

WEEKLY GLOBAL ENERGY Markets SNAPSHOT

February 10 – 14, 2014

News you missed during the week…



Oil Supply Growth Expected in the Short-Term: During the week the U.S. Energy Information Administration (EIA) released a Short-Term Energy Outlook supplement that assessed some of the global petroleum and other liquids supply outlook. EIA forecasts that the supply of global liquid fuels will grow year-over-year by 1.7 million barrels per day (bbl/d) in 2014 and 1.4 million bbl/d in 2015. Projected world supply growth would be driven by countries outside of OPEC.

(Source: EIA - http://www.eia.gov/todayinenergy/)



The World's Largest Solar Power Plant Started Operations: Ivanpah Solar Electric Generating System became operational this week, delivering solar electricity to customers in California. At full capacity, the facility's trio of 450-foot high towers produces a gross total of 392MW of solar power, enough electricity to provide 140,000 California homes with clean energy and avoid 400,000 metric tons of CO2 per year, equal to removing 72,000 vehicles off the road.

(Source: http://higherperspective.com/2014/02/worlds-largest-solar-plant-started-creating-electricity-today.html#)



ExxonMobil Started Production from Malaysian Offshore Gas Field: ExxonMobil Exploration & Production Malaysia Inc. reported the start-up of natural gas production from Damar field, which lies in 55m of water about 200km offshore eastern peninsular Malaysia. Damar field has a projected capacity of 200 MMcfd of gas. Damar was developed under a production-sharing contract signed by ExxonMobil, Petronas Carigali, and Petronas – ExxonMobil E&P Malaysia is the project's operator with 50% interest, while Petronas Carigali holds the other 50%.

(Source: Oil & Gas Journal - http://www.ogj.com/articles/2014/02/exxonmobil-starts-production-from-damar-gas-field-offshore-malaysia.html)



Solar Water Pumps Wean India Farmers From Grid: The Indian government is looking to swap 26 million groundwater pumps for more efficient irrigation models powered by the sun. If successful, crop production could rise in India, where farms suffer from blackouts and volatile fuel costs. It would also save about $6 billion a year in power and diesel subsidies. Asia's second-most populous nation will draw 100 billion rupees ($1.6 billion) of investment in the next five years as the first 200,000 most easily replaceable pumps are switched to solar, the government estimates. That will relieve an overburdened power-transmission grid built mostly in the 1960s that's prone to failures.

(Source: http://www.renewableenergyworld.com/rea/news/article/2014/02/solar-water-pumps-wean-india-farmers-from-grid*)*

Waste-fired Bioenergy Plans in the UK: Renewable Energy Generation Ltd (REG), a British low-carbon asset developer backed by BlackRock Inc., announced that it will build six waste-to-power plants with Caterpillar Inc. and Finning U.K. Ltd. REG is currently building the first 18MW station and has now agreed to build five more facilities as "mirror images" of the first, with a combined capacity of about 100MW. The plants will produce power from waste cooking oil. REG is expanding as the U.K. promotes low-carbon generation to meet demand while curbing emissions. Britain plans to get 15% of its energy from clean sources by the end of the decade, with almost a third of that potentially coming from bio-energy. REG's first plant in the program -- in Yorkshire, northeast England -- will cost about 6.3 million pounds. Total investment in the fleet, scheduled for completion by March 2017, will be about 36 to 40 million pounds.



(Source: Renewable Energy World - http://www.renewableenergyworld.com/rea/news/article/2014/02/renewable-energy-generation-to-expand-waste-fired-bioenergy-plan)



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February 17 – 21, 2014

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Germany Pledges $6.8M to Caribbean RE Projects: Germany has pledged $6.8 million to help Caribbean trade bloc nations reduce their dependence on petroleum. CARICOM stated that the money will be made available through a regional renewable energy and efficiency assistance program. German officials met with CARICOM leaders this week to talk about the development of solar, wind and hydropower projects, among others. Germany has so far contributed nearly $22 million to help boost the Caribbean's renewable energy sector.

(Source: http://www.cipore.org/germany-pledges-6-8-million-to-finance-caribbean-renewable-energy-projects/)



Natural Gas Prices Above US$6/MMbtu: Natural gas futures prices remained above $6/MMbtu on the New York market after a weekly government report showed underground gas storage volumes stayed slightly higher than analysts had expected given this winter's snowstorms and freezing temperatures. The gas storage level has reached its lowest for any week in February since 2004. A harsh winter across the central and eastern US continue to trigger high demand for heating oil and natural gas to warm homes and businesses. Forecasters are calling for more freezing temperatures next week.

(Source: Oil & Gas Journal - http://www.ogj.com/articles/2014/02/market-watch-natural-gas-prices-stay-above-6-mmbtu.html)



Smart Meter Cyber Hacking in Malta: A recent report by the Malta Independent stated that authorities recently discovered that at least 1,000 smart meters had been tampered with to record lower electricity consumption levels in Malta. Those running the racket had charged about $1,600 per residential smart meter. The hackers had a higher charge to tamper with a commercial or industrial meters. The scam amounted to some 10% of the total generation of electricity by Enemalta, the island's power utility, costing taxpayers around roughly $41 million in 2012 alone.

(Source: SmartGridNews - http://www.smartgridnews.com/artman/publish/Technologies_Metering/Malta-s-smart-meter-scandal----41-million-worth-of-electricity-stolen-6360.html#.Uwuy2oVnhc1)



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Wind Expansion Scrapped on Concerns for Birds Safety: Three utilities scrapped plans to extend the world's biggest offshore wind farm, saying they had doubts they could satisfy concerns about how the facility would affect the habitat of a bird in the estuary east of London. EON SE said it would take until 2017 to collect the necessary data for British environmental authorities that the project wouldn't harm the red throated divers. Hence the project principals asked the U.K. government to cancel an application to expand the 630-megawatt London Array. The project is at least the sixth U.K. offshore wind plan in three months to be canceled or reduced. All six of the country's six biggest utilities have now scaled back their ambitions, delivering a blow to an industry that is promoting to reduce emissions and replace aging power plants. The government says offshore wind power capacity may expand to 10 GW by 2020.

(Source: http://www.renewableenergyworld.com/rea/news/top-news)



New Leak At Fukushima Nuclear Plant: A tank at Japan's damaged Fukushima nuclear plant has leaked another 100 metric tons of highly contaminated water, the worst incident since August. Operator Tokyo Electric Power Co. (Tepco) said that water had overflowed after a valve was accidently left open. The leak is considered a level three, or "serious incident," on the seven-point scale.

(Source: http://www.power-eng.com/articles/2014/02/new-leak-at-fukushima-nuclear-plant.html)



Funders splashing $100m on Dominican Republic Clean Energy: A power company in the Dominican Republic is getting $100 million from investors to develop more gas infrastructure and renewable energy sources. Caribbean energy company InterEnergy Holdings (IEH) will use the cash to boost the Latin American island's ability to import liquefied natural gas and developing wind and solar power. The efforts are expected to "save fuel costs" by reducing reliance on oil according to a statement from the pair of investment funds, IFC and the IFC African, Latin American and Caribbean Fund.

(Source: CIPORE - http://www.renewableenergyworld.com/rea/news/article/2014/02/renewable-energy-generation-to-expand-waste-fired-bioenergy-plan)



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February 24 – 28, 2014

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Ukraine Investments in Exploration Uncertain: The world's largest oil companies from Royal Dutch Shell to Exxon Mobil are likely to reassess deals to drill in Ukraine where political crisis is threatening a promising source of new profits as well as the country's drive for energy independence. Shell and Chevron signed agreements last year to drill unexplored shale formations in Ukraine, offering the chance to upgrade the country's energy infrastructure and boost domestic production, thus reducing the amount of gas imported from Russia. Before the crisis erupted last year, Exxon, the largest U.S. oil company, was also close to signing a pact to explore the Black Sea.

(Source: World Oil – http://www.worldoil.com/Uncertainty_clouds_investment_in_Ukraine_shale_exploration.html)



Significant Oil Discovery Offshore Congo: Eni has made an important new exploration discovery in the Marine XII Block located approximately 17 km offshore Congo. The exploration well, Nene Marine 3, which led to the important result, was drilled in a water depth of 28 m and has encountered a significant wet gas and light oil accumulation. During the production test in the oil interval the well flowed over 5,000 barrels of oil (bbl) per day at 36° API gravity. Following the results of the well, Eni estimates that the discovery of Nene Marine field contains 1.2 billion bbl oil and 30 billion m^3 gas in place. The overall potential of the Nene Marine and of the neighboring Litchjendilj Marine fields is estimated at 2.5 billion barrels of oil equivalent.

(Source: World Oil – http://www.worldoil.com/Eni_in_significant_discovery_offshore_Congo.html)



Venezuela to Create Oil Investment Fund: Venezuela announced this week that it will launch an oil investment fund in 2014 targeting the public, said economic vice-president, oil minister and PDVSA CEO Rafael Ramírez. The fund, which would likely be launched on or after April, will target projects ranging from oil and gas transportation, crude upgrading services and hydrocarbon terminals.

(Source: BNamericas – http://www.bnamericas.com/news/oilandgas)



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Morgan Stanley-Backed Atlantis Raises $33 Million for Tidal Plan: Atlantis Resources Corp., a Morgan Stanley-backed maker of tidal turbines, raised 20 million pounds ($33 million) for the project's development and implementation. £8 million pounds was acquired through a cash grant from the European Commission and funds from a government institution. The remaining balance of £12 million was raised by selling about 12.8 million new shares at 94 pence each on London's Alternative Investment Market at an initial public offering (IPO) in London. Part of the proceeds will be spent on developing the 86MW first phase of Atlantis's MeyGen project in Scotland. Construction is expected to start early in the second quarter of 2014, generation is projected from early 2015, and capacity may eventually reach as high as 398MW. The tidal-power industry is in its infancy, with developers testing prototypes in the hope of bringing systems to market. As yet there are no commercial-scale projects in operation.



(Source: Louise Downing, Bloomberg - http://www.bloomberg.com/archive/news/2014-02-20/*)*



Gas Consumption Plummets as Renewable Generation Goes: Genscape is reporting that renewable generation was up 30 percent while gas consumption plummeted 35 percent as a result of the increase in renewables and weaker power demand. According to Genscape estimates, the total weekly generation of approximately 12,000 GWh was the second highest weekly number in the past five years. Genscape reports that hydro generation in the Pacific Northwest was also up 39 percent, despite ongoing drought conditions.

(Source: http://www.fierceenergy.com/story/gas-consumption-plummets-renewable-generation-goes/2014-02-28?utm_source=rss&utm_medium=rss*)*