LNG WRAP-UP

Dear Friends of NARUC’s LNG Working Group

One of the goals of the NARUC LNG Working Group is to keep State Commissioners informed regarding LNG matters. To that end, the LNG Working Group has arranged for Patricia Outtrim, V.P. of Governmental and Regulatory Affairs, Cheniere Energy, to make a presentation at NARUC’s 127th Annual meeting in Austin, Texas. Ms. Outtrim will discuss the ongoing activities at Cheniere and give her perspective on the international LNG market. Her presentation is on the agenda of the Gas Staff Subcommittee and will take place on Sunday, November 8, 2015 at 3:00 p.m. in Salon 5 at the JW Marriott Hotel, Austin, Texas.
We hope to see as many of you there for this undoubtedly informative session.

Thank you
Jolette Westbrook
Chair, NARUC LNG Working Group

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)
(10/5) FERC issued a notice of its intent to prepare an EIS for Venture Global LNG, LLC’s proposed project in Plaquemines Parish, LA. http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14004145
(10/21) Texas LNG Brownsville LLC submitted its Draft Resource Report 1 (General Project Description) as part of its environmental review of the proposed 2 million tonnes per annum LNG facility. http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14020339

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(10/23) In response to Port Dolphin Energy LLC’s motion to vacate the FERC certificates issued in 2009 (see October 2015 issue), FERC issued an order granting the applicant’s request.  http://www.ferc.gov/CalendarFiles/20151023150243-CP07-191-000.pdf

(10/21) The FERC issued a certificate approving Transcontinental’s application to construct and operate the Gulf Trace Expansion Project to provide Sabine Pass 1,200,00 Dth/d of incremental firm transportation capacity to Cheniere’s Sabine Pass LNG terminal in Cameron Parish, LA.  http://elibrary-backup.ferc.gov/idmws/common/opennat.asp?fileID=14020654

(10/26) The Tennessee Gas Pipeline Company filed an application to build a pipeline to supply the Cameron LNG export terminal. (Cameron LNG is a joint effort by Sempra, Mitsui, Mitsubishi, Engie and NYK Line)  http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14025023

(10/27) FERC issued an order approving Dominion Cove Point’s request to proceed with the construction of the heavy hydrocarbons removal unit structural steel. http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14025694


Anchorage, AK (9/30) According to Black and Veatch Alaska’s buyout of TransCanada’s share in the LNG project will lead to an increase of state revenue of app. $7 billion over a 20 year period.  http://dnr.alaska.gov/comms/Presentations/TC_Participation_Report.pdf

Vancouver, B.C. (10/2) According to Steelhead LNG Canada’s NEB has approved its five applications for licenses to export up to a total of 30 million tonnes of LNG per year, for 25 years, from the proposed facilities on Vancouver Island.  http://www.steelheading.com/steelhead-lng-export-licences-for-malahat-lng-and-proposed-project-at-sarita-bay-approved-by-national-energy-board/#more-1245


Fairbanks, AK (10/13) According to the website newsminer.com, the Alaska Railroad has become the first railroad in the nation to receive permission to transport LNG.  

Washington, D.C. (10/13) The US DOE issued an order vacating Excelerate’s authorization to export LNG (FE 12-61-LNG) and granting the withdrawal of Excelerate’s application to export LNG to non-FTA nations.  

Englewood, CO (10/14) According to HIS Maritime, the slow demand for LNG and project delays cause as many as 40 LNG carriers to remain idle in Malaysia and South Africa.  
http://www.ihsmaritime360.com/article/19550/idle-lng-carrier-fleet-growing

Vancouver, B.C. (10/15) Michael Culbert, Pacific NorthWest LNG’s president, claims that the project is “shovel ready” once it receives the final approvals and permits.  

Washington, D.C. (10/16) The U.S. Coast Guard released its final EIS for the proposed Liberty Natural Gas’ Port Ambrose Deepwater LNG import terminal offshore New York and New Jersey.  
http://www.regulations.gov/contentStreamer?docId=USCG-2013-0363-2154&disposition=attachment&contentType=pdf

San Diego, CA (10/16) General Dynamic’s NASSCO delivered the Isla Bella, claimed to be the world’s first LNG powered container ship to TOTE Maritime, on October 16.  

Source: General Dynamics NASSCO (click on image for larger view)

Washington, D.C. (10/19) U.S. Representative Frank Pallone, Jr. (D-NJ) sent a letter to N.J. Governor Chris Christie urging him to use his executive powers to veto the proposed Port Ambrose deepwater LNG terminal offshore New Jersey and New York.  

Source: Portambrose.com (Click on image for larger view)
**LNG WRAP-UP**

**Washington, D.C.** (10/22) According the U.S. DOE, increasing U.S. natural gas pipeline exports to Mexico begin to gradually displace LNG. (Click on chart for larger view)

**Mexico natural gas pipeline and LNG imports**

| Source: U.S. Energy Information Administration, Mexico Secretaría de Economía export-import trade statistics |


**Houston, TX** (10/26) According to Cheniere CEO Charif Souki, Cheniere’s entry into the LNG market will not make the company Europe’s leading gas supplier. [http://www.cnbc.com/2015/10/26/cheniere-wont-compete-with-russia.html](http://www.cnbc.com/2015/10/26/cheniere-wont-compete-with-russia.html)


**Vancouver, B.C.** (10/27) The proposed Douglas Channel LNG facility in Kitimat, B.C. is facing a major hurdle and is delaying a final investment decision. According to media reports, the FLNG is being assessed and taxed as a ship with the potential to increase projected final costs by 15%. [https://www.biv.com/article/2015/10/offshore-lng-infrastructure-facing-heavy-duty-fees/](https://www.biv.com/article/2015/10/offshore-lng-infrastructure-facing-heavy-duty-fees/)

**Houston, TX** (10/27) Bechtel and Chart Industries have entered into a long-term agreement to design and build floating LNG process facilities. [http://www.bechtel.com/newsroom/releases/2015/10/bechtel-chart-partner-floating-lng/](http://www.bechtel.com/newsroom/releases/2015/10/bechtel-chart-partner-floating-lng/)


**Houston, TX** (10/30) With exports about to begin within the next few months, Cheniere reported a loss in the third quarter ending September 30, 2015. [http://phx.corporate-ir.net/frame.zhtml?c=101667&p=irol-newsArticle&ID=2104665](http://phx.corporate-ir.net/frame.zhtml?c=101667&p=irol-newsArticle&ID=2104665)

**INTERNATIONAL NEWS**


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Singapore (10/6) A combination of factors, including a cooler than normal summer, contributed to a slight decline in Asian LNG imports for September. 

Zeebrugge, Belgium (10/6) In testimony of the safety of LNG carriers, cargo ship sinks off the coast of Belgium after it collided with Q-Flex LNG tanker Al Oraiq. 

Sarajevo, Croatia (10/6) Croatia’s LNG Hrvatska has extended a deadline for investors to express interest in building a terminal on the island of Krk. 
http://af.reuters.com/article/commoditiesNews/idAFL8N12629L20151006

Milano, Italy (10/6) According to JP Morgan analysts the LNG market is already experiencing significant changes that may lead to spot prices below $6/MMBtu during 2016. 

Tokyo, Japan (10/9) Preliminary pricing figures for LNG imported into Japan, show that the prices remain steady for the 4th month in a row. 

Warsaw, Poland (10/12) After an almost two-year delay, Poland’s first LNG import terminal was opened, with the goal of ending the country’s dependence on Russian natural gas. 

Moscow, Russia (10/13) Responding to pressure from the European Union and its European partners, Gazprom is preparing to sell gas via the Nord Stream II project at spot prices. 
http://af.reuters.com/article/commoditiesNews/idAFL8N12C28X20151013?sp=true

Vilnius, Lithuania (10/14) Lithuania’s energy minister indicated that the Baltic nation is in talks with Cheniere regarding LNG imports. Lithuania’s contract with Gazprom ends at the end of 2015. 
http://uk.reuters.com/article/2015/10/14/lithuania-lng-interview-idUKL8N12E43820151014

Vancouver, (10/15) According to Santosh Yadav, Indian Oil Corporation’s (IOC) Deputy General Manager, the IOC will pursue flexibility on various terms in its long-term LNG contracts. https://www.platts.com/latest-news/natural-gas/vancouver/indias-ioc-will-look-at-flexibility-for-27883046

The Hague, Netherlands (10/15) Shell opens it fourth LNG truck fueling station in the Dutch town of Pinjacker in collaboration with Albert Heijn – one of the largest supermarket chains in the country. 

Kyoto, Japan (10/16) Kyoto’s provincial government in cooperation with Kansai Electric and Osaka Gas are studying the possibility of adding an LNG import facility at the port of Maizuru in the Sea of Japan. 
http://www.ihsmaritime360.com/article/19588/kyoto-looks-to-build-lng-import-terminal

http://af.reuters.com/article/energyOilNews/idAFL8N12G31420151016?sp=true

Adelaide Australia (10/16) Santos GLNG announced that the first LNG cargo shipped from the Curtis Island facility for South Korea. 

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Moscow, Russia (10/19) High-cost Chinese financing and Western European sanctions, are proving to be significant obstacles in Novatek’s efforts to secure financing for Russia’s Yamal LNG plant. [http://www.cnbc.com/2015/10/19/reuters-finance-china-invests-billions-russia-yamal-lng-plant.html](http://www.cnbc.com/2015/10/19/reuters-finance-china-invests-billions-russia-yamal-lng-plant.html)


Adelaide, Australia (10/22) Within two days of receipt, Australian oil and gas explorer Santos rejected a takeover bid by Scepter Partners. Santos’ first LNG cargo shipped from the Curtis Island GLNG facility for South Korea [https://www.santos.com/media-centre/announcements/santos-rejects-indicative-acquisition-proposal/](https://www.santos.com/media-centre/announcements/santos-rejects-indicative-acquisition-proposal/)

Port Moresby, Papua New Guinea (10/20) Oil Search which has a 29% interest in PNG LNG says that the project has exported 77 cargoes in the first 9 months of the year (the project exported 100 cargoes in its first 12 months of production) . PNG LNG is on track to deliver up to 27-29 million barrels of oil equivalent. [http://www.lngworldnews.com/oil-search-77-cargoes-loaded-at-png-lng-in-first-nine-months/](http://www.lngworldnews.com/oil-search-77-cargoes-loaded-at-png-lng-in-first-nine-months/)

Hong-Kong, China (10/20) Hong-Kong-based Noble Group Ltd., has been awarded new slots for LNG deliveries to Egypt. According to the Company, it will shortly reach the 1 million tonnes of LNG deliveries in one year. [http://www.thisisnoble.com/noble-news/2639-noble-group-awarded-new-slots-for-lng-delivery-to-egypt.html](http://www.thisisnoble.com/noble-news/2639-noble-group-awarded-new-slots-for-lng-delivery-to-egypt.html)


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**Singapore** (10/26) Fatih Birol, the IEA’s Executive Director, told the audience at the Singapore International Energy Week that LNG will continue to face competition from coal in the Asian markets. [http://www.platts.com/latest-news/natural-gas/singapore/iea-warns-lng-continues-to-face-strong-headwinds-27909636?hootpostid=c9633534ae6aa60bd62f44cc1f58323](http://www.platts.com/latest-news/natural-gas/singapore/iea-warns-lng-continues-to-face-strong-headwinds-27909636?hootpostid=c9633534ae6aa60bd62f44cc1f58323)

**Moscow, Russia** (10/27) Gazprom Marketing & Trading Singapore, a unit of Russia’s Gazprom has entered into a 10-year agreement with Singapore-based Pavilion Gas. Details of the agreement have not been disclosed. [http://www.gazprom.com/press/news/2015/october/article250038/](http://www.gazprom.com/press/news/2015/october/article250038/)


**Moscow, Russia** (10/29) The Chairman of Russia’s Gazprombank said that financing for the Novatek Yamal LNG project is almost complete. [http://www.reuters.com/article/2015/10/29/us-russia-yamal-gazprombank-idUSKCN0SN29B20151029](http://www.reuters.com/article/2015/10/29/us-russia-yamal-gazprombank-idUSKCN0SN29B20151029)

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**Analysis-Opinion-OTHER**

**Toronto, ON** (9/11) “Commercial Shipping Looks to LNG to Curb Emissions” A discussion on how shippers use LNG to address the International Maritime Organization’s rules to reduce emissions. [https://gereports.ca/commercial-shipping-looks-lng-curb-emissions/](https://gereports.ca/commercial-shipping-looks-lng-curb-emissions/)


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Adelaide, Australia (10/21) Click on the infographic, below, for a step-by-step description of the LNG production process

(Infographic courtesy: Santos Ltd., Australia -- Click on image for larger view)

Anchorage, AK (10/22) Alaska Public Media developed a two part primer on the Alaska LNG Project.

Mumbai, India (10/28) The website Marine Insight compiled a list of the “10 Noteworthy LNG-Powered Vessels” (note 1: some are in service, while others are being built; note 2: RoRo: Roll on/Roll Off; ConRo: combination container and Roll-on/Roll-off)
http://www.marineinsight.com/tech/10-noteworthy-lng-fueled-vessels/

Links to some entities mentioned in this issue

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