

South2 Corridor enters the 6th List of Projects of Common Interest (PCI)

Vienna, November 28th, 2023 – Today the European Commission adopted the 6th list of energy Projects of Common Interest (PCIs) and Projects of Mutual Interest (PMIs) in the form of a Delegated Act to the Regulation EU 2022/869 (TEN-E Regulation). The South2 Corridor is shown as the “Hydrogen Corridor Italy – Austria – Germany”.

Projects of Common Interest (PCIs) are identified every two years by the European Commission as key cross border infrastructure projects that link the energy systems of EU countries. PCI projects benefit from accelerated approval and implementation procedures as well as, under certain conditions, access to European funding from the Connecting Europe Facility (CEF).

Trans Austria Gasleitung GmbH is delighted that its "H2 Readiness of the TAG Pipeline System" project has been included in the PCI list as part of the "Hydrogen Corridor Italy-Austria-Germany". This is an important milestone for the realisation of the South2 Corridor, which is not only a major import corridor but also the basis for the national hydrogen network. "With our project, which involves the conversion to hydrogen of an existing 380 km natural gas pipeline from the Italian-Austrian to the Austrian-Slovakian border and essentially only requires the construction of new compressor stations - i.e. largely using existing infrastructure - we have developed a sustainable and cost-conscious project. Moreover, it is not only part of the South2 corridor, which is on the PCI list, but also of the Sunshyne Corridor and provides a link to the eastern import corridor. This project will allow us to develop into a multi-molecule transmission system operator that is able to respond to the transport needs of its customers and, at the same time, to fulfil the mandate to transport natural gas" says Daniele Gamba, Managing Director of TAG. "This is an important step to create confidence and a clear vision for future customers and producers and to encourage investment along the corridor and the entire supply chain. Now we need to create the right conditions to ensure a successful transition to renewable energy in the near future. This is not only an issue for us as a transmission system operator and for the industry, but for the entire Austrian and European society," says Brigitte Straka Lang, Managing Director of Trans Austria Gasleitung GmbH.

For further information please visit www.h2-readiness-taq.at

The South2 Corridor is a hydrogen pipeline corridor currently being developed by the European transmission system operators (TSO) Snam (Italy), TAG and GCA (Austria) and bayernets (Germany). It is comprised of approximately 3,300 km of pipelines and several hundred MW of compression capacity, expected to become hydrogen-dedicated assets by 2030.

The development of the South2 Corridor, which is part of the European Hydrogen Backbone (EHB), will guarantee security of supply and is crucial for the development of an interconnected and diversified hydrogen backbone in Southern and Central Europe. With a hydrogen import capacity of 4 Mtpa from North Africa, the corridor could deliver more than 40% of the overall import target set by the REPowerEU Plan.

The initiative is centred around the utilisation of existing repurposed midstream infrastructure to transport hydrogen, with the inclusion of some new dedicated infrastructure where necessary. A high proportion of repurposed pipelines (>70%) will enable cost effective transportation, whilst access to favourable renewable hydrogen production locations (wind and solar) in the southern Mediterranean region (Southern Italy, Tunisia and Algeria) will enable competitive production.

Partners have collected signed letters of support from renewable hydrogen producers for several megatonnes. The corridor also gained strong support from offtakers and storage operators along the whole route, particularly from the hard-to-abate clusters of Italy (e.g. Augusta, Taranto and northern Italy), Austria (e.g. Styria, Vienna and Linz) and Germany (e.g. Burghausen and Ingolstadt).

As evidence of the corridor's significant contribution to the EU's supply security and decarbonization goals, the Energy Ministries of Italy, Austria, and Germany have all signed a trilateral letter expressing political support.

Further information on the initiative can be found at <https://www.south2corridor.net>

About Trans Austria Gasleitung GmbH:

Trans Austria Gasleitung GmbH is a transmission system operator in Austria. Its pipeline system connects Baumgarten in Austria with Tarvisio in Italy over a distance of 380 kilometres. The TAG pipeline network consists of around 1,140 km of high-pressure natural gas pipelines from the Slovakian-Austrian border to the Austrian-Italian border. Gas can be transported from Austria to Italy ("flow direction") and from Italy to Austria ("reverse flow direction") within the technical limits of the TAG pipeline system. Along the route in Austria, the natural gas pipeline also supplies natural gas for the federal states of Lower Austria, Styria and Carinthia and also for transport to Slovenia via the SOL pipeline. TAG is intensively involved with the possibilities for a rapid energy transition and is working on solutions both nationally and internationally within the framework of memberships. The shareholders of Trans Austria Gasleitung GmbH are the Italian company Snam S.p.A. with a share of 84.47% and the Austrian company Gas Connect Austria GmbH with a share of 15.53%. Trans Austria Gasleitung GmbH is co-owner of PRISMA and is a member of ENTSOG, GIE, European Clean Hydrogen Alliance and the European Hydrogen Backbone Initiative.

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