

OLT Offshore plots fresh prospects for Livorno-based FSRU

Owner-operator of Italy's first floating regas unit has broader ambitions for underused new facility

Italy's OLT Offshore LNG Toscana (OLT) wants to see its floating storage and regasification unit (FSRU) used by larger LNG carriers while also providing peak shaving and break bulk services.

OLT managing director Peter Carolan, speaking to TradeWinds in Livorno, Italy, where the organisation was hosting a meeting of the Society of International Gas Tanker & Terminal Operators (Sigtto), said the company will apply for permission next month to allow the FSRU Toscana to be able to accept LNG carriers of up to 180,000 cbm.

Carolan added that the 3.75 billion cubic metre (bcm) per year capacity terminal is already approved to receive ships of 155,000 cbm. He said the displacement of a larger modern LNG carrier is compatible with the FSRU Toscana's design. But he added that vessels would need to either deliver a part cargo or be available to wait for several days alongside to discharge since the regas unit only has 137,500-cbm of LNG storage.

In addition OLT, whose shareholders comprise E.ON Group and Iren Group (both on 46.79%), OLT Energy Toscana (3.73%) and Golar Offshore Toscana Ltd (2.69%), recently announced a tender for a peak shaving service.

Under this, companies can apply to import a cargo into the terminal, which would then be held in storage to meet peak gas-demand requirements. The move is one of the emergency measures put in place by Italy's Ministry of Economic Development to protect its natural gas supply during the 2014/2015 winter demand period.

Carolan said OLT, which ran a short-notice peak shaving tender last year, hopes to see a cargo shipped in under this before the end of December.

In a further move, Carolan said OLT is also undertaking a study with Rina Services on the feasibility of offering LNG break bulk services from a manifold on the port side of the unit. This envisages LNG being offloaded from the FSRU Toscana onto 2,000-cbm to 3,000-cbm bunker barges and shipped ashore to be supplied both as a marine fuel and for road haulage operations.

Carolan said a risk assessment will follow and the plans for this could be approved in six months. However, he added that it might take a further five to six years for the infrastructure to be put in place to support this type of operation.

"It is a service we would like to provide," Carolan said. "In terms of volume, it is actually quite small but you have to start somewhere and it will build up over time. In 20 years' time, LNG will be used all over Europe."

The FSRU Toscana arrived off Livorno at the end of July 2013 under tow from Dubai, where the vessel, originally the Golar Frost (built 2004), underwent an expensive multi-year conversion job. It was moored into its permanent position 22 kilometres (13.7 miles) off the Italian coast.

The first cool-down cargo was delivered in September by the 126,400-cbm LNG Leo (built 1978) in a transfer operation that took nine days. After final process commissioning, send-out started on 5 October. A further three commissioning cargoes were delivered before OLT took ownership of the unit and started commercial operations on 20 December.

Since then, the FSRU, which is widely regarded as under-sized, has not received any further commercial shipments, with buyers in Asia and South America pulling cargoes away from Europe.

Carolan said the FSRU Toscana still has more than 40,000 cbm of LNG remaining from its last December cargo.

He added that, with a low boil-off rate and gas only used for onboard power generation, the unit can remain cold until May and could stay cooled down on one shipment for two years.