

Western Europe's largest LNG plant set for grid connection after receiving Norwegian approval

LONDON, UK, August 8, 2023 /EINPresswire.com/ -- The Hammerfest liquefied natural gas (LNG) plant, which is owned by energy operator Equinor (EQNR.OL), will be connected to the national power grid. The move, which was announced by the Norwegian government on Tuesday, is set to help cut greenhouse gas emissions, though it has been met with opposition locally.

Its gas power plant, which has the dubious honour of being the country's biggest single carbon emitter, will be shut down by 2030 under the plan and replaced with supplies from the grid, which is now mostly powered by renewables.

Jonas Gahr Støre, the Prime Minister of Norway, spoke at a news conference which was held in front of the LNG plant in the Norwegian Arctic: "This is an important day for building industry and creating jobs in northern Norway, and for the climate."

According to Equinor, the switch at the LNG plant – the largest in Western Europe – is set to reduce CO2 emissions by around 850,000 tonnes annually, representing a 2% cut in the country's total output.

Nevertheless, the plan has been met with controversy among locals due to a number of factors, including its emphasis on oil and gas as an energy solution at the expense of green industrial investment, increasing energy costs, and the rights of local indigenous Sámi reindeer herders.

The country's centre-left government, eyeing up local elections in September, has attempted to assuage the concerns of voters by pledging to boost renewables in the country's north and build additional power lines to connect more enterprises to the grid. The government clarified that the Hammerfest changeover would not take place until 2030, representing a two-year delay.

The country's parliament has already lobbied the government to look at alternative sources of carbon reduction, including capturing CO2 at the point of production and injecting it for permanent subterranean storage.

The electrification and associated upgrades planned by Equinor and its partners are expected to extend the plant's operations by a decade, and will require 13.2 billion kroner (\$1.3 billion) in total investments.

Also known as Melkøya, the Hammerfest LNG plant has an annual gas output of 6.5 billion cubic metres (bcm), equivalent to the energy needs of around 6.5 million European households.

The largest stake in the project is held by Equinor at 36.79%, with 30% belonging to state operator Petoro, 18.4% to France's TotalEnergies (TTEF.PA), 12% to Neptune Energy and 2.81% to Wintershall Dea.

German group BASF owns 72.7% of Wintershall Dea with remainder is held by Russian investors Mikhail Fridman, Petr Aven and German Khan.

<https://www.reuters.com/business/energy/norway-approves-lng-plant-electrification-cut-co2-emissions-2023-08-08/>

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