



PRESS RELEASE

## **Italy - Malta pipeline: ARERA and REWS allocate costs to the Maltese system**

Milan, 5 June 2019 - ARERA and the Maltese energy regulator REWS have adopted a common decision on the apportionment of the costs of the Italy - Malta "Melita TransGas" gas pipeline within the interpretation of EU Regulation 347/2013.

The pipeline, which since 2013 has been identified by the European Commission as a European Project of Common Interest, will link the site of Delimara, in the territory of Malta, with a new terminal to be constructed in Gela by means of a 160 km pipe, laid mostly underwater.

Since more than 90% of the net benefits associated with the new pipeline are attributable to the Maltese system, ARERA and REWS have reached an agreement - ratified by ARERA with Decision 225/2019/R/eel- that allocates the entirety of the investment costs of the Melita TransGas pipeline to Malta. The two Regulators have assessed the investment request submitted by the company promoting the Melita Transgas Pipeline, and which estimates the total cost of the pipeline at around 400 million euros.

The new pipeline will establish a physical connection between Malta and the European gas system and will reduce the costs of gas supplies to the Maltese system. It will also improve the security of supply and reduce the environmental impact in terms of CO<sub>2</sub> emissions. There are also additional benefits which are estimated to accrue to the Italian system since a minimal part of its future gas transportation costs will be supported by Maltese users.

It is expected that the Melita TransGas pipeline will be completed in 2024 with a maximum capacity of approximately 2 billion cubic meters per year. It will permit the transfer of gas from Sicily to the power stations of Delimara, thereby replacing the gas that is currently being supplied through a floating storage terminal and an associated regasification unit.

Resolution n. 225/2019/R/eel is available on the website [www.arera.it](http://www.arera.it)

### **Context**

European Regulation 347/2013 on trans-European energy networks (so-called "Infrastructure" regulation) has introduced provisions relating to cross-border allocation of costs relating to new infrastructure for electricity transmission and gas transportation. Promoters of a project of common interest (PCI) may require national regulators affected by the project to make a decision to allocate costs to the nations involved. The two decisions are taken in a coordinated manner by the regulators of Italy and Malta, because these are the nations that will be crossed by the new pipeline. This is the first decision taken by ARERA according to the provisions of the Infrastructure regulation.