



**CONSULTATION PAPER**

**INTEGRATED SUMMARY REPORT**

**FOR PROPOSED**

**SINGAPORE LNG TERMINAL**

Closing date for submission of comments and feedback:

22 September 2006

**Note: There will be no extension of deadline beyond 22 Sept 2006, 5pm**

**7 AUG 2006**

ENERGY MARKET AUTHORITY

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The information in this Consultation Paper is not to be treated by any person as any kind of advice. The Energy Market Authority shall not be liable for any damage or loss suffered as a result of the use of or reliance on the information given in this Consultation Paper.

## **1. Introduction**

- 1.1 Today, about 80% of Singapore's electricity is generated from natural gas, which is imported via pipelines from Indonesia and Malaysia. In Singapore, electricity will increasingly be generated from gas-fired combined cycle power plants, as these are more efficient than oil-fired steam plants. It is thus expected that Singapore's demand for gas would exceed supply in the future and as such Liquefied Natural Gas (LNG) import is an option to be considered to meet future gas demand.

## **2. The LNG Feasibility Study**

- 2.1 The Energy Market Authority (EMA) had in January 2005 appointed Tokyo Gas Engineering Co Ltd ("TGE") to undertake a feasibility study in relation to importing LNG into Singapore (the "Study"). The study explores the best way for Singapore to import LNG. It encompasses an economic analysis for the use of LNG as a fuel source for power generation in Singapore. It seeks to identify and evaluate possible business models for the LNG receiving terminal, which are cost-effective, sustainable and viable. The proposed business model and its associated financing option must also uphold the principle of competition in the gas and electricity markets.

- 2.2 In addition, the study covers the regulatory and licensing framework to ensure the smooth integration of LNG into the gas market and long-term viability of the LNG receiving terminal and infrastructure. It also identifies the necessary infrastructure and the associated costs to support the import of LNG for Singapore, including the identification of suitable site(s) for the receiving terminal.

## **3 Request for Comments and Feedback**

- 3.1 EMA invites comments and feedback on the key recommendations of the study, including the terminal ownership structure, government

support mechanism, business model, LNG procurement, regulatory framework and terminal configuration for importation of LNG into Singapore. The details of the key findings of the study are given in the Appendix.

3.2 EMA will take into consideration the feedback received from the market participants and other interested parties in the next phase of the project i.e. preparation of the Request for Proposal documents for potential investors to submit bids for the right to build, own and operate the LNG receiving terminal. This is to facilitate the import of LNG into Singapore.

3.3 The LNG project implementation timeline is as follows:

Aug/Sept 2006	-	Consultation and Feedback
Q4 2006	-	Evaluation of Feedback
Q4 2006	-	Open Season
Q1/Q2 2007	-	Preparation of Request for Proposal (RFP)
Q3 2007	-	Calling of RFP
Q1 2008	-	Evaluation of proposal, including approval
Q1 2008	-	Awarding of right to develop terminal

3.4 Please send your submission by e-mail to [leslie\\_lie@ema.gov.sg](mailto:leslie_lie@ema.gov.sg) and [low\\_ying\\_chun@ema.gov.sg](mailto:low_ying_chun@ema.gov.sg)

Respondents are required to include their personal / company particulars as well as the correspondence email address in their submissions in response to this Consultation Paper.

Alternatively, you may send your submission by post/fax to the following address:

LNG Project Unit  
Regulation Division  
Energy Market Authority  
111 Somerset Road, #15-05  
Fax: (65) 6 835 8084

- 3.5 Anonymous submissions will not be considered.
- 3.6 All comments and feedback must reach EMA by 5pm on 22 September 2006.
- 3.7 EMA will acknowledge receipt of all submissions electronically. Please contact Mr Leslie Lie or Ms Low Ying Chun if you have not received an acknowledgement of your submission within two business days.
- 3.8 EMA reserves the right to make public all or parts of any written submissions made in response to this Consultation Paper and to disclose the identity of the source. Any part of the submission, which is considered by respondents to be confidential, should be clearly marked with justifications and placed as an annex. EMA will take this into account regarding disclosure of the information submitted.

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