



Asia invests in domestic energy, cuts reliance on LNG imports

Energy security has overtaken cost as Asia's overriding energy priority following the three-month disruption of the Strait of Hormuz, with China, India, South Korea and Pakistan accelerating investment in domestic coal, renewables, nuclear power to reduce their exposure to imported LNG.

Pakistan has struggled with an acute gas shortage, having sourced nearly 99% of its annual 6-8 million tons of LNG from Qatar last year, and receiving close to zero deliveries since the start of the conflict. Prime Minister Shehbaz played a key mediating role in U.S.-Iran peace negotiations, in part to avoid crippling power shortages this summer. Domestic energy investment is focussed on Thar coal, hydropower and solar, amounting to roughly \$3-5 billion annually, constrained by limited public finances.

Korea leans on coal, nuclear

Nuclear reactor restarts and increased coal-fired generation through the spring displaced LNG in the South Korean power mix as Qatari supply fell away, allowing utilities to defer procurement rather than

chase spot cargoes priced above \$20 per MMBtu. As a result, LNG's share in Korean power generation fell to 22-24% in the first half of 2026, down from roughly 26-28% in H1 2025.

South Korea effectively lost around 20% of supply from its third-largest supplier, but overall imports declined by only about 7% year on year — a gap that may narrow further once the provisional H1 2026 figures, still incomplete for June, are fully recorded. Rather than fully replacing missing Qatari volumes, utilities absorbed the shock by reducing LNG burn. The decline in gas-fired generation allowed buyers to limit exposure to a tight spot market, relying

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Egypt scrambles for LNG as summer power demand tops 40 GW

Egypt is seeking to import more LNG as electricity demand this summer is forecast to rise 8% above last year's peak of 40 Gigawatt. Regasification capacity has been maximised, while the Damietta LNG export terminal gets used to store cargoes for emergency use.

Damietta, one of Egypt's two LNG export terminals with 5 mtpa capacity, has been drawn into the domestic supply system as an emergency storage point, Petroleum Minister Karim Badawi said, underscoring the strain on the gas market. The operational flexibility reflects EGAS' efforts to help preserve Egypt's electricity supply as the country shifts from a longstanding LNG exporter to a seasonal importer.

Egypt increasingly relied on LNG imports after years of falling domestic gas output. The country's LNG import infrastructure has been used more to



secure short-term supply as the government balances rising electricity demand with strained foreign-currency reserves.

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instead on fuel-switching and existing contract flexibility.

Where replacement volumes were secured, the pattern was fragmented. Imports from the U.S. Gulf Coast rose modestly to 2.65 million tonnes from 2.08 million tonnes a year earlier. Canada emerged as the largest incremental supplier, contributing about 1.90 million tonnes as LNG Canada ramped up from zero. Australian shipments, the dominant Pacific source, declined by roughly 1 million tonnes, while smaller increases came from Malaysia, Indonesia, Nigeria and Chinese re-exports.

"The picture, then, is not a pivot toward any single alternative source. It is a buyer with enough fuel-switching optionality to absorb a major supply shock through restraint, backfilling the remainder opportunistically from whatever the diversified

market offered," our LNG data analytics editor Alex Wilk commented.

China shuns spot LNG

China has imported 68-72 million tons of LNG in recent years, but has reduced spot LNG imports to near zero after prices surged following the Hormuz transit disruptions. Although the waterway has reopened, China continues to invest more than \$100 billion annually in clean energy alone, adding over 300 GW of solar and wind in 2025-26, alongside continued coal mine expansion.

Rather than spot LNG, Chinese buyers are keen to get hold of more sanctioned Russian cargoes, sold at steep discounts in the Pacific Basin. PipeChina is building a second outlet for Novatek's sanctioned \$21 billion Arctic LNG 2 project. The Longkou LNG terminal has completed mechanical

construction and is expected to be ready for commissioning before October — in time for peak winter demand.

India imports about 26-29 million tons of LNG per year counting for about 45-50 percent of gas consumption although gas-burn makes up only 6 percent of the country's power generation mix. In a push to reduce energy import dependence, India is investing up to \$40 billion annually in offshore oil and gas exploration, coal mining and renewables.

None of these countries is likely to eliminate LNG imports, but the Hormuz crisis is shifting investment decisions at the margin. Governments are placing a higher premium on domestically produced energy — even if it is more expensive — as supply security has become more valuable than minimising fuel costs. ■

Santos to divert Moomba gas to South Australia from 2030

Santos has agreed to divert 200 petajoules to the South Australian government, delivered ex-Moomba from Santos' Cooper Basin operations, formalising supply to the domestic market — rather than LNG exports.

Under the deal, Santos will supply about 20 PJ a year from its Moomba operations to the state's Strategic Gas Reserve, with first deliveries due on March 1, 2030 and the contract set to expire in February 2040.

The contract is not an LNG deal. Santos describes it as a gas sale agreement for natural gas supplied from Moomba, with indexed pricing and a prepayment structure, and says the annual volume is around 30% of its current Cooper Basin gas production. The prepayment element of the deal will help fund Santos' Moomba Central Optimisation project, which the company says will support investment in infrastructure and upstream optimisation across the Cooper Basin.

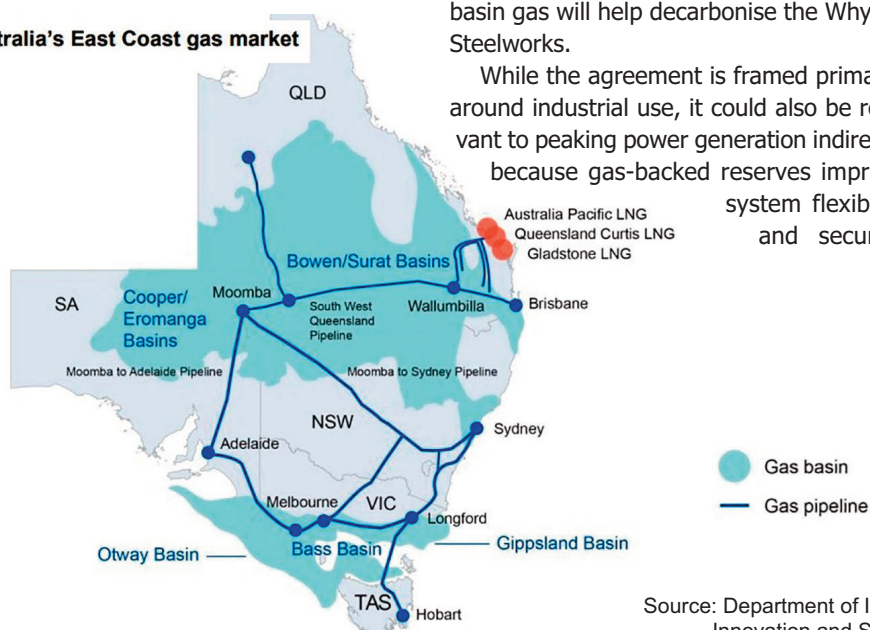
Cooper Basin gas has already been indirectly exported as LNG. While there are no liquefaction facilities directly in the inland basin, Santos supplies significant volumes of

Cooper Basin portfolio gas to the GLNG facility located at Curtis Island near Gladstone, Queensland.

Instead, most of the diverted Cooper basin gas will help decarbonise the Whyalla Steelworks.

While the agreement is framed primarily around industrial use, it could also be relevant to peaking power generation indirectly because gas-backed reserves improve system flexibility and security.

Australia's East Coast gas market



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The economics of LNG-fuelled power for peak shaving are also becoming more challenging as power demand rises and hot spells lengthen across North Africa and Europe.

This summer, the Electricity and Petroleum Ministries are struggling to secure sufficient fuel supplies to stabilise the power

grid during peak hours. Attempting to limit costly spot LNG imports and reign in gas-burn, Esmat said that utilities are preparing to grid-connect 2,200 MW of renewable energy capacity and 1,300 MW of battery storage this year and already reduced fuel-burn per kilowatt-hour to below 170 grams. ■

Fuel cell investment by AI data centres to top \$30 billion by 2030

Data center developers are scrambling for reliable electricity supply, turning away from congested grids and towards on-site fuel cells. Rystad Energy hence projects a tenfold increase in fuel cell market revenues by 2030, rising from around \$2.8 billion in 2025 to roughly \$30 billion.

A contracted order book of approximately 9 GW, including framework agreements with Oracle, AEP, Equinix, and Brookfield, points to growing confidence among major operators in fuel cells as a viable long-term power source.

US grid interconnection timelines have tripled since 2015, now stretching to three to six years for large loads. Unlike gas-fired power plants fuel cells can be deployed quickly and run on natural gas today, transitioning to biogas or hydrogen as supply matures.

Nearly 10.4 GW of fuel cell demand could come from data centers between 2026 and 2030, with around 40% of projected 2030 US data center capacity modelled as likely to pursue dedicated on-site power generation rather than grid connection. Fuel cell manufacturers are expanding capacity in response. Aggregate operational and planned manufacturing output is on track to reach 4 GW per year by 2030, up from 1.8 GW today.

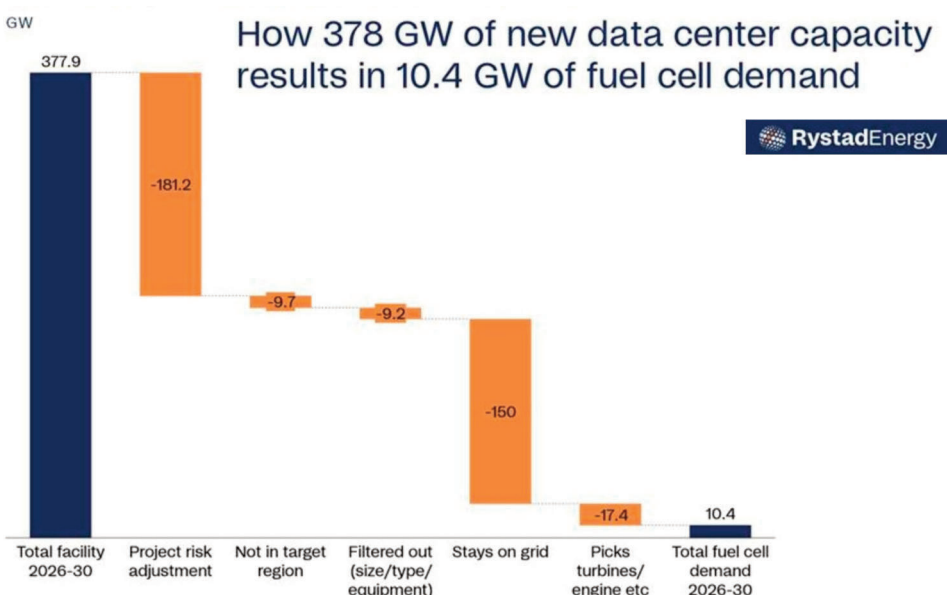
Solid oxide fuel cells (SOFC) have become the dominant technology for always-on data center power, accounting for around 53% of cumulative stationary deliveries to date. Bloom Energy holds virtually every primary-load SOFC contract in the visible order book – “a concentration that presents sup-

ply chain risk if demand accelerates faster than one manufacturer’s production capacity,” analysts warned.

That concentration extends to materials. Bloom Energy’s SOFC technology depends on scandium, a critical metal used in its electrolyte chemistry. At full utilization of its planned 2 GW manufacturing expansion, Bloom’s theoretical scandium requirement would approach the size of the entire global market, currently estimated to be around 60 tonnes per year.

This potential bottleneck is compounded by the fact that China heavily controls the global scandium supply chain. Competitors using alternative electrolyte chemistries do not share this exposure, and a sustained supply constraint could influence how market share develops as the sector scales.

SOFC system costs are forecast to fall 20 to 25% by 2030, though Rystad analysts caution “the pace will depend on manufacturers’ ability to reduce costs across the full delivered system, not the fuel cell stack alone.” ■



Gas turbine prices climb 300% over past three years

Prices for natural gas turbines have risen about 300% over the past three years as utilities, developers and technology companies compete for limited manufacturing capacity, CNBC reported, with GE Vernova warning that costs are likely to keep climbing as AI data centres drive demand for onsite generation.

Gas-fired turbines, long used by utilities and industrial users, are now in demand from hyperscalers and other large power consumers seeking around-the-clock computing loads, faster grid-connections

and greater control over electricity costs.

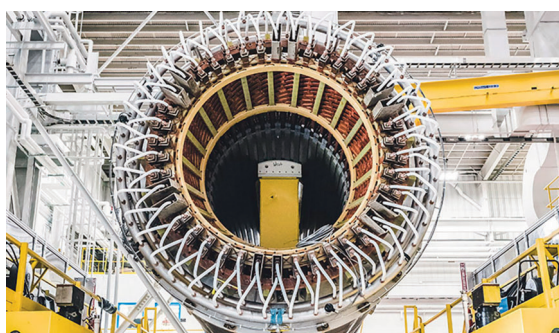
GE Vernova, one of the world’s biggest suppliers of gas turbines, pointed to a growing backlog of orders, reflecting a broader tightening in the market for large-scale power equipment.

The price increase underscores how the global energy transition is colliding with an old problem: scarce industrial manufacturing capacity. Unlike software or cloud services, turbines are complex, heavy-engineered products that take years to design, build and deliver. New factories cannot be expanded overnight, and long lead times have become a

major issue for developers planning new gas-fired plants or onsite power systems.

There is a risk that higher turbine costs and equipment prices make projects more expensive and delay final investment decisions, particularly where developers are already facing higher financing costs and tighter supply chains.

Escalating turbine prices have implications beyond the data centre sector. Power producers planning new gas-fired capacity to replace ageing plants or meet peak demand may find project economics more challenging, while emerging markets seeking to expand generation could face steeper import bills and longer waits for equipment. ■



Hamburg coal site ready to host green hydrogen plant by 2027

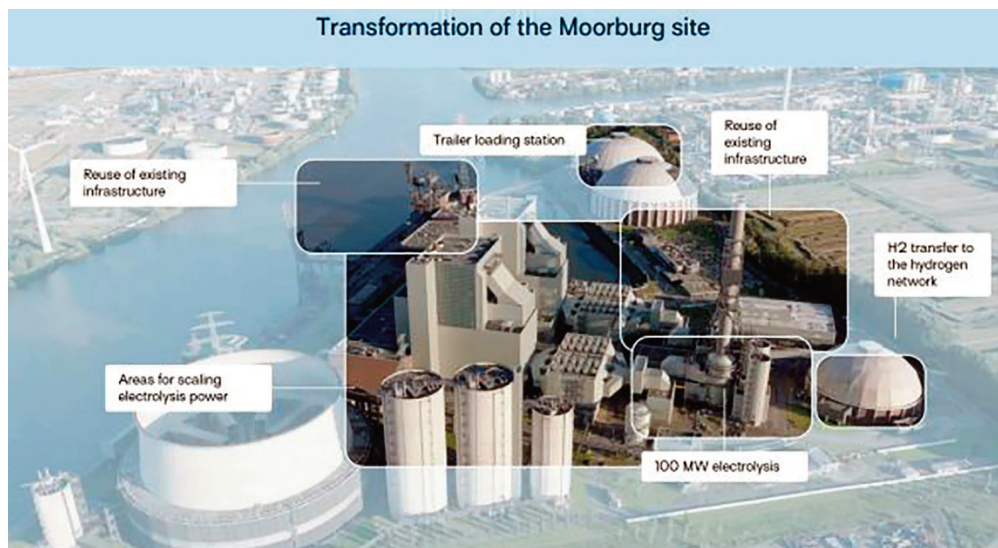
Construction is progressing fast on a 100 MW electrolyser at the site of the decommissioned Moorburg coal power plant in Hamburg. Early civil works are under way, with major equipment installation expected to begin this summer to get the €300 million project completed in 2027.

Once operational, the plant is expected to produce 10,000 tonnes of green hydrogen annually using renewable electricity from northern Germany's wind farms. The output is intended for local industrial users, including the chemical and steel sectors, as part of efforts to decarbonise energy consumption.

Hamburger Energiewerke (HEW) acquired the Moorburg site from Vattenfall in 2023 to repurpose it for hydrogen production. At full capacity, the plant could replace around 40 million cubic metres of natural gas per year, equivalent to avoiding more than 100,000 tonnes of CO₂ emissions.

"With wind energy in the north, connection to the hydrogen network and innovative industrial companies, Hamburg offers ideal conditions for ramping up the hydrogen economy," Mayor Peter Tschentscher said at the ground-breaking ceremony.

Siemens Energy has been selected to supply and install the electrolyser and will also provide a 10-year maintenance agreement, the Hamburg Green Hydrogen Hub (HGHH) consortium said. The consortium comprises asset manager Luxcara and municipal utility Hamburger Energiewerke. The contract value was not disclosed.



Despite progress on projects such as Hamburg's, Germany's broader hydrogen rollout faces challenges. Federal auditors have warned the national strategy is behind schedule, citing weak demand, rising costs and continued reliance on subsidies.

"Under current conditions, the 10 GW target set out in the National Hydrogen Strategy is likely to be missed," Ann-Kathrin Klaas, hydrogen expert at EWI, told Handelsblatt, adding that a significant share of planned supply may need to be met through imports. ■

Grants needed to bolster green H2

Bridging the cost gap between low emissions (green) hydrogen and hydrogen from unabated fossil fuels (grey) will require sizable public support in the form of grants and operating subsidies, particularly in the early market ramp up phase, the International Energy Agency (IEA) finds.

For demand creation, analysts recommend quotas and carbon contracts for difference (CCfDs) – or public procurement.

In the EU, for example, the transposition of the Renewable Energy Directive to national legislation has taken more than four years. In India, support for hubs is being scaled back, and conditions for financial support for ammonia supply have been revised several times. ■

Electrolysers – catalysts for growing the hydrogen economy

Hydrogen demand is could surpass 200 million tons worldwide annually by 2050, spurred by rapid deployment of electrolyzers. According to the International Energy Agency (IEA), global capacity for electrolyzers is expected to grow from just 0.5 gigawatt (GW) in 2020 to over 160 GW by 2030, driven by decarbonization targets and falling technology costs.

Through the acquisition, MiCo Group will get hold of an integrated (Design-to-Delivery) HRSG platform capable of handling the entire process from design and engineering to manufacturing, supply, and commissioning of power generation



equipment. This technology will help the Korean company to offer more competitive HRSG solution to global power plant developers, EPC companies and gas turbine customers.

"By combining NEM Energy's engineering technology with Hyundai Heavy Industries Power System's manufacturing base, we will strengthen our competitiveness in the global HRSG market," said Ha Tae-hyeong, vice-chairman of the MiCo Group.

NEM Energy, based in the Netherlands and established in 1929, specialises in the design and engineering of HRSG, turbine exhaust emission reduction systems, ex-

haust and diverter systems, and heat exchangers. Hyundai Heavy Industries Power System, incorporated as a subsidiary of MiCo Group in 2024, has powergen equipment manufacturing capabilities in South Korea, China and Vietnam.

With the surge in power demand driven by AI data centres and the electrification of transport, the build-out of flexible combined-cycle power plants – equipped with HRSGs – is gaining traction. Market research firm Market Research Future forecasts that the global HRSG market size will grow from approximately \$5.49 billion in 2025 to around \$9.67 billion in 2035. ■

PV Power urged to speed up \$2.25bn LNG-fuelled project

Vietnamese authorities in Nghe An province are urging PV Power to accelerate development of the \$2.25 billion Quynh Lap LNG-to-power project with a view to bringing the 1,500 MW plant into operation by 2030 – even as imported fuel costs weigh on profitability.

Developers – comprising of Petro-Vietnam affiliate PV Power, Nghe An Sugar Co. and South Korea's SK Innovation – were asked by the regional government to prepare a 1:500 construction plan, the feasibility study and other required documentation to speed up permitting.

Valued at nearly \$2.3 billion, the Quynh Lap project comprises of a 1.5 GW gas-fired power plant, a 250,000 cubic metres LNG terminal and a dedicated port in the Quynh Lap region, some 220 kilometres south of Hanoi.

Sparks lag dark spreads

The Quynh Lap project comes as LNG economics remain difficult. Imported LNG must cover procurement, liquefaction, shipping, regasification and storage, while coal-fired plants typically rely on lower-cost domestic or contracted coal. This leaves gas units exposed to thinner or even negative spark spreads when power prices do not rise fast enough.

In practical terms, that means the margin on gas-fired electricity can lag the margin on coal-fired generation, or dark spreads,

unless LNG feedstock prices soften or electricity tariffs improve.

Vietnam's first LNG power plants, Nhon Trach 3 and Nhon Trach 4, have already exemplified those pressures. Analysts at Vietcap Securities expect the pair to post a combined loss of VND1 trillion, or about \$38 million, in 2026, their first full year of commercial operation, reflecting the challenge of turning imported LNG into profitable baseload power in a market where pricing frameworks are still evolving.

Coal's fuel cost advantage

Coal-fired power units, by contrast, can benefit from a wider dark spread when coal costs are lower than the equivalent fuel value of gas, especially in systems where power tariffs remain capped or heavily regulated. That spread advantage matters in Vietnam, where developers and lenders are



watching whether LNG projects can earn enough to justify the large upfront capital costs of import terminals, pipelines and combined-cycle turbines.

Economics could improve if Vietnam strengthens long-term offtake arrangements, passes through more fuel costs into tariffs or if global LNG prices ease from recent highs.

Several LNG-to-power projects at different stages of development in Vietnam. The first wave includes the Nhon Trach LNG-fired plants in Dong Nai province, alongside other large schemes such as Quynh Lap in Nghe An and additional proposed projects in central and southern Vietnam. ■

Hanwha Power commissions CCGT in Ohio

Korean manufacturer Hanwha Power has commissioned and started up the Trumbull Energy Center, a 950 MW combined-cycle gas power plant in Ohio, U.S, developed to help fill a power gap left by the gradual exit of coal-fired generation in the Pennsylvania-New Jersey-Maryland (PJM) grid.

The commissioning ceremony brought together key project partners, including Korea Southern Power Co. (KOSPO), Gemma Power Systems, Siemens Energy, Ohio state government officials, the Korean Consul General, and project financing lenders.

The commissioning of Trumbull comes at a time when U.S. power markets are under pressure from rising demand linked to data centres, industrial electrification and

broader economic growth. PJM, which covers parts of 13 states and the District of Columbia, has been warning of tightening reserve margins as coal retirements accelerate and electricity demand rises.

For Hanwha Power, the start-up of the Ohio plant adds to its role in the international gas-fired generation market, where Asian manufacturers and developers are increasingly participating in U.S. power infrastructure. The project also highlights the continued importance of natural gas in power-sector planning, even as decarbonisation policies and renewable energy expansion reshape long-term investment decisions.

The plant's start-up and early operations will be closely watched by market participants looking for signs that new dispatchable capacity can be delivered on time and within budget in a tightening power market. ■



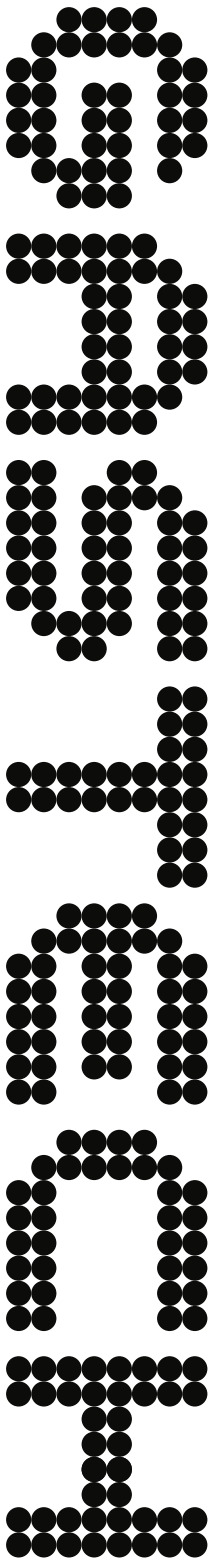
NEWS NUDGES

PJM braces for 5.4% load growth

PJM Interconnection expects peak summer load will grow at an average of 5.4% per year over the next decade driven by electrification of road transport and the concentration of data centers. Summer peak load in PJM's Dominion zone was 23,905 MW last year, 23% higher than in 2019, while winter peak load in PJM's Dominion zone was 25,413 MW in the 2025–26 winter season, 45% higher than five years ago.

Oman seeks adviser for IPPS

Oman's Nama Power and Water Procurement Company is seeking advisers for the development of new gas-fired independent power projects (IPPs). Prospective advisers will need to support project structuring, tendering, and negotiations with prospective developers. The advisory tender signals early-stage planning, with project timelines and capacities yet to be disclosed.



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