



Freeze-offs in the wake of Winter Storm Fern impact US LNG exports

Natural gas freeze-offs reached a single-day high of 17 billion cubic feet (bcf) earlier this week as an intense Arctic weather system swept across the US. According to Wood Mackenzie, the cumulative freeze-off for winter 2025/26 has now reached 58.3 bcf and this bullish price effect has impacted US LNG exports and will be adding to large 'deliverability' issues in Q1-2026.

Freeze-offs – basically freezing water inside wellheads and feeder pipelines – is reducing the throughput of vital pipelines carrying shale gas from the Haynesville and Permian basin. Such incidents are rare and occur when both sides of the supply-demand balance tighten simultaneously. Although US gas inventories are close to their five-year average, there is a growing freeze-off risk that can constrain the deliverability of gas to industries, power generators and liquefaction terminals just as demand is surging.

Temperatures at Shreveport had falling as low as 21°F, and analysts consequently increased freeze-off estimates for North



Louisiana by approximately 3 bcf/day. Pipe nominations were adjusted downward across nearly all pipelines, most notably with NG3 seeing a reduction of approximately 585 million cubic feet per day (mmcf/d) and Tiger pipeline declining by approximately 365 million cubic feet per day (mmcf/d). Additionally, Gulf Run, Tiger and TETCO issued underperformance notices at several points at the beginning of this week.

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Rosatom takes over repair of foreign gas turbines

Specialists at Rosatom have mastered the full cycle of repair of foreign gas turbine units (GTU) in Russia. The state-dominated nuclear power specialist has been seeking to localize critical power generation technology as Western sanctions continue to isolate the Russian energy sector.

Rosatom said the latest milestone ensures "technological sovereignty" over strategic power assets, many of which use Western-designed turbines commissioned during the 2000s. The company plans to establish a dedicated center for gas turbine service and modernization in St. Petersburg before the autumn of 2025 to expand capacity for both GE-type and Siemens-class machines.

Engineers at Rosatom managed to complete the first full-cycle overhaul of a GE-built gas turbine at a combined-heat-and-power (CHP) plant



Kaliningrad thermal power plant has been re-powered and serviced

in the Kaliningrad region in late December 2025, following two years of intensive research and tooling adaptation. The successful repair signals Rus-

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Supply shortfalls impact LNG exports

"These shortfalls can exceed what the market can withdraw from storage in a single day in some regions," warned Eric McGuire, WoodMac's research director, Commodities, Trading, & Data Analytics.

Winter storm Fern has severely impacted feedgas supply for US LNG exports, with restrictions on the Creole Trail pipeline reducing flows to Sabine Pass terminal. Freeport LNG might also go offline as ice is accumulating along its feedgas corridor.

On top of freeze-offs, the U.S. currently faces large 'deliverability' issues in the first

quarter of 2026. "These shortfalls can exceed what the market can withdraw from storage in a single day in some regions," McGuire warned, indicating the bullish sentiment at Henry Hub may intensify in the weeks ahead.

Outsized price response

This week's simultaneous squeeze on supply and demand has triggered an outsized price response – not only in the United States. The front-month Henry Hub contract soared 70 percent over the past ten days, pushing up prices to their highest level since 2022. Across the Atlantic, colder weather and rising demand in Europe are forcing utility buy-

ers to compete more aggressively with Asia for LNG cargoes, propelling up prices.

The beneficiaries, in this situation, are hydrocarbon producers and gas-exposed energy companies, which have performed strongly in Western equity markets. Several US gas producers and LNG-related traded companies have posted solid gains in recent weeks, outperforming the broader energy sector. Energy-focused ETFs with exposure to exploration and production (E&P) have also advanced, though markets remain highly volatile and prices could reverse quickly once weather risks fade or gas supply normalises. ■

US power prices soar as New England grid buckles under storm

In ISO-New England territory, real-time electricity prices spiked to US\$1,250 per Megawatt-hour (MWh) as demand outpaced forecasts by over 3%, forcing operators to ramp up rarely used oil reserves.

As of 3:17 p.m. EST on Monday, New England power plants generated 35% of electricity from oil-fired units – a sharp rise from near-zero while wholesale gas prices jumped to more than \$15 per million British thermal units (MMBtu).

Today's move is echoing patterns from deep freezes in 2018 when real-time electricity prices peaked at \$800/MWh peaks and in 2022 when prices shot up to \$2,200/MWh highs.

A massive winter storm battered New England overnight going into on January 25, 2026, unleashing snow, sleet, and ice that triggered cascading power outages affecting over a million customers nationwide. At the time of writing, the region remains at the epicentre of power grid strain.

Called 'Winter Storm Fern'; the 2,000-mile cold weather system from the Northeast to New Mexico, overwhelming infrastructure and causing emergency alerts and power outages in more than 20 US states. Outages peaked at 920,000 households early, from downed lines, generator failures, and fuel shortages.

Natural gas, normally fuelling 40% of U.S. power plant, was constraints due to

freeze-offs at pipelines and wellheads. This forced electric utilities to fire up more costly oil-fuelled power units instead.

Midcontinent ISO issued an Energy Emergency Alert 2 over extreme cold and gas constraints, while PJM eyed record 130,000 MW peaks into February.

New England prioritized residential gas heating, while resupplying oil to critical infrastructure and emergency power units.

Analysts are advising to down-scale LNG exports and divert some cargoes to import facilities in New England instead to bolster domestic energy supply security.

Restoration of power lines may lag days, TSO warned, heightening the risk hypothermia for people in households without access to emergency power generators. ■



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sia's ability to independently sustain high-efficiency gas power installations that would otherwise face reliability risks due to restricted access to Western servicing.

Before the Kremlin's invasion of Ukraine in 2022, maintenance of high-capacity turbines in Russia was largely carried out by GE Vernova and Siemens Energy. But after their exit from the Russian market, dozens of utilities were left with service gaps for advanced gas turbine units that power critical infrastructure.

AtomEnergomash, Rosatom's engineer-

ing division, stepped in and developed the precision manufacturing capabilities needed for blade refurbishment, rotor balancing, and control system recalibration.

The localization efforts involved cooperation between Rosatom subsidiaries and several machine-building enterprises. Hereby, Russian engineers reverse-engineered software interfaces and introduced locally sourced components for turbine monitoring systems. That way, they can ensure long-term operation of existing gas-fired power stations without foreign parts. ■

Rising coal-burn overshadows Southeast Asia's energy transition

Across Southeast Asia, burning coal for power generation is rising faster than anywhere in the world and this trend is undermining Just Energy Transition Partnerships (JETPs) in Indonesia and Vietnam. Bangladesh, in contrast, rapidly expanded its regasification infrastructure and is on course to overtake Pakistan as an LNG importer by 2035.

Indonesia needs an estimated \$97 billion, and Vietnam almost \$134 billion to realise its 2030 clean energy goals. Both countries pledged \$20 billion and \$15.5 billion respectively, in JETPs to fund renewables.

But clean energy finance is hard to come by. In the interim, the contribution of coal power reached new records at 61.8% in Indonesia and 61.9% in the Philippines.

In for the long run

Market participants are in for the long run. Come 2035, gas-burn in Southeast Asia is

forecast to rise from 35 bcm today to 135 bcm by 2035, primarily driven by Pakistan and Bangladesh as utilities make use from a new wave of LNG export capacity coming to markets.

In the wake of that new LNG wave, global gas prices are bound to ease substantially, empowering countries like Bangladesh to secure long-term LNG contracts at more competitive rates. The International Energy Agency (IEA) forecasts the weighted average import prices for emerging Asian economies at around \$7.5 per MMBtu between 2030 and 2035, about

40% lower than current levels.

"Abundant supply may offer these countries significant optionality for security-of-supply reasons," analysts stated, "but the economics of LNG make it difficult to penetrate these markets as a baseload fuel."

Risk of overdependence

Bangladesh, for once, has rapidly expanded its regasification infrastructure and is on course to overtake Pakistan as South Asia's second-largest LNG importer by 2035.

Together, Pakistan and Bangladesh are expected to import about 75 bcm of LNG in 2035 – a substantial 60% rise from 2024 levels, the IEA writes in its World Energy Outlook 2025, warning countries to not place too many eggs in one basket.

Across Southeast Asia, a staggering 50 bcm per year of regasification capacity is built to accommodate growing LNG demand as gas-burn increasingly substitutes coal and heavy fuel oil in the countries' power mix. Security of energy supply is, however, increasingly jeopardized by extreme weather events, IEA analysts pointed out, with reference to rising risk of floods and storms in the region which last year forced LNG terminal operators in Bangladesh to partially shut-in LNG regas capacity, leaving nearby gas power plants out of fuel. ■



Bangladesh's Moheshkhali FLNG terminal

Morgan Stanley begins physical power trading in Japan

Morgan Stanley is set to begin trading physical power contracts in Japan. The US investment bank has designated an executive to hire and lead personnel as it seeks to reap profits from trading and hedging physical LNG and power contracts in the volatile Japanese market.

Gaining access to Japan's traded wholesale power market will give Morgan Stanley the option to hedge Japanese energy contracts. According to Alberto Tamura, head of Morgan Stanley Japan Holdings, the move will be "a consistent and important driver of our revenues going forward."

Liberalized nearly ten years ago, the Japanese power market has been attracting overseas traders in recent years which added volatility and trading volumes, especially in the futures contracts.

Goldman Sachs Group, for instance, in 2025 acquired a license from the Japanese trade ministry to enter the country's spot power market. Other global banks or commodity trading houses made similar moves to enter Japan – known as Asia's premium LNG and power market.

Severe winter weather across northeast Asia, uncertainty about the restart of Japan's nuclear reactor and rising supply intermit-

tency as the renewable energy build-out accelerates all adds to price volatility and exacerbates utilities quest for hedging solutions. ■





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BWK impairs coal assets, takes stake in H2-ready German CCGT

The Swiss utility BKW has booked a Swiss Francs 110 million (US\$139m) impairment on its minority stake in the 726 MW Wilhelmshaven coal power plant. Instead, it used the capital to buy 40% stake in an 850 MW hydrogen-ready combined-cycle gas power project in Hamm, developed by Trianel.

Aachen-based Trianel has not taken FID on the project, neither has it disclosed a construction timeline, or targeted operation date.

BKW's move comes just days after the German government and the European Commission reached a preliminary agreement for federal support, or state aid, for new gas-fired power plants. Under the deal, Germany will initiate state-supported tenders in 2026 for 12 GW of "controllable, H2-ready capacity."

State aid for new H2-ready plants approved

At least 10 GW of this volume must be able to operate continuously, likely through gas-fired plants, and will be commissioned by 2031. Further tenders will follow in 2027 and again in 2029–2030 for additional capacity — new or existing — that must also be online by 2031.

All new plants must be "hydrogen-ready" and capable of full decarbonisation by 2045, which could include carbon capture and storage (CCS).

Tenders for 2 GW capacity to begin in 2027

The German government also plans to incentivise fuel switching by covering the cost gap between hydrogen and fossil gas. Related tenders are scheduled to start in 2027 to support 2 GW of hydrogen-based generation by 2040 and another 2 GW by 2043.

"With short-term tenders for 12 gigawatts of new controllable capacity, we are laying the foundation for secure electricity

supply and future industrial competitiveness," German economy minister Katherina Reiche commented. Berlin must now draft the legislation for the European Commission's final approval of the state aid scheme. ■



Trianel's H2-ready CCGT project at Hamm

Origin keeps Eraring running until April 2029 to stabilise NSW grid

Origin Energy will keep Eraring Power Station in operation until April 2029, the company has told the NSW Government and the Australian Energy Market Operator. The runtime extension helps balance the regional grid until sufficient hybrid renewable and energy storage units comes into operation.

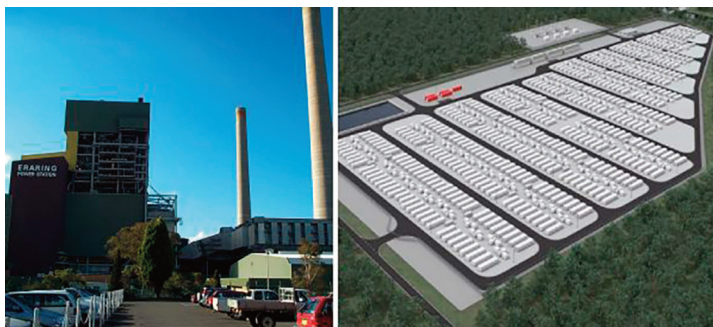
The renewables build-out is progressing rapidly in NSW. Since the last election in the province, wind and solar power contribution has soared nearly 70% — equivalent to Eraring's installed capacity.

At the Eraring site, Origin is fast-tracking the third stage of a utility-scale battery project that will add 700 MWh/ 2,800 MWh of

storage capacity to Eraring's Stage 1 system. The extension will double the length of time the battery can store electricity.

The Finish manufacturer Wärtsilä delivered and installed Stage 1 of the project in 2023 and Stage 2 in the subsequent year. Completion of Stage 3 is expected alongside Stage 1 at the start of 2026, while Stage 2 is expected to come online in the beginning of 2027.

For starters, all battery will run in grid-following mode — but Origin underlined they can potentially be switched to grid-forming operation at a future date, with a view to providing grid restart ancillary services. ■



View of Eraring power plant conversion

Nebras wins contracts to develop two CCGTs in Oman

Qatar-based Nebras Energy has been awarded two contracts to develop combined-cycle gas power plants in Oman, in return for buying stakes in the 1,700 MW Misfah and the 877 MW Duqm power project.

Under agreements signed with Oman Power and Water Procurement Company, Nebras acquired a 49% stake in the Misfah project, together with a consortium comprising United Water and Electricity Company (44%) and Bahwan Infrastructure Services Company (7%).

Nebras also bought a 30% stake in the Duqm project, in partnership with United Water and Electricity Company (30%), Korean Western Power Company (35%), and Bahwan (5%).

Construction on both projects are scheduled to begin later this month with a view to bring the CCGTs into initial commercial operation April 2028 — supposedly in open-cycle mode — with full commercial combined-cycle operation anticipated in April 2029. ■

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