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[1]

Europe

Maintaining Europe's gas storage levels at a minimum of 33% of their working capacity will be "crucial" to ensuring the continent's gas supplies this winter under a scenario where Russian piped gas supply is completely cut off [2], the International Energy Agency (IEA) suggests in its latest quarterly gas market report published last Monday.

Both gas leaks on the Nord Stream 1 pipeline have ceased and one of the two leaks on Nord Stream 2 (NS2) has also stopped, Gazprom claimed last Monday. The Russian firm also suggested it could supply gas to Europe through one of the lines of the NS2 [3], however Germany has refused to authorise the project in light of Russia's invasion of Ukraine.

Nord Stream 1 pipeline operator Nord Stream AG is unable to inspect the damaged pipeline [4] due to lack of requested permits from Danish, Swedish and Norwegian authorities, the company claimed last Tuesday.

The United Kingdom's Royal Navy frigate is joining Norwegian forces operating in the North Sea to help patrol gas pipelines following the "deliberate damage" caused to the Nord Stream (NS) pipelines in the Baltic Sea [5], the UK's Ministry of Defence announced last Monday evening. This comes as Norway announced it was stepping up military presence at onshore and offshore oil and gas installations in the country in response to the NS events.

The UK is getting closer to securing a 20-year gas supply contract with Norway [6], with negotiations within reach of being concluded, Bloomberg reported. This comes as pipeline imports from Norway in recent months have increased year-on-year while the UK's interconnectors with the Netherlands and Belgium have been in export mode.

Norway and the European Commission (EC) have engaged in "intensive discussions" to "explore workable ways" in stabilising energy markets and reduce "excessively high prices" [7], according to a joint statement issued last Thursday. This comes as the EC is preparing proposals for price caps on gas imports and on gas purchases by power generators in a bid to lower wholesale energy prices.

The German government has dismissed any possibility of gas flowing to Europe via the Nord Stream 2 (NS2) pipeline [8] following Russia's deputy prime minister Alexander Novak suggesting the pipeline is ready to use after leaks were detected on both Nord Stream 1 and NS2 last month. Experts agree that it is unlikely that Germany will approve NS2 flows even in light of expected struggles to fill Europe's gas storage sites ahead of winter 2023/24.

Lithuania – Klaipėdos Nafta (KN), operator of Lithuania's sole LNG terminal, has booked out 60% of the facility's capacity after penning four 10-year capacity deals [9] with firms from Lithuania, Latvia and Poland. Poland's PGNiG and Latvia's Latvenegro confirmed that they have signed 10-year capacity deals and said they will use the terminal to feed their home markets and sell regasified LNG to customers.

Denmark – The Danish Energy Agency has received two applications, from TotalEnergies and a consortium involving INEOS and Wintershall respectively, for storage of CO₂ in the North Sea [10], it said last Tuesday. The licences, which involve investigating suitable locations for CO₂ storage, could potentially be awarded early next year in what is Denmark's first licensing round of this kind.

Turkey – Turkey's state-run energy firm BOTAŞ has asked Gazprom if it can defer some payments for gas supplies in a bid to alleviate pressure on the economy caused by higher energy prices, according to Bloomberg. However Ankara has apparently dismissed the reports and instead suggests it has only requested to renegotiate the price of gas supplies from the Russian firm [11]. Market observers suggest it is in the interest of both Turkey and Russia to reach an agreement over prices and that there is a limited window of opportunity to conclude a deal in light of the escalating war in Ukraine.

North America

US – German energy firm RWE has agreed to purchase Con Edison's renewable assets portfolio in the US [12] in a deal valued at USD 6.8 billion thus almost doubling its green portfolio in the US to 7.2 GW. The acquisition – partially funded by the Qatar Investment Authority – comes amid a strong outlook for renewables growth in the US, supported by the recently adopted Inflation Reduction Act (IRA), according to RWE.

German energy firm EnBW has gobbled up more US LNG after increasing contracted volumes under a 20-year supply deal signed with Venture Global [13] in June. EnBW COO Georg Stamatelopoulos said the

move to increase contracted volumes by a third was in line with supporting the German government's push to strengthen diversification and security of supply.

Australasia

Australia – Australia's LNG export sector will pay an estimated AUD 13 billion (USD 8.46 billion) to federal and state governments [14] in the financial year 2022–2023, compared with less than AUD 5 billion in the previous year, according to a preliminary forecast by the Australian Petroleum Production and Exploration Association (APPEA). The rise in tax contributions comes amid higher gas prices on global markets and as Australian LNG exporters have come under pressure to cut down on exports in order to supply more gas to the domestic market.

South Asia

Pakistan – Pakistan LNG (PLL) has failed to replace volumes under an expired LNG supply deal with Gunvor after the state-owned firm's latest LNG tenders failed to net a single bid [15]. A PLL source told Gas Matters Today that the firm is evaluating its options and is considering floating a tender for supplies starting in 2026 – when supply tightness and prices are expected to ease amid the proposed start-up of several projects.

Asia Pacific

Malaysia – Competition between European and Asian buyers for spot LNG could heat up in the coming weeks [16] after Petronas reportedly declared force majeure at Malaysia LNG. The Malaysian firm has reportedly submitted requests with Japanese offtakers asking to reduce LNG deliveries until the end of 2022.

International

The growing flexibility and responsive of the global natural gas market has been key to maintaining supply security at a time of “colossal global shocks” [17], says the International Gas Union (IGU) in its latest survey of wholesale gas price trends. Central to growing flexibility has been the role of LNG, with competitive gas-on-gas (GOG) pricing formation mechanisms accounting for almost half of LNG trading last year.

Shell has indicated that its Q3'22 earnings will be lower than record breaking Q1 and Q2 performances, with the European energy major flagging weaker results from its gas trading business [18]. The company's LNG volumes and upstream production are estimated to be lower than previous quarters, according to the update.

UK

Total gas demand for winter 2022/23 is forecast to be higher compared to the last five winters, National Grid said last Thursday, despite an expected reduction in consumption from households and industries [19]. National Grid said demand for power generation is forecast to increase in response to low imports and higher exports of electricity to continental Europe.

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