

The Port of Algeciras is the busiest port in Spain

The European Commission supports the construction of the first LNG bunkering vessel to operate at the Port of Algeciras

- The project is promoted by Enagás, through its subsidiary Scale Gas, and the Port Authority of Algeciras Bay
- The initiative is part of the LNGhive2 strategy led by the Spanish Ports Authority and co-financed by the Connecting Europe Facility (CEF)
- The ship will be loading LNG at the Enagás terminal in Huelva and will operate in the area covered by the Port of Algeciras

Madrid, 22 December 2020

The European Commission has signed a grant agreement with Enagás and the Port Authority of Algeciras Bay, giving the green light for co-financing the building of the first vessel to be fully dedicated to liquefied natural gas (LNG) bunkering at the Port of Algeciras. This project is boosted by the Enagás start-up that specialises in small-scale LNG supply infrastructure, Scale Gas, and the Port Authority of Algeciras Bay (APBA).

The initiative, coordinated by Enagás, is framed within the LNGhive2 strategy, led by the Spanish Ports Authority, and the European Union programme that contributes to the implementation of the Trans-European Transport Network, Connecting Europe Facility (CEF 2019 call for proposals), which will provide funding for 20% of its execution, approximately 11 million euros. The aim is to support the development of the market for LNG as a sustainable marine fuel, in line with the EU Directive 2014/94/EU on Alternative Fuels Infrastructure.

The project consists of the construction of a bunkering barge with capacity to store 12,500 m³ of LNG, which will entry into service in 2023. Once in operation, the vessel will be loaded with LNG at the Enagás terminal in Huelva and will then either supply it directly to end consumers or transfer it to smaller barges for subsequent supply of smaller vessels berthed in the port of Algeciras.

Sustainable port area in the Bay of Algeciras

In 2012, the Port of Algeciras provided the first LNG bunkering service in Spain using a tanker truck, a service known as truck-to-ship (TtS) LNG bunkering. In 2020, seven TtS LNG bunkering operations have been performed in Algeciras, a 300% more LNG has been supplied to ships than in all of 2019. Once operational, this new vessel will allow ship-to-ship (StS) LNG bunkering at the Port of Algeciras.

LNG is a strong alternative that enables progress towards the decarbonisation of maritime transport and it is the cleanest fuel among those currently available for this type of mobility, contributing to improving air quality, particularly at ports. Compared to traditional fuels, it eliminates 100% of sulphur oxide (SO_x) emissions, while reducing nitrogen oxide (NO_x) emissions by 80–90% and CO₂ emissions by 20–30%. Moreover, the use of LNG as a marine fuel in Spain will lead to a reduction of around two million tonnes of CO₂ by 2030.

In addition to promoting more sustainable maritime transport and improving air quality in the Bay of Algeciras, this project will be a further step towards consolidating Spain and the Port of Algeciras, which is the busiest port in Spain, as the European leader in LNG bunkering in the Strait of Gibraltar.

The European Union supports the key role that LNG has to play in bringing about energy transition in the maritime sector. With the funds resulting from the CEF call for proposals, which has already provided funding for seven projects in Spain, it will be possible to achieve the climate goals set by the European Green Deal, giving priority to short sea shipping projects using alternative fuels, as well as the installation of energy bunkering systems on land in order to allow ports to reduce emissions from berthed vessels.

Bunkering operations in Spain

Up to November 2020, LNG bunkering operations in Spain increased fourfold compared to the same period the previous year.

According to DNV/GL, the provider of certification services, there are 175 LNG-powered ships in service in the world. This new vessel will join the 20 bunkering barges already supplying LNG around the world and will strengthen the role of Spain and its ports in the field of LNG bunkering. There were six ports in Spain supplying LNG to ships in 2019, a number that has now grown to 11 in 2020.

These advances have been made possible by the developments and investment of more than 300 million euros made or committed by the partners in the CORE LNGas hive and LNGhive2, public-private initiatives, for which a total of close to 62 million euros has been co-financed by the European Commission. These initiatives involve 49 partners, 21 of which are public institutions, including 13 port authorities, and 28 are private or industrial entities.

About Scale Gas

Scale Gas is a subsidiary of Enagás Emprende, a company created by Enagás for the investment and acceleration of Startups/Scaleups and innovative technologies in the field of energy transition, with special emphasis on renewable gas projects, sustainable mobility, energy efficiency, digitization and cleantech in general. Scale Gas is a company focused on the development, operation, maintenance of LNG bunkering assets and infrastructure projects for small-scale LNG.

About the Port Authority of Algeciras Bay

The Port of Algeciras is ranked first in Spain in terms of volume of activity, handling more than 100 million tonnes of cargo each year. Its dock hosts the Iberian Peninsula's largest volume of bunkering operations, with almost 2 million tonnes supplied this year. Since this November, the Isla Verde Exterior container terminal, operated by TTI Algeciras, has become the regular port of call in the Strait of Gibraltar for the world's largest LNG-powered container vessels, such as the ultra-large CMA CGM Jacques Saadé and CMA CGM Champs Elysees, both with a capacity of 23,000 TEUs.