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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
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Africa

Mozambique – Mozambique joined the LNG exporters' club last Sunday after the first cargo was exported from the Eni-led Coral South floating LNG plant [2]. The shipment comes weeks later than the market expected, with the cargo onboard BP's British Sponsor LNG vessel a partial cargo, according to sources.

Egypt – The US and Germany have pledged over USD 250 million to support Egypt's energy transition under a programme which will see 10 GW of wind and solar capacity installed by 2028 and five inefficient gas-fired plants decommissioned by 2025 [3], the White House announced at COP27. The US administration estimates that the measures could help free up 2 Bcm of gas; this could potentially boost LNG exports to Europe from the country's two liquefaction plants.

Nigeria – The developer of Nigeria's first floating liquefaction project (FLNG), UTM Offshore, has advanced the project this week with the award of the front-end engineering design (FEED) contract [4] to a consortium of KBR, JGC Corporation and Technip Energies. The FEED award keeps the project on track to export first LNG before 2027.

North America

Mexico – Mexico’s state-owned oil firm Pemex is teaming up with the US Environmental Protection Agency (EPA) in a bid to reduce methane emissions from its oil and gas operations [5], with three of the firm’s oil and gas fields featuring in the world’s top 20 flare sites, according to World Bank data. Running parallel to Pemex’s collaboration with the EPA, Mexico’s government has upped its 2030 GHG emissions reduction target.

US – US midstream giant Williams is set to enter the LNG game after penning a non-binding heads of agreement with Sempra [6] for ~3 mtpa of LNG from its proposed Cameron LNG expansion project and Port Arthur LNG plant. In addition to LNG offtake, the pair are planning to form a joint venture to own and operate a pipelines which will deliver gas to the aforementioned LNG plants.

Freeport LNG has released the results of a third-party root cause failure analysis (RCFA) report on the 8 June incident that has caused a halt of operations at the LNG plant in Texas [7]. While Freeport revealed that inadequate overpressure protection of piping was to blame for the incident, the firm has stopped short of announcing when the plant will restart operations.

Freeport LNG has pushed back the restart of its LNG plant in Texas, with the US LNG player aiming to restart production in mid-December [8]. The company estimates that reconstruction works will be completed by the end of this month, with operations having previously been expected to restart by mid-November.

The US Federal Energy Regulatory Commission (FERC) has granted Commonwealth LNG approval to build its proposed 8.4 mtpa LNG plant in Louisiana [9], with the approval marking the first by FERC for a US LNG plant in over two years. The approval comes despite the regulator raising concerns over the project’s greenhouse gas emissions, with Commonwealth still needing several permits before construction can start as planned in Q3’23.

US shale player Diamondback Energy has bought Lario Permian, a wholly owned subsidiary of Lario Oil & Gas Company [10], in a cash and shares transaction valued at around USD 1.5 billion. The deal, which comes only weeks after Diamondback’s acquisition of FireBird Energy, will see the company strengthen its position in the Permian’s Northern Midland Basin with an estimated production increase of 25,000 boe/d.

The US administration last Friday announced USD 13 billion in new financing to expand and modernise the country’s power grid [11]. The initiative is funded by the Bipartisan Infrastructure Law and designed to support the goal of 100% carbon-free electricity by 2035.

Central & South America

Venezuela – Miami-based Sycar has signed a memorandum of understanding (MoU) with Petróleos de Venezuela (PDVSA) regarding the development of a floating liquefaction (FLNG) project in north-eastern Venezuela [12]. The plan is to export LNG from Venezuela to regasification terminals in Latin America and Europe by 2024, however the project is not without risks given the backdrop of US sanctions and the political instability in the country.

Asia Pacific

Japan and Thailand last week signed a memorandum of understanding (MoU) on emergency cooperation in LNG and joint investment in the LNG sector [13]. Japan, which is heavily exposed to supply

tightness on the global LNG market, recently also signed agreements on cooperation in the LNG sector with Singapore and Malaysia.

Indonesia – A coalition of wealthy nations, led by the US and Japan, have offered Indonesia a USD 20 billion package to aid the country's shift away from coal dependency for power generation to renewables [14]. Unveiled on the sidelines of the G20 summit held 15-16 November in Bali, the Indonesia Just Energy Transition Partnership (JETP) has been one year in the making and is deemed one of the single largest climate partnerships to date. With the JETP's aim primarily on renewables capacity boost, Indonesia could potentially free up more natural gas for LNG exports.

Europe

The European Commission (EC) is drafting a proposal for a temporary price cap on front-month TTF prices to prevent excessive prices [15]. A draft document says the cap, or "market correction mechanism," would apply for one year but that it may be extended if necessary.

The demand-supply balance will be tight next winter in most north-western European power markets [16] because of lower availability of nuclear power plants in France, lower hydro levels across Europe and further risks to gas supplies, according to a research note released last week by ratings agency Moody's. Southern Europe is better placed in terms of power supply because of abundant renewable generation and more access to LNG imports, Moody's said.

Germany – Germany is ready to receive its first LNG imports after the completion of construction works [17] at the port of Wilhelmshaven, the Lower Saxony state government announced last Tuesday. The works were completed in record time, with Wilhelmshaven set to host two of five floating storage regasification units backed by Germany's federal government.

Securing Energy for Europe GmbH (SEFE), the company formerly known as Gazprom Germania, has officially been nationalised by the German state [18] following a EUR 225.6 million (USD 234.78 million) injection of share capital into the company. The move is a bid to prevent bankruptcy and ensure security of supply as SEFE has a significant share in the German gas supply market through its subsidiary Wingas.

Finland – In a statement last Thursday, Gazprom Export said that the Stockholm arbitration tribunal has recognised Vladimir Putin's decree of switching to ruble gas payments a circumstance of force majeure, with the court also ordering Gasum to pay Gazprom Export a debt of over EUR 300 million [19]. The Swedish court also ordered the pair to continue negotiations to resolve their contractual dispute.

Sweden – Traces of explosives have been discovered at the site of the damaged Nord Stream 1 and 2 pipelines [20], a Swedish prosecutor said last Friday, adding that the September incident on the gas pipelines was caused by "gross sabotage".

International

Engineering firms Technip Energies and Baker Hughes are teaming up to develop a new onshore modularised liquefaction solution [21], Technip confirmed last Thursday. The development of the over 1 and up to 2 mtpa solution is aimed at expediting the development of liquefaction growth to meet soaring LNG demand.

UK

The UK government has increased the windfall tax for oil and gas companies from 25% to 35% [22] and extended its duration from the end-2025 to March 2028, Chancellor Jeremy Hunt announced in the Autumn Statement last Thursday. The government also announced a windfall tax on electricity generators and a 15% energy savings target by 2030.



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