

LNG WRAP-UP

NARUC LNG GROUP

Thursday, June 30, 2016

The Gas Committee and the International Relations Committee will sponsor a joint panel on LNG, titled: “[*United States Gas Exports - The Implications for the Economy, Trade and Geopolitics*](#)” moderated by Comm. Diane X. Burman. The panelists include Commissioners Westbrook (MA) and Pickett (AK) of NARUC’s LNG Working Group. The discussion will take place in Broadway F, on Sunday July 24th at 3:45 pm.

Previous issues of the Wrap-Up are found here: <http://www.naruc.org/our-programs/resources/lng-newsletters/>

NORTH AMERICA

FERC-Related (2016)

(6/1) FERC grants Section 3 and Section 7 authorizations authorizing Elba Island Liquefaction Company to construct and operate liquefaction and export facilities at the existing Elba Island LNG import terminal.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14264661>

(6/6) FERC issued a letter approving Driftwood LNG’s request to initiate the pre-filing environmental review for the proposed facility in Calcasieu Parish, LA.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14268592>

(6/17) Cheniere’s Sabine Pass withdraws its application to construct and operate LNG truck loading facilities.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14278524>

(6/20) FERC authorizes Gulf South Pipeline to construct & operate pipeline facilities necessary to provide feed gas to the Freeport LNG terminal.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14279848>

(6/14 & 17) The Alaska LNG Project filed a revised drafts of Resource Report

No. 1 – General Project Description:

<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14277720>

and No. 10 – Alternatives:

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14278828>

(6/20) Cheniere’s Sabine Pass LNG filed its Monthly Construction Progress Report for May 2016.

<http://elibrary-backup.ferc.gov/idmws/common/opennat.asp?fileID=14282033>

(6/22) Rio Grande LNG & Rio Bravo Pipeline Company filed an Opposition to the Motions to Intervene in regards to the application to construct and operate a liquefaction facility in Cameron County, TX.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14282375>

(6/23) Dominion Cove Point filed its Monthly Status and Progress Report for May 2016. Engineering and engineered equipment is 99% complete, whole construction is 38% complete.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14282628>

Newport Beach, CA (6/2) The City of Santa Monica has awarded Clean Energy a 5-year LNG contract to fuel its Big Blue Bus fleet of vehicles.

<http://www.cleanenergyfuels.com/press-room/city-santa-monica-approves-multi-year-contract-clean-energys-redeem-fuel-support-deployment-cwi-near-zero-0-02-nox-engine/>

Montreal, QC (6/13) Gaz Métro begins trucking LNG to Stornoway Renard diamond mine, 650 miles away.

<http://www.gazmetro.com/en/about/media/news/liquified-natural-gas-deliveries-start-to-the-stornoway-renard-diamond-mine-in-northern-quebec-1040-kilometres-from-montreal/>

Halifax, N.S. (6/16) Bear Head LNG announced that it received the Governor-in-Council approval for a license to import US natural gas for the purpose of re-exporting it as LNG from the proposed Point Tupper, Richmond County, Nova Scotia facility.

<http://www.lnglimited.com.au/irm/PDF/3850/BearHeadLNGReceivesGovernorinCouncilApproval>

Houston, TX (6/16) S&P Global Platts launched the Platts LNG Gulf Coast Marker (GCM) a daily LNG U.S. Gulf Coast price assessment product.

<http://www.platts.com/pressreleases/2016/061616/no>

Hamilton, Bermuda (6/20) Golar LNG Ltd and Stonepack Infrastructure Partners have formed a 50-50 joint venture, Golar Power Ltd, to own and operate FSRU facilities.

http://www.golarlng.com/index.php?name=seksjon/Stock_Exchange_Releases/Press_Releases.html&pressrelease=2021817.html

New York, NY (6/21) Tokyo Gas America acquires a 25% stake in the Eagle Ford shale gas formation.

http://www.tokyo-gas.co.jp/Press_e/20160621-01e.pdf

Washington, D.C. (6/20) According to US DOE data, Barbados imported the equivalent of 7,432 Mcf of LNG from the U.S. between February 5 & April 29. The price paid by Barbados was double the price Trinidad & Tobago LNG was trading at.

<http://energy.gov/sites/prod/files/2016/06/f32/LNG%202016.pdf>

Coverage in local media (6/27):

<http://www.trinidadexpress.com/20160624/business/government-defends-decision-to-buy-lng-from-united-states-rather-than-trinidad-and-tobago>

Juneau, AK (6/21) According to reports Gov. Walker's administration is considering increasing the state's interest in the, \$45-\$65 billion, Alaska LNG Project.

<http://www.ktoo.org/2016/06/21/state-considers-increasing-ownership-stake-in-alaska-lng-pipeline-project/>

Ottawa, ON (6/23) Canada's continuing ban on LNG takers sailing through Head Harbour Passage complicates Downeast LNG's efforts to find a buyer.

<http://www.cbc.ca/news/canada/new-brunswick/liquified-natural-gas-lng-head-harbour-passage-1.3647856>

Washington, D.C. (6/28) The U.S. Court of Appeals for the District of Columbia rejected Sierra Club's challenge to FERC's environmental reviews of the Freeport LNG and Sabine Pass LNG projects.

Freeport:

[https://www.cadc.uscourts.gov/internet/opinions.nsf/0FD3459B4358A41E85257FE00050341F/\\$file/14-1275.pdf](https://www.cadc.uscourts.gov/internet/opinions.nsf/0FD3459B4358A41E85257FE00050341F/$file/14-1275.pdf)

Sabine:

[https://www.cadc.uscourts.gov/internet/opinions.nsf/9E12F2D01393992385257FE000502CB2/\\$file/14-1249-1621989.pdf](https://www.cadc.uscourts.gov/internet/opinions.nsf/9E12F2D01393992385257FE000502CB2/$file/14-1249-1621989.pdf)

INTERNATIONAL NEWS

Tokyo, Japan (6/3) Japan's JX Nippon Oil & Energy will acquire 10% of Petronas' LNG liquefaction unit in Malaysia's Sarawak state. http://www.noel-jx-group.co.jp/english/press/2016/20160603_01.html

Tokyo, Japan (6/6) Toho Gas entered into a 19 year agreement with a Mitsubishi subsidiary for the purchase of approximately 200,000 TPA of LNG from Sempra's Cameron LNG project in Cameron Parish, LA. <http://www.tohogas.co.jp/lang-en/en/corporate/press/icsFiles/afieldfile/2016/06/06/20160606.pdf>

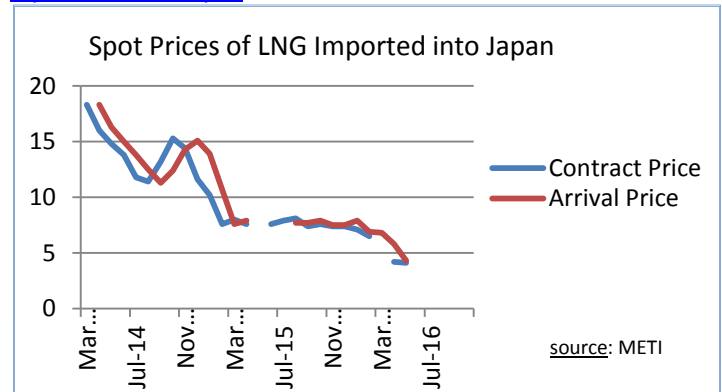
London, U.K. (6/6) Amec Foster Wheeler has been awarded the supervision of work associated with the construction of an LNG import terminal in Ennore, on the East Coast of India. <http://media.amecfw.com/amec-foster-wheeler-wins-india-lng-import-and-regasification-terminal-contract/>

Tokyo, Japan (6/7) The port of Yokohama may become the model in the development of Japan's LNG bunkering infrastructure. http://asia.nikkei.com/Politics-Economy/Policy-Politics/Japan-eyes-Yokohama-port-for-first-LNG-fueling-station?n_cid=NARAN012

New Delhi, India (6/7) Increasing demand for natural gas in India combined with a declining domestic output is the primary driving force behind the government's push to increase LNG import capacity. <http://economictimes.indiatimes.com/industry/energy/oil-gas/government-weighs-doubling-capacity-of-lng-import-terminal/articleshow/52628254.cms>

Accra, Ghana (6/8) According to Ghana's National Petroleum Corporation, LNG imports to that country are expected to begin in 2017. <http://www.gnpcghana.com/press22.html>

Tokyo, Japan (6/9) According to METI spot LNG prices for the month of May 2016 fell to the lowest in more than 2 years. <http://www.meti.go.jp/english/statistics/sho/slng/result/pdf/201605-e.pdf>



Tokyo, Japan (6/10) Japan's Shizuoka Gas sells reload LNG cargo to Shell Eastern Trading. http://file.swcms.net/file/shizuokagas/info_en/information/auto_20160609419562/pdfFile.pdf

Zagreb, Croatia (6/9) The Croatian government gave its approval for a FLNG terminal on the island of Krk, allowing further discussions on the development of the import facility. <https://www.total-croatia-news.com/item/12333-lng-floating-terminal-a-reality-government-gives-thumbs-up>

Moscow, Russia (6/10) Yamal LNG receives its first € 1 Billion from Russian banks. <http://yamallng.ru/en/press/news/9201/>

Stockholm, Sweden (6/13) According to Swedish consulting company AF Consult, the low energy prices and lack of concrete plans and incentives are some of the reasons behind the delayed adoption of LNG as transport fuel. <http://www.naturalgaseurope.com/low-fuel-price-hampers-swedish-lng-transport-plans-30078>

Paris, France (6/14) Technip and GE have signed an MOU to explore digital solutions geared toward the development of digital solutions for new LNG projects. <http://www.technip.com/en/press/ge-and-technip-sign-memorandum-understanding-explore-digital-solutions-new-lng-projects>

New Delhi, India (6/14) India's government is encouraging the use of LNG-powered barges on the Ganges (Ganga) river by the end of 2018. <http://www.moneycontrol.com/news/business/govt-gearsto-start-lng-bargessganga-by-2018-end-6858121.html>

New Delhi, India (6/15) In order to secure better structured and priced LNG agreements, India has reengaged in talks with Japan and S. Korea to form a gas buying group. <http://www.reuters.com/article/india-energy-idUSL4N196406>

Islamabad, Pakistan (6/16) Despite the urgent need to secure more natural gas, Pakistan's Economic Coordination Committee put off discussion of awarding a second LNG terminal contract. <http://tribune.com.pk/story/1123726/delayed-ecc-puts-off-decision-award-lng-terminal-contract/>

Moscow, Russia (6/16) Gazprom and Royal Dutch Shell signed an MOU on the construction of Baltic LNG, a liquefaction plant in the Baltic Sea. http://www.gazprom.com/press/news/2016/june/article_e276698/

Rio de Janeiro, Brazil (6/16) Brazil's Petrobras kicks off auction to sell of Sao Paulo-based Liqueigas. <http://in.reuters.com/article/us-petrobras-m-a-liqueigas-idINKCN0Z12UE>

Warsaw, Poland (6/17) Poland gets its first commercial LNG cargo at the Swinoujscie terminal. <http://en.gaz-system.pl/press-centre/news/information-for-the-media/arttykul/202288/>

London, UK/Cairo, Egypt (6/17) Egypt, the former LNG exporter-turned importer, is shipping an LNG cargo to Japan. <http://timesofoman.com/article/86206/Business/Egypt-begins-exports-of-rare-LNG-cargo-again>

Moscow, Russia (6/17) Sovcomflot has secured funding for a new arctic LNG carrier. <http://www.thebarentsobserver.com/arctic-industry/2016/06/260-million-new-arctic-lng-carrier>

Doha, Qatar (6/19) The current hydrocarbon market forces Qatar to reconsider its LNG pricing model. <http://www.gulf-times.com/story/498575/Qatar-plans-to-consider-innovative-marketing-polic>

London, United Kingdom (6/21) As Pakistan is emerging as one of the stronger LNG import markets, the governments of Italy and Pakistan are in discussions to secure LNG supply contracts. <http://interfaxenergy.com/gasdaily/article/20760/italy-pushes-for-pakistan-lng-deal>

Espoo, Finland (6/22) SkanGas, a Finnish-Norwegian partnership, made its first fuel delivery to Polaris -- the world's first LNG-powered icebreaker. http://www.skangas.com/en/news/LNG_to_Polaris/



London, U.K. (6/22) A temporary 42-day shutdown of Britain's largest gas storage facility, may make the country a potentially viable LNG importer – at least for this coming winter. <http://in.reuters.com/article/centrica-rough-gas-storage-idINL8N19E3XS>

Bangkok, Thailand (6/23) Depleting domestic resources and lack of interest in investment on existing fields, may turn Thailand into an LNG importer by 2021. <http://www.bangkokpost.com/news/general/1017485/thailand-risks-facing-serious-lng-shortage>

Maputo, Mozambique (6/23) The government of Mozambique moves forward with En's FLNG project. <http://interfaxenergy.com/gasdaily/article/20790/mozambique approves-flng-sales-contracts>

Warsaw, Poland (6/27) A week after receiving its first LNG cargo, from Qatar, Poland's Kaczyński LNG terminal received a spot LNG delivery from Statoil.
<http://en.pgnig.pl/news/-/news-list/id/pgnig-takes-first-delivery-of-lng-under-spot-contract/newsGroupId/18252>

Hong Kong (6/27) Hong Kong's ambitions for lower electricity via a FSRU face opposition from many fronts.
<http://asia.nikkei.com/Politics-Economy/Economy/Proposal-for-floating-LNG-plant-agitates-Hong-Kong?page=1>

Paris, France (6/27) Axègaz has been awarded part of a € 27.8 million grant by the European Commission to participate in the development of a series of 42 LNG fueling stations across Europe.
<http://www.lngworldnews.com/european-commission-to-bankroll-axegazs-lng-fueling-project-for-the-Francophone/>
http://www.axegaz.com/pdf/Pressrelease%20Axegaz_FR_28062016.pdf

Warsaw, Poland (6/28) Despite the Brexit-related uncertainties, Poland's PGNiG will continue with its plans to establish an LNG trading office in London.
<http://en.pgnig.pl/news/-/news-list/id/pgnig-to-set-up-lng-trading-office-in-london/newsGroupId/18252>

Doha, Qatar (6/27) RasGas and France's EDF enter into an agreement for the delivery of up to 2 mtpa of LNG to EDF.
http://www.arabianbusiness.com/qatar-s-rasgas-says-signs-new-lng-deal-with-france-s-edf-637104.html?utm_source=dlvr.it&utm_medium=twitter#.V3QISfkrJpg

Links to some entities mentioned in this issue

Driftwood LNG	http://driftwoodlng.com/
Gaz Métro	http://www.gazmetro.com/en/
Technip	http://www.technip.com/en
Baltic LNG	http://www.gazprom.com/about/producti on/projects/lng/baltic-lng/
Gaz System	http://en.gaz-system.pl/
SkanGas	http://www.skangas.com/
F.R.B. -- Dallas	http://www.dallasfed.org/index.cfm
PGNiG	http://en.pgnig.pl/
AxèGaz	http://www.axegaz.com/

Analysis-Opinion-OTHER

Milano, Italy/London, U.K. (6/1) "Cheap gas fuels emerging markets' new-found appetite for LNG" by Oleg Vukmanovic and Sarah McFarlane of Reuters discusses the new markets that are created by current LNG pricing.
<http://www.reuters.com/article/lng-import-idUSL8N18S40T>

Johannesburg, S. Africa (6/2) "Gas May Transform Mozambique Even as Debt Darkens Confidence" by Paul Burkhardt at Bloomberg describes the potential benefits the LNG market can bring to the world's 13th poorest nation.
<http://www.bloomberg.com/news/articles/2016-06-02/gas-could-transform-mozambique-even-as-debt-threatens-confidence>

Brussels, Belgium (6/8) The International Energy Agency paints a fairly bleak future for LNG in its 2016 Medium Term Gas Market Report
<http://www.iea.org/Textbase/npsum/MTGMR2016SUM.pdf>
 Report (IEA Bookstore):
<http://www.iea.org/bookshop/721-Medium-Term-Gas-Market-Report-2016>

Tehran, Iran (6/8) "Iran's LNG strategy" An interview with Alireza Kameli, Iran's Managing Director of the National Iranian Gas Export Company for the Oil & Gas Year website.
<http://www.theoilandgasyear.com/interviews/irans-lng-strategy/>

Washington, D.C. (6/13) "U.S. liquefied natural gas can benefit from today's glut" Op-ed by Charlie Riedl of CLNG in the Washington Examiner.
<http://www.washingtonexaminer.com/u.s.-liquefied-natural-gas-can-benefit-from-todays-glut/article/2593692>

Washington, D.C. (6/14) An interview with Laszlo Varro, Chief Economist at the International Energy Agency on the outlook for LNG and the international LNG markets.
<http://energyfuse.org/ieas-laszlo-varro/>

New York, N.Y. (6/14) TechSci Research forecasts that China's LNG import market will grow at a 15% CAGR over the next five years (through 2021)

Press Release:

<http://www.techsciresearch.com/news/1270-china-lng-imports-to-grow-at-cagr-15-till-2021.html>

Report summary:

<https://www.techsciresearch.com/report/china-lng-market-demand-supply-analysis-by-end-user-by-lng-terminals-forecast-and-opportunities-2011-2021/693.html>

Pittsburg, PA (6/19) "Europe's Rise in Natural Gas Demand Means More LNG" Commentary by Jude Clemente at *Forbes*.

<http://www.forbes.com/sites/judeclemente/2016/06/19/europes-rise-in-natural-gas-demand-means-more-lng/#778ca1456e5d>

State College, PA (6/26) "New England's Known Need For More Natural Gas Pipelines" article in *Forbes* by Jude Clemente discussing the natural gas needs of New England and the significant role LNG plays in the region. <http://www.forbes.com/sites/judeclemente/2016/06/26/new-englands-known-need-for-more-natural-gas-pipelines/#3299cd317d6f>

Doha, Qatar (6/26) "LNG market: over-supplied up to 2020 but under-supplied beyond" analysis on the future of the international LNG market by Qatar is Booming. <http://www.qatarisbooming.com/article/lng-market-over-supplied-2020-under-supplied-beyond>

Midland, TX (6/26) The Federal Reserve Bank of Dallas is delving into the energy sector. http://www.mrt.com/business/oil/article_5ff70aee-3c18-11e6-ab3a-7760c1e043e4.html

London, United Kingdom (6/27) According to Shell and Total executives, the current status of the LNG market provides an opportunity to assist in the electrification of Africa. <http://www.naturalgasafrika.com/shell-and-total-outline-how-lng-may-electrify-africa-2201>

Washington, D.C. (6/30) "Expanded Panama Canal reduces travel time for shipments of U.S. LNG to Asian markets" Analysis by the U.S. EIA on the benefits the expanded canal will provide U.S. LNG exporters. <http://www.eia.gov/todayinenergy/detail.cfm?id=26892>

London, U.K. (June 2016) "How many more LNG projects can the market handle?" an analysis by Pietro Dalpan & James Walker of McKinsey & Co. on the cost-effectiveness of the major proposed liquefaction projects. <https://www.mckinseyenergyinsights.com/insights/lng-market-oversupply.aspx>

