

When Bulgaria shut down units 1 to 4 of the Kozloduy nuclear power plant in the 2000s, it faced a significant challenge. For decades the country had based its energy policy on the expansion of nuclear power and now, with very few energy resources on its own, the question was how to substitute this loss.

The international community stood ready to support this turnaround not only by assisting with the decommissioning of the Soviet-era Kozloduy reactors, but also by providing help to the energy sector to mitigate the negative impacts of the shut-down and to find - and fund - alternatives.

These efforts are now bearing fruit. A new 80 km gas pipeline is being opened today in the presence of Bulgarian's Prime Minister Boyko Borosov at the automatic gas regulation station in Silistra.

The high pressure gas pipeline, with a diameter of 350 mm and a transmission capacity of 100,000 cubic metres per hour, will connect the town of Silistra, in the north-east of the country on the river Danube, to the national gas transmission network.

This is essential for the future development of the gas distribution system and the supply of natural gas to households and industrial consumers in the region. Promoting communal gas supplies as an alternative source is part of mitigation measures implemented in parallel with the decommissioning of the Kozloduy reactors 1-4.

The total cost of the new pipeline is more than €12.3 million, €9.3 of which have been provided as grant financing by the Kozloduy International Decommissioning Support Fund (KIDSF).

The balance is financed by the Bulgarian state company Bulgartransgaz, the operator of the gas transmission network. Construction works were implemented by the Italian company S.A.L.P S.p.A.

KIDSF was established in June 2000 to support Bulgaria with closing and decommissioning the Kozloduy units 1 to 4 due to safety concerns.

The fund has received contributions by the European Union, Austria, Belgium, Denmark, France, Greece, Ireland, the Netherlands, Spain, Switzerland and the United Kingdom and is managed by the EBRD.

Thanks to the new pipeline several municipalities along its route can now be connected to, and supplied with, natural gas: Silistra, Dobrich, Tervel, Dulovo and Alfatar. Several thousand homes and more than 50 municipal buildings will be able to use natural gas for their energy needs.

As a result it is expected that local costumers will be able to reduce their energy bills by 35 per cent. Also commercial clients will benefit. The new pipeline will provide gas to two

industrial areas in Silistra with a total of 26 industrial consumers.

The completion of the new pipeline will also allow Citygas, the gas distribution company that holds the license for Silistra, to start constructing the local network in the city.

Citygas is a subsidiary of the Italian Gruppo Societa Gas Rimini S.p.A and is working on the development of gas networks and natural gas distribution in over 30 municipalities in the country with an investment volume of €63 million, €30 million of which have been provided as a loan by the EBRD and €2.33 million as KIDSF contribution. To date, close to 700 km of pipeline have been constructed and are in operation.

The implementation will provide commercial and residential clients with access to a reliable and cleaner source of energy. It will also demonstrate how a supportive regulatory environment can attract infrastructure development and foreign direct investment.

Bruno Tani, CEO of Gas Rimini, the owner of Citygas Bulgaria, said with the opening of the pipeline “a new phase of development for an entire region of Bulgaria will get under way.

From today, all citizens of the Silistra region will have more opportunities for environmentally sustainable economic development. The work done by the EBRD and Bulgartransgaz has been impressive and Citygas Bulgaria is proud to part of this effort.” In addition to this project, KIDSF has also provided grants to several small private gas companies for the development of distribution networks for a “virtual gasification” of remote areas in Bulgaria. This means that gas is delivered by trucks in special vessels to these remote areas in liquefied form and then distributed via local network rather than by high pressure gas pipeline.

Among other current energy sector projects supported by KIDSF is the construction of three more high pressure gas pipelines with a total length of 122 km to connect the municipalities of Svishtov, Pirdop, Panagurishte, Bansko and Razlog to the national gas transmission network.

KIDSF, on behalf of the grant recipient, expresses its gratitude to the donors, led by the European Commission, for their contributions which have made it possible to complete the new pipeline for the benefit of Bulgaria’s citizens.

source: ebrd.com