LNG in the Baltic Sea Project
How to finance the projects?

Ship fuel and technology Toolbox Seminar
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What is BPO?

- BPO is a business organization
- 40 major ports in the Baltic Sea
- Focus on promoting sea transport in the Baltic
- Promoting environmental management in the ports
- Contributing to the sustainable development of the BSR
- Facilitating contacts with business partners from all around the world
- EU affairs
Roro and ferry lines in the Baltic Sea
(Baltic Transport Journal 2011)
Container lines in the Baltic Sea
(Baltic Transport Journal 2010)
New Sulphur Legislations
BPO Perspective

LNG?

*Moldefjord – LNG Ferry*

LNG in particular has the potential to be an environmentally friendly and viable alternative to marine fuel oil and marine gas oil, particularly at the beginning for short sea shipping.

By Mr Siim Kallas, Vice-President of the European Commission
COMMISSION STAFF WORKING PAPER

POLLUTANT EMISSION REDUCTION FROM MARITIME TRANSPORT AND THE SUSTAINABLE WATERBORNE TRANSPORT TOOLBOX

Accompanying the document


on the review of the implementation of Directive 1999/32/EC related to the sulphur content of certain liquid fuels and on further pollutant emission reduction from maritime transport

{COM(2011) 441}
Baltic ports see the LNG as a fuel of the future

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

On 23 of 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
Project: LNG in the Baltic Sea Ports:
9 ports around the Baltic Sea plus supporting ports supported by many industry organizations (ship-owners, national ports organizations, ESPO)

- focus on real investment
- first phase: pre-investment studies
- around 5 mln Euro
Project: LNG in the Baltic Sea Ports:

Objectives:

Development of the infrastructure in the ports for LNG bunkering, thus making possible to use LNG as fuel for the shipping industry in the future. This will decrease the emission to the atmosphere and make sea transport more environmental friendly.

The project will result in jointly developed operational ships bunkering installations in ports that can serve as objects of reference to other ports in the Baltic Sea region and to other regions in EU.
Project: LNG in the Baltic Sea Ports:

The wider benefits of the project is to:

*foster innovation and deployment of necessary infrastructure for* LNG bunkering facilities and to increase faster implementation of new technical developments in the maritime sector of the Baltic Sea Region.

contribute to the *promotion of efficient, safe and environmentally sound maritime transport* in the Baltic Sea by creating a harmonised infrastructure for bunkering LNG in the Baltic Sea region (based on on-going LNG feasibility study led by the Danish Maritime Administration)
Project: LNG in the Baltic Sea Ports:

The following activities are planned:

- **Activity 1**: Project Coordination

- **Activity 2 – 10**: LNG pre-investment studies in participating ports

- **Activity 11**: Harmonisation and Stakeholders Platform
Project: LNG in the Baltic Sea Ports:

Activity 11: Harmonisation and Stakeholders Platform

**Harmonisation** will be secured among the pre-investment studies in the different ports and the

**Stakeholder platform** will be initiated to gather the key actors around the same table from the Baltic but also form out-side the Baltic regions securing the dialogue process and dissemination of the project results.

**LNG Guidebook** (how to develop LNG infrastructure in the sea port). The LNG Guidebook would be used by other ports (that are not project partners) in the Baltic Sea region but also in other EU regions after project is completed.
Development/financing the LNG infrastructure for bunkering in the Baltic Sea ports:

Actors involved:
- port authority – a facilitator of the whole investment plus land and port infrastructure (e.g. quay)
- gas infrastructure company/gas operators (concession) to build and operate the LNG terminal
- bunkering company (bunker vessel)
- others (e.g. onshore gas infrastructure, LNG trader)
LNG is a very good way forward but LNG will not solve the problem until 2015

BPO’s statement on SOx marine fuel regulations (IMO, EU Sulphur Directive), November 2011
BPO’s statement on SOx marine fuel regulations

BPO welcomes the EC initiative in the Commission Staff Paper of 16th September 2011, supporting shipping industries and ports to meet the challenge of new IMO requirements (including LNG) through various financing tools (TEN-T/MoS, Marco Polo, state aids, EIB financing assistance).

BPO calls for the postponement of the implementation date or set-up a realistic transition period.
BPO’s statement on SOx marine fuel regulations

- Significant cost increase of maritime transport in the Baltic Sea. Modal shift from sea to land in the Baltic Sea Region. Proper policy and legal incentives are necessary in order to avoid expected modal shift from sea to land.

- Unfair competition rules in EU internal market positioning Baltic ports and shipping lines in a disadvantageous situation.
EU competition issue
Summing up:

Baltic ports go for LNG to offer the LNG bunkering possibilities for ship-owners in the future

Ports (authorities) are partly financing the development and they are facilitators of the process

Other partners are involved in the development of the LNG bunkering facilities
Thank you

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