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[1]

## UK

The UK Emissions Trading Scheme Authority last Monday announced a package of reforms to the country's Emission Trading Scheme (ETS) [2] with a tighter cap on allowances from 2024. Additionally, the Authority said it will also expand the scheme to other sectors, such as the maritime and waste, albeit in a phased manner.

Energy suppliers in Great Britain were warned last Tuesday by gas and electricity regulator Ofgem that they should refrain from paying dividends to shareholders [3] until they are sufficiently financially resilient. The regulator said it was "ready to act" against companies that do not prioritise financial resilience as the sector returns to profitability for the first time since 2018.

## Mediterranean

**Israel** – The partners in the Leviathan reservoir in the Levant Basin offshore Israel have reached final investment decision (FID) on a USD 568 million pipeline [4] to boost sales to local and regional markets. The subsea pipeline marks the first major investment in the second development phase of the Leviathan project.

## Europe

The transmission system operator of the natural gas interconnector between Greece and Bulgaria – the IGB pipeline – has launched a process to assess market interest in expanding the capacity [5] of the line from 3 Bcm/year to 5 Bcm/year. The non-binding market test will run until late August this year and the aim is to determine whether there is sufficient interest to justify the additional investment that would be needed.

The lower house of the German parliament last Friday backed a draft law aimed at speeding up the build out of LNG infrastructure [6] in the country. The draft legislation lends support to faster permitting and the development of two additional floating storage regasification units (FSRUs) on the Baltic Sea, in the port of Mukran.

**Italy** – Italy has submitted a revised National Energy and Climate Plan (NECP) to the European Commission (EC) [7] which outlines a reference scenario to cut gas consumption by 17% and to install 75 GW of additional renewables capacity by 2030. Italy is one of six EU nations that submitted the revised NECP by the final deadline which expired on Friday two weeks ago.

Romania – Romania's energy producer Black Sea Oil & Gas (BSOG), together with partners in its offshore Midia Gas Development (MGD), last Tuesday announced the start of the permitting process for an offshore power corridor [8] in the Black Sea to connect a planned 3 GW offshore wind farm to the Transelectrica national power grid (SEN). With this announcement, BSOG is betting on Romania to soon adopt new legislation for offshore wind in order to improve regulatory clarity.

**Austria** – Vienna-based oil and gas company OMV last Wednesday announced that it had secured around 40 TWh (4 Bcm) of cross-border transmission capacity [9] annually on border points with Germany and Italy until November 2028. The announcement comes as Austria is trying to accelerate efforts to reduce dependence on Russian gas and diversify imports.

## North America

**US** – A proposed mid-scale greenfield LNG export project in Louisiana under the name of Gulfstream LNG has secured a US Department of Energy (DOE) permit [10] to export LNG to countries with which the US has a free trade agreement (FTA) - despite opposition from green groups who want the project stopped. The company's CEO confirmed to Gas Matters Today that the final investment decision is expected in 2025/26, and exports are to commence in 2029.

Engineering contractor Bechtel has ordered refrigeration equipment with liquefaction capacity of 17.6 mtpa for NextDecade's Rio Grande LNG project [11] in Texas. The order comes in at around the same time that a final investment decision (FID) on the project is expected, which NextDecade has previously said would happen in early July.

## Australasia

**Australia** – Australian LNG exports are expected to fall in 2024-25 as LNG facilities on the north and west coast face delays [12] in backfilling their operations with gas from new fields, according to a quarterly report released last Monday by Australia's Department of Industry, Science and Resources. The report also noted that Australia's earnings from LNG are forecast to decline considerably after 2022–23, as

global energy markets reorganise further in response to Russia's invasion of Ukraine.

## Asia Pacific

**Vietnam** – PetroVietnam Gas (PV Gas) has been holding talks with Russia's Novatek and US energy major ExxonMobil [13] to discuss co-operation in LNG supply, development of gas-to-power projects, and upstream oil and gas projects. This comes as Vietnam is just days away from starting up its first LNG import terminal.

## International

Zhejiang Energy and Mexico Pacific last Wednesday announced that they have signed a sales and purchase agreement (SPA) [14] for the Chinese firm to offtake 1 mtpa of LNG from the planned Saguario Energia LNG facility, to be located in Sonora in northwest Mexico. Zhejiang Energy is the second Chinese firm to sign an agreement with Mexico Pacific after the Guangzhou Development Group agreed to offtake 2 mtpa of LNG from the project in March.

Gazprom CEO Aleksey Miller said last Thursday that the Kremlin would be left with no options but to retaliate [15] should Naftogaz continue pursuing arbitration against Gazprom in the US over expropriation of its Crimean assets after the annexation in 2024. This comes amid growing concerns that the transit contract between Ukraine and Russia, which expires by the end of next year, will not be renewed.

## Africa

**Nigeria** – Nigeria's President Bola Ahmed Tinubu last week said the government will support local player UTM Offshore [16] and its partners Technip Energies and JGC in developing the proposed floating LNG (FLNG) facility in the offshore Yoho gas field and to remove all regulatory obstacles to its implementation. The announcement comes amid an acceleration of activity from local companies in Nigeria's energy sector which contrasts with the traditional role of international majors.

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