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Slovakia Could Allow EU to Turn Back on Russia Without South Stream

By The Moscow Times

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The Slovak operator proposes gas be piped from western European hubs via Slovakia's existing system into Ukraine and then into Romania and on to Bulgaria.

Slovak gas pipeline operator Eustream is proposing a new pipeline be built to carry natural gas from Western Europe to the Balkans, relieving the region of its almost total dependence on Russian supply.

The project, its backers say, would ensure countries such as Bulgaria and Serbia can receive gas even if Russian supplies via Ukraine are disrupted.

It would also remove the need for the planned South Stream pipeline across the Black Sea, which is backed by Moscow and opposed by Brussels and Washington.

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The proposed 570-kilometer Eastring project would have a potential capacity of up to 20 billion cubic meters (bcm) per year and the ability to transport gas either from Russia to the Balkans, or from the West to the Balkans, Eustream chairman Tomas Marecek said.

It would cost an estimated 750 million euros and connect Eustream's existing system — which has a capacity of more than 80 bcm — to Ukraine's underutilized Soyuz pipeline leading to the Romanian border, Marecek said.

Romania

The plan would include a leg to be built across Romania to connect to a major Balkan pipeline running close to the Black Sea to supply the region, he said, adding that financing would depend on the final setup and route if adopted.

"Economically and strategically it is best solution for this part of Europe," Marecek said in an interview.

"It would cost only a fraction of the proposed South Stream budget, it could transport gas in both directions, provide the region with an alternative route and sources of gas and at the same time it will utilize existing gas infrastructure in the region."

"We will go public with more details in a few weeks," Marecek said. "Only then will we discuss with the EU. We want to be prepared well for discussions."

The Eastring project would have an initial capacity of 12.5 bcm, which would be increased to 20 bcm.

The rival South Stream project would carry gas from Russian exporter Gazprom across the Black Sea to Europe, bypassing Ukraine with which Moscow has a fraught relationship.

Russia has halted gas flows to Ukraine three times in the past decade, in 2006, 2009 and since June this year, although this year gas for the EU via Ukraine has not been disrupted.

Still, European Union nations are wary of the $40 billion project, which foes say would entrench Russia's energy stranglehold on eastern Europe. The European Commission has also said South Stream as it stands does not comply with EU competition law because it offers no access to third parties.

Marecek said the Eastring proposal would fully comply with EU energy regulations.

"The corridor would also be ready for future gas imports to Western Europe from alternative sources such as the Caspian Sea, Iran, Iraq, Egypt, Israel and Cyprus," he said.

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