Gas to Power Journal
Peakload Power and Energy Storage

Focus on LNG-fuelled power plants

Weekly News 23 May 2025

Petronet seeks to complete Dahaj terminal expansion in August

India's LNG imports are bound to rise amid higher gas-burn in the summer season and Petronet wants to get the expansion of the 17.5 mtpa Dahaj terminal to 22.5 mtpa completed in the next three months, CEO A.K. Singh said. He indicated Petronet aims to maximise the utilisation of this terminal over the summer.

Dahej LNG terminal is being expanded

Electric power generators across India have already been asked by the government to operate under-utilised gas-fuelled plant at a higher capacity between May 26 and June 30.

"We expect LNG demand to rise similar to last year's levels. Demand for power is rising in last few days so we are expecting demand for LNG to rise in the third or fourth week of May and in June," the Petronet CEO said.

Dispatch of gas-fuelled power plants has been more expensive than those running on thermal coal, solar or wind energy which results in three-fifth of all gas power stations standing idle. These plants tend to be primarily used for gas peaking power.

Yet the narrowing spread between spot and longterm LNG prices is incentivising buyers like Petronet to step up purchasing, Sing said, indicating Indian offtakers prefer LNG prices at below $10/MMBtu.

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Taiwan on the lookout for LNG cargoes after exiting nuclear

CPC Corp, Taiwan's state energy company, is seeking to import LNG cargoes for August and September after the country's last nuclear power plant was shut down this week. LNG procurement will be ramped up through a new regas terminal in the Guantang Industrial Area.

Situated in the north of Taiwan Island, the Guantang terminal gives give CPC another option for importing LNG in addition to Taichung LNG terminal which is also being expanded.

By investing into expanded LNG regas capacity, CPC is complying with a government policy to increase the ratio of electricity generated from natural gas to 50%, as set out by Taiwan's ministry of economic affairs.

Domestic gas demand has been steadily rising over the past few months as Taipower seeks to adapt to the government's Nuclear Free Homeland Policy. Unit 1 of Taipower's last fully functional nuclear power plant, the Maanshan reactor was shuttered on July 27, 2024, and the utility confirmed it disconnected Maanshan Unit 2 on Saturday at 10 p.m. – completing Taiwan's nuclear exit.

In anticipation of this quantum change in Taiwan's power sector, state-run CPC Corp already increased LNG imports since early summer last year and the company recently got approval to build a new regas terminal at Kaohsiung. By the time that

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AGENDA

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At this level gas-burn for power generation starts to become economic.

Near-fixed price LNG offtake

For long, Petronet used to purchase US LNG at a near-fixed price. In September 2019, it signed a $7.5 billion agreement with Tellurian to take a stake in Driftwood LNG and import 5 mtpa. For American LNG vendors, selling LNG directly to Indian customers is difficult given that utility customers are hesitant to lock in long-term offtake agreements due to a high risk of price volatility at wholesale power markets.

Prime Minister Narenda Modi is pushing to turn India into a gas-based economy, aiming to boost the use of gas from 6.2% to 15% by 2030. To achieve this goal, the PM has set out measures to double city gas networks to 400 districts, set up an independent gas transmission system operator and a trading exchange to allow for transparent operations of pipelines and price discovery.

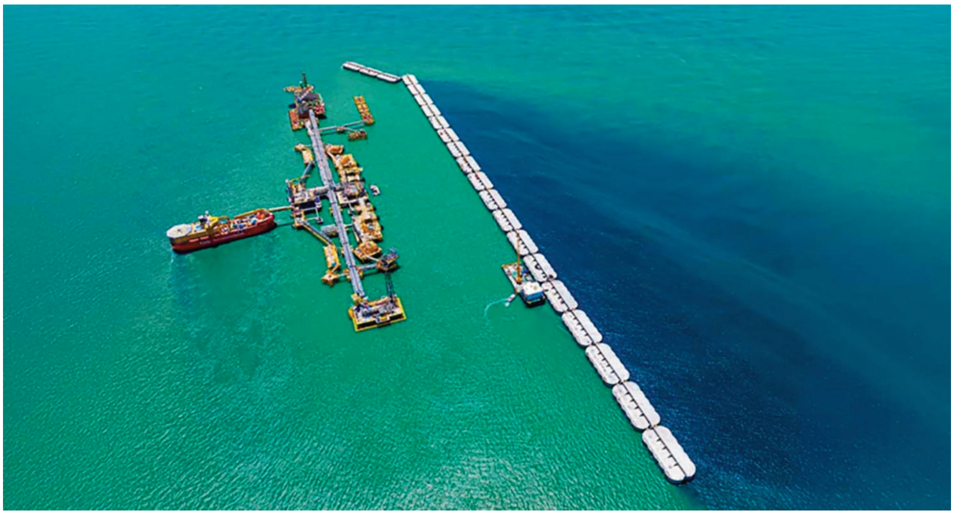
"Increasing natural gas use will enable India to fuel its impressive economic growth to achieve Prime Minister Modi's goal of a $5 trillion economy," noted Tellurian president and CEO Meg Gentle.

Mauritania invites bids for power plant linked to GTA LNG project

Mauritania will launch a bidding process in two weeks' time for a 550 MW gas-fuelled power plant linked to the Greater Tortue Ahmeyim (GTA) liquefied natural gas project. The new power project will be developed and financed through a public-private partnership (PPP).

"All future power generation projects in Mauritania will be privately built," said Mohamed Ould Khaled, minister of petroleum and energy told delegates at 'Invest in African Energy 2025 Forum' in Paris.

State-owned companies will no longer participate in power projects, he stressed, referring to the government's new local content policy which comes along with updated PPP and investment frameworks. These reforms are part of a broader strategy to leverage Mauritania's domestic gas and renewable energy potential and spur industrialisation.



Birds eye view of GTA project off Mauretania

CCGT plants planned in Mauritania and Senegal

LNG from the GTA project — developed jointly with Senegal — will fuel a 250 MW combined-cycle power plant (CCGT) in each country during the initial phase, Khaled explained.

Situated in northwest Africa, Mauretania also aims to expand the BirAllah conventional gas field and expand the GTP liquefaction project with a goal of reaching an LNG production capacity of 10 mtpa.

Parts of the gas bounty is earmarked for the domestic market: Two independent power producer (IPP) projects, fuelled by domestic natural gas, are anticipated to add a combined 550 MW to Mauritania's national grid over the coming years.

Gas to Power Journal

Publisher
Stuart Fryer

Editor
Anja Karl
Tel: +44 (0)7733 684 682
anja@gastopowerjournal.com

Advertising
Narges Jodeyri
narges@lngjournal.com

New Business & Databases
Stephan Venter
Tel: +44 (0) 207 017 3407
venter@gastopowerjournal.com

Subscriptions
Margarita Tokere
Tel: +33 (0)7 67 62 58 77
margarita@gastopowerjournal.com

Layout & Production
Vivian Chee
chee@thedigitalship.com

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regas terminal is built and commissioned, however, Taiwan will need to import substantially more LNG as gas-fuelled power stations will have to be dispatched for mid-merit or even partly as a baseload power source.

Repowering the Talin coal-fired power units to cleaner-burning natural gas is under consideration. Not only would this boost demand for LNG, combusting gas instead of thermal coal would also produce around 95,000 tonnes less sulphur oxide, 50,000 tonnes less nitrogen oxide, and 6.26 million tonnes less carbon dioxide annually.

CPC confirmed it will supply regasified LNG to the repowered Talin power plant at Kaohsiung Port. But the company was quick to add it would also supply gas to power industries, homes, other end-users, and source gas for storage to meet seasonal demand swings.

Plans to increase Taiwan's natural gas reserves from the current 7-day storage level to 14, have already been announced by the Ministry of Economics in October last year. Greater gas storage requirements further add to rising demand for imported LNG.

All these factors make the state gas buyer CPC Corp keep a vigilant eye on offerings from long-term LNG deliveries as well as on the spot market.

GS Energy and Hanyang secure $815m loan for Yeosu LNG Hub

South Korean utility GS Energy and the construction firm BS Hanyang have been awarded a 1.1 trillion won ($815 million) project finance loan to develop the Northeast Asia LNG hub terminal in Yeosu. Built at a total cost of 1.4 trillion won, the project involves three LNG storage tanks with the first two slated to start operations by the end of 2027, and the third by the end of 2028.

Financing will come from ten financial institutions, including Shinhan Bank and the Industrial Bank of Korea. The regional revitalization investment fund, set up by the ministry of strategy and finance alongside the Korea Development Bank, is involved in this project for the first time.

Once operational, the first two of Yeosu LNG's 200,000-kiloliter LNG storage tanks and associated infrastructure will allow GS Energy to provide services tailored to LNG-based power generation and district heating plants.

Several utility offtakers are eying gas imports via Yeosu LNG: Korea East-West Power and E1 have sealed an agreement build an LNG-fuelled power plant in Yeosu, South Jeolla province. A 679 MW coal-fired power station is already in operation in Jungheung, Yeosu, which Korea East-West Power is considering to convert to cleaner-burning gas. ■

Render of Yeosu's 'Northeast Asia LNG Hub Terminal

Asian LNG demand revised down as Chinese economy flatlines

Analysts at Energy Aspects have revised down Asian gas demand by up 1.7 million tons after Chinese LNG imports fell 0.9 million ton in a flatlining economy. The revision follows a 2.7 mt demand downgrade at the start of the US-China tariff war which impacts purchasing power and reduced LNG demand to 3.6 mt year-to-date.

Macroeconomics data has been turning from bad to worse: April's manufacturing Purchasing Managers' Index (PMI) showed a sharp drop in new export orders to 44.7 — the lowest level since December 2022 – showing a broad weakness in external demand.

Monetary easing

In response, monetary easing measures were launched by the government in Beijing on 7 May. But the scale and structure of the stimulus package suggest limited near-term support for industrial gas demand. The easing measures amounted to 1.1 trillion yuan in funding through re-lending facilities, analysts said, stressing this amounts to just about half the scale of the pandemic-era package.

Most of the money is allocated to non-gas-related areas like elderly care sectors or technology lending. Energy Aspects believes these policy measures will offer minimal upside to near-term gas consumption and hence downgraded their forecasts of China's overall gas consumption for this year and 2026.

Less call on cross-basin cargoes

Dwindling Chinese LNG demand is impacting broader Asian LNG demand forecasts, which analysts cut by 1.7 mt week-on-week as they expect significantly less Asian call on flexible cross-basin LNG cargoes. The forecast spread between JKM (Japan Korea Marker) and TTF (Title Transfer Facility) prices was narrowed over the balance of 2025.

On the supply side, projected deliveries from the US and Qatar have also been revised down as the global LNG balance tightened week-on-week. Analysts hence raised their TTF price forecasts, which further depresses price-sensitive demand in Asia.

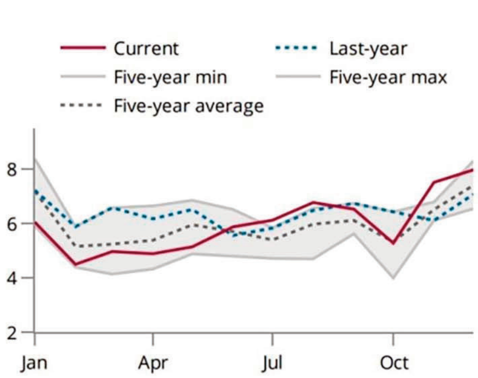
Despite a surprise announcement over the weekend of a trade 'deal' between China and the US, which could potentially ease some pressure on China's export sector, Energy Aspects remains cautious:

"Although Beijing has paused a 24% retaliatory tariff for 90 days, US LNG exports to China are still subject to a 25% tariff, making a significant uptick in imports unlikely," they warn. Moreover, China's 10% tariff on US goods remains in place which limits the benefit of any near-term trade thaw.

Looking ahead, Energy Aspects stays bullish on JKM prices, forecasting an average of $14.38/MMBtu for the balance of 2025. This is $2.41/MMBtu above the latest CME settlements.

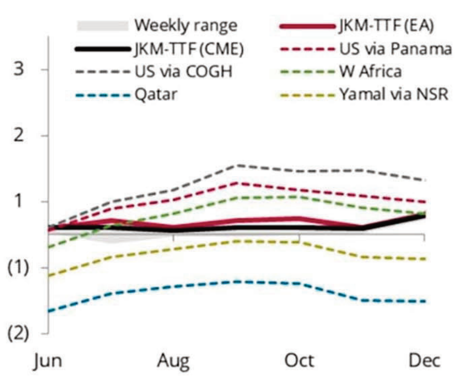
Any upside risks to Chinese GDP growth are deemed "unlikely to translate into a substantial rebound in LNG demand" – unless stimulus measures are broadened to include infrastructure and industrial sectors. ■

China imports, Mt



Source: GTT, LSEG, Bloomberg, Energy Aspects

JKM–TTF spreads, LNG freight diffs, $/MMBtu



Note: Freight diffs are the increases in freight costs to send cargoes to Northeast Asia instead of Europe
Source: CME, Fearnleys, Argus Media Group, Energy Aspects

Turkey's new 75 bcm Black Sea gas discovery limits LNG imports

Turkish President Recep Tayyip Erdoğan has announced the discovery of a significant natural gas reserve at a well in the Black Sea. Estimated to hold 75 billion cubic metres (bcm) of natural gas at an estimated value of over $30 billion, the new find is bound to limit Turkey's demand of imported LNG.

"With this discovery, we will meet the natural gas needs of homes in Turkey for 3.5 years," Erdogan at the EPC Summit in the Albanian capital Tirana on Saturday. The novel discovery, worth an estimated $30 billion, has been found at a depth of 3,500 metres in the Goktepe-3 well, he disclosed.

Daily gas production at Turkey's flagship Sakarya field in the Black Sea nears 9.5 bcm and a timely start of production at Goktepe-3 would reduce the country's need to import natural gas for years to come. The government has for long urged state-run Botas to reduce its energy import bill by limiting LNG imports and forge closer ties to international upstream companies with a view to develop more domestic oil and gas reserves.

In 2025, Turkey's LNG imports are forecast to surpass 9 million tons, equivalent to some 12.4 bcm – down from the 14.27 bcm of LNG imported two years earlier. The fall in LNG imports reflects the country's shift to regional suppliers and drive to increase domestic gas production.

Deliveries of pipeline gas from Turkmenistan will rise 1.3 bcm by the end of this year, based on a contract that state-run Botas signed with Turkmengaz in March. Botas is handling over 90% percent of Turkey's total gas imports. No details on pricing terms were provided, though Turkey's energy minister Alparslan Bayraktar indicated volumes imported from Turkmenistan could rise up to 2 bcm per year.

BOTAŞ floating LNG storage and regas unit

Part of Botas' imported LNG, shipped under long-term contracts, has been re-exported – either on small-scale tankers or in the form or shipped via pipelines to neighbouring countries. In 2023, Turkey exported 896 million cubic metres of natural gas with 371 mcm supplied to Bulgaria, 217 mcm to Greece (pipeline), and 102 mcm to Romania – all via pipeline. Another 206 mcm was sold to Swiss trading houses in the form of LNG.

To reign in excess supplies, Turkey is trying to re-negotiating long-term LNG supply deals, e.g. the ongoing discussions with ExxonMobil for 2.5 mtpa or less over a decade. Similarly, Botas is in talks with Shell over flexible term LNG supply.

Delivery of 1.1 mtpa of LNG over 10 years was recently agreed with TotalEnergy. First shipments envisaged for 2027, though the actual offtake might be scaled down if more cost-competitive natural gas can be produced in Turkey by that time. ■

NEWS NUDGES

Revithoussa LNG upgrade completed

Operations at the Revithoussa LNG regasification and import terminal in Greece have resumed after a planned shutdown to upgrade the plant with a new high-pressure BOG compressor. According to Greece's National Gas System Operator (DESFA), the upgrade will eliminate the need for wasteful gas flaring during normal operations. ■

Oman LNG seals optimisation pact for 0.8 mtpa with Vitol Asia

Starting in 2026, Oman LNG will partner with Vitol Asia under a newly signed agreement covering the optimization of up to 0.8 million metric tonnes per annum (mtpa) of LNG on a delivered ex-ship (DES) basis. The cooperation enhances Oman LNG's flexibility from DES commitments and allows it to better align with buyers demand for more adaptable contracts.

Swiss-based Vitol – a trusted partner of Oman LNG and a key portfolio trader – is meant to help Oman LNG unlock new value by helping the state-run Middle Eastern LNG exporter to enhance its portfolio's flexibility and responsiveness to shift in a global gas market, said Mahmoud al Baloushi, Chief Commercial Officer of Oman LNG.

The cooperation agreement was signed in Muscat in the presence of Oman's energy minister Salim bin Nasser al Aufi.

"This agreement with Vitol highlights our agility and ability to adapt to changing market conditions," said Hamed al Naamany, CEO of Oman LNG. He pointed out there was a "continued positive market response to Oman's gas and LNG strategy."

Prioritising RES to sell more LNG abroad

Oman's domestic energy mix has been shifting towards renewables as the government seeks to free up more volumes of natural gas for liquefaction and sale abroad.

As a consequence, Oman Electricity Transmission Company (OETC) is prioritising dispatch of renewables and other clean power sources over conventional gas-based output. Operational are currently a 50 MW wind farm in Dhofar and 500 MW solar PV capacity at Ibri, but over the next six years some 1.5 GW of solar projects along with1 GW of wind capacity are slated for development.

Lowering the reliance on gas-fired power, frees up fuel for export: Oman LNG in April last year signed a sales and purchase agreement (SPA) with BOTAS of Turkey to supply 1 mtpa of LNG to Botas over a 10-year period, starting from mid-2025. ■

Vistra buys 2.6 GW of gas power assets from Lotus in $2bn deal

Fortune 500 power producer Vistra has agreed to acquire seven gas power plants from Lotus Infrastructure Partners. The assets – valued at $1.9 billion or approximately $743/kW – are situated in PJM, New England, New York, and California.

The Irving, Texas-based company said it wants to finance the transaction through a combination of cash on hand and the assumption of an existing term loan from Lotus. The term loan is currently expected to be about 50% of the consideration at closing, anticipated in late 2025 or early 2026.

"We believe natural gas-fired generation will remain a vital contributor to the reliability, affordability, and adaptability of the U.S. power grid for years to come," CEO Jim Burke said. By adding a high-quality portfolio of combined-cycle and peaking assets, Vistra is positioning itself to meet rising electricity demand in key states.

Lotus thermal power assets include the Edgewater Generation Portfolio, comprising Fairless Energy Center (1,320 MW), Manchester Street Station (510 MW), and Garrison Energy Center (309 MW) as well as the 550 MW Quail Run Energy Center in Texas, the 503 MW Rockgen Energy simple-cycle plant in Wisconsin and the 848 MW Marcus Hook Energy Center in Pennsylvania, among others.

Turning to investors, Burke said he expects the new assets will help Vistra exceed its mid-teens levered return target. "Importantly, as our experienced team has demonstrated previously with the acquisitions of Dynegy and Energy Harbor, successfully integrating fleets of generation assets is a core competency of our company," he pointed out.

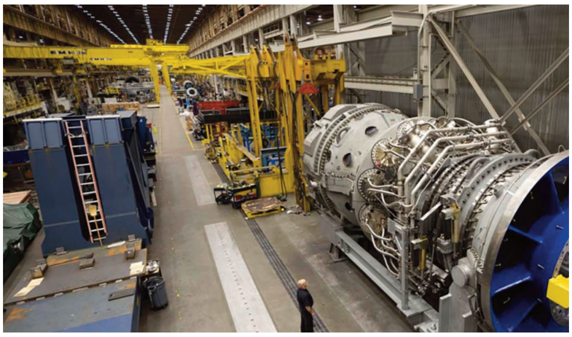
Lotus Fairless Energy Center

Morgan Stanley analyst David Arcaro, however, described the deal as "a small, opportunistic tuck-in acquisition" that does not significantly alter Vistra's strategy or portfolio profile. ■

Oglethorpe Power selects 7HA.03 turbines for new CCGT in Georgia

Georgia-based energy cooperative Oglethorpe Power has turned to GE Vernova to supply two 7HA.03 gas turbines for its new combined-cycle gas power plant in Monroe County, New York State. The deal also includes delivery of two H84 hydrogen-cooled generators, two triple-pressure with reheat Heat Recovery Steam Generators and two STF-D600 steam turbines.

The gas turbine will be manufactured at Greenville, GE's factory in South Carolina. Once commissioned and operational, the CCGT will be serviced under a 20-year agreement, including all services and parts for the HA gas turbines, steam turbines and associated generators.



View into GE's turbine factory at Greenville

3.6 GW expansion through acquisitions

Over the last 16 years, Oglethorpe Power has expanded its generation capacity with eight gas-fired acquisitions in Georgia, totalling more than 3,600 megawatts.

With more than $16 billion in assets, Oglethorpe Power owns and operates a diverse portfolio of resources. It co-owns Units 1 and 2 of Plant Scherer, a coal-fired generation facility also located in Monroe County, which provides more than 1,000 MW of dispatchable energy. This provide "tremendous reliability to the electric grid through onsite fuel storage," the operator stressed.

Oglethorpe Power also owns and operates more than 800 MW of pumped-storage hydroelectric generation and invested significant amounts in emission-free nuclear energy with the completion of the Vogtle expansion project. ■

Sasol's Secunda power plant modernised

Sasol's Secunda power plant in Mpumalanga, near Cape Town in South Africa, has been modernized. By replacing of the pre-combustor system with a new DLN1+ combustor and a fuel gas module skid, GE Vernova increased the operational efficiency of the two installed 9E gas turbines.

The repowering project serves as a blueprint for upgrading other gas-fuelled power plants across Africa, and help reduce related carbon emissions.

Improvements of the FGM upgrade include the reduction of NOx emissions significantly below the guaranteed values of 25 ppm, avoidance of using water as a dilutent as wells.

Efficiency improvements translate to approximately 10,000 metric tons less CO_2 emitted per gas turbine, which supports Sasol's environmental objectives. Extension of the maintenance intervals and reduced downtime are further benefits for Sasol – as are lower operational costs. ■

Secunda power plant

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