LNG Unlimited

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Saudis signs up for more Texas LNG with Port Arthur agreement

Sempra has signed a 20-year deal for Aramco to get 5MTPA and Phase two stake

LNG News Editor

Aramco-Sempra signing ceremony, from left: Aramco Executive Vice President of Gas Abdulkarim A. Al-Ghamdi; Sempra Chairman and CEO Jeffrey W. Martin; Aramco President and CEO Amin H. Nasser; Aramco Upstream President Nasir K. Al-Naimi; and Sempra Infrastructure President of LNG Martin Hupka

Saudi Arabian Oil Company (Aramco) has signed a second US LNG accord to receive volumes from another Texas export, the Port Arthur liquefaction joint venture in Texas being developed by Sempra Infrastructure, and has followed up on a deal signed earlier in June with the Rio Grande export project in the Port of Brownsville.

Sempra has signed a non-binding Heads of Agreement (HoA) as part of a 20-year deal for Aramco to offtake 5 million tonnes per annum from the Port Arthur LNG Phase Two expansion.

The accord also contemplates Aramco taking a 25 percent participation in the project-level equity of Phase Two.

"The parties expect to execute a binding LNG SPA and definitive equity agreements with terms substantially equivalent to those in the HoA, with the SPA and equity agreements subject to a number of conditions," said a statement.

Aramco LNG strategy

Nasir K. Al-Naimi, Aramco Upstream President, said he was pleased by Aramco's latest moves in the LNG sector in Texas.

"As a potential strategic partner in the Port Arthur LNG Phase Two project, Aramco is well placed to grow its gas portfolio with the aim of meeting the world's growing need for lower-carbon sources of energy," Al-Naimi explained.

"This agreement is a major step in Aramco's strategy to become a leading global LNG player," the Aramco executive declared.

San Diego, California-based Sempra is a leading US utility company with power and natural gas services centred on California and Texas.

Port Arthur expansion

Sempra already operates the Cameron LNG export plant in Louisiana and is a major shareholder in the Costa Azul LNG venture on the Pacific Coast of Mexico.

Sempra's California utility businesses are San Diego Gas & Electric Co. (SDGE) and Southern California Gas Co. (SoCalGas) and its Texas power business is carried out by Oncor Electric Delivery Company.

In September 2023, the Port Arthur LNG Phase Two expansion project under development in Jefferson County, Texas, received approval from the Federal Energy Regulatory Commission.

With Phase One currently under construction, the development of the proposed Phase Two project will increase total liquefaction capacity of the facility from 13 MTPA up to 26 MTPA.

The Aramco deal with the Port Arthur project follows an earlier accord signed by the Saudis in mid-June 2024 with NextDecade Corp., the developer of the Rio Grande LNG export plant in Texas.

Aramco and NextDecade confirmed a non-binding accord for the supply of cargoes from the future Train 4 of the Rio Grande plant being constructed at the Port of Brownsville.

That Heads of Agreement was for 20 years and was also with the upstream division of Aramco.

The Rio Grande project is located on 984 acres of land which has been leased long term and includes 15,000 feet of frontage on the Brownsville Ship Channel.

US LNG benefits

Regarding the Aramco agreement with Sempra for Port Arthur volumes, Jeffrey W. Martin, Sempra Chairman and Chief Executive said the planned expansion of Port Arthur LNG would help facilitate the broad distribution of US natural gas across global energy markets.

"By expanding the global reach of the Port Arthur LNG facility, we have the opportunity to improve energy security," Martin added. ■

UNLIMITED AGENDA

Canadian Haisla Nation and Pembina Pipeline take investment decision for Cedar FLNG

LNG News Editor

Pembina Pipeline Corp., the Canadian natural gas and energy transportation and terminals company, and its Cedar floating LNG partner, the Haisla First Nation of British Columbia, have reached a positive investment decision and will proceed with the near-shore FLNG project on Haisla traditional territory on the Douglas Channel near Kitimat.

The Cedar project with nameplate capacity of 3.3 million tonnes per annum is strategically positioned to leverage Canada's abundant natural gas supplies and ship cargoes to Asia.

"The Haisla Nation, with our partner Pembina, have made history as the world's first Indigenous community to develop an LNG facility as majority owners," said Crystal Smith, Chief Councillor of the Haisla Nation.

"Because of our Nation's determination and environmental leadership, Cedar LNG will make the most significant mark on economic reconciliation ever in our country," declared Smith.

Haisla Chief Councillor Crystal Smith says history made

Economic progress

"With Cedar LNG, we have proven that Indigenous communities can successfully forge a path to economic independence and generational prosperity," Smith added.

The engineering, procurement and construction contractors for Cedar LNG are Samsung Heavy Industries of South Korea and US firm Black and Veatch, based near Kansas City in Missouri.

"With this fundamental financial milestone achieved, we're eager to continue advancing this project by leveraging our industry-leading PRICO technology and topside expertise in floating LNG infrastructure," stated Brady Hays, Senior Vice President for Black and Veatch's fuels and natural resources sector.

"We're proud to be associated with this project, our partner Samsung Heavy Industries, and other stakeholders as all of us pursue and deploy technologies that help lower-carbon footprints," added Hays.

Cedar LNG is majority-owned by the Haisla Nation in partnership with Pembina with 50.1 percent and 49.9 percent ownership respectively.

"The project is expected to be funded with asset-level debt financing for 60 percent of the project cost," said Pembina.

"Cedar LNG has secured a construction term loan from a syndicate of banks," the company added.

Equity funding

The remaining 40 percent of the costs of the project are expected to be financed through equity contributions from both partners.

The Haisla Nation has obtained committed capital through the First Nations Finance Authority to fund their 20 percent equity contribution to the project.

"Pembina continues to anticipate its equity contribution will be funded from cash flow from operating activities," said the Calgary, Alberta-based company.

"Pembina expects no material change to its 2024 Cedar LNG equity contributions disclosed previously, with no incremental post-FID contributions in 2024 anticipated," it added.

Conrad signs gas sales deal with Indonesia and sees pipeline accord for LNG importer Singapore

Conrad Asia Energy, an Australian-listed natural gas exploration and production company, has entered into a binding gas sales agreement for the domestic portion of the Mako gas field in Indonesia and with an option to sell the balance of the pipeline gas to LNG importer Singapore.

Conrad has signed the agreement to sell domestic gas to Perusahaan Gas Negara (PNG), the gas utility subsidiary of Pertamina, the national oil and gas company of Indonesia.

The ASX-listed company said the deal with PGN for gas from the Mako gas field, in which Conrad has a 76.5 percent participating interest, is an important step in the commercialisation of the largest undeveloped gas field in the West Natuna Sea.

PGN is Indonesia's largest gas company and a separate GSA is being negotiated with Singaporean parties for the remainder of the Mako gas resource to be exported by pipeline to the Asian city state.

Singapore pipeline

The West Natuna Sea gas gathering system is already connected to Singapore.

However, PGN is proceeding with constructing a tie-in pipeline to the island of Batam across the Malacca Strait that will connect the Natuna Sea volumes to the Indonesian market.

It was noted by Conrad that completion of both GSAs would be significant landmarks on the path to a final investment decision for the Mako project targeted for the fourth quarter of 2024.

Conrad said it was moving towards finalising a GSA for the Mako export gas for Singapore over the coming few weeks.

The gas will supply Singapore through an existing pipeline in competition to the LNG cargoes delivered to the Jurong Island LNG terminal.

UK company Empyrean Plc is also a shareholder in the project. The Mako field contains contingent resources of 376 billion cubic feet of which 21 Bcf are net attributable to Empyrean.

Long-term supplier

The West Natuna Sea gas fields have been supplying Singapore with natural gas for more than two decades and the Mako project is expected to continue this supply for at least another 10 years from 2026.

In addition to the significance for the Mako development, Conrad said that the accord builds an important platform for Conrad with Indonesia's national companies.

Genting signs new $1Bln deal for FLNG

Malaysian company Genting Group has signed an accord worth almost $1 billion with Chinese floating liquefied natural gas specialist Wison New Energies for a floating LNG production unit to be deployed offshore Indonesia.

Genting said that the contract price was $962.8 million and involved its wholly owned indirect subsidiary Genting Oil & Gas and another subsidiary, PT Layar Nusantara Gas (PTLNG) of Indonesia.

The engineering, procurement, construction, installation and commissioning (EPCIC) contract with Chinese company Wison was for an FLNG hull with 1.2 million tonnes per annum of output.

Genting, whose conglomerate spans oil and gas and power throughout Asia as well as plantations and leisure, said the FLNG facility was destined for Indonesia's West Papua region.

The company added that Wison would construct the FLNG hull at its shipyards in Nantong and Zhoushan in eastern China.

"After passing the yard performance test, the FLNG facility shall be towed to its final destination located at Teluk Bintuni in West Papua, where the final commissioning test will be carried out," Genting stated.

Genting explained that feedgas for the LNG production would come from the Asap, Merah and Kido natural gas fields within the Kasuri gas block concession.

Genting's President and Chief Operating Officer, Tan Kong Han, said that the group's oil and gas subsidiary had enjoyed "very significant success" and encountered hydrocarbons from exploratory drilling in its West Papua gas block.

Chart Industries awarded modular processing contract for Argent LNG

LNG News Editor

Jonathan Bass, CEO at Argent LNG building Louisiana plant

US company Argent LNG, with plans to develop a liquefaction plant at Port Fourchon in Louisiana, has selected Chart Industries to supply modular processing equipment.

Argent is proposing a facility at a 144-acre site west of Belle Pass on the Louisiana Gulf Coast with an initial capacity of 10 million tonnes per annum which could be doubled.

Advantages

The Argent plant will feature modules and the volumes produced would be targeted at the LNG maritime fuel market.

These include the next-generation of LNG-powered Offshore Supply Vessels (OSVs) in the Gulf of Mexico.

Atlanta, Georgia-based Chart will be supplying its Integrated Pre-Cooled Single Mixed Refrigerant (IPSMR®) processing technology to the Louisiana plant.

"Chart's IPSMR sets a new standard for efficiency and performance in liquefaction, surpassing conventional technologies and enabling Argent LNG to tailor its liquefaction systems precisely to site-specific conditions," explained Chart.

Chart said that its equipment has the capability to optimize the matching of gas turbine power with single cold box capacity, ensuring maximum operational efficiency and cost-effectiveness.

"We are excited to embark on this transformative journey with Chart Industries," said Jonathan Bass, CEO at Argent LNG.

"Their mid-scale modular model perfectly aligns with our vision for an agile and efficient LNG facility," stated Bass.

"The technology's superior performance will empower us to optimize operations and deliver a compelling, competitive solution to the market, which is scheduled to come online in 2029-2030," added Bass.

Chart said it had begun engineering work related to the Argent project and anticipated booking an IPSMR® technology and equipment order in 2025.

Chiyoda prepare to take earnings hit from Golden Pass LNG issues

Chiyoda Corp., the Japanese LNG engineering company working on the Golden Pass project in Texas that has been hit by the bankruptcy of the US Zachry construction group, has had to take a hit on its earnings for the fiscal year just ended.

Chiyoda, based in Yokohama, Japan, said it was revising full-year consolidated financial forecasts and was publishing its earnings late.

Forecast

Zachry Holdings, the lead contractor in the $10 billion project to transform the Golden Pass LNG terminal in Texas into an export plant, filed on May 8, 2024, for Chapter 11 bankruptcy protection.

Chiyoda said its earnings adjustments were because of the withdrawal of Zachry, one of the engineering partners, and amid efforts by Houston, Texas headquartered subsidiary, Chiyoda International Corp (CIC), to reorganise an operational structure with remaining partner, the McDermott unit CB&I LLC.

"Under the circumstances, the cost required to complete construction was forecast and recalculated with sufficient margin based on the currently effective contracts," Chiyoda explained.

"Consequently, sales and operating income are expected to decrease from the previous forecast," said Chiyoda.

Ordinary income is expected to drop to 5.5 billion Japanese yen ($34.5 million) from 28Bln yen ($175.37M) in the previous forecast.

This is down from the 20.32Bln yen ($127.2M) logged in the previous 2022-2023 fiscal year.

"Short-term and long-term plans to complete construction will be agreed among the three parties Chiyoda, CBI and the Golden Pass (GPX) project) soon after Zachry's official and formal withdrawal from the project," said Chiyoda.

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NEWS BRIEFS

Eemshaven energy plan options

Dutch utility Gasunie and storage group Royal Vopak may keep the Eemshaven LNG import facilities at the Groningen port in the Netherlands for longer than planned either for their continued use for LNG or other possible uses such as hydrogen or carbon-capture and storage projects. "In partnership with the Ministry of Economic Affairs and Climate Policy, Gasunie and Vopak are exploring options to keep operating the EemsEnergy Terminal for longer than initially planned," said a statement. "This survey will not only look at LNG but is also intended to explore ways to bring about a future, rapid transition to a sustainable energy system, where hydrogen and carbon capture and storage play key roles," they added.

Gasunie Chairman is named

Gasunie, the Dutch utility and LNG terminals owner in the Netherlands and Germany, has had Diederik Samsom appointed as the Chairman of the Gasunie Supervisory Board by the Dutch Ministry of Finance. Samsom is a former leader of the Dutch Labour Party and was the "chef de cabinet" to European Union Commissioner Frans Timmermans from 2019 to 2024. Samsom is an environmental activist and started his career at the radical group Greenpeace where he was campaign manager and joined after studying applied physics at Delft University of Technology.

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US LNG report shows Netherlands as leading destination again and with Germany paying most and Calcasieu Pass with the high prices

LNG News Editor

Eemshaven terminal in Groningen is US LNG destination

The US Department of Energy issued its June 2024 liquefied natural gas and pipelines export and import data report with the Netherlands again heading the LNG cargo destination list, Germany paying the most for shipments and the Calcasieu Pass plant in Louisiana still having the highest prices.

The DoE's June 2024 LNG and pipeline natural gas report gave volumes, prices and trends for April 2024.

In April, the US said it exported 567.1 Bcf and imported 230.4 Bcf of natural gas, which resulted in 336.7 Bcf of net exports.

The nation also exported 303.8 Bcf of natural gas in the form of liquefied natural gas to 31 countries and this was 53.6 percent of the total of gas exports.

Top 10 destinations

The Top 10 recipients of US LNG deliveries in April was again headed by the Netherlands with 14 cargoes, 15 percent of which were spot deals.

The other nine top destinations were headed by France with 11 cargoes, then Japan with seven, the Dominican Republic with six (27 percent spot deals), India with six (18 percent spot deals), Germany six, Thailand six, South Korea six, Taiwan five and Argentina with five.

The Top 10 overall importers by number of cargoes in the first four months of 2024 through April were: 1. The Netherlands 57 cargoes (10 percent spot); 2. France 53 cargoes (6 percent spot); 3. UK 29 (11 percent spot); 4. Japan 29 cargoes (0 spot); 5. Spain 28 (11 percent spot); 6. Turkey 24 (0 spot); 7. South Korea 23 (0 spot); 8. Germany 21 (14 percent spot); 9. Italy 19 (1 percent spot); and 10. India 17 (6 percent spot).

US data also showed the 10 nations who paid the highest average prices. These were on a free-on-board (FOB) basis including all costs of the LNG up to the point of export, including commodity costs and liquefaction fees.

The countries that paid the highest prices for US LNG shipments during April 2024 were: 1. Germany $7.72 per million British thermal units; 2. Poland $7.58 per MMBtu; 3. UK $6.16 per MMBtu; 4. Argentina $5.7 per MMBtu; 5. Japan $5.48 per MMBtu; 6. Finland $5.43 per MMBtu; 7. Brazil $5.42 per MMBtu; 8. Dominican Republic $5.40 per MMBtu; 9. India $5.19 per MMBtu; and 10. Taiwan $5.10 per MMBtu.

The US data also shows the total number of cargo deliveries since February 2016 from the Lower 48 states through April 2024. The Top 10 nations are: 1. South Korea 601 cargoes; 2. France 508; Japan 485; 4. UK 463; 5. Spain 452; 6. Netherlands 446; 7. China 363; 8. Turkey 257; 9. India 250; and 10. Brazil 239.

The number of cargoes exported in April 2024 from each of the seven US export facilities came to 105 in total versus 119 in March 2024.

Sabine Pass in Louisiana exported 35 shipments, Cameron, Louisiana (22), Corpus Christi, Texas (18), Calcasieu Pass, Louisiana (11), Cove Point, Maryland (8), Freeport, Texas (6), Cove Point, Maryland (10) and Elba Island, Georgia (5).

Average US LNG export prices on a free-on-board (FOB) basis, including all costs of the LNG up to the point of export as well as commodity costs and liquefaction fees, dropped in April 2024 to $5.25 per million British thermal units from $5.47 per MMBtu in March 2024.

LNG cargoes from the Calcasieu Pass plant cost the most at $7.82 per MMBtu in April 2024 compared with $9.23 per MMBtu in the previous month of March 2024 and $16.48 per MMBtu back in April 2023.

The Cove Point plant had the second-highest average prices in April at $5.93 per MMBtu, down from $6.01 per MMBtu in the previous month of March 2024.

The prices at the Corpus Christi facility were the third highest in April at $5.23 per MMBtu. This was lower than the March 2024 average of $5.39 per MMBtu.

Freeport LNG had the fourth-highest average prices in April at $5.11 per MMBtu, down from $5.17 per MMBtu in the previous month of March 2024.

The Cameron LNG plant was fifth in the prices line with $4.78 per MMBtu in April versus $4.51 per MMBtu in March.

Sabine Pass was in sixth place with $4.60 per MMBtu and in the previous month the price was slightly higher at $4.70 per MMBtu.

Nigeria LNG export plant at Bonny Island set for more feed gas from onshore Ubeta field

LNG News Editor

The Nigeria LNG plant at Bonny Island in the Niger Delta is set for more feed gas from development of the onshore Ubeta gas field first discovered 60 years ago in the West African nation with world-class oil and gas untapped reserves.

Nigerian National Petroleum Corp., the state energy company, and French major TotalEnergies said they had agreed to develop the field at an initial cost of $550 million.

TotalEnergies is the operator of the onshore licence for the Nigerian Ubeta's gas field with a 40 percent while NNPC will own 60 percent.

The field is located about 80 kilometres northwest of Port Harcourt in Rivers state, and the current licence covers two fields currently in production, the Obagi oil field and the Ibewa gas and condensate field.

The Ubeta gas volumes will be processed at the nearby Obite gas treatment centre and supplied to both the Nigerian domestic gas market and to the Nigeria LNG plant.

The production start-up is expected in 2027, with a plateau of 300 million cubic feet per day, or about 70,000 barrels of oil equivalent per day including condensates.

Nigerian NNPC executives and TotalEnergies sign deal

TotalEnergies, which has a 15 percent stake in the Bonny Island liquefaction and export project, said the Ubeta field would be part of and expansion of LNG output from 22 million tonnes per annum to 30 MTPA.

NNPC Chief Executive Mallam Mele Kyari said he appreciated the support from stakeholders as well as from the administration of Nigerian President Bola Tinubu.

"We appreciate presidential support for the fiscal terms of the agreement," Kyari added.

The TotalEnergies Senior Vice President African Exploration and Production, Mike Sangster, said the Ubeta project is the latest in a series to tap associated gas from oil production.

"Ubeta fits perfectly with our strategy of developing low-cost and low emission projects, and will contribute to the Nigerian economy through higher LNG exports,' Sangster added.

Train Seven

The Nigerian LNG plant has been in production since 1999 and the shareholders in addition to TotalEnergies are held by NNPC with 49 percent, Shell with 25.6 percent and Italy's Eni with 10.4 percent.

The facility has capacity to producer 26 MTPA of LNG from six liquefaction Trains, though the development of a seventh LNG Train has suffered from delays.

NEWS BRIEFS

GTT wins FSRU tanks order

French LNG storage tanks designer GTT has received an order from the South Korean shipyard Hyundai Heavy Industries for tanks to be fitted on a floating storage and regasification unit (FSRU) on behalf of the Japanese shipowner Mitsui OSK Lines. GTT said it would design the tanks of this FSRU for a total capacity of 170,000 cubic metres. The tanks will be fitted with the Mark III membrane containment system developed by GTT. The delivery of this FSRU is scheduled for the third quarter of 2027.

Indian firms to develop LNG plant

Two Indian state-backed oil and gas companies have signed an accord to develop the Hatta natural gas field in the Vindhyan basin of Madhya Pradesh in Central India, including building an LNG liquefaction plant to supply the off-grid and transportation fuel markets.

The two companies involved are Oil and Natural Gas Corp. (ONGC), a company owned by India's Ministry of Petroleum and Natural Gas as is its partner in the venture, Indian Oil Corp. Ltd (IOCL) whose activities are focused on refining petroleum products and producing petrochemicals, though both are already involved in the LNG sector.

ONGC and IOCL have signed a memorandum of understanding to establish a medium-sized LNG plant as part of the Hatta gas field development plan.

"The establishment of the Hatta LNG plant will significantly enhance the Vindhyan Basin's status," explained ONGC.

"The plant will utilize cutting-edge technology to produce LNG, a cleaner alternative to traditional fossil fuels, significantly reducing carbon emissions and aligning with India's climate change mitigation goals," ONGC added.

ONGC has subsidiaries already involved in LNG including Hindustan Petroleum Corp., the owner of India's newest LNG import facility, the Chhara terminal located in the state of Gujarat and with 5 million tonnes per annum of capacity.

Another unit, ONGC Videsh, is one of three Indian companies who share a 20 percent stake in the TotalEnergies-operated Mozambique LNG project Area 1 licence in the Rovuma Basin of the southeast African nation.

Commonwealth LNG founder Varello retires and Kimmeridge take control

LNG News Editor

The founder and executive Chairman of the Commonwealth LNG project in Louisiana, Paul Varello, has announced his retirement while also selling control of his company to the New York-based Kimmeridge asset management firm.

Kimmeridge said it was closing a "follow-on control investment" in Commonwealth LNG to take its ownership stake to 90 percent and with an anticipated final investment decision for the project in the first half of 2025. No financial details of any transactions were disclosed.

CEO stays

"We are excited to take a controlling interest in Commonwealth LNG as we integrate our business from well-head to water, and look forward to the completion of a best-in-class LNG export facility in Louisiana," said Ben Dell, Managing Partner at Kimmeridge and Director of its Kimmeridge Texas Gas unit.

Varello in his retirement statement said at Commonwealth LNG he had has always focused on developing a project that brings exceptional value to the LNG industry.

Varello: 'I'm proud our team will be part of Kimmeridge'

"I'm proud that our team will now be part of Kimmeridge's broader strategy to provide reliable and sustainable energy on a global basis," Varello added.

Commonwealth LNG Chief Executive Farhad Ahrabi, who joined the Houston-based project company in 2022 following a seven-year tenure at Sempra's Cameron LNG, will continue in his current role as Commonwealth CEO under Kimmeridge ownership.

"We are delighted to integrate into the Kimmeridge team as we work towards FID in 2025. Kimmeridge shares our vision of bringing a differentiated offering to the LNG market, and we look forward to commencing delivery to our customers in 2028," stated Commonwealth LNG CEO Ahrabi.

The company is developing its LNG export plant with around 9.5 million tonnes per annum of output and located on the shore of the Calcasieu River.

Commonwealth LNG has secured several supply agreements and one of the latest was with leading US shale-gas producer EQT.

The Pittsburgh-based gas producer has signed a 15-year accord starting in 2027 for LNG tolling capacity at Commonwealth's proposed Louisiana liquefaction plant covering 1 MTPA.

Engineering career

Prior to establishing Commonwealth LNG in 2014, Varello was founder and Chairman of Commonwealth Engineering and Construction, a project management company.

He also previously served as Chairman and CEO of Sterling Construction and was 18 years at LNG and energy engineering company Fluor Corp. where he became President of the Process Division.

Mitsui expands shale-gas assets in Texas to boost LNG feed-gas

Japanese trading house Mitsui and Company Ltd, has purchased more shale-gas assets in Texas and plans to bring them to full-scale development and production as possible feed-gas supplies for LNG output.

Mitsui's US-based subsidiary purchased the 46,500 acre Tatonka assets in Texas, though no price was given.

Development plans

The company plans to drill wells to evaluate the acreage with access to LNG export plants on the Gulf Coast.

Mitsui said that US subsidiary, Mitsui Exploration & Production USA (MEPUSA), completed the acquisition of the unconventional gas assets in Texas from US E&P companies Sabana LLC and Vanna LLC.

"MEPUSA will drill wells to evaluate the well performance and develop and operate the asset aiming for full-scale development after 2026, while maintaining a focus on the safety of employees, the community and the environment," said Mitsui in a statement.

Mitsui already owns shale-gas asset in South Texas purchased in 2023 from the Silver Hill company.

As one of Japan's main LNG sector participants, Mitsui is involved in 10 projects in eight countries, including in the US.

Mitsui is a joint owner of Sempra's Cameron LNG plant in Louisiana along with operator Sempra Infrastructure, which owns 50.2 percent of the project.

Mitsui holds 16.6 percent of Cameron, the same as French major TotalEnergies, while two other Japanese companies, Mitsubishi Corp. and shipping line Nippon Yusen Kabushiki Kaisha, also own a combined 16.6 percent of the shares.


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US Everett LNG import terminal seals deals to stay open as critical facility for the Northeast

LNG News Editor

The Everett LNG import terminal near Boston, the longest-operating such facility in the United States, will remain in operation through 2030 after natural gas supply deals were signed with three New England utilities and approved by the authorities to keep the lights on in Massachusetts.

The terminal is owned by Constellation Energy, a leading nuclear plants operator in the US as well as the owner of gas-fired and other power plants as well as a growing renewables business.

The Everett terminal starting importing LNG in 1971 to help the Northeast avoid power cuts and natural gas shortages during the high-demand winter season.

The Everett LNG terminal had been expected to close when the Constellation's Mystic Power Plant's gas-fired Units 8 and 9 were retired on May 31, 2024, following 21 years of service.

The combined-cycle units were low-emitting and provided over 1,400 megawatts of capacity at a strategic location of the electric grid just outside of Boston in Everett. While the LNG needs of the Mystic plant were becoming uneconomic for Constellation to keep open the New England authorities decided give it two additional years through to May 2024 with a Cost of Service Agreement because the units "provided unique fuel security benefits to New England".

Import terminal near Boston get five more years

However, the lifeline for Everett LNG has come in the form of three new five-year natural gas supply contracts signed by New England utilities.

The Massachusetts Department of Public Utilities has now approved the new long-term supply contracts with the companies, National Grid USA, Eversource and the Unitil firm to take the supply of regasified LNG from Everett from June 2024 through May 2030.

"These new contracts permit Constellation Energy to keep the Everett facility open. The agreements provide each company with seasonal (November-March) natural gas supply through the Everett LNG terminal," said the DPU statement.

The Everett facility can also supply other customers with both LNG by truck and as regasified LNG delivered to the Algonquin Gas Transmission and Tennessee Gas Pipeline interstate systems.

FERC support

The possible loss of LNG imports from the Everett facility also concerned the Federal Energy Regulatory Commission. The FERC warned that the shutting of the terminal could threaten Northeast power grid stability.

Natural gas and electricity price increases in New England in the winter are common because pipeline constraints often limit deliveries of natural gas into the region and to power plants.

The US imports less than an average of 0.1 billion cubic feet per day of LNG per annum and almost all of those imports are delivered into New England between November and March.

In 2023, all of the 13.3 billion cubic feet of LNG imports into New England were delivered to the Everett terminal.

The other terminal that can supply New England, the Northeast Gateway, last received LNG during the winter of 2021-2022, when two cargoes were received. ■

Italian Adriatic LNG launches open season for future regasification capacity with bidding in July

The Italian Adriatic LNG import terminal has launched the accreditation phase for a 2024 open season to offer long-term regasification capacity to natural gas market operators.

Adriatic LNG is Italy's largest terminal and is a gravity-based structure that was recently acquired by Dutch energy storage group VTTI and a German fund from previous owners ExxonMobil Corp. and QatarEnergy.

ExxonMobil and the Qataris have agreed to sell their 70 percent stake in the terminal to VTTI and Germany-based asset manager IKAV, while the balance of 30 percent is owned by Italian gas grid and terminals operator SNAM.

With Open Season 2024 Adriatic LNG said it was offering regasification capacity available in the period between January 2029 and December 2049.

The Adriatic terminal is located 15 kilometres (9.3 miles) off the Veneto coastline of Italy and has been on line since 2009.

It includes two LNG storage tanks, each with a capacity of 125,000 cubic metres.

At full capacity Adriatic LNG can supply 15 percent of Italian natural gas needs. The operating company called Terminale GNL Adriatico said operators could apply by July 12, 2024, to accredit themselves to participate in the binding phase of the open season that will start on July 17 and end on July 31.

To become accredited, operators must follow the instructions provided on the web site covering the subscription procedure and the auction application rules.

"With a maximum regasification capacity of 9.6 billion cubic metres per year, a utilization rate over 88 percent in 2023, the Adriatic LNG terminal plays a strategic role in the Italian and European energy systems," said the company.

Adriatic LNG noted that it was the only terminal in Italy able to receive LNG carriers up to 217,000 cubic metres capacity.

"The reliability and safety of operational activities, combined with the ability to provide innovative and flexible services to meet market demands, have enabled Adriatic LNG to allocate all available regasification capacity in previous auction sessions until December 2028," the company explained. ■