

Spark LNG Cargo Market Consultation Result: Publication Frequency and cargo specifications

Date: 6 Sep 2023

The Spark market consultation to increase the publication frequency for the SparkNWE Basis and SparkNWE DES LNG price assessments to daily from twice per week and to update cargo specifications to align to the upcoming SparkClose process was launched on 26 July 2023 [here](#) and has now closed.

What did we propose?

1. To increase the publication frequency for the SparkNWE Basis and SparkNWE DES LNG price assessments to daily from twice per week.
2. To update cargo specifications to align to the upcoming SparkClose process with the below:

Additions:

- **TTF Indexation:** Basis to the TTF, Where "ICE TTF" is the arithmetic mean of the settlement prices as published by ICE Endex for the Dutch TTF Gas Base Load Futures (TFM) for the balance of the Trading Days during the period that the delivery month is the front month starting from the next business day, except on the final business day of the period that the delivery month is the front month when it will start on the current business day. Every settlement price is converted from EURO to United State dollar (USD) using the WM/Refinitiv Closing EURUSD Spot Rates as published by Refinitiv at 4 pm UK time on the day the settlement price was published by the ICE Endex. When there is no WM/Refinitiv Closing EURUSD Spot Rate published, the next previous WM/Refinitiv Closing EURUSD Spot Rate as published by Refinitiv will be used for settlement purposes.
- **Discharge Terminal Nomination:** Single terminal if the transaction date is within 15 days of the start of the delivery window, otherwise a range of terminals and buyer nominates single terminal no later than 15 days prior to delivery window.

Changes:

- **Discharge Volume:**
 - From: 3,200,000 to 3,600,000 MMBtu +/- 5%
 - To: 3,200,000 to 3,800,000 MMBtu +/- 2-5%
- **Delivery Window:**
 - From: 2-5 days, narrowed to 1-2 days by buyer within the relevant contract month.
 - To: 1 day if the transaction date is within 20 days of the start of the delivery window, otherwise 1-3 days narrowed to 1 day by buyer no later than 20 days prior to the delivery window.
- **Quality range:**
 - From: GHV: 1030-1130 Btu/scf, Max Ethane content: 10%/mol
 - To: In line with specifications for the relevant terminal.

What did the market say?

All firms who gave feedback were in favour of the increased frequency and updated cargo specifications.

What happens next?

On 18th September 2023 the frequency for the SparkNWE Basis and SparkNWE DES LNG price assessments will be increased to daily following the UK Public Holiday calendar, and the Spark LNG Cargo specifications will be updated in line with this consultation. The SparkNWE and SparkSWE Basis and DES LNG Methodology will be updated accordingly.

Thank you again to all the firms that engaged on this market consultation.