

Developing Floating Storage Regasification Units: Market Trend or Necessity?

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The Energy Challenge

- Growing population
- Rising demand
- Need for energy solutions
- Mitigating climate change
- Improving air quality

Introductory Remarks

- For countries with access to the sea, the availability of flexible, floating storage and regasification units will be vital to reduce the early risks of gas market development.
- The cost of a new FSRU can typically represent only 50-60% of an onshore terminal and be delivered in half the time.
- The interest in gas to power has encouraged many FSRU companies to offer a complete package with power generation installed on the FSRU.

The three components of the capital cost of an FSRU

- Vessel
- Infrastructure
- Owner's costs

Operating costs

- Personnel
- Head office support to operations
- Fuel gas and oil for power generation and steam generation
- Maintenance and inspection
- Spare parts
- Chemicals and lubricants
- Insurance - Harbor fees
- Service boats
- Dredging
- Financing costs

FSRU Project Schedules

FSRU project schedules are driven by:

- Preliminary discussions and feasibility studies
- Permitting and pre-engineering to achieve FID
- Construction

FSRU Business Models

FSRU business models take the form of Integrated, Merchant or Tolling arrangements.

SWOT Analysis

Strengths

- capital cost
- reassignment on project completion
- delivery time

Weaknesses

- industry standards
- sensitive to weather conditions and connection with gas pipelines

Opportunities

- purchase option
- supply of early gas
- power generation facility

Threats

- insolvency of providers, operators and shipyards
- lack of approvals by the authorities
- misperceptions on secure gas supply
- port infrastructure

Floating Power Barges

SWOT Analysis - Conclusion

Concluding remarks

Thank you!

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