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UK

The Energy Security Taskforce, launched by former Prime Minister Liz Truss at the beginning of her short-lived tenure, has been scrapped by her successor Rishi Sunak, Downing Street has confirmed [1]. The objective of the taskforce was to investigate a number of alternatives for meeting the UK's energy security needs including securing long-term contracts with domestic and international suppliers.

Europe

The 27 EU nations have agreed a temporary price cap of EUR 180/MWh (USD 191.2/MWh) for TTF front-month derivative contracts [2]. The price cap, which will apply from February 2023, is set at a significantly lower threshold than the European Commission's (EC's) original proposal to cap TTF prices at EUR 275/MWh.

The EU's decision to introduce a temporary price cap of EUR 180/MWh (USD 191.15/MWh) for front-month TTF derivative contracts has prompted fears that market liquidity will dry up and that competition from Asia for LNG cargoes will get stronger [3]. At the same time, European importers continue to sign long-term LNG agreements with US suppliers with NextDecade announcing that Portugal's Galp Energia will take 1 mtpa from its planned Rio Grande liquefaction project in Texas for a period of 20 years.

Russia's invasion of Ukraine has prompted policy makers to intervene in energy markets [4] to an extent never before thought possible. Embargoes on Russian coal and oil, price caps on TTF gas, joint purchasing of gas for storage injections, as well as mandatory storage levels and demand reduction in electricity, are some of the laws adopted this year.

Germany – The European Commission (EC) has approved Germany's multi-billion recapitalisation plans for struggling utility Uniper and Securing Energy for Europe (SEFE) [5], the latter which was formerly known as Gazprom Germania. The EC's approval for Uniper's EUR 34.5 billion (USD 36.6 billion) rescue package is subject to Uniper selling its interests in a number of assets including its 20% stake in the OPAL, the pipeline which connects Czechia with the damaged Nord Stream 1 pipeline.

Norway – The Norwegian energy ministry has received a development plan [6] for Berling, a new gas and condensate field in the Norwegian Sea to be operated by Austria's OMV. Running parallel, an Equinor-led consortium announced a NOK 13.2 billion (USD 1.34 billion) plan to upgrade Hammerfest LNG in a move to see the plant continue high levels of exports beyond 2030.

Finland – Finland is awaiting the arrival of a floating storage and regasification unit (FSRU) that will help to replace gas supplies previously imported from Russia [7]. Gas from the FSRU is expected to begin flowing before the end of year, according to state-owned gas company Gasgrid Finland.

Bulgaria – Turkey and Bulgaria are negotiating a deal for 1 Bcm/y of gas [8] to be supplied by Turkey's state-owned company BOTAS. The deal is expected to be signed by year-end and could improve Bulgaria's access to new sources of energy after the loss of volumes from Gazprom in April.

Middle East

Qatar – Qatar has reacted angrily to allegations that it bribed people with cash and gifts to influence decisions in the European Parliament [9], in a corruption scandal dubbed by the media as “Qatargate”. A diplomat of Qatar's mission to the EU has reportedly said that the events will affect ongoing discussions around global energy security.

Mediterranean

The proposed merger of UK-based oil and gas independent Capricorn Energy with Israeli energy company NewMed Energy was called into question when an activist investor called for a shareholder vote [10] on replacing most of the directors on the Capricorn board. The merged entity is expected to double production by 2030, if the deal goes ahead, with growth driven by fields in Israel and Egypt, according to Capricorn.

Australasia

Australia – Privately-owned Australian company Western Gas signed two non-binding agreements with the North West Shelf and Pluto LNG projects [11] to link up to 3 mtpa of gas from its Equus Gas project for LNG exports and to supply the Western Australia (WA) market from 2027. Running parallel, Santos has been granted conditional clearance from the National Native Title Tribunal to proceed with its Narrabri coal seam gas project in New South Wales (NSW).

The Prelude floating LNG (FLNG) facility offshore Australia suffered another shutdown following what operator Shell described as a “small fire” [12]. It is the latest in a series of incidents that have interrupted production at the world's largest FLNG project since it started up in 2019.

Australia ends 2022 with a new government, new climate policies and measures that begin to tackle a seemingly never-ending string of domestic energy crises. It was a year when the nation's politics finally caught up with the mood [13] of an electorate fed up with government intransigence towards the threats of extreme weather events on a large scale.

Asia Pacific

Japan – Japan has reportedly adopted a plan to accelerate the restarts of nuclear power plants [14], extend the lifespan of reactors beyond 60 years as well as developing new facilities. This comes as Prime Minister Fumio Kishida has signalled a change in the country's nuclear power policy for a while, over a decade after the Fukushima disaster led to plants being shut down for long periods or being permanently retired.

North America

US – Fifteen years ago – when natural gas production in the United States seemed to be in inexorable decline [15] – it was unthinkable that the US would one day become the world's largest exporter of LNG. Yet that is what happened in 2022, despite one of the US's largest LNG plants, Freeport LNG, being

entirely out of action for the second half of the year because of a fire and explosion in June.



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