

Scenarios for global gas

Client discussions/workshops by Sund Energy

Gas is becoming more complex and interesting, less predictable but all the more important to understand, as it will impact power, economies and could even change oil demand and prices, longer term. Politics, economy, environment, and other preferences will matter in this increasingly connected market. Closer links between markets make China and other countries impact most markets going forward, so a global understanding is useful in developing scenarios for future gas and electricity. Recent work on LNG and the value of storage has shown significant differences in expectations as well as possible scenario outcomes, which we think could be valuable to share with more clients. Buyers include gas, power, and government already.

Sund Energy has developed a presentation for use at client sites to explore some of the fundamental changes to gas that could influence the future. It is an open-minded journey of several aspects that will impact future gas markets and prices, such as:

- **The global picture**
The global imbalances will be felt in all markets, as LNG is increasingly available and bridging markets. Developments in Europe, US, China, Russia, Brazil and other areas will impact each other, the global imbalance, price and thereby developments in many markets. Possible reduction in supply may happen, if the current over supply situation continues, and may be in the hands of the Gas Exporting Countries Forum. Meanwhile, discounted gas could increase demand.
- **Unconventional gas**
Technology development, cost reduction, political focus of politicians on security of supply as well as own economy could bring large volumes of new gas from unconventional resources, such as shale, coal bed/coal seam and other structures. Not only USA, but Europe and China could potentially see large domestic production, impacting the overall picture. Although there is large uncertainty, this would impact demand as well as the need for new import pipelines and storage.
- **Climate policies and balancing power markets**
Most markets now have a plan to address climate gas emissions. There are many ways of doing this, and often power generation is a key to such policies. Not only base load generation, but peaking capacity could have quite large or hardly any share of gas, depending on prices, alternatives and national preferences. Costs of renewables and carbon capture will matter and will be compared with gas that could have different image, price and ability from today.
- **Balancing gas markets**
Securing supplies and modulation services to gas could be done in many ways, and the best solution will depend on specific needs. As an example, if the EU believes in its 20-20-20 policy for energy, the Nabucco pipeline will probably not be needed. The need for storage will also vary with the use of wind, and access to supplies of both gas and electricity.

The presentation is suited for discussion and typically lasts half a day with an option for an extra half day for client specific discussions on impact and strategic issues. The workshop has three main sections:

- Impact of events the last two years
- Old truths revisited
- Scenarios for gas

We are offering this at €9500 + travel to your chosen site, globally.

Tailoring is possible at additional cost: What does it mean for your current business and future strategy?

Please contact us to order or find out more: Karen Sund, +47 91786928, karen@sundenergy.com