



## **MINUTES OF MEETING GIIGNL 2023 GENERAL ASSEMBLY**

**November 6-7, 2023**

Conrad Hotel – Dubai (UAE)

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## Introduction

President Abiteboul declared the 53<sup>rd</sup> GIIGNL General Assembly open. He thanked Shell for hosting this General Assembly in Dubai. President Abiteboul also welcomed and thanked the participants and delegates representing the member companies for the first time.

He welcomed Mr. David, the new GIIGNL General Delegate, appointed in July. He said that this is his first General Assembly and that some of the delegates have already met him in Panama in May for the Executive Committee.

Mr. David welcomed the members of the audience to the General Assembly and invited a member of the Conrad Hotel's department of safety and security to do a security briefing.

## Item 1 – Keynote Speakers: Fatema Al Nuaimi, EVP Downstream Business Management at ADNOC and Zoë Yujnovich, Integrated Gas & Upstream Director at Shell

### ***Fatema Al Nuaimi, EVP Downstream Business Management, ADNOC***

President Abiteboul introduced Ms. Fatema Al Nuaimi - EVP Downstream Business Management at ADNOC, representing Mr. Khaled Salmeen - Executive Director at ADNOC.

Ms. Fatema Al Nuaimi started by welcoming the participants to the UAE and thanking Shell, the host of the event.

In her keynote speech, Ms. Al Nuaimi provided a synopsis of ADNOC's journey in the Gas & LNG sector, tracing back to its inception in the 1970s under the visionary leadership of Sheikh Zayed Al Nahyane.

Ms. Al Nuaimi highlighted ADNOC's transformation of wasted gas resources into a thriving multibillion-dollar LNG business, emphasizing its commitment to sustainability. The speech underscored the significance of the Ruwais LNG megaproject, which will include two 4.8MTPA LNG trains, in solidifying ADNOC's global presence and advancing its decarbonization strategy.

Additionally, Ms. Al Nuaimi portrayed the consolidation of ADNOC's gas businesses into ADNOC Gas as a strategic move to capitalize on the United Arab Emirates' abundant natural gas reserves and meet increasing global demand.

Then, Ms. Al Nuaimi gave a brief overview of recent market developments and fluctuations, and reaffirmed ADNOC's dedication to being a reliable LNG supplier and advancing towards a sustainable future through investments in clean energy solutions and emissions reduction targets.

Ms. Al Nuaimi concluded her keynote with a call for partnership and collaboration to progress sustainability efforts and ensure a better future for generations to come.

### ***Keynote Speaker: Zoë Yujnovich, Integrated Gas & Upstream Director, Shell***

President Abiteboul introduced Ms. Zoë Yujnovich – Integrated Gas & Upstream Director at Shell.

In her keynote, Ms. Yujnovich reflected on the remarkable journey of Dubai and the LNG industry, both characterized by ambition and world-class engineering. Drawing parallels between Dubai's emergence as a regional hub and the transformative impact of LNG, Ms. Yujnovich highlighted Shell's pivotal role in pioneering LNG deliveries and shaping the industry over the past six decades.



Emphasizing LNG's crucial role in a balanced energy transition, Ms. Yujnovich underscored LNG's potential to support renewables and provide a secure energy supply amidst geopolitical uncertainties.

Addressing the need for innovation, methane reduction, and carbon emissions mitigation, Ms. Yujnovich outlined Shell's commitment to sustainability and described initiatives taken by her company to reduce methane intensity, eliminate routine flaring, and develop low-carbon LNG projects, such as the adoption of GIIGNL's Monitoring, Reporting and Verification framework. Additionally, Ms. Yujnovich discussed the importance of carbon capture and storage, nature-based carbon credits, and explored the potential of bio-LNG and synthetic LNG.

Ms. Yujnovich concluded with a call for collaboration and action and emphasized the importance of continued innovation and partnership in shaping the future of LNG as a sustainable fuel.

President Abiteboul thanked Ms. Yujnovich for her perspective on the industry and referred to her mention of the GIIGNL's MRV framework, stating the importance of such a tool for the industry.

## **Item 2 – Approval of the Draft Agenda**

President Abiteboul reminded that the draft agenda was available in the delegate pack and on GIIGNL's website.

Mr. Abiteboul reviewed the different items on the agenda and asked if there were any comments.

**The meeting agenda was approved.**

President Abiteboul reminded the participants that the members of the association strictly adhere to the Anti-Trust / Competition Law Guidelines posted on the GIIGNL website.

## **Item 3 – Approval of the minutes of the 2022 General Assembly**

Mr. David mentioned that the draft minutes of the 52<sup>nd</sup> General Assembly, held in Paris on November 14-15, 2022, had been made available to all members on the GIIGNL website.

He then stated that no comments had been received on the minutes.

**The minutes were approved.**

## **Item 4 – “Geopolitics and economic fragmentation” - Jason Bordoff, Energy Policy Expert, Columbia University**

President Abiteboul called on stage Jason Bordoff and introduced Seemi Saad – General Manager at Shell – who was in charge of leading the speaker session.

Ms. Saad reminded everyone the challenging nature of the energy transition, noted that the energy industry was at a critical juncture given recent events and then introduced Mr. Jason Bordoff – founding director of the Centre on Global Energy Policy at Columbia University.



Ms. Saad started the speaker session by asking Mr. Bordoff to give his perspective on the status of the energy transition and the world's path to Net Zero.

Mr. Bordoff reflected on the ongoing challenges in achieving net zero emissions and emphasized the need for significant progress in reducing emissions to combat climate change effectively. While acknowledging the remarkable growth in clean energy and technologies, Mr. Bordoff highlighted the persistent rise in emissions from oil, gas, and coal, due to population growth and economic development, indicating a misalignment with the targets set by the Paris Agreement. Mr. Bordoff expressed that this trend poses a significant challenge in bridging the gap between climate ambition and reality, pointing to the severity of climate change impacts and geopolitical factors like the pandemic and regional conflicts. Mr. Bordoff suggested that this tension between meeting energy demands and achieving climate goals will be a central issue at the upcoming COP 28 in Dubai, underscoring the urgent need for policymakers, industry stakeholders, and environmentalists to address this complex reality.

Ms. Saad reacted by referring to the conflict in Ukraine and asked Mr. Bordoff about the potential implications of the need for energy security on prioritizing energy decarbonization, as well as policymakers' thoughts on the matter.

Mr. Bordoff emphasized the resurgence of energy security concerns and the shift in attention away from addressing climate change, attributing this shift to factors such as the war in Ukraine and the fragile state of the European energy sector even before the beginning of the conflict. Mr. Bordoff highlighted the challenges of achieving a rapid energy transition, noting historical precedents of gradual transitions over decades, such as shifts from wood to coal and coal to oil.

Mr. Bordoff talked about the need for a comprehensive transition that reduces emissions while ensuring energy security and affordability. Despite the potential benefits of a decarbonized economy, Mr. Bordoff expressed concerns about the risks and uncertainties associated with the transition process, stressing the importance of careful planning to avoid negative economic, geopolitical, and climate consequences.

Ms. Saad shifted the focus to discuss the risks associated with the energy transition, particularly regarding the global implications of the US Inflation Reduction Act.

Mr. Bordoff described the Inflation Reduction Act (IRA) as a significant climate legislation milestone, highlighting its potential global impact. Mr. Bordoff emphasized that with estimated investments exceeding \$1 trillion in clean energy, the IRA is seen as a pivotal move toward decarbonization. Mr. Bordoff noted, however, that its impact extends beyond climate policy, serving as a cornerstone of industrial policy as well, and that by imposing requirements that tie tax credits to domestic manufacturing, the IRA seeks to bolster economic competitiveness and national security.

Mr. Bordoff mentioned some consequences of the IRA stating that the approach had sparked international tensions regarding trade regulations, particularly with key allies like Europe, Japan, and Korea. Mr. Bordoff highlighted the growing risk of protectionism and economic fragmentation, despite the US' efforts to mitigate concerns.

Mr. Bordoff concluded by saying that, while the Inflation Reduction Act represents a significant step forward in addressing climate change, it also underscores the imperative for developed nations to



foster international cooperation and support for clean energy transition initiatives in the global south.

Ms. Saad asked Mr. Bordoff about the potential start of a subsidy war involving clean energy as a result of the implications described in his previous answer.

In a hopeful tone, Mr. Bordoff suggested that the recent surge in clean energy subsidies, particularly the trillion-dollar investment by the United States, could potentially initiate a "subsidy war" among nations. While this competition could pose risks, such as heightened protectionism, it may also accelerate the transition to a lower carbon economy, a change Mr. Bordoff deems urgent. Mr. Bordoff, however, reminded that not all economies possess the fiscal capacity to match such large-scale subsidies. Consequently, countries may resort to alternative measures, like trade restrictions or domestic manufacturing mandates, to maintain competitiveness. Yet, Mr. Bordoff cautioned against excessive protectionism, emphasizing the importance of global trade and cooperation in scaling clean energy solutions.

Mr. Bordoff advocated for complementing subsidy initiatives with measures to support emerging and developing economies in their clean energy transitions, highlighting the need for coordinated efforts among wealthier nations.

Ms. Saad asked Mr. Bordoff about his expectations regarding the upcoming COP 28 that will be held in Dubai.

Mr. Bordoff characterized the upcoming COP as a "high-risk, high-reward" event, emphasizing the urgency of reckoning with the shortfall in meeting net-zero targets by 2050. Mr. Bordoff described the COP as a pivotal moment for evaluating countries' adherence to their climate promises, with many falling short. Mr. Bordoff expressed hope for progress in mobilizing private sector capital, particularly for emerging economies, and commitments to scaling renewable energy growth. He then stated that the upcoming COP is an opportunity for the oil & gas industry to showcase its expertise and commitment to the energy transition, despite skepticism from civil society. He concluded by saying that the upcoming COP could result in a more significant role for nationally-owned oil companies in achieving climate goals.

Ms. Saad mentioned the many circles in which Mr. Bordoff has the opportunity to spend time and inquired about the opinion of people outside the industry on the role of LNG in the energy transition.

Mr. Bordoff emphasized the multifaceted role of LNG and gas, which differs based on geographical and environmental contexts. Reflecting on past discussions about gas as a transitional fuel, Mr. Bordoff noted a significant shift in perception within the climate community, driven by concerns about methane leakage and the dwindling carbon budget. Despite recognizing the benefits of gas in mitigating air pollution and supporting renewable energy integration, he highlighted the challenge of persuading a larger audience, particularly as global events like COP 28 draw attention to alternative viewpoints.

Mr. Bordoff concluded by stressing the importance of both education and tangible progress in addressing environmental concerns and validating industry claims.

Q&A





Ms. Saad thanked Mr. Bordoff and initiated the Q&A part of the speaker session.

President Abiteboul thanked Mr. Bordoff and shared an anecdote about a recent debate in Abu Dhabi involving key personalities from COP 21 and the upcoming COP 28 who agreed that fulfilling the commitment of \$100 billion from wealthy nations to support developing countries' energy transition is crucial for success. President Abiteboul then asked Mr. Bordoff about the potential allocation of funds, particularly in light of significant resources available, suggesting a contribution to developing countries' transition efforts.

Mr. Bordoff reminded the audience of the commitment made by developed nations in Copenhagen to provide \$100 billion annually to aid emerging markets and developing countries in addressing climate change impacts. He noted that while some progress has been made, the current level of funding remains insufficient, emphasizing the need for a more comprehensive approach. Mr. Bordoff suggested that merely fulfilling the \$100 billion pledge is not enough, advocating for creative solutions involving multilateral development institutions, government policies, and private capital to effectively address the climate crisis. Mr. Bordoff then highlighted the challenges faced by developing economies, such as governance issues and higher capital costs, and stressed the importance of derisking investments to attract private capital.

Mr. Bill Farren-Price from the Oxford Institute for Energy Studies asked Mr. Bordoff his view on the political risks associated with gas investment in the US, especially with presidential elections around the corner.

Mr. Bordoff first discussed the significant role the US has played in global LNG expansion over recent years, noting a projected surge in LNG projects by 2025/2026. Then, he briefly touched upon uncertainties regarding future market dynamics, particularly regarding Europe's gas supply assumptions and projections. Mr. Bordoff highlighted the US's dilemma in balancing current energy affordability with long-term climate goals amid pressure to reduce fossil fuel investments. Despite potential political shifts, most LNG projects have garnered substantial government approvals, although challenges persist in infrastructure permitting.

Additionally, Mr. Bordoff pointed out the political risks associated with energy price fluctuations, which may prompt calls for domestic energy security measures during spikes. While such scenarios may appear unlikely, politicians remain vigilant to energy price shifts, ready to take action if necessary.

Ms. Saad asked Mr. Bordoff, on behalf of LNG professionals present in the room, how the industry and its leaders should position themselves to respect decarbonization pathways and increase the belief that the LNG industry is following them.

Mr. Bordoff started by clarifying his previous comment regarding new LNG projects and permits in the US, emphasizing that the US government is unlikely to violate existing contracts or projects. Then, answering Ms. Saad's question, Mr. Bordoff highlighted the importance of understanding the energy transition's reality and its varying impacts worldwide. While the IEA forecasts plateauing gas demand, there's still significant growth in LNG and global trade. The urgency of addressing climate change was underscored, with a call for industry to prepare for a more resilient, diversified future.



Mr. Bordoff concluded by emphasizing the industry's commitment to lower carbon alternatives and credible plans for a sustainable future, alongside the need for immediate action on methane and other emissions.

Finally, Ms. Saad thanked Mr. Bordoff and the members of the audience.

## **Item 5 – Company Reports**

### **Mr. Ruggeri - Snam**

Mr. Ruggeri thanked GIIGNL for giving him the opportunity to share updates on the progress of Italian regasification terminals and the substantial advancements made over the past two years. He underscored the significant challenges posed by the evolving energy landscape, particularly the need to swiftly replace Russian gas imports, which had previously accounted for around 40% of Italy's imports.

Mr. Ruggeri elaborated on the efforts undertaken by Snam to bolster regasification capacity, employing strategies such as alleviating bottlenecks in existing terminals and establishing new LNG regasification facilities. He provided detailed insights into expansion projects for terminals like Panigaglia and OLT, outlining plans to enhance capacity and introduce additional services to promote LNG usage in both road and maritime transportation.

Additionally, Mr. Ruggeri highlighted the development at the new terminals of Piombino and Ravenna, emphasizing the strategic procurement of vessels like Tundra and BW Singapore to augment regasification capabilities. Mr. Ruggeri discussed the operational efficiency of the Tundra and outlined plans for the modification of the BW Singapore vessel to adapt to the environmental conditions of the high Adriatic Sea.

Despite the challenges encountered, Mr. Ruggeri expressed confidence in the progress made thus far, noting a significant increase in Italy's regasification capacity by 50% in 2023. He reaffirmed the commitment to doubling the system's capacity to 30 BCM by 2025, positioning Italy as a frontrunner in regasification capacity within Europe.

### **Mr. Hiroaki Fujimoto – ENEOS**

Mr. Fujimoto expressed gratitude for the opportunity to discuss ENEOS' activities. ENEOS, a private Japanese company rooted in the oil business, operates in various sectors including power, hydrogen, renewables, chemical, upstream oil and gas and mining and metal.

Regarding gas and LNG, ENEOS is involved across four areas in Japan at the Kushiro, Hachinohe, Sodeshi and Mizushima facilities. Hachinohe and Mizushima are the terminals which are in use for large LNG vessels. Mizushima is ENEOS' first LNG receiving terminal and is a joint-venture with Chugoku Electric Power Company.



Mr. Fujimoto provided further detail on Hachinohe, one of ENEOS' major terminals for importing LNG. Hachinohe, located in Aomori prefecture, serves as a transportation hub and is known for its strategic geographic advantages. The terminal at Hachinohe can receive Q-flex class LNG tankers and incorporates various tsunami countermeasures, ensuring operational safety.

Mr. Fujimoto then described the various optimization measures taken by ENEOS, such as innovative handling of boil-off gas (BOG) during LNG discharge and efficient cooling systems for shore liquid lines. These measures have been implemented to enhance terminal competitiveness and reduce energy consumption.

Mr. Fujimoto concluded by talking about the new business opportunities ENEOS is exploring, including LNG ship-to-ship transfer operations, which could open new avenues for growth and contribute to vessel optimization.

## **Item 6 – Report on Membership and New Candidacies**

### **Report on Membership**

Mr. David reported on the current membership situation. As of November 14<sup>th</sup>, before new member joined, GIIGNL had 68 full members and 17 associated members and covered 27 markets with 42 members in Asia, 32 in members in Europe and 11 members in the Americas.

Mr. David then reminded the audience of SK Gas' entry into since the last General Assembly.

### **New Candidacies**

#### *Chevron*

President Abiteboul started with the candidacy of Chevron. He asked members of the assembly if they opposed the candidacy or wanted to abstain from voting.

### **The candidacy of Chevron was approved.**

Mr. Freeman Shaheen – President of global gas at Chevron - expressed gratitude for the invitation and acceptance. He then briefly presented Chevron's activities, emphasizing Chevron's commitment to the role of oil and gas in the short, medium, and long term, alongside efforts to make these energy sources cleaner. Mr. Shaheen highlighted Chevron's focus on developing oil and gas while ensuring environmental responsibility, mentioning corporate targets for achieving net zero emissions and reducing carbon intensity. Chevron's global presence across the entire LNG value chain was underscored, with involvement from wellhead to customer. Key regions such as Western Australia, Permian, Bakken, Guyana, Gulf of Mexico, Equatorial Guinea, West Africa, and East-Mediterranean were highlighted, reflecting Chevron's diversified portfolio and its belief that gas plays a crucial role in achieving a lower carbon future.





### *Vitol*

President Abiteboul followed with the candidacy of Vitol. He asked members of the assembly if they opposed the candidacy or wanted to abstain from voting.

#### **The candidacy of Vitol was approved.**

Mr. Escobar - Head of LNG, EMEA Gas & Power at Vitol – thanked the assembly for the acceptance and provided an overview of the company. Vitol, with 55 years of experience, has grown into one of the largest traders of energy products, dealing with approximately 8 million barrels per day of crude oil products and about 15 million metric tons per year of LNG. They have also ventured into direct investments in energy assets, operating as a small producer of crude and gas in the Permian basin and Ghana. Additionally, Vitol owns refineries in Europe, the Middle East, and Australia, with storage and transportation capabilities. They are also involved in power generation with 5 CCGTs in the UK and one under construction in Ireland. In renewable energy, Vitol has invested nearly \$2 billion in the US, focusing on renewable capacity and renewable natural gas. Their involvement in LNG spans from optimizing cargoes to long-term contracts worldwide, including Asia, Africa, the Middle East, and the US. They also have long-term regasification capacity in Italy, Spain, and the UK. Furthermore, Vitol is engaged in bio-LNG production and distribution, particularly in Europe and the US.

### *Axpo*

President Abiteboul then proceeded with the candidacy of Axpo. He asked members of the assembly if they opposed the candidacy or wanted to abstain from voting.

#### **The candidacy of Axpo was approved.**

Ms. Ducoloner – Managing Director at Axpo Solutions - presented Axpo, a state-owned power utility and the largest energy company in Switzerland, operating in 36 global markets and 45 energy markets. Ms. Ducoloner then described the activities of Axpo Solutions, the trading and marketing arm of Axpo, focusing on gas asset optimization, trading in Europe and the US, and providing energy and risk management solutions to large industrials. With over 20 years in the LNG market, Axpo is particularly strong in Spain and Italy, importing 30 to 40 cargoes and engaging in storage activities. Axpo also transports pipeline gas across Europe, including to Turkey. Recently, Axpo expanded globally, establishing Axpo Singapore in 2020 to develop a multicommodity platform in Asia, including LNG.

### *ConocoPhillips*

President Abiteboul followed with the candidacy of ConocoPhillips. He asked members of the assembly if they opposed the candidacy or wanted to abstain from voting.

#### **The candidacy of ConocoPhillips was approved.**



Mr. Hudspith - Head of commercial LNG business for EMEA at ConocoPhillips - expressed gratitude to GIIGNL and Shell for hosting the event. He highlighted ConocoPhillips' engagement with GIIGNL, emphasizing their participation in the pilot scheme. He then presented ConocoPhillips, an American E&P company focusing on producing, transporting, and marketing crude oil, natural gas, and LNG globally. He listed the company's priorities, namely meeting energy transition demands responsibly, delivering returns to shareholders, and achieving net zero operational emissions by 2050. He then focused on LNG and talked about the company's long history in the LNG industry. ConocoPhillips has invested in LNG projects worldwide, including in Australia, Qatar, and the US. They recently committed to LNG projects in Qatar, Mexico, and Europe, demonstrating their commitment to expanding across the LNG value chain.

#### *GasLog*

President Abiteboul followed with the candidacy of GasLog. He asked members of the assembly if they opposed the candidacy or wanted to abstain from voting.

#### **The candidacy of GasLog was approved.**

Mr. Higgs – Head of Commercial at GasLog – and Mr. Karathanos – COO at GasLog – thanked the assembly for the acceptance. Mr. Karathanos then gave a brief presentation of GasLog, a leading provider of liquefied natural gas transportation services with over 22 years of experience. GasLog's fleet comprises 38 vessels. The company's shareholders include the Livanos family, the Onassis foundation, and BlackRock Global Energy and Power Infrastructure. GasLog's headquarters are in Athens, with presence in Singapore, London, and South Korea. They launched their floating terminal business in 2016 and are involved in the Alexandroupolis independent natural gas system project, which aims to enhance energy security in Greece and the Balkans. GasLog is currently converting a vessel for this project and expects commercial operation by the first quarter of 2024. They look forward to contributing to the organization's study groups.

#### *ExxonMobil*

President Abiteboul pursued with the candidacy of ExxonMobil. He asked members of the assembly if they opposed the candidacy or wanted to abstain from voting.

#### **The candidacy of ExxonMobil was approved.**

Mr. Elliott – President at ExxonMobil LNG – thanked the assembly for the acceptance and described ExxonMobil's history in the LNG industry. He emphasized ExxonMobil's track record of world-class project execution and reliability of supply, particularly showcased through the PNG LNG project. Mr. Elliott mentioned the company's growing shipping presence and joint ventures with QatarEnergy in European regasification terminals. They provided a quick overview of ExxonMobil's LNG portfolio, spanning supply points in Asia-Pacific, the Middle East, and upcoming volumes from North America. He also highlighted ongoing projects in China and future contributions from Mozambique and Papua.



### *Ege Gaz As – Status Upgrade*

President Abiteboul addressed the request of Ege Gaz AS, looking to upgrade their membership status from associate member to full member. He asked members of the assembly if they opposed the candidacy or wanted to abstain from voting.

**The member status upgrade of Ege Gaz AS was approved.**

### *Additional Applications: Kipic, Compass, Glencore*

President Abiteboul indicated that three additional applications had been received since the last Executive Committee in Panama. Given the motivation of these candidates, the executive committee decided to proceed with the candidacy review at the General Assembly rather than at the next Executive Committee.

Mr. David gave a brief overview of the three candidates, which are:

- KIPIC, applying for full membership
- Compass, applying for associate membership
- Glencore, applying for full membership

President Abiteboul started with the candidacy of KIPIC. He asked members of the assembly if they opposed the candidacy or wanted to abstain from voting.

**The candidacy of Kipic was approved.**

President Abiteboul followed with the candidacy of Compass. He asked members of the assembly if they opposed the candidacy or wanted to abstain from voting.

**The candidacy of Compass was approved.**

President Abiteboul concluded with the candidacy of Glencore. He asked members of the assembly if they opposed the candidacy or wanted to abstain from voting.

**The candidacy of Glencore was approved.**

Mr. David summarized the new membership situation, stating that GIIGNL is composed of 94 members at the end of 2023 and covers 29 markets.

### **Item 7 – Panel Discussion : Using carbon credits to offset LNG**

Mr. Chennoufi – General Manager of Global LNG Origination at Shell – led the panel discussion. He thanked everyone for their time and then proceeded to provide some key facts before introducing the panelists.



He highlighted the urgency for the industry to address emissions and emphasized the role of energy in societal and economic development. Mr. Chennoufi pointed out the increase in oil and coal consumption in the first half of 2023 compared to 2022, underscoring the need for cleaner energy solutions. He stressed the importance of managing the consequences of energy production on Earth's ecosystems while meeting the demand for cleaner energy sources and also discussed the significance of nature-based solutions in mitigating greenhouse gas emissions and the need for adequate funding for climate action. He then provided a brief history of the industry's efforts to develop offset and nature-based compensation solutions. Despite the positive impact of these initiatives, Mr. Chennoufi acknowledged the backlash they faced from activists and the media, outlining three main criticisms: the industry's inability to transparently report emissions, the nature-based solutions industry's failure to substantiate claims, and the concern over the use of credits to delay emission reduction efforts. In response to the feedback, the industry worked to improve the governance of greenhouse gas emissions and developed a GHG framework. Finally, he concluded by introducing the panelists who would address the criticisms and discuss potential solutions.

To start the panel discussion, Mr. Chennoufi asked the first panelist, Mr. Roy Choudhury – Co-founder of VNV Advisory Services – how he, as a project developer, ensures quality of projects that generate carbon credits over time, given the risks and complex externalities of such projects.

Mr. Roy Choudhury emphasized the importance of quality in projects, particularly from the buyer's perspective. He stressed that quality products come at a price and highlighted the significance of engagement and transparency in building quality. He talked about the involvement of communities in nature-based projects and underscored the importance of addressing community needs upfront to ensure project permanence. Drawing from his experience, Mr. Roy Choudhury highlighted the need for upfront investment in carbon benefits and cautioned against seeking cheap credits for nature-based projects, as it might compromise additionality. He advocated for a bottom-up approach, tailored to local contexts and community needs.

Mr. Chennoufi followed up with a question on how to alleviate the concerns around the projects and the tools available to improve communication with customers.

Mr. Roy Choudhury emphasized the importance of communication in addressing perceptions about integrity in carbon credit markets. He highlighted that while most projects maintain high integrity, perception often leads to hesitancy among buyers, citing the fear of the press as a cause. Mr. Roy Choudhury advocated for acknowledging the diverse solutions needed for climate action, emphasizing the role of both technology and nature-based solutions. He also stressed the need for inclusive approaches that consider the mitigation costs in emerging countries. Additionally, he suggested reframing carbon credits as a responsible choice rather than mere compensation, encouraging dialogue about their role as part of a comprehensive decarbonization strategy. Mr. Roy Choudhury called for a shift towards viewing carbon credits as one of many solutions rather than the sole solution, promoting collaboration between buyers and sellers in the voluntary carbon market.

Mr. Chennoufi then turned to another panelist, Heather McEwan – Senior Manager Africa and Middle East at VERRA. He asked Ms. McEwan about the steps her company takes to determine the quality of a project at the present time and over the life of the project.



Ms. McEwan discussed her organization's efforts to maintain standards and address challenges in the carbon credit market. She highlighted VERRA's extensive methodology development, alignment with quality control bodies like the ICVCM, and rigorous auditing procedures. Despite facing negative press, particularly regarding a Guardian article, Ms. McEwan emphasized the importance of accurate communication and standing firm in their commitment to integrity.

Mr. Chennoufi referred to the press articles mentioned by Ms. McEwan and raised the issue of credibility, asking Ms. McEwan what her company can do to help the industry with credibility issues given some buyers' perception of VERRA as a registry.

Ms. McEwan discussed the importance of integrity and reputation in the carbon credit market, highlighting the various stakeholders involved, including suppliers like VERRA, middle entities such as buyers and carbon traders, ultimate users of credits and verification processes such as the VCMI. She mentioned the role of legislation in shaping market dynamics, citing examples from Dubai and southern Africa. Emphasizing the need for thoughtful government policies and legislation, Ms. McEwan anticipated increased activity in the market following developments at COP 28 and the resolution of issues like article 6.4.

Mr. Chennoufi shifted focus to emission measurement, reporting and verification by asking Ms. Eddis – Partner, Corporate Sustainability and Climate Change at ERM – about the GIIGNL framework and how it helps bring more accuracy and transparency into the emissions reporting.

Ms. Eddis noted that she was part of the technical working group that developed the framework and thanked GIIGNL for initiating the development of a greenhouse gas framework, emphasizing the importance of precise measurement in mitigating emissions associated with LNG. Ms. Eddis outlined the collaborative effort involved in creating the methodology, leveraging existing standards and regulatory programs. The framework aims to provide a detailed calculation of emissions throughout the LNG value chain, with a focus on lifecycle principles and third-party verification. Challenges such as data sharing and verification were acknowledged, with the emphasis on obtaining primary data from each stage of the value chain to ensure accuracy. The possibility of stage statements allows for transparency in greenhouse gas intensity, requiring cooperation from all stage operators. Overall, the framework prioritizes the use of primary data to enhance accuracy in emissions measurement.

Mr. Chennoufi followed up by asking about areas of improvements and Ms. Eddis' point of view on prescription of credits.

Ms. Eddis highlighted the three levels of additional declaration within the framework: GHG offset, GHG offset with a reduction plan, and neutrality. She posed a challenge to the audience regarding the acceptability of simple offsetting in today's context, noting the shift towards the term "mitigation" over "neutral." The decision not to be prescriptive on project type was explained, emphasizing the diverse needs and corporate objectives of different reporters.

Mr. Chennoufi mentioned prescription in the aviation industry.





Ms. Eddis highlighted a consensus against replicating Corsia's approach in the aviation industry within the GIIGNL framework. There was an acknowledgment that the framework won't be updated annually, considering the evolving project landscape.

Mr. Chennoufi moved to the consumer side of the topic, asking Mr. Takeuchi – Executive office and Senior General Manager at Tokyo Gas – about the purpose and configuration of the buyer's alliance formed by Tokyo Gas.

Mr. Takeuchi highlighted the roadmap to decarbonization in the natural gas market. He emphasized the importance of popularizing natural gas use in the short to mid-term for GHG emissions reduction, citing initiatives such as switching from coal to gas. Additionally, he discussed the significance of low carbonization methods, including efficient energy and natural gas use technologies like fuel cells and smart energy networks. The concept of carbon-neutral LNG (CNL) was underscored as a crucial option for customers conscious about decarbonization. Then, he described how Tokyo Gas, as a pioneer in CNL, established a consortium of CNL buyers to promote its expansion and enhance climate change solutions, SDGs, and ESG governance. Finally, he emphasized the importance of marketing CNL on the downstream side to ensure its persistent adoption beyond a temporary trend.

Mr. Chennoufi inquired about potential reactions from members of the buyers alliance following the adoption of the new framework.

Mr. Takeuchi replied by saying that reactions varied given the large number of members in the alliance but indicated that he received some very positive ones, citing schools and the food industry as examples of buyers interested in carbon neutrality.

Mr. Chennoufi introduced a new topic: avoidance versus removal and started with Mr. Roy Choudhury's view.

Mr. Roy Choudhury noted that while there has been a recent distinction between the two approaches, a combination of both avoidance and removal strategies is required in achieving global climate goals. He highlighted the importance of addressing climate change collectively, emphasizing that avoidance and removal are essential components in this effort. Mr. Roy Choudhury also advocated for immediate action, expressing skepticism towards guidelines prescribing the use of carbon credits only towards the later stages of the net-zero journey.

Mr. Chennoufi turned to Ms. McEwan from VERRA to get her view and also ask her about small tools that can help avoid emissions, taking cookstoves as an example.

Ms. McEwan emphasized the importance of both avoidance and removal strategies in combating climate change, highlighting the positive impacts on local communities of several projects she's worked on or witnessed such as the Microsoft's project to become net negative, cookstove initiatives in South Africa and projects in Kenya and Zambia. She also discussed the challenges of communicating the benefits of such projects and suggested that project developers should take a more active role in sharing these narratives.



Mr. Chennoufi asked Mr. Takeuchi about any feedback his company might have received regarding quality.

Mr. Takeuchi replied that his company did not receive criticism given that it offsets the entirety of the value-chain and participates in the GIIGNL framework.

Ms. Eddis said she agreed with what had been said by other panelists regarding the need for a combination of both avoidance and removal projects. Then, she stressed the importance of confidence in baselines for carbon credit projects, particularly in avoidance projects where determining the counterfactual scenario can be challenging. She noted the rapid changes in factors like grid composition and deforestation rates, which affect baseline assumptions. Ms. Eddis emphasized the need for careful calculation and transparent communication of baselines to stakeholders.

Mr. Chennoufi opened up the floor for questions.

A member of the audience asked Mr. Takeuchi if some of his customers required only part of the value chain to be offset.

Mr. Takeuchi replied that, while this is a good idea and might be something for the future, Tokyo Gas only focuses on the offsetting of the whole value chain and carbon neutral LNG at the moment.

Mr. Bong – VP, Head of LNG Business Development at Centrica – asked Ms. Eddis how widely the GIIGNL framework had been adopted and what can be done to encourage greater take up of the framework.

Ms. Eddis pointed to several ways to encourage greater uptake. She suggested that events like this General Assembly could serve as a catalyst for adoption. Additionally, she urged companies to include greenhouse gas accounting requirements in their contracts with suppliers to create a global expectation for data transparency throughout the value chain. She also emphasized the need for annual greenhouse gas accounting and suggested that long-term contracts could help build capacity for providing accurate data.

Mr. Fabrizio Rinaldi – Director of Market Strategy at Edison – pointed to the fact that it might be difficult for most buyers, especially in Europe, to accept the higher price associated with offsets since it might be difficult to recover this cost, consequently he asked how to make it compatible for potential buyers.

Mr. Chennoufi referred to the differences between markets in Europe and Asia, where the adoption of carbon offsets is much higher in the latter.

Mr. Roy Choudhury wanted cover a last topic, he talked about the need for a nuanced understanding of projects like cookstoves and REDD+. He highlighted the importance of recognizing that not all projects are the same and that baselines may vary. Mr. Roy Choudhury cautioned against striving for perfection, stressing the significance of continuous improvement. He acknowledged the evolving



nature of the market and the inherent uncertainty in climate science and then underscored the urgency of taking action despite the lack of perfect solutions.

President Abiteboul concluded the panel discussion by thanking all the participants and highlighting the complexity of the topic at hand. He touched upon the significant social and political implications of implementing such concepts in practical day-to-day life. President Abiteboul suggested considering the financial aspects of environmental initiatives in future discussions.

## **Item 8 – Regional overview of energy and gas markets, with a focus on LNG #1**

### **Regional overview – Americas**

#### *USA*

Mr. Walker - VP of LNG Strategy and Communications at Cheniere Energy - commenced with an in-depth analysis of the current state of the US natural gas market, underlining its consistent abundance of resources and the remarkable growth trajectory witnessed in recent years. Drawing attention to the Potential Gas Committee's latest estimates, which indicate approximately 4000 TCF of technically recoverable gas in the US as of the end of 2022, Mr. Walker emphasized the significance of shale resources, which have substantially contributed to doubling the country's production from around 50 billion cubic feet (BCF) per day in 2006 to over 100 BCF per day at present.

Furthermore, Mr. Walker delved into the market's price dynamics, noting the fluctuation from a peak in the previous year to a return to more normal range. He analyzed the nuances of market demand, citing factors such as residential/commercial consumption trends, power demand variations, and the notable surge in exports, encompassing both pipeline deliveries to Mexico and LNG shipments.

Mr. Walker explained the growth patterns and upcoming projects, delineating the distinction between wave one and wave two projects and describing key developments. He underscored the robust expansion of LNG export capacity, exemplified by the commencement of construction on various ventures, including Corpus, Plaquemines, Port Arthur, and Rio Grande. Moreover, Mr. Walker highlighted the substantial number of Final Investment Decisions (FIDs) recorded in 2023, indicative of the sector's robust momentum.

#### *Mexico*

Mr. Walker then shifted the focus to Mexico, where domestic natural gas production has stabilized around 3 BCF/Day, while demand continues to rise, largely supplied by pipeline imports from the US. The growing pipeline imports are expected to enable Mexico to begin exporting US LNG. Progress is evident in several projects in this context. Energia Costa Azul, developed by Semptra in partnership with Total and Mitsui, is set to be the first Mexican export facility, with a 3 Mt train scheduled for the summer of 2025. New Fortress Energy's fast LNG model, utilizing rigs and LNG modules, may precede it, with the first fast LNG unit expected from November 2023. However, New



Fortress Energy requires a US export license, posing a limitation on potential destinations. Another significant project, Saguaro Energia Mexico Pacific, is making progress with its three-train 15Mt project, having secured sales agreements with notable entities like Conoco, Exxon, Shell, Guangzhou, and Zhejiang Energy. FID for this project is anticipated shortly pending the alignment of EPC, financing, and export licenses.

### *Canada*

Then, Mr. Walker gave an overview of the LNG industry in Canada. Several LNG projects are progressing, notably Shell Canada's two-train project, which is 85% complete as of July and expected to be operational by mid-2025. TC Energy has confirmed the completion of the Coastal GasLink pipeline, ready to supply gas to the facility after mechanical testing. Woodfibre LNG, a 2.1Mt project near Vancouver, began major construction in September 2023 and aims for a 2027 start-up, with recent agreements with BP. Cedar LNG, adjacent to the Shell project, is nearing FID, potentially slipping to Q1 next year, with gas sale agreements in place, including with ARC resources. Lastly, the Ksi Lisims project, a joint venture between the Nisga'a nation and upstream producers, is progressing, with plans for near-shore liquefaction facilities and a revised pipeline solution utilizing the Prince Rupert gas transmission pipeline.

### *South America*

Finally, Mr. Walker updated the members on dynamics of the South American LNG industry. Chile was described as the most consistent importer, albeit with some seasonality. Brazil experienced a significant import year in 2021 due to low hydroelectric levels, contrasting with minimal imports expected this year as hydro levels rebound. Argentina, a winter importer, shows declining LNG imports as domestic gas production, particularly from the Vaca Muerta shale play, ramps up. The GPNK pipeline facilitates increased gas takeaway from Vaca Muerta, potentially reducing Argentina's reliance on LNG imports and impacting agreements with Bolivia. Additionally, a joint export project between YPF and Petronas reflects expectations of continued growth in Vaca Muerta. El Niño's impact is evident in Colombia's increased LNG imports due to drought conditions, while Panama faces restrictions in canal movements. Brazil's high hydro levels may counteract El Niño's effects, shaping future regional dynamics.

Concluding his comprehensive analysis of the Americas' LNG sector, Mr. Walker provided a panoramic overview of import trends and growth prospects, highlighting the divergent trajectories observed across different countries and underlining the pivotal role of gas utilization in shaping future developments.

### *Chile*

Mr. Bacigalupo – CEO of GNL Quintero – took over and gave a more detailed update on the Chilean Market.

He started by describing the strong push towards achieving a net zero emission economy by 2050 and the significant investments in renewable energies that have led to a growing share of renewable generation in the energy mix, 55% in 2022 and expected to exceed 60% in 2023. Coal plant



decommissioning is underway, with plans to eliminate coal's market share by 2035. Electric mobility is expanding, with 30% of Santiago's public transportation now electric. Chile is developing multiple green hydrogen projects to leverage its renewable resources, though facing challenges like energy curtailment and limited transmission capacity. The natural gas market grew 6% in 2022, providing security of supply and complementing renewables while replacing coal and diesel. Pipeline gas from Argentina's Vaca Muerta now accounts for 44% of total gas imports, while LNG imports make up the remaining 56%. LNG demand in Chile has remained stable in 2022 and 2023, with re-exporting of LNG cargoes and a growing LNG-fired truck market. Investment in transmission lines is crucial to match the required capacity for electrification, along with further development of battery storage and green hydrogen projects. The role of natural gas in the market and the mix of LNG versus Argentine gas supply are key considerations moving forward.

### **Regional Overview – Middle East**

Mehdi Chennoufi – General Manager of Global LNG Origination at Shell – gave a brief overview of the Middle East situation. He focused on 3 key messages. The first one was the robust demand growth, Mr. Chennoufi highlighted the increase in industrial gas outpacing power. Then, he discussed gas CapEx in the region and how 2023 was set to be the highest year on record for gas Capex, mainly concentrated on 3 major projects in Qatar, the UAE and Iraq. Finally, he touched upon LNG exports from the region, stating that, despite a material increase in exports, the region should stay behind the US in terms of market share.

## **Item 9 – Regional overview of energy and gas markets, with a focus on LNG #2**

### **Regional Overview – Europe**

Mr. Ronan Huitric – Vice President LNG at TotalEnergies - offered a detailed analysis of the European gas market's evolution over the past three years, characterized by significant price fluctuations and market dislocations triggered by various factors, notably the Russia-Ukraine conflict. He divided this period into two phases: a bullish phase marked by price spikes due to factors like cold weather, low hydro levels in Brazil, and geopolitical tensions, followed by a bearish phase featuring price reductions. Despite the recent decrease, gas prices remain historically high, impacting different European markets in diverse ways.

Mr. Huitric mentioned the complexity of the European gas market, highlighting the emergence of significant price discrepancies among different European markets due to the need to replace Russian pipeline volumes disrupted by the conflict, contributing to market arbitrage opportunities. This necessitated the rapid development and deployment of new regasification terminals across Europe.

Mr. Huitric provided insights into demand dynamics, attributing the decrease in industrial demand to both economic factors and price sensitivity. However, he noted a potential rebound in industrial demand in September and October, signaling a possible recovery for the gas sector. He also discussed the role of weather conditions, renewable energy reliability, and competing fuels in influencing demand volatility. LNG emerged as a critical component in addressing supply





disruptions, with substantial increases observed in LNG imports to offset the reduction in Russian pipeline volumes. They emphasized the importance of LNG in sustaining European gas demand amid geopolitical uncertainties.

Looking ahead, Mr. Huitric forecasted continued market tightness until the gradual arrival of new gas supply projects between 2026 and 2028. He stressed the need for industry stakeholders to address challenges such as energy transition and methane emissions reduction, highlighting the potential impact of policy decisions, including potential methane constraints and regulations on imported LNG.

In conclusion, Mr. Huitric expressed optimism about the future of LNG in Europe, pointing to the industry's commitment to sustainability and the importance of public perception. He called for collective efforts to promote LNG as a viable and environmentally responsible energy solution, acknowledging the need for ongoing advocacy and dialogue to ensure a smooth transition in the energy sector.

President Abiteboul thanked Mr. Huitric and expressed his view on Europe's transformation from a market of last resort to a significant player in the global gas market due to the Russian crisis, emphasizing how LNG, redirected from Asia to Europe in response to market signals, played a crucial role in balancing European demand. This, coupled with reduced demand, demonstrated the industry's flexibility and reliability during crises. He also mentioned the importance of recognizing natural gas and LNG's role in future energy discussions.

## **Regional Overview – Asia**

### *China*

Ms. Yanyan Zhu – Vice-President and General Manager at CNOOC – gave a presentation on the Chinese market.

Initially, Ms. Zhu discussed the market's performance from the first to the third quarter of the year, highlighting China's steady economic growth, increased power consumption, and adequate coal supply. She noted the impact of the economic recovery on natural gas consumption, with a significant rise in gas consumption from January to August. Importantly, she noted the substantial increase in imported LNG, which drove supply growth. She also touched upon the declining LNG import prices and the role of second-tier Chinese firms in absorbing term volumes.

Moving on to the winter market outlook, Ms. Zhu predicted that China's economic recovery would continue to drive winter gas demand. She highlighted the influence of weather conditions on demand and supply dynamics, acknowledging the uncertainty associated with weather patterns. Finally, she discussed the expected growth in domestic production and pipeline imports, while noting the uncertainty surrounding LNG imports due to international prices.

### *Japan*



Mr. Nishizawa – Executive Officer and Head of Procurement Management at JERA – provided an overview of the Japanese market.

Mr. Nishizawa began by offering insights into Japan's recent LNG demand trends, highlighting the dynamics of the primary energy supply and LNG imports throughout 2022. He delved into the nuances of the energy landscape, pointing out shifts in composition, including the steady rise of renewable power alongside fluctuations in nuclear and hydro energy sources. The discussion also touched upon the factors driving changes in LNG import volumes, with particular emphasis on seasonality variations influenced by factors like nuclear power generation and weather patterns.

Mr. Nishizawa also elaborated on Japan's LNG import trends, shedding light on the year-to-year shares of imports by country and the implications of such distributions. He underscored the importance of understanding these trends within the broader context of global energy dynamics and Japan's energy security objectives.

Transitioning to the outlook for LNG demand, Mr. Nishizawa outlined various scenarios for the year 2030, presenting insights from both governmental and industry perspectives. He emphasized the significance of measures aimed at promoting nuclear facility restarts, expanding renewable energy capacity, and phasing out inefficient coal power plants in shaping future LNG demand trajectories.

Mr. Nishizawa discussed Japan's proactive approach to addressing energy security concerns through initiatives like the Strategic Buffer LNG reserve system, designed to mitigate supply risks in the face of geopolitical uncertainties. He also highlighted Japan's commitment to environmental sustainability by detailing efforts to reduce methane emissions in the LNG value chain through initiatives like CLEAN.

President Abiteboul asked a question about the storage of LNG under the strategic buffer system.

Mr. Nishizawa described the appropriate procedure in case of an emergency, which is to redirect cargoes to the utilities who urgently need it.

### *Taiwan*

Ms. Yi-Chen Wu – General Manager of the LNG Purchase Division at CPC Corporation – gave a presentation on the LNG market in Taiwan.

Ms. Wu started by shedding light on Taiwan's evolving energy supply scenario, noting a significant increase over the past two decades, primarily driven by imports, with natural gas imports experiencing a notable surge.

Moreover, Ms. Wu described the pivotal role of LNG within Taiwan's energy matrix, particularly in the context of electricity generation, as the nation endeavors to transition away from nuclear and coal power sources. They underscored Taiwan's proactive stance in diversifying LNG sources and expanding infrastructure to meet the growing demand, highlighting ongoing initiatives such as the construction of new receiving terminals and ambitious expansion plans for existing ones, with the ultimate goal of achieving an operational capacity of 30 MTPA by 2031.



Furthermore, Ms. Wu emphasized the government's commitment to establishing a non-nuclear homeland by 2025, coupled with ambitious targets for the power generation mix, aiming for 50% from gas, 30% from coal, and 20% from renewables. This ambitious agenda underscores the criticality of robust LNG infrastructure development, with CPC spearheading efforts to bolster collaboration with LNG importers to fortify supply reliability and security.

Ms. Wu concluded by reaffirming CPC's unwavering dedication to fostering partnerships aimed at fortifying the resilience of Taiwan's LNG supply chain.

#### Q&A

A member of the audience asked about the reduction in Japanese import by 2Mt between 2021 and 2022 and the factors behind it.

Mr. Nishizawa replied that nuclear generation may be the major factor, but that other factors like the overall economic situation or renewable could also explain the decline.

#### **Item 10 – Possibilities and pathways to decarbonize LNG: liquefied Synthetic Methane - Yoshiaki Shibata, IEEJ**

President Abiteboul introduced the speaker for the session on possibilities and pathways to decarbonize LNG, Mr. Yoshiaki Shibata from the Institute of Energy Economics of Japan.

Mr. Shibata initiated the discussion by contextualizing the importance of LNG within the broader framework of global efforts towards decarbonization and carbon neutrality. He emphasized LNG's pivotal role as a transitional energy source, capable of replacing more carbon-intensive fuels like oil and coal. This transition is crucial for reducing cumulative greenhouse gas emissions and mitigating climate change impacts.

To underscore the significance of decarbonization technologies, Mr. Shibata provided a comparative analysis of carbon footprints between LNG and early-stage hydrogen carriers. This analysis revealed the variability in emissions based on carrier selection and production methods, highlighting the nuanced considerations involved in transitioning towards cleaner energy sources.

Then, Mr. Shibata delved into the prospects and challenges of e-methane, an emerging alternative within the LNG landscape. He emphasized the potential for cost reduction through advancements in renewable energy utilization and methanation processes. He also argued that by optimizing these processes e-methane could become a competitive option for reducing carbon emissions in the energy sector.

In discussing ongoing feasibility studies and technological advancements led by key industry players such as Tokyo Gas and Osaka Gas, Mr. Shibata provided insights into e-methane initiatives throughout the world. He noted the collaborative efforts underway across regions, underscoring the importance of international cooperation in advancing decarbonization goals.



Mr. Shibata addressed institutional challenges surrounding CO2 allocations, emphasizing the need for clear attribution of emissions to e-methane users. He described the complexities of CO2 procurement strategies, stressing the importance of stable production methods and strategic alliances to ensure sustainable supply chains.

Throughout his presentation, Mr. Shibata stressed the importance of leveraging existing natural gas infrastructure while considering long-term cost-effectiveness. He emphasized the need for strategic planning and collaboration to navigate geopolitical dynamics and optimize energy transition pathways.

Mr. Shibata concluded by reiterating the transitional role of natural gas and noting the imperative to prevent stranded assets in the LNG supply chain through options like e-methane. He called for substantial investments in renewable energy and advocated for clear CO2 attribution mechanisms to drive emissions reductions. By adopting a comprehensive approach to e-methane integration, Mr. Shibata conveyed optimism about its potential as a bridge fuel in the journey towards a low-carbon future.

#### Q&A

A member of the audience referred to Mr. Shibata's cost comparison of e-methane, hydrogen and ammonia and asked about portfolio or golden share in the future.

Mr. Shibata responded by pointing to the evolving state of the current infrastructure in different areas. He noted that each technology has its own share of difficulties. Referring to hydrogen carrier, he said that efforts should be made to lower cost. Referring to e-methane, he stressed the importance of lowering the cost of renewable energy.

## Item 11 – Central Office Activities and Financial Results

### Central Office Activities

Mr. David stated that a modification of the bylaws was necessary to approve the office relocation to Neuilly. Mr. David asked members of the General Assembly if they opposed the modification or wanted to abstain from voting.

#### **The motion was approved.**

Mr. David outlined four strategic axes he would like to develop for the central office as the new General Delegate:

- *Consolidating Deliverables*: he explained that he would like to focus on consolidating existing deliverables, such as the annual report, emphasizing the importance of timely data submission from members and reassuring members about confidentiality.
- *New LNG/Gas and Energy Analysis for Members*: Mr. David talked about organizing regular LNG and gas market updates to keep members informed, proposing biannual sessions aligned with



the annual report schedule. Mr. David also expressed his intention to restart news updates on the organization's website, serving as a communication tool for stakeholders and update GIIGNL's LNG Playbook.

- *Future of LNG*: Referring to the speaker session on pathways to decarbonize LNG, Mr. David talked about the need to gather information regarding the future of LNG to prepare for future technologies and possible scenarios.
- *Partnerships*: Mr. David indicated that he wanted to reactivate relationships with other organizations such as SIGGTO or IGU.

Mr. Nishizawa suggested to Mr. David another method to gather data and avoid confidentiality breach. To which Mr. David replied that we will take this into consideration for the next annual report.

After the presentation of the financial results, Mr. David quickly came back to office activities and gave the floor to Mr. Farren-Price from the Oxford Institute for Energy Studies to present "the barometer", a survey on the feeling of industry players regarding market trends.

Mr. Farren-Price explained the following trends:

- *Spot and Short-Term LNG*: Instability of trade flows post-Ukraine has boosted expectations for more spot and short-term trading patterns versus expectations a year ago. Rising European LNG demand, and price sensitivity elsewhere and increased portfolio trading drives short-term trading.
- *Price Volatility*: Buyers evenly split in 2023 on whether volatile prices have sparked a change in purchasing strategy - but less concerned than 2022. Those who will change buying strategy expect to rely more heavily on spot purchases.
- *Supply*: Respondents more relaxed on supply outlook with more than half now seeing sufficient availability to 2028 versus 38% a year ago.
- *Trade Growth*: Strong rise in expectations that LNG trade will beat global 5% growth seen in 2021-2022.
- *FIDs*: FIDs expected in next two years at 25-50 MTPA but those expecting less than 25 MTPA doubles to a third of respondents compared to 2022.
- *Uncertainty on Regasification Capacity*: Little consensus on expectations for regasification build-out.
- *Main Concerns*: Price volatility and hedging remains the main concern for buyers although less than in 2022. Security of supply and logistical bottlenecks are almost as important for respondents.
- *Demand Growth*: Gas-to-power and industrial use seen dominating demand growth to 2028.
- *GHG emissions and GHG neutral LNG*: Little change in GHG-neutral LNG trade with vast majority seeing this segment at less than 10% overall. Outlier minority sees this volume above 25% however.





## Financial results

### Profit & Loss

In EURO	2021 Actual	2022 budget	2022 Actual
Revenues from Member Fees	998 306	983 600	993 516
Other Revenues			
<b>Revenues</b>	<b>998 306</b>	<b>983 600</b>	<b>993 516</b>
Office rental	86 600	90 805	89 277
Labor cost (charges included)	460 251	460 376	483 896
Consultancy fees	347 573	100 000	105 539
Other charges	285 715	385 000	407 520
<b>Expenses</b>	<b>1 180 139</b>	<b>1 036 181</b>	<b>1 086 232</b>
Operating Income	-181 833	-52 581	-92 716
Financial Income	8 810		4 146
<b>Net Income</b>	<b>-173 023</b>	<b>-52 581</b>	<b>-88 570</b>

Mr. David explained that a negative result of €89,000 had been recorded in 2022, compared to a budget negative result of €53,000. The difference is due to the hiring of an extra staff member for the organization of the General Assembly in Paris and additional expenditures related to the restart of physical events after the pandemic and consultancy fees for the pilot study on the MRV Framework.

### Balance Sheet

Assets (in EURO)	Year 2022	Year 2021
Long term assets	46 281	61 956
Receivables	11 900	12 900
Other Receivables	13 873	14 382
Marketable securities	1 611 020	1 626 583
Cash & cash equivalents	158 015	187 717
Prepaid expenses	29 433	23 005
<b>Total Assets</b>	<b>1 870 522</b>	<b>1 926 543</b>

Liabilities (in EURO)	Year 2022	Year 2021
Retained earnings	1 652 860	1 825 883
Net income	-88 570	-173 023
<b>Total net equity</b>	<b>1 564 290</b>	<b>1 652 860</b>
Trade and other payables	169 773	131 235
Tax and employee-related liab.	136 460	142 448
Prepaid received	-	-
<b>Total Liabilities</b>	<b>1 870 522</b>	<b>1 926 543</b>

Mr. David explained that current reserves are within an acceptable range of a year and a half of operational expenses. Mr. David indicated that these accounts had been audited by the company Ernst & Young with no reservation. Mr. David asked if the general assembly approved the accounts for 2022.

**The accounts for 2022 were approved.**



## Budget 2023 & 2024

In EURO	2021 Actual	2022 Actual	2023 Budget	2024 Budget
Revenues from Member Fees	998 306	993 516	995 500	1 097 600
Other Revenues				
<b>Revenues</b>	<b>998 306</b>	<b>993 516</b>	<b>995 500</b>	<b>1 097 600</b>
Office rental	86 600	89 277	183 000	195 000
Labor cost (charges included)	460 251	483 896	700 000	550 000
Consultancy fees	347 573	105 539	160 000	250 000
Other charges	285 715	407 520	430 000	400 000
<b>Expenses</b>	<b>1 180 139</b>	<b>1 086 232</b>	<b>1 473 000</b>	<b>1 395 000</b>
Operating Income	-181 833	-92 716	-477 500	-297 400
Financial Income	8 810	4 146		
<b>Net Income</b>	<b>-173 023</b>	<b>-88 570</b>	<b>-477 500</b>	<b>-297 400</b>

Mr. David started by explaining the revised budget for 2023. He noted the exceptional labor cost related to the severance package of Mr. Demoury, the increase in consultancy fees due to the hiring of a law firm to update the Master Purchase & Sales Agreement and the cost of the pilot study. He also explained the increase in office rental cost by the relocation of the office to new premises in Neuilly. Pointing to the deficit for 2023 and 2024, Mr. David declared that these figures do not pose any issue given the large reserves available to the organization.

Regarding the budget for 2024, Mr. David pointed out to the slight increase in revenue due to the recent acceptance of new members. He stressed that this budget does not take into account the potential acceptance of new members or resignation of existing ones during the year as well as an increase in consultancy fees for new studies. He explained the increase in labor cost by the hiring of a 4<sup>th</sup> collaborator in the central office expected in 2024. Mr. David also pointed out that the consultancy fees should increase to account for a study on the future of LNG as well as to reinforce access to data.

President Abiteboul said that, given these numbers, the executive committee did not recommend any increase in the membership fee for the coming year.

## Item 12 – Study Group Progress Reports

Mr. David, on behalf of M. Decroës provided an update on the activities of the Technical Study Group.

Mr. Chaveron provided an update on the activities of the Commercial Study Group.

No comments were provided by the General Assembly representatives.

## Item 13 – News from Associated Organizations

### *Oxford Institute for Energy Studies*

Mr. David gave the floor to representatives of the associated organizations, starting with Mr. Farren-Price from the Oxford Institute for Energy Studies.



Mr. Farren-Price discussed the gas program at the Oxford Institute for Energy Studies, which recently celebrated its 20th anniversary. He highlighted the growth of the program, doubling its number of sponsors in recent years. He also explained how the institute engages in various forms of research publications, including academic papers, multimedia content and webinars, and hosts events on a variety of topics.

#### *MarcoGaz*

Mr. Coxe – Secretary General of MarcoGaz – presented his organization.

Mr. Coxe described Marcogaz as the technical association of the European gas industry. Marcogaz has been serving for 55 years with 29 members from 20 European countries. Their activities revolve around gas infrastructure, end-use, and sustainability, covering technical assessments of natural gas, hydrogen, biomethane, and synthetic gases. Priority areas include energy efficiency, odorization, LNG, metering methodology, and methane emissions. They collaborate extensively at both international and European levels. Marcogaz supports EU Commission initiatives like REPowerEU to accelerate the clean energy transition and diversify energy sources.

Marcogaz focuses on technical work, producing information for industry and policymakers. Their recent technical publications cover various aspects of gas and LNG, addressing challenges such as gas quality assessment and the future of existing LNG assets in the context of decarbonization goals.

#### *Gas LNG Europe (GLE) / Gas Infrastructure Europe*

Mr. Bux – member of GLE's executive committee – gave a presentation on GLE.

Mr. Bux explained the vital role of GLE, representing 16 LNG terminal operators across 11 European countries, in Europe's LNG industry, covering roughly 50% of the continent's gas demand. In recent years, Europe has witnessed a significant increase in LNG imports, with 2023 marking a wave of new regasification capacity commissioning. GLE members have initiated projects to add 100 BCM of import capacity by 2026/2027, enhancing Europe's energy production capacity. This surge in demand has led to active primary and secondary capacity markets and increased interest in GLE's transparency platform, ALSI.

GLE advocates for security of supply, affordability, and decarbonization, engaging with policymakers to highlight the role of LNG in diversifying energy sources and reducing methane emissions. As Europe prepares for upcoming elections and a new geopolitical reality, GLE remains committed to navigating the evolving landscape and advancing its objectives.

#### **Item 14 – Next events**

President Abiteboul talked about upcoming events, namely the Executive Committee in Marseille in April of 2024 and the General Assembly in Hiroshima in October 2024.



Mr. Neviaski and Mr. Uchida, as hosts of the Executive Committee and General Assembly respectively, said a few words about the events.

Mr. Matsufuji from Hiroshima Gas said he looked forward to the event and a short video on Hiroshima was shown to the audience.

President Abiteboul made suggestions regarding the locations of future events.

### **Item 15 – Any Other Business**

President Abiteboul introduced Ms. Marianne Renard, the new LNG analyst and communication officer of the central office who joined in September. Ms. Renard introduced herself and talked about her experience in the energy and LNG industry at Engie and TotalEnergies.

President Abiteboul concluded the General Assembly by thanking all the participants and people that have made the event possible.

**President Abiteboul declared the General Assembly adjourned.**

### **End of the General Assembly**

#### **Signatures**

**17 Avril 2024**

M. Jean Abiteboul, Président

M. Laurent David, Délégué Général