LNG TERMINAL IN ŚWINOUJŚCIE AS A LNG GATE TO THE BALTIC SEA

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GAZ-SYSTEM – INTRODUCTORY INFORMATION

- Certified gas TSO in PL, certified ISO on the PL section of the Yamal-Europe pipeline
- LNG terminal in Świnoujście operated by its SPV, Polskie LNG
- Company with strategic significance for the economy and energy security in PL
- Key integrator and facilitator of market development in the CEE and Baltic regions
- Operator of a virtual point in the transmission system in Poland (VTP)
- Infrastructure development to enable increased consumption of natural gas as an environmentally-friendly fuel
NATURAL GAS MARKET IN THE CEE & BALTIC REGION

DEMAND FORECASTS UNTIL 2035

- Current gas demand in the CEE and Baltic regions amounts for approx. 81 bcm/y
- Demand expected to increase up to 91 bcm/y

Source: ENTSOG

MAJOR GROWTH FACTORS

- Enhanced competitiveness vis-a-vis other sources in the energy market
- Climate and environmental considerations – switch to lower emitting sources
- Natural gas in the power generation sector
- Transport and shipping sector (LNG as an alternative fuel)
THE NORTHERN GATEWAY CONCEPT

THE ASSUMPTIONS:
► Diversification
► Gas-to-gas competition
► Flexible and efficient gas infrastructure
► Regional gas market

LNG TERMINAL IN ŚWINOUJŚCIE:
► Up and running since 2016
► 5 bcm/y of regas capacities + truck loading
► Extension up to 7.5/10 bcm/y + additional services

NO-DK-PL PROJECT:
► Direct connection to Norwegian deposits for the CEE region
► Capacity up to 10 bcm/y
► Commissioning in 2022
LNG Terminal in Świnoujście
Regasification Capacity
5 bcm/y – currently
7.5 bcm/y (preparation in progress) up to 10 bcm/y – following planned extension

LNG Offloading
Facility designated to receive carriers from 120,000 to 216,000 cm (Q-flex vessels)
Carriers characteristics, draught: 12.5 m, length: 315 m

Storage
Two storage tanks with capacity of 160,000 cm each.
Possibility for construction of a third additional storage tank (space reserved)

Capacity booking
Booked: 570,000 cm/h (100%)
ŚWINOUJŚCIE LNG EXPANSION PROJECT

► Additional SCV’s
► Second Jetty
► Third LNG tank
► LNG to rail loading
SECOND JETTY & SMALL SCALE SERVICES

Aim of infrastructure extension:
► Providing the new services to customers related to:
  ▪ Loading and unloading small and medium scale LNG tankers
  ▪ Transshipment of LNG from LNGC connected to arms at unloading berth to small scale tanker located at second jetty
  ▪ Shore-to-ship bunkering
  ▪ LNG loading to bunkering vessels

Actions need to be taken:
► Construction of second jetty with relevant reloading infrastructure at LNG terminal in Świnoujście
Aim of infrastructure extension:

► Providing technical basement for:
  ▪ Intermodal LNG transport after its reloading into ISO containers/gas wagons at LNG terminal in Świnoujście
  ▪ Virtual pipeline implementation in order to enabling a customer with lack of technical possibility to connect to the gas transmission system
  ▪ Providing necessary volumes of LNG for peak shaving plants, satellite regasification station and LNG distribution centers

Actions need to be taken:

► Construction of railway siding at LNG terminal in Świnoujście and Rail-truck intermodal facilities throughout the country
LNG RELOADING AND TRANSPORT – HIGH PERSPECTIVITY

- Above 2000 truck loading operations since the commissioning of LNG terminal operational activity
- Significant number of foreign customers
- Planned extension of LNG terminal infrastructure as a response to increasing demand on the market
- More than 49,000 LNG truck loading operations in Europe that consists a growth of 12% Y/Y

Number of LNG-to-truck reloading operations at LNG terminal in Świnoujście

Geographical coverage of trucks loaded

- 87% in Poland
- 13% in Other EU countries
BUNKERING SHIP – FUEL FOR LNG PROPELLED VESSELS

► Aim of the project:
  • Providing LNG as a fuel for ships and Small Scale LNG Terminals in Baltic region
  • Maximization of synergies between elements of the LNG logistics chain

► Project status:
  • Signing an agreement for Feasibility Study for the design, construction, ownership and operation of innovative LNG bunkers with the option of providing electricity generation services for ports, using a low-emission electricity generator and dual / triple fuel engines – February 2017
  • Obtaining UE funding in CEF Synergy for studies - April 2017
  • Receiving Feasibility Study - December 2017

Actions need to be taken:
► Applying for EU funds for designing and construction - I Q 2018
► FEED – IV Q 2018
► Final Investment Decision – I Q 2019
► Design and construction of LNG bunkering vessels with a capacity of 1,000 - 7500 m3 of LNG - II Q 2022
NEW SUPPLY OPPORTUNITIES FOR THE BALTIC REGION

► Baltic region. New source of supply for the Baltic States and Finland via Poland – Lithuania interconnection

► CEE region. LNG supplies provided to the CEE region and Ukraine via the North-South Gas Corridor

LNG Terminal in Świnoujście as the key component of the strategy to diversify gas supplies in the CEE and Baltic region

A new long-term contract with Qatargas signed up to 2.9 bcm/y
THANK YOU FOR YOUR ATTENTION