



# Capacity4Gas Project

### Capacity4Gas Project Contributes to Securing Energy Supplies

The rationale behind pursuing the Capacity4Gas Project is the widening gas supply/demand gap in Europe. In its 2016 report, the International Energy Agency estimated that, due to decreasing gas production in Europe, by 2030 there would be an additional need for gas imports from non-European sources of approximately 100 billion cubic meters per year (12 times the overall annual consumption of the Czech Republic). This gap can be filled by a combination of liquefied natural gas (LNG) imports and pipeline gas.

In this context, the Capacity4Gas Project is part of a larger initiative to have secure and cost-efficient access to gas supplies via additional pipeline capacities, especially in the Baltic Sea. Simultaneously, the newly-created infrastructure in the Czech Republic will be made available to all interested market participants on a fully transparent and non-discriminatory basis for the transportation of any kind of natural gas from producing countries, e.g. Norway, Russia, and the United States. Therefore, the Capacity4Gas Project will contribute to enhancing the security of gas supplies in the Czech Republic and in the entire CEE region. At the same time, the project will further strengthen the strategic role of the Czech Republic in international gas transit.



As the significant market demand for new long-term gas transmission capacity was confirmed in a binding European-wide capacity auction held on the PRISMA platform in March 2017, the Capacity4Gas Project has entered its implementation phase in full coordination with the adjacent gas transmission system operators in Germany and Slovakia. The on-site construction activities started in 2018.

### Capacity4Gas Project Brings Major Investments to the Czech Republic

The objective of the Capacity4Gas Project is to build new gas infrastructure, mainly in the Ústí and Pilsen Regions, and to connect it to the current transmission system and the EUGAL pipeline in Germany. The project increases the transmission capacity (at entry roughly by 35 bcm/year) for the needs of gas supplies to the Czech Republic and further transit via Slovakia. The new infrastructure will be connected to the current Czech transmission system at various locations, allowing for natural gas deliveries to the domestic distribution system. The project is implemented in two stages, with completion scheduled for the end of 2019 for the first stage and roughly one year later for the second stage.



## Technical Description of Main New Gas Infrastructure Subprojects

The Capacity4Gas Project is divided into several subprojects according to their type and location. The main new gas infrastructure subprojects are:

### Capacity Extension of Hora Svaté Kateřiny Border Transfer Station

The objective of the Capacity extension of the Hora Svaté Kateřiny Border Transfer Station subproject is to connect the Czech transmission system near the municipality of Hora Svaté Kateřiny to the German EUGAL pipeline. This subproject is designed in a rural area within the first stage of the Capacity4Gas Project.

#### **New Compressor Station Construction**

The objective of the New Compressor Station Construction subproject is to allow for increased transmission capacity and the efficient use of the existing high-pressure transmission pipelines. The solution employs emissions-free electrically operated compressors with a total installed capacity of approximately 25 MW. This subproject is designed in a rural area in the Ústí Region within the first stage of the Capacity4Gas Project.

#### DN 1400 High-pressure Pipeline Kateřinský Potok Junction Point – Přimda Junction Point

The objective of the DN 1400 High-pressure Pipeline Kateřinský potok Junction Point – Přimda Junction Point subproject is to build a pipeline of a total length of approximately 150 km, leading parallel on most of its route to the existing gas infrastructure in the Ústí and Pilsen Regions, including its connection to the existing gas transmission system in the Czech Republic. This subproject is designed in a rural area within the second stage of the Capacity4Gas Project.

### Schematic Map of New Gas Infrastructure and Flows



- Border transfer station
- Compressor station
- Border transfer station abroad
- Compressor station abroad
- Transit pipeline
- Intrastate pipeline

### Security of High-pressure Pipelines

As regards the operation of the Czech gas transmission system, NET4GAS is the successor of Tranzitní plynovod, národní podnik (Transgas), established in 1971. The company has been providing the safe and reliable transmission of natural gas via Czech territory for more than 45 years, especially thanks to its focus on high-quality construction, operation and maintenance, and the continuous development of safety and security technologies.



The entire gas infrastructure undergoes regular inspections, not only during the construction stage, but also during its subsequent operation. Prior to being put into operation, every gas asset must pass strict safety tests. Immediately after being put into operation, all gas assets are subject to a regular monitoring and maintenance program.

### Our Priority – Health and Environmental Protection

NET4GAS pays close attention to environmental protection and understands it not only as the fulfilment of legal requirements, but mainly as an important part of its social responsibility. Environmental protection is taken into consideration in all the company's decisions and processes. Since the 1970s, NET4GAS has built the whole gas transmission infrastructure in the Czech Republic and this long-term experience is a guarantee of reliability, safety and environmental friendliness.

Like all the other gas infrastructure of NET4GAS, the Capacity4Gas Project is environmentally friendly to the maximum extent possible. The project must fully comply with the demanding requirements of the legal approval process, including an environmental impact assessment (EIA) carried out by the Czech Ministry of the Environment. The EIA examines all potential effects of the infrastructure and its future operation on public health and the natural world in detail, including flora, fauna, ecosystems, soil, water sources, air, climate, landscape, natural resources, assets, and heritage monuments.

- Natural gas is the most environmentally-friendly fossil fuel.
- Technologies used within the construction of modern gas infrastructure strive to minimize any adverse environmental impact and ensure the maximum safety of the construction work and subsequent operation.
- Repairs, modifications, and construction tasks are performed using specialized technologies that reduce any adverse impacts on the environment.
- The environmental conditions are closely monitored before, during, and after every construction project.
- During the construction of pipelines, machinery is used within the working width (36 m, 23 m in wooded areas).
- Pipelines built under the ground do not disrupt the natural appearance of the landscape.
- Restrictions that apply within the safety corridor of pipelines do not limit common agricultural activities.
- Wherever possible, the new infrastructure is implemented in the safety corridors of the existing energy infrastructure.

### NET4GAS at a Glance

Holds an exclusive gas transmission system operator (TSO) licence in the Czech Republic
Secures the international transit of natural gas across the Czech Republic, domestic transmission of natural gas to partners in the Czech Republic and associated commercial and technical services
Transmits about 45 billion m <sup>3</sup> of natural gas each year (of which around 8 billion m <sup>3</sup> is for domestic consumption)
Guarantees a non-discriminatory approach
Operates more than 3,800 km of pipelines, three border transfer stations, four compressor stations, and nearly a hundred transfer stations at the interface with domestic gas distribution
Is a member of the Czech Gas Association, the international organisations ENTSOG, GIE, EASEE-gas, and the IGU and Marcogaz working groups
Has more than 500 employees
Is committed to its corporate social responsibility
Is one of the largest private corporate donors to nature conservation in the Czech Republic

#### Contacts

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