



European CCS projects delayed by 1.5 years on average

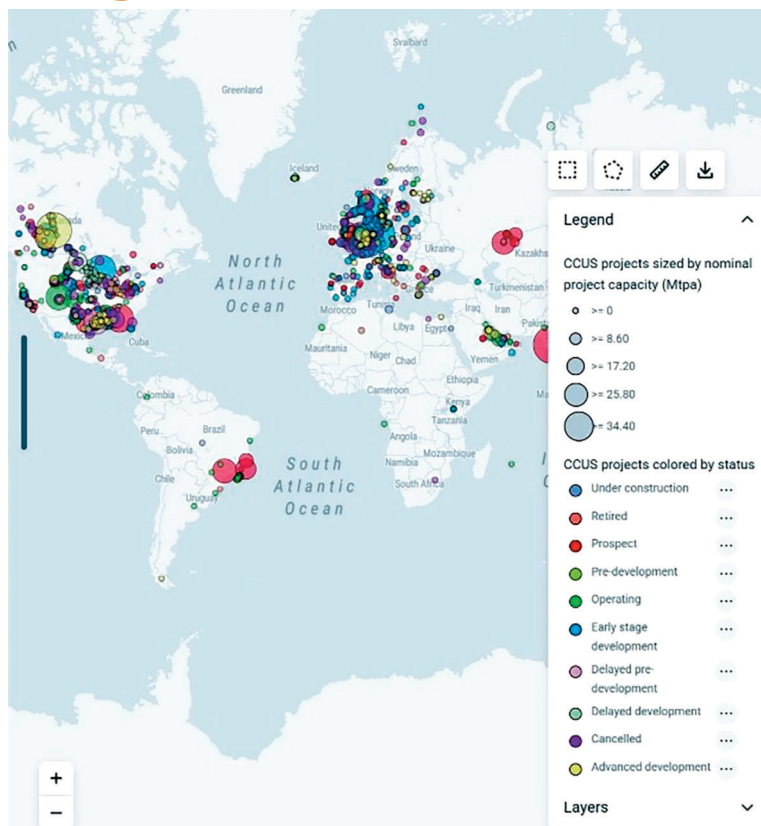
Most European carbon capture and storage (CCS) projects face delays of over 1.5 years, due to technical, legal and commercial barriers. The economics of capturing carbon do not add up at EU Emissions Trading System (ETS) prices, averaging \$70 per tonne.

Leveled CCS cost for nearly all EU carbon capture projects, modelled by Wood Mackenzie, are higher than ETS prices. "This economic reality, combined with bankability issues and price fluctuations, limits investment appetite," a study finds, commissioned by ExxonMobil, OMV Petrom, Shell and TotalEnergies.

Substantial shortfall

No large-scale CCS storage project operates in the EU: the small-scale projects operate today, and those that have taken final investment decisions already, will deliver 2.9 million tonnes per annum by 2030.

The EU's carbon storage injection targets are well short of targets, set in mid-2024 under the Net Zero Industry Act (NZIA). The EU's CO₂ injection capacity available by 2030, as assessed in October 2025, is projected to be around 28.5 million tonnes per annum – a shortfall of 21.5 mtpa against the NZIA target of 50 mtpa.



Iraq turns to Exelerate to secure LNG for power generation

Starting from 2026, Iraq can make use of a floating LNG import terminal – chartered from Exelerate – to secure reliable fuel for power generation and reduce dependence on Iranian gas imports.

Under the \$450 million project, the Texas-based firm will provide both the floating storage and regasification unit (FSRU) and the LNG supply, offering regasification services for a contracted minimum of 250 million cubic feet per day (MMcf/d). The terminal will have a guaranteed capacity of up to 500 MMcf/d once operational.

"With this integrated agreement covering terminal development and LNG supply, we are addressing the growing global demand for regasification infrastructure," said Ex-



View of Khor Al-Zubair port

celerate CEO Steven Kobos. "By combining infrastructure development, LNG supply, and opera-

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Stranded asset risk

Many capture projects struggle economically due to insufficient incentives, which in turn “creates a high risk of stranded assets,” analysts warned. Even advanced projects like Liverpool Bay CCS in the UK and Porthos in the Netherlands struggle with have encountered significant setbacks despite government support.

Technical and economic reality contrasts sharply with green energy aspirations. While the EU has established supportive policies compared to other regions, limitations in

individual incentive streams mean CCS developers typically require multiple funding sources to advance projects.

Lengthy development timeline

European carbon storage projects need approximately eight years from exploration/appraisal to operations, meaning projects must have exploration or appraisal licences in place by 2023 to meet the 2030 timeline.

Only 15.6 million tonnes per annum of storage capacity was sufficiently advanced by 2023 to enable 2030 operations, accord-

ing to WoodMac figures. “This extended development period, combined with regulatory hurdles and legal challenges, means that accelerating projects to meet the 2030 deadline is not a realistic option,” analysts commented.

Targets, set in mid-2024, seem out of reach due to low investment appetite, widespread project delays and regulatory challenges. The WoodMac study suggests the NZIA's 2030 target may need reassessment when the European Commission will review progress in 2028. ■

Cold spell in China adds upside risk to JKM-TTF spreads

An early cold wave across northern China is lifting LNG and pipeline gas demand, adding upside risk to the JKM-TTF price spread for balance-of-winter 2025/26. Several cities have started district heating early which boosts gas demand and increases the need for LNG imports.

In Harbin, an industrial city in northeast China, month-to-date heating degree days (HDDs) have averaged 17% above the 10-year norm and 35% higher year-on-year. Weather forecasts indicate HDDs in the city will be nearly 27% higher than a year ago through the rest of October.

Sustained low temperatures through November could boost Chinese gas consumption and, in turn, widen the JKM-TTF balance-of-winter 2025/26 spreads, analysts at the London-based consultancy Energy Aspects said in a market note.

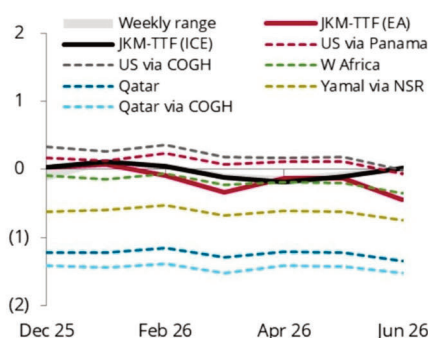
Looking at supply in the Pacific Basin, a week-long planned maintenance at the 7.2 mtpa Brunai liquefaction terminal is currently lowering baseload LNG supply to Asian off-takers by about two cargoes for the remainder of October. Down Under, the 3.7 mtpa Darwin LNG project is scheduled to start up in the coming weeks – though analysts reckon the first cargo is unlikely to set sail until early November.

Tightened supply and rising demand in China made analysts more bullish on outturn JKM prices over bal-winter, with price

forecasts averaging \$12.33 per MMBtu, some \$1.29 per MMBtu above the latest ICE settlements.

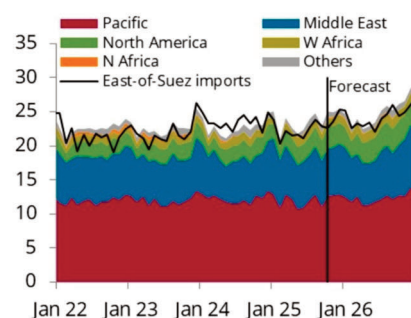
Inter-basin trade will allow for little respite, given that rising net LNG imports in Egypt and lower Nigerian exports have tightened the Atlantic LNG balance. These revisions have reduced analysts' expectations for European bal-winter LNG imports by 1.1 million tons week-on-week, pushing up outturn LNG prices to a level that discourage oil products-to-LNG fuel switching in Asia. ■

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: ICE, CME, Fearnleys, Argus Media Group,

Asia-Pacific imports vs assumed price-insensitive supply, Mt



Source: GTT, LSEG, Energy Aspects

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tional expertise, we are helping Iraq secure reliable energy and diversify its fuel mix.”

The initiative, backed by both the Iraqi and US governments, is expected to provide

a crucial alternative to pipeline gas imports from Iran, supporting Iraq's ongoing power sector reforms and energy diversification goals. ■

Philippines stops short on adding LNG regas capacity

Excess capacity and underutilisation are making the Philippines hold back on adding new LNG regas terminals through 2030. One new import terminal is in the pre-development stage, but will be shelved, as the two operational terminals with 8.3 mtpa capacity are utilised only 60%.

“There’s enough for now,” energy secretary Sharon Garin told Reuters, indicating that “eventually” there may be new regas terminals built in Visayas or Mindanao.

For now, the Philippines two terminals are PHLNG, operated by Singapore’s AG&P, and the First Gen-run Batangas FSRU. Four regas terminal projects have been proposed, adding about 10.72 mtpa in total. But the government sees no urgent need to add new terminals as the existing ones are underutilised and stranded asset risk looms large.

LNG cargoes mainly originate from the Middle East and Asia, with substantial volumes supplied by portfolio players like Vitol

through long-term deals. Vitol delivers 0.8 mtpa under a 10-year contract starting 2025 to the Batangas terminal, while various importers are understood to have 19 LNG cargos last year on a spot basis, and even more this year.

Delivered LNG prices hover around \$14-15 per MMBtu this year, impacting fuel costs for power generation. The government is wary about increasing reliance on LNG to reign in energy



AGP's Philippines LNG terminal

costs for industry and to put a lid on household electricity bills in the Philippines, which are among the highest in Southeast Asia.

Glut of LNG supply to change market rules; IEA finds

Global LNG markets are poised to turn from a sellers’ to a buyers’ market as a wave of new liquefaction capacity comes online this year and in 2026, the International Energy Agency Executive’s (IEA) executive director Fatih Birol said.

The IEA’s latest Gas Market Report Q3-2025 forecasts global LNG supply to grow by around 5.5%, equivalent to 30 billion bcm in 2025, followed by an even stronger increase of around 7%, or 40 bcm in 2026. This glut is largely caused by the commissioning of new liquefaction

plants in North America and Qatar.

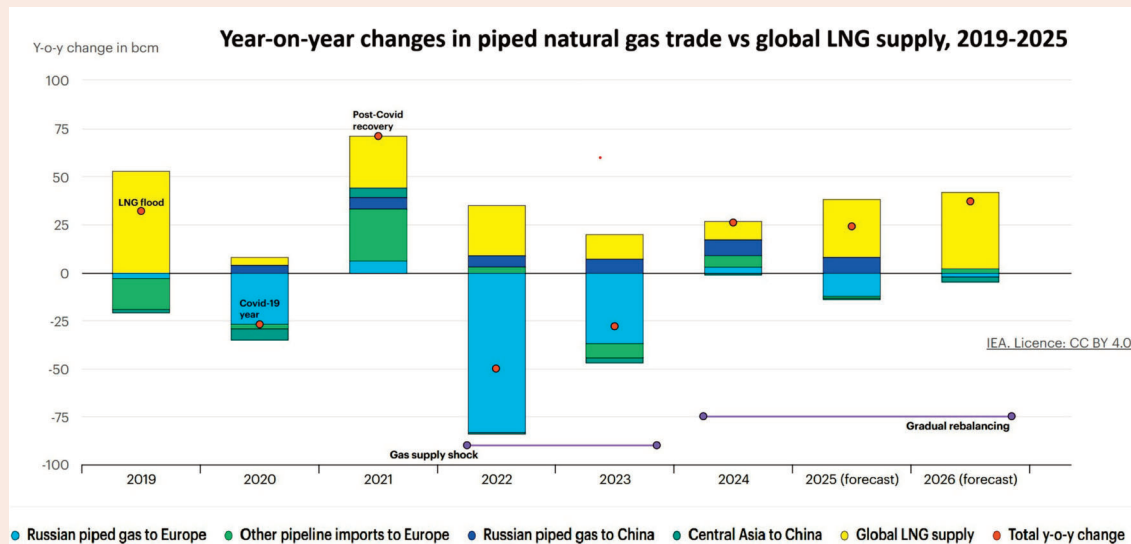
The incoming wave of fresh LNG supply is expected to weaken sellers’ bargaining power and shift control toward buyers, potentially driving down prices and changing established market dynamics. According to Dr. Birol, the once-tight LNG trade – previously dominated by the sellers’ side – will move towards a phase of higher flexibility for importing countries.

A new Global LNG Capacity Tracker, launched by the IEA, shows that nearly 290 bcm per year of new export capacity

from projects under construction of approved is scheduled to come to market between 2025 and 2030. This supply influx arrives at a time when global demand growth is moderating. The IEA forecasts gas demand growth to slow from 2.8% last year to 1.3% in 2025, before rebounding to around 2% in 2026 as higher supply lowers prices.

European and Asian utility buyers are anticipated to benefit from this market transition, as spot and short-term LNG prices may come under sustained downward pressure. Importers will likely gain a stronger leverage in negotiating more flexible contract terms.

Exporters, on the other hand, will face a higher risk of a margin squeeze in oversupplied markets and a long-term risk of dwindling gas demand as clean energy sources make inroads, especially in the power sector.





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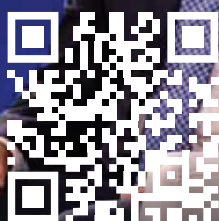
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EWEC and partners announce start-up of Fujairah

Emirates Water and Electricity Company (EWEC), together with Abu Dhabi National Energy Company (TAQA), Marubeni, Mubadala Investment, and Hokuriku Electric, have announced the start of full commercial operations at the Fujairah F3 Independent Power Producer (IPP) project. The 2.4 GW plant is powered by a Mitsubishi JAC-class gas turbine.

Developed under the IPP model, TAQA holds a 40% ownership stake in the project company, while Marubeni Corporation owns 20.4%, Mubadala 20%, and Hokuriku Electric Power Company 19.6%. EWEC is the

sole procurer of electricity from the plant through a long-term Power Purchase Agreement (PPA).

Situated in Qidfa, Fujairah F3 plant is among the most efficient gas-fired power stations in United Arab Emirates (UEA), capable of supplying electricity to approximately 380,000 homes. The plant's advanced combined-cycle configuration offers high thermal efficiency, rapid response capability, and a low emissions profile.

"The Fujairah F3 IPP reaching full commercial operations is a milestone for TAQA and a key en-

abler of the UAE's energy transition," said Andreas Collor, Chief Operations Officer of TAQA's Generation business. "The plant provides flexible, reliable baseload power that supports the growing integration of renewable energy while reinforcing the resilience of our power portfolio."



Fujairah F3 Power Plant

RWE eager to proceed on H2-ready power plant in Voerde

Germany's largest power producer RWE is ready to build an 850 MW combined-cycle power station in Voerde that would co-fire 50% hydrogen from the get-go. Completion is targeted by 2030, and RWE is eager to bid in a tender – but the regulatory framework is still pending.

To start construction promptly, should RWE win the tender, a rapid approval process will be key. However, uncertainty abounds given that the German government has yet to specify the tendering regime and the financial clauses associated with it.

Calling for clarity on tenders

"We are ready to invest in new hydrogen-compatible gas power stations. We are also pressing ahead with the approval planning for a plant in Voerde, which would enable completion by 2030. But we now need swift clarity from the federal government regarding the announced tendering regime," said Nikolaus Valerius, CEO of RWE Generation.

The ruling grand coalition of Conservatives and Social Democrats announced in May that it would incentivise up to 20 GW of hydrogen-ready gas power plants by 2030 – substantially more than the 12.5 GW planned by the previous government.

Yet, no tender has been launched to date.

Without a contract awards and speedy approval process, the 2030 target will be untenable.

RWE had commissioned a consortium of Tecnicas Reunidas and GE Vernova to plan and built the plant. Project approvals have been carried out, based on proven H2 co-firing technologies.

The 850 MW plant is meant to be fuelled by hydrogen and natural gas on an equal basis, once commissioned. RWE envisages to convert the to run 100% on hydrogen at a later date, provided enough of the clean-burning fuel will be available at a cost-competitive price.



Render of RWE's hydrogen-ready CCGT in Voerde

Mitsubishi builds H2-ready plant

Mitsubishi Power and Jurong Engineering Limited (JEL) have been appointed to build a S\$1 billion hydrogen-ready power plant on behalf of PacificLight Power. The 670 MW combined-cycle power plant on Singapore's Jurong Island is scheduled for commissioning in 2029.

From the get-go, the power station will be able to co-fire 30% hydrogen together with natural gas and it is envisaged to fully run on hydrogen in the future. It will also be the first CCGT that is integrated with a large battery energy storage, allowing flexible dispatch and electricity supply aligned to demand from the grid.

Exploring CCS in Singapore

GE Vernova and YTL PowerSeraya have launched a feasibility study to explore capturing at least 90% carbon dioxide emissions at YTLPS' 600 MW combined-cycle power plant on Jurong Island in Singapore. The study is co-funded by Singapore's Energy Market Authority, as one of five post-combustion CCS projects.

The energy market regulator had launched a grant call last October, inviting the power gen industry to explore potential carbon capture solutions as Singapore seeks to transition to a greener energy mix.

The GE-led study will focus on the seamless integration of the H-Class CCGT plant with post-combustion carbon capture technology supported by exhaust gas recirculation. EGR technology reduces the plant size, overall cost while increasing its integrated performance.

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