



PRESS RELEASE

Snam and Edison sign agreement for the joint development of Small-Scale LNG projects in Italy

- *The aim is to leverage on infrastructure and know-how of both companies, thereby contributing to decarbonisation of transport and off-grid users*
- *Through Small-Scale development, LNG and Bio-LNG market is expected to grow up to 1.5 million tons by 2030 from current 200,000 tons per year thus contributing to European decarbonisation targets*

San Donato Milanese (Milan), July 25th, 2022 – Snam and Edison today signed a Memorandum of Understanding aimed at co-operating to the development of the Small-Scale LNG market in Italy to foster the decarbonisation of land, sea and rail transport, as well as off-grid industrial and household users.

This initiative will leverage on the development of the Italian liquefied natural gas sector, also thanks to planned new infrastructure investments, to encourage the progressive replacement of diesel and simultaneously boost the use of liquid biomethane (Bio-LNG).

The two companies share the vision in that LNG is the most solid and effective energy vector to decarbonise large scale transport by reducing the environmental impact through diesel replacement. As of today, LNG market for heavy goods transport in Italy already accounts for approximately 4,000 trucks, around 130 filling stations and an annual consumption for about 200,000 tons. Thanks to Small-Scale infrastructure as well as the use of LNG in maritime bunkering, the market is expected to more than double by 2025 with a potential growth of up to 1.5 million tons in consumption by 2030. With an increase in the usage market, the number of filling stations is envisaged to grow to around 300 when fully operational. The development of the Small-Scale supply chain will also enable the progressive use of Bio-LNG thus further contributing to the decarbonisation plan announced by the EU with its Fit for 55 package.

*“Through this agreement – **Stefano Venier, Snam CEO commented** – “we lay the foundations for a long-term collaboration aimed at enhancing the value of Snam’s LNG system, also through the future development of new Small-Scale supply points. Our aim is to extend the infrastructure needed to speed up the replacement of higher-emission vehicles, particularly in heavy goods and sea transport, and to enable the increased use of biomethane, in line with the European targets of the RePowerEU plan as well as with our mission of supporting the decarbonisation path.”*

*“Last year, we launched the first integrated logistics supply chain on LNG in Italy, fully aware this vector will play a key role in decarbonising maritime as well as heavy goods transport.” – **Nicola Monti, CEO of Edison added** – “Through this agreement we can further boost SSLNG market development as well as Bio-LNG usage in Italy, thus maximising our synergies with assets, projects and skills; all elements Edison owns across the whole value chain.”*

Small-Scale LNG (SSLNG) refers to all logistical activities with which small and medium quantities of liquefied natural gas (LNG) and Bio-LNG, are handled for the heavy goods and sea transport and off-grid users.

Under the agreement, which is not meant to be exclusive, the parties will identify and develop opportunities for collaboration along the entire SSLNG value chain - from truck loading services to road or ship transport, liquefaction and distribution via petrol stations or satellite depots - depending on their respective areas of expertise. Snam is active in the management of LNG infrastructure where it is developing Small-Scale systems



to upload the distribution as well as a new liquifying station in Centre-Southern Italy and the network of stations (7 as of today) from Snam4Mobility. Whereas Edison is the leading liquefied natural gas import operator in Italy and in 2021 it established the first SSLNG integrated logistics supply chain of the country through its coastal depot in Ravenna as well as a gas transport vessel dedicated to its supply.

On the Biomethane/Bio-LNG front, the agreement envisages that the two groups identify opportunities for collaboration based on the portfolio of projects currently in place and that are being developed by the two partners with reference to both the commodity produced and the development of assets.

The agreement may be subject of subsequent binding agreements to be determined by the parties in accordance with the applicable regulatory framework (also including the unbundling regulation).

POSSIBLE REPLACEMENT OF CONVENTIONAL FUELS

TRACTION

(synergies with the fuel network)



COMBUSTION AND HEATING

(areas not connected to the grid)

