

3 May 2024

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Weekly news roundup (16-20 July)

Publication date: 23 July 2018

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Analysis

Energy scenarios presented by National Grid serve as a stark reminder that if the natural gas industry hopes to enjoy a long-term future in the UK [1], it may need to present a united front in support of hydrogen and carbon capture, usage and sequestration (CCUS).

Sempra LNG & Midstream has reiterated its commitment to the Port Arthur LNG project [2] in Texas after Woodside pulled out of the liquefaction venture, citing unfeasibly low return on investment.

International

The European Commission, Ukraine and Russia have agreed to develop a new “future-oriented” contract for Russian gas [3] exports to Europe via Ukraine, after Naftogaz offered to cut transit fees [4] ahead of trilateral talks last week.

Gas flaring fell by nearly 5% [5] last year compared to 2016 despite an increase in global oil production, the World Bank said, calling its findings “encouraging” but not necessarily a watershed moment.

Academics from Loughborough University in the UK and the Asian Institute of Technology in Thailand are working on a joint biogas project [6] that converts food waste into biomethane.

US & Canada

US – The Federal Energy Regulatory Commission (FERC) has acquiesced to demands from US utility Exelon to subsidise [7] the 2 GW Mystic LNG-fired plant [7] in Massachusetts by recovering fuel costs from electricity rate-payers in New England.

The Federal Energy Regulatory Commission (FERC) is days away from striking a formal agreement with other government bodies to streamline the permit and review process for LNG projects [8], with the commission’s chairman denying reports of delays to LNG application reviews.

Midstream player Williams is set to bring its Atlantic Sunrise gas pipeline project [9] – an extension of the Transco pipeline system – into full service in late August.

Kinder Morgan has pushed back the startup of [10] the Elba LNG plant [10] in Georgia from Q3 to Q4, with the company citing a delay in getting units assembled and delivered to the project site, as well as construction delays.

The latest climate case against the energy majors [10] was dismissed last week when a federal judge dismissed a case lodged by New York City.

Africa

Egypt – North Africa-focused independent SDX Energy is vying to bring Egypt’s latest gas field [11] online [11] before the end of Q4’18 following successful production tests, as booming Egyptian domestic

production tips the scales away from further imports of LNG into the country.

Asia Pacific

Taiwan – State-owned Taipower has issued a request for expression of interest (REOI) for an LNG supply tender [12], after the government of Taiwan approved plans to construct the Hsieh-Ho LNG terminal in the north of the country.

Australasia

Papua New Guinea – PetroChina has agreed to offtake 0.45 mt from the PNG LNG [10] plant under a three-year deal starting this month.

Europe

Finland – The Finnish government is reportedly looking into a biogas project [6] that would utilise droppings from farm animals for bio-fuel production.

France – Air Liquide has opened a new biomethane production unit [6] in south-west France that will supply its multi-energy fuelling station in the area using biogas produced from organic matter from surrounding farms.

Germany – UK-based Carbon Clean Solutions has for the first time surpassed 500,000 cm³/d of biogas [6] processed with its Methpure solvent across Germany.

Italy – Snam has forked out USD 4.6 million for a 70% stake in IES Biogas [6], a leading company in the Italian biogas and biomethane sector.

Norway – Striking rig workers ended their [10]protest [10] and returned to work last week after the union representing 1,600 striking members reached a deal with employers.

Sweden – Skangas has carried out its first liquefied biogas (LBG) bunkering [6] to Furetank's newbuild dual-fuel chemical tanker Fure Vinga.

UK – North Sea-focused Independent Oil & Gas (IOG) has found that the 32-year-old pipeline [13] it recently acquired to connect its five 303 Bcf Southern North Sea fields to the UK market is in "excellent condition" – despite being mothballed three years ago.

The UK government has unveiled plans to move shale gas fracking applications [14] into the centrally-managed Nationally Significant Infrastructure Project (NSIP) planning regime – but only "major" schemes at the production phase.

Tullow Oil was dealt a further blow last week after Kosmos Energy won its arbitration case [10] against the UK-based company.

Latin America & Caribbean

Brazil – The regional government of Rio Grande do Sul has signed a USD 25 million deal with local outfit JMalucelli Ambiental to build a biogas plant [6] in the Montenegro region.

Mexico – TransCanada has completed what it called "one of the most ambitious and challenging" gas projects in Mexico's history after the Topolobampo pipeline [15]came into service [15], adding 670 MMcf/d

to markets in the northwest.

Mexico's September oil tender has been pushed back to February [10] to allow President-elect Andres Manuel Lopez Obrador's new administration to check already granted contracts for signs of corruption.

Middle East

Qatar – Large chunks of Qatar's energy industry have received a vote of confidence [16] from credit ratings agency Moody's, despite the ongoing economic, financial and diplomatic boycott by Saudi Arabia, the United Arab Emirates (UAE), Bahrain and Egypt.

UAE – A CNPC subsidiary has won a USD 1.6 billion contract to carry out what is claimed to be the world's largest continuous 3D seismic survey [17] – covering an area roughly the size of Croatia – for Abu Dhabi National Oil Company.

Russia & CIS

Russia – Gazprom has committed to begin developing what is expected to become Russia's largest gas production centre [18] next year, the mammoth Kharasaveyskoye gas and condensate field in the Yamal peninsula.

Novatek's first LNG cargoes [10] to transit the Northern Sea route arrived into the Chinese port of Jiangsu Rudong China last week.

South Asia

India – GAIL is making progress with its plans to gasify India's east, after the company connected 8,000 homes to piped gas and launched two compressed natural gas (CNG) fuelling stations [19] as part of its Varanasi city gas distribution network in Uttar Pradesh.

The Indian government has approved measures aimed at improving production sharing contracts (PSCs) [20] and expediting oil and gas development, particularly in the north-east.



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