LNG pricing at Klaipėda LNG terminal

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LNG Commerce Project Manager
Project update

Getting ready for commissioning

- **FSRU Independence**
  - Arriving by the end of October

- **Jetty**
  - Construction works are done
  - Equipment installation
  - Testing and commissioning

- **Connecting pipeline**
  - Finalizing HDD
  - On-shore pipeline finished
  - Testing and commissioning

- **Foundation capacities**
  - LITGAS reserved capacities starting the 1st of January

- **Testing cargo**
  - Expected in mid-autumn

- **FSRU Independence**
  - Arriving by the end of October
### Project update

#### Project schedule

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- Finished tasks
- Ongoing tasks

- LNG law
- Amendment of LNG law
- Development of legislation
- People, training, org. structure, procedures
- Port infrastructure
- Gas transmission grid
Construction of the jetty

- Loading platform
- Service platform
Quick release hooks being transported to the jetty
Quick release hooks
Naujasios nuotraukos iš statybų aikštelės

Gas transmission system

Gas metering station and control center
Project impact on the region
LNG terminal services

Services
Starting from the 1st of January, 2015

--- LNG regasification ---
- Foundation capacities
- Seasonal capacities
- Spot capacities
- **Tariff – 0 EUR/MWh** (costs channeled via gas transmission tariff)

--- LNG ship reloading ---
- Seasonal capacities
- Spot capacities
- **Tariff is expected to be 1-1.6 EUR/MWh**

- Third party access
- Continued regulated minimum send-out – ensuring that the Terminal is constantly cooled-down and ready for service

--- Planning to start by the end of 2016 ---

LNG reloading station

LNG auto-trailer reloading
Project impact on the region

Commercial structure and pricing

- First trader in the terminal
- Reserved capacities starting from the 1\textsuperscript{st} of January, 2015
- Signed LNG supply contract with Statoil (0.54 bcm/annum)

Infrastruktur provider

Theoretical capacities of ~4 bcm/annum

Trader

Possibilities for other traders

Possibilities for other traders

Pricing – price indexed at NBP
Project impact on the region

Future LNG break-bulk hub for the Baltic sea

Situation in 2014

Possible situation in 2020

It is expected that projects currently under development will be operational in 2016-2018.
Future plans

Broad field of application increases LNG potential in the region

Major drivers behind LNG demand growth are cost savings, environment, safe and easy transportation.

- Remote gas users
- Users seeking energy security
- L-CNG solutions for public transportation
- Maritime
- Heavy trucks and buses

Local regasification

LNG fuel

Planned LNG reloading station
Potential demand
Current demand
Liquefaction

500 km
2015
2016

Potential demand

Current demand
Future plans

LNG Reloading station

- Received EU financing for design
- Started FEED, risk analysis and EIA
- Started market consultation to estimate demand
- Initiation of pilot-projects
Future plans

New pilot projects are being initiated

- LNG reloading station
- Local regasification
- Bunkering
- Auto-transport
Thank you for your attention