

100% capacity of the LNG Terminal in winouj cie reserved

On 29 May, Polskie LNG S.A. (a member of GAZ-SYSTEM Group) signed an agreement with PGNiG S.A. for regasification services which will be available after the expansion of the President Lech Kaczyński LNG Terminal in winouj cie.

The conclusion of this agreement culminates 2020 Open Season procedure launched in order to enable natural gas market participants to submit offers for regasification services and additional services.

*"The LNG Terminal in winouj cie is a plant of strategic importance on the map of energy and natural resources in Poland. It has a significant impact on building independence of Poland and the neighbour countries from gas supplies from the East. Today's agreement which guarantees the reservation of 100% of the Terminal's regasification capacity is excellent news for the Polish economy, and it is another step towards the state's energy independence. Moreover, it guarantees constant and undisturbed supplies of 'blue fuel' to Polish citizens who are more and more willing to use it"- said **Jacek Sasin**, Deputy Prime Minister and Minister of State Assets.*

*"I am extremely pleased to have signed the LNG regasification service agreement. This document is a proof that through the extended winouj cie Terminal our part of Europe will receive significantly greater volumes of low-emission fuel based on competitive rules. It will contribute to the continued energy transformation of our economy", added **Michał Kurtyka**, Minister of Climate.*

*"The LNG terminal is an important element of the strategy of diversification of sources and directions of gas supply to Poland. It provides the possibility of importing fuel from independent sources and at competitive price. With today's agreement in force, the Terminal has 100% commercial capacity reserved, both in terms of existing as well as new available capacities, which confirms the necessity of its expansion", reckoned **Piotr Naimski**, Government Plenipotentiary for Strategic Energy Infrastructure.*

*"The terminal in winouj cie is one of the most heavily used facilities of this type in Europe. The results of this year's Open Season procedure confirm that this will be the case also after the expansion", emphasised **Tomasz St pie**, President of the Management Board of Polskie LNG and GAZ SYSTEM.*

*"For PGNiG, liquefied natural gas is not only a solution to diversify imports and ensure energy security of the country and its customers. LNG plays a very important role in PGNiG's business plans and it contributes to building a strong position of the Company on the domestic as well as foreign markets. In one month's time the winouj cie terminal will receive the hundredth liquefied natural gas cargo. This reflects the dynamics of PGNiG's development of its business in this area. This would not have been possible without the successful cooperation with Polskie LNG, a member of GAZ-SYSTEM Group", admitted **Jerzy Kwieciński**, President of the Management Board of PGNiG S.A.*

Pursuant to the concluded agreement, the allocated capacity amounts to:

- Basic Regasification Service from 2024 to 2038 - at 4,208,612 kWh/h each year; together with the currently reserved capacity it will be approximately 8.3 bcm of gas annually (10,579,502 kWh/h)
- Transitional Regasification Service from 2022 to 2023 - at 1,592,724 kWh/h each year; together with the

currently allocated capacity it will be approximately 6.2 bcm of gas annually (7,963,613 kWh/h)

- Additional services in accordance with the submitted offer, reserved for the years of allocated Basic Regasification Service.

The Regasification Services will be provided from the Terminal's new capacity which will be offered after the so-called small (due in late 2021) and large expansion (due in late 2023).

The entire winouj cie Terminal expansion project is supported from the Infrastructure and Environment Operational Program 2014-2020, PRIORITY: VII, ACTIVITY: 7.1 under the project name: "Extending the functionality of the LNG Terminal in winouj cie".

The project consists of four components:

- increasing the technical capacity of the terminal by installing additional Submerged Combustion Vaporisers (SCV);
- construction of a third tank which will increase the flexibility of process storage;
- construction of a new jetty which will enable loading and unloading of methane carriers, transshipment and loading of LNG bunkering units and bunkering service (this part is carried out in cooperation with the Szczecin and winouj cie Seaports Authority);
- launching an LNG transshipment facility for rail tankers to extend the scope of services provided with loading LNG onto ISO containers and rail tankers.

PGNiG S.A. has been allocated a total of 100 % regasification capacity of the LNG Terminal in winouj cie that is 5 bcm per year. The decision to reserve additional regasification capacity of the Terminal is related to the dynamic development of the Company's activity on the liquefied gas market. Over the past year, PGNiG imported 3.43 bcm of liquefied natural gas (after regasification); that was over a quarter more compared with the previous year. Consequently, the share of LNG in PGNiG's import portfolio exceeded 23% and was 3 percentage points higher year over year. In the first quarter of 2020 alone, the volume of LNG delivered to PGNiG amounted to 0.98 bcm after regasification, which means an increase by 34 percent year over year. The company receives more and more spot cargoes and also increases the volume of LNG imported under long-term contracts for LNG supplies from the United States.

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