

## CEER Citizens' Q&A

### Removing LNG barriers on gas markets

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#### 1 What is LNG?

LNG stands for Liquefied Natural Gas. The natural gas is a gaseous hydrocarbon that mainly consists on methane. LNG is natural gas that is cooled until  $-162^{\circ}\text{C}$ , when it becomes a liquid and then it is stored at atmospheric pressure. In liquid state, the natural gas occupies a much lower volume:  $1\text{ m}^3$  of LNG is equivalent in energy to  $580\text{ m}^3$  in gaseous state. This makes possible to transport significant amounts of energy by ships over long distances.

Europe depends largely on gas imports, some of which reach us in the form of LNG. This form of gas is a growing part of our energy mix, helping to ensure we have the amount of gas we need and to diversify our gas sources so as to reduce dependence on any producer. It also promotes price-based competition (competing sources of gas) which should translate in better prices for customers.

#### 2 What does the report propose for LNG?

Given the increasing importance of LNG for customers at European level, Council of European Energy Regulator (CEER) has identified some barriers on LNG markets and has proposed ways to overcome them. CEER work has focused on the tariffs and services offered by LNG terminals (the infrastructures where LNG is received, stored and transformed into gas).

After analysing the state of the art and noting the diversity of situations among EU LNG terminals, CEER proposes: to improve many aspects (like the transparency of the information), to broaden the catalogue of services provided and to adapt these services to the market needs and evolution.

#### 3 How does it work?

This paper sets out final CEER's outcomes related to the barriers on tariffs and services provided by European LNG terminals, as well as the ways to overcome them.

#### 4 Why is this important for energy customers? What is the impact on energy customers?

LNG terminals are key infrastructures, as they make possible that alternative gas sources (far and not connected by pipeline to Europe) arrive to European customers.

To identify barriers for the access to these infrastructures and to promote ways to improve their contribution to facilitate stakeholders bring gas to Europe, enhancing security of supply and market competition, for the benefit of final customers.

CEER will continue deepening in this kind of subjects with the objective of ensuring that LNG can enhance the security and competitiveness of gas supply for European consumers.