

GAZ-SYSTEM signs the first contract for investor deliveries under the Baltic Pipe Program

On 14 August 2019 GAZ-SYSTEM and Solar Turbines, an American company, signed the contract for the delivery and service of the complete set of compressor units for the three compressor stations constituting a part of the Baltic Pipe Program. The total contract value amounts to over PLN 550 million.

- The Baltic Pipe Project is important not only for Poland but also for all of the European Union as it creates possibilities for the emergence of competitive gas market in this part of Europe. The contract we have signed today with the American company for the supply of compressor units for three Polish compressor stations under the Baltic Pipe Program is one of the elements of gas sourcing diversification strategy being implemented by the Polish government. This way we are building energy independence of our country – said Piotr Naimski, the Secretary of State at the Chancellery of the Prime Minister, the Governmental Plenipotentiary for Critical Energy Infrastructure.

- The contract with the American supplier of key machinery for the three compressor stations located in Poland constitutes yet another milestone achieved by GAZ-SYSTEM under the Baltic Pipe Program. The contracted equipment will provide sufficient capacity enabling efficient distribution of increased gas volumes imported to Poland through the President Lech Kaczyński LNG Terminal, Baltic Pipe and, in the future, the FSRU (Floating Storage and Regasification Unit) located in the Bay of Gdansk. The strategy consistently implemented by GAZ-SYSTEM aimed at changing the direction of gas supply in Poland becomes the fact – emphasised Tomasz Stępień, the President of GAZ-SYSTEM.

The contract with Solar Turbines for the purchase of compressor units is the first contract for investor deliveries under the Baltic Pipe Program and one of the largest contracts of this type in the history of the Polish gas industry.

The delivery includes the total of ten compressor units with the capacity between 5 and 10 MW. Three of them will be installed at the Goleniów Compressor Station, three in Gustorzyn and four in Odolanów. The delivery will take place within 18 to 20 months from the conclusion of the contract.

Together with the compressor supply, GAZ-SYSTEM secured a long-term (10 years) service contract enabling efficient operation of the compressor units, safe compressor station operation and continuous gas transmission.

The purchase of the compressors is a part of the investor deliveries and the procurement process had been implemented in the form of competitive dialogue which made it possible for GAZ-SYSTEM to gather information on the global market of compressor suppliers. It also ensured flexibility in creating tender documentation taking into account high technological standards, manufacturers' specificity and the requirements set by the Company which included operational characteristics, configuration and optimisation of the acceptance and delivery process.

Baltic Pipe is a strategic investment aimed at creating a new natural gas supply corridor from Norway to the Danish and Polish markets and to the end-users in the neighbouring countries. Its implementation will strengthen the energy security of Poland and Central and Eastern Europe and will contribute to the increased competitiveness of the Polish gas market.

In the territory of Poland the investment will include the gas pipeline connecting Baltic Pipe with the national gas transmission network and the Goleniów-Lwówek pipeline. Moreover, the Goleniów and Odolanów compressor stations will be expanded and a new one will be built in Gustorzyn.

Goleniów Compressor Station

The investment will consist in the extension of the existing compressor station in Goleniów (Zachodnio-pomorskie Province), including the expansion of the transmission hub, and in connecting these elements with the present transmission infrastructure.

Odolanów Compressor Station

The investment will consist in the extension of the existing compressor station in Odolanów (Wielkopolskie Province), including the expansion of the transmission hub in Odolanów, and in connecting these elements with the present transmission infrastructure.

Gustorzyn Compressor Station

The investment will consist in the construction of the compressor station and extension of systems constituting a part of the Gustorzyn gas hub (Kujawsko-pomorskie Province). Due to the characteristics of the transmission system operation and the expected increase of gas supply from the north, the Gustorzyn Compressor Station is a very important element of the planned extension of the national transmission system. It is of key importance for both the project of connecting the transmission systems of the Republic of Poland and the Republic of Lithuania (GIPL) and for the Baltic Pipe. The facility will enable gas distribution for instance from Norway (Baltic Pipe) towards the compressor station and then directing the flow towards Lithuania (GIPL) or other destinations. Due to the construction of facilities such as the compressor station in Gustorzyn, GAZ-SYSTEM will be able to flexibly control gas flow and transmission to the users in Poland and the neighbouring countries.

EU funding

In January 2019, the Baltic Pipe Program was granted financing by the European Commission under the Connecting Europe Facility (CEF) for the construction works worth nearly EUR 215 million. In 2017 and 2018 the subsidy covered engineering works, amounting to the maximum of EUR 51.45 million. After the competition held in 2015, the investment was granted up to EUR 400 thousand for the feasibility study. So far the total amount of the EU support for the Baltic Pipe has reached the maximum of EUR 266.8 million.

The Gustorzyn Compressor Station, implemented as a part of the Poland-Lithuania gas interconnector, received CEF subsidy for both the engineering and construction works. Moreover, following ACER decision of 11 August 2014 on the transboundary project cost allocation, in addition to the EU financial support, the construction of GIPL in the territory of Poland, including part of the cost of the infrastructure indispensable for the assurance of full functionality of the interconnection, will be co-financed by the transmission system operators from the Baltic states (Lithuania, Latvia and Estonia).

[More information about the Baltic Pipe can be found at:](#)



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GAZ-SYSTEM plays a strategic role in the Polish economy. We are responsible for natural gas transmission and operate the most important gas pipelines in Poland. As part of the 2015-2025 investment programme, GAZ-SYSTEM plans to build over 2000 km of new gas pipelines in western, southern and eastern parts of Poland. Further development of the national transmission network, including the construction of new gas pipelines making part of the North-South Gas Corridor, as well as the construction of interconnections with the neighbouring countries, will strengthen Poland's energy security and make an important contribution to the development of the European transmission system.

The Company is implementing one of the most important infrastructural projects in Poland – the Baltic Pipe project, which consists in the construction of a bidirectional offshore gas pipeline connecting Poland and Denmark and the expansion of the local transmission network.

GAZ-SYSTEM also owns Polskie LNG, the operator of the President Lech Kaczyński's LNG Terminal in Świnoujście.

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