

Overview of Natural Gas Economics

4 days
Overview

GER/ONE

LEVEL

Knowledge

PURPOSE

This training provides an overview of the economic and contractual aspects of the natural gas value chain, all the way from production and transport to marketing.

LEARNING OBJECTIVES

Upon completion of the course, participants will be able to:
evaluate the importance of natural gas in the world energy balance, and the strategies of the main industry actors,
identify the outlets of natural gas and the new trends in gas industry,
identify the main technical, economic and contractual features of the natural gas value chain, from the production well to the final consumer,
explain the framework of liberalization of natural gas markets and its impact on gas contracts and prices.

WAYS AND MEANS

Quizzes.
Exercises on the costs of gas infrastructures.
Examples of contracts and calculations on quantities.
Videos.

LEARNING ASSESSMENT

Participants will be evaluated during the training through quizzes and exercises.

PREREQUISITES

No prerequisites for this course.

Agenda

GLOBAL GAS SCENE

0.75 d

Importance of natural gas in the world energy balance.
Outlets for natural gas.
Reserves, production, development zones.
International gas markets.
Impact of unconventional gas on the world demand/supply and on gas prices.

STRUCTURE & COSTS OF THE NATURAL GAS CHAIN

0.75 d

Description of the gas chain and associated costs.
Gas treatment and transportation.
Storage costs and distribution costs.
Liquefied Natural Gas (LNG), FLNG, FSRU, small scale LNG.

LONG-TERM NATURAL GAS & LNG CONTRACTS

1 d

Contractual framework of Exploration-Production.
Structure and principles of a long-term contract.
Principles of take-or-pay, netback, indexation and gas price formulas.
Tolling agreements.

SPOT, FORWARD & FINANCIAL MARKETS

0.5 d

Spot and forward natural gas markets.
Why and how to access those markets?
Prices in the different markets.
Financial contracts, hedging strategies and examples.

GAS MARKETING IN A LIBERALIZED MARKET

1 d

Drivers and concepts of liberalization.
Principles of the EU gas directive, progress in various countries, take-or-pay issues.
Role of the regulator, network development, transport, tariffs, etc.
Contractual aspects between suppliers, transporters and distributors.