

Karaikal LNG terminal to start operations by Q4 2021

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LNG logistics company AG&P on Thursday said it will commission an LNG import facility at Karaikal in Puducherry by the fourth quarter of 2021.

The company had a ground-breaking ceremony for the project on Thursday.

"The Karaikal LNG import facility is expected to commence commercial operations by Q4 2021," it said in a statement.

Owned and operated by AG&P, the LNG terminal is being built on a 12-hectare site within the Karaikal Port, which enjoys the only deep-water access on the East Coast.

Karaikal LNG, which will have an initial capacity of 1 million tonne per annum, will include a floating storage unit (FSU) leased through a long-term charter agreement with ADNOC Logistics and Services (ADNOC L&S) from 2021, providing an efficient solution that will enable the supply of this clean fuel to be affordable.

"Strategically located 280-km south of Chennai and in close proximity to Tamil Nadu's thriving manufacturing clusters, the new terminal will provide natural gas to power plants, industrial and commercial customers within a 300-km radius.

"In addition, Karaikal LNG will serve the important city gas networks of AG&P and other city gas companies that bring CNG and LNG to vehicles and piped natural gas to households and other establishments. Truck loading bays will enable the delivery of LNG to remote customers by AG&P's own fleet of trucks," it said.

AG&P develops and builds LNG import terminals in nascent and growing markets around the world. These facilities encourage the development of a downstream gas value chain and unlock latent demand. At Karaikal LNG, AG&P has developed a flexible configuration combining floating storage and onshore facilities, such as truck-loading.

"This design increases operational efficiencies that result in a flexible and commercially-compelling solution for our customers," it said.

Beyond Karaikal, AG&P has won city gas distribution licence for 12 geographic areas across Tamil Nadu, Andhra Pradesh, Kerala, Karnataka and Rajasthan. "At the end of 8 years, the AG&P networks will offer more than 1,500 CNG stations and natural gas connections to millions of households," the statement added.

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