

LNG WRAP-UP

NARUC LNG GROUP

Tuesday, December 01, 2015

The LNG Working Group hosted Cheniere's Pat Outtrim in Austin on Sunday November 8. Ms. Outtrim provided us with an update on Cheniere's status. Her presentation can be found here: <http://naruc.org/meetingpresentations.cfm?360>

The board of directors of America's Natural Gas Alliance and the American Petroleum Institute approved the merger of the two associations effective January 1, 2016. <http://www.americanpetroleuminstitute.com/News-and-Media/News/NewsItems/2015/November-2015/API-and-ANGA-Two-energy-trades-to-combine-forces>

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)

(10/30) Downeast LNG filed a request with the FERC to pause the review of the proposed project in Robbinston, ME until February 29, 2016.

<http://elibrary-backup.ferc.gov/idmws/common/opennat.asp?fileID=14034000>

(11/13) FERC issues the Final EIS for the proposed Magnolia LNG export terminal in Lake Charles, LA.
Notice:

<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14044297>

EIS:
<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14044052> (**Caution:** very large 619-page file).

(11/13) Cheniere's Corpus Christi files monthly construction status report for October 2015.

<http://elibrary-backup.ferc.gov/idmws/common/opennat.asp?fileID=14045483>

(11/18) Cheniere's Sabine Pass files an application to construct LNG truck and ISO-container loading facilities.
<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14049060>

(11/19) High Island Offshore System, LLC files application for approval to abandon underutilized facilities so that they can be used to service the Delfin Deepwater Port LNG export facility in offshore LA.
<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14049716>

(11/20) Dominion Cove Point LNG, LP files monthly status and progress report: <http://elibrary-backup.ferc.gov/idmws/common/opennat.asp?fileID=14051050>

(11/23) Cheniere's Sabine Pass files monthly construction status report for October 2015.
<http://elibrary-backup.ferc.gov/idmws/common/opennat.asp?fileID=14053021>

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

Honolulu, HI (11/2) Hawaii Gas has selected the final round bidders for its bulk LNG import plan and plans to select the winning bid by the end of 2015.
<http://www.bizjournals.com/pacific/news/2015/11/02/hawaii-gas-to-select-developer-for-its-bulk-lng.html>

Panama City, Panama (11/3) TOTE Maritime's Isla Bella, the first LNG-powered containership transited the Panama Canal on its way to Jacksonville, FL. The Isla Bella will provide freight service between Jacksonville, FL and San Juan, PR. <http://www.ajot.com/news/first-lng-powered-container-vessel-transits-the-panama-canal>

Juneau, AK (11/4) The Alaska Senate voted by a wide margin to buyout TransCanada's interest in the Alaska LNG Project. <http://www.alaskastar.com/2015-11-04/senate-approves-transcanada-buyout-advances-ak-lng-project#.VknzknaRaQ>

Long Beach, CA (11/4) The city of Long Beach, CA is converting landfill methane to LNG to fuel its heavy fleet.
<http://www.greenfleetmagazine.com/news/story/2015/11/long-beach-switching-heavy-fleet-to-rng-from-lng.aspx#.VjujX-505sE.twitter>

Wichita, KS (11/4) Wichita, KS-based Flint Hills Resources, LP, filed an application with the DOE for authorization to export up to 3.62 Bcf/year for 20 years with both FTA and non-FTA nations.
http://energy.gov/sites/prod/files/2015/11/f27/15_168_lng%20fta_nfta.pdf

St. John, N.B. (11/5) Canaport LNG pleads guilty and is fined \$750,000 for the death of 7,500 song birds.
<http://www.cbc.ca/news/canada/new-brunswick/irving-canaport-bird-kill-plea-1.3305351>

The Woodlands, TX (11/5) NextDecade LLC announced that it signed a Heads of Agreements totaling 14 mtpa for the sale and purchase of LNG with customers in Europe and Asia. <http://nextdecade.com/2015/11/nextdecade-signs-hoas-for-14-mtpa-of-lng-for-rio-grande-lng-facility/>

Houston, TX (11/9) The Energy Atlantic LNG tanker is heading to Cheniere's Sabine Pass terminal for inaugural loading. (As of 11/27, the tanker was 53 nm 103° of Port Elizabeth S. Africa)
<http://www.reuters.com/article/2015/11/09/us-energy-lng-sabine-idUSKCN0SY2LO20151109#WPjdCepGrIOTgIIIR.97>

Montréal, QB (11/10) Gaz Métro and National Grid's New England gas distribution companies have entered into a 3-year agreement for the sale and purchase of LNG to supply Grid's New England subsidiaries.
http://www.corporatif.gazmetro.com/corporatif/communique/en/html/4764174_en.aspx?culture=en-ca

Kingston, Jamaica (11/11) The Jamaica Public Service Company has received authorization to negotiate an LNG supply agreement with New York-based New Fortress Energy for the planned facility in Rocky Point, Clarendon. <http://jamaica-gleaner.com/article/news/20151111/electricity-sector-enterprise-team-writes-jps-authorising-gas-supply-agreement>

Albany, N.Y. (11/12) New York Governor Cuomo vetoes Port Ambrose LNG project.
<https://www.governor.ny.gov/sites/governor.ny.gov/files/atoms/files/PortAmbroseLetter.pdf>

Honolulu, HI (11/16) Hawaiian electric's parent company has indicated that it plans to finalize the contract to import LNG to HI, by early 2016.
<http://www.bizjournals.com/pacific/news/2015/11/16/hawaiian-electric-to-finalize-lng-contract-by.html>

Houston, TX (11/16) Magnolia LNG, LLC executes a \$4.354 billion EPC contract with KBR-SKE&C for the construction of the facilities in the Lake Charles project.
<http://www.magnoliang.com/IRM/showcontentpopUp.aspx?CPID=2136&EID=16358433&PageName=Magnolia%20executes%20EPC%20Contract&ReturnTo=showcategory.aspx?CategoryID=311>

Anchorage, AK (11/21) The Alaska Gasline Development Corporation approves the acquisition of TransCanada's interest in the Alaska LNG Project's 800-mile pipeline and gas treatment plant.

https://agdc.us/pdfs/press_releases/2015/11-21-2015/2015%2011%2021%20AGDC%20Press%20Release%20-%20TC%20Transfer%20Fauske%20Resignation.pdf

Toronto, ON (11/24) According to Tarek Souki, the son of Cheniere CEO Charif Souki, Cheniere will begin producing LNG in January with first exports expected in February. <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/first-us-lng-export-planned-for-early-2016-cheniere-energy-says/article27466225/>

Washington, D.C. (11/25) The U.S. Department of Energy grants the Floridian Natural Gas Storage Company authorization to export LNG in ISO containers to non-FTA nations. <http://energy.gov/sites/prod/files/2015/11/f27/ord3744.pdf>

Victoria, B.C. (11/26) BC Ferries named the first of three LNG dual-fuel ferries being constructed in Gdansk, Poland. By running on LNG, these ferries can reduce CO₂ emissions by approximately 9,000 tons per year. <https://www.bcferries.com/bcferries/faces/attachments?id=932149>

Kingston, Jamaica (11/26) The Jamaica Public Service Company (JPS) has expressed confidence that the timeline for construction of its 190 megawatt LNG-fueled plant will be met even though Abengoa, the preferred bidder, is facing financial challenges <http://www.myjpsco.com/news/jps-stands-prepared-with-alternative-to-abengoa-190-mw-plant-remains-on-track/>

Fairbanks, AK (11/26) A new, five-axle LNG trailer is expected to deliver LNG from Point McKenzie to Fairbanks in December. The new trailer is capable of holding up to 13,000 gallons of LNG compared to the current trailers that can hold up to 11,000 gallons – at best. <http://www.adn.com/article/20151126/new-lng-semi-trailer-could-get-cheaper-energy-interior>

INTERNATIONAL NEWS

Sydney, Australia (10/30) Australia's Origin Energy has confirmed that November is the expected start-up date for the Australia Pacific LNG project.

<http://www.smh.com.au/business/energy/origin-energy-expects-aplng-startup-within-a-month-20151029-gkmim8.html>

Singapore (11/2) With an understanding that it is a long-term commitment, Singapore's Maritime Port Authority envisions a self-regulated LNG bunkering industry.

<http://shipandbunker.com/news/apac/298175-singapores-mpa-sees-self-regulated-lng-bunkering-industry>

Brussels, Belgium (11/3) The European Union through the Commission is scrutinizing the recent Nord Stream II agreement between Gazprom and several European firms which will create a pipeline bypassing Ukraine.

<http://www.reuters.com/article/2015/11/03/us-eu-energyunion-idUSKCN0SS29N20151103#kCOwDlso1sqL1D8Q.97>

London, U.K. (11/3) In an effort to reassure investors, Royal Dutch Shell said that its proposed merger with BG will allow it to divest uncompetitive assets and focus on LNG.

http://www.nytimes.com/2015/11/04/business/energy-environment/shell-bg-group-lng.html?_r=0

Paris, France (11/4) France's Engie sees 2015 profits lower than previously as a result of a decrease in prices of oil and LNG.

<http://www.engie.com/en/journalists/press-releases/q3-2015-results/>

Tokyo, Japan (11/6) As Asian demand slows, Toshiba is one of many Asian buyers looking to trim their LNG commitments, by trying to sell down a \$7.4 billion U.S. gas commitment.

<http://ca.reuters.com/article/businessNews/idCAKCN0S VOPW20151106?sp=true>

Tokyo, Japan (11/6) According to data, Japan's electric utilities' spot LNG purchases have seen significant decreases compared to last year.

<http://www.platts.com/latest-news/natural-gas/asia/japan-tepcos-lng-spot-procurement-falls-90-on-21427302?amp;elqtrackid=588169fba928481092a85a78ff33b058&elqaid=&elqassetid&mp;elqat=>elqassettype>

Tokyo, Japan (11/6) According to Igor Sechin, CEO of Rosneft, Russia can meet Japan's entire demand for LNG. http://www.upi.com/Business_News/Energy-Industry/2015/11/06/Sechin-Russia-can-meet-Japans-entire-demand-for-LNG/1761446817460/

Tehran, Iran (11/7) According to Iran's PressTV, and with the expectation that sanctions will be lifted, Iran has signed preliminary agreements for the construction of LNG tankers with Korean, German and Chinese shipbuilders.

<http://www.presstv.ir/Detail/2015/11/07/436663/Iran-gas-LNG-tankers-sanctions-Sadeqi>

Islamabad, Pakistan (11/9) According to Shahid Khaqan Abbasi, Pakistan's Energy Minister, Pakistan has finalized a 15-year, \$16billion LNG agreement with Qatar.

<http://www.reuters.com/article/2015/11/09/pakistan-qatar-lng-idUSL8N1342UX20151109#wFz5wRlIM2VjrC.97>

Sochi, Russia (11/10) Gazprom and state-owned Kuwait Petroleum Corporation have signed a memorandum of understanding for cooperation in the fields of LNG, liquefied hydrocarbon gases, and other petrochemical projects.

<http://www.gazprom.com/press/news/2015/november/article250215/>

Milano, Italy (11/11) Low demand has led Korea Gas Corporation (KOGAS) to enter into an agreement with France's EDF for the sale and purchase of LNG volumes not required in the Korean market.

<http://af.reuters.com/article/energyOilNews/idAFL8N1363ZC20151111?sp=true>

Tokyo, Japan (11/11) According to Japan's Ministry of Economy, Trade and Industry, LNG prices inched up by 2 cents per MMBtu.

<http://www.meti.go.jp/english/statistics/sho/slng/result/pdf/201510-e.pdf>

Antwerp, Belgium (11/17) Antwerp-based Exmar and Swan Energy have partnered to jointly develop and operate India's first FSRU, the Jafrabad LNG Port project, in the state of Gujarat, India.

http://www.exmar.be/sites/default/files/media/document/reports_and_downloads/press_releases/financial_press_release_swan_0.pdf

Warsaw, Poland (11/18) While noting that Poland will preserve coal as an energy source, that country's Prime Minister indicated that Poland may consider building a second LNG import terminal.

<http://af.reuters.com/article/commoditiesNews/idAFL8N13D2GQ20151118>

Beijing, China (11/19) China is pressing for a renegotiation of existing LNG contracts with the potential to dilute any near term benefits of the \$70-billion merger.

<http://www.reuters.com/article/2015/11/19/us-bg-m-a-shell-china-idUSKCN0T81CJ20151119#p81RBhCOhOrwtofM.97>

Vilnius, Lithuania (11/20) Despite some media proclamations, Lithuania has not reached an agreement with Cheniere for U.S. LNG deliveries.

<http://www.naturalgaseurope.com/lithuania-lng-export-talks-with-cheniere-not-over-yet-price-must-be-right-26519>

Islamabad, Pakistan (11/23) According to Russian and Pakistani media, Gazprom has expressed interest in supplying LNG to Pakistan.

<http://tribune.com.pk/story/995586/russian-giant-gazprom-eager-to-supply-lng/>

New Delhi, India (11/23) In a sign of a changing market Qatar is waiving a \$1 billion penalty on India for lower takes.

<http://www.livemint.com/Industry/5r46m887WaOiZtzraywQL/Qatar-to-waive-1-billion-penalty-on-India-for-lower-gas-off.html>

Paris, France (11/23) A report released by France's Ministry of Energy and Environment suggest that the development of an LNG as an automotive fuel infrastructure will help the country meet its new environmental standards.

The report for the Francophone:

http://www.cgedd.developpement-durable.gouv.fr/IMG/pdf/008091-03_rapport_cle264938.pdf

A quick discussion of the report in English:

<http://www.naturalgaseurope.com/french-report-lng-energy-transition-road-transportation-26378>

Reading, U.K. (11/23) With an eye for LNG exports via Egypt, the BG Group has taken a 35% holding in Block 12 offshore Cyprus, which includes the Aphrodite gas discovery.

BG Announcement: <http://www.bg-group.com/~tiles/?tiletype=pressrelease&id=834#opentile>

Noble Energy Announcement:

<http://investors.nobleenergyinc.com/releasedetail.cfm?ReleaseID=943967>

Gibraltar (11/23) In a move intended to reassure opponents of LNG bunkering operations, the government of Gibraltar issued a statement reiterating that its current LNG plans are designed to supply the North Mole power station only.
<http://www.yourgibraltartv.com/politics/10604-nov-23-government-confirms-that-current-lng-plans-are-designed-to-supply-power-station-only>

Vilnius, Lithuania (11/23-24) Klaipėdos Nafta, Lithuania's LNG terminal's operator is seeing interest in and is pursuing bunkering operations.

<http://www.baltic-course.com/eng/energy/?doc=113260>
<http://www.baltic-course.com/eng/energy/?doc=113365>

Vilnius, Lithuania (11/24) Having realized that LNG from Norway's Statoil is more expensive than Russian natural gas, Lithuanian officials are looking to renegotiate the terms of the country's LNG contract with Statoil.

<http://af.reuters.com/article/energyOilNews/idAFL8N13J4G720151124?sp=true>

Reading, U.K. (11/25) The BG Group announced that commercial operations have started at Train 2 at Queensland Curtis LNG (QCLNG) plant in Australia.
<http://www.bg-group.com/~tiles/?tiletype=pressrelease&id=835#opentile>

Tehran, Iran (11/25) Iranian officials assert that they are preparing to bring on-line 5 LNG plants in 3 years.
<http://www.maritime-executive.com/article/iran-to-complete-five-lng-plants-in-three-years>

Helsinki, Finland (11/25) LNG-fueled propulsion is becoming the choice for shipping in the Baltic. Helsinki-based ESL Shipping orders for two ice-class LNG-fueled bulk carriers, designed by Finland's Deltamarin.
<http://www.eslshipping.com/en/news/news/-/news/974/ESL+Shipping+has+signed+a+long-term+agreement+for+raw+material+sea+transport++with+SSAB+and+orders+the+world%E2%80%99s+first+large+LNG-fueled+bulk+carriers+>

Fos-sur-Mer, France (11/26) France's Fosmax LNG is providing transshipment services at the Fos Cavaou LNG terminal in Southern France. http://www.fosmax-lng.com/fileadmin/user_upload/documents/newsletter/2015%2011%20-%20PR%20launch%20of%20transshipment%20Fosmax%20LNG%20in%20partnership%20with%20Teekay%20Marine%20Solution%20Ltd.pdf

Paris, France (11/27) Engie unloaded its first LNG cargo for the city of Beijing on November 25.
<http://www.engie.com/wp-content/uploads/2015/11/pr-engie-lng-delivery-for-beijing.pdf>

Yaoundé, Cameroon (11/27) With an eye in increasing its LNG market share, Gazprom Marketing & Trading has signed an 8-year 1.2mtpa agreement with London-based Perenco's subsidiary, Perenco Cameroon, to purchase all the LNG produced in Kirbi, Cameroon.
http://www.perenco.com/sites/default/files/press_release_27112015_final.pdf

Analysis-Opinion-OTHER

Fairfax, VA (October) “LNG and Coal Life Cycle Assessment of Greenhouse Gas Emissions” – a Pace Global study commissioned by the Center for LNG finds that coal-related GHG emissions are 194% higher than U.S. LNG-related emissions. http://Inginitiative.org/wp-content/uploads/2015/10/PACE_Report.pdf

Barrow Island, Australia (10/30) Chevron uploaded a video clip on the progress of the Gorgon LNG project in Western Australia. <https://youtu.be/dYykMDfkCkg>

Sydney, Australia (11/2) “LNG Approaches its 1970s Moment” by David Fickling at Bloomberg View. A comparison of the similarities and differences between the oil market of the ‘70s and today’s LNG market. <http://www.bloombergsview.com/articles/2015-11-02/lng-approaches-its-1970s-moment>

Moscow, Russia (11/2) “Russian LNG and Japan: Striking the Right Balance” According to Marina Zvonareva, Russia’s Gazprom has a narrow window of opportunity to succeed in the post-Fukushima market. <http://www.naturalgaseurope.com/russian-lng-to-japan-striking-the-right-balance-26058>

Charlottesville, VA (11/5) “Countdown to export: LNG projects make progress on sales, construction” A summary of the status of the various LNG export projects in the United States, by Allison Good of SNL. <https://www.snl.com/InteractiveX/Article.aspx?cid=A-34420884-12334>

Washington, D.C. (11/17) “What the TPP Means for LNG” A discussion by Michael Levi of the Council for Foreign Relations on the impact of the Trans-Pacific Partnership on LNG sales to countries like Japan. <http://blogs.cfr.org/levi/2015/11/17/what-the-tpp-means-for-lng/>

Washington, D.C. (11/17) According to a recent report by Energy In Depth, less than 1% of all injection wells in the United States are linked to seismic activity. <http://energyindepth.org/wp-content/uploads/2015/11/Energy-In-Depth-Report-Injection-Wells-and-Earthquakes-Quantifying-the-Risk1.pdf>

Milano, Italy, Brussels, Belgium (11/17) “U.S. and Russian gas exporters square over Europe” by Oleg Vukmanovic and Barbara Lewis of Reuters. A discussion of the changes in the European LNG and gas markets. <http://www.reuters.com/article/2015/11/17/usa-russia-gas-europe-idUSL8N13B4OB20151117#tRUwTZrJmyE6ulDq.97>

Kingston, Jamaica (11/22) “Jamaica As A Regional LNG Hub” A contribution by Anthony Hylton in The Gleaner discussing Jamaica’s energy position after the completion of an LNG terminal by New Fortress Energy. <http://jamaica-gleaner.com/article/focus/20151122/jamaica-regional-lng-hub>

Links to some entities mentioned in this issue

Origin Energy	https://www.originenergy.com.au/
NextDecade	http://next-decade.com/
Engie	http://www.engie.com/en/
Energy In Depth	http://energyindepth.org/
Exmar	http://www.exmar.be/en
Perenco	http://www.perenco.com/
CLNG	http://www.lngfacts.org/
Queensland Curtis LNG	http://www.qgc.com.au/
ESL Shipping	http://www.eslshipping.com/en/
Fosmax LNG	http://www.fosmax-lng.com/en.html