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New LNG Terminal Provides Cleaner Energy for Gibraltar

Gibraltar today saw the official opening of a liquefied natural gas (LNG) regasification terminal that was recently completed by Shell and Gasnor (a 100% Shell-owned subsidiary). As a result, Gibraltar is switching from diesel-fuelled power generation to cleaner-burning natural gas, using a newly commissioned 80-megawatt gas-fired power plant.

Powering Gibraltar's homes and businesses with this reliable and cleaner energy is a hugely important step towards reducing emissions and it delivers on Her Majesty's Government of Gibraltar's (HMGOG) aim of reducing carbon dioxide emissions and improving air quality around the Rock of Gibraltar.

The Hon. Fabian Picardo, Gibraltar's Chief Minister, said: "I am immensely proud that, under this government, we have made the crucial switch to cleaner power generation. Instead of using old technology up on the skyline of the Rock, we can now look forward to at least 20 years of clean, safe, gas-fired power generation from the port. This is a wonderful step-change in technology."

Construction of the terminal followed an LNG supply agreement signed in 2016 between Shell and Her Majesty's Government of Gibraltar. Gasnor, which has more than 15 years of operational experience in small-scale LNG in north-west Europe, operates the regasification terminal.

"I would like to congratulate Gibraltar on bringing its vision of a cleaner energy system to reality," said Maarten Wetselaar, Integrated Gas & New Energies Director for Shell. "Delivering this project is a tangible example of Shell's strategy to provide more and cleaner energy. We believe that projects like this can offer real benefits elsewhere in the world."

Natural gas-fired electricity generation has an important role to play in the transition to a lower-carbon global energy system. It can help to reduce greenhouse gas emissions and air pollution by displacing coal- and oil-fired generation.

Shell hopes to replicate the approach taken in Gibraltar in other parts of the world, where there is a need for cleaner, more reliable energy through similar small-scale LNG projects.

Her Majesty's Government of Gibraltar has ensured that the design and build of the new power plant incorporates the highest levels of safety and environmental performance.

LNG will be delivered to the terminal by ship twice a month and at night, minimising disruption to the neighbouring port and airport. It will be stored in five double-walled stainless-steel tanks, each able to hold 1,000 cubic metres of LNG. The first LNG cargo arrived in January to support testing and commissioning of the power plant.



Notes to Editors:

If one 100-megawatt gas turbine replaces 200 diesel generators with a capacity of 500 kilowatts each, around \$30 million could be saved in fuel cost each year, while significantly reducing greenhouse gas emissions and air pollution, according to the International Energy Agency (IEA).

Natural gas emits between 45% and 55% lower greenhouse gas emissions than coal when used to generate electricity, and around 20% lower CO₂ than oil according to IEA data. It also has a reduced impact on local air quality compared to diesel, which is currently used for power generation in Gibraltar. Compared to burning diesel, natural gas reduces NO_x emissions by up to 85% and produces almost no SO_x and particulate matter.

Natural gas-fired power plants provide a competitive and flexible back-up to variable renewable sources of power. They can reach full output in minutes, providing electricity almost instantaneously and rapidly responding to lulls in solar or wind power supply, and to surges in demand.