

# WEEKLY GLOBAL ENERGY Markets SNAPSHOT

**August 4 – August 8, 2014**

News you missed during the week…



## IDB Finances Solar Project in Uruguay

The Inter-American Development Bank (IDB) has approved a USD 40.9 million loan from its ordinary capital and 25 million from the Canada Climate Fund, which is administered by the Bank, to finance the private sector in Uruguay in the construction, operation and maintenance of a photovoltaic solar energy plant and its related facilities. With a total installed capacity of 64.8MW, the plant will be part of the La Jacinta Solar Energy Project. It will supply on average 96 GWh of electricity per year to the national grid and will support Uruguay's strategy of diversifying its energy network, eliminating approximately 18,000 tons per year in carbon emissions while boosting the private sector's role in the energy sector.

*(Source:* http://en.mercopress.com/2014/08/05/idb-finances-photovoltaic-solar-energy-project-for-private-sector-in-uruguay*)*



## Oman invites bids for five onshore, offshore blocks

Oman has invited explorers to bid for five blocks in its upcoming licensing round. The Sultanate's Ministry of Oil and Gas (MOG) has opened up two offshore blocks and three onshore blocks for bids. The deadline for the submission of sealed bids is October 31.

*(Source: www.worldoil.com/Oman-invites-bids-for-five-onshore-offshore-blocks.html)*



## Energy Price Riggers in UK To Face Jail Under New Proposals

Anyone found guilty of rigging wholesale gas and electricity prices could faces up to two years in jail, under new proposals by the government. The UK government wants it to be a criminal offence to artificially fix energy prices. At the moment people can be investigated and fined for manipulating the market but not jailed. The proposals come as regulators are investigating the big six energy firms and their profits. The planned new laws would give extra power to energy regulators to prosecute people suspected of abusing the market. Not only would fixing prices be a criminal offence, but also using insider information to buy or sell energy on the wholesale

market - especially if it were to affect competition. It added that the measures would also "safeguard consumers from unfair practices".

*(Source:* http://www.bbc.com/news/business-28667796*)*

**India to Start Construction on German-backed $8 Billion Renewable Grid Project**



India will begin construction this year on an $8 billion project backed by Germany's development bank to upgrade its grid to handle a more than doubling of renewable power capacity by 2022. Power Grid Corp of India Ltd., the state-run utility that transmits about half the electricity generated in the nation, has invited bids for work beginning in two regions states Germany's KfW, which will lend an initial 250 million euros ($334 million) to the project. The so-called Green Energy Corridor project plans to strengthen transmission infrastructure in eight states to absorb more clean power. India has about 32 gigawatts of renewable capacity, which is expected to climb to 72 gigawatts by 2022.

*(Source:* http://www.renewableenergyworld.com/rea/news/article/2014/08/india-to-sart-construction-on-german-backed-8-billion-renewable-grid-project*)*



**China Installs Equivalent of Australia's Total Solar Capacity — In 6 Months**

It was reported this week that China, the world's biggest carbon emitter, accelerated solar power installations in the first half of 2014, adding enough capacity in the period to equal Australia's entire supply of power from sunlight at the end of last year. China added 3.3 gigawatts of solar capacity in the six months ended June 30, double last year's additions. China now has 23 gigawatts of solar power supply, almost seven times as much as Australia, which is described by its own government as the world's highest recipient of radiation per square meter. China's race to add renewable energy comes as policymakers push for ways to combat the nation's growing problem of air pollution.

*(Source:* http://www.renewableenergyworld.com/rea/news/article/2014/08/tesla-breaks-ground-for-its-gigafactory-in-nevada*)*



# WEEKLY GLOBAL ENERGY MARKETS SNAPSHOT

**August 11 – August 15, 2014**

News you missed during the week…



## Brazil to Encourage Local Solar Equipment With Cheaper Loans

In an effort to spur a domestic solar manufacturing industry, the country is rewarding developers using locally-made equipment with better financing. Brazil will offer cheaper funding to solar projects that use locally made equipment and parts in a bid to spur a national manufacturing industry as the country prepares to ban solar-cell imports by the end of the decade. Developers proposing solar-energy projects at an Oct. 31 auction will have the cost of borrowing from the government lowered in proportion to the local content that they commit to using, the state-owned BNDES development bank said this week. The standard cost of borrowing from the bank's Finem program is at least 6.9% and as low as 2% under a special program to help avert climate change.

*(Source: http://www.renewableenergyworld.com/rea/news/article/2014/08/brazil-to-encourage-local-solar-equipment-with-cheaper-loans)*

## Mexico Enacts Energy Initiative, To Decide On Blocks For Bidding



Mexican President Enrique Pena Nieto today signed into law the rules governing the country's historic opening of the state-run oil, gas and electricity industries to foreign and private companies. According to reports this week, the government, which is hoping for tens of billions of dollars in outside investment in deep-water oil drilling and shale gas production, says it will let potential investors know which blocks will be open for bidding.

*(Source: http://www.worldoil.com/Mexico-enacts-energy-initiative-to-decide-on-blocks-for-bidding-this-week.html)*



## House Passes Cybersecurity Bill

Legislation that would give the electricity sector a heads-up on cyber threats by confirming the Department of Homeland Security's role in information sharing awaits action in the Senate following approval by the House this week. Under the bill, near real-time cyber threats and vulnerabilities would be communicated from the federal government to the private sector.

*(Source: http://www.ect.coop/public-policy-watch)*

# WEEKLY GLOBAL ENERGY Markets SNAPSHOT



## Nuclear Industry Frustrated With EPA's Emission Reduction Rules

The nuclear industry is reconsidering its initial impression that it would benefit from the Environmental Protection Agency's (EPA) proposed greenhouse gas emissions reduction rule because the rule allows only 6% of a state's nuclear generation to count in the calculation of the 30% reduction from 2005 levels by 2030, while all of a state's existing renewables capacity counts. Energy Department scenarios show as many as a third of U.S. nuclear plants may be retired as states move toward compliance without providing financial supports or incentives to help nuclear facilities beat high operating costs and competition from low cost natural gas.

*(Source:* http://www.eenews.net/stories/1060004265*)*



## U.S. to Install Over 180 MW of Solar Carports in 2014

In 2014, the U.S. will add more than 180 MW of solar carports, according to a new report from GTM Research. That will make it the fourth year running in which the installed capacity of solar carports, which are parking structures with solar panels, has exceeded 100 MW in the U.S. The solar carport market is expected to continue to keep growing until the federal investment tax credit phases down in 2017.

*(Source: http://www.greentechmedia.com/articles/read/us-solar-carport-market-poised-for-record-year-continued-growth)*

## Putin Praises Alliance With Exxon As Arctic Drilling Starts



President Vladimir Putin lauded Russia's "old and reliable partner" Exxon Mobil Corp. as he gave the command for the U.S. energy company and ally OAO Rosneft to begin drilling a $700 million Arctic Ocean oil well. Putin, Rosneft Chief Executive officer and Exxon's Russia head, undeterred by the crisis in U.S.-Russian relations, together welcomed the start of the country's northernmost well. It's the first step in a quest for new energy resources to help maintain oil production near a post-Soviet high of more than 10 MMbpd.

*(Source: http://www.worldoil.com/Putin-praises-alliance-with-Exxon-as-Arctic-drilling-starts.html)*



# WEEKLY GLOBAL ENERGY Markets SNAPSHOT

**August 18 – August 22, 2014**



*N*ews you missed during the week…

## Major Discovery May Herald a New Oil "Province" for Australia

Apache Corp. has made an oil discovery with its Phoenix South-1 well, drilled 110 miles north of Port Hedland in 435 ft of water of Australia's offshore Canning basin. The company estimates as much as 300 million bbl of oil could be in place. Six light oil samples have been recovered from three intervals to date. Apache advised that the oil and reservoir quality we have seen point to a commercial discovery. If these results are borne out by further appraisal drilling, Phoenix South may represent a new oil province for Australia. The area includes several large, undrilled structures, with potential to be significant additional oil accumulations, the company says, adding that additional drilling and evaluation is planned for next year.

*(Source:* http://www.ogj.com/articles/2014/08/apache-makes-major-oil-discovery-off-western-australia.html*)*

## Natural Gas Flow Starts Offshore Egypt



Production has begun from the Denise-Karawan (DEKA) natural gas development offshore the Nile Delta in Egypt. Eni SPA said the subsea development well produced 1.8 million cu m/day of gas and about 800 b/d of condensate. The DEKA project will develop gas discoveries with five subsea wells, subsea production systems, and marine pipelines to carry produced fluids to processing equipment at the El Gamil gas plant onshore. Peak production of 6.5 million cu m/day is expected in first-quarter 2015.

*(Source:* www.ogj.com/articles/2014/08/deka-natural-gas-flow-starts-offshore-egypt.html*)*



## U.S. Survey Shows States with Highest Electricity Prices

The survey found that the most expensive state's electricity prices are three times the national average. Hawaii has the #1 spot with $0.37/kWh which is nearly three times higher than the national average of $0.1284 per kilowatt-hour. Much like the U.S. Virgin Islands, American Samoa, Puerto Rico and Guam, the islands largely rely on expensive oil imports to fuel electricity generation. Residential electricity prices have risen from a national average of

$0.0725 per kilowatt-hour at the start of 2001 to the aforementioned $0.1284 per kilowatt-hour in May 2014. The other high priced states included (in descending order) New York – $0.188/kWh, Alaska – $0.182/kWh, Connecticut – $0.1758/kWh and Vermont – $0.1715/kWh.
*(Source:* http://www.utilitydive.com/news/the-10-states-with-the-highest-electricity-prices/298112/*)*



**US DOE Invests More Than $55 Million to Advance Efficient Vehicle Technologies**

As part of the Obama Administration's efforts to reduce dependence on foreign oil and transition to a clean energy economy, the Energy Department this week announced more than $55 million for 31 new projects to accelerate research and development of critical vehicle technologies that will improve fuel efficiency and reduce costs. These new projects are aimed at meeting the goals and objectives of the President's *EV Everywhere Grand Challenge*, as well as improvements in other vehicle technologies such as powertrains, fuels, tires and auxiliary systems.
*(Source:* http://breakingenergy.com/2014/08/19/*)*



**Anti-Fracking Protesters Cause Disruption in UK Cities**

Anti-fracking campaigners apparently super-glued themselves to the doors of a government building as part of orchestrated protests around the UK. *Reclaim the Power* set up camp in the doorway to the Department for Environment, Food and Rural Affairs (Defra) in London. Following the release of a critical UK shale gas and fracking report, the group claimed 63 sections on the potential impacts of shale gas exploration on rural communities had been removed. They say the chapter examining the effect of drilling on house prices had three sections cut. The group also emphasized that the missing sections included analysis around falling house prices and failing rural services as a result of fracking activities.
*(Source:* http://www.bbc.com/news/uk-wales-south-west-wales-28832520*)*



# WEEKLY GLOBAL ENERGY Markets SNAPSHOT

**August 25 – August 29, 2014**



News you missed during the week…

## Bagasse to Power Sugar Company

The Chinese-owned Pan Caribbean Sugar Company Limited in Jamaica is powering up its generators in order to use bagasse to produce energy to slash its electricity cost and ease the burden on the national grid, the company's principals have disclosed. Pan Caribbean mentioned this week that the sugar company was moving, over the next three years, to convert into energy, bagasse, the pulp that remains after the extraction of juice from sugar cane. They advised that the upgrade will allow the company to become self-sufficient. Plans are underway to also possibly have excess energy that can be sold to the national grid. In addition the company principals indicated that they have two generators that produce 10 and 5 MW respectively.

*(Source: http://jamaica-gleaner.com/gleaner/20140826/lead/lead1.html)*



## Chile Attracts $7 Billion in Renewable Energy Investment

Chile, the wealthiest nation in Latin America, is attracting $7 billion of renewable investments from Abengoa SA to SunEdison Inc. as the government seeks to reduce its dependence on fossil fuels to supply cheaper power to the mining industry, which provides a third of the world's copper. Pattern Energy Group LP, the developer of Chile's biggest wind farm, plans to proceed with a solar plant in the top copper-producing nation's Atacama Desert. Pattern received an environmental permit for one solar project in Chile and is interested in developing more renewable- energy plants in the country.

*(Source: http://www.renewableenergyworld.com/rea/news/article/2014/08/chile-attracts-7-billion-in-renewable-energy-investment)*



## Myanmar's Solar Ambitions Kickstarted with $480 Million Investment Pact

Myanmar will expand its sources of clean energy through an agreement with ACO Investment Group, a U.S.-based private-equity fund focusing on Asian emerging markets, to develop two solar-energy plants. The project, consisting of two 150-megawatt solar facilities, is valued at $480 million, according to a

release from the Office of the U.S. Trade Representative. The plants are expected to account for 10 percent to 12 percent of Myanmar's power generation when completed in 2016.

*(Source: [http://www.renewableenergyworld.com/rea/news/article/2014/08/myanmars-solar-ambitions-kickstarted-with-480-million-aco-investment-pact](http://www.renewableenergyworld.com/rea/news/article/2014/08/myanmars-solar-ambitions-kickstarted-with-480-million-aco-investment-pact))*



## Norway's 10 Billion Bbl of Undeveloped Resources Could Net $106 Billion

Norway holds 10 billion boe of discovered but undeveloped natural resources, of which 60% could be commercialized and potentially add $106 billion to the country's revenues, Wood Mackenzie reported in its latest upstream estimates released in the week. The undeveloped resources are held within 206 discoveries and spread across the Norwegian continental shelf, with half in the North Sea and the remainder divided equally between the Norwegian Sea and the frontier Barents Sea. The discoveries range in size from less than 1 million boe to 2.4 billion boe at Johan Sverdrup, for which a concept for the first development phase was selected in February, and production is expected to start in late 2019, with a field production horizon reaching beyond 2050.

*(Source: [http://www.ogj.com/articles/2014/08/woodmac-norway-s-10-billion-bbl-of-undeveloped-resources-could-net-106-billion.html](http://www.ogj.com/articles/2014/08/woodmac-norway-s-10-billion-bbl-of-undeveloped-resources-could-net-106-billion.html))*



## First Nuclear Reactor In UAE More Than Halfway Complete

The first nuclear reactor being built in the United Arab Emirates (UAE) is now more than halfway finished. The first of four APR1400 reactors for the Barakah nuclear plant is 55 percent completed, according to ConstructionWeekOnline.com. The first reactor is due to be completed and commissioned by 2017, with the remaining three to come online by 2018, 2019 and 2020. The APR1400 was developed by the Korean nuclear industry under the leadership of Korea Electric Power Co. (KEPCO), according to the Emirates Nuclear Energy Corp. Construction on the project started in April 2010.

*(Source: [http://www.power-eng.com/articles/2014/08/first-nuclear-reactor-in-uae-more-than-halfway-complete.html](http://www.power-eng.com/articles/2014/08/first-nuclear-reactor-in-uae-more-than-halfway-complete.html))*