



LNG Commercial Operations - G-51

COURSE

About the Course

Liquefied Natural Gas (LNG) has provided international mobility to natural gas, which now provides around 25% of the world primary energy. Being the cleanest fossil fuel natural gas consumption is forecasted to grow in all future scenarios. With the entry of various actors, including Trading companies, the LNG value chain is becoming increasingly complex, and solid understanding and management of the interfaces have become crucial to identify and realise additional margin opportunities.

This course gives a concise introduction to the LNG business. Thereafter, the elements of the LNG value chain are described and analysed. A Business Activity Model along the value chain will be developed and discussed in depth, covering the following key processes:

Buy Gas -> Transport Gas -> Liquefy Gas -> Sell LNG/Products -> Ship LNG -> Regasify LNG

Contracts defining the Commercial aspects for each of these activities will be examined and the associated Commercial operations, will be described. Gas Supply Agreements (GSA), Sale & Purchase Agreements (SPA), Ship Chartering (VOY), and Terminal Use Agreements (TUA) s are included.

Good practice for developing and executing Annual Gas Supply and Annual Product Delivery (ADP) plans and Specific Delivery Schedules (SDS) will be shown within the framework of a so-called Integrated Activity Planning & Scheduling. Roles and responsibilities of relevant positions, requiring a multi-functional approach, will be examined. Most of these critical positions are located at the interfaces of Operational, Shipping, Commercial functions and their seamless cooperation under expert guidance is essential for optimizing the value chain for the any company having an interest in the LNG value chain.

Real life experience based hands-on exercises will facilitate deeper understanding. These include;

- Gas/LNG property and price parity calculations
- Custody Transfer issues, performance
- Contract Management – Annual Delivery Programme design and execution strategies
- LNG property (Heating Value/Wobbe Index) adjustment (Nitrogen injection-UK, LPG injection-JP)
- LNG Shipping freight calculations, diversion opportunity generation and negotiations

Excel based tools/models will be provided to the participants for these exercises.

Target Audience

Technical, Operational, Shipping and Commercial professionals already active in Commercial Operations area and in particular Planners and Schedulers, Liquefaction technologists, Contract administrators, Traders, Ship Charterers, Cargo Operators, Loading Masters will directly benefit in seeing how their contributions fit in to the integrated optimisation effort and identifying potential improvements to maximise integrated margins.

Managers (Technical, Financial, Legal and Governance) less familiar with Commercial Operational activities will also benefit from this course, as they will get the required background to be able set sharper targets, suitable performance indicators, and governance and performance assessment guidelines for such operational units.

You Will Learn

At the completion of this course the participants will be able to:

- **Understand** how the LNG Value Chain operates, bound by the relevant Contracts and Agreements
- **Learn** which Commercial/Operational activities are required to operationalise these contracts optimally
- **Appreciate** the competencies and tools required to execute these activities
- **Develop** relevant effective organisational structures and strategies
- **Explore** options to maximise profitability in a given LNG value chain
- **Discuss** best practices on how to support and steer these activities

Course Content

Review of Natural Gas & LNG Business

- Hydrocarbons for Energy
- Natural Gas Business
- Natural Gas Value Chain
- Markets
- Pricing
- Exercise - Heating Value/Wobbe Calculations
- LNG Value Chain

LNG Assets / Commercial Operations

- LNG Liquefaction Process
- LNG Shipping
- Exercise - Freight Calculations; Routing - Panama vs other options
- LNG Regasification/Terminals
- LNG Project/Business Structures

Commercial Operations

- Product Quality & Specification
- Exercise - LNG Wobbe Adjustment in a Regasification terminal
- Buying Gas
- Producing LNG

Commercial Operations Planning & Execution

- Custody transfer
- Exercise - Custody Transfer Calculations
- Selling LNG & Products
- Planning & Scheduling & Daily Operations Coordination

Commercial Operations Strategy

- Exercise - Diversion Calculations / Negotiation
- Strategy and Planning
- Business Planning Process
- Management Information systems
- Business Performance Monitoring and Appraisal
- Benchmarking, Target (KPI) setting
- Back office/ Support
- Hydrocarbon Accounting
- Documentation, BOL, COQ , cargo docs..
- Customer Information & Relationship Reporting
- Professional Competence Management
- Resources

Product Details

Categories: Midstream

Disciplines: Gas Processing Energy Business

Levels: Intermediate

Product Type: Course

Formats Available: In-Classroom

Instructors: Aydin Esener

In-Classroom Format

7 Oct '2411 Oct '24- | Course | In-Classroom (in London)\$5,585.00
