

WEEKLY GLOBAL ENERGY Markets SNAPSHOT

December 8 – December 12, 2014

News you missed during the week…



Petrobras Strikes Gas In Deep Waters Offshore Colombia

Petrobras has announced the discovery of a natural gas accumulation 40 km off the coast of La Guajira, Colombia. Petrobras is the operator and holds a 40% interest, in partnership with Ecopetrol (30%) and Repsol (30%). The natural gas accumulation was confirmed at 3,600 m and represents the first discovery in the history of exploratory research at Colombian-Caribbean deepwaters.

(Source: http://www.worldoil.com/Petrobras-announces-first-discovery-at-Colombian-Caribbean-deepwaters.html)

Renewable Energy Expanding in South Africa



South Africa plans to triple electricity production from renewable energy sources to help alleviate power shortages that caused rolling blackouts throughout the country in recent weeks. Energy from biomass, wind, solar and hydropower sources will contribute 11.4 gigawatts to the grid "in future." It's currently procuring 3,725 megawatts from clean sources in a five-round program estimated at $12 billion and plans another 3,200 megawatts when the process is completed.

(Source: http://www.renewableenergyworld.com/rea/news/article/2014/12/renewable-energy-set-to-grow-in-south-africa)



Major U.S. Power Plants Awarded "Clean Coal" Honors

Electric Power Company, a unit of American Electric Power, was honored for leadership in deploying advanced technologies that deliver ultra-low emissions as part of Peabody Energy's inaugural Advanced Energy for Life "Clean Coal Awards." Presented at the POWER-GEN International Awards Banquet in Orlando, Fla., the honors recognize the best environmental performance achieved among U.S. coal power plants in 2013 based on key emission rates. Coal fuels more than 40 percent of U.S. electricity, more than any other fuel. It is the world's fastest-growing major fuel source, set to surpass oil as the world's largest global energy source in coming years.

(Source: http://goo.gl/Vl0qGm)

U.S. DOE Issues Final $12.5B Advanced Nuclear Energy Loan Guarantee Solicitation



The Department of Energy issued their Advanced Nuclear Energy Projects loan guarantee solicitation on Wednesday, Dec. 10, which will provide up to $12.5 billion to nuclear energy projects in the United States. The solicitations are in four key technology areas: advanced nuclear reactors, small modular reactors, uprates and upgrades at existing facilities, and front-end nuclear projects. The loan solicitation is authorized by Title XVII of the Energy Policy Act of 2005, and is meant to support construction of "innovative nuclear energy and front-end nuclear projects in the U.S. that reduce, avoid, or sequester greenhouse gas emissions."

(Source: http://energy.gov/articles/department-energy-issues-final-125-billion-advanced-nuclear-energy-loan-guarantee)



Virtual Net Metering Will Save Low Income Massachusetts Residents $60 Million

A little-known solar financing plan not available in many states will allow Massachusetts low income housing tenants to save state taxpayers $60 million over the 2 decades. Solar arrays funded, built, operated, and maintained by SunEdison, will deliver their 39.5 megawatts of nameplate capacity from 10 locations across Massachusetts to the state's grid. The net metering credits they earn, as mandated by Massachusetts' virtual net metering (VNM) law, will be credited to the electricity bills of 16 housing authorities (HAs). SunEdison was also able to provide each HA a contract and price molded to its needs and electricity use. The end result is a cumulative $60 million or more in savings for the HAs over the 20 year terms of the contracts.

(Source: http://www.utilitydive.com/news/how-virtual-net-metering-will-save-low-income-massachusetts-residents-60-m/342105/)



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December 15 – December 19, 2014

News you missed during the week…



Caribbean Centre for Renewable Energy & Energy Efficiency to be Established

The United Nations Industrial Development Organization (UNIDO) and the Austrian Development Agency (ADA), the operational unit of Austrian Development Cooperation, this week signed a 1.3 million Euro funding agreement for the establishment of the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE). The signing is in follow up to the Memorandum of Understanding signed on 17 March 2014, by UNIDO, the Government of Austria and SIDS DOCK, to assist SIDS in the Caribbean, Pacific, Africa and Indian Ocean with the establishment of regional sustainable energy centres.

(Source: http://www.cipore.org/with-austrian-funding-unido-to-help-establish-caribbean-centre-for-renewable-energy-and-energy-efficiency/)

U.S. Imposes Tariffs On Chinese And Taiwanese Solar Panels



A final decision from the Commerce Department concluded Chinese and Taiwanese module and cell manufacturers' benefit from unfair subsidies from their governments and puts a significant tariff on solar modules and cells imported from those countries, the New York Times reported. The Commerce ruling closed a loophole on a 2012 tariff by including Taiwanese cells along with Chinese modules. Chinese module makers had been skirting the tariff by using Taiwanese cells. Commerce placed anti-dumping duties of 26.7% to 78.4% and anti-subsidy duties of 27.6% to 49.8% on imported Chinese solar modules. It also imposed anti-dumping duties of 11.5% to 27.6% on Taiwanese solar cells.

(Source: http://goo.gl/iKCCID)



Turning Point For Coal? Japanese Trading Firms Snap Up Coal Assets

A flurry of acquisitions of high-quality coal assets by Japanese firms in recent weeks signals that some trading houses at least are betting a depressed coal market where prices have halved in three years may be bottoming out. This vote of confidence comes amid signs that coal demand in Japan and emerging markets such as India is holding up well despite weaker

demand in markets such as China, where coal imports in the first 11 months fell nearly a tenth. Japan is the world's second-biggest coal importer behind China, importing almost 200 million tonnes a year.

(Source: http://uk.reuters.com/article/2014/12/21/japan-coal-investment-idUKL3N0TW17M20141221)

Saudi Arabia's Oil Minister Says Difficult For OPEC To Cut Oil Output



Global oil markets are experiencing a "problem" that is temporary and caused mainly by a slowdown in the global economy, according to state-run Saudi Press Agency. The Agency also stated that Saudi Arabia, the largest producer in OPEC, will stick to its policy to maintain output. The Organization of Petroleum Exporting Countries decided in November to keep its production target unchanged at 30 MMbopd.

(Source: http://www.worldoil.com/Saudi-Arabias-Naimi-says-difficult-for-OPEC-to-cut-oil-output.html)



Africa's Largest Wind Farm Moves Forward

Vestas Wind Systems A/S won an order to supply what the company says will be Africa's biggest wind- power plant in a sign that clean-energy investments are picking up on the poorest continent. Vestas received an order from Lake Turkana Wind Power Ltd. for 365 of its 0.85-megawatt turbines, it said in a website statement. That's the most machines the Copenhagen-based company has sold to a single plant. The project will benefit from wind conditions that are among "the best in the world," Vestas announced. The project would generate enough power to meet about 15% of the nation's electricity demand. The plant will save East Africa's biggest economy about 150 million euros ($186 million) in fuel imports each year, Vestas said.

(Source: http://www.renewableenergyworld.com/rea/news/article/2014/12/africas-largest-wind-farm-moves-forward)



WEEKLY GLOBAL ENERGY Markets SNAPSHOT

December 22 – December 26, 2014



News you missed during the week…

Queensland Co to be 1st in the World to Export LNG from Coal Seam Gas

After years of planning and construction, the first liquefied natural gas is being prepared to be shipped from Curtis Island off Gladstone to supplement the energy demand in Asia. Queensland Curtis LNG (QCLNG) will be the world's first project to turn coal seam gas into liquefied natural gas, or LNG. The capital expenditure for the project is estimated at US$20 billion. The milestone will make QGC's Queensland Curtis LNG plant the first of three plants on the island to do this conversion which involves cooling the gas to -162 degrees.

(Source: http://www.abc.net.au/news/2014-12-23/lng-milestone/5985532)

Norway Utility Plans to Invest as Much as $8.1 Billion in Renewables



Statkraft AS, Norway's state-owned power company said it plans to plow as much as 60 billion kroner ($8.1 billion) into renewable energy around the world in the coming years after the government boosted its funding. Norway's parliament in mid-December approved a government proposal to boost the equity of the parent company Statkraft SF by 5 billion kroner. The cash will enable Statkraft to leverage more capital in the market and make investments totalling as much as 60 billion kroner, mainly in wind and hydropower projects. It's operating in countries from Peru to India. It's also working with Tata Power Co. on plans to develop a 420-megawatt hydropower project in India, and is examining hydro and wind options in Brazil.

(Source: http://goo.gl/zH01SX)



U.S. Seeks to Fine BP Up to $18 Billion for Macondo Water Pollution

The government wants BP Plc to pay $16 billion to $18 billion in water-pollution fines for the worst offshore oil spill in U.S. history while seeking more than $1 billion from the co-owner of the blown-out well that caused the 2010 Gulf of Mexico disaster. The federal government said BP deserves the maximum fine, which BP said would be the biggest Clean Water Act penalty ever and called it a "gross outlier" compared to other cases.

(Source: http://www.worldoil.com/US-seeks-to-fine-BP-up-to-18-billion-for-Macondo-water-pollution.html)



Egypt, China to Cooperate in Coal Power Generation

The two countries will sign 25 agreements primarily within the realms of energy and transport with 7 of them focusing on coal-powered plants. The agreements were discussed and drawn up as Egypt's Electricity minister is accompanying President Abdel-Fattah El-Sisi, in his first visit to the world's second-largest economy. The Egyptian government has also signed other memoranda of understanding with Chinese companies operating in renewable energy, in addition to three other agreements to renew the national electricity grid, develop the electricity transmission net and create a smart grid, all of which are expected to optimise energy efficiency. Egypt's government is looking for alternatives to natural gas and Mazut to power its plants and factories as production of domestic natural gas fields has diminished over the last years while production from new fields was halted due to political unrest.

(Source: http://english.ahram.org.eg/NewsContent/3/12/118690/Business/Economy/Egypt,-China-to-cooperate-in-coal-power-generation.aspx*)*

European Oil Titans are Latest Victims of Shale as Prices Sink



The U.S. shale-oil industry has made another enemy: Europe's largest crude explorers. Standard & Poor's Ratings Services revised its outlook to negative for Royal Dutch Shell, Total and BP as the oil-market rout driven by weakening demand and a flood of supply from American shale fields threatens cash flow into 2016. The credit-rating company also cast a dim eye on ConocoPhillips, saying it's facing similar cash flow pressure, and said it may cut the ratings on Eni and BG Group's BG Energy Holdings. S&P cited "the dramatic deterioration in the oil price outlook" and the 50% increase in debt loads and dividend commitments for the biggest European oil producers since the end of 2008.

(Source: http://www.worldoil.com/European-Oil-titans-are-latest-victims-of-shale-as-prices-sink.html)



WEEKLY GLOBAL ENERGY Markets SNAPSHOT

December 29, 2014 – January 2, 2015



News you missed during the week…

Warm December Drives Natural Gas Prices To Near Two-Year Low

Natural gas prices continue to fall and are approaching the lowest levels in two years, as mild weather keeps demand down and help producers boost their output. The U.S. Energy Information Administration reported that it expects total natural gas consumption to decline next year as lower residential and commercial consumption offset increases in the electric power and industrial sectors. According to oil and gas consulting firm EnerCom, gas prices will fall to near the $3/MMBtu range in July 2015.

(Source: http://www.wsj.com/articles/natural-gas-slides-to-16-month-low-on-slow-stockpile-drain-1419257595*)*

What's Next For OPEC, Shale As Lower Oil Prices Extend Into 2015



Oil's international benchmark price dropped as much as 49% in 2014. Those looking for a quick rebound may be disappointed, as world consumption growth slowed to the least since 2009, U.S. companies pumped more than they have since the 1980s and a price war broke out among members of the Organization of Petroleum Exporting Countries. The group that controls about 40% of the market has showed signs of fraying. Lower prices are fuelling the debate over the 40-year-old ban on most exports of unrefined U.S. oil. Producers want access to higher overseas prices, while refiners want to keep their cost advantage.

(Source: http://www.worldoil.com/Whats-next-for-OPEC-shale-as-lower-oil-prices-extend-into-2015.html*)*



Nigeria's US$1.3 Billion 700-MW Zungeru Hydroelectric Project Deals With Challenges

At one point, legal challenges from vested interests were slowing work at the 700-MW Zungeru hydroelectric project in Nigeria that was first begun in 2013. However, the execution of an amended bill might allow the US$1.3 billion project to move forward. At issue is the amount of revenue needed to fund the Hydroelectric Power Producing Areas Development Commission (HYPPADEC) Bill. The bill is an offshoot from the HYPPADEC Act the government of Nigeria ratified in 2010. Zungeru is one of several hydro projects that are part of Nigeria's Renewable Energy Master Plan (REMP) proposed in 2006. REMP seeks to increase the supply of renewable electricity – including wind,

solar, biomass and small hydro – from 13% of total electricity generation in 2015 to 23% in 2025 and 36% by 2030, according to the Nigerian government

(Source: http://www.renewableenergyworld.com/rea/news/article/2014/12/nigerias-us1-3-billion-700-mw-zungeru-hydroelectric-project-deals-with-challenges)



Trinidad and Tobago to Develop 'Master Plan' For Gas Development

Trinidad and Tobago's government has hired UK-based consulting firm Poten & Partners to develop a natural gas master plan for the Caribbean twin-island nation. The decision to develop a plan comes as the country continues to suffer gas curtailment that the downstream petrochemical business says has cost $1.6 billion over the last 3 years. Trinidad and Tobago's Energy Chamber has asked the consultants to consider the possibility of the island importing gas from Venezuela to meet the demands of the country's gas based industries.

(Source: http://www.ogj.com/articles/2014/12/trinidad-and-tobago-to-develop-master-plan-for-gas-development.html)



Serbia Seeks to Boost Renewable Energy Investment With New Law

Serbia seeks to unblock investment in renewable energy after adopting legislation that opens gas and power markets in line with European Union guidelines. The parliament in Belgrade approved today a law implementing the EU's Third Energy Package that fosters competition and helps regional integration of energy markets. Serbia is struggling to bring energy consumption from renewables to 27 percent of the total by 2020 from 21 percent recorded two years ago when it made the pledge to the EU, even as it offers feed-in tariffs as an incentive.

(Source: http://www.renewableenergyworld.com/rea/news/article/2014/12/serbia-seeks-to-boost-renewable-energy-investment-with-new-law)