Response to LNG referral from stakeholders in northern Sweden.

The region's views on the EU's work on natural gas and LNG

All stakeholders behind this document see a great value in the work implemented by the EU regarding the development in the area of natural gas and LNG. To the greatest extent possible, moving away from the use of coal and oil in favour of natural gas and LNG is an important step in the important work of reducing carbon dioxide emissions in Europe.

Another aim of the EU's work in this area is of course to reduce the Union's dependence on Russia, which includes both the supply as financial and security policy aspects.

Nevertheless, we can see a political challenge, in the EU as well as in Sweden. This is a consequence of the political tendencies that immediately want to move away from fossil fuel sources in favour of hydropower, solar power, wind power etc. This challenge must be handled by the Union as well as by the Member States.

Implementing LNG- work in the region

Work with the development of LNG has been initiated by partners in Norrbotten county, who will also sign this document. In this matter, the region also refers to partners in Västerbotten county. The stakeholders signing the document have for a couple of years, together with a number of collaborators, implemented a regional mobilization regarding LNG, which means that the region is now well-prepared for the next stage of development. Below is a summary of the work:

- A substantial network of work has been carried out. In this work, the public sector, consumers, electricity companies, ports, amongst others have all participated. Within the network, there is a large consensus that there is a very good potential for establishing an LGN terminal in the region.

- A feasibility study has been put together: "A feasibility study for the establishment of a LNG terminal and satellites in the north (16 pages – attached)

- A market study has been put together: "Synoptic market study for LNG in Norrbotten and Västerbotten". (59 pages)

The region's strengths

- The market potential in the region is very good. Between 670,000 and 720,000 m^3 LNG/ per year in the last 10 years since LNG has become available. In the longer term, the potential will increase to 960,000 m^3 LNG/year.

- The thinking is that prospective customers/consumers will be basic industries/ mining industries, shipping and road traffic in the region.

- There are already permits for a reception centre in the region and a new facility can be completed within a couple of years.

- A first outline with infrastructure from Örnsköldsvik and northwards with a reception facility to receive goods and satellites are being planned.

- The fundamental idea is that the owners of the LNG terminals shouldn't be producers but owners of infrastructure. The reason for this fundamental idea is that access of LNG for the consumers should be exposed to competition to favour the price.

The region's challenges

- Building an infrastructure in the form of a new LNG terminal is naturally very expensive. This requires a joint plan with financing from the EU, the Swedish government and also other stakeholders.

- To identify and prevent bottlenecks that can occur in the system when a new infrastructure is built and put into operation. There needs to be further benchmarking in Europe.

Summary

We have very good conditions to develop the infrastructure for LNG in our region. We are of the opinion that the EU is now engaged in very important work in the region and we look forward to a continued dialogue and how we can together contribute to lowering carbon emissions in Europe and also reduce the EU's dependence on gas from Russia.

The establishment of a new LNG terminal in our region is a subset in the work with both of these challenges. We look forward to continued contact.

Luleå/Piteå

19 September 2015

Luleå Municipality	County Administrative Board Norrbotten	Piteå Municipality
Niklas Nordström Mayor	Sven-Erik Österberg County Governor	Peter Roslund Mayor