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## **International**

After a decade of expansion, growth in global demand for natural gas is expected to slow in the coming years [1] as consumption declines in mature markets, according to the IEA's Gas 2023 Medium-Term Market Report released last Tuesday. An accelerated rollout of renewables and improved energy efficiency are among the key drivers behind the downward trend for natural gas, the report stated.

QatarEnergy and TotalEnergies have signed two long-term LNG sale and purchase agreements [2] (SPAs) for the supply of up to 3.5 mtpa of LNG from Qatar to France. The LNG will be delivered ex-ship to the Fos Cavaou LNG receiving terminal in southern France, with deliveries expected to start in 2026 for a term of 27 years, the companies announced last Wednesday.

More than three-quarters of methane emissions from oil and gas operations and half of emissions from coal can be abated [3] with existing technology, often at low cost, the International Energy Agency (IEA) said in a report released last week on Wednesday. Targeted actions to tackle methane emissions from fossil fuel production and use – such as by eliminating routine venting and flaring and repairing leaks – are essential to limit warming to 1.5 degrees Celsius, the report said.

## **Asia Pacific**

**China** – Carbon capture, utilisation and storage (CCUS) will be essential for decarbonising China's vast thermal coal generation fleet, [4] most of which was built in recent years and will therefore remain in use

for decades to come, a researcher from one of China's duopoly power grid operators said at an event in Beijing last Thursday. Most CCUS projects in China are at the pilot stage, but the country is preparing to develop industrial clusters for large-scale, full-chain projects.

## Australasia

**Australia** – The proposed acquisition of Australian utility Origin Energy by Brookfield and MidOcean Energy was last Tuesday authorised by the Australian Competition and Consumer Commission [5] (ACCC) in what the regulator described as a “finely balanced” judgement that required conditions to be imposed. ACCC said it had concerns over reduced competition arising from the acquisition, particularly in the electricity sector.

## North America

**US** – ExxonMobil and Pioneer Natural Resources last Wednesday confirmed their expected merger in an all-stock transaction [6] – valued at USD 59.5 billion – that re-shapes the landscape of the Permian Basin, one of the most important hydrocarbon resources in North America. When the transaction closes, expected in the first half of 2024, ExxonMobil's Permian production will double to 1.3 mboe/d – increasing to around 2 mboe/d in 2027.

The EIA predicts US natural gas exports will reach an annual record of 12.8 Bcf/d in 2023 [7] on the back of a 20% year-on-year increase, it said in its October Short-term Energy Outlook (STEO). Increases in LNG exports and pipeline exports to Mexico will drive the overall increase in net gas exports, while natural gas imports will decline from 2022, EIA said.

The US administration has selected seven regional hydrogen hubs that will receive USD 7 billion [8] in funding under the Bipartisan Infrastructure Law in a move to accelerate the domestic market for clean hydrogen. Collectively, the hubs aim to produce more than 3 mtpa of hydrogen by utilising electrolyzers and carbon capture technologies, potentially achieving nearly one third of the 2030 US hydrogen production goal.

## UK

Great Britain's regulator Ofgem said last Thursday it was considering whether to add a one-off adjustment to the energy price cap [9] for households to reduce the risk of suppliers going bust as a result of unrecoverable debt. Ofgem said it had obtained figures which show that energy debt among consumers reached GBP 2.6 billion (USD 3.2 billion) this summer – its highest ever level – due to a combination of the rise in wholesale energy prices, and wider cost of living pressures.

## Europe

Ministers in the Council of the EU last Monday formally adopted the revised Renewable Energy Directive [10] (RED) which set out a 42.5% target for renewables in final energy consumption by 2030, up from the current target of 32%. The revised directive also sets a target of 42% renewable hydrogen in industrial hydrogen consumption by 2030, albeit with caveats.

**Finland** – The natural gas transmission system operators (TSOs) in Finland and Estonia last Sunday launched an investigation into a suspected leak [11] on the Balticconnector pipeline that links the two countries. If damage to the pipeline is found, repair work may take at least several months, the TSOs

said. The decision by Gasgrid Finland and Estonian TSO Elering follows “an unusual drop in pressure” in the offshore interconnector. Later in the week it was announced that damage to the gas pipeline was likely caused by “external activity”, [12] Finnish prime minister Petteri Orpo said.

**Bulgaria** – Bulgaria imposed a levy on Russian gas imports and transit [13] with immediate effect last Friday. This comes amid strong volatility in the European gas market and all eyes are now on how Moscow will react to the move. A decree published in Bulgaria’s State Gazette said levies would be collected for the import and transit of natural gas originating in Russia.

## Mediterranean

**Israel** – Israel’s government last week ordered a halt to supplies from the Chevron-operated Tamar gas field [14] in the Mediterranean Sea due to the tense security situation in the country. The government also declared a state of emergency in the natural gas sector in order to ensure supplies to end-users, it said. Due to the tense security situation following the attack by militant group Hamas, the security division of Israel’s energy ministry ordered to temporarily stop the supply of natural gas from the Tamar gas field.

## Africa

**Mozambique** – TotalEnergies – which leads the stalled Mozambique LNG project in southern Africa – last week issued a rebuttal against allegations that it was responsible for involuntary manslaughter [15] and failing to assist people during terrorist attacks that led to work being suspended on the project in 2021. The company also reiterated that it has not decided when to resume construction of the project.



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