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[1]

## Europe

**Norway** – The strike action in the Norwegian oil and gas sector was terminated after the government proposed compulsory pay arbitration [2]. The strike, which lasted just one day, could have halted over half of Norwegian gas exports to Europe from Saturday 9 July if continued.

**Netherlands** – Shell has taken a final investment decision on its first electrolyser project in the Netherlands, [3] with the 200 MW electrolyser forming the centrepiece of Europe's largest renewable hydrogen plant, according to the energy major.

The Dutch government has welcomed news that almost all the import capacity of the new LNG import terminal in the port of Eemshaven has been signed up, [4] paving the way for a significant reduction in Europe's dependence on Russian pipeline gas later this year.

**France** – The French government is planning to nationalise debt-laden utility EDF [5], the country's prime minister Elisabeth Borne told parliament last Wednesday. The news sent the French firm's share price soaring.

**Germany** – Government bailouts of struggling energy companies and emergency gas price adjustment measures are among a package of proposals agreed by Germany's Federal Cabinet [6] as the country braces itself for a worsening of the energy crisis precipitated by Russia's war in Ukraine. These latest

measures – which will add to the “toolbox” of measures already in place – are being rushed through parliament, probably by the end of this week.

**Italy** – TSO Snam has snapped up a 5 Bcm/year floating storage and Regasification Unit (FSRU) from global shipping company BW LNG [7] for ~USD 400 million, which it says can become operational from the third quarter of 2024. The deal complements two FSRU deals with Golar and would take the number of LNG import facilities in Italy to six in total by 2024.

Both natural gas and nuclear power now look set to be included in the EU’s Taxonomy Regulation [8] after the European Parliament did not object to the Delegated Act proposed by the European Commission. This means new gas-fired power plants, in theory at least, will be classified as sustainable investments under the Taxonomy Regulation in a transition period although operators must switch to renewable or low-carbon gases from the mid-2030s.

**Greece** – The EU-backed 3 Bcm/year Interconnector Greece-Bulgaria (IGB) was officially opened in the Greek city of Komotimi on Friday [9], paving the way for more LNG flowing from Greece’s Revithoussa terminal and the Trans Adriatic Pipeline (TAP) to Bulgaria this winter. Bulgaria, which had its gas supply from Russia completely cut off in April, will also be able to import LNG from the Alexandroupolis floating storage regasification unit (FSRU) which is expected to commence operations by the end of next year.

Asia Pacific

**Indonesia** – Indonesian gas transmission and distribution company Perusahaan Gas Negara (PGN) has taken a step forward in its ambition to grow into an international integrated energy business focused on natural gas by agreeing a partnership centring on LNG sales with Gunvor, [10] a leading independent trader. PGN entered into a Master Sales and Purchase Agreement (MPSA) and Confirmation Notice (CN) for the supply of LNG to Gunvor.

## South Asia

**Pakistan** – State-owned Pakistan LNG (PLL) issued a tender seeking 10 spot LNG cargoes for delivery over July-September [11], with the launch of the tender coming days after the firm scrapped a tender due to the price of the single bid received. It remains to be seen if PLL will purchase any cargoes as spot prices have increased since the company cancelled its last tender, with the 10 cargoes expected to cost over USD 1 billion.

## Mediterranean

**Israel** – Israel’s defence forces shot down three drones allegedly launched by Lebanese militant group Hezbollah towards the Karish gas field [12] in the Eastern Mediterranean over the first weekend of July, according to several sources. The Karish field, developed by London-listed Energean, is expected to start production in Q3’22, however resolving the maritime border dispute with Lebanon seems key for Israel to expand production significantly in the East Med.

## Russia & CIS Region

**Russia** – Russia is planning to set up a ruble payment system for LNG shipments [13] similar to that for pipeline gas, according to media reports. A tight global LNG market and high spot prices may force importers, also in Asia, to give in to the demands.

Russia has reportedly pledged to increase gas supplies to Europe if a turbine for the Nord Stream 1 (NS1) pipeline – sent by Siemens to Canada for maintenance – is returned [14]. The pledge comes shortly after Germany's Economy Minister Robert Habeck reportedly asked the Canadian government to return the turbine, stuck in the North American nation due to Russian sanctions, before maintenance work on NS1 begins on Monday.

## North America

**US** – China Gas penned its second long-term supply agreement for US LNG [15], with the firm signing up for volumes from NextDecade's proposed Rio Grande LNG (RGLNG) plant in Texas. The deal is the fourth signed between Chinese firms and US LNG players since the start of the war in Ukraine, with Chinese firms having signed up for 5.9 mtpa since early March, compared to 9 mtpa of US LNG secured by European buyers over the same period.

NextDecade netted a third Chinese buyer, with Guangdong Energy penning a 20-year supply deal for up to 1.5 mtpa [16] from the proposed Rio Grande LNG plant. The SPA moves NextDecade one step closer to a final investment decision on its maiden liquefaction plant.

**Mexico** – Gas-to-power player New Fortress Energy (NFE) has advanced its goal of being a major liquefaction player after selling a majority stake in its LNG fleet [17] to a new joint venture the firm has established with global investment firm Apollo. NFE said it will use the proceeds to fund its Fast LNG business, with the US firm announcing on Tuesday that has agreed with Mexico's state-owned energy firms CFE and Pemex to develop floating liquefaction projects.

## International

Market turmoil in the form of record high prices and unpredictable supply disruptions are damaging the reputation of natural gas [18] as a reliable and affordable fuel, says the International Energy Agency in its latest gas market report – putting the blame squarely on Russia. It forecasts that global gas consumption will consequently decline this year and grow much more slowly than previously forecast during 2023-25.

## Middle East

**Qatar** – Shell is the latest international energy company to be selected as a partner in QatarEnergy's North Field East (NFE) expansion project [19] – the largest single LNG liquefaction project ever to be sanctioned. The USD 28.8 billion project, expected to start production in 2026, will expand Qatar's export capacity from 77 mtpa today to 110 mtpa in the second half of the 2020s.

## UK

Proposed new offshore wind power projects around the coast of the UK will be paid GBP 37.35/MWh for the electricity they generate following the conclusion of the government's fourth round of renewables auctions, [20] the most successful so far in terms of the amount of new capacity secured. This compares with GBP 42.47/MWh for onshore wind and GBP 45.99/MWh for solar photovoltaic (PV) projects.



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