



This abstract will be presented during LNG2023 conference on 10-13 July in Vancouver, Canada among many other innovative projects. 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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**OVERCOMING THE GLOBAL ENERGY CRISIS:
THE KEY ROLE FOR NORTH AMERICAN LNG AND LNG TRADING**

The reduction in Russian gas flows associated with the war in Ukraine has led to a dramatic increase in global gas prices to demand-destruction price economics of \$30+/mmbtu, forcing many buyers and policy makers to look for alternative gas supplies and curtailing demand, while also re-evaluating market mechanisms to manage volatility.

The quest for more supply and stable, lower prices must be balanced with concerns about locking in additional emissions from natural gas. In this paper, we address the role of LNG and the further evolution of traded gas markets can play in meeting five key challenges facing the global energy market.

Firstly, the role for LNG projects:

- Challenge 1: Inflation and affordable energy: North American gas resources and LNG could provide affordable energy to counter high prices domestically (<\$3/mmbtu) and globally (<\$8/mmbtu), at par with Russian gas import prices prior to the war in Ukraine
- Challenge 2: Energy security: NA LNG could provide energy security to Europe and other markets as a way to diversify away from piped gas reliance and interruptions
- Challenge 3: The carbon budget: Carbon budget of 450 Gt CO₂e from 2022 onwards to limiting global warming to 1.5°C. At the current rate of 40 Gt CO₂e, the carbon budget will be consumed within 12 years. NA LNG is a credible near-term lever to replace higher-emission forms of energy and accelerate build out of renewables.

Secondly, the role for LNG traded markets:

- Challenge 4: Manage volatility: the evolving role of LNG in term contracting vs spot reliance, capturing and mitigating location arbitrages across gas markets, but also creating more interdependencies
- Challenge 5: Carbon transparency: How fungible carbon tokens will further enhance market flexibility and transparency

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