

# 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 years<sup>1</sup>.



## › Global infrastructure: 170 ports with LNG bunkering facilities by 2022<sup>2</sup>.



## › LNG market share: Currently 3.17% at EU level, expected to soar, up to 19% of the international maritime fuels mix<sup>3</sup>.



<sup>1</sup> DNV, *Alternative Fuels Insight Platform* (Nov. 2021)

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

<sup>3</sup> *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.”***

Alternative Fuels Infrastructure Regulation proposal

European Commission, 14 July 2021



# 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)<sup>4</sup>
- Significant reduction of NO<sub>x</sub> emissions and virtually no sulphur (SO<sub>x</sub>) and particulates (PM) emissions<sup>3</sup>
- Current global marine transport fleet switch to LNG = -15% GHG emissions, not even incl. foreseen methane slippages reduction and blending with bio/e-LNG<sup>4</sup>

## › 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)<sup>5</sup>

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

<sup>5</sup> 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.