



World's energy demand soars to almost twice its recent average

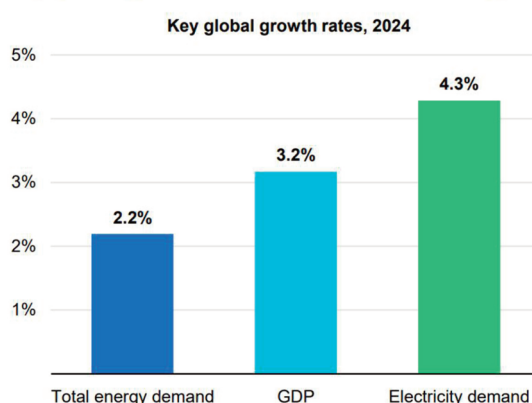
Global energy demand is picking up pace, having grown 2.2% in 2024 – nearly twice the average annual demand increases of 1.3% over the previous ten years. Advanced economies return to growth and their energy demand was up by almost 1% in aggregate, more than compensating for slower growth in China.

“After several years of declines, advanced economies saw a return to growth, with their energy demand increasing by almost 1% in aggregate,” the International Energy Agency (IEA) stated when releasing the latest edition of its ‘Global Energy Review’.

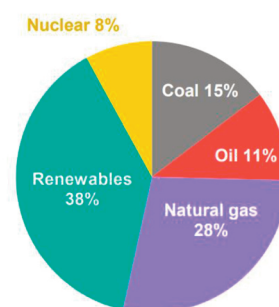
Energy demand growth is still lower than GDP growth, at 2.2% and 3.2%, respectively, but the pace of the world's energy hunger is gaining speed due to electrification of industry and transport. Emerging and developing countries accounted for four fifth of the rise in global energy demand – despite sluggish growth in China, where energy consumption rose by less than 3%, half its 2023 rate.

Record temperatures and subsequent electricity demand for

Key global growth rates and the share of energy demand growth by source, 2024



Global demand growth, 2024
13.9 EJ



IEA. CC BY 4.0.

cooling, contributed significantly to the annual 0.8% rise in global CO2 emissions to 37.8 billion tonnes. According to the IEA, this highlights the deepening links between the energy sector, climate and weather – and especially fuel choices in the electric power sector.

Power generation, in fact, is behind most of the rise in global energy demand, surging by nearly 1,100 terawatt-hours, or 4.3%

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Egypt sets price cap on spot LNG purchases this summer

Egyptian Natural Gas Holding Company (EGAS) is understood to have set a \$14/MMBtu cap on spot LNG purchases this summer in response to rising LNG prices in the Atlantic Basin. An additional \$2/MMBtu premium is being offered if vendors agree to get payment deferred by one year.

Prices at the Dutch TTF, Europe's most liquid gas trading hub, are expected to average \$15.36/MMBtu over the summer – exceeding Egypt's price cap, hence EGAT will be hard pressed to source LNG at an affordable price.

Energy Aspects' base case assumes Egypt this year needs to import 6.5 Mt of LNG, equalling 100 cargoes with 65kt per cargo. This would be a rise of 4.0 Mt year-on-year, yet the question is how to get these volumes within the price cap.

Tenders and bilateral deals

No long-term LNG contracts are in place; hence Egypt has to issue tenders or secure cargoes via bilateral arrangements; both more expensive options than term LNG deliveries.



Egypt's Ain Sokhna port

EGAT awarded its buy tenders for 15 spot cargoes with delivery in the first quarter of 2025 at a \$0.80–1.00/MMBtu premium to the TTF. The country also secured 60 cargoes from Shell and Total-Energies through bilateral deals, Energy Aspects understands.

Looking at the Atlantic supply balance, Egypt's

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last year – nearly double the annual average over the past decade. Record temperatures pushed up demand for cooling in many countries, while electrification of transport and industry along with the AI boom exacerbated energy demand growth.

"This new data-driven IEA report puts some clear facts on the table about what is happening globally," said IEA executive director Fatih Birol. "What is certain is that electricity use is growing rapidly, pulling overall energy demand along with it to such an extent that it is enough to reverse years of declining energy consumption in advanced economies. The result is that demand for all major fuels and energy tech-

nologies increased in 2024, with renewables covering the largest share of the growth, followed by natural gas."

Over 80% of the incremental energy demand was provided by renewable sources and nuclear, which together contributed 40% of total generation for the first time. The supply of natural gas-fired generation also increased steadily to cover rising electricity demand.

Due to higher power consumption, natural gas saw the strongest increase in demand among fossil fuels in 2024. Gas demand rose by 115 billion cubic metres (bcm), or 2.7%, compared with an average of around 75 bcm annually over the past decade.

Coal demand, by comparison, rose by 1% over the same period, half the rate of increase seen the previous year as more and more countries prefer cleaner burning fuels or renewables. Deployment of solar PV, wind, nuclear, electric cars and heat pumps since 2019 now prevents 2.6 billion tonnes of CO₂ annually, the equivalent of 7% of global emissions.

"From slowing global oil demand growth and rising deployment of electric cars to the rapidly expanding role of electricity and the increasing decoupling of emissions from economic growth, many of the key trends the IEA has identified ahead of the curve are showing up clearly in the data for 2024," Birol concluded. ■

RWE slashes 2025-2030 investment program by €10bn

Germany's largest utility RWE is cutting its 2025-2030 investment program by €10 billion (\$11bn) due to regulatory uncertainties, supply chain constraints, and geopolitical risks. In its 2024 earnings report, RWE said it tightened investment criteria and raised the required rate of return for new projects from 8% to 8.5%.

The strategic shift has led the company to scale back investments, delay US offshore wind projects, and adopt a more cautious stance on Europe's hydrogen sector. The saved funds will be used by RWE for a share buyback program of up to €1.5 billion (\$1.6bn), set to conclude by Q2 2026.

"Given higher uncertainties in the investment environment, we have raised the

requirements for future investments. As a result of stricter risk management and higher return expectations, we will invest less than previously planned through to 2030.

"Nevertheless, we are confirming our financial targets: adjusted earnings per share of €4 by 2030 and an annual in-

crease of the dividend by 5% to 10%," RWE chief executive Markus Krebber said in a statement.

Market observers were critical about RWE's decision to lower investment but not step up its buyback programme: "Given the announced Capex reduction and RWE's persistent undervaluation, we

believe there is a compelling opportunity to significantly increase and accelerate the ongoing share buyback programme," commented Elliot Advisors which is consulting funds with a cumulative economic interest of close to 5% in RWE AG. ■



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rising demand for spot LNG leaves European buyers worrying whether they can source enough cargoes, if needed, to meet rising electricity demand this summer. Already in winter 2024/25, EGAT tendered for additional cargoes on top of the 20 it had been seeking in the fourth quarter to offset faltering domestic gas production.

Egypt's energy demand influences LNG trade flows through the Suez Canal, an important shipping route connecting the Atlantic Basin via the Mediterranean to the Red Sea and onwards to southeast Asia. Lower LNG offtake from EGAS creates some length in the Atlantic Basin which could potentially reduce mid-term prices at the Dutch TTF.

Cargoes imported via FSRU at Ain Sokhna

Cargo-tracking data indicates Egypt is headed towards importing a total 1.48 Mt of LNG between January and April. The country's gas demand typically peaks in the third quarter to meet seasonal electricity needs for cooling and LNG demand in the third quarter are forecast at around 0.85 Mt per month.

All LNG cargoes purchased by the Egyptian Natural Gas Holding Company (EGAS) are handled at the company's newly chartered FSRU Höegh Galleon. Situated east of Cairo, the FSRU is on an interim charter and has been in operation as of June 2024. It will be in service in the Gulf of Suez port of Ain Sokhna for 20 months. ■

China suspends US LNG imports for 40 days, turns to Australia

China has suspended LNG imports from the United States for 40 days in a tit-for-tat trade war, forcing traders to reroute shipments. No US LNG cargo is currently on route to China, Kpler data shows, and China Resources Gas International's just secured alternative supply from Australia through a deal with Woodside.

China levied a 15% tariff on US LNG imports effective from February 10, in retaliation to U.S. President Trump's decision to charge a 10% tariff on Chinese goods from February 4. Escalating tensions, Beijing also imposed a 10% tariff on US crude oil imports, and now banned imports of super-chilled American shale gas altogether.

Hard-nosed utility buyers already lined up alternatives: Hong Kong-based China Resources, for starters, just agreed to offtake 0.6 mtpa on a delivered basis with Wood-

side for 15 years, starting from 2027.

The deal marks the first long-term LNG contract between Chinese and Australian companies in years, following a thaw in trade relations between Beijing and Canberra. China Resources Gas group chairman, Yang Ping, noted the purchase decision was "positively influenced by Woodside's growing global LNG portfolio and its proven track record as an operator."

Policymakers in Beijing also seek to bolster China's energy security through increased domestic gas production, which



rose by 3.7% year-on-year in the first two months of 2025. Cheaper alternative fuels – notably coal, renewable energy, and Russian gas – have further reduced China's reliance on LNG imports.

'Limited ceasefire' in Ukraine doesn't help lower oil and gas prices

Financial markets apparently do not trust the Kremlin's agreement to a limited ceasefire in the war in Ukraine: Prices for oil, natural gas and gold prices increased on the news, even though the ceasefire is meant to put an end to attacks on energy and infrastructure for 30 days.

After falling during the day, oil prices increased by more than \$0.5 per barrel on the day the news broke. Similarly, gold prices also increased by \$3 per ounce.

"The scenario of a permanent peace agreement achieved through small steps over a longer period seems more plausible now. As such, the likelihood of an imminent increase in Russian oil and gas supplies in the market has decreased after the meeting," commented Rystad's head of geopolitical analysis, Jorge León.

Russian gas exports to Europe 'unlikely to return'

Analysts agree that Russian gas exports to

Europe are "unlikely to return," and some hedge funds have cut positions at the Dutch TTF after amplifying price swings increased their value at risk (VaR). Technical buying will restart, Energy Aspects reckons, once prices TTF front-month fall to the low €40s/MWh.

Expiry on a gas transit contract between Russia's Gazprom and Naftogaz Ukrainy has left Europe short of 15.4 bcm per year of Russian pipeline gas. A painful shortfall, yet a far cry from the 174 bcm/y that Gazprom had exported to Europe exported five years ago.

Efforts of the European Commission to bridge the gap have diverted away from Russia and focus on the Caspian region in-

stead. Azerbaijan's President Ilham Aliyev promised last autumn the country will raise natural gas exports to the European Union this year to 13 billion cubic meters and 20 bcm/y potentially by 2027, though analysts caution bottlenecks on pipeline transit capacity could lead to a lengthy ramp up.

Turkey's TSO Botas and Bulgartansgas also increased capacity at the Strandzha 1 entry point, allowing for larger flows from the Caspian Sea region. Botas' role in facilitating Europe's energy security is gaining ground: If Azeri or Turkmen gas supplies were absent, the EU could fall short of nearly 7.2 Bcm of gas per year and would need resort to importing LNG at a higher price to avert supply risks.

Gas-burn during Texas' cold snap just shy of record high

A cold snap between February 19 to 22 sent electricity demand in Texas soaring. According to EIA's hourly electric grid mon-

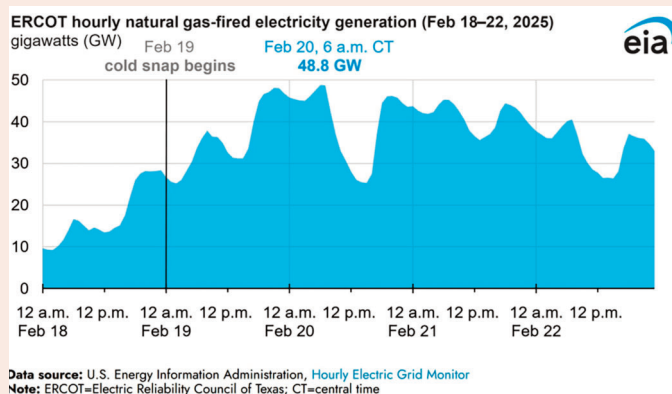
itor, gas-burn in the region overseen by the Electric Reliability Council of Texas (ERCOT) increased to 48.8 GW between

6:00 a.m. and 7:00 a.m. central time on February 20, 193% higher than the same time the day prior to the big chill.

Daily net electricity load peaked at 1,357.4 GWh on February 21 – a staggering 85% higher than on February 18, of which 73% was served by natural

gas-fired generation. Natural gas, in fact, met 95% of the increase in net electricity load between February 18 and 22. Wind and solar generation decreased to 264.2 GWh on February 21, 52% less than on February 18, increasing the demand for natural gas-fired electricity generation.

Though hourly gas generation peaked on February 20, daily gas-burn peaked during the cold snap on February 21 at 991.9 gigawatt-hours (GWh). Gas generation on February 21 was the second-highest daily level ever recorded in ERCOT and 1% less than the previous record set on December 23, 2022, the EIA Hourly Electric Grid Monitor shows.



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Britain's first grid-forming batteries go live

National Energy System Operator (NESO) has confirmed the start-up of the first two grid-forming battery projects in Scotland. Ten contracts worth £323 million overall were awarded by NESO to secure 11.55 GVA of short circuit level in Scotland and 6.75 GVA seconds of inertia for Great Britain through the use of five synchronous condensers and five grid forming batteries.

One large battery connected to the Scottish grid is the 200 MW unit in Blackhillock (pictured). This project is about to be followed by a 300 MW/600 MWh battery in Kilmarnock.

Instead of having a straight connection to the network, grid-forming technology alters the electric current and voltage to control fluctuations. This enables technologies such as wind, solar or batteries to deliver inertia and short circuit power that otherwise they would be unable to deliver.

The novel technique will allow NESO to stabilise the grid without having to rely on dispatchable, or synchronous plants (e.g. gas

power stations). This will help enable the operation of a zero-carbon electricity system, which the UK government aims to achieve in 2025.

Stability Pathfinder Phase 2

Phase 2 of Britain's Stability Pathfinder initiative seeks to reduce the operability risk of the electricity system, both in Scotland and



Very large battery energy storage in Blackhillock

across Great Britain. In total, NESO awarded ten contracts as part of this project (worth £323 million overall) to secure 11.55 GVA of Short Circuit Level (SCL) in Scotland and 6.75 GVA seconds of inertia for Britain through the use of five synchronous condensers and five grid forming batteries.

The five synchronous condensers contracted by NESO offer stability to the grid like traditional generators, but without actually generating electricity. The grid will hence benefit from these sites at minimal operational costs and carbon emissions. ■

CAMS software helps data centers secure scalable power

Consolidated Asset Management Services (CAMS), has launched a new solution to help data centers secure reliable, scalable, and cost-effective electricity supply. The technology initially focusses on renewable energy and gas-fired generation and allows AI companies in data centres to better tailor their quest to expand computing capacity.

Uptime of power gen assets is critical for data centers which need 24/7 supply of electricity, and lots of it.

"We've built a team that understands both critical uptime requirements and the complexities of power generation. By bringing generation development in-house, data center operators can better align power availability with facility expansion," said Dan Consie, CAMS SVP of Portfolio Management and director of the new initiative.



Collocated generation, in his view, also enhances reliability of power supply and can offer cost advantages over traditional utility service.

The collocated generation services provide streamlined permitting and help with grid interconnection requirements to reduce project timelines. The commercial service includes power purchase agreement (PPA) structuring, fuel procurement, and market participation to maximize asset value.

With experience managing over 70 gigawatts (GW) of generation capacity, CAMS offers monitoring, preventative maintenance, and rapid response services to keep data centers up and running.

Reliable electricity supply and efficient and sustainable energy use are guaranteed through advanced analytics, renewable integration as well as emissions reduction strategies. ■

NEWS NUDGES

Mind how vegetation impacts power grids

Hitachi Energy and Amazon Web Services have teamed up to deploy cloud-based solutions for utilities and power grid operators to manage the impact of vegetation on their business. Wild growth of trees and bushes can impact power transmission lines, while the data gathered from drones and ground patrols can be incomplete and disconnected. Hitachi Vegetation Manager, leverages AI, satellite imagery, and real-time weather forecasts to help utility customers identify and mitigate vegetation interference and risks.

CCS growth tops 23%

The global market for Carbon capture, utilisation and storage (CCUS) is growing at a rate of 23.1%. Valued at \$3.4 billion last year, ResearchAndMarkets projects the market to reach \$9.6 billion by 2029. China, the U.S. and India, account for more than half of global CO2 emissions, and 20 countries account for 80% of the global emissions.

Wärtsilä engines to power LNG vessel

Wärtsilä will supply three 25DF dual-fuel engines for a new 18,600 cbm capacity LNG bunkering vessel being built for Spanish operator Ibaizabal. The vessel is built at the Hudong-Zhonghua shipyard in China, with the equipment scheduled for fast-track delivery to the yard in September 2025. The ship is expected to be delivered before the end of 2026.

Shannon LNG gets planning permission for Kerry power plant

Ireland's national independent planning body, An Bord Pleanála, in an apparent U-turn, has granted planning permission for an LNG-fuelled power plant in north Kerry. Shannon LNG proposed to build the 600 MW plant, along with an emergency gas storage on a 630-acre site between Tarbert and Ballylongford.

The decision marks an apparent U-turn. In October, 2023, the board refused planning permission for the project pending an Irish Government's review of the security of energy supply to 2030. It found the proposal was

"contrary to government policy and therefore contrary to the proper planning and development of the area," the Irish Times reported.

Shannon LNG challenged the board's decision, and last November, Justice Richard Humphreys in the High Court ordered the board to review the application. He argued the board had not taken into consideration a 2023 national risk assessment that the absence of a major storage facility for natural gas was "a risk for security of supply".

In its reviewed decision, the board has given the go-ahead for the facility, saying it was "satisfied" that the plant was consistent with national climate ambitions. ■



Render of Shannon LNG terminal

1.4 GW power plant to energise Calcasieu Pass LNG terminal

A combined-cycle power plant with over 1,440 MW capacity will energise the proposed Calcasieu Pass 2 LNG terminal with its 36 liquefaction trains. Venture Global just got approval to export natural gas from the so-called CP2 facility, the fifth such approval granted since the Trump administration ended a permitting pause.

Australia-based Worley has been selected as EPC contractor working under a limited notice to proceed. Situated Louisiana's Cameron Parish some 50 miles south of Lake Charles, Calcasieu Pass LNG project consists of a modular, mid-scale configuration and is expected to produce 10 million tons per annum of LNG once fully commissioned.

Venture Global did not disclose an estimated cost for the project, but company executives said earlier some \$4 billion were spent on construction, engineering and design work through the end of 2024. The process towards a final investment decision (FID) was initiated a fortnight ago, and Venture Global stressed it firm offtake agreements for Phase 1 is in place with Exxon-Mobil and Chevron, New Fortress Energy, JERA, China Gas, Inpex, SEFE and EnBW.

Mid-April targeted for CP1's commercial start

In February, Venture Global said the first phase of its Calcasieu Pass LNG facility in Louisiana would start commercial operations on 15 April 2025. That month had previously been highlighted by Edison as the earliest time given by Venture Global to its long-term customers.

The official start in April will mean the facility's tolling partners will finally be able to lift cargoes on their own accounts almost three years after the 10 mtpa liquefaction plant began LNG shipments. ■



A second train is planned adjacent to the Calcasieu Pass Train 1 in Louisiana

Osramcom, Technicas Reunidas to build 3 GW CCGT in Saudi Arabia

Orascom Construction and Técnicas Reunidas have been awarded a \$2.6 billion contract to build a 3 GW combined-cycle gas power plant in Saudi Arabia. The duo signed an EPC contract to design, build and commission the Qurayyah CCGT with Hajr Two Electricity Company, a consortium of ACWA Power, Saudi Electricity Company (SEC), and Haji Abdullah Alireza & Co.

Situated in the in the Kingdom's eastern province, the CCGT will also be equipped to be ready for carbon capture and include a 380kV electrical substation.

Osama Bishai, CEO of Orascom Construction, said the project would build on the company's recent works in the power sector in Egypt. ■

Karpowership commissions MAN to deliver 24 dual-fuel engines

Karpowership, part of Istanbul-based Karadeniz Holding, has commissioned MAN Energy Solutions to deliver 24 engines, with 20.7 MW capacity each, for deployment aboard several power barges. Floating power barges are primarily used in Asia, South America and Africa to avert energy shortages.

Currently, Karpowership has the world's largest fleet of Powerships with 40 ships and a combined capacity of over 7,500 MW. The partnership between MAN and Karpowership dates back to 2009, and over that period the German manufacturer has received orders for over 150 engines to date.

The latest order comprises of 24 dual fuel engines of the type 18V51/60DF. "With this order, we are expanding Karpowership's fleet by a total of around 500 MW," MAN head of sales Alexander Stöckler pointed out. ■

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