

News : NeuVentus to launch open season for Texas gas storage project's 20 Bcf first phase

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- First 20 Bcf could start service in 2028
- Black Bayou project in Louisiana receives favorable EA

Natural gas storage developer NeuVentus is hoping to secure up to 20-year commitments from customers for the first two caverns of its greenfield TRU Hub storage project, CEO Sam Porter said April 21.

The greenfield Texas intrastate project will soon launch an open season soon for the first two caverns, with a combined working gas capacity of 20 Bcf, Porter told Platts, part of S&P Global Commodity Insights. The project is located 40 miles east of Houston on the Moss Bluff salt dome and has secured permission from the Texas Railroad Commission to drill up to 12 caverns on the site.

NeuVentus aims to take a final investment decision on the first two caverns by the end of this year, allowing for a 2028 start of service, Porter said.

The open season should test the water for greenfield storage economics. Storage rates are [trending higher](#) as demand increases, but so far this has mostly brought on brownfield rather than greenfield projects.

Average terms have also [been lengthening](#); contracts for two to three years were once the norm, but now developers like Caliche report average term lengths of eight years.

NeuVentus is hoping for even longer terms.

"We'd love a 20-year deal," Porter said. Around 70%-80% of the project costs will be financed with debt, Porter said. "We need to show the lenders really significant revenue certainty."

Like many Gulf Coast storage developers, Porter sees LNG as a key customer.

"We're in the heart of all of the major inter and intra-state lines that are going to feed this LNG build-out as we go from 15 Bcf/d to 30 Bcf/d over the course of the next five years."

LNG exporters will likely be most interested in firm injection capacity as a way of dealing with unexpected outages, Porter said. "Over the course of a multi-decade investment, it does become a sort of valuable insurance proposition for them."

Some of the future caverns could be used for liquids or for hydrogen storage.

"We're the closest, most proximate, developable salt position for Mont Belvieu overflow on the natural gas liquid side," Porter said. Mont Belvieu has "100 plus caverns on the dome, and it's quite congested in there," Porter said. "So we do think that we would be in a good position to be a storage operator for methane propane, butane, any of the NGLs."

The company is focusing on gas for now "by virtue of all of the the limelight that natural gas has been getting over the past six months," Porter said. "But hydrogen and NGLs, we think they're coming too."

Black Bayou

Another large greenfield storage development, the Black Bayou Energy Hub in Southwest Louisiana, has received a favorable Environmental Assessment from the US Federal Energy Regulatory Commission.

Approval of the [project](#) would not constitute a major federal action significantly affecting the quality of the human environment, FERC staff in the April 17 environmental assessment (CP 24-494).

FERC staff noted it was still waiting on comments from the US Fish and Wildlife Services about the projects impact on certain wildlife species, and recommended any order approving the project be subject to FERC staff receiving these comments and completing an Endangered Species Act consultation with USFWS.

The interstate project consists of four caverns with a working gas capacity of up to 34.7 Bcf. It also entails a 44,000 hp compressor station, two 27-mile, 24-inch-diameter looped, bidirectional pipelines linking the caverns to multiple interstate pipelines, and a leaching plant, which will provide water to the salt dome and caverns at the pressure and flow rate needed, and nine saltwater disposal wells. It could provide up to 1.6 Bcf of peak daily gas injection capability, and 2.0 Bcf of peak daily gas deliverability.

Black Bayou plans to place the first two caverns in service by 2028, and the second two by 2030.

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