start: Existing site of Pigging facility Novi Iskar of the national gas pipeline;
- Length of the gas transmission pipeline from the start point to the Bulgarian-Serbian border crossing point of about 62 km;
- Gas pipeline branch to AGRS Slivnitsa of about 0.2 km length;
- Gas pipeline branch to AGRS Dragoman of about 0.1 km length;
- End: Bulgarian-Serbian border.

According to the Detailed Spatial Plan - Parcelling Plan (DSP-PP) the route, respectively the easement of the gas transmission pipeline (including gas pipeline branches to the towns of Slivnitsa and Dragoman and technological sites) passes through the lands of the following districts, municipalities and lands:

(1) Sofia City District:

1. Sofia Municipality - lands of the town of Novi Iskar, Sofia - Trebich district, Mirovyane village, Mramor village, Dobroslavtsi village and Zhiten village;

(2) Sofia District:

1. Kostinbrod Municipality - the lands of Golyanovtsi village, Dragovishtitsa village, the town of Kostinbrod and Petarch village.
2. Bozhurishte Municipality - the lands of Hrabarsko village;
3. Slivnitsa Municipality - lands of: the city of Slivnitsa, the villages of Galabovtsi, Aldomirovtsi, Bratushkovo and Barlozhitsa.
4. Dragoman Municipality - lands of: the town of Dragoman, the villages of Chukovezer, Dragoil, Chorul, Vladislavtsi, Novo Burdo and Kalotina.

Technological sites and optic cable line are envisaged to be constructed in the easement of the gas pipeline Interconnection Bulgaria - Serbia on Bulgarian territory. Envisaged technological sites:

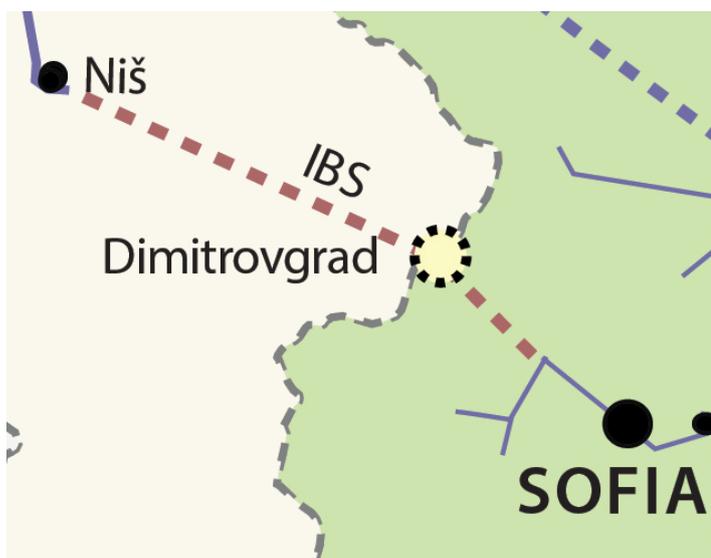
- Pigging facility Novi Iskar and Valve Assembly No 1;
- Valve Assembly No 2;
- Valve Assembly Slivnitsa;
- AGRS Slivnitsa;
- Valve Assembly No 3 and Valve Assembly Dragoman;
- AGRS Dragoman

- Pigging facilities and GMS Kalotina;
- Valve Assembly No 4.

Steel pipes of 711 mm diameter and 5 Mpa design pressure are envisaged for the gas pipeline construction.

Following its construction, the gas interconnection will have a throughput capacity of 1.8 bcm/y with reverse flow capability.

Route map:



ALTERNATIVE ROUTES:

In 2012, the Ministry of Economy, Energy and Tourism (MEET, currently the Ministry of Energy is its successor) assigned the preparation of feasibility studies for gas Interconnection Bulgaria - Serbia on Bulgarian territory. The feasibility studies consider four route options of the new gas pipeline, and based on the optimal route option, a Detailed Spatial Plan - Parcelling Plan (DSP-PP) is later developed. The final DSP-PP for the site was approved in 2015 after changes due to the requirement to ensure regulatory safety distances to other lines/conducts and facilities.

In 2020 Bulgartransgaz EAD assigns the implementation of basic activities for amendment, supplement, coordination and approval of the DSP-PP (final design) according to Art. 134, para 1, item 2 and Art. 134, para 2, item 3 of the Spatial Development Act in order to take into account the progress of implementation of infrastructure projects, crossing the design route of the gas pipeline and preservation of



discovered archaeological sites of cultural value. The main approved route remains and the amendments and supplements are driven by the need the implementation of the gas interconnection to take account of the infrastructure projects' development nearby or crossing the design route.

STATUS OF THE PROJECT

In permit granting process

PRELIMINARY PROJECT TIMETABLE *

Stage	Start	End
Carrying out Environmental Impact Assessment procedures	06/2020	11/2020
Technical Design	11/2020	02/2021
Final investment decision	-	2021
Public procurements for procurement and construction	11/2020	02/2021
Construction	05/2021	04/2022
Commissioning **	-	05/2022

** The forecast timetable is contingent upon receiving OPIC funding. ** The specified final date for commissioning is in line with the deadlines in the Joint Declaration.*

INITIAL PROJECT ACTIVITIES

Initial activities for the IBS realization on the Bulgarian territory were carried out by the Ministry of Energy of the Republic of Bulgaria in its the capacity of a project promoter. Considering the importance of the project, a funding for these activities was provided under Operational Programme "Development of the Competitiveness of the Bulgarian Economy" 2007-2013.

Funds from the program provided for gas pipeline design activities to be initiated and the following more important results have been obtained:

- Detailed Spatial Plan (DSP-PP) - Final design has been developed and approved by an order issued by the Minister of Regional Development and Public Works in 2015;
- Investment Design - Technical design phase has been developed;
- Two decisions has been issued by the competent environment authority.

According to the agreements reached in the joint declaration and with the European Commission's support, upon receipt of the project by the Ministry of Energy, Bulgartransgaz EAD commits to complete the gas pipeline design, obtain a building permit and when providing the necessary funding to build the interconnection.

ONGOING ACTIVITIES AND FORTHCOMING STEPS

Public consultations under Art. 9 (4) of Regulation 347/2013

Bulgartransgaz EAD has already launched public consultations within the meaning of Art. 9(4) of Regulation No 347/2013 for the project at an early stage of its implementation.

In order to comply with the principles of transparency and to enable public participation, Bulgartransgaz EAD published a draft of the company's Ten-Year Network Development Plan for 2020-2029. The plan covers TSO's activities envisaged for implementation over the next ten years which will ensure the security of gas supply, the readiness of the gas transmission system to meet the expected future natural gas supply and demand levels in the region, as well as achieving diversification of natural gas supply sources and routes. The IBS project on Bulgarian territory is part of the plan, given the decision taken to transfer the project from the Ministry of Energy to Bulgartransgaz EAD.

Notification on initial actions undertaken according to Art. 10(1) of Regulation (EU) 347/2013:

Bulgartransgaz EAD has sent a Notification for forthcoming actions according to Art. 10 (1) of Regulation (EC) 347/2013 to the National competent authority under the Regulation - the Ministry of Energy of the Republic of Bulgaria, to mark the beginning of the permitting process. A description of PCI 6.8.3 - objectives, current status of implementation, financial information, preliminary schedule, location and route is enclosed to the Notification.

The Notification was accepted by the Ministry of Energy, which initiated the permitting process within the meaning of the Regulation.

Attracting external funding for the project

- Activities envisaged by the new project promoter Bulgartransgaz EAD for providing funding for the project:

Given that the opinions and permits received from the relevant competent authorities were issued in 2015, their validity has already expired. This requires Bulgartransgaz EAD, upon receipt of the original documentation from the Ministry of Energy, to carry out the necessary procedures before the relevant permitting authorities in order to update part of the project documentation, develop the necessary new documentation, acquire rights in rem and obtain a building permit.

To this end, funding has been provided under Operational Program Innovation and Competitiveness 2014 - 2020 (OPIC). The procedure is a continuation of the support provided within OP "Development of the Competitiveness of the Bulgarian Economy" 2007 - 2013 for realization of the project "Construction of Interconnection Bulgaria – Serbia".

Total grant within the procedure: BGN 11,734,980 (EUR 6,000,000) where ERDF financing amounts to 85% or BGN 9,974,733. (EUR 5,100,000), and the national co-financing amounts to 15% or BGN 1,760,247. (EUR 900,000).

The direct award procedure provides that Bulgartransgaz EAD shall receive financial support for realization of the following activities: completion of the field archaeological surveys, changes, coordination and approval of DSP - PP, development, coordination and approval of the investment design in the Technical Design phase; evaluation in line with the main requirements to construction sites of the Technical Design, acquisition of rights in rem and establishment of easement.

As a result of implementation of the envisaged activities within the procedure, all preparatory activities are expected to be completed prior to granting a building permit as a prerequisite for commencement of construction of Bulgaria - Serbia gas pipeline.

Permit granting process:

Bulgartransgaz EAD formed teams for the project's preparatory activities and for development of project proposals to attract funding under OPIC and CEF. To that effect, detailed schedules have been drawn up for implementation of all necessary activities prior

to granting a building permit for the site, identifying the critical moments in the permit granting process.

Final investment decision:

The project for construction of Interconnection Bulgaria-Serbia (IBS) on Bulgarian territory is listed in Bulgartransgaz EAD 2019-2028 Ten-Year Network Development Plan and has been proposed for inclusion in ENTSOG 2020 TYNDP.

According to the commitments undertaken, Bulgartransgaz EAD will commission the project no later than May 2022. Actual acquisition of the necessary assets from the Ministry of Energy is required so as to take a final investment decision and thus Bulgartransgaz EAD will be a Contracting authority of the investment initiative pursuant to the national legislation.

Detailed Spatial Development Plan (DSDP):

Bulgartransgaz EAD concluded a contract on 18.03.2020 after conducted public procurement for amendment and supplement of the Detailed Spatial Plan for the site, in accordance with Art. 134, para 1, item 2 and Art. 134, para 2, item 3 of the Spatial Development Act (SDA) for the purpose of updating the DSP with the progress of implementation of infrastructure projects, crossing the design route of the gas pipeline and preservation of discovered archaeological sites of cultural value.

Technical Design:

The Technical design will be based on the amendments in the Detailed Spatial Plan - Parcelling Plan and will take into account the amendments in legislation. The aim is to meet the basic requirements for construction and safe operation of such type of facilities.

EXPECTED PROJECT IMPACT

Regarding the requirements under the environmental legislation, two opinions were issued by the Competent Environmental Authority during project implementation by the Ministry of Energy:

1. [Decision No 48 – ПП/2012](#) of 18.09.2012 assessing the need of Environmental Impact Assessment (EIA) with an opinion not to be carried out EIA for the project which is unlikely to have a significant negative impact on the natural habitats, populations and habitats of species subject to conservation in protected areas.

Decision with a 5-year validity as of the date of issuance and according to the provisions of Art. 93, para. 8 of the EPA shall lose its legal effect if the implementation of the investment proposal has not commenced within the stipulated period. The expired deadline requires a new update of the EIA decision.

2. [Decision No EO – 8/2015](#) of 30.07.2015 assessing the need of an environmental assessment (EA) with an opinion EA not to be carried out at DSP-PP-Final Design, whose application is unlikely to have a significant negative impact on the environment and human health.

The decision states that in case of a change in the plan, the contracting authority or some of the circumstances in which this decision was issued, (new) the contracting authority must notify the MoEW within 14 days after the occurrence of the changes.

Bulgartransgaz EAD will prepare and submit the necessary project documentation to the competent environmental authorities in order to update the issued permits, which will be renewed on the basis of the approved amendments and supplements to the DSP.

POSSIBLE ASPECTS OF ENVIRONMENTAL IMPACT

During the period of construction execution, all necessary measures will be taken to protect the environment, as well as to prevent environmental damage and negative impact on the environment, human health and cultural values due to the generation of harmful emissions on the individual environmental components as a result of implementation of the activities, including:

AMBIENT AIR:

During the preparatory stage of construction, excavation works will be carried out.

The area where the above activities will be carried out will be a diffuse source mainly of dust and, to a very small extent, of emissions of harmful substances in the exhaust gases from internal combustion engines (ICE) of the diesel fuel machinery used - carbon and nitrogen oxides, volatile organic compounds, fine particulates and negligible amounts of cadmium and persistent organic pollutants.

The intensity of dusting will depend to a large extent on weather conditions during construction works and the season during which the works will be carried out, climate and meteorological factors (wind, humidity, temperature, and atmospheric stability), the properties of soil particles and many other conditions. A dust reduction measure can be implemented by using the so-called irrigation sprinkler system to maintain sufficient moisture during the dry summer and autumn months in order to reduce the levels of dust emissions (controlled emissions). In order to prevent the risk of pollution, it is necessary to observe a precise schedule of construction works consistent with the meteorological conditions, i.e. to allow the natural self-cleaning ability of the atmosphere. For example, in case of wind lessness and much polluted air, construction works should be suspended for a certain period so that pollution can dissipate.

The use of the irrigation sprinkler system to maintain sufficient moisture during dry summer and autumn months ensures emission control by reducing dust levels by 80%.

SURFACE AND GROUND WATER:

The expected amounts of waste water are determined when choosing an option during the design stage. In order to avoid contamination of surface water and groundwater in the area of the site, it is necessary to take certain measures and observe the technological discipline when carrying out construction activities.

In order to minimize these impacts, proper storage and subsequent treatment of waste generated on site is recommended, as well as the use of construction and transport machinery and equipment in good technical condition, in order to prevent water pollution from petroleum products.

LANDSCAPE:

The mitigation measures to be undertaken to prevent damage to the landscape in the area shall be limited primarily to timely clearing of the construction site immediately after completion of construction works in the area of the site, as well as compliance with the solutions laid down in the technical design.

SOILS:

Protection of soils in the area during activities implementation is directly related to observance of the technological discipline, including proper storage of the raw materials used for construction and operation. They should be in closed containers, on an insulated surface, without direct access to soils and/or water; availability of suitable absorbent close to containers, in case it is necessary to be used during spillage, proper storage of waste generated during construction and operation, etc.

FLORA and FAUNA and PROTECTION AREAS of Natura 2000 Ecological Network:

The choice of route options shall respect the principles of avoiding encroachment on the boundaries of protected areas of Natura 2000 National Ecological Network in order to avoid negative impact on the flora, fauna and Natura 2000 sites during construction and operation. Where this is not possible, mitigation measures shall be applied to minimize and/or limit the expected impacts, part of which is to preserve the natural state of habitats and species, to restore, where necessary, the area and natural state of priority natural habitats and species, as well as their populations.

CROSS-BORDER NATURE OF IMPACTS

According to the environmental documents issued in 2012 and 2015, the implementation of PCI 6.8.3 Interconnection Bulgaria-Serbia is not expected to have a transboundary impact on environment.

PUBLICITY OF THE PROJECT AND PUBLIC PARTICIPATION

Public consultations will be held on an ongoing basis during project implementation through:

- Public consultations on the drafts of [the Ten-Year Network Development Plans](#), part of which is the detailed information about the projects of common interest.
- Discussions and consultations with the public concerned in accordance with the effective Bulgarian legal provisions in the field of design and environmental protection, such as the Spatial Development Act, Environmental Protection Act and other legislation relevant to the particular stage of the project.

PCI website:

PCI website: <https://www.bulgartransgaz.bg/en/pages/6-8-3-mezhdusistemna-gazova-vrazka-balgariya-sarbiya-ibs-191.html>

CONTACT FORM:

Any comments, questions and recommendations regarding PCI 6.8.3 can be sent

- by a feedback [form](#);
- to the Company's official e-mail: info@bulgartransgaz.bg

MANUAL OF PROCEDURES:

[Manual](#) of procedures for the permit granting process applicable to projects of common interest in the Republic of Bulgaria is published in line with Art. 9 of Regulation 347/2013 by the Ministry of Energy as the competent national authority.

EC INFORMATION PLATFORM

More information on the projects of common interests is available on [the official website of the European Commission \(EC\)](#).

Interactive PCI map - TRANSPARENCY PLATFORM:

The Transparency platform is a public information system that provides detailed information on the projects of common interest, including their geographic data, technical description, implementation plan and the benefits they bring to Member States and local communities, as well as the received EU financial support. This information is available to every EU citizen in line with [TEN-E Regulation](#) (Art.18).