

LNG WRAP-UP

NARUC LNG GROUP

Tuesday, August 04, 2015

The LNG Working Group hosted Mary Usovicz of the TRC Group, on Sunday July 12 during the Staff Subcommittee on Gas' meeting. Ms. Usovicz discussed how small scale LNG facilities can provide relief to capacity constrained regions. Her presentation can be found here:

<http://www.narucmeetings.org/Presentations/?pid=3196>

(7/22/15) The *Energy Policy Modernization Act of 2015*, a bipartisan bill, was formally introduced today. Full Bill: http://www.energy.senate.gov/public/index.cfm/files/serve?File_id=eb454e3b-7f32-479e-b1a6-e84f9019941d

By issue: http://www.energy.senate.gov/public/index.cfm/files/serve?File_id=6642f7d9-5022-4c75-8743-0dd757f05034

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 (2015)

(7/2) FERC grants Plaquemines LNG's request to begin the pre-filing review of the proposed liquefaction facility in Louisiana.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13920131>

(7/16) In response to Floridian Natural Gas Storage Company's request, the FERC issued an order granting a reduction in LNG storage and sendout capacity.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13933321>

(7/17) FERC staff released its Draft EIS for the proposed Magnolia LNG export terminal.

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13934458> (large file)

(7/23) FERC issues notices of its intent to prepare EIS for the following LNG export projects:

Texas LNG project:

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13938625>

Annova LNG Brownsville project:

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13938545>; and

Rio Grande LNG & Rio Bravo pipeline projects:

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13938658>

Calgary, AB (6/30) Canada's National Energy Board approved Quicksilver resources Canada Inc.'s application for a 25 year 960bcf/annum LNG export license. https://docs.neb-one.gc.ca/ll-eng/llisapi.dll/fetch/2000/90466/94153/552726/2491310/2491202/2791657/Letter_Decision_-_Quicksilver_Resources_Canada_Inc._-_A4R1C0.pdf?nodeid=2791658&vernum=1

Victoria, B.C. (7/6) The Government of British Columbia releases details of the Pacific NorthWest tax agreement.

<http://www.cbc.ca/news/canada/british-columbia/lng-protected-from-tax-hikes-for-25-year-in-deal-with-b-c-government-1.3140704>

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

Montreal, QC (7/6) GE Capital, Canada and Gaz Métro Transport Solutions, signed a strategic agreement to facilitate the trucking industry's adoption of natural gas as a fuel in Eastern Canada. <http://www.genewsroom.com/press-releases/ge-capital-canada-and-gaz-metro-join-forces-accelerate-trucking-industrys-move>

New York, N.Y. (7/7) According to an informal study conducted by the United Nations' Office on Drugs and Crime (UNODC) and Oceans Beyond Piracy (OBP) the international naval presence is the primary deterrent to pirates. <http://oceansbeyondpiracy.com/sites/default/files/Prisoner%20Survey%20Press%20Release%207-7.pdf>

Washington, D.C. (7/10) The US DOE issued an order granting rehearing for further consideration of Sierra Club's request for rehearing on the Cheniere Marketing LLC and Corpus Christi Liquefaction LLC in Order 3638. http://energy.gov/sites/prod/files/2015/07/f24/Tolling%20Order%2012-97-LNG_7-10-15.pdf

Washington, D.C. (7/10) The US DOE authorizes additional LNG exports to FTA nations from the Cameron LNG project. <http://energy.gov/sites/prod/files/2015/07/f24/ord3680.pdf> .

Houston, TX (7/15) Kinder Morgan reached an agreement with Shell to purchase Shell's equity interest in the Elba Island LNG export project. <http://ir.kindermorgan.com/press-release/all/kinder-morgan-purchase-100-shells-equity-interest-elba-lng-liquefaction-joint-vent>

Washington, D.C. (7/16) The U.S. Maritime Administration and the U.S.C.G. note that they have received an application for the licensing of Delfin LNG's deepwater port and that the application contains all required information. <https://www.federalregister.gov/articles/2015/07/16/2015-17465/deepwater-port-license-application-delfin-lng-llc-delfin-lng-deepwater-port>

Washington, D.C. (7/17) G2 LNG LLC receives US DOE authorization to export LNG to FTA nations. <http://energy.gov/sites/prod/files/2015/07/f24/ord3682.pdf>

Jacksonville, FL (7/20) Crowley Maritime Corporation announced that, in response to high customer demand, it has acquired 16 additional ISO tanks for its affiliate Carib Energy to supply LNG sourced from the United States to customers in Puerto Rico, the Caribbean and Central America. <http://www.crowley.com/News-and-Media/Press-Releases/Crowley-Adds-16-ISO-Tanks-to-LNG-Equipment-Fleet>

Victoria, B.C. (7/21) The B.C. Legislature passed the Liquefied Natural Gas Project Agreements Act, which received Royal Assent. The law grants the B.C. authority to enter into LNG project agreements. <https://news.gov.bc.ca/stories/bc-passes-liquefied-natural-gas-project-agreements-act>

Washington, D.C. (7/22) Section 2201 of *The Energy Policy Modernization Act of 2015* includes a provision to expedite review of LNG Export applications to non-FTA nations. http://www.energy.senate.gov/public/index.cfm/files/serve?File_id=6642f7d9-5022-4c75-8743-0dd757f05034

Houston, TX (7/23) LNG Limited, the parent company of Magnolia LNG (with annual capacity of up to 8 mt) signed a binding up to 2 million ton per year agreement with Meridian LNG.

<http://www.lnglimited.com.au/IRM/Company/ShowPage.aspx/PDFs/2365-1000000/MagnoliaLNGSignsBindingAgreementwithMeridianLNG>

Calgary, AB (7/27) The Canadian NEB has granted Orca LNG Ltd a 25 year license to export LNG. [https://docs.neb-one.gc.ca/ll-eng/llisapi.dll/fetch/2000/90466/94153/552726/2504324/2504625/2809997/Letter Decision Orca LNG Ltd. - A4R7T8.pdf?nodeid=2809901&vernum=-2](https://docs.neb-one.gc.ca/ll-eng/llisapi.dll/fetch/2000/90466/94153/552726/2504324/2504625/2809997/Letter%20Decision%20Orca%20LNG%20Ltd.%20-%20A4R7T8.pdf?nodeid=2809901&vernum=-2)

The Woodlands, TX (7/27) Excelerate Energy received FERC approval to site, construct and operate the proposed Aguirre Offshore facility in Puerto Rico. <http://excelerateenergy.com/ferc-issues-order-authorizing-excelerates-aguirre-offshore-gasport-project/>

Washington, D.C. (7/27) CE FLNG Requests Continuation of FERC Pre-Filing Review Status in FERC docket PF13-11. <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13941851>

Jacksonville, FL (7/27) Jacksonville, FL – based Jensen Maritime, a Crowley Maritime subsidiary, has received approval of a 4,000 m3 bunkering tug-barge. <http://www.jensenmaritime.com/News-and-Media/Press-Releases/Jensen-Designed-LNG-ATB-Receives-Approval-in-Principle-by-ABS>



(photo courtesy: Jensen Maritime)

Anchorage, AK (7/28) In an effort to focus on North Slope operations, including the Alaska LNG project, ConocoPhillips has put its Cook Inlet assets for sale.

<http://www.alaskajournal.com/Alaska-Journal-of-Commerce/Breaking-News-2015/ConocoPhillips-puts-Inlet-gas-fields-up-for-sale/>



Kenai LNG Plant (photo courtesy: ConocoPhillips)

Washington, D.C. (7/29) The U.S. Maritime Administration (MARAD) issued a notice of intent to prepare an EIS of Cameron Parish, LA Delfin LNG deepwater project.

<http://www.gpo.gov/fdsys/pkg/FR-2015-07-29/pdf/2015-18594.pdf>

Houston, TX (7/30) Cheniere Marketing International, Cheniere Energy's subsidiary, has entered into a 20 year, 0.6 mtpa LNG Sale & Purchase Agreement with Chile's Central El Campesino S.A. <http://phx.corporate-ir.net/phoenix.zhtml?c=101667&p=irol-newsArticle&ID=2073320>

Washington, D.C. (7/31) A tax provision that would allow for LNG and propane to be taxed on "energy equivalency" was passed by the U.S. Senate.

<http://www.truckinginfo.com/news/story/2015/07/lng-excise-tax-now-based-one-energy-equivalent.aspx>

INTERNATIONAL NEWS

The E.U. is seeking consultations on LNG and how gas storage can be improved to boost security of supply. Deadline 30-Sep-2015.

<https://ec.europa.eu/energy/en/news/lng-and-gas-storage-eu-share-your-views>

Tortola, BVI (7/1) Antwerp-based Flex LNG Ltd. has been created by merging the assets of EXMAR NV and Gevevan Trading Co. Ltd (controlled by John Fredricksen). The, estimated, \$2.3 billion enterprise will own and operate 13 vessels. http://www.flexlng.com/publish_files/FLEX_LNG_to_acquire_LNG_assets_from_EXMAR_and_GEVERAN.pdf

Vilnius, Lithuania (7/2) LITGAS and Statoil have signed an MOU to establish a joint venture company in Lithuania to develop small scale LNG bunkering services. <http://www.litgas.lt/en/litgas-and-statoil-prepare-joint-venture-to-enter-the-baltic-sea-small-scale-lng-market/>

Gothenburg, Sweden (7/2) Expecting a large number of LNG powered vessels, the Port of Gothenburg now offers LNG bunkering services. <http://www.portofgothenburg.com/News-desk/Press-releases/fdff/>

Moscow, Russia (7/2) Gazprom and Dutch, gas grid operator, Gasunie have signed an agreement to cooperate on the small-scale LNG market in Europe. <http://www.gasunie.nl/en/news/gasunie-en-gazprom-willen-samen-inzet-van-lng-als-schoner-brandst>

Tokyo, Japan (7/9) Japan's Ministry of Economy, Trade & Industry posted the average LNG price for June 2015 – at \$7.60/MMBtu (METI did not post a May price due to low activity). <http://www.meti.go.jp/english/statistics/sho/slng/result/pdf/201506-e.pdf>

Tokyo, Japan(7/9) According to Japan's METI the average price of spot LNG was \$7.6 per MMBtu. <http://www.meti.go.jp/english/statistics/sho/slng/result/pdf/201506-e.pdf>

Brussels, Belgium (7/10) Central Eastern and Southeastern European countries join forces to create an integrated gas market and address infrastructure issues including LNG projects. <https://ec.europa.eu/energy/en/news/central-eastern-and-south-eastern-european-countries-join-forces-create-integrated-gas-market>

Vilnius, Lithuania (7/113), Lithuania's Klaipėdos Nafta will receive 10.2 million € from the EU to develop LNG facilities in the Baltic Sea region. http://www.baltic-course.com/eng/good_for_business/?doc=108174

Seoul, S. Korea (7/15) In an effort to dominate the dual-fuel ship market, S. Korea's Energy Ministry, announced its plans to construct LNG bunkering facilities in some ports. <http://www.reuters.com/article/2015/07/15/shipping-southkorea-lng-idUSL4N0ZV1LV20150715>

Zagreb, Croatia (7/16) The government of Croatia declares the LNG project in the island of Krk to be of strategic importance assigning the project the highest priority which will allow the permitting process to proceed faster. <http://dalje.com/en-croatia/govt-declares-lng-terminal-strategic-project/550333>

Antwerp, Belgium (7/15) The port of Antwerp, which already provides for truck-to-ship LNG bunkering has issued an RFP for proposals to build and operate a permanent facility. <http://www.portofantwerp.com/en/news/port-authority-issues-request-proposals-build-and-operate-lng-bunkering-filling-facility>

Beijing, China (7/15) Honeywell Process Solutions will use its technology to help improve operations for a pipeline network more than 6,000 miles in length that will transport LNG and gasified natural gas. <https://www.honeywellprocess.com/en-US/news-and-events/Pages/PR07152015-honeywell-to-improve-operations-for-liquefied-natural-gas-pipeline-in-china.aspx>

Jakarta, Indonesia (7/16) With significant volumes of gas within Indonesia's territory, state-owned Pertamina is pursuing conversion from oil to LNG for the mining sector.

<http://www.thejakartapost.com/news/2015/07/16/pertamina-pushes-switch-gasoline-lng.html>

Moscow, Russia (7/17) France's Total, is looking to resume LNG-related projects in Iran.

<http://economictimes.indiatimes.com/news/international/business/frances-total-eyes-lng-oil-projects-in-iran-reports/articleshow/48111244.cms>

Oslo, Norway (7/20) In their efforts to improve efficiency and increase capacity, DNV GL in collaboration with GTT, Hyundai, and GasLog have completed a "next generation" design concept for LNG carriers with a 5% increase in capacity and 8% increase in efficiency.

<https://www.dnvgl.com/news/lngreen-next-generation-lng-carrier-concept-by-dnv-gl-hhi-gtt-and-gaslog-30420>

Budapest, Hungary (7/28) As Cheniere Energy plans to establish its presence in Europe, it is possible that the company will dent Russia's gas dominance in S.E. Europe.

<http://uk.reuters.com/article/2015/07/28/europe-lng-usa-russia-idUKL5N1082YU20150728>

Islamabad, Pakistan (7/29) Facing a gas shortage of 2,000 mcf per day, Pakistan is expected to sign a 15-year LNG agreement with Qatar.

<http://af.reuters.com/article/commoditiesNews/idAF L3N1094MA20150729>

Moscow, Russia (7/30) RN Exploration (a fully owned Rosneft subsidiary) and ExxonMobil (the companies cooperate in the Sakhalin project) have filed joint bids to participate in Mozambique's 5th license round.

<http://www.rosneft.com/news/pressrelease/30072015.html>

Milano, Italy (7/30) According to Eni officials the company is in talks with an unnamed buyer for Mozambique LNG volumes.

<http://af.reuters.com/article/energyOilNews/idAFL5 N10A3CI20150730>

Moscow, Russia (7/30) According to Sakhalin Energy a 3rd train could be launched in 2021 in Russia's sole LNG plant.

<http://af.reuters.com/article/commoditiesNews/idAF R4N0ZI01W20150730>

Tokyo, Japan (7/31) Japan's OTC Exchange which was established to address transparency concerns almost a year ago, announced the first LNG forward trade.

<http://uk.reuters.com/article/2015/07/31/japan-lng-trade-idUKL3N10B30820150731>

Bonny Island, Nigeria (7/31) In an effort to expand its LNG market share, the Nigeria Liquefied Natural Gas Company has entered into agreements to receive 6 LNG cargo ships to increase the size of its fleet to 29.

<http://businessnews.com.ng/2015/07/31/nigeria-lng-to-take-delivery-of-four-carrier-ships-this-year/>

ANALYSIS-OPINION-OTHER

Madrid, Spain (7/1) "How the Newest U.S. Export May Leave Russia With Excess Gas" opinion by Andrés Cala. <http://news.yahoo.com/newest-u-export-may-leave-080000933.html>

LONDON, U.K. (7/7) According to London-based Carbon Tracker's low demand scenario \$283 billion of possible LNG projects would remain uneconomic until 2025. <http://www.carbontracker.org/in-the-media/283-bln-of-liquefied-natural-gas-uneconomic-to-2025/>

Calgary, AB (7/15) "Global LNG market vital to grow Canada's natural gas production" based on a report by the Canadian Association of Petroleum Producers. <http://www.capp.ca/media/news-releases/global-lng-market-vital-to-grow-natural-gas-production>

Brussels, Belgium (7/21) “*The coming Russia-Iran energy axis*” A discussion of how Russian energy firms can position themselves in Iranian energy production once the western sanctions are lifted. <http://www.politico.eu/article/iran-russia-gas-lng-gazprom-energy/>

Ankara, Turkey (7/23) “*LNG exports, a dream for Iran: expert*” A discussion by Murat Temizer of Turkish Weekly on the potential impact on the LNG market of lifting the sanctions on Iran. <http://www.turkishweekly.net/2015/07/23/news/lng-exports-a-dream-for-iran-expert/>

Sydney, Australia (7/23) “*Rocketing gas prices to hit industry users [in Australia]*” A discussion on natural gas prices in Australia, based on ANZ Bank’s forecast of natural gas demand. <http://www.watoday.com.au/business/rocketing-gas-prices-to-hit-industry-users-20150723-gihx4m?>

Washington, D.C. (7/28) “*Vladimir Putin’s most effective weapon is gas – but not the poison kind*” Analysis by Josh Cohen at Reuters. <http://blogs.reuters.com/great-debate/2015/07/28/why-vladimir-putins-gas-weapon-may-be-his-most-powerful-foreign-policy-tool/>

Denver, CO (7/30) “*Pushing for more LNG exports*” Editorial by the Denver Post’s editorial board on the benefits of LNG exports. http://www.denverpost.com/editorials/ci_28562586/pushing-more-lng-exports

Houston, TX (7/31) According to Baker Hughes Inc., the number of gas rigs decreased to 209 in the last week of July. Down from 313 a year ago.

Location	7/31/15	7/24/15	Year Ago
Land	835	841	1814
Inland Waters	5	4	17
Offshore	34	31	58
US Total	874	876	1889
By Fuel			
Oil	664	659	1573
Gas	209	216	313
Misc.	1	1	3
By Method			
Directional	84	83	218
Horizontal	664	662	1298
Vertical	126	131	373

Links to some companies mentioned in this issue

Gasunie	http://www.gasunie.nl/en
Canadian Association of Petroleum Producers	http://www.capp.ca/
Ministry of Economy, Trade & Industry, Japan	http://www.meti.go.jp/english/index.html
Jensen Maritime	http://www.jensenmaritime.com/
Port of Antwerp	http://www.portofantwerp.com/en