Gas to Power Journal
Peakload Power and Energy Storage

Focus on Iran crisis, supply squeeze

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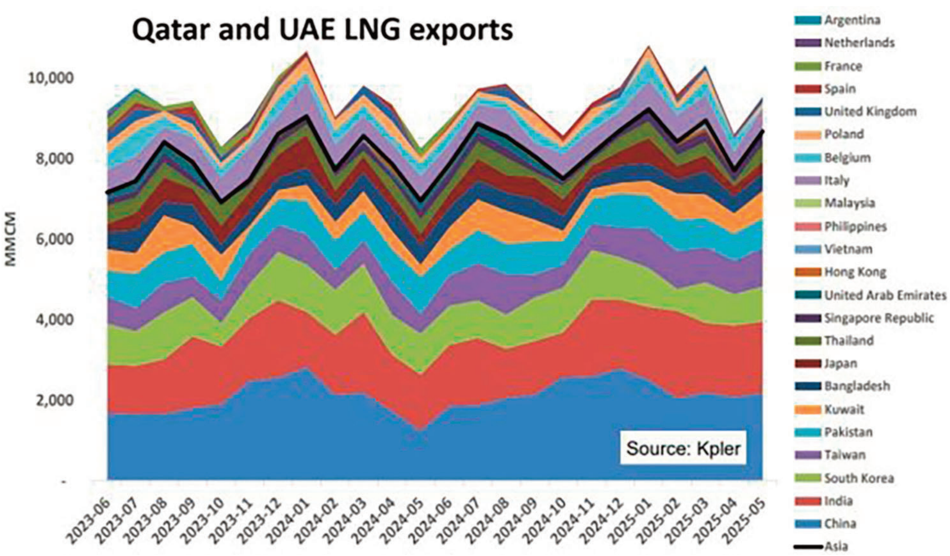
Clean energy, not LNG helps Asia hedge against energy shocks

US-Israeli air strikes against Iran have exposed Asia's vulnerability to imported LNG and the lack of energy self-sufficiency through domestically generated clean energy. China, India, Japan and South Korea account for 75% of oil and 59% of LNG flows through the chokepoint.

In the short term, the loss of Middle Eastern supply can be partially substituted by new volume from Australia, the U.S. and Canada, the Oxford Institute of Energy Studies finds. The key question is the duration of the conflict, which US President Donald Trump claims would last "four to five weeks."



Panic buying

The competition between Asian and European buyers is re-emerging, as some Asian countries with historically low gas storage levels have resorted to panic buying in a rush to replenish reserves ahead of the next winter.

Sam Reynolds, research lead at the Institute for Energy Economics and Financial Analysis (IEEFA) warned that a "vicious feedback loop" could weakening the domestic purchasing power in some Asian economies.

"Not only do you have higher priced energy imports, you also have weaker local currencies. Which means that those imports become more expensive in local currency terms and

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India pivots to coal for power gen amid Qatari LNG shortfall

Indian power generators are pivoting to thermal coal to shore up electricity supplies this summer, as firm LNG deliveries from Qatar evaporate as shipping disruptions in the Persian Gulf. Coal-fired plants are ramped up to meet peak power demand from April to June, compensating for LNG-fuelled power.

A tender for 12,000 MWh of gas-fired power has drawn no bids yet, with just two days left before closure, one government official noted. The Ministry of Power is mulling exemptions for coal plants from routine maintenance shutdowns and urging producers to skip outages during the high-demand season.

NTPC signals gas shortfall

Sources at NTPC Ltd, India's top power utility, confirmed to the Indian Electricity Grid Regulator that it cannot deliver gas-based electricity over the summer.

"NTPC has flagged its inability to run gas plants due to absent firm supplies," one source said. New Delhi routinely pushes generators — including

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importantly, those currency devaluations can outlast the high cost of energy imports," he explained.

Consolidation exacerbates supply risk

LNG has been promoted as a means to provide energy security through diversifying supply routes beyond fixed natural gas pipelines. "But we've seen that this has not been the case with all the cards held by a few LNG suppliers," said Amy Kong, energy transition researcher from Zero Carbon Analytics (ZCA) in a media briefing, pointing at the vulnerability of many Asian countries in the face of the consolidation of global oil and gas exporters.

Japan is hardest hit by the Strait of Hormuz closure due to its high share of oil and gas imports from the Middle East for industry and power generation. South Korea and India are equally exposed.

Bangladesh has contracts to procure oil and LNG on the spot market from Australia, Malaysia, Saudi Arabia, Singapore and the US, but "everybody is now looking at those options" too, which pushes up prices for spot cargoes, said Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue.

Energy risk drives inflation

Energy think tanks in Asia have long urged governments to accelerate the renewables build-out to reduce import dependency and hedge against volatile oil and gas prices. Now, policymakers have to step in and find shot-term solutions:

"Depending on the duration of the current crisis, we are likely to see short-term fiscal measures – price caps, tax cuts, subsidies and other utility support measures – across many Asian markets to mitigate inflationary energy shocks," said Reynolds. "We are already seeing such measures in Thailand and the Philippines." ■

Uniper achieves fiscal targets, pays first dividend in four years

German utility Uniper has achieved its financial targets in fiscal year 2025 and will pay the first dividend to shareholders in four years, though Flexible Generation segment reached EBITDA of €596 million, which was considerably below the prior-year figure of €998 million.

This downturn reflects the decommissioning of Ratcliffe power plant in the UK and Heyden 4 in Germany, the sale of Gönyű gas-fired power plant in Hungary to implement EU remedies as well as the end of commercial operations at Staudinger 5 and Scholven B and C power plants in Germany and their transfer to grid reserve.

Despite geopolitical uncertainties, adjusted EBITDA of €1,097 million and adjusted net income of €544 million were in line with forecast. Management hence proposes dividend of €0.72 per share for fiscal year 2025.

Going forward, Uniper intends to invest more than €2.5 billion through 2030 in Germany alone. Most of this will be invested to build roughly 2 GW of highly efficient and hydrogen-ready gas-fired power plants at the company's Gelsenkirchen and Staudinger facilities (the latter near Hanau) as part of the planned auctions under Germany's power plant strategy.

Nearly half of Uniper's electricity output comes from low-carbon sources. Scope 1 emission fell 20% primarily due to the decommissioning of Ratcliffe power plant in late September 2024 and the sale of Gönyű gas-fired power plant on January 6, 2025. Lower electricity output at Maasvlakte coal-fired power plant in the Netherlands contributed to the decline.

Financing has stabilized: Despite repaying €2,551 million in loans to the Federal Republic of Germany in March 2025, Uniper has an economic net cash position of €2,823 million. With this move, Uniper repaid all state aid and has made strides to become more attractive for debt financiers. This includes, in particular, risk reduction, balance-sheet restructuring, and the rebuilding of a strong financial base.

Based on its strong net cash position of approximately €2.8 billion, through 2030 Uniper plans to invest around €5 billion in supply security, growth, and transformation. ■

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pricey gas units — to max output in summer, subsidizing costs to shield consumers from spikes.

Force majeure ripples

Petronet LNG, the nation's biggest gas importer, invoked force majeure on customers like GAIL (India), Indian Oil Corp, and Bharat Petroleum Corp following shipment halts from Qatar and Abu Dhabi National Oil Co (ADNOC).

A government order re-prioritizes gas to homes, fertilizers, and other essentials, overriding Gas Sale Agreements. GAIL will oversee allocations at a pooled price set by the Petroleum Planning & Analysis Cell.

The Strait of Hormuz blockade has choked LNG flows, triggering supplier force majeure claims. India, the world's third-largest energy consumer, declared its own emergency measures last week.

Coal ramp-up gains traction

Power Minister RK Singh's office indicated coal stocks at plants stand at 30 days' supply, with imports accelerating.

"We're directing thermal units to blend higher coal volumes and defer overhauls," a ministry spokesperson said. Analysts forecast peak demand hitting 250 GW this summer, up 8% year-on-year, straining the grid absent gas backups.

This shift underscores India's gas-coal balancing act, with LNG imports — meant to fuel 25 GW of capacity — now rerouted. Thermal coal, cheaper but dirtier, fills the breach as monsoon delays and heatwaves loom. ■

G7 discusses release of emergency oil reserves

The Group of Seven (G-7) is discussing a joint release of oil from emergency reserves, coordinated by the International Energy Agency (IEA). The move comes as oil prices skyrocketed more than 25% on March 9, amid fears of a prolonged halt in shipping through the Strait of Homuz, which could cause severe oil and LNG shortages and disrupt supply chains in Europe and Asia.

The Financial Times reported Sunday that the negotiations, prompted by oil exceeding $116 per barrel due to supply cuts in the Persian Gulf and shipping threats, aim to flood markets with strategic stocks.

Natural gas prices have spiked alongside oil, with Europe's TTF benchmarks exceeding €62 per MWh – the highest since the 2022-2023 energy crisis.

Analysts cautioned a successful G7 oil release would exert merely a "modest downward pull" on LNG prices via oil-indexed contracts, typically priced with 13-15% slopes. On the other hand, ample 2026 supply growth from new US liquefaction and export project could cap upside potential – though Qatari LNG expansion plans have been put on hold.

Risk of extended loss of Ras Laffan output

The IEA is assessing the energy security implications of impended oil and LNG flows through the Strait of Hormuz, warning an extended loss of output from the Ras Laffan facility in Qatar could significantly exacerbate the current market tightness."

Production was shut down following an attack on the facilities on 2 March. In 2025, Ras Laffan produced 112 billion cubic metres (bcm) of LNG, as well as 300 000 barrels per day of liquefied petroleum gas (LPG) and 180 000 barrels per day of condensate, making it the largest LNG facility in the world by some distance.

Extended disruptions would have global consequences. "Countries that have long-term contracts with the UAE or Qatar would need to turn to the spot market for LNG. This, in turn, would drive up natural gas prices around the world," analysts warn.

No alternative routes

Exporters in the Arab Gulf have no alternative shipping routes. About 93% of Qatar's and 96% of the UAE's LNG exports transited through the Strait, representing almost one-fifth of global LNG trade.

"There are no alternative routes to bring these volumes to market," analysts underlined.

Most LNG shipments from Qatar and the UAE head to Asia. According to IEA figures, almost 90% of the total volumes exported via the Strait of Hormuz last year was destined for the Asian market. Just over 10% went to Europe. ■

Fresh calls for 'fuel price break' in Germany

Germany's Conservative Party (CDU) and parts of the Free Democrats (FDP) have voiced fresh calls for a 'fuel price break' to help energy-intensive industry and thermal power produces cope with the global oil and gas price shock in the wake of the Iran war.

The "fuel price brake" was first introduced by Germany's previous government as a 3-month interim measure to help bolster skyrocketing energy prices following the Kremlin's invasion of Ukraine.

Economists warned, however, a 'fuel price break' would be counterproductive with regards to Germany's clean energy goals. If enacted, a price cap on oil and gas prices would erase incentives to lower fuel consumption through energy efficiency measures and could, in the long run, slow down the country's transition to cleaner energy sources.

The Green Party is proposing to lower electricity taxes instead. Oliver Krischer, transport minister for the state of North Rhine-Westphalia said such a measure would "provide additional incentives for people to move away from oil and gas and towards electric cars or heating systems powered by renewable electricity."

Many industrial and household gas consumers have already started switching to new contracts before retail prices are updated to reflect the higher wholesale gas price, figures on the price comparison site Verivox show.

Since the start of the war against Iran on 28 February, demand for new contracts has doubled. The average gas price in new contracts is currently 8.4 cents per kilowatt-hour (kWh) – still lower than a year ago, when prices stood at 10.2 cents per kWh. ■

Sembcorp rebukes reports of damage to Fujairah F1

Singapore-based Sembcorp Industries has rebuked reports that its Fujairah F1 independent water and power plant (IWPP) at Qidfa, United Arab Emirates (UAE) has incurred damage from Iranian drone strikes.

View of Fujairah F1 IWPP in the United Arab Emirates, 40% owned by Sembcorp

Authorities in Fujairah have reported fires and damage at fuel storage facilities in the Fujairah Oil Industry Zone linked to debris from intercepted Iranian projectiles or drones, with no injuries reported.

Sembcorp issued a statement rejecting media reports that its Fujairah F1 plant was hit and underlined the incidents at oil and petroleum sites need to be distinguished from IWPP such as Fujairah F1, which it claims to operate normally.

Sembcorp holds a 40% stake in the IWPP, while the lion's share, or 54%, is owned by the Abu Dhabi National Energy Company (TAQA), with EWEC holding the remaining 6%.

The gas-fired power and desalination plant has a capacity of 880 MW to 893 MW electric, plus produces around 100 million imperial gallons per day (MIGD) of desalinated water, via reverse osmosis and thermal processes.

Commissioned in 2004, the Fujairah 1 IWPP consists of two blocks, each powered by two GE 9E gas turbines (106.1 MW each) and one Siemens back-pressure stream turbine (119 MW each). ■

GE Vernova expands power transformer factory in Vietnam

GE Vernova has decided to spend over $200 million to build a new factory in Hai Phong, Vietnam. Focussed on manufacturing large power transformers for HVDC transmission, the Hai Phong facility will be developed in phases, with full operations expected by 2028.

The investment is part of a broader plan to spend $11 billion on capital expenditure and research and development between 2025 and 2028, including $1 billion allocated to Prolec GE from 2026 to 2028.

Electricity demand is rising rapidly in industrializing and urbanizing economies across Asia. By locating production in the region, GE Vernova aims to shorten delivery times, strengthen supply chain resilience, and support project execution for customers.

"Electrification is accelerating globally, and reliable power infrastructure is increasingly essential to support economic growth and energy security," said Philippe Piron, CEO of GE Vernova's Electrification segment. "This investment expands our manufacturing capacity in a region experiencing strong demand growth."

The new factory in Vietnam will complement GE's existing HVDC transformer manufacturing operations in Stafford, UK, and India. The project is expected to create around 450 jobs by 2030, with many roles planned to be filled locally. ■

Seatrium to convert eight FSRUs on behalf of Karpowership

Karpowership, a Turkish barge-based power provider, has contracted Seatrium to convert eight LNG carriers into Floating Storage Regasification Units (FSRUs). Works are scheduled to start in the third quarter of 2026.

The LNG carrier to FSRU conversion project, will include Karpowership's first high-capacity FSRU, engineered to deliver a regasification capacity of up to 600 million standard cubic feet per day (mmscfd).

This latest completion brings Seatrium's FSRU conversion track record to 23 FSRU and FSU conversion projects delivered. Once completed, Seatrium will have executed over 90% of the world's FSU/FSRU conversions.

"Seatrium's proven track record, deep engineering expertise and technical capabilities make them a trusted and invaluable partner in advancing our mission to deliver reliable energy solutions worldwide," Karpowerships Chief Technical Officer, Gokhan Kocak commented on the deal. ■

Swedish electric natural gas project enters pre-FEED phase

An e-NG (electric natural gas) project at the Värö peninsula in Sweden is entering the pre-FEED phase, lead developer TES and partners Södra and OXE announced today.

Developers underline the Värö e-NG project – designed to produce 1.2 TWh of e-methane annually – can materially support the Swedish energy transition, economy, its energy security and resilience.

Technically speaking, e-NG is produced by capturing biogenic CO_2 from Södra's pulp mill at Värö and combining it with hydrogen produced onsite using renewable electricity. With 1.2 TWh of e NG, the share of fossil free gas in the Swedish gas grid would rise from 35% to 60% – a than a six-fold increase.

The Pre-FEED phase of the Värö e-NG project will run through to December 2026, and is partly supported by 16.8 million Swedish Kroner, approximately €1.6 million in funding from Sweden's Industriklivet program, which is part of the EU Recovery and Resilience Facility (RRF) and Next Generation EU. The funding will cover about half of the Pre-FEED and development costs. ■

Värö mill in Sweden

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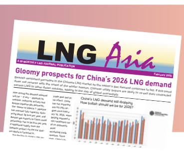

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