

29 March 2024

Contents

Gas Matters Today | news roundup | w/c 10 May 2021

Publication date: 17 May 2021

Gas Strategies Group

10 Saint Bride Street
London UK
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
subscriptions@gasstrategies.com



Gas Matters Today | news roundup | w/c 10 May 2021

?Analysis

US LNG exports hit an all-time monthly high [1] of 10.5 Bcf/d in March, but outbound volumes could dip in May, the EIA said in its latest Short-Term Energy Outlook. However, some market observers believe these assumptions are bearish given export levels so far this month and current pricing levels in Europe and Asia.

?International

Beijing and Canberra's diplomatic spat appears to have spilled into LNG trading, with the Chinese government reportedly ordering at least two smaller Chinese importers to avoid spot purchases from Australian suppliers [2] this year in a move that may complicate efforts by Woodside and others aiming to secure offtake deals with Chinese buyers.

The IEA has strengthened its forecast for new global renewable capacity [3] in 2021 and 2022 by 25% compared with levels outlined last November, calling accelerated growth the "new normal," while also highlighting potential vulnerabilities in the China-dominated supply chain of solar panels and wind turbines.

New Fortress Energy has announced plans to shift focus from green hydrogen to biofuels and blue hydrogen-based fuels [4] by forming a new "clean fuels" JV that aims to take FID on two low-carbon projects in 2021. Sources said the decision reflects the greater commercial viability of blue fuels in the short-to-medium term.

The Asian Development Bank plans to continue tapering off fossil fuel investments by halting financing for coal mining, coal-fired power and oil and gas E&P [5], but could continue lending to select natural gas projects, according to a draft energy policy document.

JPMorgan Chase, one of the world's largest financiers to the oil and gas industry, has pledged to increase the share of renewables in its investment portfolio [6] by setting 2030 carbon targets for the oil, gas, power and auto sectors, as the bank moves to align its activities with the goals of the Paris climate agreement.

?Africa

Nigeria – The developer of Nigeria's first FLNG project [7], UTM Offshore, has awarded a pre-FEED contract to the UK branch of Japan's JGC Corporation. The installation could be operational by 2025 and would aid the government's aim of bolstering gas exports.

South Africa – Energy firm Sasol has agreed to sell a 30% stake in the Rampco gas pipeline [8] from

Mozambique to South Africa to a consortium headed by compatriot Reatile Group in a deal worth up to ~USD 365 million that will help Sasol pay down its debt.

?Asia Pacific

Chinese – State-owned Sinopec and compatriot car manufacturer Great Wall Holdings have teamed up to develop China's hydrogen industry [9], as Sinopec pushes to capitalise on the country's energy transition and become a major supplier of renewable hydrogen.

Myanmar – A USD 2.5 billion LNG-to-power project [10] was among 15 projects recently approved by authorities in Myanmar, despite growing calls to curb foreign investment following the military coup d'état in the country in February.

?Australasia

Australia – Lightsource BP has received planning approval to scale up [11] the Wellington solar project in New South Wales [11] from 200 MW to 600 MW, which would contribute to the state's target of sourcing at least 60% of its electricity from renewables by 2030.

Separately, government-owned utility Snowy Hydro has revealed that its 750 MW gas-fired p [12] project in New South Wales [12] may only run at 2% capacity and could burn diesel for six months if completed by late 2023, despite demand from coal-fired retirements and intermittent renewables.

?Central & South America

El Salvador – Chicago-based developer Invenergy and shipping firm BW LNG have secured USD 128 million to finance the country's maiden FSRU [13], part of the Energía del Pacífico LNG-to-power project, placing the floating installation on track to start-up in 2022.

?Europe

EU – Environmental groups have called for the European Commission to exclude gas and LNG from a proposed directive [14] under the FuelEU Maritime initiative expected to be tabled in July, echoing recent World Bank reports that cited concerns over methane leakage.

Netherlands – The Shell and Exxon-backed Porthos CCS project [15] that will capture emissions from Rotterdam port is on track for FID in 2022 after the Dutch government agreed to grant EUR 2 billion in subsidies.

UK – Equinor is looking to deepen collaboration with utility SSE after announcing plans to jointly develop the CCS-equipped 900 MW Peterhead gas-fired plant [16] in Scotland, just weeks after the pair unveiled plans for another 900 MW gas-fired station with CCS in North Lincolnshire.

?Mediterranean

Egypt / Israel – Chevron has shut in the offshore Tamar gas platform [17] after receiving instructions from Israel's Ministry of Energy amid escalating violence between Israel's security forces and Palestinian militants, while operational issues at Ashkelon forced the US major to temporarily suspend gas flows to Egypt.

?North America

US – Hackers last week forced the owner of America's biggest refined products pipeline system to shut down [18]the 5,500-mile Texas-New Jersey pipeline [18], and sources warn that the fossil fuel industry may be vulnerable to cyberattacks due to its importance in politics and critical infrastructure.

The US government has approved plans by Vineyard Wind – a JV between Iberdrola subsidiary Avangrid and Danish fund manager CIP – to build America's first large-scale offshore wind farm [19], signalling that the Biden administration is serious about pushing for a net zero grid by 2030, despite public opposition.

Repsol has agreed to acquire a 40% stake in solar project developer Hecate Energy [20], marking the Spanish firm's first foray into the US renewables market, in line with Repsol's plans to wind down its oil and gas business and become a net zero company by 2050.

?South Asia

India – The EU and India have concluded a Connectivity Partnership highlight [21]ing the vast potential for renewables [21] like offshore wind in India, but the agreement does not mention gas, despite New Delhi having previously set a target of being a 'gas-based economy'.



Consulting

+44 (0) 20 7332 9900
consult@gasstrategies.com



Alphatania Training

+44 (0) 20 7332 9910
training@gasstrategies.com



Information Services

+44 (0) 20 7332 9976
subscriptions@gasstrategies.com

Copyright © 2024 Gas StrategiesGroup Ltd.

Gas Strategies Group Limited is a company registered in England and Wales under company number 2225820.

Gas Strategies is the trading name of Gas Strategies Group Limited.

Registered company address: 10 St Bride Street, London, EC4A 4AD