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## Contents

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# Gas Matters Today | news roundup | w/c 15 February 2021

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[1]

## International

BlackRock, the world's largest asset manager, has called on companies to lay out their plans to reach net zero by 2050 [2], after warning it will use its clout to vote in favour of sustainability-focused shareholder proposals. Sources speaking to Gas Matters Today said the pledges signal growing momentum around ESG values in the investment community.

Lukoil has launched a takeover bid for troubled Australian oil firm FAR [3], a move that would give the Russian company a foothold in Senegal and potentially scupper Woodside's plan to increase its stake in the deepwater Sangomar oil and gas field. Woodside, which previously fended off Lukoil's bid for Cairn's interest in Sangomar, said the Russian firm's proposed takeover of FAR will not trigger US sanctions on the deepwater project.

Eni has become the latest European energy major to raise its climate target [4], after vowing last week to become carbon neutral by 2050. Eni will fully decarbonise all of its "products and processes by 2050," the firm's CEO Claudio Descalzi said on Friday, adding that the strategy "is a target, not an aspiration".

## ?Asia Pacific

**Japan** – Electricity prices surged last weekend after a major earthquake off the coast of Fukushima Prefecture [5] forced almost 8 GW of thermal generation capacity offline – just weeks ahead of the 10-year anniversary of the 2011 Fukushima disaster.

**Malaysia** – Petronas is on track to deliver its first cargo from its second FLNG facility [6] by the middle of March, after recently producing first LNG volumes from the PFLNG Dua, the firm announced last Monday.

## ?Australasia

**Australia** – New sources of gas supply and related infrastructure will be required to avoid a potential shortfall on Australia's east coast [7] from 2026, and from as early as 2024 in the southern states, the Australian Competition & Consumer Commission said last week.

Woodside has signed an SPA, under which RWE Supply & Trading will take 0.84 mtpa [8] for seven years starting in 2025, in a deal that the Australian firm said “demonstrates momentum” ahead of its proposed FID on the Scarborough and Pluto Train 2 project.

## ?Europe

**Belgium / France / Netherlands** – Engie and Equinor have launched an initiative to investigate the potential for developing blue hydrogen value chains [9] in Belgium, Netherlands and France but the companies have yet to decide on a site to store captured CO<sub>2</sub>.

**Portugal / Spain** – Spanish renewable energy firm Acciona and Plug Power of the US, a leading manufacturer of hydrogen fuel cells and hydrogen fuel, have signed an MOU to establish a 50:50 JV with the intention capturing a 20% share in the green hydrogen business [10] in Spain and Portugal by 2030.

**Spain** – Lightsource BP has strengthened its position in Spain after buying an 845 MW solar portfolio [11] from local developer Iberia Solar, giving the 50:50 JV between BP and Lightsource a solar portfolio under development in Spain amounting to around 2.25 GW.

Separately, in a flurry of activity in the renewables sector [12], Eni announced the acquisition of three solar PV projects just comes days after Iberdrola said it planned to invest over USD 1 billion to develop the first industrial-scale floating offshore wind farm in Spain.

## ?Mediterranean

**Israel** – Plans to supply a Gaza power plant with Israeli gas [13] are moving closer to approval, according to Qatari envoy Mohammad al-Emadi, who reportedly said that a supply agreement between Delek and the Palestinian Authority will receive approval within six months.

## ?North America

**Mexico / US** – The worst US energy crisis in the recent history [14] spilled into Mexico last week, with curtailments of US gas exports leaving 4.7 million homes and businesses without power and prompting Mexican state-owned utility CFE to issue a tender for two LNG cargoes.

**Canada** – Shell has further downscaled its asset portfolio in Canada [15] after agreeing to sell its Duvernay shale assets, which currently produce around 30,000 boe/d of oil and gas, to Calgary-based Crescent Point for USD 707 million.

TC Energy has warned of significant cost increases and delays for the 2.1 Bcf/d Coastal GasLink pipeline [16], which will feed the Shell-led LNG Canada project in British Columbia, suggesting the line may not be completed by 2023 due to the impact of Covid-19.

**US** – Texas' electricity TSO commenced [17]rolling blackouts [17] last week amid expected record power demand as a severe winter storm took half of the Lone Star State's wind generation offline, shut-in oil and gas wells and impacted gas and LNG exports.

Continental Resources, the largest shale oil producer in the Bakken play, has increased its proposed capex and production target [18] for 2021, bucking the growing trend of US shale players prioritising capital discipline over production growth in the wake of the Covid-19 pandemic.

Freeport LNG was shutting down liquefaction Trains 2 and 3 [19] at its LNG plant in Texas, the company announced last week, after Texas governor Gregg Abbott's office reportedly requested both Freeport LNG and Cheniere to reduce power and gas intake as the state battles to restore power amid a severe winter storm.

Texas governor Greg Abbott issued an order last Wednesday banning [20]Texan producers from exporting gas [20] until 21 February in a bid to shore up the state's power supply, although it is unclear if the order included a ban on LNG exports.

Midstream company Energy Transfer has agreed to acquire Enable Midstream Partners [21] in a USD 7.2 billion deal, as Energy Transfer moves to capitalise on an expected uptick in US gas production while legal battles continue over the Dakota Access crude pipeline.

## ?South Asia

**Sri Lanka** – The country's "revamped" electricity regulator has reportedly given a green light to Sri Lanka's largest independent power producer, Lakhdanavi Ltd, to build a 300 MW LNG-fired power plant [22], after approving a power purchase agreement between state-owned Ceylon Electricity Board and the private power producer.

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