

1) TAP expansion

Snam informed us about the binding market test and stressed that there is no need to build any new pipelines (only compressor stations are needed to be added and upgraded). The results of the binding phase will be released in November 2022. If required, TAP AG may organise another binding market test, regarding the option to double the capacity, shortly after. Results would be then anticipated by July 2023. If implemented, expanded TAP could additionally deliver up to 10-11 bcm/year to Italy and replace 1/3 of the Russian gas imports to Italy.

2) Adriatica Line, Matagiola-Masafra, Sulmona Compressor Station (CS)

Snam informed us about the state of play of the PCI projects, namely the Adriatica Line and the Matagiola-Masafra pipeline. The TSO stressed that the realisation of the pipelines, especially the Adriatica Line, depends on the full scale of TAP expansion and/or maximisation of imports from Algeria. Final investment decisions are still to be made. The TSO may take FID once the results of the market test of TAP are published in November 2022 or in July 2023. Snam also informed about ongoing investment in the middle of Italy (where the Adriatica Line would start), namely the construction of Sulmona Compressor Station. Presented timeline for all three projects: Sulmona CS, Adriatica Line Matagiola-Masafra: Phase I: 2026, Phase II: 2027.

3) 2 FSRU projects in Italy

SNAM informed us that the company bought 2 FSRU vessels with 5 bcm/year of regasification capacity each. The first one will be placed in Piombino. It should become operational by March/April 2023. The second vessel will be installed by November 2024. The two FSRU projects will serve the needs of Italy solely in light of the need to replace 1/3 of the Russian gas imports.

4) Pipeline project Spain-Italy

SNAM informed us that it is developing an H2-ready interconnector with Spain, which in the first phase of operation, could help to import gas from LNG terminals in Spain to Italy to export these quantities to the North of Europe (through CH and AT). Snam could then use the pipeline for H2 imports from Spain in the future. The feasibility study on this project is ongoing, and the involved project promoters will know the results by November 2022. Regarding capacity, the feasibility study will clarify the potential needs, but the TSOs are already considering having 10-15 bcm/year of transmission capacity. Potential commissioning date: 2028.

5) Compressor Station Tarvisio, Interconnector Italy-Slovenia, maximisation of imports from Algeria

SNAM informed that Italy has around 15 bcm/year of export capacity with neighbouring countries, and it is planned to increase this capacity to 20 bcm/year. SNAM is in the process of considering an enhancement of its reverse flow capacity at the IT-AT interconnection point. It would require upgrading a compressor station in Tarvisio in northern Italy. The possible commissioning date could be 2028. Discussions with TAG, AT TSO are ongoing.

SNAM also informed about the status of the Italy – Slovenia interconnection project (Upgrade of Gorizia/Sempeter interconnection). The TSO pointed out that the project had been suspended. If SI

is interested in its revival, all investment costs would be on the SI side. A new incremental capacity process is needed for any decisions in this regard.

Snam also mentioned that the increase of imports from Algeria would not require any additional investments on IT and AL sides. Maximisation of up to 10 bcm/year would be done by optimising the infrastructure already in place. However, for further flows from the south to the north of Italy, Adriatica Line would need to be built.