



PRESS RELEASE

Italian LNG Summit 2023

Overcapacity is necessary for the country

LNG will be decisive for environmental and economic sustainability in the coming years and will not slow down renewables

Rome, June 28, 2023 – The 2023 edition of the Italian LNG Summit - Sustainability, Market, Stakeholders, was held yesterday in Rome, in the setting of the Ara Pacis Museum. The meeting, organised and promoted by OLT Offshore LNG Toscana - under the patronage of the **Italian Ministry for the Environment and Energy Security (MASE), Proxigas, Gas Infrastructure Europe and SIGTTO** - gathered at the same table international and national speakers, representing institutions, sector associations and companies, to discuss the European scenario of LNG operators and the future of LNG between security of supply and energy transition.

In general terms, the keyword that emerged decisively from both the international and national fronts, the business and association side, was 'overcapacity'. Liquefied natural gas capacity, which exceeds even domestic demand, should not be a concern; we must be able to handle LNG overcapacity.

The meeting was opened by OLT's CEO, **Giovanni Giorgi**, who pointed out that *'The Italian gas system has coped well with market shocks and has demonstrated the importance of far-sighted planning increasingly oriented towards investments aimed at energy independence. The OLT Terminal,'* added Giorgi, *'is a demonstration of how development, security and environmental sustainability can be reconciled. This year we will celebrate 10 years of operations, and our great satisfaction is not only that of being a strategic infrastructure that makes an important contribution to the security and diversification of gas supplies, but also that of having managed to create a solid relationship with the territory in which we operate. We are evaluating the opportunity to extend the life of our Terminal beyond the 20-year deadline of 2033, for another 10-15 years, against a natural revamping of the plant.'*

From the first round table, which was attended by **Roxana Caliminte, Deputy Secretary General, GIE; Ian Revell, Chief Executive Officer, SIGTTO; Marcel Tjihuis, Business Developer, Gasunie; and Daan Velter, Managing Director, EemsEnergyTerminal**, it emerged that Europe is pursuing its policy of investing in LNG infrastructure, beyond the current crisis. The topic of decarbonisation is certainly crucial and, with this in mind, work is in progress to adopt ever greener fuels; however, the crisis we are still experiencing also calls for a careful look at the topic of economic sustainability.

The second discussion, which was attended by **CEO Giorgi, Liliana Panei, MASE; Massimo Ricci, Director, Energy Division, ARERA; Marta Bucci, General Manager, PROXIGAS; and Elio Ruggeri, LNG Business Director, Snam and President of OLT**, also focused on the issue of infrastructure and how the cost of infrastructure far exceeds the cost of not building it. The war brought out the fragility of the system, the crisis of which had begun long before. Over the years, the issue of energy security has been underestimated; the system needs to be more flexible.

*"Until now, Italy and Europe represented a so-called market of 'last resort', said **Elio Ruggeri**, 'in short, Europe bought what was left over from the Asian market. At this historical stage and in the near future, the supply of Russian gas will decrease and it will no longer be possible to rely on other fossil sources such as coal. Europe will have to be able to intercept the gas that will make its way to Asia. In 2022, the LNG gap cost more than EUR 10 billion; now the cost per MWh has dropped from EUR 300 to EUR 30, but still remains high. Overcapacity is a key element for the safety of the system', Ruggeri continued, 'regasification terminals must be flexible and competitive'.*

As demonstration of how the LNG industry can be concretely sustainable, OLT's Sustainability Report 2022, presented by **Marika Venturi**, the company's commercial and institutional relations manager, highlighted a series of excellent performances from a safety and environmental sustainability point of view. "OLT," emphasised Venturi, *"has also obtained the Emas Registration and since its start-up in 2013, the Terminal's operations have been monitored by the relevant state institutions. The performance of our Terminal acquires even more value,"* added Marika Venturi, *"considering that we are working at 100% capacity and that all regasification slots have already been allocated until 2027".*

The interventions of **Igneo Infrastructure Partners** and **Snam**, OLT's shareholders, concluded the works. *"The company I represent," said **Marcus Ayre**, Partner, Head of Igneo Infrastructure Partners, Europe, "invests in infrastructure businesses characterised by a constant commitment to: sustainability, occupational health and safety; improved environmental performance; diversity, equity and inclusion; high standards of corporate governance; and employee engagement. OLT has always been characterised by these features and we have supported investments in improving these policies'.*

Massimo Derchi, Snam's Chief Industrial Assets Officer concluded *"It is crucial to be ambitious in future plans and focus on renewables, but it is equally important to prepare for scenarios in which these targets are not met. We must be prepared for resilience scenarios. Energy security cannot be subordinated to competitiveness and transition'.*

OLT Offshore LNG Toscana, a company controlled by Snam and Igneo Infrastructure Partners, owns and manages the floating regasification Terminal "FSRU Toscana". The Terminal, moored about 22 km off the coast between Livorno and Pisa, is connected to the national grid through a 36.5 km long pipeline, operated and managed by Snam, of which: about 29.5 km at sea, 5 km in the floodway and the remaining 2 km on dry land. FSRU Toscana has a maximum authorized regasification capacity of 5 billion Sm³ per year.

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