

MNI: Global LNG – LNG Risks from Russian-Ukraine Peace Deal

By Lawrence Toye, Erica Blake (November 21, 2025)

Executive Summary

- The 28-point peace plan to end the Russia-Ukraine War has been launched by the US, with Trump setting a Nov. 27 deadline.
- While there is no guarantee that it will end the war, it could have wide implications for energy markets.
- The plan gives no guarantees for sanctions relief; however, Russia will likely push for an easing of restrictions on Arctic LNG 2.
- US LNG demand could face lower utilization rates and delayed facility FID's, but impacts are likely to be limited in the very near term.

The Peace Proposal

A 28-point peace plan to end the war in Ukraine has been revealed following back door negotiations between the U.S and Russia, sidelining Ukraine and its European allies. While the White House said the deal "would be good for both Russia and Ukraine," it needs to be reviewed and discussed by the relevant parties, with US, EU, Ukrainian, and Russian representatives discussing the proposal. President Trump has placed a deadline of Nov. 27 for an agreement to be made based on the proposed framework.

The proposal would require significant concessions for the Ukrainians, including surrendering the remaining territory it controls in the Donbass region, de facto recognition of Russian control over Crimea, and currently occupied parts of the Kherson and Zaporizhzhia oblasts, restricting its army to 600,000, and agreeing neither to join NATO, nor allow NATO forces on its territory. In return, the plan states vaguely that "Ukraine will receive reliable security guarantees".

While both Zelenskiy and Putin have said they are ready for talks to end the war in Ukraine, there is a wide gulf between each leaders' vision of an end point. While the deal appears to grant the Kremlin many of its maximalists demands, Ukraine's reliance on U.S. support, particularly for intelligence cooperation, gives Kyiv little leverage to reject it entirely.

Zelenskyy said in an address to the Ukrainian people that the US peace plan will force Ukraine to choose between "losing our dignity" or risking losing US support. Axios notes, "Given his claim that accepting the current deal would force Ukraine to accept "life without freedom, without dignity, without justice," it doesn't sound as though his answer can possibly be yes." European leaders have not dismissed the proposal outright, although stress that Ukraine must be involved in deciding its future.

With a corruption scandal domestically, Zelenskiy is already in a weakened position. In conjunction with Germany, France, and the UK, Ukraine wants to use this deal as a starting point to engage the US and Europe in more favourable negotiations. The question is whether the Trump administration has the patience for a more drawn-out process. If the answer is no, it could result in Washington either washing its hands of the conflict or forcing Kyiv to acquiesce.

Prospect of Loosening Sanctions

Part of the 28-point plan includes a point that “The lifting of sanctions will be discussed and agreed upon in stages and on a case-by-case basis.” Like many parts of the plan, this point is vague. It is highly uncertain whether a deal will even be made and even if so, what sanctions on Russian energy could be lifted to liberalize trade flows in the near term. Trump also confirmed that he currently has no intention of removing the oil sanctions on Lukoil and Rosneft that began Nov. 21. However, with energy trade flows having shifted substantially since Russia’s full-scale invasion in Feb. 22, the prospect of a deal opens up risk for additional upending.

Arctic LNG 2

In the discussion of sanctions, it is likely Russia would push for the end of measures against its LNG facilities and infrastructure. Russia announced ambitions in 2023 to boost its LNG exports from around 33 MTPA in 2023 (45 bcm/y) to 102 MTPA (140 bcm/y) by 2030, but sanctions are a key hindrance to realizing the plan.

The most notable facility is the 19.8 MTPA (2.6 Bcf/d) Arctic LNG 2. The export terminal consists of 3 separate 6.6 MTPA LNG trains (0.86 Bcf/d), with only Trains 1 and 2 operational and said to be running well below nameplate capacity. Under the Biden Administration, the US ambition was to “kill the project” via sanctions, and that may have had some success given the underutilization of the facility.

Arctic LNG has struggled not only to find buyers, but also to secure enough Arc7 icebreaker tankers that can navigate the North Sea Route via the Arctic to Asia while the route is open. So far, the project found a limited group of Chinese buyers willing to overlook the sanctions risk in China in exchange for discounts of \$3-\$4/MMBtu below JKM.

Figure 2: Export routes from Yamal LNG to Asia and routes from competing suppliers



Source: OIES/Novatek

Reinstating Flows to Europe a Hard Sell

Under the least likely scenario, conditional on not only a peace deal, but lifting all sanctions, there is a remote possibility to free up Russian LNG flows into Europe. While spot buying largely stopped after Feb 2022 without sanctions, there are several potential restrictions to this outcome including:

- EU legislation looks to phase out all Russian LNG into Europe by 2027
- Pipeline imports are due to be phased out by 2028
- Nordstream was permanently and irreparably damaged when it was attacked in 2022

It may be easier to loosen restrictions and allow for more Russian gas to be imported via pipeline, perhaps allowing the status quo of flows via Turkstream to continue. Restarting 16 Bcm of flows via Ukraine would also be a hard sell, although would enjoy support from recipient countries like Slovakia. In contrast, rebuilding of Nordstream may struggle to garner enough political support, given that the German government previously ruled out a restart.

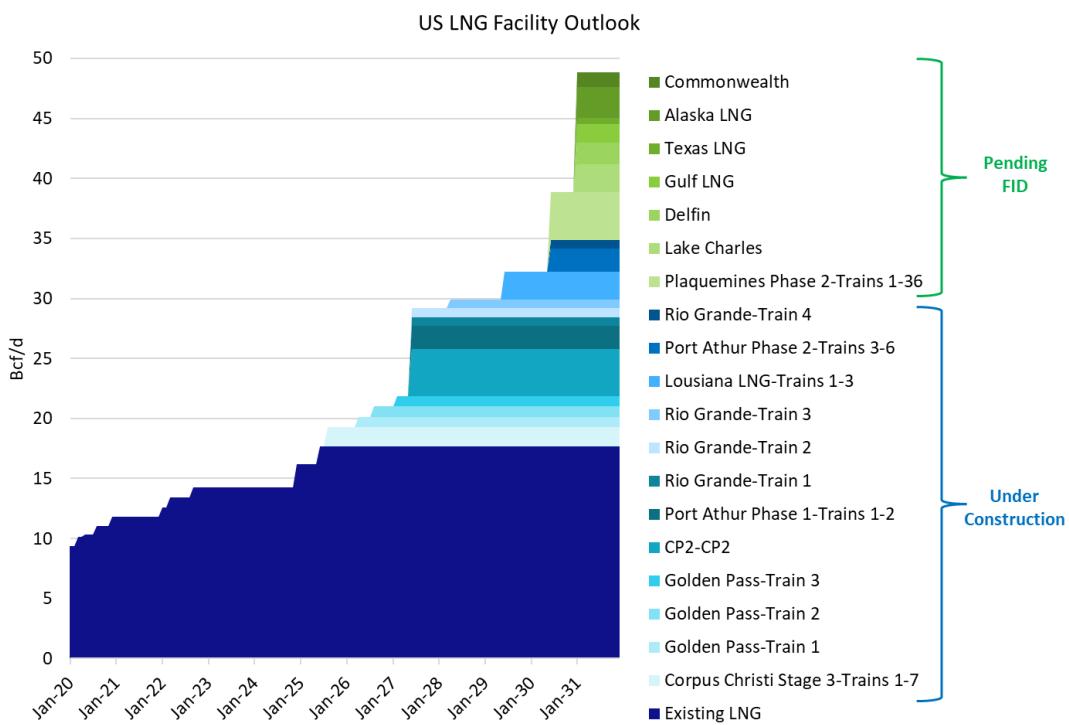
There are avenues to restart Russian gas flows to the EU, but unpicking sanctions on Russian LNG from the EU may prove far more difficult, given the hawkishness stance towards Russia across the continent. While the EU is said to have rejected this 28-point plan, if it was forced into agreeing, it remains unclear whether these agreements as part of sanctions packages may have to be abandoned. The EU will likely continue to seek to minimize any dependence on Russian gas.

US-Specific LNG Risks

As a result of the War in Ukraine, demand for US LNG ramped significantly with Europe seeking alternative supply sources as it diversified away from Russian energy. US LNG exports saw some of the highest utilization rates on record through 2022 as the demand for US cargos was at an all-time high. Since the invasion began, the US has added Calcasieu Pass and Plaquemines export facilities to its export capacity and Corpus Christi Stage 3 has started production at 4 of its 7 trains, which has supported the European initiative for import diversification.

The US is in the middle of its Wave 2 LNG build out, with 130 MTPA (17.2 Bcf/d) actively under construction set to be in-service by mid-2030 and another 106 MTPA (14 Bcf/d) pending FID set for 2030+. The facilities pending FID include the second phase expansion of Plaquemines, which is in active permitting, and Delfin LNG and Commonwealth LNG which are guiding toward making positive FID by year end and 1H2026, respectively.

With nearly 240 MTPA (31 Bcf/d) of US LNG capacity under construction or awaiting FID, there is risk that a peace deal could disrupt LNG flows globally. For example, if Arctic LNG 2 sanctions were removed and Russian cargoes allowed to compete on the spot market, it may make cargos from Alaska LNG (if it reaches FID) less competitive or compete more directly with US Gulf Coast cargos to Asia when the North Sea Route (NSR) is open from around July-October. This outcome may delay or cancel potential FID for Alaskan LNG.



Any peace agreement that resulted in more Russian gas flowing to Europe would present a downside risk to US LNG cargos currently serving European demand. If all Arctic LNG cargos went to Europe, which seems a remote chance, this would equate to displacing gas from one of the US facilities currently under construction or more likely reducing utilization rates of the existing Gulf Coast facilities to 85%. This utilization rate could fall even further if there is some restart to curtailed Russian pipeline flows, though this seems like the least likely outcome and a longer-term risk.

There has been a fury of new FID's made for US LNG facilities this year, but this is more likely in response to a more favorable federal regulatory environment in the US and interest from Asian buyers looking to propitiate Trump in tariff negotiations. Despite this, an outcome of a peace deal could be a slowdown or halt to the remaining facilities pending FID until there is clarity on how US sanctions on Russia will be handled as well as Europe's post peace plan policy position on Russian energy.

From the US LNG perspective, a peace deal would likely have little impact on LNG facilities that are currently in-service or under construction in the near-term. The bullish case is that there is enough global LNG demand to absorb the remaining US LNG under construction and a return of Russian gas to the global market. The most bearish scenario would be projects waiting to make FID are either delayed or never reach FID should Russian sanctions soften and EU opposition to Russian gas wane. The likely path is a middle ground where (1) there is a slow down to FID's with not all of the remaining facilities moving forward, and (2) there is a reduction in utilization rates at the existing and under construction facilities.

US LNG Facility List

Facility	Status	In-Service Year or Target	Capacity (Bcf/d)	Capacity (MTPA)
Cove Point	In-Service	2018	0.77	5.85
Elba Island	In-Service	2019-2020	0.36	2.74
Sabine	In-Service	2016-2021	4.56	34.65
Corpus Christi	In-Service	2018-2020	2.40	18.24
Cameron	In-Service	2019-2020	2.13	16.19
Freeport	In-Service	2019-2020	2.37	18.01
Calcasieu Pass	In-Service	2022	1.70	12.92
Plaquemines	In-Service	2024-2025	3.40	25.84
			<i>Subtotal</i>	17.69
				134.42
Corpus Christi Stage 3	Under Construction	2025-2026	1.59	12.08
Golden Pass	Under Construction	2026	2.58	19.60
CP2	Under Construction	2027	3.96	30.09
Louisiana LNG	Under Construction	2029	2.33	17.71
Port Arthur Phase 1	Under Construction	2027	1.91	14.51
Port Arthur Phase 2	Under Construction	2030	1.91	14.51
Rio Grande	Under Construction	2027-2028	2.88	21.88
			<i>Subtotal</i>	17.16
				130.40
Plaquemines Phase 2	Pending FID	2030	4.00	30.40
Alaska LNG	Pending FID	-	2.55	19.38
Commonwealth	Pending FID	-	1.21	9.19
Delfin	Pending FID	-	1.80	13.68
Gulf LNG	Pending FID	-	1.53	11.63
Lake Charles	Pending FID	-	2.33	17.71
Texas LNG	Pending FID	-	0.56	4.26
			<i>Subtotal</i>	13.98
				106.23

Source: MNI, EIA, DOE