Development of LNG Port Infrastructure and EU Policy

Baltic Ports LNG Forum

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Klaipeda, Lithuania

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Secretary General,
Baltic Ports Organization
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- Introduction of Baltic Ports Organization
- LNG infrastructure in the Baltic ports
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About BPO

The organization's mission is to contribute to sustainable development of maritime transport and the port industry in the Baltic Sea Region, thereby strengthening its global competitiveness.

BPO is registered in Estonia (Port of Tallinn headquarter) and operates according to the Estonian Law on Non-profit Associations. BPO Secretariat at Actia Forum Ltd, Gdynia, Poland
BPO is a regional ports association
Non-Profit Networking organization
45 of the most significant ports in nine countries
Promoting environmental management in the ports
Contributing to the clean and sustainable development of the BSR
Lobbing for Baltic port sector at EU level
Sulphur Directive and LNG as fuel for shipping

BPO is very concerned about the impact of Sulphur Directive
- Cancelation of routes
- Modal shift from sea to land
- Competitiveness of the BSR

but
- BPO has been taking pro-active approach.
Sulphur Directive and LNG as fuel for shipping

Therefore; BPO has initiated development of LNG bunkering infrastructure in the Baltic ports

In September 2011 the project LNG in the Baltic Sea Ports was delivered to TEN-T EA for co-financing by EC within TEN-T/MoS Program 2011 and accepted after evaluation.

In March 2014 the project LNG in the Baltic Sea Ports II was delivered to TEN-T EA for co-financing by EC within TEN-T/MoS Program 2013 and accepted after evaluation.
11 Baltic ports are preparing for LNG bunkering

plus a few other initiatives in the BSR
LNG Ports in the Baltic Sea: LNG Terminals
LNG Ports in the Baltic Sea: LNG Bunkering
TEN-T Policy, CEF for 2014-2020

High priority of environmental issues of the MoS development, referring to implementation of the Sulphur Directive including LNG bunkering infrastructure
TEN-T / CEF MoS 2014 applications

- Number of Submitted MoS Proposals - 59
- Sum of Total Direct Costs 1,814,636,573
- Sum of Requested EU Funding 640,637,671
- Sum of available EU funding for MoS: 250 M + 100 M
Report: SECA is real now
BPO, April 2015

Some findings
Oil and marine fuel price development (March 2014 - March 2015)

IFO380 in Rotterdam

LSMGO in Rotterdam

March 27 - March 27  **High:** $605.50  **Low:** $241.50  **Spread:** $364.00  **Change:** $-274.50

March 26 - March 26  **High:** $914.50  **Low:** $462.50  **Spread:** $452.00  **Change:** $-339.00
## Scrubbers installations
(as of March 2015 and planned)

<table>
<thead>
<tr>
<th>Ship operator</th>
<th>Already installed</th>
<th>Planned and 2016 in 2015</th>
<th>Planned and installed (% of total fleet)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DFDS</td>
<td>11</td>
<td>10</td>
<td>46%</td>
</tr>
<tr>
<td>Finnlines</td>
<td>14</td>
<td></td>
<td>63%</td>
</tr>
<tr>
<td>Transfennica</td>
<td>6</td>
<td></td>
<td>40%</td>
</tr>
<tr>
<td>Color Line</td>
<td>4</td>
<td></td>
<td>66%</td>
</tr>
<tr>
<td>Scandlines</td>
<td>4</td>
<td>2</td>
<td>54%</td>
</tr>
<tr>
<td>Brittany Ferries</td>
<td>3</td>
<td>3</td>
<td>85%</td>
</tr>
<tr>
<td>TT-Line</td>
<td>1</td>
<td></td>
<td>16%</td>
</tr>
<tr>
<td>TransAtlantic</td>
<td>1</td>
<td></td>
<td>25%</td>
</tr>
<tr>
<td>Stena Line</td>
<td></td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>44</strong></td>
<td><strong>17</strong></td>
<td><strong>40%</strong></td>
</tr>
</tbody>
</table>
Price adjustment
Low sulphur fuel surcharges depending on the route USD/40 ft c. (source: Drewry)
Price adjustments (ro-ro)
Levels of MGO BAF (as of March 2015)

<table>
<thead>
<tr>
<th>Ro-pax, ro-ro operator</th>
<th>EUR/per lane metre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stena Line</td>
<td>0.17-1.71</td>
</tr>
<tr>
<td>DFDS Seaways</td>
<td>0.52-4.96</td>
</tr>
<tr>
<td>Finnlines</td>
<td>1.60-2.80</td>
</tr>
<tr>
<td>Viking Line</td>
<td>1.95-2.92</td>
</tr>
</tbody>
</table>
Price adjustments (ro-ro)
Levels of MGO BAF (as of March 2015)

<table>
<thead>
<tr>
<th>Ro-pax, ro-ro operator</th>
<th>BAF EUR/per lane metre</th>
<th>Sulphur surcharge EUR/per lane metre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scandlines</td>
<td>0.70-2.59</td>
<td>0.41-0.94</td>
</tr>
<tr>
<td>Unity Line</td>
<td>0.88</td>
<td>2.41</td>
</tr>
<tr>
<td>Transfennica</td>
<td>not available</td>
<td>• EUR 6-10 per metre</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• EUR 85-135 per trailer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• EUR 38-60 per TEU</td>
</tr>
</tbody>
</table>
LNG bunkering is already taking place in Stockholm

Source: Ports of Stockholm
.... and Helsinki

Source: Port of Helsinki
Next LNG fuelled ships to come:
Next LNG fuelled ships to come:
Summary
(development of port LNG infrastructure):

- Baltic ports are preparing for future LNG bunkering
- It is a rather slow process
- EU support welcome but market (ship-owners) will decide
- Other SECA compliance strategies favorable at recent time
- Price of LNG as a bunker (at ports) is a main driving force
- Seeking for demand on land side
Summary:

*BPO will keep encouraging Baltic ports to be prepared for future LNG bunkering*
Thank you

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