

Potential Harmonization with respect to European LNG Receiving Terminals

Joint EFET Eurogas Note

Madrid Forum, January 15th 2010

Joint note

- EFET and Eurogas have agreed a joint note to suggest a list of services and parameters relating to LNG importation terminals which could be considered for harmonization/standardization.
- The note has been developed in response to a request from the EC to prepare this list.
- EFET and Eurogas support the aspiration to move, where practicable, to standardized terminal rules, regulations, directives applicable to LNG Receiving terminals in Europe.
- EFET and Eurogas believe such measures would aid the further development of the secondary capacity market and improve competition.

Framework

- In order to cover the expected natural gas demand, Europe will increase its natural gas imports in the coming years.
- LNG will play an important role in the new imports, with new countries supplying gas to our region and improving competition and security of supply.
- LNG regasification capacity will double in the coming years with an increasing number of European countries having access to LNG imports.
- Complexity in the new LNG world is going to increase in the coming years, and 2010 could be a good starting point to improve and harmonize some parameters related to European LNG importation terminals.

Points for consideration (I)

EFET and Eurogas have identified a number of points for consideration. These have been grouped in the following segments:

1. Access, scheduling, slots and capacity.

For example:

- Publish all available capacity in advance of the contract year.
- Slots allocation and conflict-solving procedures should be non-discriminatory and transparent.

2. Rights and liabilities

For example:

- Long-term user's rights and liabilities should be compatible with those of short-term users.
- Responsibilities of both terminals and users should be clearly and objectively defined.

Points for consideration (II)

3. Vessels discharging-operative rules designation

For example:

- Appropriate qualification requirements for Terminal staff and Vessels crew.
- Terminals should have 24 hours per day shipping access except when environmental or operational restrictions apply.

4. Areas for transparency

For example:

- When ETA and NOR notices should be tendered.
- Port demurrages.

Points for consideration (III)

5. IT platform development

For example:

- Relevant data (unless confidential to an individual shipper) should be made available to market participants on the same basis and for no additional charge.

6. Other areas

For example:

- Possibility of LNG stock management, regas capacity management and swaps by the users.
- Standardization of procedures in case of Force Majeure events or Unplanned Maintenance.

Follow up

- The list has been sent to the EC for its consideration and analysis.
- The list contains preliminary potential areas for consideration for harmonization which may improve LNG import terminal services by ameliorating the trading potential and reinforcing the internal gas market.
- EFET and Eurogas are willing to continue to work on these issues with the involvement of other stakeholders during the coming months.