



Weekly News

12 September 2025

## JERA on buying spree, seals LoI for Alaskan LNG

Japan's largest power generator JERA has signed a Letter of Intent (LoI) to purchase 1 mtpa of liquefied natural gas from the Alaska LNG project over a 20-year term on a Free-on-Board basis. JERA is on a buying spree, and CEO Yukio Kani seeks to procure some 5.5 mtpa through long-term contracts to meet future demand and avoid future spot purchases.

**“We** rather taking the risk of being over-committed in LNG than running short of it,” Kani told delegates at Gastech and the latest deal with Glenfarne, developer of Alaska, is testament to this strategy.

Glenfarne CEO Brendan Duval said the agreement follows months of committed discussions on both sides to open a new energy supply that strengthens energy security and spurs long-term economic growth for both Alaska and Japan. He underlined “Glenfarne builds on this momentum with commercial parties across the Pacific region.”

### Term LNG deals shield against price volatility

The JERA CEO highlighted volatility of future LNG demand as the company's greatest risk. “The worst-case scenario is we underestimate future demand, run short on term supply and have to go to the spot



JERA LNG import terminal with adjacent power plant

market to buy additional cargoes as this undermines fuel economics.”

Japan's largest LNG buyer and electric power generator seeks to procure some 5.5 mtpa of LNG to meet future demand. “We need to take a risk now, commit to long-term LNG purchase and manage the volatility of future demand by using our shipping capability,” Kani told a panel at the Gastech 2025 trade show in Milan.

Buying excess LNG supply under long-term contracts is a risk that JERA can handle. Any access cargoes can be re-sold by JERA's trading division to markets in Asia Pacific. Having to purchase spot LNG for

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## YPF edges closer to taking FID on Vaca Muerta

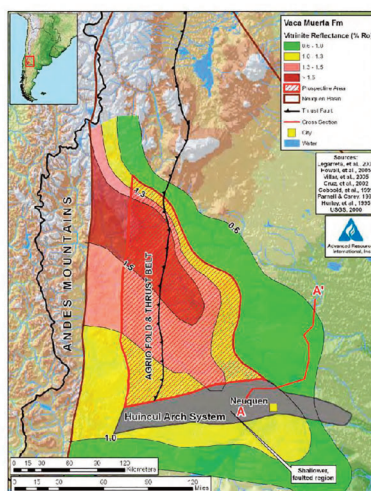
Argentine oil and gas incumbent YPF is about to take FID on developing the Vaca Muerta basin, supported by new supportive legislation. Gas-burn covers more than half of Argentina's energy needs and greater supply of unconventional gas from Vaca Muerta is bound to lower fuel prices and reduce electricity generation costs.

**T**apping vast unconventional reserves at home would allow Argentina to maintain its recent trend of positive energy trade balances. Domestic gas supply at affordable prices would underpin Argentina's policy efforts to diversify the energy mix, accelerating the renewables build-out backed up by flexible gas power plants while reserving excess gas for export.

Vaca Muerte can compare with the US Permian Basin as microeconomics in Argentina have become much better with a new law on fiscal terms allowing YPF to make more investment, Martin said in a fire-side chat at the Gastech 2025 trade show.

“Given that demand for exporting LNG from Argentina is twice the gas demand within the country

Vaca Muerta FM, TOC, Thermal Maturity, and Prospective Area, Neuquen Basin



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its Japanese home market, by contrast, would eat into the economics of power generation.

### Targeting 2026 for FID on the LNG terminal

The race is on between a flurry of US LNG developers to get new terminals to financial close and commence construction.

The 20 mtpa Alaska LNG project is one of them and Glenfarne is targeting a late-2025 Final Investment Decision (FID) for

the Alaska LNG pipeline and a 2026 FID for the project's LNG export components.

Adam Prestidge, president of Glenfarne Alaska LNG welcomed the LoI with JERA. He pointed out the project has "the shortest U.S. shipping proximity to Asia and abundant, low-volatility North Slope gas reserves which allows LNG export to Asia at prices that are "materially lower" than rival projects developers.

Since becoming the 75% shareholder

and lead developer in March of 2025, Glenfarne has secured preliminary commercial agreements for more than half of Alaska LNG's available third-party LNG offtake capacity. Latest preliminary deals were signed with CPC in Taiwan and PTT in Thailand Financial close hinges, however, on firm off-take agreements even though project economics are helped by federal loan guarantees of up to \$30 billion from the U.S. Department of Energy (DOE). ■

## US utilities commit to 116 GW of load capacity growth

**Electric utilities in the United States have committed, or started construction, on 116 Gigawatt (GW) of load capacity – equivalent to 15.5% of current US peak power demand. Factoring in projects in advanced discussion brings the total to 147 GW – yet, time-to-market might prove overly ambitious, analysts warn.**

"Utilities are committing to large loads ramping rapidly this decade," said Ben Hertz-Schargel, global head of Grid Edge for Wood Mackenzie. "The market will be hard-pressed to supply this new load on that timeframe, which may prevent it from happening."

A large part of this new capacity will come onstream over the next few years: 60 GW may well be added through 2030, equal to 8% of current US peak demand. Utilities expect 93 GW to be operational by 2035, after which little pipeline capacity has been disclosed.

### Build-out shifts to deregulated markets

In terms of locations, WoodMac identifies a shift where large load projects are sited. While 91% of the current 17 GW of disclosed capacity under construction is located in regulated markets, 46% of committed capacity not yet under construction and 35% of capacity in advanced discussion

is planned for deregulated markets.

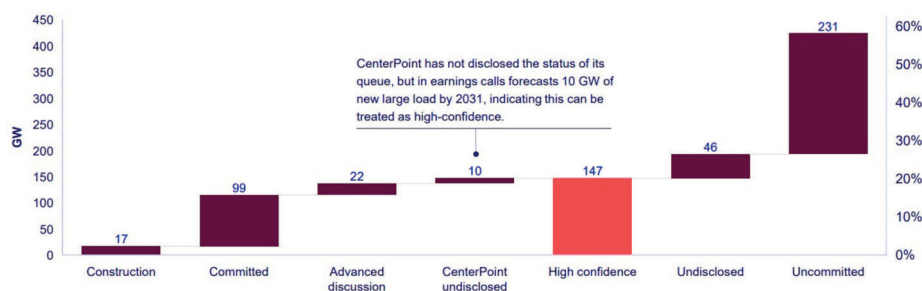
Nearly three-quarters of high-confidence load is concentrated in the ERCOT region, spanning much of Texas, and to some lesser extent in the PJM market zone in the eastern United States. Yet, deregulated markets pose risks of inadequate future supply and price increases to non-large load customers, Hertz-Schargel warned. This has prompted market interventions by Texas and PJM and, in his view, "will likely prompt more in the future."

Gas supply risks loom large: total avail-

able pipeline capacity has fallen over the last few quarters as new request outpace infrastructure advancement. Data center ramp rates augment the uncertainty of fuel and power. The time to reach contract capacity varies considerably for projects over 300 MW, often much longer than four years.

"The pace at which utilities connect data centers is just part of the story," Hertz-Schargel commented. "How soon the grid actually sees load will ultimately depend on data center developers." ■

Utility pipeline capacity by status and share of current US peak load



\*Pipeline capacity disclosed by utilities is understood as contract capacity, rather than expected peak or average capacity. Comparison to US peak demand is illustrative only. The US peak was 745 GW going into summer 2025, as reported by EIA.

Continued from page 1

itself – the tax law has prolific implications," he underlined, adding: "We hold holds more than 50% of the acreage in Vaca Muerte, so the development of the basin hinges on YPF going ahead."

### Targeting FID in 2026

Looking at investment, YPF plans to spend about \$3.3 billion on upstream shale oil and gas production in the Vaca Muerte shale play in 2025, which accounts for two-thirds of its total \$5 billion capital expenditure planned for the year. In addition, YPF's proposed Vaca Muerte Sur oil export pipeline project requires some \$3 billion in investment, including \$2 billion in debt financing.

The Vaca Muerte Sur pipeline project has a tight timeline for FID and construction – considering start of commercial operations is scheduled for mid-2027.

"Next year, we aim to take FID for both projects. Unless we take the risk to take FID before having all financing in place, we'll take FID by the end of next year," the YPF CEO told delegates at Gastech.

To sell shale gas from Vaca Muerte to global LNG markets, YPF has partnered with Italy's Eni to install two floating liquefaction vessels, each with a 6 mtpa capacity, totalling 12 mtpa initially. Provided enough feedgas will be in place, YPF wants to scale up LNG exports to 30 mtpa by 2030. ■

Gas to Power Journal

Publisher  
Stuart Fryer

Editor  
Anja Karl  
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

## China's battery supply chain should place 'value over volume'



View into Chinese battery factory

Chinese EV and battery makers should erase unsustainable competition, like excessive discounting or overcapacity expansion, which can lead to industry stagnation. Wood Mackenzie advises to place 'value over volume' as China's EV market penetration is on track to reach over 50% by the end of 2025.

'Nei juan', Chinese for 'involution' e.g. through excessive discounts among peers, is the issue that needs addressing and the Government has launched policies to erase such behaviour. Electric vehicle makers are told to combine market-driven adjustments with regulatory guidance to eliminate low-quality capacity.

"With automotive margins having fallen to just 3.9% in Q1-2025 and EV prices dropping 5.8% year-on-year, these measures aim to stabilize profitability and redirect capital toward high-tech areas such as solid-state batteries, vehicle intelligence, and autonomous driving technologies," explains Wood-Mac's research analyst Alasia Zhang.

### Underutilisation issues

The Chinese battery sector is beset by severe overcapacity with industry-wide capacity utilization at just 41%. Market forces are emphasised over mandated cuts to tackle this issue: The government drives industry consolidation through new safety standards taking effect in 2026 rather than forced production reductions.

Consolidation is also driven by technology dominance, especially as the battery market shifts to high-nickel chemistries for solid-state batteries, analysts reckon. Already today, ternary cathode sector has self-corrected through market forces, with the Top 5 producers now controlling half of output. ■

## Brazilian utility Eneva turns to Google to optimise operations

Eneva, a major Brazilian utility with 5.95 GW installed power gen capacity, has turned to Accenture and Google Cloud in to optimise operations by using AI technologies. By migrating to Google Cloud, Eneva improves its access to data across the enterprise while facilitating backup and disaster recovery.

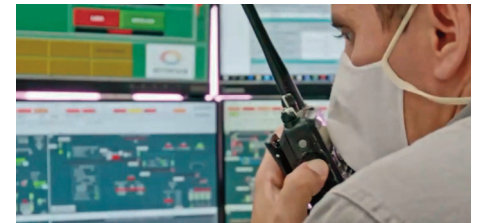
Through a multi-year collaboration with Accenture and Google cloud, the Brazilian power generator seeks to optimize its operations and generate more cash flows

Integrating data from cloud operations with actual production data from Eneva's power plant assets helps to optimise dispatch, maintenance management and scheduling. More reliable and better-performing equipment boosts employee productivity: Maintenance operators, for instance, can complete tasks in half the time currently required thanks to the Google Compute Engine, which frees them up to focus on higher-value work.

"We're not only seeing potential in the combination of cloud, data and AI — we're already experiencing its transformative power across our business," said Alexandre Ferreira, Chief Information Officer (COO) at Eneva.

Eveva is also using Google Cloud's Gemini 2.5 to integrate data from various corporate and operational systems, setting an example of applying AI technology to the necessities of an electric utility.

"By combining Accenture's experience in cloud technology and energy transformation with the advanced data and AI capabilities of Google Cloud, we're helping one of the largest energy companies in Brazil unlock new levels of operational efficiency and customer impact," Scott Alfieri, Accenture Google Business Group lead. ■



## JERA invests in fusion company, signals shift in gas power strategy

Japan's largest power generator JERA has invested in the start-up Kyoto Fusion pioneering in pivot away from fossil fuels. Though fusion is far from reaching commercial viability, JERA's investment is seen as a strategic hedge: using gas plants today while preparing for more sustainable alternatives tomorrow.

Capital markets increasingly focus on ESG and stranded asset risk, hence JERA's fusion investments appeals to sustainability-focused investors.

### Brace for post-fossil-fuel era

While gas remains a mainstay in Japan's energy mix, this move suggests that even incumbent utilities like JERA are preparing for a post-fossil-fuel era.

As fusion technology progresses, the economics of gas-fired plants — especially older, less efficient ones — come under strain. Pairing fossil with fusion may open hybrid models for cleaner, transitional generation.

By fiscal 2030, JERA wants to reduce the carbon emission intensity of its thermal power plants by 20%, as it strives to "actively lead the way in realizing a low-carbon society in Japan." ■



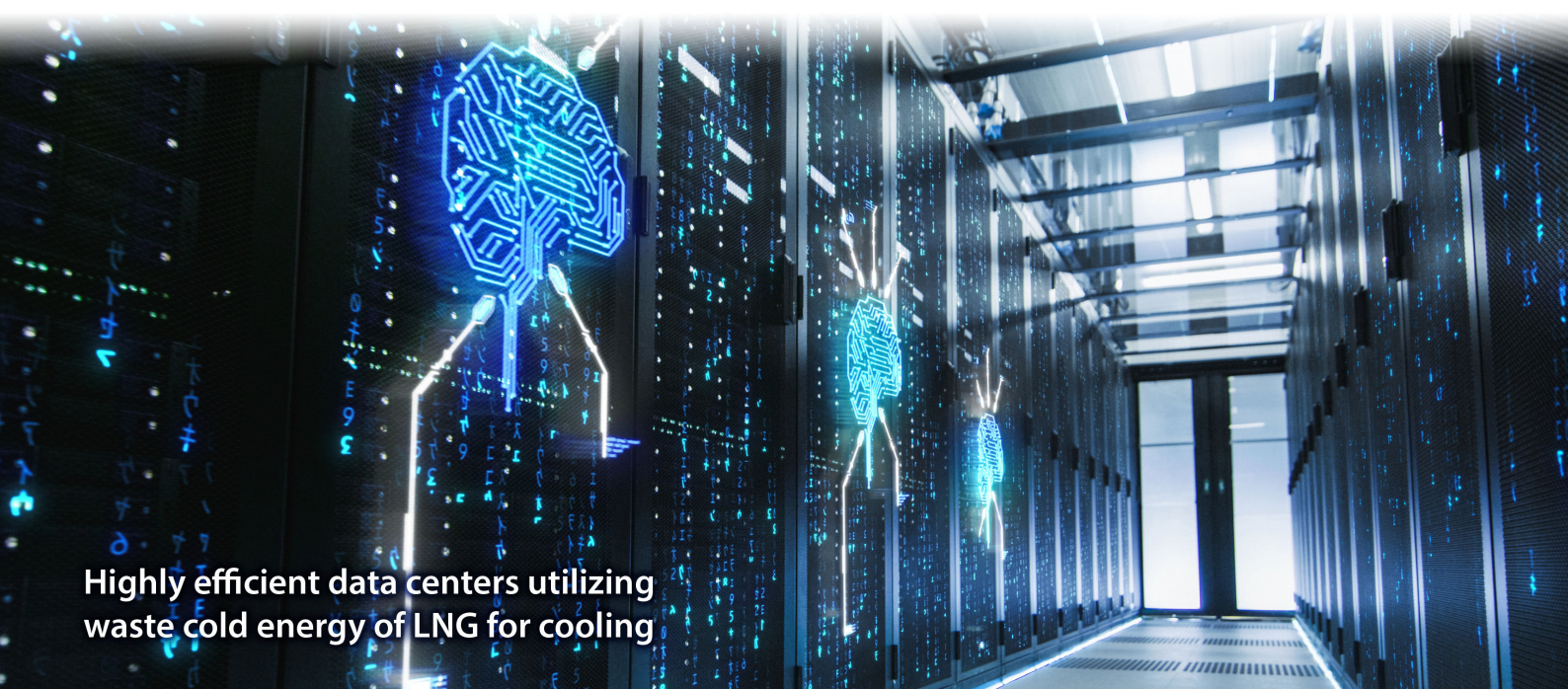
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## GE Vernova to modernise ESB's Dublin Bay power plant

The Irish utility Electricity Supply Board (ESB) has contracted GE Vernova to modernize Dublin Bay Power Plant. The upgrades, scheduled for completion in 2026, will extend the plant's lifetime while adding nearly 30 MW of power to the grid.

**C**ommissioned in 2002, Dublin Bay currently generates up to 415 MW with a single-shaft GT26 gas turbine. Though already one of Ireland's most efficient plants, ESB sees modernization as essential to meeting rising demand while pursuing its target of net-zero carbon emissions by 2040.

Under a new service agreement, GE Vernova will deliver its GT26 High Efficiency (HE) upgrade alongside SEMIPOL™ technology for Static Excitation Equipment and Startup Frequency Converters. Together, these improvements are expected to increase plant output, improve grid stability, and lower emissions.

The project is projected to provide an ad-

ditional 30 MW of power, enough for roughly 30,000 homes per year. The upgrade will lead to efficiency gains of up to 1.8% at baseload, delivering about a 5% cut in CO<sub>2</sub> emissions, along with readiness for hydrogen fuel blends.

Though Dublin Bay already is one of ESB's most efficient plants, the utility chose to further enhancing its performance, reliability and sustainability. "Our life extension project in 2026 will help us to deliver more power allowing us to provide electricity for Irish households over the next decade while



*Dublin Bay power station*

being more efficient with lower emissions and enabling possible future hydrogen blend," Arkadiusz Galant, Dublin Stations Manager, ESB explained. ■

## Rolls-Royce, Landmark and ASCO launch UK power plant with CCS

**Rolls-Royce, Landmark Power Holdings and ASCO Carbon Dioxide Ltd. have commissioned a 10 MW gas engine power plant with integrated carbon capture in Worksope, East Midlands. The plant extracts CO<sub>2</sub> from the exhaust gases of mtu gas engines, processes and liquefies it for distribution.**

**T**he Worksope facility is the first project under Landmark's FLEX-POWER PLUS concept, which combines mtu gas engines with ASCO's CO<sub>2</sub> recovery technology to deliver scalable, containerized solutions for clean power and heat generation. According to ASCO Managing Director Ralph Spring, captured CO<sub>2</sub> provides not only emissions reduction but also a valuable product: "It is an additional source of revenue and a resource for industries including food production, synthetic fuels and sustainable aviation fuels," he said.

The first tankers of purified CO<sub>2</sub> have been collected for use in the food industry to carbonate drinks like beer and lemonade. At full capacity, the plant will capture up to 30,000 tons of CO<sub>2</sub> annually. Alongside carbon capture, the plant generates electricity for some 10,000 households and supports grid stability. Heat from the combined heat and power (CHP) mtu plants is used both in the CO<sub>2</sub> recovery process and to heat sur-



*Gas engine power plant with CO<sub>2</sub> recovery*

rounding homes.

"Flexible carbon capture gas engine power plants are an important technology for ensuring a stable decentralized energy supply while reducing CO<sub>2</sub> emissions," Michael Stipa, senior vice president at Rolls-Royce Power Systems said.

Rolls-Royce supplied six mtu Series 4000 L64FNER gas engine CHP units and will maintain the facility for 10 years. ASCO manages the carbon capture and liquefaction plant, ensuring high-purity CO<sub>2</sub> output. Landmark developed the project and will operate it in partnership with Victory Hill, a sustainable energy infrastructure investor. ■

## Prometheus, Conduit accelerate Speed-to-Market for Data Centers

Data centre developer Prometheus Hyperscale and Conduit Power have partnered to deliver hybrid energy solution based on Conduit's hybrid gas plus battery. Starting with two projects in Texas, Prometheus will deploy this solution for up to 300 MW at each of its data centers.

The gas plus battery solution will be co-located at facilities owned by ENGIE in Texas. The first facility is expected to come online in 2026, with additional locations planned for 2027 and beyond.

"This partnership reflects our commitment to building the infrastructure AI needs — fast, clean, and at scale," said Trenton Thornock, Co-Founder and CEO of Prometheus Hyperscale. "Together with Conduit and ENGIE, we're setting a new standard for sustainable hyperscale development."

Prometheus is building next-generation, liquid-cooled hyperscale data centers in Texas and other parts of the US. Geothermal technology is used to enable zero water use for cooling the supercomputers.

Conduit, an Independent Power Producer, is offering decentral power solutions to help customers accelerate in-service dates and get more value from gas combustion. Conduit is backed by Grey Rock Investment Partners, a Dallas-based private equity firm that invests across the energy value focussing on industrial decarbonisation. ■

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[venter@lngjournal.com](mailto:venter@lngjournal.com)  
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