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## International

A rapid rise in renewable energy during 2022 failed to make a dent in the dominance of fossil fuels in primary energy consumption, whose share of the market was largely unchanged at almost 82%, according to energy statistics published [2] last Monday by the Energy Institute (EI). Greenhouse gas (GHG) emissions consequently grew by 0.8% year-on-year, despite a 13% rise in non-hydro renewable energy. The launch by the EI – along with partners KPMG and Kearney – of its first-ever Statistical Review of World Energy marked a shift of the keenly awaited data away from BP, which had been publishing the review annually over the past seven decades.

European economics think tank Bruegel called on European Union policymakers to impose an immediate full embargo on imports of Russian LNG [3] last week, arguing that the only substantive impact would be a small delay in meeting targets to fill storage facilities. Bruegel does not believe such a move would have a major impact on international LNG prices because Russia would “ultimately” be able to redirect cargoes to non-EU customers. In a report published last Wednesday, the authors argue that the benefits of such a policy would be to deprive Russia of billions of dollars of funding from EU consumers of natural gas and make the bloc immune to the possibility that Russia might unilaterally decide to block LNG exports.

Germany-based chemicals company BASF and Norway’s fertiliser company Yara last Thursday said they

were collaborating on a joint study to develop a low-carbon blue ammonia production facility [4] with carbon capture in the US Gulf Coast region. The companies plan to complete the feasibility study by the end of 2023, they said. In a joint statement, BASF and Yara subsidiary Yara Clean Ammonia (YCA) said they are looking into the feasibility of a plant with a total capacity of 1.2-1.4 mtpa to “serve the growing global demand for low-carbon ammonia”.

## Asia Pacific

**Malaysia** – TotalEnergies has teamed up with Malaysia’s Petronas and Japan’s Mitsui with the aim to develop a carbon capture hub for industrial customers in South-East Asia [5] seeking to mitigate hard-to-abate greenhouse gas (GHG) emissions. The partnership plans to develop a merchant carbon dioxide storage service as the policy push to decarbonise gains momentum in the region’s economies, which are currently heavily dependent on fossil fuels. The aim is to develop an appropriate business framework for the commercialisation of a carbon storage service to be based in Malaysia.

**Indonesia** – Energy trader Vitol has signed a long-term sales and purchase agreement (SPA) with Merakes LNG Sellers [6] to offtake 0.55 mtpa of LNG for a period of three years from the 11.5 mtpa Bontang LNG plant in East Kalimantan, Indonesia. The announcement comes as Vitol continues to expand its LNG portfolio amid high demand from Europe. The deal is the result of an open tender process held in February 2023 by the Merakes LNG sellers and awarded to Vitol Asia after the bid submitted was deemed the most competitive.

## North America

**US** – Cheniere announced last Monday that it has entered into a long-term sales and purchase agreement (SPA) with China’s ENN [7], which will offtake around 1.8 mtpa from the US major’s Sabine Pass plant and its proposed mega-expansion project. This is Cheniere’s third SPA linked to the Sabine Pass liquefaction (SPL) expansion which the company announced in February this year. Under the terms of the agreement, Cheniere’s trading arm Cheniere Marketing will supply ENN LNG Singapore, a wholly-owned subsidiary of ENN Natural Gas, with ~1.8 mtpa of LNG for “20 plus years.

LNG player NextDecade Corporation has secured funding for the first three liquefaction trains that make up Phase 1 [8] of its proposed maiden Rio Grande LNG (RGLNG) export facility in Brownsville, Texas, it announced last Friday. The company also said it now expects to take a final investment decision (FID) in early July after a decision was previously expected in the second quarter of 2023. The company said RGLNG has received binding commitments from lenders for an undisclosed amount, which together with expected project equity funding, will support a positive FID of Phase 1 of the project.

## Europe

**The Netherlands** – The Dutch cabinet has outlined a subsidy package to support the installment of at least 4 GW of electrolyser capacity by 2030, [9] rising to 8 GW by 2032, which it said will require a significant scale-up of offshore wind power generation. Running parallel, the cabinet has also confirmed it will close the Groningen field by October this year, under certain conditions, but it also said some gas may be extracted in gas year 2023/2024 in “exceptional situations”.

Dutch TSO Gasunie has taken a final investment decision (FID) to develop the Rotterdam section of the country’s planned national hydrogen network [10], it said last Tuesday. This is the first section of the planned 1,200 kilometres hydrogen network in the Netherlands and construction work will start after the

summer with commissioning expected in 2025, according to Gasunie. The first section of the hydrogen network will run in Rotterdam from the Tweede Maasvlakte to Pernis, a stretch of more than 30 kilometres.

**Finland** – Industry group Hydrogen Cluster Finland last week unveiled a clean hydrogen strategy which reiterated the country's goal to become Europe's leading hydrogen economy [11] by 2035. The strategy aims to influence the incoming government's energy transition framework, at the heart of which is active promotion of transitioning into hydrogen as a primary power source and producing 3 mt of hydrogen annually. Hydrogen Cluster Finland – a network of companies including Gasum, Fortum and Finnair – have presented a report called Clean Hydrogen Economy Strategy for Finland, which called for further government action to ramp up the country's budding hydrogen economy.

**Norway** – The Norwegian government has approved 19 oil and gas projects on the Norwegian Continental Shelf [12] (NCS) with investments totalling more than NOK 200 billion (USD 18.6 billion), it said last Wednesday. The projects will support high production levels of hydrocarbons from the NCS in the years to come, according to the government. The approved projects consist of new fields as well as developments and increased output from existing fields. Four of the developments concern fields that mostly contain natural gas whose recoverable resources are estimated at 373 million boe (58 Bcm).

**Spain** – The Spanish Ministry of Ecological Transition last Wednesday presented a revision of its National Integrated Energy and Climate Plan (PNIEC) which foresees a more than doubling in the production of biogas and green hydrogen by 2030 [13] compared with previous targets. It is estimated that achieving the new targets will require cumulative total investments of EUR 294 billion (USD 320.94 billion) by 2030, an increase of 22% over the previous plan. In the updated version of Spain's energy and climate plan for 2023-2030, the government targets a 32% reduction in GHG emissions by 2030, up from the previous target of 23%.

**Greece** – The initial, non-binding phase of the market test for the planned expansion of Greece's natural gas system attracted interest from 27 companies [14], grid operator DESFA said last Thursday. Greece plans to expand the capacity of its grid network in order to facilitate more exports and imports linked to its growing number of LNG terminals and cross-border interconnections. Proposals for capacity allocation were submitted by 17 international companies from central and south-eastern Europe – including Bulgaria, Romania, Austria, Hungary, Slovakia, Germany, Cyprus, and North Macedonia – as well as the US, DESFA, said.

## UK

The UK's failures to build enough low-carbon sources of electricity as well as proposals to halt North Sea oil and gas exploration are putting the nation at ever-greater risk [15] of a new energy crisis, industry association Offshore Energies UK (OEUK) has warned last week. The warning follows the release of the Climate Change Committee's (CCS's) annual 'Progress in Reducing Emissions Report' which called for a clear UK position on exiting oil and gas. The future of North Sea oil and gas production continues to stir debate in the UK.

Centrica announced last Friday that the storage capacity at its Rough facility off the coast of East Yorkshire has been increased from 30 Bcf to 54 Bcf. [16] Running parallel, UK regulator Ofgem this week extended the Third Party Access (TPA) exemption for the Rough facility by six years until 2030. The additional capacity means Rough can store up to six days of average UK gas use, Centrica said. Rough now accounts for half of the gas storage capacity in the UK. Rough was reopened in October last year after significant engineering upgrades were carried out at the site, which had been decommissioned in

2017.



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