

This abstract will be presented during LNG2023 conference on 10-13 July in Vancouver, Canada among many other innovative projects, ideas and outlooks. LNG2023 will provide a unique platform for the global LNG industry and key stakeholders to discuss, debate, and showcase the latest industry developments and opportunities.



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STRATEGIC COMMERCIAL IMPLICATIONS OF GHG EMISSIONS INTENSITY

Energy transition policies and ESG standards no longer provide unconditional support for natural gas and LNG investment, production, and consumption because vented and fugitive methane is now targeted as a leading contributor to climate change. Nevertheless, any realistic, reliable, and cost-effective transition to a Net-Zero world requires a robust contribution from such “clean” hydrocarbons. To fulfil this role, gas and LNG market participants must demonstrate that they mitigate both CO₂ and CH₄ emissions to the greatest extent possible using emerging technologies and best practices. Our analysis indicates that the energy unit cost to mitigate GHGs pales in comparison to the economic cost of not doing so, given the proliferation of emissions penalties, increasing GHG trading prices, emerging border tax adjustments, and ESG standards and costs. Further, the all-in GHG intensity of fuel supplies is becoming a source of commercial value and competitive differentiation as gas and LNG buyers seek to reduce the GHG footprint of their supply portfolios. Our paper will evaluate and compare the all-in GHG intensity of leading gas and LNG trade routes to that of leading coal supply routes. We will also compare GHG emissions penalties, taxes, and price adjustments to estimated measurement, monitoring, and abatement costs. Finally, we will draw conclusions about the commercial incentives and economic benefits of achieving the GHG mitigation imperatives that now confront the industry.

To view the full conference agenda, visit <https://www.lng2023.org/lng-programme-overview>