

Clean Maritime Transport: What role for LNG?

Dr. James Watson
Secretary General, Eurogas





LNG has a growing role in the maritime sector

› Global market:

- 220 + LNG fuelled ships, 140+ LNG retrofitted ships.
- 400+ on order, vast majority to be delivered in the next 3 years¹.



› Global infrastructure: 170 ports with LNG bunkering facilities by 2022².



› LNG market share: Currently 3.17% at EU level, expected to soar, up to 19% of the international maritime fuels mix³.



¹ DNV, *Alternative Fuels Insight Platform* (Nov. 2021)

² Offshore Energy, *Clarksons: 27% of the order book to run on alternative fuels*, (Dec. 2020)

³ EC, *Impact Assessment of the FuelEU proposal* (Jul. 2021).

“LNG is likely to play a continued role in maritime transport, where there is currently no economically viable zero-emission powertrain technology available.

Transport fuels such as LNG need increasingly to be decarbonised by blending/substituting with liquefied biomethane (bio-LNG) or renewable and low carbon synthetic gaseous e-fuels (e-gas) for instance.

Those decarbonised fuels can be used in the same infrastructure as gaseous fossil fuels thereby allowing for a gradual shift towards decarbonised fuels.”

LNG growing role in the maritime sector: Environmental benefits and recent projects



› GHG and pollutants emissions:

- Substantial GHG emissions reduction: 11-30% (vessel level), 6-23% (complete value chain)⁴
- Significant reduction of NO_x emissions and virtually no sulphur (SO_x) and particulates (PM) emissions³
- Current global marine transport fleet switch to LNG = -15% GHG emissions, not even incl. foreseen methane slippages reduction and blending with bio/e-LNG⁴

› Recent project:

First Bio-LNG production project in Marseilles' port. Bio-LNG produced from household wastes, GHG reduction: 88% (vessel level), 67% (complete value chain)⁵

⁴ Sphera for SEA-LNG, 2nd Lifecycle GHG Emission study on the use of LNG as a marine fuel. Compared to VLSFO, on a TTW basis.

⁵ Total Energies, Energy transition in shipping: First BioLNG production project at a French port (May 2021). Project from EveRé, Elengy, TotalEnergies and the CMA CGM Group

Image source: Total Energies

Eurogas views on the ongoing EU policy discussion

- › Eurogas supports the FuelEU maritime proposal intention to establish a level playing field where fuels/technologies compete based on their environmental merits.
- › Important to ensure consistency within the rest of Fit-For-55 Package:
 - The Alternative Fuels Infrastructure Regulation should fully support the FuelEU ambition
 - Full compatibility with the RED should be established incl. on fuels certification
- › Paramount to give a strong and stable signal to investors. Maritime assets have a long lifetime: their financing should not be unnecessary hampered incl. but not limited to State Aid Guidelines.