ConferenzaGNL 2017

Small Scale to large Market

Strategies & Technologies towards the Mediterranean Area

Solutions for the logistic chain and the bunkering service

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ASSOCOSTIERI

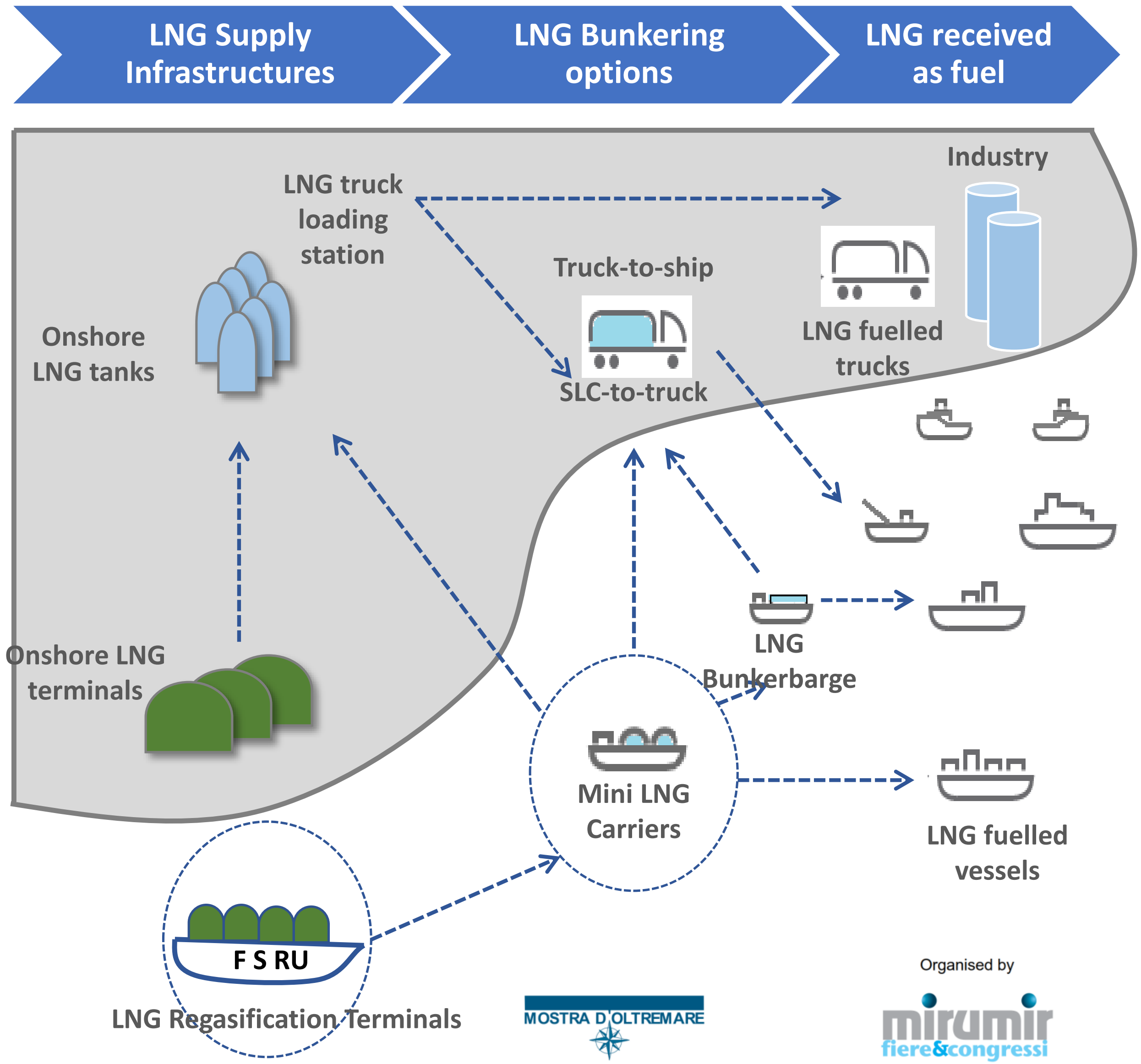
ASSOCOSTIERI, member of *Confcommercio imprese per l'Italia*, is the National Association representing energy Terminals, which constitute the primary distribution chain of the National energy market.

Main members of the Association are private companies which operates in the field of energy Terminals (oil, biofuel, LPG and LNG).

Among the LNG members of the Association there are the operators of the integrated future LNG logistic chain :

1 LNG regasification Terminals
2 Mini LNG carriers and barges
3 LNG Terminals

The SSLNG logistic chain



Current situation

Existing regasification Terminals and the development of new Terminals in the South, ensure to our Country refueling points on the coast, essentials to guarantee the availability of the product.

For this scope, possible investments are under evaluation, in order to allow regasification Terminals to refuel Mini LNG carriers and barges supplying LNG terminals for the bunkering market.

The Sardinia Region is particularly interesting. In fact, an agreement was signed on August 2016 between the Government and the Sardinian Region, in order to promote the realization of the gas grid supplied by LNG Terminals.

Therefore, there are several initiatives in place, regarding the possibility to realize LNG Terminals and related maritime infrastructures.

Important opportunities for the Italian economy are coming from huge investments, which are necessary to create an integrated LNG chain in Italy: modification of the existing LNG Terminals, tankers, barges, tank storage facilities, isolated networks, new trucks, etc.

Regasification Terminals in operation

Regasification Terminal	Company	Location	Maximum regasification capaciy(m^3)	State of play
Panigaglia	GNL Italia (Snam)	Panigaglia	4 billion	Mini LNG carriers and barges – Feasibility study expected within 2017
FSRU Toscana	OLT Offshore LNG Toscana	Livorno	3,75 billion	Mini LNG carriers and barges – Feasibility study concluded in 2015. Detailed study in 2017/2018
Adriatic LNG	Terminale GNL Adriatico	Rovigo	8 billion	Mini LNG carriers and barges – Preliminary technical feasibility study concluded in 2015.

Source: Ref-e Study , «La filiera degli usi finali del GNL in Italia-2016» - Rielaborated by Assocostieri.

Regasification Terminals in authorization

Company	Location	State of play of authorization procedures	Predisposition to Small Scale services
LNG MED GAS Terminal	Gioia Tauro	Authorized	x
API –Nova Energia	Falconara Marittima	Authorized	
Edison	Rosignano	Authorization procedure ongoing	x
Smart Gas	Monfalcone	Authorization procedure ongoing	x
Nuove Energie	Porto Empedocle	Authorized	

Source: Ref-e Study , «La filiera degli usi finali del GNL in Italia-2016» - Rielaborated by Assocostieri.

LNG Terminals in authorization

Company	Location	State of play	Storage Capacity (m^3)
Higas	Oristano	Authorized	9.000
Edison	Oristano	Authorization procedure in advanced phase (NOF, positive opinion of EIA Commission, procedure for the authorization to the construction and operations in advanced state)	10.000
Edison (in partnership with PIR)	Ravenna	Authorization procedure in advanced phase (EIA and NOF in advanced phase; it has started the procedure pursuant to L.D. n. 257)	20.000
IVI Petrolifera	Oristano	Authorization procedure ongoing	9.000
Costiero Gas Livorno	Livorno	Authorization procedure ongoing	9.000
Consorzio Industriale provincia Sassari	Porto Torres	Authorization procedure ongoing	10.000

Source: Ref-e Study , «La filiera degli usi finali del GNL in Italia-2016» - Rielaborated by Assocosieri

LNG European Union policies

On 26th February 2015 the Commission issued a Communication on EU energy strategy (*A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy*) which provides two important objectives:

- The definition of a EU strategy on LNG for **the security of supply**
- The definition of a plan of decarbonization in the transport sector, **in which the LNG may play a significant role**

On 16th February 2016 the Commission approved the Communication *On an EU strategy for liquified natural gas and storage*, which clearly states that the **LNG can contribute to reduce the environmental impact.** In line with this consideration, the use of LNG in the maritime and road transportation is recognized as a key factor.

The first step towards the definition of an action plan regarding the decarbonization of transport sector has been the Communication of 20th July 2016 (*Strategy for low emission mobility*) , which confirmed what already defined in the Directive 2014/94/UE.

LNG European Union policies

The Directive 2014/94/EU (DAFI) of the European Parliament and of the Council of 22nd October 2014, requires Member States to develop national policy frameworks for the market development of alternative fuels and their infrastructures. The required coverage and the timings by which this coverage must be put in place is as follows:

- LNG at maritime ports of the TEN-T core network: **by end 2025**
- LNG at inland ports of the TEN-T core network: **by end 2030**
- LNG for heavy-duty vehicles along the TEN-T core network: **by end 2025**

The **TEN-T project** (Trans European Network- Transport) promotes the development of infrastructures through financial support. Among the projects funded by TEN-T tenders, there are the ones regarding the development of a SSLNG logistic chain.

The **Connecting European Facility** (CEF) tender supports the development of grids in the sector of telecommunication, energy and transport. **The tenders for transport (CEF-T)** have already been activated, with the **possibility to receive funds for projects related to SSLNG infrastructures**.

Legislative Decree n. 257/2016

Italian Government implemented the Directive 2014/94/EU (DAFI) with the **Legislative Decree n. 257, approved on 16th December 2016,** including **the National Plan for the use of LNG in Italy**, providing the guidelines for the development of sector regulations. The Decree entails:

1. LNG Terminals not connected to the national grid are considered **not regulated** business and, in the case of LNG regasification Terminals, this service must be carried in accounting separation regime;

2. LNG Terminals connected to the national gas transportation grid are considered as **strategic assets** and they are considered **regulated businesses.** In order to define an infrastructure as strategic, there must be a cost-benefits analysis, in agreement with the Italian Regulator (AEEGSI);

3. The authorization procedures for the realization of the new infrastructures or the modification of existing ones are defined by the Decree

Key points for the development of a SSLNG logistic chain

- Definition of the regulatory aspects (AEEGSI Resolution 141/2017/R/Gas), in order to facilitate the relevant investments, in particular:
  - Economic conditions, rules for granting access to the service and how the service will be provided, requirements for strategic assets;
  - Definition of accounting unbundling and coordination among regasification activity (regulated) and SSLNG activity (not regulated).
- Long term fiscal rules, to encourage investments
- Technical requirements and costs of maritime services in line with the rest of Europe, to stimulate the competitiveness of the Country
- EU funds and incentives to support investments on SSLNG infrastructures, particularly on end users side investment, such as transporters, ship owners, industrials, refueling station, etc.

THANK YOU FOR THE ATTENTION