

LNG consolidates as an alternative for decarbonisation in the maritime sector

- **The final event of the CORE LNGas hive project, led by Puertos del Estado, coordinated by Enagás and co-financed by the European Commission, was held today in Madrid**
- **CORE LNGas hive and its follow-up deployment through the LNGhive2 strategy have boosted a total investment of EUR 242 million, of which EUR 54 million came from European funds**
- **These initiatives, which are a benchmark of public-private partnership with 49 partners in Spain and Portugal, have helped develop the regulation and market to drive LNG deployment**
- **The use of liquefied natural gas (LNG) in maritime transport already prevents the emission of almost 34,000 tonnes of CO₂ per year in Spain and Portugal**
- **The volume of LNG bunkering in Spanish ports reached 142,523 m³ in 2021, up 170% on 2019**

Madrid, 27 April 2022. The European Commission Representation in Spain hosted today at its headquarters in Madrid the closing event of the first phase of the CORE LNGas hive project, called "Ports as an energy bridge to decarbonise Europe".

CORE LNGas hive is an initiative launched in 2016 which, together with its follow-up development LNGhive2, has enabled a safe, efficient and integrated LNG logistics chain in the maritime and port sector on the Iberian Mainland.

The event, inaugurated by the Deputy Director of the Commission's Representation in Spain, Lucas González, was attended by the Chairman of Puertos del Estado, Alvaro Rodríguez, and the Enagás Gas Assets General Manager, Claudio Rodríguez.

Alongside the speakers, the following persons participated online from Brussels: the Head of Cabinet of the European Commissioner for Transport, Walter Goetz, and the Head of Unit of the Connecting Europe Facility (CEF) projects for transport and innovation in Southern Europe, Christian Faure.

CORE LNGas hive and LNGhive2 are benchmarks for public-private partnership on the Iberian Mainland and in Europe. Led by Puertos del Estado and coordinated by Enagás, involve a total of 49 partners from Spain and Portugal, 21 of them public partners —eight state institutions and 13 port authorities— and 28 private partners —industrial companies, shipowners, LNG operators and service providers in the value chain—.

Joint strategy compatible with decarbonisation

The deployment of this joint strategy, led by Puertos del Estado and coordinated by Enagás, is a first step towards the decarbonisation of maritime transport and promotes the role of ports as energy hubs.

In this regard, the project has made it possible to adapt Spanish regasification plants for the bunkering of LNG to ships. These infrastructures will make it possible to incorporate renewable gases, such as biomethane or hydrogen, to promote a more sustainable mobility.

In Spain, both the CORE LNGas hive project and its follow-up LNGhive2 strategy have enabled progress in three key areas: it is now the system with the most competitive tolls in Europe; port charges for LNG-powered ships during their stay in port have been reduced; and a remuneration has been proposed to terminal operators for the loading of LNG as marine fuel.

Coordinated boost for Energy Transition

Forty percent of the heavy goods transported in Spain pass through the ports and, during that passage, they emit around 10% of CO₂, which is why the process of decarbonization of maritime transport is fundamental.

The use of LNG as a fuel in maritime transport in the Iberian Peninsula already avoids the direct emission of some 34,000 tonnes of CO₂ per year, –equivalent to the emissions of 61,818 cars per year– and 1,865 tonnes of sulphur oxides. The implementation of the CORE LNGas hive project and its subsequent developments have helped towards this.

LNG emits around 25% less CO₂ than traditional fuels, and improves air quality in port environments by eliminating 100% of sulphur oxide emissions, particulate matters, and 80-90% of nitrogen oxides.

The two initiatives are aligned with the 2014/94 European directive, with the Paris Agreement and with the other commitments to decarbonise transport at the European level such as Green Deal, Fit for 55 and REPowerEU. Moreover, these projects have implemented the transposition of the EU Directive 2014/94 (Clean Power for Transport) on alternative fuels infrastructure, through the National Action Framework, five years ahead of schedule on the maritime side.

Thanks to this regulatory framework, it has been possible to develop the necessary infrastructures for the supply of LNG as fuel to ships in the main ports of the EU network.

Investment

Over six years, CORE LNGas hive and LNGhive2 have helped drive a market for LNG as a fuel, with a total realized and committed investment of EUR 242 million, of which EUR 54 million came from European funds through the Connecting Europe facility (CEF). In addition, they have helped to create more than 2,000 direct, indirect and induced jobs.

The construction of bunkering equipment and new LNG-powered vessels has increased the volume of LNG bunkering in Spanish ports. In 2021, supply has increased to 142,523m³ of LNG, up 170% on 2019.

In this regard, cooperation between the public administrations, the transport, industrial and energy sectors make it possible to continue working on improving the sustainability of ports and their role as an energy hub for decarbonisation. The aim is to further develop the alternative fuels market and its associated logistics chain, including the promotion of renewable gas production, CO₂ capture and the logistics associated with its export to other parts of Europe.

Some projects of the LNGhive2 strategy are currently underway, such as the construction of two LNG bunkering vessels, one of them in Gijón, which will cover the Port of Barcelona in 2022, and other developments that will be completed in 2024. The new projects also propose a 100% decarbonised future by incorporating renewable fuels such as BioLNG and hydrogen.

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