



**TOWARDS
A LOW-CARBON
ECONOMY THROUGH
PCI PROJECTS
IN THE GAS SECTOR**



PROJECTS OF COMMON INTEREST (PCI) IMPLEMENTED BY GAZ-SYSTEM

Projects of Common Interest (PCIs) have crucial meaning to the implementation of European energy and climate policy. The most important is affordable, secure and sustainable energy for all citizens, as well as building a low-carbon economy in the European Union.

In line with Regulation (EU) No 347/2013 of 17 April, 2013 on guidelines for trans-European energy infrastructure (TEN-E Regulation), a list of PCI projects is drawn up every two years.

The projects must contribute to the implementation of the strategic energy infrastructure

priority corridors and also significantly improve security of supply, market integration and competition. PCI projects are also intended to support Member States' climate and environmental activities.

Projects selected as PCIs may benefit from many advantages stemming from the TEN-E Regulation, including an accelerated permit granting process and as well as specific regulatory solutions provided for in EU Regulation 347/2013. Under specific conditions, the PCI status gives a possibility of receiving financial assistance under the Connecting Europe Facility (CEF) in the form of grants

and innovative financial instruments. The most recent fourth list of PCI projects was released by the European Commission on March 11, 2020. The projects conducted by GAZ-SYSTEM received the priority status in two priority corridors specified in TEN-E Regulation.

1. Baltic Energy Market Interconnection Plan in gas ("BEMIP Gas");
 - Baltic Pipe Project
 - Gas Interconnection Poland-Lithuania
2. North-South gas interconnections in Cen-

tral Eastern and South Eastern Europe ("NSI East Gas"):

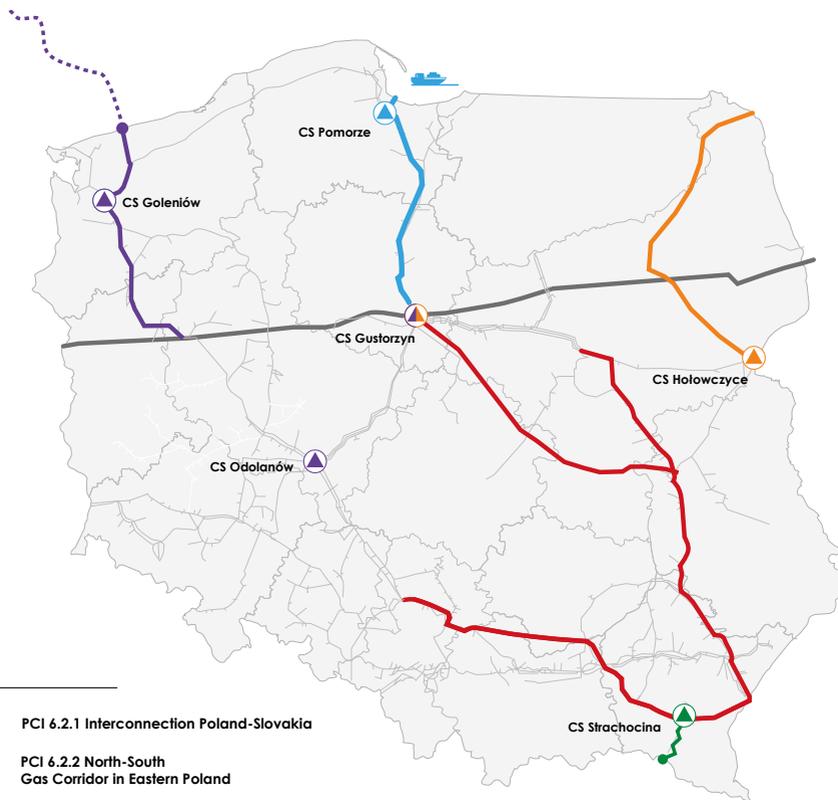
- Interconnection Poland-Slovakia,
- North-South Gas Corridor in Eastern Poland,
- LNG Gdańsk Project.

The inclusion of GAZ-SYSTEM projects proves their importance for improvement of security and diversification of supply, enhancing competition and improving the access to natural gas as a low emission source of energy in Central Europe and the Baltic region.





PROJECTS OF COMMON INTEREST (PCI)



KEY

- PCI 6.2.1 Interconnection Poland-Slovakia
- PCI 6.2.2 North-South Gas Corridor in Eastern Poland
- PCI 6.27 LNG Gdańsk
- PCI 8.3.2 Baltic Pipe
- PCI 8.5 GIPL

BENEFITS FROM PCI PROJECTS



CO2 reduction.

PCI projects allow to increase the use of natural gas as a low-emission energy source for individual customers, energy sector, heating and other industries. As a result of the implementation of GAZ-SYSTEM priority

projects, an effective transformation towards low-carbon energy sources will be possible. This is essential, especially considering that high-emission fuels constitute a significant part of the national energy mix in Poland.



Support in the development of renewable energy sources (RES).

A visible increase in investments in renewable energy sources, covering mainly photovoltaics and wind energy is noticeable in Poland. In this context, the role of natural gas is par-

ticularly important, as it will ensure reliable and flexible energy supply in the event of adverse weather conditions (no sun or wind).



Air quality.

Air pollution caused by the combustion of high-emission fuels is a considerable threat to health and has a negative impact on the quality of life of the society. Natural gas is a source of energy that can be used effectively and help to resolve problems related to sulfur

and nitrogen oxide emissions as well as other pollutants. This will be possible both by effectively connecting individual and industrial customers to the gas network, in particular in the heating sector, but also by increasing the use of LNG and CNG in the transport sector.



Security and diversification of gas supply.

Obtaining the PCI status by GAZ-SYSTEM's projects confirms their key importance for increasing the security and diversification of natural gas supplies, as well as building an integrated and competitive natural gas market in Central Europe and the Baltic Sea region. The diversification of sources and

thus ensuring the stability and reliability of gas supplies will also reduce the vulnerability of the national transmission system to disruptions in the supply of this raw material, which will positively affect the effective distribution of natural gas to end users.



Competitiveness.

The planned investments will have a positive impact on the development of effectively functioning natural gas markets in the region and thus - by providing access to new sources of gas supply - obtaining gas at more favorable price conditions. Along with ensuring adequate diversification of gas supply

sources, the attractiveness of using natural gas compared to other energy sources on energy markets will increase as well as competition between users (gas-to-gas competition). Thanks to this, it will be possible, among others to reduce gas prices for end users.



The importance of the Polish natural gas market at the regional level.

The direct gas connection with deposits on Norwegian Continental Shelf and significant LNG supply options (via LNG terminal in Świnoujście and LNG Gdańsk Project) and the implementation of currently deve-

loped cross-border pipeline projects connecting the Polish gas grid with neighboring countries (Slovakia and Lithuania) will lay the foundations for the Polish market to become a regional gas distribution centre.



Sector Integration.

Building a low-carbon economy requires significant capital expenditure. Therefore, it is essential to apply solutions that, on the one hand, enable the use the potential offered by various sectors of the economy, and on

the other, are adjusted to socio-economic conditions. Closer integration of the natural gas, electricity and heating sectors will help to apply effective solutions with benefit for market participants and energy consumers.



PUBLIC PARTICIPATION

According to TEN-E Regulation the project promoter, before the permit granting process, informs stakeholders about the project at an early stage and the public consultation that will enable to identify the most suitable location and the relevant issues to be addressed in the application file.

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