



ITALIAN REPUBLIC



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# The ITGI Project

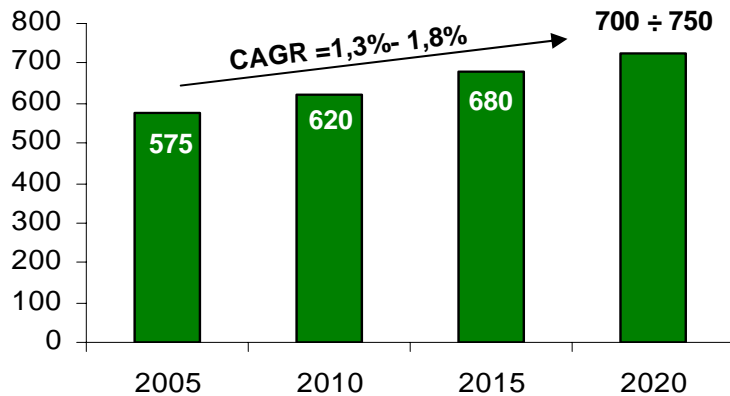
## Gas Corridor through Turkey, Greece and Italy



*Umberto Quadrino, CEO, Edison*

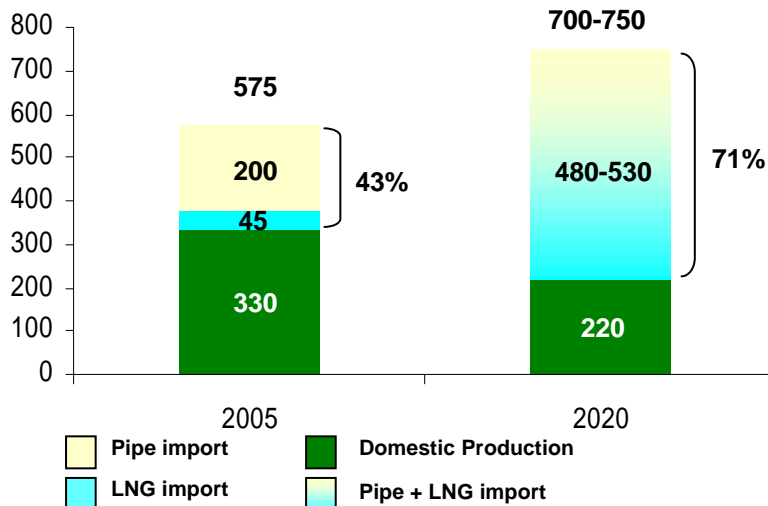
# Gas demand/supply balance in Europe

**GAS DEMAND (bcm/y)**



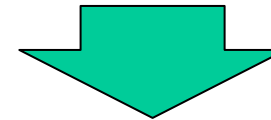
- ❑ Europe\* imports gas mainly from Russia (~150 bcm/y) and Algeria (~ 60 bcm/y);
- ❑ Gas demand is expected to increase from 2005 levels of 575 bcm/y to 700 ÷750 bcm/y in 2020, mainly driven by power generation requirements;
- ❑ In the same time horizon, gas production is foreseen to fall from 330 bcm/y to 220 bcm/y in 2020;
- ❑ The expected evolution of gas production and demand will increase European import dependence from 43% to approx. 71% in 2020.

**GAS SUPPLY (bcm/y)**



**2020 additional import requirements:**

**235 ÷ 285 bcm/y**



**Therefore, it is crucial to invest in new gas import infrastructures**

**Gas imports from the Caspian Area will play a key role in order to cover the increasing demand and to diversify European imports sources and routes**

\*Europe: EU27 + Norway, Switzerland, Turkey

# The Strategic Value of the ITGI Corridor



The ITGI Corridor will allow to import natural gas to Italy, through Turkey and Greece, from the Caspian Sea Area.

The Caspian and Middle East Countries detain approx. 20% of natural gas world reserves, but are not yet independently linked with European consumers.



The development of the ITGI Corridor represents the **more advanced opportunity** to link directly the Caspian gas reserves to the European markets, improving:

- ❑ the security of Italian and European gas supply
- ❑ the diversification of energy sources and routes
- ❑ the competition among producers and in the final markets
- ❑ the development of the European internal gas market

# The Importance of the Trilateral Intergovernmental Agreement



- The Trilateral Intergovernmental Agreement recognizes the priority and the strategic value of the ITGI. In particular, the Agreement:
  - ✓ Defines the procedures for the Governmental coordination and support during the development of each section of the ITGI Corridor;
  - ✓ Defines appropriate measures in order to contribute to the security of supply of Italy, Greece and Turkey;
  - ✓ Establishes the framework for the timely execution of the transit contracts through Turkey, Greece and the Poseidon Pipeline;
  - ✓ Guarantees the Governmental support to the coordinated realization of each section of the ITGI Corridor and the obligations of the respective TSOs;
  - ✓ Guarantees the uninterrupted gas flow through the ITGI Corridor.



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# The ITGI Project

## Gas Corridor through Turkey, Greece and Italy



*Elio Ruggeri, Edison IGI Project Leader*

# The Corridor linking Caspian Gas resources to Italy



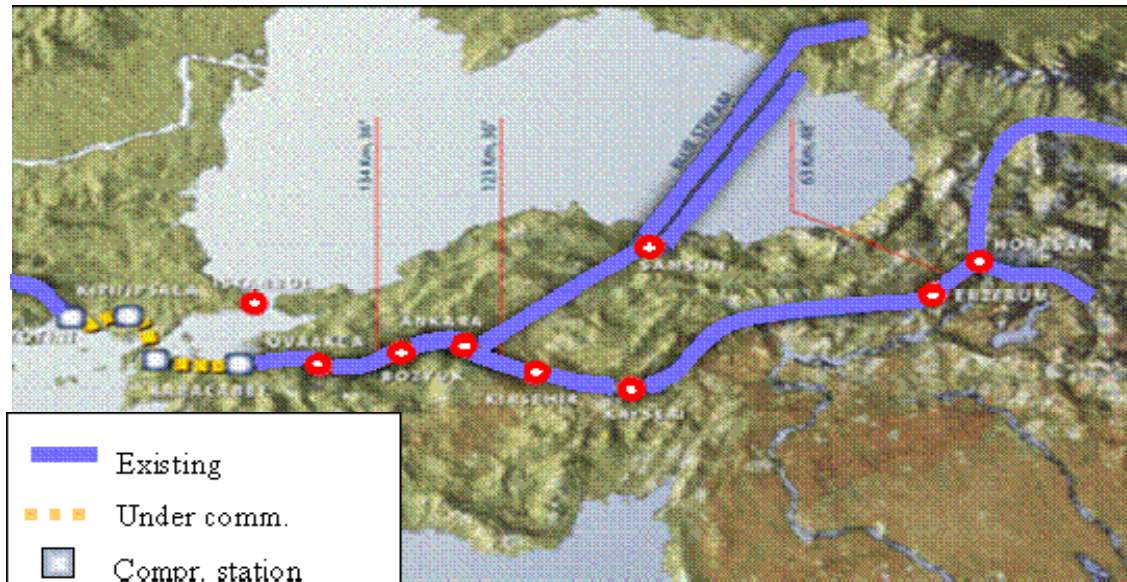
The ITGI Corridor will allow, **starting from 2012 and for the first time**, to import Caspian gas to Italy, through Turkey and Greece, equal to **approx. 8 billion cubic meters per year (bcm/y)**.

The Corridor comprises the **upgrades of the Turkish network and the realisation of the Interconnectors between Turkey and Greece (ITG Project) and between Greece and Italy (IGI Project)**.



# The Turkish Grid

- ❑ Turkey represents a natural bridge between the gas reserves of the Caspian Sea, the Middle East and North African Areas and the European consumers.
- ❑ Natural gas transport infrastructures in Turkey are already extended from the borders with producing countries, the SCP pipeline connecting Turkey and Azerbaijan has recently entered in operation, up to the Greek border with a transportation capacity that currently exceed domestic requirements.
- ❑ In order to allow the gas transit towards Greece and Italy limited investments on the Turkish Grid will be required. Such investments will be realised by BOTAS



# The Interconnector Turkey – Greece (ITG)



The ITG Project will be in operation within August 2007 with an initial transportation capacity of approx. 3,5 bcm/y.

Within 2012 the Interconnector capacity will be increased up to 11.5 bcm/y in order to allow also the transit of the gas volumes destined to Italy.

The Interconnector will be operated by Desfa in the Greek territory and by Botas in the Turkish territory.



## ITG Project technical data



- Length: Approx. 300 km
- Diameter: 36"

## Status:

- Under commissioning
- Operation within August 2007

**The Greek and Turkish Governments have signed in February 2003 an Intergovernmental Agreement** in order to support the realisation of the ITG Project.



# The Interconnector Greece – Italy (IGI)



The Interconnector Greece-Italy, already supported by the Intergovernmental Agreement of November 2005, will be in operation within 2012 with an initial transportation capacity of approx. 8 bcm/y. The IGI Project is divided in two sections:

- **Onshore Section** within the Greek territory from Komotini to Thesprotia coast: realized by DESFA and included in the Greek National Gas Transmission System;
- **The Poseidon Pipeline** form Thesprotia coast to Otranto: realized by EDISON and DEPA through a 50/50 JV



## Poseidon Pipeline

Length: 215 Km  
Diameter: 32"  
Max Pressure: 150 barg  
Depth: max. 1450 mt



## Onshore Section:

Length: 600 Km  
Diameter: 36"  
Max Pressure: 75 barg

The initial capacity of the Poseidon Pipeline will be reserved, according to the Decree issued by the Italian Ministry of Economic Development on 21st June 2007, to EDISON (80%) and DEPA (20%).

Additional transportation capacity will be available to third parties through an *Open Season* procedure.