




# **Use and role of LNG in 2013 and expected contribution to SoS in 2014**

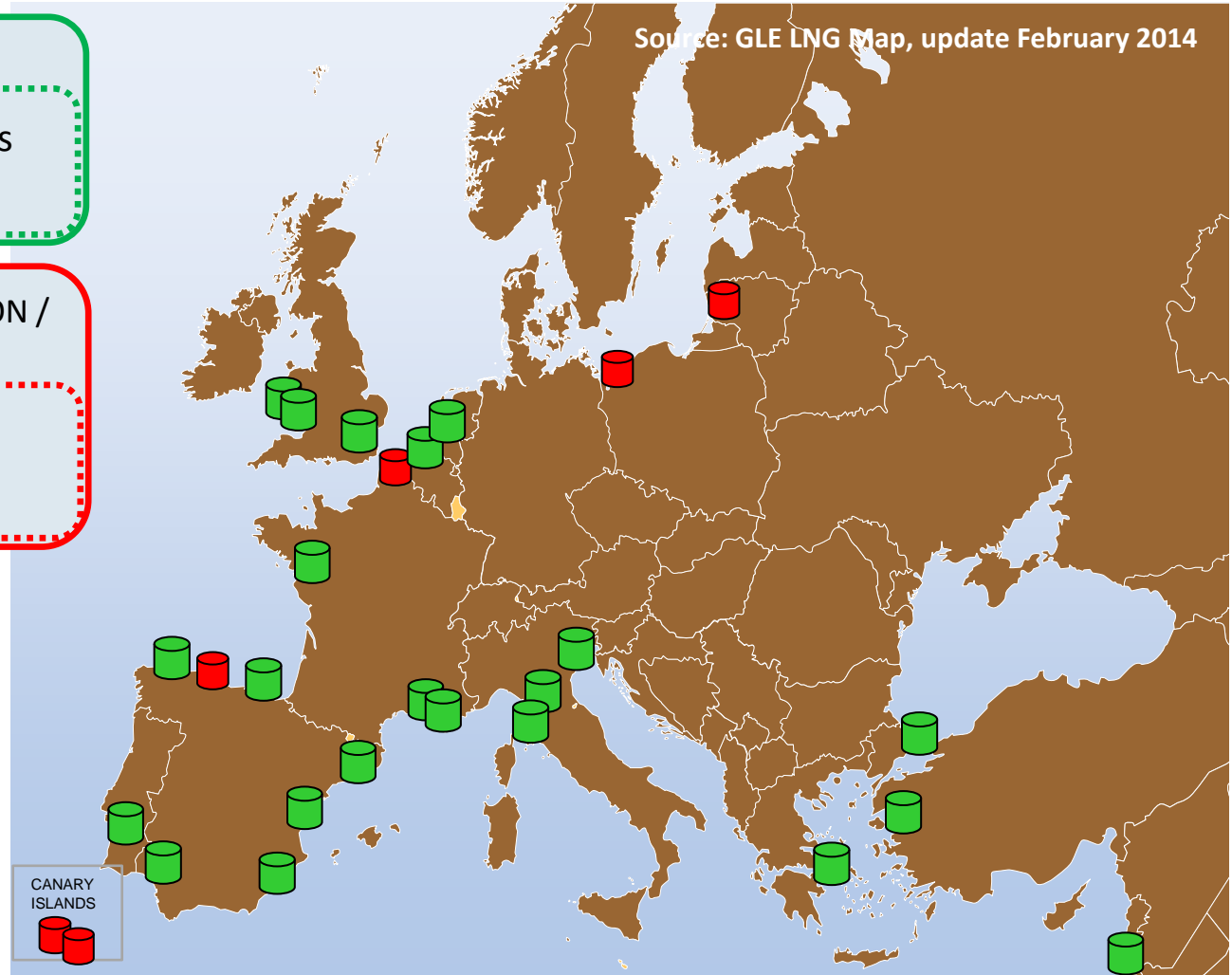
**Wim Groenendijk  
GLE President**

**Gas Coordination Group, Brussels, 14 February 2014**

# LNG terminals in Europe (large scale)

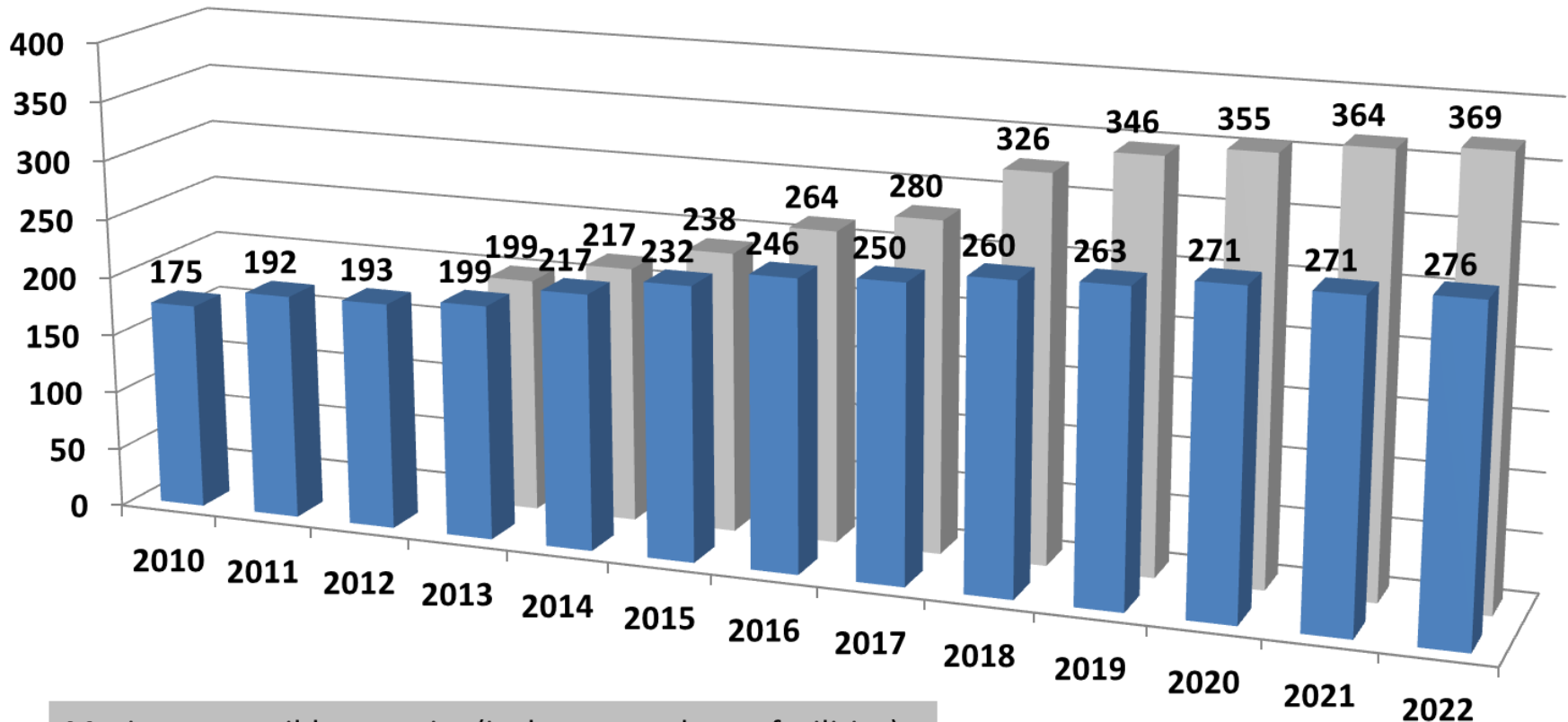
**EXISTING**  
 22 LNG Terminals  
 (190 bcm)

**UNDER CONSTRUCTION / COMMITTED**  
 6 LNG Terminals  
 (30 bcm)



Detailed information available at [www.gie.eu](http://www.gie.eu)

## Regasification Capacity in Europe in bcm/y

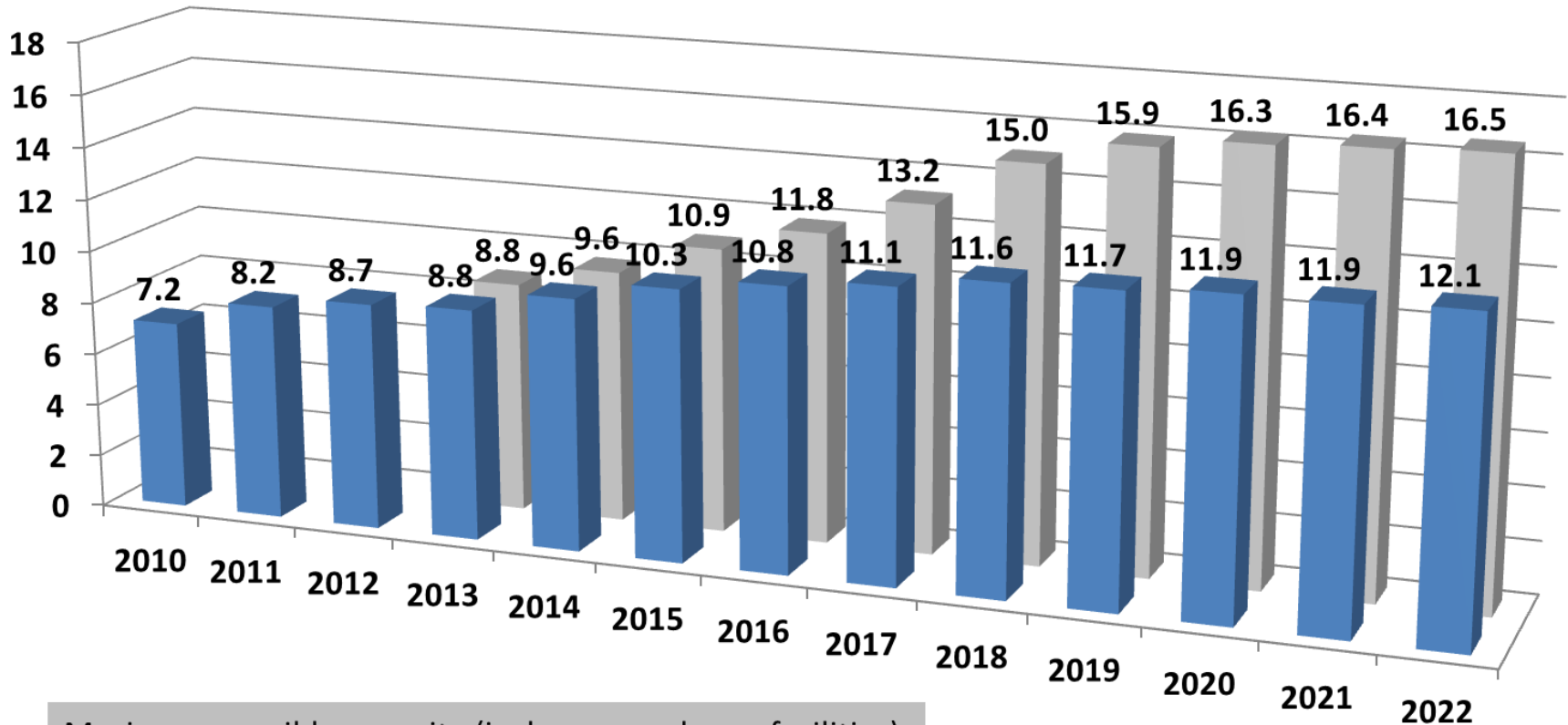


Maximum possible capacity (incl. proposed new facilities)

Maximum possible capacity (excl. proposed new facilities)

Source: GLE LNG Investment Database, July 2013

## LNG Terminals' Storage Capacity in Europe in mcm LNG

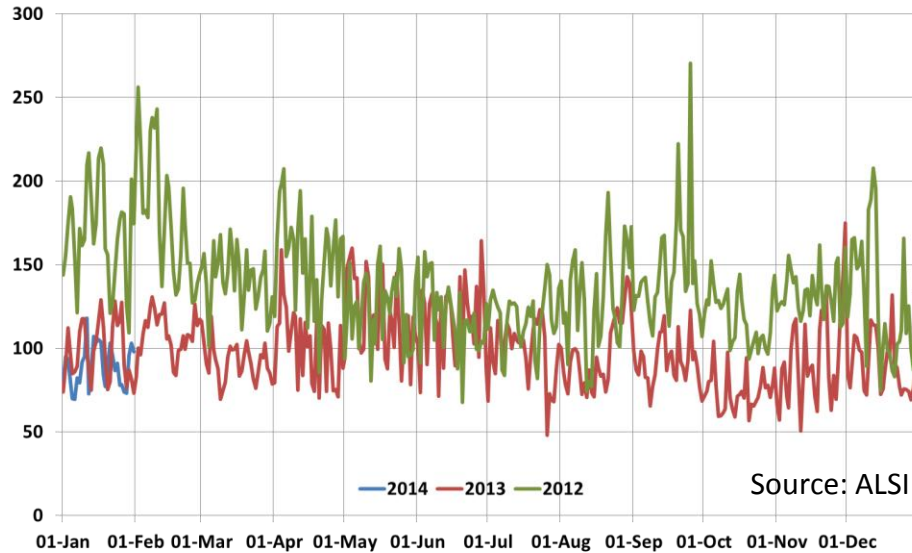


Maximum possible capacity (incl. proposed new facilities)

Maximum possible capacity (excl. proposed new facilities)

Source: GLE LNG Investment Database, July 2013

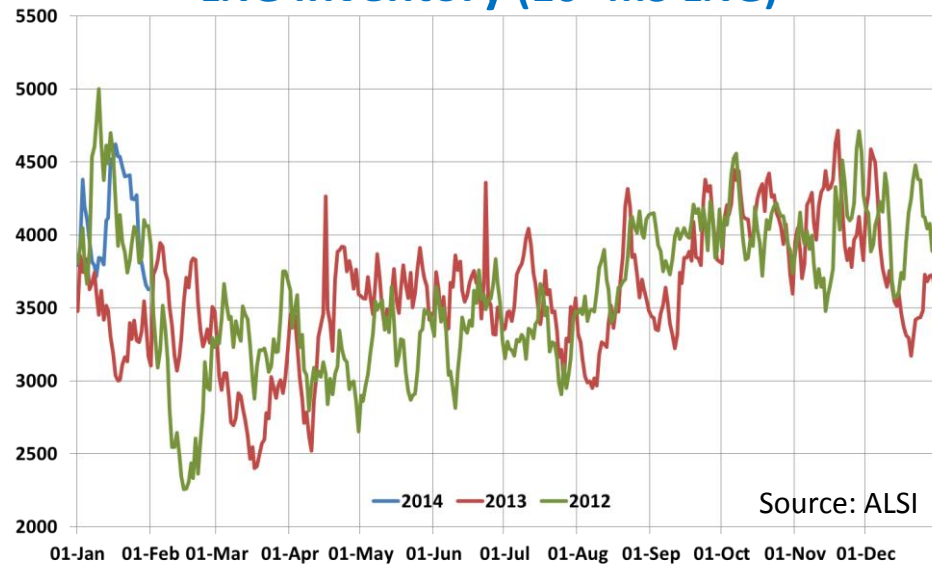
## LNG send out (10<sup>6</sup> m3 NG)



- variations from 2012 to 2013 (and 2014) different depending on the period
- global figures may hide important differences between terminals and countries

- Send-out reducing from 2012 to 2013
- Stabilising in 2014?

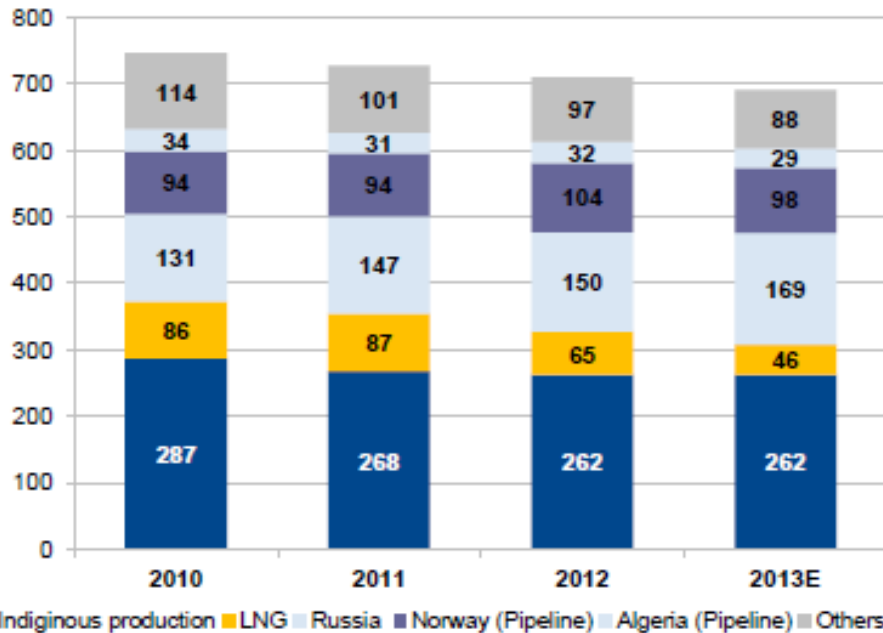
## LNG inventory (10<sup>3</sup> m3 LNG)



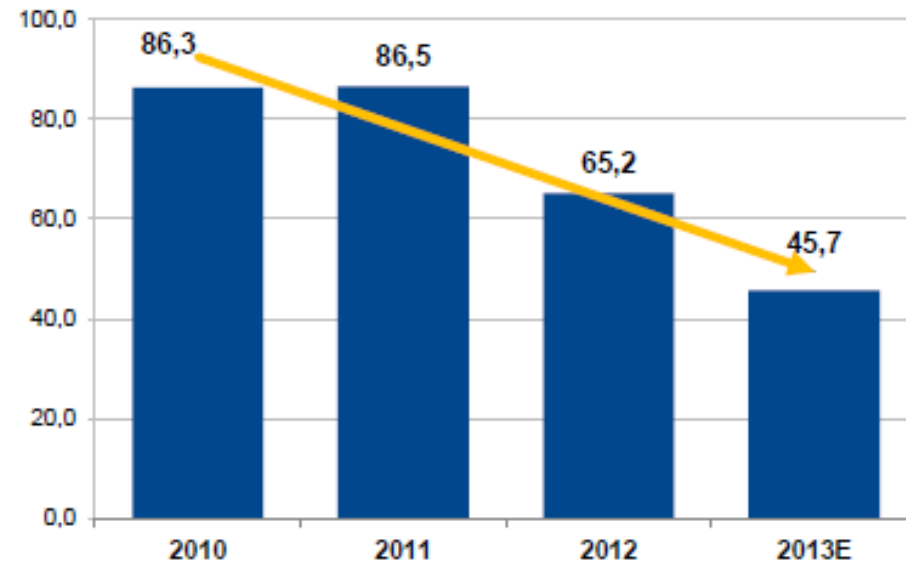
# Declining European LNG imports

- Import of LNG into Europe fell by a quarter between 2011 and 2012 and by almost a third between 2012 and 2013
- European supply fell by 54.8 BCM, LNG import by 40.6 BCM

European\* supply mix in BCM



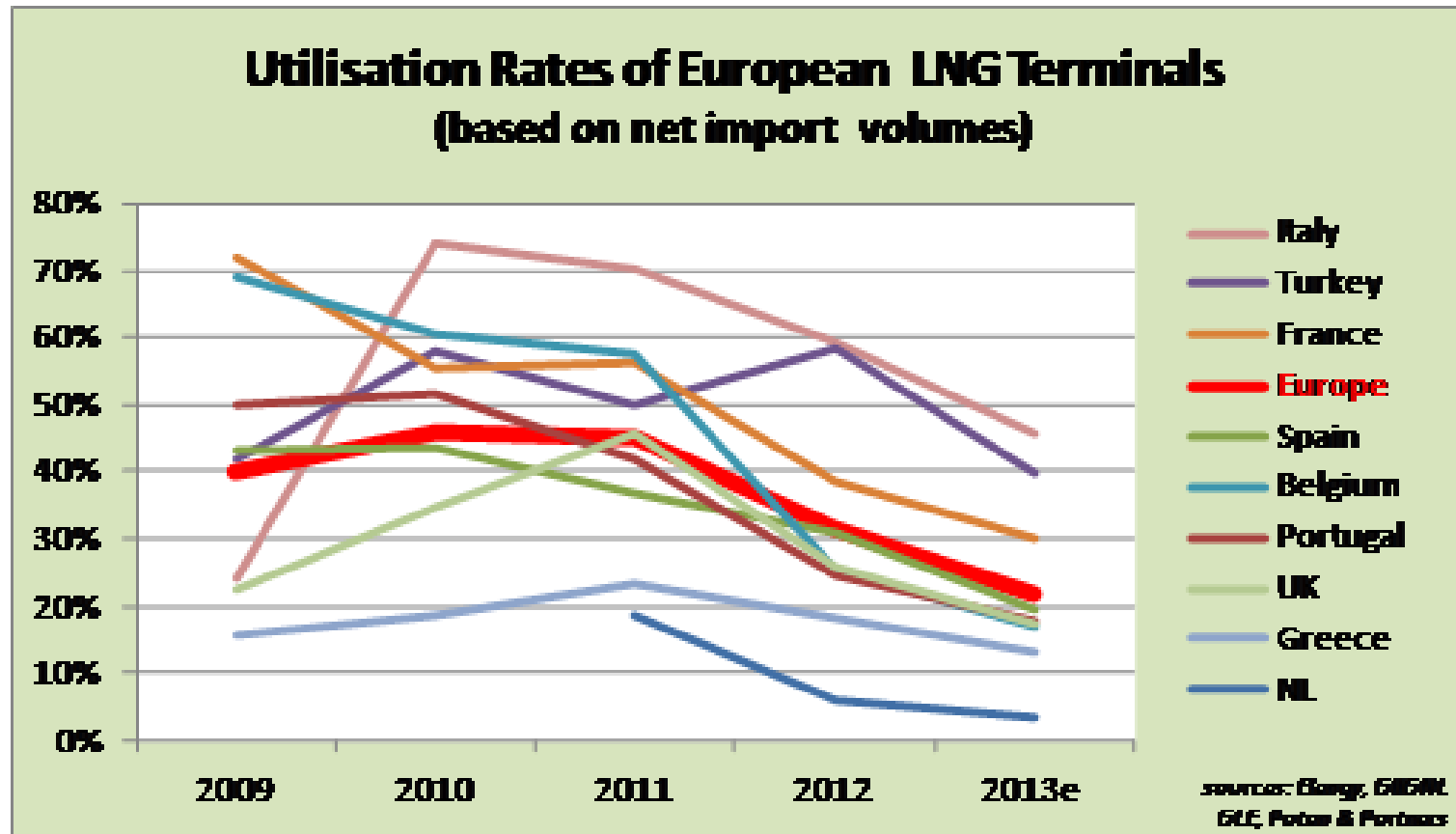
LNG imports to Europe\* in BCM



Source: Econgas

Europe\*: EU28+CH, AL, BH, TK, MD, SB, NW,

All countries affected; since 2011 European average slashed by more than half and stands now just above 20%

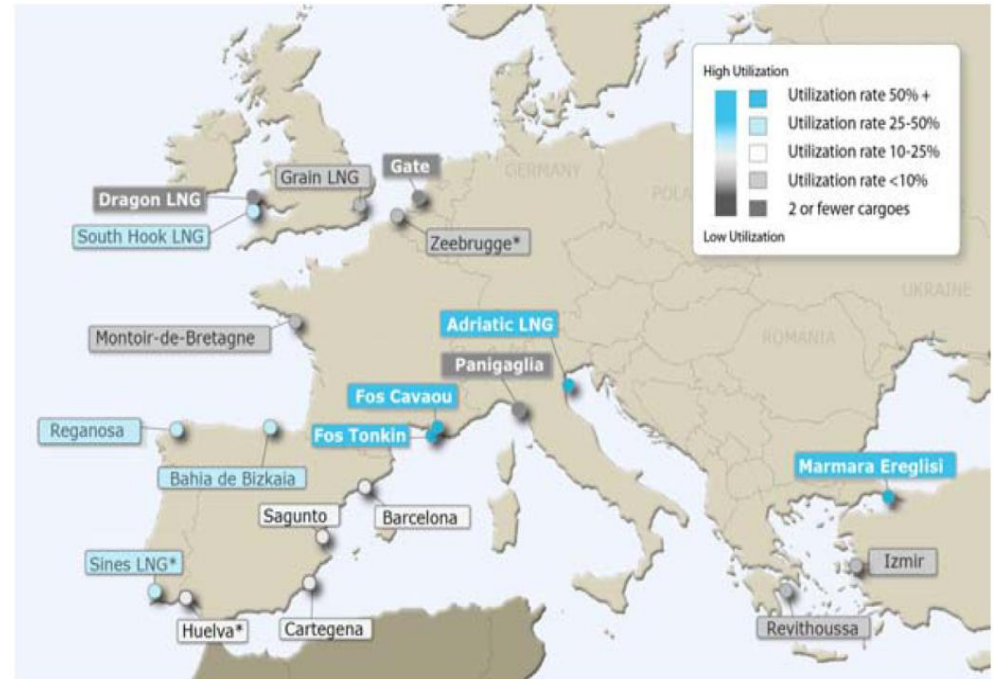


If calculated on gross import volumes (i.e. before re-exports), the figures above would be improved for countries where cargoes have been reloaded. However, European average would not be significantly changed.

Although acuteness of the situation may be different on each LNG terminal depending on technical or contractual characteristics, most LSOs share concerns regarding:

- management of “Minimum Send-out” to avoid the need for flaring
- management of inventory to maximize send-out on peak demand periods
- management of maintenance and operation (e.g., reduced lifetime of all the rotating equipment results in increasing maintenance cost)
- and more generally, the organization of the LNG terminals

European LNG Terminal Utilization (based on net import volumes for 1H13)

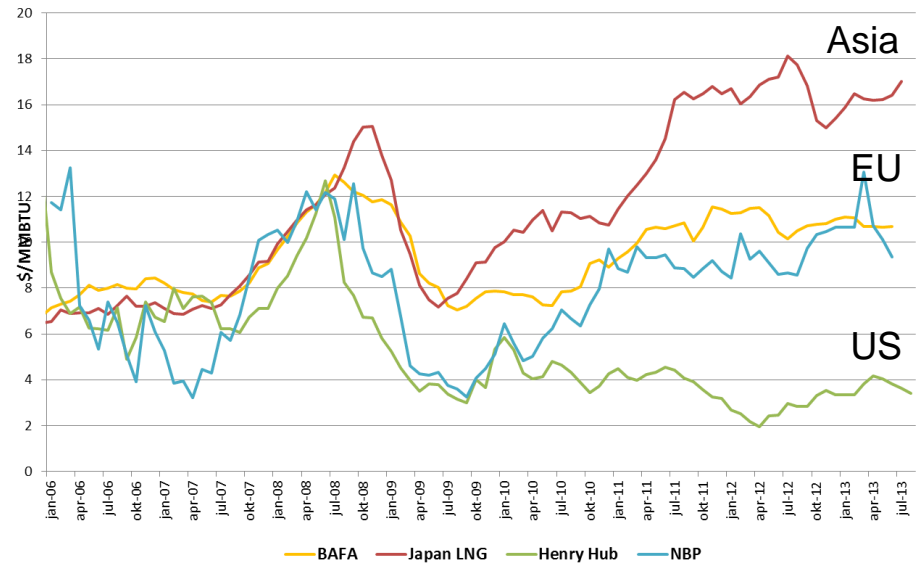


Source Poten & Partners - LNG in World Markets - July 2013



# LNG is part of the *global* energy market

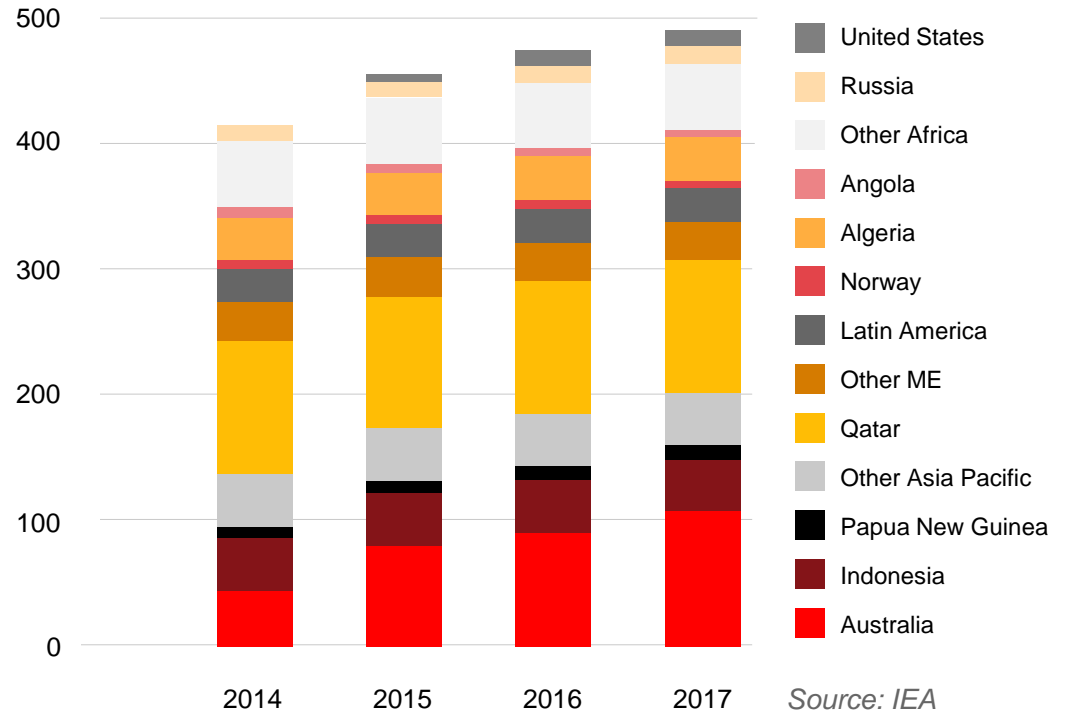
- LNG is preferentially shipped to where prices are the highest, i.e. currently Asia and South America
- Future: a lot of uncertainties, e.g., nuclear energy policy in Japan, development of LNG demand in Asia, exports from North America, East Africa...
- However, sustained flows of LNG returning to Europe not expected immediately
- European LSOs are proposing/developing new services to meet market needs, e.g. reloading.
- LNG market works properly.



# 25% liquefaction capacity increase

- Will impact current supply shortage
- Shift from Middle East to Australia enlarges availability of LNG for Europe
- US LNG will add flexibility

LNG liquefaction capacity

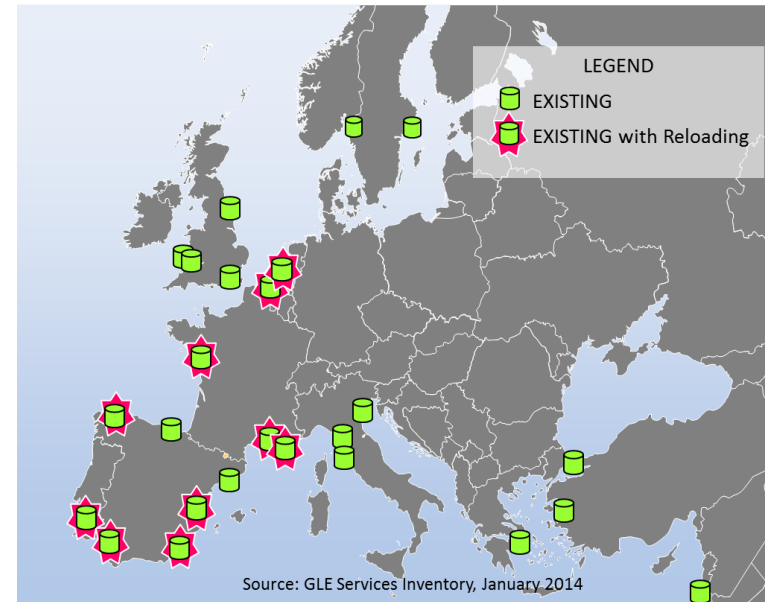


**+100 BCM in 4 years**

# Development of “new” LNG services

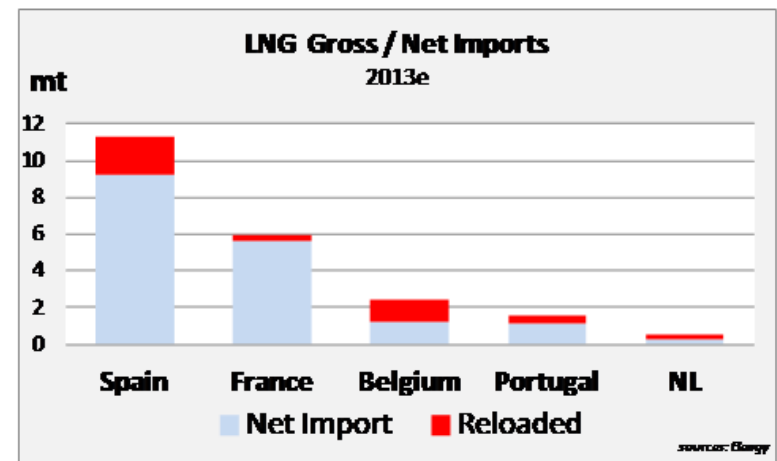
## Reloading

- Transfer of LNG from the terminal’s tanks into a vessel
- **10** LNG terminals have reloaded cargoes
- **12%** of gross imports have been re-exported (6% in 2012) including toward EU countries



## Transshipment

- Direct transfer of LNG from one vessel to another
- Offered in France (3 operations in 2013) and Spain and from 2015 in Belgium



# SSLNG services of terminal operators

LSOs are developing services to support the application of LNG as a fuel

## Loading of bunkering ships

- LNG is loaded on bunkering ships which transport LNG in smaller quantities

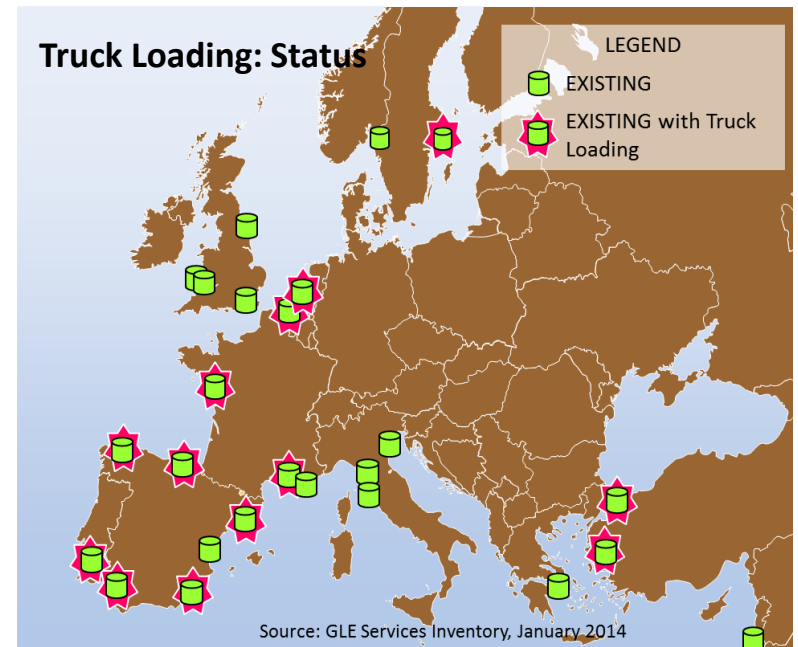


## Truck loading

- LNG is loaded on tank trucks which transport LNG in smaller quantities

## Rail loading

- LNG is loaded on rail tanks which transport LNG in smaller quantities



- Despite the low level of utilization, LNG terminals are still offering access services, which is in particular supported by long term contracts;
- Development of new services is helping to keep the facilities in operation;
- LNG terminals are ready to run at full capacity immediately or on short notice;
- In case of need and if price is adequate, LNG can flow rapidly to LNG terminals, to mitigate any disruption of deliveries of other sources.



GIE is proud to support



**Gas Naturally**

*GN is a campaign to showcase the essential role of natural gas in the forthcoming energy revolution. The mitigation of climate change has become one of the most important issues for the gas industry.*

**Thank you  
for your kind attention.**

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