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COMMITTEE ON SUSTAINABLE ENERGY WORKING PARTY ON GAS Task Force of the Blue Corridor Project

REPORT ON THE SECOND MEETING OF THE TASK FORCE OF THE BLUE CORRIDOR PROJECT (Hasfeldorm (Nathorlands), 25 November 2002)

(Hoofddorp (Netherlands), 25 November 2002)

I. ATTENDANCE

1. The second meeting of the Task Force on the Blue Corridor Project was held on 25 November 2002 in Hoofddorp (Netherlands) at the offices of the European Natural Gas Vehicle Association (ENGVA). There were over 20 participants from Bulgaria, Czech Republic, Germany, Hungary, Norway, Poland, Romania, Russian Federation, Slovakia, Turkey and United Kingdom, as well as from the following non-governmental organizations: Clean Air Foundation, European Natural Gas Vehicle Association (ENGVA) and Vernadsky Ecological Foundation.

II. ASSESSMENT OF SELECTED CORRIDORS

2. Information was presented on the two pilot corridors selected. Mr. A. Andreevsky, Executive Director of the Vernadsky Foundation and Chairman of the Task Force, presented the results of research on the suitability of the corridor Moscow – Warsaw – Berlin. Moscow to Berlin is some 1850 km and is part of the E 30 and Pan-European Corridor No.2. Total traffic is forecast for 2010 at some 16,000 heavy goods vehicles (HGVs) per day. The section in Belarus has sufficient natural gas refueling stations but more stations would be required in the sections of the corridor in Germany, Poland and the Russian Federation. The cost of a typical refueling station is some 250,000 Euros.

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3. In the absence of the representatives of Italy and Germany, Mr. J. Seisler, Executive Director of ENGVA, presented the results of research done by Mr. F. Mariani of ENI Gas and Power on the Italian section of the corridor Berlin – Rome, which would follow the main north-south roads, E 55 and E 45. In Italy there are good data on vehicle traffic from road toll companies. Italy has a high number of natural gas vehicles (close to 400,000) but a small proportion are HGVs. There is an adequate number of natural gas refueling stations in Italy but many are located within a range of 3 to 5 kilometres from the highway and in this regard it was questioned whether vehicles would be prepared to leave a toll road to refuel. Ruhrgas of Germany has estimated the optimum distance between refueling stations as 5 km in the city, 10-15 km in mixed areas and 20-25 km in rural areas. The Task Force thanked Mr. S. Arikan (Botas, Turkey) for his contribution to this item.

4. It was pointed out that the E 55 passes through the Czech Republic and Austria so an examination of the natural gas potential of those countries also has to be conducted. It was agreed that more data on traffic would be required to complete the feasibility studies. It was also agreed that other corridors should continue to be considered for the Blue Corridor Project including through south-east Europe to Istanbul.

III. PROSPECTS FOR THE USE OF LIQUEFIED NATURAL GAS (LNG)

5. Mr. E. Pronin, Executive Director, Russian Natural Gas Vehicle Association, proposed the addition of the corridor Helsinki – St. Petersburg – Moscow which follows the roads E 18 and E 105 based on the potential for the use of liquefied natural gas (LNG). Finland is an important trading partner for Russia and an average of 1000 Russian trucks cross into Finland every day. There is large-scale production of LNG in the St. Petersburg area. The Task Force agreed to add the section Helsinki – Moscow to the Blue Corridor Project.

IV. COOPERATION WITH THE EUROPEAN COMMISSION

6. Mr. J. Seisler of ENGVA spoke about the possibility of receiving funding for the Blue Corridor Project from the European Union Sixth Framework Programme which will be disbursing up to 800 million Euros. The EU has set a target of replacing current fuel usage by 20% alternative and bio fuels by the year 2020 and will issue a Directive on the use of alternative fuels. This could mean 10 per cent of the market for natural gas and the potential of 23 million NGVs by 2020. ENGVA is currently writing proposals for funding entitled "NGV Pathways to 2020" and "Alternative Fuels in Urban Transport: A Blueprint for Implementation" and proposed that the Blue Corridor Project could be included in one of these proposals.

V. STRUCTURE OF THE FINAL REPORT TO BE ISSUED BY THE TASK FORCE

7. The Task Force discussed the structure of its final report which would form the basis of applications for financing from various potential donors such as the European Union, development

banks, private companies, etc. The final report would have sections on NGV development in Europe and worldwide (number of NGVs, LNG and CNG refuelling stations, trends, legislation, etc.); the environmental, energy and economic advantages of NGVs; the expected benefits of implementing the Blue Corridor Project; general conclusions, advantages and disadvantages and problems to be resolved; potential participants in the project; and future steps, including organization of international cooperation for implementing the project. Various members of the Task Force were assigned responsibility for drafting the different sections of the final report. It was agreed that the final report would be presented to the Committee on Sustainable Energy and the Inland Transport Committee.

VI. THIRD MEETING OF THE TASK FORCE

8. The task Force proposed to hold its third meeting in early 2003 to discuss its draft Final Report. The secretariat will inform the Task Force about the date and place of the meeting at a later stage.

VII. ACKNOWLEDGEMENTS

9. Special thanks were extended to Mr. J. Seisler and other staff of ENGVA for the excellent organization of the meeting.