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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
subscriptions@gasstrategies.com



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[1]

UK

The UK government is preparing to take over the UK retail arm of Gazprom [2] as customers are deserting the company due Russia's invasion of Ukraine. The company, which is a subsidiary of Gazprom Marketing and Trading (GM&T), has been active in the UK for 16 years and is one of the country's main gas suppliers to industries.

Russia & CIS

Russia – Industrial gas and engineering company Linde is suspending all business development for new projects in Russia [3] and winding down projects that are affected by international sanctions. The move has raised questions over Linde supplying technology for Gazprom's Ust-Luga gas and chemicals cluster on Russia's Baltic coast.

Arctic LNG 2 stakeholder TotalEnergies has announced that it will "not provide any more capital" for the project [4] in light of Russia's invasion of Ukraine. The announcement raises further questions over whether the facility will start-up as planned next year, with any delay set to exacerbate an already tight LNG market.

Several European firms and politicians rejected Russian president Vladimir Putin's demand that Russian gas must be paid for in rubles

[5]. Putin ordered that plans be implemented “in the shortest possible time” and said that 48 “unfriendly countries” including EU nations, the UK, South Korea, Japan and Taiwan – will need to pay for Russian gas in rubles.

Asia Pacific

Japan – Japan’s government issued a blackout alert on Tuesday last week, marking the first time Tokyo has issued such a warning [6], amid tight supply due to several thermal power plants remaining offline following last week’s earthquake and unseasonably cold weather. Households and businesses in the Tokyo and Tohoku regions were asked to limit electricity consumption in a bid to avoid unplanned outages.

Japan’s Tohoku Electric is reportedly seeking a spot LNG cargo for April-May with a clause requesting that the cargo not originate from Russia [7]. This may be the most explicit contractual ban on Russian LNG to date, and signals that it will be harder for Russian cargoes to find a home.

Japan has said it plans to scale down its reliance on Russian energy, but oil and gas projects in Sakhalin, in which the Japanese government and companies have stakes in, remain “important” for its energy security [8], the country’s top government spokesman was quoted as saying by Reuters on Friday.

Europe

Energy firms across Europe are looking to launch a number of new floating LNG projects and capacity expansions at existing terminals in response to concerns over Russian supply and price volatility. The projects could boost LNG import capacity in southern, north-western and eastern Europe significantly [9] over the next couple of years.

The Trans-Adriatic Pipeline (TAP) is examining the possibility of doubling the capacity of the 10 Bcm/year pipeline [10] amid Europe’s plans to phase out Russian gas supplies before 2030. This comes amid confirmation earlier this month that the pipeline delivered 10 Bcm of gas to Europe, with the milestone achieved 14 months after TAP came online.

The European Commission on Wednesday came forward with a legislative proposal for introducing minimum gas storage obligations [11] as well as a mandatory certification system ostensibly in a move to take control of Gazprom’s storage assets.

Germany - The German government held talks with QatarEnergy to discuss long-term LNG supply [12]. The meeting comes after the German government decided to support and fast-track two LNG import facilities in the country, in a move to reduce the dependence on Russian gas following the war in Ukraine.

The Hanseatic Energy Hub (HEH) invited companies to submit an Expression of Interest (EOI) [13] for capacity bookings at the planned 12 Bcm/year Stade LNG import terminal near Hamburg in northern Germany.

Shell is looking to book a “substantial part” of the proposed German-based Brunsbüttel LNG terminal’s capacity [14], the terminal developer said when announcing the signing of a memorandum of understanding (MoU) with the European energy major.

Belgium – The Belgian government plans to extend the lifetime of two nuclear reactors [15] for 10 years until 2035 under a revised energy plan drawn up in response to volatile fossil fuel prices. The decision to

prolong Tihange 3 and Doel 4's lifetime was to strengthen fossil fuel independence "in a chaotic geopolitical context".

Italy - Italy's Minister for Ecological Transition, Roberto Cingolani, has asked grid operator Snam to negotiate the purchase of one floating storage regasification unit [16] (FSRU) and the hire of a second FSRU. Italy already boasts 3 LNG terminals, including one FSRU, but wants to reduce dependence on Russian gas imports following the war in Ukraine.

Spain - Spain has opened the door for reviving a trans-Pyreanean gas interconnection with France [17], the Midcat pipeline, which potentially could allow Europe to make better use of Spain's six LNG terminals. The EUR 3.1 billion (USD 3.4 billion) EU-backed project was previously shelved in early 2019 owing to cost and a perceived lack of commercial viability.

France - Patrick Pouyanné, the CEO of TotalEnergies, has signalled that the company will not exit its minority stakes in Russian LNG assets [18] unless called for by government sanctions. TotalEnergies is a minority stakeholder in Yamal LNG (20%) and Arctic LNG 2 (10%) and has a 5 mtpa offtake contract for 21 years and a 0.9 mtpa contract for one year of Russian LNG. The latter contract would not be renewed, Pouyanné told a company presentation last week.

Middle East & Africa

Saudi Arabia - Saudi Aramco vowed to lift its capital expenditure by 25-50% compared to 2021 [19], with the firm stating that the move is in line with its belief that "substantial" investment is required to meet demand growth and address the broader decline in upstream investment globally.

North America

US – The US administration has said it will "strive to ensure" that Europe receives an additional 15 Bcm (11 mt) of LNG in 2022 [20], with a long-term goal of supplying around 50 Bcm/y (36.75 mt) to the continent. At the moment, the US is the main supplier of LNG to the EU, followed by Qatar, and Washington has pledged to ramp up supply further.

NextDecade could sign its first supply and purchase agreement (SPA) [21] since April 2019 during the next quarter after the US LNG player penned a binding heads of agreement (HoA) with Guangdong Energy. NextDecade announced the binding HoA on Thursday, with Guangdong Energy looking to take 1.5 mtpa under a 20-year term, with a firm deal set to make Guangdong Energy the first Chinese customer to purchase volumes from the proposed Rio Grande LNG plant in Texas.



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