



And we thought Colorado had problems

Posted by [Heading Out](#) on February 22, 2006 - 1:23pm

Topic: [Supply/Production](#)

Tags: [china](#), [italy](#), [lng](#), [natural gas](#) [[list all tags](#)]

The [China Daily](#) is carrying a story that the gas-fired power plants in East China are unable to get enough natural gas to operate.

The shortage of natural gas has put the bulk of China's gas-fired power plants on the verge of closure, and industry leaders are calling for the government to trim its gas power development plans.

Due to the lack of gas supplies in East China, gas-fired power generation units with a total capacity of as much as 4 gigawatts (GW) must remain unused in the region where the country's biggest gas pipeline ends, Wang Yonggan, secretary general of China Electricity Council (CEC), said.

The same is true with the energy-guzzling southern areas of China, primarily driven the fast-growing regional economy of Guangdong Province.

"In the south, the construction completion of a gas power plant also means it's shutdown - because there is no gas to run it," Wang said over the weekend at a power conference hosted by CEC, the industry association of China's electricity generators.

Although the country uses gets about 2% of it's electric power from gas plans are to triple this use by 2010 and double that again by 2020.

(UPDATE: Although off topic GeoPoet's comment, attached below, is worth reading).

Gas is, of course, as was discussed in comments yesterday, also used directly for heating and the article gives some numbers

Gas demand from the huge Chinese market is expected to reach 120 billion cubic metres (bcm) by 2010 and 200 bcm by 2020, but its estimated domestic production would be only 80 bcm and 120 bcm respectively.

Unfortunately the Chinese hope resides with LNG, in much the same way as ours is heading towards. Though the article concludes that problems still exist with that supply.

China National Offshore Oil Corp (CNOOC), is confronted with disagreements over prices to secure gas supplies from Indonesia's BP-led Tangguh project, for CNOOC's Fujian LNG terminal.

Gas deliveries to Beijing are also of [concern](#)

It meant that more than half the gas reserves had been used with more than two-thirds of the heating season to go. Heating in Beijing will be switched off on March 15.

Beijing has used about 22 million cubic meters of natural gas every day this winter, said Li Jianzhong, a researcher with the Petroleum Exploration and Development Research Institute of PetroChina.

More than 95 percent of the city's natural gas is provided by a single pipeline from northwest China's Shaanxi Province, which can pump only 10.3 million cubic meters a day year-round. In spring and summer, when demand plummets, the surplus is stored in Tianjin for winter use.

Italy has had to cope with the pressure of running the Olympics with reduced gas flows from Russia (courtesy of [Ukraine](#)), although, just this week, they have apparently returned to [normal](#). In the same way, Beijing has the major political party meetings in March, and to make sure that there is enough gas

In response to the crisis, the city has drawn up an emergency plan, halting or reducing supplies of natural gas for industrial use and replacing more than 1,300 natural-gas-powered buses with oil-fueled ones.

Part of the problem is that the city has been trying to reduce the use of coal through a switch to gas-fired boilers, and as the mayor reported

"A vice mayor and I made a 'ridiculous' decision on the night of January 10 to check the gas meters of every boiler in the city's eight urban districts. After eight days, we found that real gas consumption as shown by the meters was nowhere near that reported by the district governments. Yet the real figure is critical for decision-making."

Perhaps China needs to build some more [tankers](#), although, as the rest of the world also starts to rely on this option, this may be another case of demand exceeding available supply for the next decade.

UPDATE [Platts](#) is carrying a story that Japan is running into a similar problem with Indonesia on LNG supplies.

Earlier this month Indonesian President Susilo Bambang Yudhoyono issued a presidential regulation enshrining a policy favoring domestic gas consumption over export sales. "The regulation is aimed at ensuring that domestic gas consumption will be prioritized over exports," energy and mines minister Purnomo said on February 8. Currently, 44% of Indonesia's gas production is consumed domestically with the remaining 56% exported. The regulation followed comments in December by former coordinating minister for economy Aburizal Bakrie that Indonesia would not extend its existing LNG supply contracts with buyers because it has decided that indigenous gas production, especially from Bontang in East Kalimantan, should be dedicated to domestic users. Indonesian energy officials also said then it had temporarily halted negotiations with Japanese LNG buyers to extend supply contracts due to expire in 2010 with the 22.25-mil mt/year Bontang LNG facility.

UPDATE (2) I also just came across this on [the LNG potential](#).



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).