

LNG WRAP-UP

NARUC LNG GROUP

Friday, May 01, 2015

The U.S. D.O.E. released the first installment of the Quadrennial Energy Review titled Energy Transmission, Storage, and Distribution Infrastructure. In regards to LNG, the report recommends that Congress approve funds to promote renewable energy and LNG projects in the Caribbean, noting that small-scale LNG transport and floating regasification infrastructure could be an economical method of replacing fuel oil and achieving a significant reduction in CO₂ emissions.

http://energy.gov/sites/prod/files/2015/04/f22/QUER%20Full%204.24.15_0.pdf

(4/14/15) The FERC updated its on-line charts of the LNG facilities that fall under FERC jurisdiction (approved, potential, etc.). <http://www.ferc.gov/industries/gas/indus-act/lng.asp>

Previous issues of the LNG Wrap-Up can be found on the LNG Working Group's page at the following link:

<http://www.naruc.org/Grants/programs.cfm?page=60>

DOMESTIC NEWS (NORTH AMERICA)

FERC-Related

(4/2/15) The FERC issues a declaratory order disclaiming jurisdiction over the inland facilities of Pivotal LNG and its affiliates.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13827247>

(4/6/15) The FERC issued an order approving Sabine Pass' (Cheniere affiliate) application to expand the LNG terminal in Cameron Parish, LA.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13829826>

(4/10/15) The FERC released a Draft EIS for the Lake Charles LNG Export Project proposed by Trunkline Gas Company et. al.

<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13833408>

(4/13/15) The FERC approves Rio Grande LNG LLC's request to initiate the pre-filing process for the Rio Grande project (Rio Grande LNG Export Project & Rio Bravo Pipeline Project). In Cameron County, TX.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13837525>

(4/14/15) FERC approves Texas LNG Brownsville LLC's request to initiate the pre-filing process for the LNG project in the Port of Brownsville, TX.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13838629>

(4/17/15) The FERC released its schedule for the Environmental Review of the Oregon LNG Terminal & Pipeline Project and the Washington Expansion Project. (Dockets: CP09-6-001, CP09-7-001, CP13-507-000)

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13843278>

(4/21/15) Louisiana LNG is re-evaluating the natural gas market.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13847468>

(4/21/15) Dominion Cove Point submitted a construction status report for the Lusby, MD terminal.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13847487>

(4/24/15) Annova LNG Common Infrastructure filed with the FERC Preliminary Draft Resource Reports #1 and #10 for the proposed Brownsville facility.

<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13852693>

The newsletter is compiled for NARUC's LNG Working Group using open-source resources, by Andreas Thanos. The information provided is for situational awareness and neither represents nor reflects any particular views of the LNG Working Group, NARUC, or its members. Mentions are not endorsements. For comments/corrections please email andreas.thanos@state.ma.us

(4/27/15) The FERC has released the schedule for the environmental review of the Floridian Natural Gas Amendment Project.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13854119>

San Diego, CA (3/31/15) The world's first LNG-powered Containership, part of a two-ship agreement with TOTE industries, will be launched at the General Dynamics NASSCO shipyard in S. Diego, CA. <http://www.nassco.com/news-center/news-releases/2015/033115.html>

Houston, TX (4/6/15) WPX Energy which specializes in producing natural gas, oil and natural gas liquids from non-conventional sources, entered into an agreement with Prometheus Energy Group Inc., for the supply of LNG and equipment for drilling operations.

http://www.prometheusenergy.com/_pdf/press/WPXProjectPressReleaseApril62015.pdf

Washington, D.C. (4/7/15) According to the U.S. Energy Information Administration, the United States' remained the top hydrocarbon producer, for a third year in a row, in 2014. U.S. output exceeded that of Saudi Arabia or Russia. <http://www.eia.gov/todayinenergy/detail.cfm?id=20692>

Juneau, AK (4/8/15) Amid the dispute with Alaska's state legislature Alaska governor Bill Walker has ordered a 45-day review of the Alaska LNG project. <http://www.alaskajournal.com/Alaska-Journal-of-Commerce/April-Issue-2-2015/Walker-to-review-AK-LNG/>

Washington, D.C. (4/8/15) At the request of Pangea LNG (North America) Holdings ("Pangea"), the U.S. DOE vacates its order authorizing LNG exports to FTA nations, withdraws Pangea's application to export LNG to non-FTA nations and vacates an order authorizing corporate reorganization.

<http://energy.gov/sites/prod/files/2015/04/f21/vac3227a.pdf>

Houston, TX (4/10/15) Apache Corporation completed the sale of its 50% interest in the Kitimat LNG project to Woodside Petroleum.

<http://investor.apachecorp.com/releasedetail.cfm?ReleaseID=905909>

Kingston, Jamaica (4/10/15) Secretary Moniz (US DOE) in meetings with his Jamaican counterpart Energy Minister Paulwell, said that the US is seeking partners to collaborate and establish a Caribbean LNG hub. <http://jamaica-gleaner.com/article/business/20150410/jamaica-us-eye-lng-collaboration-around-regional-hub>

Houston, TX (4/14/15) Reuters reports that Cheniere Energy intends to make a final investment decision on the Corpus Christi export facility within the next 30 days (by May 14).

<http://www.reuters.com/article/2015/04/14/cheniere-lng-investment-idUSL5N0XB2BJ20150414>

Houston, TX (4/14/15) The Brownsville, TX Annova LNG project aims to enter into binding sales agreements and reach a final investment decision in 2017.

<http://www.reuters.com/article/2015/04/15/annova-lng-united-states-idUSL5N0XC20U20150415>

Salem, OR (4/15/15) Oregon's Land Use Court of Appeals has upheld Clatsop County's decision to deny a land use permit for a 41 mile section of the pipeline to feed the Oregon LNG project.

<http://www.oregon.gov/LUBA/docs/Opinions/2015/04-15/13106.pdf>

Vancouver, B.C. (4/16/15) Canada's NEB recommends approval of feeder pipeline to the Pacific NorthWest LNG terminal.

<http://pacificnorthwestlng.com/2015/04/pacific-northwest-lng-progress-energy-canada-ltd-welcome-national-energy-board-decision-north-montney-mainline-project/>

Houston, TX (4/18/15) Freeport LNG announced that it successfully closed on debt financing commitments of approximately \$4.56 billion for the construction of the third train on the Quintana Island facility near Freeport, TX.

http://www.freeportlng.com/PDFs/FLEX_P_R_T3_Financial_Close.pdf

Houston, TX (4/22/15) Trucking and fuel executives told CERAWEEK attendees that despite the drop in the price of diesel the natural gas truck market is expected to continue growing.

<http://www.reuters.com/article/2015/04/22/cerawee-k-natgas-vehicles-idUSL1N0XJ1Y820150422>

Honolulu, Hawaii (4/22/15) Alicia Moy, President and CEO of Hawaii Gas indicated her support of Hawaii House Bill 1286 that would limit the use of LNG to a bridge fuel.

House Bill:

http://www.capitol.hawaii.gov/session2015/bills/HB1286_SD2_.HTM

Related article:

<http://marcellus.com/news/id/122907/hawaii-gas-chief-backs-bill-curbing-use-of-lng/>

Washington, D.C. (4/28/15) According to the Energy Information Administration's projections the United States is will become a net exporter of natural gas – even under the most conservative scenarios.

<http://www.eia.gov/todayinenergy/detail.cfm?id=20992>

Honolulu, HI (4/28/15) Alicia Moy, Hawaii Gas' president and CEO notes that the supply bids Hawaii Gas has received confirm significant savings if LNG replaces oil.

<http://www.bizjournals.com/pacific/news/2015/04/28/hawaii-could-save-up-to-100m-annually-if-lng.html?page=all>

Richmond, VA (4/30/15) UPS Freight announced today the addition of 64 LNG tractors to its fleet. The Harrisburg, PA-based tractors will join UPS' gas-fired vehicle fleet of 2,500 vehicles.

<http://www.pressroom.ups.com/Press+Releases/CURRENT+Press+Releases/UPS+Freight+Adds+LNG+Tractors>

INTERNATIONAL NEWS

Napoli, Italy (4/1/15) The first LNG powered ferry built in Italy left the Fincantieri shipyard for Quebec, Canada.

<https://www.fincantieri.it/cms/data/browse/news/000623.aspx>

Paris, France (4/2/15) April 2, 2014 marked the 50th anniversary of the LNG collaboration between Algeria and France.

<http://www.gdfsuez.com/en/journalists/press-releases/50th-anniversary-first-lng-commercial-chain-algeria-france/#%2EVR1z6U3zefQ%2Elinkedin>

Doha, Qatar (3/30/15) Seeing the potential market growth in China, two Qatari companies will invest \$5 Billion in China for LNG projects.

<http://www.bloomberg.com/news/articles/2015-03-30/qatar-qatra-jv-to-build-1-000-filling-stations-in-china-ceo>

Dubai, UAE (4/1/15) Dubai, the most populous town and emirate in the UAE, is considering expanding the capacity of its existing LNG import facility.

<http://www.thenational.ae/business/energy/dubai-considers-lng-import-terminal-expansion>

Napoli, Italy (4/1/15) A dual fuel (LNG & Diesel oil) fueled ferry, the F.A. Gauthier, that was built by Italy's Fincantieri has successfully completed sea trials and is now headed to Matane, Quebec. The ferry will be used in the St. Laurence river.

<https://www.fincantieri.it/cms/data/browse/news/000623.aspx>

Jakarta, Indonesia (3/31/15) The expectation that gas reserves at Indonesia's Masela block will double from 6 Tcf to 12 Tcf, is prompting Japan's Inpex to develop plans to triple LNG production from 2.5 million mt/year to 7.5 million mt/year.

<http://www.platts.com/latest-news/natural-gas/jakarta/japans-inpex-plans-to-triple-floating-lng-plant-27263114>

Nagoya, Aichi, Japan (3/31/15) In its business plan for the year ending March 2016, Japan's Toho Gas plans to use 3.08 million metric tons of LNG – representing a 3.3 percent increase from the year ending 3/2015 as a result of the company's efforts to tap industrial demand.

http://www.tohogas.co.jp/lang-n/en/corporate/press/_icsFiles/afieldfile/2015/03/31/20150331_1.pdf

Tokyo, Japan (4/2/15) Tokyo Gas Co., received its first shipment of LNG from unconventional gas, from Australia's Queensland project. This first delivery, of 70,000 tons, is part of a 20 year, 1.2 million tons/year agreement with the BG Group. http://www.tokyo-gas.co.jp/Press_e/20150402-01e.pdf

Cairo, Egypt (4/2/15) Egypt, a former LNG exporter, is now beginning LNG imports with the arrival of the Höegh Gallant FSRU in the Gulf of Suez. <http://af.reuters.com/article/energyOilNews/idAFL6N0WZ2AL20150402?sp=true>

Doha, Qatar (4/5/15) Qatargas loads its 5,000th LNG cargo on the Q-Flex vessel Al Karaana, at the port of Ras Laffan. <https://www.qatargas.com/English/MediaCenter/news/Pages/5000th-LNG-cargo-from-CLNG.aspx>

Dubai, United Arab Emirates (4/5/15) In response to the increasing energy needs of the UAE its energy minister announced the expansion of one of the major LNG import facilities in the country. <http://www.arabianoilandgas.com/article-13808-uae-to-upgrade-jebel-ali-lng-facility/>

Tokyo, Japan (4/6/15) Japan's Ministry of Economy, Trade and Industry reports that the spot price of LNG imported into Japan for the March 2015 increased by 4cents/MMBtu to \$8.00/MMBtu after a four month decline. <http://www.meti.go.jp/english/statistics/sho/slng/result/pdf/201503-e.pdf>

Moscow, Russia (4/7/15) The impact of falling energy prices and the lack of financing, may cause Russia's Rosneft to delay the Sakhalin LNG project. <http://af.reuters.com/article/energyOilNews/idAFL6N0X310920150407?sp=true>

The Hague, The Netherlands/Reading, U.K. (4/8/15) Shell and BG Group have agreed on a \$69.6 billion takeover agreement. <http://www.shell.com/global/aboutshell/investor/news-and-library/shell-announcement.html>

Paris, France (4/8/15) Patrick Pouyanné, TOTAL's CEO to travel to Russia's Yamal Project, in which TOTAL holds a 20% interest.

<http://af.reuters.com/article/commoditiesNews/idAFL5N0X53PN20150408>

Tokyo, Japan. (4/9/15) According to the METI, the average price of spot-LNG imported into Japan increased by \$0.4/MMBtu reversing a three month trend.

<http://www.meti.go.jp/english/statistics/sho/slng/result/pdf/201503-e.pdf>

Vilnius, Lithuania (4/13/15) Lithuania is considering changing its regulations to allow for re-export of LNG it purchases from Norway's Statoil.

<http://af.reuters.com/article/energyOilNews/idAFL5N0XA2YY20150413>

Jakarta, Indonesia (4/14/15) With oil prices at record lows, BP is considering its options in regards to its Tangguh Train 3 project in West Papua.

<http://www.reuters.com/article/2015/04/14/bp-indonesia-lng-idUSL4N0XB3RD20150414>

Dubai, United Arab Emirates (4/14/15) According to UAE's The National France's Total is the last non-Yemeni oil company to halt operations in the civil war-battered nation. Total halted operations at its LNG export facility on Tuesday 4/14/15.

<http://www.thenational.ae/business/energy/total-pulls-out-of-yemen-amid-worsening-security-situation>

London, U.K. (4/16/15) Rolls-Royce powered the world's longest journey by LNG at sea from Shanghai, Kina (China) to Bergen, Norway.
<http://www.rolls-royce.com/news/press-releases/yr-2015/pr-160415-rolls-royce-powers-the-worlds-longest-journey-by-lng-at-sea.aspx>



Kuala Lumpur, Malaysia (4/21/15) According to Malaysia's Petronas the world's first FLNG facility is expected to ship its first cargo in early 2016.
<http://af.reuters.com/article/commoditiesNews/idAF L4N0XI2GR20150421?sp=true>

Nagoya, Aichi, Japan (4/23/15) Toho Gas Co. announced that it has entered into a Heads of Agreement with Diamond Gas International for the purchase of approximately 2000,000 tons of LNG per year (3 cargoes) from the Cameron project (Hackberry, LA) for a 20 year period.
http://www.tohogas.co.jp/lang-n/en/corporate/press/_icsFiles/afieldfile/2015/04/23/20150423_1.pdf

Beijing, China (4/24/15) Sinopec is waiting for approval to commence LNG sales from its stake in Australia's APLNG project.
<http://www.platts.com/latest-news/natural-gas/singapore/chinas-sinopec-awaits-approval-to-sell-lng-from-26073041>

Singapore (4/24/15) The expansion project at the Panama Canal will shorten the distance for U.S. LNG shipped to the Asian markets by close to 5,000 nautical miles bringing the volume shipped via Panama, to 25 million tons of LNG/year.
<http://www.platts.com/latest-news/shipping/singapore/panama-canal-eyes-25-mil-mtyear-lng-trade-after-26072993>

Paris, France (4/24/15) French multinational GDF Suez to change its name to Engie to reflect the company's global position.
 GDF Press Release:
<http://www.gdfsuez.com/en/journalists/press-releases/gdf-suez-becomes-engie/>
 Reuters Discussion:
<http://www.reuters.com/article/2015/04/24/gdfsuez-name-idUSL5N0XL1XS20150424>

Dublin, Ireland (4/24/15) Following recent E.U. statements and actions against Russia's Gazprom, the European Commissioner for Energy said that LNG needs to "re-emerge" as a central component of Europe's energy security strategies.
http://www.upi.com/Business_News/Energy-Resources/2015/04/24/EU-sees-need-for-LNG-in-energy-plan/1991429881375/

Doha, Qatar (4/29/15) According to QatarGas, the "Jetty Boil-Off Recovery Project" that went on-line in October 2014, has the potential to recover 29 billion cubic feet of gas per year.
<http://www.bloomberg.com/news/articles/2015-04-28/qatar-expanding-gas-production-with-1-billion-recovery-plant>

ANALYSIS-OPINION-OTHER

Pullman, WA (3/31/15) A team led by Washington State University researchers found that methane emissions from local natural gas distribution systems in the US are between 36-70% lower than EPA estimates.
<http://pubs.acs.org/doi/pdf/10.1021/es505116p>

Washington, D.C. (4/1/15) “Here’s why Obama is approving Arctic drilling again” Opinion by Timothy Gardner at Reuters.

<http://af.reuters.com/article/energyOilNews/idAFL2N0WT2F220150401?sp=true>

New York, N.Y. (4/7/15) “Liquefied natural gas projects nixed amid lower oil prices” **Moody’s**. According to Moody’s petroleum prices, will cause the cancellation of most projects with the exception of those who are already under construction.

https://www.moody’s.com/research/Moodys-Liquefied-natural-gas-projects-nixed-amid-lower-oil-prices-PR_322439?WT.mc_id=AM~RmluYW56ZW4ubmV0X1JTQl9SYXRpbmdzX05ld3NfTm9fVHJhbnNsYXRpb25z~20150407 PR 322439

Edinburgh, U.K. (4/8/15) “Shell secures leading positions in deepwater oil and LNG” Commentary on the Shell-BG proposed merger by WoodMackenzie.

<http://www.woodmac.com/public/media-centre/12527128>

Washington, D.C. (4/16/15) “Carpe Diem: LNG Exports Are America’s Once-in-a-Generation Opportunity” White paper by **ANGA** encouraging policy-makers to help expedite the licensing and approval process of LNG export facilities.

<http://anga.us/media/press/9560DB3C-5056-9F69-D44B532072C51F75/files/ANGA%20-%20Carpe%20Diem%20-%20LNG%20Exports.pdf>

Houston, TX (4/22/15) According to Chenier’s Charif Souki, the LNG export debate should be over as the field is now prime for smaller less expensive projects.

<http://blog.mysanantonio.com/atlarge/2015/04/cera-week-with-ample-u-s-gas-lng-export-debate-is-over-cheniere-ceo-says/#32308101=2>

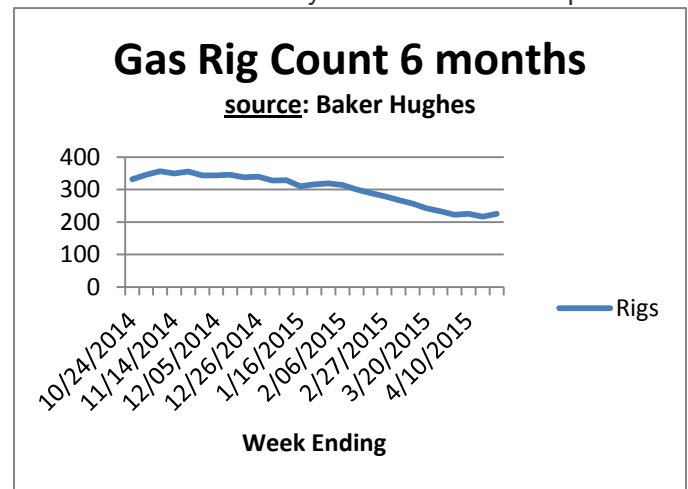
Houston, TX (4/24/15) Freeport CEO skeptical of LNG export projects outside ‘first wave’ Similar to the Moody’s analysis Michael Smith, expressed his skepticism on the viability of LNG projects outside the 5-6 projects from the “first wave.”

<https://www.snl.com/Interactivex/article.aspx?CdId=A-32310812-14387>

Washington, D.C. (4/27/15) An analysis by the U.S. Energy Information Administration discusses the growth in the use of floating regasification terminals to meet demand in smaller markets.

<http://www.eia.gov/todayinenergy/detail.cfm?id=20972>

Houston, TX (4/24/15) According to Baker-Hughes, for the 6-month period 10/24/14-4/24/15, the number of gas rigs decreased by approximately 32%. The combined Gas and Oil rig count has decreased by 51% for the same period.



Links to some companies mentioned in this issue

Tote Inc.	http://toteinc.com/
NASSCO	http://www.nassco.com/
Tokyo Gas	http://www.tokyo-gas.co.jp/index_e.html
ROSNEFT	http://www.rosneft.com/
MOODY’S	https://www.moody’s.com/
BG Group	http://www.bg-group.com/
ANNOVA LNG	http://annovalng.com/