

Removing LNG Barriers on EU Gas Market


CEER Workshop

Panel: Accessing LNG Regasification terminals: services

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- Broader gas market considerations, including new uses of LNG
 - Main elements of Eurogas response to the LNG strategy consultation
 - Views on access to LNG terminals and potential improvements

Key messages in our response to the Commission's Consultation

The global LNG market has to be respected. A well-functioning market should underpin the availability of both pipeline gas and LNG, with no discrimination between them.

It is important to give weight to market instruments in deciding on investments. The potential of optimising the current infrastructure in the internal market needs to be fully explored to avoid non-justified LNG investments.

A regulatory framework that supports competition and access to LNG terminals is important.

Aim for minimised restraints on global market trading, support development of free trade agreements.

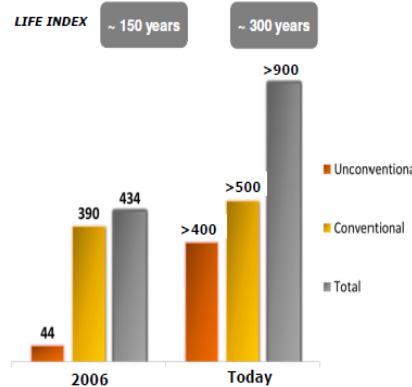
Build on technological developments.

Understanding the past to challenge the future

Fundamentals are changing

2010

Scarcity would make fossil fuels very expensive, following strong economic growth



2015-2016

Supply keeps up with demand and even oversupply; limited economic growth, falling fossil fuel prices

Integration of renewables a challenge when reaching high shares



Energy storage and back-up system are increasingly important and developed

Gas markets still mostly regionally developed



Global LNG market gives access to new suppliers

Trend towards gas trading at hubs



Liquid gas markets




LNG – consolidation and new opportunities

- Securing gas supply remains important post-COP 21
- LNG can contribute to improving diversification, flexibility, boosting market opportunities, and medium and longer-term security of supply – complementing other supply and trading portfolio options, spot and long-term
- New gas uses supported by LNG are developing
 - A fuel for long distance travel (Blue Corridor)
 - Maritime transport
 - Rail loading – delivering small quantities in rail tanks

Eurogas has proposed a number of areas for action to help develop the market for gas in transport, some with particular reference to LNG among which

- Staged roll-outs of refuelling stations along defined long distance corridors, extending the Blue Corridor scheme. This offers a viable and sustainable alternative fuel to customers.
- In cases where network operators are required to develop the infrastructure for gas in transport in accordance with the requirements of the Alternative Fuels Directive, they should be allowed to include the costs in their regulated asset base and receive a fair return on investment. Investment, however, should preferably be market-based.
- Standards for refuelling points should be put in place as soon as possible.



LNG terminal technology is developing, allowing the range of services to be expanded, including reloading (transfer from the terminals tanks into a vessel or trucks) and transshipment (direct transfer between vessels), loading of bunker ships.

Access issues

The use of LNG facilities depends first and foremost on shippers and market participants' commercial decisions.

but

- A regulatory framework that supports competition and access is key to integrating terminal assets into the wider gas infrastructure, optimising their use
- Use of terminals can be improved by
 - Promoting transparency
 - Improving availability of products that will contribute to regional as well as local market liquidity



Conclusions

Eurogas has not identified need for specific new rules, but NRAs have a role in

- Ensuring robust implementation of existing rules
- Encouraging terminal operators to optimise services for new market opportunities
- Spreading good practices

Thank you for your attention!

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