
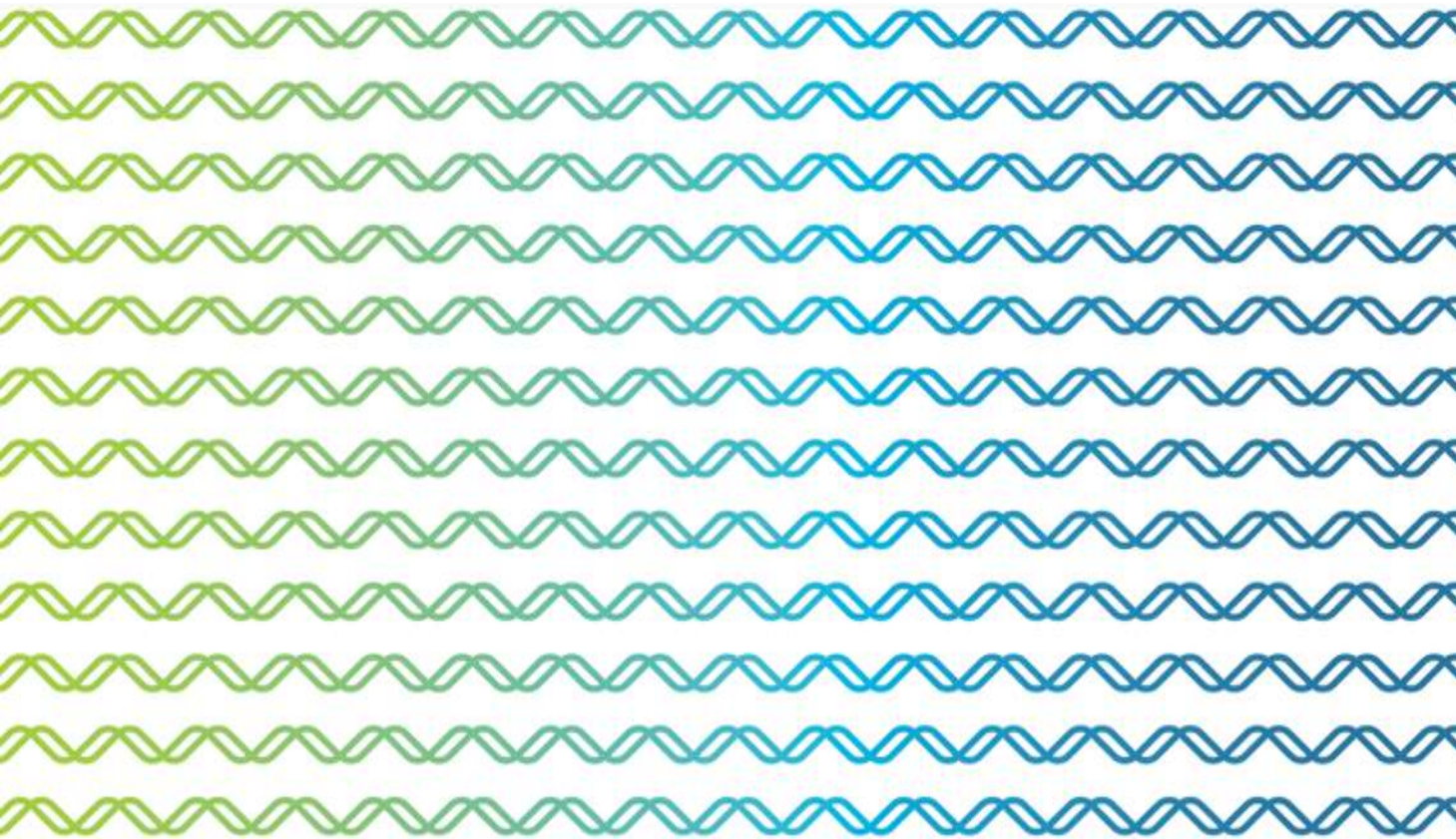


CYPRUS' LNG IMPORT PROJECT, NG MARKET FORMATION AND NG USES

 Co-financed by the Connecting Europe
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Ministry of Energy,
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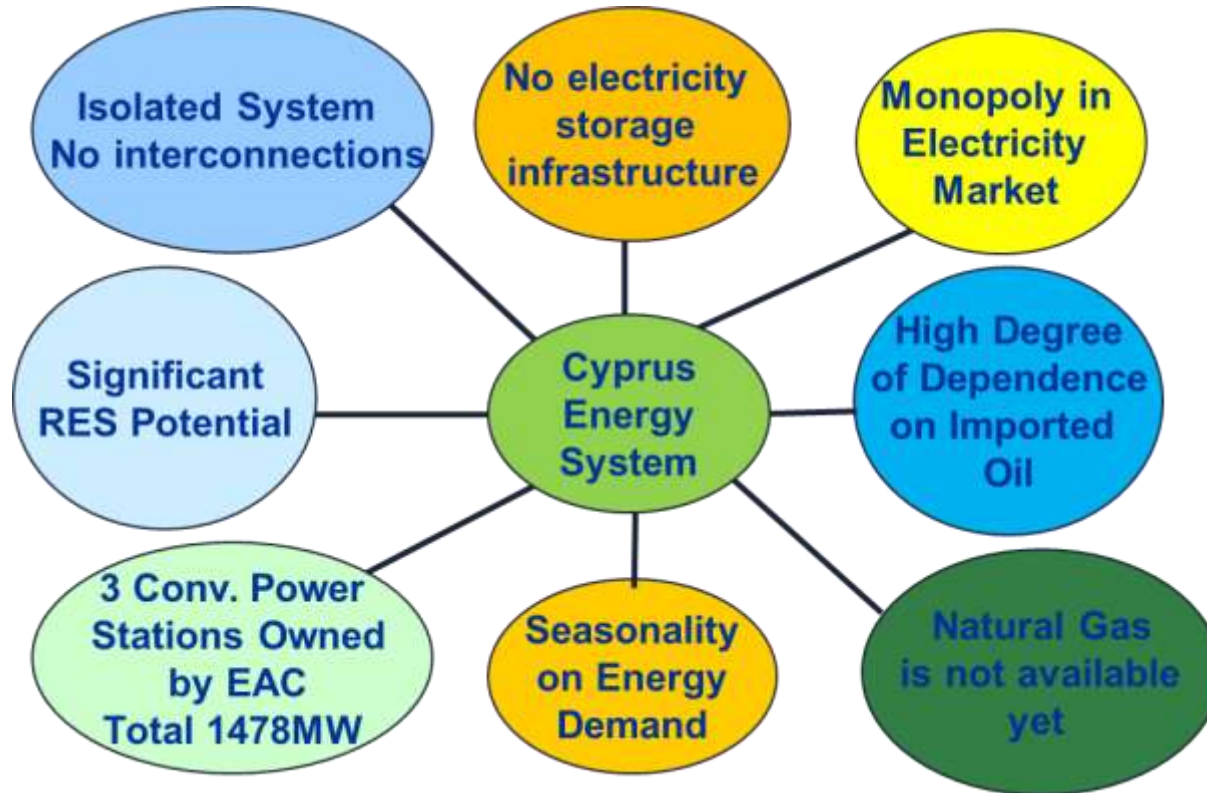
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PRESENTATION LAYOUT

1. Introduction
2. CEF Energy Call 2017
3. Cyprus LNG Import Terminal
4. Way Forward
5. Other NG Projects

1. INTRODUCTION

Current Energy Market Conditions



1. INTRODUCTION

Gas Market – Legal / Regulatory Framework

- Cyprus Law: Fully Harmonised with EU Directive 2009/73/EC
- Derogations may apply due to Isolated & Emergent Market
- Possible monopolistic operation for NG supply and LNG Terminal for certain period of time

1. INTRODUCTION

Relevant Studies and Policy Decisions

- March 2016: CERA analysed and compared all options to introduce NG
- June 2016: Council of Ministers Decision to import LNG
- February 2017: CYGAS analysed and compared all options for LNG Supply
 - ➔ Optimum way forward (accounting for cost, time, flexibility)
Floating Storage and Regas facilities
- May 2017: Council of Ministers Decision to proceed with two different tender process (LNG supply and LNG import facilities)

1. INTRODUCTION

CEF Synergy

- Holistic Approach for NG Market development and penetration of use of NG to Energy and Transport sectors
- CEF Synergy Call: Synergies between Energy and Transport Sector
- Total Proposal Cost ≈€7,5m – **CEF EU Co-financing ≈€4,5m (60%)**

All CYnergy resources have been used for the successful submission of the CEF Energy Proposal for Infrastructure Development of the Cyprus LNG Import Terminal



2. 2017 CEF Energy Proposal

Proposal Preparation

- Only 5 months window to prepare the application
- Successful & exemplary collaboration and coordination of all relevant stakeholders
- Establishment of Intergovernmental committees to facilitate the preparation of all required studies and licensing
- Meetings in Cyprus and Greece with PCI Competent Authority, Regulator, DESFA and DEPA

2. 2017 CEF Energy Proposal

Project Maturity – Licensing & Financing

- Environmental Licensing
- License for works in the marine area of the Vassilikos Bay
- Preparation and approval of CBA and CBCA studies
- Consultation with all Cypriot Operating Financial Institutions
 - 10 Lols have been received
- Consultation and meetings with EIB (prior the proposal and ongoing)
 - Lol has been provided to include with submission
 - An NDA has been signed aiming to cover all future deliberations and data exchanges
- Electricity Authority of Cyprus (EAC) participation in the infrastructure SPV, up to 30%
 - EAC provided a Lol

2. 2017 CEF Energy Proposal

EU / INEA Decision

- Award decision: End of January 2018
- CEF funding: 40% of total eligible cost, approximately ~€101m
- Signing of the Grant Agreement (GA): July 2018
- 1st pre-financing payment : July 2018

3. Cyprus LNG Import Terminal

Project Objectives/Benefits

- promote market integration, by lifting the isolation of Cyprus
- ensure security of supply, by establishing appropriate connections and diversification of supply sources with other EU member states (e.g. Greece)
- promote competition, especially in the electricity sector
- promote sustainability by reducing emissions and supporting intermittent renewable generation
- path the way for a cleaner economy by promoting NG/LNG as an alternative fuel
- enable Cyprus exploit its geographical position by offering bunkering services to ships.

3. Cyprus LNG Import Terminal



3. Cyprus LNG Import Terminal

Infrastructure Description

- FSRU (125,000m³ - 250,000m³ storage capacity)
- Jetty
- Jetty borne gas pipeline and Loading Arms
- Onshore gas pipeline
- Pipeline storage array (buffer) for security of supply
- Pressure reduction and metering station

➤ October 2018: Tender for the design, construction and operation of the Terminal for up to 20 years

4. Way Forward

A. Infrastructure

- Announce of the infrastructure tender: 5 October 2018
- Site Visit and Consultation Meeting Dates: Completed
- Tender Document Clarification Deadline: Completed
- Submission of proposals: 31 May 2019
- Award: Q 2019
- Completion of the Terminal: 24 months from signing of the contract

4. Way Forward

B. LNG Supply

- Request for expressions of interest for the supply of LNG: Q1 2019
- Open Season Process (Q3 2019): determination of NG demand by all users, committed quantities of NG and spatial allocation of users
- Full tender: After the award for infrastructure

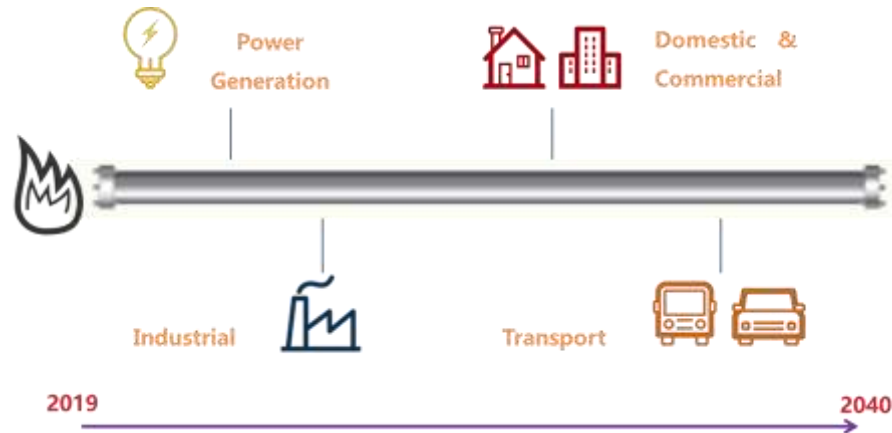
C. Legal / Regulatory Framework

- Continuous work under CYnergy Project
- Continuous work by MECIT-CERA-CyGas for finalisation of Legal and Regulatory Framework

5. Other NG Projects

NG Pipeline Network:

- €10m. Grant EU Co-Financed under EEPR
- CyGAS appointed GNFe for Engineering Consultancy Services for the NG Pipeline Network Development in 2010
- Feasibility Study completed in 2012
 - Revised in 2017



5. Other NG Projects

NG Pipeline Network:

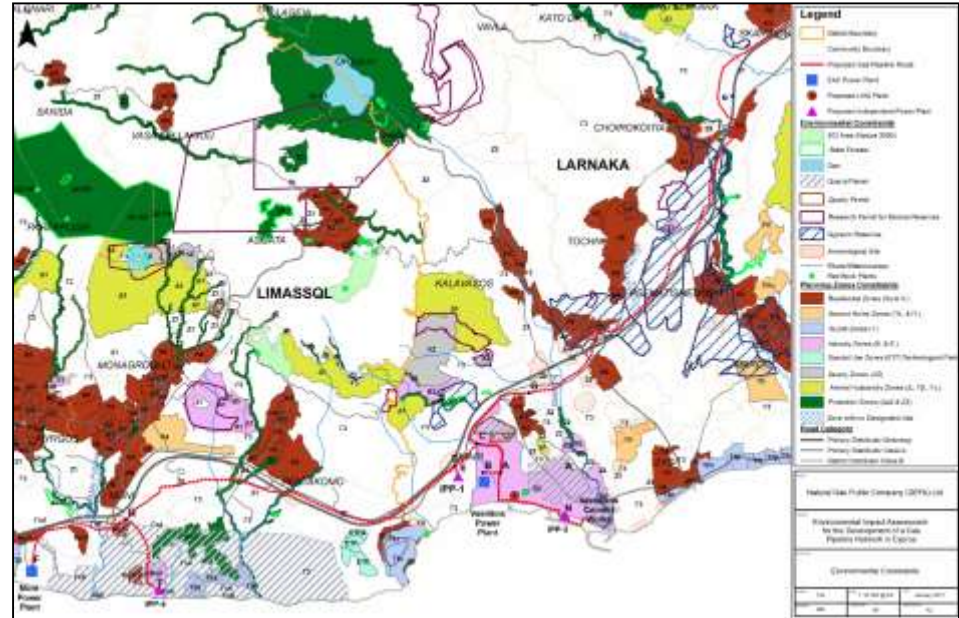
- Phase A' – Power Gen
- Route Selection



5. Other NG Projects

NG Pipeline Network:

- Route selection: minimise impact and avoid environmental/social/other constraints
- Most cases: it follows highway passing through town planning zones (avoiding housing/touristic zones, etc.)

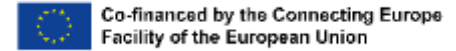


5. Other NG Projects

Under Consideration and Study:

- LNG Bunkering
 - The LNG facilities will be able to accommodate demand
- NG to Industrial and Urban Sectors
 - Under CYnergy Project Scope
- NG for Road Transport
 - Under CYnergy Project Scope
- LNG & NG to Remote Locations
 - Under CYnergy Project Scope

Thank you for your attention!!



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