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## <sup>[1]</sup>**Australasia**

**Australia** – Unions in Australia notified Chevron last week that they would begin industrial action at the Gorgon and Wheatstone LNG facilities <sup>[2]</sup> – starting on 7 September – that could potentially threaten up to 7% of global LNG supply. European gas prices once again spiked, having fallen in recent weeks on the news that Woodside Energy had reached an agreement with unions, averting industrial action at the offshore platforms that supply gas to the North West Shelf LNG project.

Electricity consumers in the states of South Australia and Victoria face a higher risk of power shortages <sup>[3]</sup> this coming summer than in recent years, according to a ten-year reliability outlook published last Thursday by the Australian Energy Market Operator (AEMO). The AEMO's central scenario also raises concerns that reliability risks may increase before the end of this decade in New South Wales, South Australia and Queensland.

## **Asia Pacific**

**China** – China's electricity demand is forecast to reach 9,800-10,200 TWh in 2025 <sup>[4]</sup>, which would be an increase of 13.5-18.1% from last year's record consumption of 8,637 TWh, according to the China Electric Power Planning and Engineering Institute (EPPEI). Power consumption is also on the rise this year amid extreme heat which has forced some of the China's major industrial provinces to ration electricity.

## Middle East

**Oman** – Oman LNG announced last Wednesday that it had signed binding sales agreements to supply Shell and OQ with 0.8 mtpa each [5], extending its binding post-2024 sales to 8.7 mtpa – or more than 76% of the three-train project's debottlenecked nameplate capacity. The latest deals in a series that began in December 2022 further bolster the project's future as existing long-term contracts expire around the middle of this decade.

## North America

**US** – The first-ever offshore wind power auction for the Gulf of Mexico [6] region attracted only one bid last Tuesday, with Germany's RWE securing the Lake Charles lease area offshore Louisiana. The two Galveston lease areas offshore Texas did not receive bids. RWE secured the 102,480-acre Lake Charles Lease Area in Louisiana, after submitting a USD 5.6 million bid.

The California Public Utilities Commission (CPUC) last week on Thursday approved a proposal to temporarily increase the allowed capacity of the state's largest natural gas storage facility [7] – Aliso Canyon – to avert a re-run of last winter's gas and electricity price spikes. The Commission said its decision could lead to savings of USD 200-450 million for gas customers during the 2023-2024 winter, with electricity customers also benefiting because gas-fired generators often set the price of power.

## UK

UK energy regulator Ofgem has introduced rules aimed at preventing power generators from inflating energy prices [8] at peak times, it announced last Thursday. The new rules have been introduced after balancing cost in the UK power market increased sharply to GBP 1.5 billion (USD 1.9 billion) in the period November 2021-February 2022. A new measure called the Inflexible Offers Licensing Condition (IOLC) would involve creating a more balanced cost structure from this winter onward, according to Ofgem.

## Europe

**Norway** – Norway's ministry of petroleum and energy last Tuesday announced it has received applications from 25 companies in connection with its Awards in Predefined Areas [9] (APA) licensing round which encompasses mature areas on the Norwegian Continental Shelf (NCS). The aim is to award new production licences in the areas at the beginning of 2024, the ministry said. A total of 78 blocks in the western part of the Barents Sea and 14 blocks in the north-west of the Norwegian Sea were offered in Norway's latest APA round in May.

**Poland** – Polish utility Polska Grupa Energetyczna (PGE Group) last Tuesday presented a plan to phase out unabated gas and coal in power generation [10], by 2030 and 2040 respectively, and to scale up investments in renewable energy. The company also said it has brought forward its net-zero carbon target by 10 years to 2040 and that it plans to invest USD 30 billion in green technologies. The PGE Group said it will stop using coal for power generation and heating by 2040, as well as fully substitute natural gas use with hydrogen by 2030.

**Germany** – Germany's net gas imports fell by around 18% year-on-year in the first half of 2023 [11], data released by utility association BDEW showed. The data also confirmed that the US was the largest LNG supplier to the country's three floating import terminals in the first eight months of the year while Norway

was the main supplier of pipeline gas. Germany imported 405 TWh (41 Bcm) of gas in the first half of 2023 compared with over 490 TWh in the same period last year, according BDEW. In 2021, the imported volumes for the same period stood at 470 TWh.

The UK government-funded Net Zero Technology Centre (NZTC) has outlined plans for a GBP 2.7 billion (USD 3.4 billion) green hydrogen pipeline [12] that would connect Scotland's east coast with Emden in Germany. The new 10 GW pipeline could enable Scotland to meet up to 10% of Europe's projected hydrogen import demand by the mid-2030s, according to NZTC.

## Russia & CIS Region

**Russia** – Russia's state-owned Gazprom said last Tuesday in its half-year unaudited earnings report that net profit plunged by 88% year-on-year [13], following the collapse of gas exports to Europe and a weaker rouble. The decline in exports to Europe was partially offset by an increase in supplies to China, the company said. Net profit related to the shareholders of Gazprom for H1'23 totalled RUB 296 billion (USD 3.1 billion) compared with RUB 2.5 trillion in the same period last year.



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