Oil and Gas News Briefs
Compiled by Larry Persily
October 16, 2025

IEA's latest outlook forecasts even bigger global oil surplus next year

(Reuters; Oct. 14) - The world oil market faces an even bigger surplus next year of as much as 4 million barrels per day as OPEC+ producers and rivals lift output and demand remains sluggish, the International Energy Agency predicted on Oct. 14. The latest monthly outlook from the IEA expands its prediction in September for a 2026 surplus of about 3.3 million barrels per day. A surplus of 4 million would be equal to almost 4% of world demand, and is much larger than other analysts' predictions.

OPEC+ is adding more crude to the market after the Organization of the Petroleum Exporting Countries, Russia and other allies decided to unwind some output cuts more rapidly than earlier scheduled. The extra supply is adding to fears of a glut and weighing down oil prices this year. In the IEA's view, supply is rising far faster than demand. This year, it expects supply to rise by 3 million barrels per day, up from 2.7 million previously. Next year, supply will rise by a further 2.4 million barrels per day, it said.

The agency also trimmed its forecast for world demand growth this year to 710,000 barrels per day, down 30,000 from the previous forecast, citing a more challenging economic backdrop. "Oil use will remain subdued over the remainder of 2025 and in 2026," the IEA said. "This is well below historical trend, as a harsher macro climate and transport electrification make for a sharp deceleration in oil consumption growth." IEA demand forecasts are at the lower end of the industry range, as the agency expects a faster transition to renewable energy than some other forecasters such as OPEC.

Global oil trader CEO sees prices headed lower

(Bloomberg; Oct. 14) - An oil market surplus that's long been anticipated by investors is finally showing signs of emerging, a fact that may start to drive down crude prices, the boss of one of the world's top energy traders said. "It looks like we are now moving into a bit of a different market," Torbjorn Tornqvist, CEO of Gunvor, said in an interview in London. "We have heard it before and people have been burned on that. But this time around, at this stage, I think there's a bit more substance in the oversupplied narrative."

The International Energy Agency said earlier that the world is set for a record surplus of 4 million barrels a day in 2026 as OPEC+ nations — in addition to countries outside the producer group — boost output. It said cargoes are starting to build up at sea, a sign of oversupply. Tornqvist's own estimate is for a surplus about half that size next year — still a substantial overhang. As such, oil prices should be heading lower, the CEO said.

“There’s a great deal more oil hitting the market at the time where there is no additional demand for it,” Tornqvist said Oct. 14. “And on top of that, you obviously have renewed trade tensions.” Last week, crude in the U.S. plunged below $60 a barrel for the first time since May. It traded below $59 on Oct. 14. Tornqvist’s assumption of oversupply next year is predicated on big producer nations pumping as much as they’re expected to — something that might not materialize in practice.

Oil execs see prices weakening before market rebalances

(Reuters; Oct. 14) - The global oil market is set to tighten in the medium to longer term, recovering from short-term weakness, executives from oil majors and trading houses said Oct. 14. Rising output from OPEC+ as well as from other producers, together with expectations that trade tensions will cut into demand, have weakened prices this year. Brent futures traded near $62 a barrel Oct. 14 — down by over $15 from a year ago — after the International Energy Agency forecast a 4-million-barrel-a-day surplus for 2026.

Declining production rates — which could accelerate as prices fall — will rebalance the oil market in the medium term, as demand draws support from growing consumption in emerging economies, executives said. Executives from traders Vitol, Trafigura and Gunvor all see prices weakening before recovering in the next year, pegging a range of $62 to $66.50 per barrel in one year's time. "Prices are slowly coming down, and will come down a little bit more," Gunvor CEO Torbjorn Tornqvist said at the Energy Intelligence forum in London, citing rising OPEC production and other factors.

"I suspect we'll go into the $50s at some point, across Christmas into the new year," Trafigura's head of oil Ben Luckock said. The market, however, is “probably overly discounting” the potential for supply disruptions next year, Vitol CEO Russell Hardy said, naming Iran, Russia and Venezuela. A significant supply disruption could move prices higher. As supply tightens and the market rebalances, ConocoPhillips CEO Ryan Lance said prices could recover to $70 to $75.

Exxon CEO says world not investing enough for future oil demand

(S&P Global; Oct. 13) - The world is not sufficiently investing in oil and gas to meet rising medium and long-term demand, with worries about oversupply a short-term issue, ExxonMobil CEO Darren Woods said Oct. 13. He took aim at European energy policies in particular, describing them as "going in the wrong direction." Woods, speaking at the Energy Intelligence Forum, highlighted the production decline in the shale sector and a lack of deepwater exploration spending by the industry as causes for concern in the context of long-term demand growth in developing markets of the "global south."

"As you look at the growth going forward ... economies continue to grow around the world, particularly the global south, people lifting themselves out of poverty," he said. "That demand is going to continue to grow. Longer term, medium-to-long, you're going to have a challenge supplying the market. There's a lot of work that needs to be done, and I don't believe today that there's enough investments in the pipeline to meet that."

On shale, Woods maintained that ExxonMobil's own production would continue to grow, despite signs of a production plateau in the sector as a whole, saying his goal of doubling recovery rates in shale was in sight. Today, "5% to 10% of the oil that's in the ground is being recovered. There's a lot of oil left there, but it's difficult to access. ... Given how early the shale development is in its lifecycle to develop technologies to unlock the rest of that 90% of oil we leave in the ground, we've made huge progress."

Water shortages pose risk to Texas oil, gas and petrochemical hub

(Bloomberg; Oct. 13) - Water shortages in South Texas are posing major risks to a fast-growing industrial hub. Corpus Christi, a Gulf Coast city 400 miles south of Dallas, is in the grip of a worsening drought that's already prompted lawn-watering bans and warnings that harsher restrictions may be necessary. Seven years of abnormally dry weather coincided with rapid industrial growth in the nation's biggest oil-export hub, stretching supplies of fresh water. Municipal leaders are at odds over what to do.

The city council recently halted work on a desalination plant that would have treated seawater after estimates spiraled to more than $1 billion and sparked outrage among some residents. The issue also tapped into long-simmering resentment of the growing industrial presence of major water users such as ExxonMobil, Occidental Petroleum, Koch Industries and Celanese. If the drought doesn't break in the next 12 months or so, stricter usage limits may be needed to curb available supplies by 25%, officials warn.

Corpus Christi has grown from a remote 19th-century trading post to a critical nexus of the global oil, gas and chemical sectors. Since 2010, the city of 320,000 people has seen more than $57 billion of direct capital investment. The deepwater port is an export hub for Permian Basin oil and gas while the coastline is home to six refineries, a liquefied natural gas export terminal and several massive petrochemical plants. About half of the city's water supply now goes to commercial and industrial customers at a time when the inland river systems that feed the region are drying up.

Doubling U.S. LNG exports likely to push up domestic gas prices

(Wall Street Journal; Oct. 13) - The U.S. is set to roughly double exports of natural gas in the next five years, as developers are forging ahead with plans to build a flurry of new terminals to liquefy and export gas. Prices and volatility are poised to rise, too.

President Donald Trump has made LNG exports a cornerstone of his trade policies by tying tariff deals to commitments to buy more U.S. energy. The hitch: Major gas basins are growing old, and the country lacks the pipelines to move gas to where it is needed.

The upshot is that American consumers and industries are likely to see higher natural gas prices and more volatility in the coming years, analysts and executives say. That could be an issue for Trump, who has promised to cut energy prices in half. “If you want to export all this LNG, if you want data-sector growth, all the power demand growth, you’re going to need higher prices,” said Eugene Kim, an analyst at energy research firm Wood Mackenzie. “And that goes in contradiction to what Trump wants.”

Until now, an ever-growing supply of gas unleashed by the shale boom has covered domestic and foreign demand. Prices in the past decade — as the U.S. became the world’s top LNG exporter — averaged about $3 per million Btu. That compares with nearly $6 in the 2000s, when the U.S. burned about a third less than it does now. The bounty has been a boon for consumers, petrochemical makers and industry. Now, more LNG terminals are under construction and set to siphon prodigious amounts of gas.

The fields of Appalachia lack pipelines to move more gas south. The Permian produces large amounts of gas from oil wells, but companies there are perennially short of gas pipeline capacity. LNG terminals have largely relied on the Haynesville Shale that spans East Texas and Louisiana for their fuel. But companies have exhausted most of their sweet spots and have just over a year’s worth of top-tier wells, said Jimmy McNamara, an analyst at energy-analytics Enverus. Execs say the Haynesville needs to see prices rise to about $5 to motivate producers into less productive areas to meet demand.

Gas pipeline construction continues to serve Texas LNG terminals

(Pipeline Technology Journal; Oct. 14) - ARM Energy announced on Oct. 9 that it will move forward with a $2.3 billion natural gas pipeline in Southeast Texas, marking another major investment in the state’s booming liquefied natural gas sector. The Houston-based company and its financial partner, Pacific Investment Management Co., are backing the 236-mile Mustang Express pipeline to transport up to 2.5 billion cubic feet of gas daily from the Bay City area to the LNG export hub in Port Arthur.

The pipeline consists of two main segments: a 55-mile line from Tres Palacios Storage to the Katy Hub and a 178-mile mainline from the Katy Hub to Port Arthur. "By linking two of the most prolific natural gas-producing regions in the U.S. directly to LNG export facilities in Texas, we are helping ensure a reliable supply of natural gas for liquefaction and export," ARM Energy CEO Zach Lee said in a statement.

Much of the transported gas is intended for Sempra’s $14 billion Port Arthur LNG Phase 2 project. With the construction of the Mustang Express scheduled for completion by early 2029, the line joins a growing list of new energy infrastructure in the region. Early this year, Kinder Morgan approved construction of its 216-mile Trident Intrastate Pipeline, also connecting the Houston area to Port Arthur, partly to supply power to new data centers. In August, WhiteWater Midstream gained approval for the 450-mile Eiger Express pipeline, designed to move gas from the Permian Basin to the Texas coast.

[Louisiana judge blocks proposed LNG export terminal]

(Louisiana Illuminator; Oct. 15) - A Cameron Parish judge has ruled that state officials violated the Louisiana Constitution when they issued a permit for a liquefied natural gas export terminal, which has halted construction on the facility. The decision, reached Oct. 10, found that the Louisiana Department of Conservation and Energy (formerly Energy and Natural Resources) failed to consider the environmental impacts on surrounding communities when it approved a permit for the Commonwealth LNG export facility.

Commonwealth is one of six LNG projects proposed, approved or operating along Cameron's coast. Commonwealth has not yet reached a final investment decision. Construction of the pipelines, storage tanks and marine facilities for the terminal would dig up or fill nearly 200 acres of wetlands and water bottoms, according to the project's coastal-use permit application. Judge Penelope Richard cited the close vicinity of other terminals as a factor in her decision, saying the state "failed to consider the secondary and cumulative impacts" of these facilities on climate change in the coastal zone.

"We hope this ruling shakes Louisiana to its senses," said Anne Rolfes, director of Louisiana Bucket Brigade. Rolfes's organization, the Sierra Club and the Turtle Island Restoration Network filed the suit in August 2024. The state permit for Commonwealth LNG will be suspended until the Office of Coastal Management considers climate change and environmental justice concerns in its evaluation, according to Judge Richard's ruling. Amid multiple delays, the project developer has requested federal regulators extend the deadline to start operations at the facility to Dec. 31, 2031.

[Developer of Louisiana LNG project delays investment decision]

(Bloomberg; Oct. 15) - Energy Transfer has pushed back its targeted final investment decision for the proposed Lake Charles liquefied natural gas export project in Louisiana to the first quarter of 2026 from the end of this year, according to people familiar with the matter. The company cited rising costs and the need for more time to finalize contracts as reasons for the delay, according to the people, who asked not to be named because the discussions about the timeline were private. The pipeline operator has planned for years to expand the existing LNG import terminal at Lake Charles into an export plant.

Energy Transfer didn't respond to requests for comment via phone and email. The developer received Federal Energy Regulatory Commission authorization to construct and operate the facility in 2015. The latest FERC extension gives the developer until 2031 to start operations. The project would have a production capacity of 16.5 million tonnes of per year. The last reported cost estimate put the project at more than $13 billion. The company has not publicly released a current estimate.

U.S. LNG developers are rushing to line up financing and start construction on projects before the next global supply wave potentially overtakes demand, with BloombergNEF predicting that a glut will emerge by 2027. Qatar is progressing with its own yearslong buildout of LNG production capacity, and a massive pipeline expansion by Gazprom could begin funneling more Russian gas to China by 2031. Chevron, China’s ENN Energy Holdings and South Korea’s SK Gas Trading are among the companies that have inked long-term deals to buy LNG from Lake Charles.

Japan’s LNG buyers can profit by swapping and reselling cargoes

(S&P Global; Oct. 14) – Japan’s liquefied natural gas buyers are boosting their optimization of cargo trading amid declining domestic demand in order to maximize profits, according to Japanese LNG importers and Asian LNG traders. Optimization includes time swaps, location swaps, quality swaps and quantity swaps, enabling them to make the most money from trading, as well as manage stocks, Asian traders said.

Time swaps have been performed when the market is in contango, especially by Japanese gas utilities, Asian LNG traders said. When the market is in contango, a company typically buys a cargo for delivery in an earlier month, puts it into storage, and sells a cargo for a later month. For example, the spread between November/December was assessed at 20 cents per million Btu on Oct. 8, indicating a trader could make 20 cents per million Btu of profit just from trading those cargoes, in theory.

Japanese gas companies often engage in these kinds of trades, rather than power utilities, because gas utilities have more spare LNG storage capacity, according to Japanese utilities. Power utilities' tank operations are typically more complicated as power demand fluctuates, traders said. In September, Japan's Kansai Power Electric performed location and time swaps by selling a cargo from the LNG plant at Cove Point, Maryland, loading over Oct. 28 - Nov. 1, and buying a cargo destined for Japan a month sooner, so that it could sell the U.S. cargo to the most lucrative market, traders said.

U.S. LNG projects having to consider tariffs on Chinese equipment

(Bloomberg; Oct. 13) - Technip Energies CEO Arnaud Pieton said builders of U.S. liquefied natural gas export terminals can avoid tariff uncertainty on Chinese-made equipment by relying on yards elsewhere in Asia and the Middle East. His comments came as trade tensions between the U.S. and China rattled global markets Oct. 10, sending stocks, oil and cryptocurrencies lower. That followed President Donald Trump's social media post threatening retaliation against China's export curbs on rare earths.

Against that backdrop, companies like Technip Energies — a key player in the world's largest wave of LNG construction — are weighing the advantages and drawbacks of manufacturing major components for liquefaction plants outside Chinese yards. "We are not relying on China to have a credible execution plan," Pieton said in an interview, hours before Trump raised the possibility of new tariffs.

Pieton said that while building in China offers advantages such as "a lot of spare capacity" and lower costs, it also carries the risk of higher tariffs. That option, he added, must be weighed against other locations such as South Korea or the Middle East, where costs would be higher but the threat of tariffs potentially lower. Higher tariffs would ultimately be borne by the end customer, Pieton said, adding that his LNG plant construction company "doesn't take the tariff risk at all."

U.S. LNG supplier settles arbitration with Chinese buyer

(Reuters; Oct. 10) - The settlement of an arbitration announced on Oct. 9 by U.S. LNG plant operator Venture Global involved Unipec, a trading unit of Chinese state-owned oil and gas firm Sinopec, according to two sources with knowledge of the matter. Venture Global first announced the resolution on Oct. 9 without disclosing the other party involved, adding that the agreement would have no material impact on its business.

Unipec had previously entered into a fixed-price, three-year take-or-pay agreement for one million tonnes per year from Venture Global's Calcasieu Pass LNG export plant in Louisiana, according to a regulatory filing in March. Unipec sued for arbitration in late 2023, becoming one of seven Venture Global customers to ultimately do so, claiming that the U.S. supplier had breached its contract by selling the project's early cargoes on the spot market rather than honoring its long-term purchase agreement.

While it did not name the company, Venture Global said a mid-term customer had been seeking damages of around $200 million. Venture Global declined to comment on the arbitration settlement when contacted by Reuters. Unipec did not immediately respond to a request for comment. BP last week won its arbitration claim against Venture Global over the same issue. BP, with a longer-term deal for more volume, was seeking damages of more than $1 billion from Venture Global.

Sanctioned Russian LNG plant adds to its shipments to China

(Bloomberg; Oct. 13) - A U.S.-sanctioned liquefied natural gas plant in Russia's Arctic region has pressed on with fuel shipments as Moscow seeks to circumvent Western restrictions and test President Donald Trump. The Arctic LNG 2 export plant — sanctioned by the Biden administration in 2023 after Russia's invasion of Ukraine — appears to be loading its 10th shipment since late June, according to ship-tracking data compiled by Bloomberg. So far, earlier cargoes have been delivered to a single port in southern China, or a storage facility in Russia's Far East.

While the trade dispute between Washington and Beijing has intensified again in recent days, the U.S. has so far held off on tightening measures against Russian LNG. Eight shipments carrying sanctioned Russian LNG have arrived at the Beihai terminal in China since August. These Arctic LNG 2 cargoes were the first to reach a foreign port.

By choosing a single port with limited international exposure, Beijing may be trying to insulate its gas sector from potential retaliation. Arctic LNG 2 produced eight cargoes last summer but was forced to shut in October as it failed to find buyers — with some importers reluctant to get into Washington's cross hairs — and as seasonal ice started to build up around the facility. The vessels offloaded into storage sites in Russia instead.

Russian shipyard wants to build ice-class LNG carriers

(gCaptain; Oct. 13) - Blocked from accessing Western technology, Russia's United Shipbuilding Corp. aims to construct the country's first ice-class liquefied natural gas carrier. The company presented plans for the carrier at the St. Petersburg International Gas Forum. Developed for Gazprom's Baltic Ust-Luga LNG facility, the design could easily be adapted for the needs of other Russian gas companies, including in the Arctic.

The lack of ice-capable vessels has been an obstacle for full development of Russia's Arctic gas projects. Six ice-class LNG carriers remain undeliverable due to sanctions at South Korea's Hanwha shipyard, with a number of other contracts canceled. At the same time. Moscow's Far East shipyard Zvezda has struggled to complete five LNG tankers built in cooperation with Korea's Samsung Heavy Industries. The ice-class LNG carriers are essential if Russia's Arctic gas projects are to operate year-round.

The United Shipbuilding Corp. design relies on 90% domestic components. Challenges will likely be propulsion units formerly supplied by ABB and the membrane by France's GTT. In both instances, USC says it will rely on Russian technology rather than Western suppliers. USC has vast experience building ice-class vessels, having constructed the majority of Russia's nuclear icebreakers via its Baltic Shipyard. But the timeline and chances for successfully constructing LNG carriers domestically remain doubtful.

U.K. steps up sanctions on Russian, Chinese oil and gas sectors

(Bloomberg; Oct. 15) - The U.K. slapped sanctions on Russia's biggest oil producers and two Chinese energy firms that deal with Moscow as London seeks to intensify pressure on the Kremlin over the war in Ukraine. Britain blacklisted state-run oil giant Rosneft and Lukoil on Oct. 15, the Office of Financial Sanctions Implementation said in a statement. It also targeted Chinese firms that handle Russian energy for the first time: a terminal handling Russian liquefied natural gas and an oil refiner.

Western nations are turning the screws on Russia's energy sector in a bid to curb the flow of petrodollars to the Kremlin and limit President Vladimir Putin's ability to finance the war. Taxes from the oil and gas industries account for about a quarter of the federal budget. "As Putin's aggression intensifies, we are stepping up our response," U.K. Chancellor Rachel Reeves said in a separate statement.

The U.K. sanctioned China's Beihai liquefied natural gas import terminal, which has become the key offloading point for cargoes from Russia's Arctic LNG 2 project, as well as Chinese oil processor Shandong Yulong. While the U.K. previously imposed wide-ranging sanctions on tankers transporting Russian oil and gas, the targeting of two big oil producers — as well as Chinese firms — marks an escalation. Rosneft and Lukoil account for more than half of all oil produced in Russia and undertake business of "strategic significance" to the government, the U.K. government said.

U.S. sanctions on Chinese oil terminal threaten supplies to refineries

(Bloomberg; Oct. 13) – U.S. sanctions on a key Chinese oil import terminal are redirecting crude flows and threatening run cuts at several state-owned refineries. Last week's blacklisting of the Rizhao Shihua terminal, which handles about 9% of China's crude imports, could force run cuts of up to 250,000 barrels a day at a handful of refineries near the port in Shandong province, analysts from Energy Aspects said in a research note. Several refineries owned by state-run Sinopec are likely to be hardest hit as they're connected to the terminal by pipeline.

Targeting Rizhao and other port infrastructure represents an escalation of the U.S. crackdown on those involved in the China-Iran energy trade, beyond just restricting independent refiners known as teapots that often rely on cheaper oil to eke out margins. The Rizhao terminal is partly owned by Sinopec through its subsidiaries and is the refiner's biggest entry point for foreign crude.

Tankers already appear to be changing course to avoid the terminal. Spherical — hauling about 2 million barrels of Brazilian crude — switched its destination from Rizhao to Caofeidian in Hebei province on Oct. 13, according to tanker-tracking data compiled by Bloomberg. The blacklisted terminal operator imported more than 1 million barrels a day last year, with Iran accounting for about 189,000 of that, data from Kpler show.

Sinopec’s 200,000 barrel-a-day Luoyang refinery is expected to be hardest hit, as it relies heavily on oil supplied by pipeline from the terminal, according to Energy Aspects.

Italian, Argentine partners sign deal for LNG project

(Reuters; Oct. 13) - Italy’s Eni and Argentina’s YPF have finalized an engineering agreement on a Vaca Muerta liquefied natural gas project, they said in a presentation on Oct. 10 to sign the deal. Eni and YPF in June signed an initial accord to cooperate on the development of gas resources from the massive Vaca Muerta field in Argentina. Eni at that time said the deal would cover production, transportation and liquefaction of gas through floating units for a total capacity of 12 million tonnes per year.

“YPF will be responsible for the upstream, and we will be responsible for the floating liquefaction,” Eni CEO Claudio Descalzi said at the event. “We need to reach the market before 2029.” YPF CEO Horacio Marin said the project will require drilling 800 wells and aims to double the company’s 2024 gas production. Marin estimated the endeavor will need $25 billion for infrastructure investment and $15 billion for upstream development.

Shell and partner will invest $2 billion to boost Nigeria gas production

(Reuters; Oct. 14) - Shell has approved the development of an offshore gas project in Nigeria along with its local joint-venture partner Sunlink Energies, the oil major said on Oct. 14, the latest in a series of investments by its Nigerian business. The HI offshore gas project, once completed, will supply 350 million cubic feet of gas per day at peak production to Nigeria LNG, which produces and exports liquefied natural gas to global markets, Shell said.

The investment, valued at $2 billion according to the Nigerian government, underscores Shell's strategy to expand its global LNG business and strengthen its position in Nigeria despite years of challenges and after it divested its Nigerian onshore fields that were beset by spills and theft. State-run oil firm NNPC owns 49% of Nigeria LNG, with Shell, at 25.6%, the second-biggest shareholder. Other shareholders of the LNG terminal are TotalEnergies and Eni.

Production from the HI field, discovered in 1985 and located about 31 miles offshore and in waters about 330 feet deep, is expected to begin before 2030. It aligns with Shell's plans to boost global LNG volumes by an average of 4% to 5% annually until 2030. It will add nearly one-third of the gas needed to expand production at the Nigeria LNG plant, Olu Verheijen, special adviser on energy to the Nigerian president, said in a statement. Shell's Nigeria unit holds a 40% interest in the project; Sunlink owns 60%.

U.K. oil field review now includes emissions from burning the fuels

(BBC; Oct. 15) - The U.K.'s largest undeveloped oil field has revealed the full scale of its environmental impact, should it gain approval by the government. Developers of the Rosebank oil field said nearly 250 million tonnes of planet-warming gas would be released from using oil products produced from the field. The amount would vary each year, but by comparison the U.K.'s annual emissions in 2024 were 371 million tonnes.

The field's developer said its emissions were "not significant" considering the U.K.'s international climate commitments. But opponents called it an "admission of the vast climate change damage" that the project will cause. Rosebank is an oil and gas field which lies about 80 miles northwest of Shetland and is one of the largest undeveloped discoveries of fossil fuels in U.K. waters. It is said to contain up to 300 million barrels of oil and some gas, and is owned by Norway’s Equinor and British firm Ithaca Energy.

The field was approved in 2023, but in January a court ruled that a more detailed assessment of the field's environmental impact was required, taking into account the effect on the climate of burning fossil fuels extracted from it. A public consultation was opened and will run until Nov. 20. The decision on whether to approve the field will be made by the U.K. energy secretary. Until recently, such projects were only required to consider the impact on the environment from extracting the fossil fuels. But in 2024, the Supreme Court ruled that authorities must consider the impact from using the products.

Hawai’i will work with Japanese company to look at LNG imports

(Hawaii Public Radio; Oct. 14) - Gov. Josh Green has entered Hawaiʻi into an agreement with JERA, Japan’s largest energy company, to move ahead with a plan to import liquefied natural gas to power Oʻahu’s grid. In a statement, Green’s office said the agreement “establishes a framework for collaboration” among JERA and the state of Hawaiʻi to advance clean-energy initiatives recommended in the Alternative Fuels, Repowering and Energy Transition study. He signed it on Oct. 6 while in Japan.

That study, prepared by the Hawaiʻi State Energy Office and released in January, suggested that Oʻahu could reduce its dependence on oil by swapping it out with liquefied natural gas. Both sources of energy are fossil fuels, and Hawaiʻi is required by state law to stop using fossil fuels for power generation by 2045. More than $2 billion would need to be invested into Oʻahu’s energy infrastructure to power the grid with natural gas, according to the study.

In order for the investment to be worthwhile, the infrastructure would also need to be able to run on an alternative zero-carbon fuel source like hydrogen after 2045. Hawaiʻi Chief Energy Officer Mark Glick said that as part of its new agreement with the state, JERA will be taking steps to line up that capital. JERA is one of the world’s largest LNG traders. Glick said the agreement does not commit the state to purchasing LNG from JERA. Opponents of LNG imports said it is inconsistent with the state’s climate goals.