

SPOTLIGHT ON TRANSGAZ

# Fueling European energy integration

Transgaz is a state-owned company and technical operator of the natural gas transmission system in Romania. Responsible for ensuring safety, efficiency, and competitiveness in both domestic and international transmission, the company is one of the largest in the region and an energy powerhouse.



Photo: Transgaz

Recent years have seen Romania move to the forefront of Central Europe's energy market. The country's strategic location and investment foresight places it at the heart of the region's gas network – one that has undergone significant change in response to global events. Under the leadership of Director General Ion Sterian, Transgaz has driven efforts to integrate Romania's national transmission system (NTS) with the wider European grid, leaving the nation well placed to leverage new dynamics. Around 500 million euros has been spent on new infrastructure, including connecting the NTS to that of neighboring Bulgaria and building a new 120km pipeline to supply the Republic of Moldova. With this closer integration, Romania has a significant opportunity as Sterian's vision for a 'Vertical Corridor' comes to fruition.

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"The Vertical Corridor is my initiative for the transmission of natural gas from south to north, bringing gas from the Caspian Sea area, Azerbaijan, and liquefied natural gas (LNG) from terminals in Greece and Turkey, including American LNG," Sterian explains. "This will contribute to the diversification of natural gas sources and increase the security of gas supply to the countries of Central and Eastern Europe and the Balkans. The integration of the BRUA pipeline into the Vertical Corridor transforms Romania into a major player in the gas market in the region."

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It's the culmination of a vision that first took shape in 2016, when Sterian began advocating for the transformation of pipelines to reverse gas flows – an idea that gained traction in the US and beyond. Now, the United States Energy Association, which is coordinating with Vertical Corridor operators, is just one of many US partners with which Transgaz enjoys strong relationships. "Transgaz's natural gas compressor stations are equipped with state-of-the-art American technology. This shows how good our collaboration with American partners is," says Sterian. For Sterian, those partnerships, and Transgaz's broader work, are crucial to future stability. "American LNG has started to flow through these terminals and all we need to do is to increase capacity. We have an extremely important job because energy is a hugely important field globally. We are a stabilizing factor not only for the economy but also in the political and governmental sectors."



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INTERVIEW



**Mr. Ion Sterian**  
Director General SNTGN TRANSGAZ SA

**Since your appointment as general director, what has been your vision for Transgaz?**

I have a transparent management plan for the development of the Romanian natural gas transmission system and for the company. It is one of the largest and most important programs for the development, modernization and expansion of the natural gas transmission infrastructure in Romania, with investment projects estimated at approximately nine billion euros. These investments will continue to contribute to the optimization of energy infrastructure, diversification of natural gas supply sources, digitalization of processes and improvement of operational efficiency and safety, as well as compliance with modern performance and corporate governance standards, the development and implementation of transmission solutions for alternative energy sources such as hydrogen, the preparation for future market requirements, and the transition to a low-carbon economy.

**What are your key strategic initiatives currently?**

In Romania, our domestic production can meet almost the entire demand in our country, giving us a favorable situation. From the end of 2027, our domestic production will double, through the exploitation of gas from Neptun Deep. There is a government program to build distribution networks, as this will open up new industrial production facilities and gas-fired power plants that will replace many coal-fired plants, and Transgaz will expand transmission networks. Several gas-fired combined-cycle power plants are in various stages of construction, which will contribute to environmen-

tal protection efforts, and the remaining gas is destined for export to neighboring countries such as the Republic of Moldova.

**How do you ensure Transgaz's growth aligns with European energy regulations?**

We have one of the best network codes in the European Union. Many of Transgaz's proposals have been submitted to the Ministry of Energy through the regulator and have been adopted in Romania's national energy strategy.

We pay attention to legislative changes, and we are now in discussions with the regulator and the Ministry of Energy to finalize energy legislation on biomethane, carbon capture, transmission and storage. We also have a decarbonization strategy, realized with funding from the European Investment Bank. As of November 2022, we were the first company in Europe to have a pilot project for hydrogen injection into gas transmission pipelines. We have a strong research department that is always up to date with the most promising emerging trends in our field, enabling us to have one of the safest and most modern natural gas transmission systems in Europe.

**What opportunities do you see for American investors interested in Romania's energy sector?**

We are waiting for the next steps in research and technology for turbochargers that can transmit hydrogen up to 100%. Another possibility for cooperation with American companies would be carbon capture, transmission, and storage, which we would like to see happen as soon as possible. We have a good relationship with the economic and energy counsellors of the American Embassy in Bucharest. Transgaz is a member of AmCham Romania, and we want to expand our work with them and with other American companies that have the most advanced technologies. We collaborate with a Texas-based company, GreenPoint Renewables, with whom we have signed a memorandum on collaboration possibilities. We also have a good relationship with the Export-Import Bank of the United States and the World Bank. We are in constant dialogue with American banks about opportunities, and we are proud to partner with American companies because American-made products, such as turbochargers, are of extraordinary quality with reasonable prices.