

WEEKLY GLOBAL ENERGY Markets SNAPSHOT

June 2 – June 6, 2014

News you missed during the week…



Jamaican Resort Unveils Large Solar PV Plant: Operators of the Grand Palladium Resort and Spa in Hanover, Jamaica says that the facility is set to save over J$80 million (US$720,000) in energy cost per year from the installation of a solar PhotoVoltaic (PV) power plant. The solar power PV plant is said to be the largest in Jamaica to date and the resort was the first in Jamaica to embark on such an investment. According to the Spanish-based hotel, investment in the project totalled US$3.4 million and full return is projected after four years, with a US$21.9 million in energy savings over 30 years.

(Source: http://www.jamaicaobserver.com/latestnews/Grand-Palladium-Resort-unveils-largest-solar-PV-plant-in-Jamaica*)*



African Countries Updating Petroleum Laws: During a midyear energy briefing this week it was announced that the governments of Mozambique and Tanzania are developing laws and regulations so those nations can tap into revenues from potential natural gas export projects. Akin Gump London oil and gas practice also said the East African governments are working on licensing oil and gas rights.

(Source: http://www.ogj.com/articles/2014/06/akin-gump-mozambique-tanzania-are-updating-petroleum-laws.html*)*



Spectacular Wave Tank Opens in Edinburgh: A spectacular new wave tank - the first of its kind in the world - has opened at Edinburgh University. The FloWave Ocean Energy Research Facility can simulate waves 28m high - and tidal currents simultaneously. Its circular shape means waves have no reflections and can come from multiple directions, to mimic stormy seas. It can recreate any point on Britain's coastline, allowing marine energy systems such as ocean thermal or wave technologies to be tested and refined.

(Source: http://www.bbc.com/news/science-environment-27702506*)*



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US Carbon Regulations May Spur New Nuclear Capacity In Long Term: Standard & Poor's Ratings Services announced this week that the proposed US regulations would require existing power plants to reduce carbon emissions and could favour some new nuclear plant construction in the long term, as risks from the technology fade with new plant designs. While natural gas generation will remain the "main option" for utilities seeking to add -capacity in coming years, nuclear reactors will offer companies a way to maintain fuel diversity in the face of a surge in gas-fired units. The Environmental Protection Agency's proposed regulations set a goal of reducing emissions of carbon dioxide 30% from 2005 levels by 2030.

(Source: http://www.platts.com/latest-news/electric-power/washington/us-carbon-regulations-may-spur-new-nuclear-capacity-21723537)



Uganda Advances Plans For First Refinery: Uganda's government has received proposals from four international companies bidding to build and construct the country's first refinery and related infrastructure in the Lake Albert region of Buseruka Subcounty, Hoima District, Uganda.

An evaluation team comprised of government representatives as well as US-based Taylor DeJongh, transaction advisor for the project, will undertake a detailed, month-long evaluation of the proposals starting this month, after which the winning bidder will be announced, said Uganda's Ministry of Energy and Mineral Development (MEMD). Negotiations are expected to be concluded by fourth quarter 2014. The proposed 60,000-b/d refinery, which will be developed in two, 30,000-b/d phases, will include on-site crude oil and product storage as well as a 205-km product pipeline to a distribution terminal near Kampala. The Ugandan government will hold 40% equity in the project, while the winning bidder, as lead investor and operator, will hold the remaining 60%.

(Source: http://www.ogj.com/articles/2014/06/uganda-advances-plans-for-first-refinery.html*)*



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June 9 – June 13, 2014

News you missed during the week…



ATL Announces Major Savings from Solar Installations: Since installing solar equipment on the roofs of its newest showrooms at Oxford Road, St Andrew, Jamaica in the latter half of 2013, ATL Automotive announced this week it has seen its monthly electricity bills decrease by more than half. ATL Auto entered a J$25-million (US$250,000) deal with Panasonic Latin America to have the roofs of the Audi and Volkswagen showrooms lined with HIT photovoltaic cells, covering an area of about 500 m^2, and providing 58.8 kW of energy. The system supplies 30% of the company's needs and their light bill went from about J$1.1 million (US$11,000) down to between US$5,000 and US$6,000.

(Source: http://www.jamaicaobserver.com/environment/ATL-saves-big-with-solar_16812999)

62% of Americans Want to Cut Emissions Even if Energy Costs Increase: A national Bloomberg poll showed that 62% of Americans are for greenhouse gas (GHG) emissions reduction measures, even if the measures increase the cost of energy, and only 33% are opposed. The poll was a response to a release by the EPA of a draft U.S. emissions reduction plan that targeted a 30% cut in CO2 emissions from 2005 levels by 2030 at an estimated cost of $8.8 billion.



(Source: http://www.bloomberg.com/news/2014-06-10/americans-by-2-to-1-would-pay-more-to-curb-climate-change.html)



Fires Hits Two Refineries: An investigation is under way following fires that broke out at two refineries: one in Houston, Texas and another in Thailand. The fire, which struck the Phillips 66's 59,000-b/d Billings, Houston refinery's large crude unit (LCU), was quickly extinguished by on site emergency response personnel. Personnel were also dispatched to monitor air quality in the area surrounding the refinery, and data collected indicates there have been no offsite impacts. The fire at the Thai refinery, IRPC PLC's (215,000-b/d), occurred in the refinery's vacuum gas oil hydrotreater, which provides feedstock to crackers for

propylene production. Preliminary results suggest the fire may have been caused by an unidentified hydrocarbon substance leak. Further inspections continue for both refineries.
(Source: http://www.ogj.com/articles/2014/06/fire-hits-thai-refinery.html and http://www.ogj.com/articles/2014/06/fire-hits-phillips-66-s-billings-refinery.html)



Half of Welch Households 'do not trust' Energy Firms: The results of a poll released this week showed that more than half the households in Wales do not trust any energy supplier. The lack of trust was greatest among low income groups, but was lower amongst those who have a smart meter. More than a third of people said they were concerned their energy bills were not accurate. About 35% of residents said they did not understand their bills and 37% did not know how much they pay. The survey, carried out ahead of next year's planned roll-out of energy smart meters across the UK, also revealed 40% were not confident they had enough information to select the right supplier.
(Source: http://www.bbc.com/news/uk-wales-27761624)



Chile Rejects Mega-project: The proposed 2,750-MW HidroAysen hydroelectric project was rejected by the Chilean government this week following a meeting of the country's ministers of agriculture, energy, mining, economy and health. The controversial plan, which would have included the 600-MW Baker 1 and 360-MW Baker 2 on the Baker River, plus the 460-MW Pascua 1, 770-MW Pascua 2.1, and 500-MW Pascua 2.2 on the Pascua River, was unanimously refused by the ministers. Though the plant would have helped Chile meet its need to triple its current 18,000 MW of overall generating capacity, the plant has been opposed by much of the Chilean population throughout its development.
(Source: http://www.renewableenergyworld.com/rea/news/article/2014/06/chile-rejects-proposal-for-2750-mw-hidroaysen-hydroelectric-project)



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June 16 – June 20, 2014

News you missed during the week…



Caribbean Needs $30B to Overhaul Ageing Infrastructure: The Caribbean Development Bank (CDB) announced his week that the Caribbean needs $30 billion of investment over the next 10 years to modernise its power and other infrastructure. CDB advised that in the energy sector alone, massive investment will be needed to replace obsolete and inefficient power generation plants over the next five years and to transform electricity infrastructure. Industrialised nations agreed five years ago to raise $100 billion a year by 2020 to help developing nations reduce emissions, but progress has been slow and many developing countries expressed concerns about this at United Nations talks towards a new global climate deal in Germany recently.

(Source: http://www.reuters.com/article/2014/06/17/caribbean-energy-idUSL5N0OY2LG20140617*)*



Grenada to Power Reverse Osmosis Plants With Solar Energy: Grenada is constructing solar power plants to generate electricity for a pair of new planned reverse osmosis plants on the islands of Carriacou and Petite Martinique. It is said that the plants would each produce around 150kWh of electricity. The project, with estimated costs of US$2.1 million, is being funded by the United Kingdom's Department for International Development and the European Union Global Alliance for Climate Change programme, while Grenada Electricity Services and Grenada's National Water and Sewage Authority are assisting with the project.

(Source: http://www.caribjournal.com/2014/06/17/grenada-to-power-reverse-osmosis-plants-with-solar-energy/*)*



Russia Shuts Off Natural Gas Shipments to Ukraine: Russia's OAO Gazprom has halted shipments of natural gas to Ukraine after the collapse of negotiations over gas prices. The shutdown is the first since January 2009. In a recent daily market update, analysts at Raymond James & Associates Inc. (RJA) pointed out that in the past, gas shutdowns have had an impact beyond Ukraine, across central and eastern Europe, as far west as Germany.

(Source: http://www.ogj.com/articles/2014/06/russia-shuts-off-natural-gas-shipments-to-ukraine.html*)*



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Cameron LNG Gets FERC Approval: The Federal Energy Regulatory Commission (FERC) authorized Cameron LNG LLC's plan to build and operate facilities to liquefy and export natural gas from its existing LNG import terminal in Hackberry, Los Angeles. The June 19 actions marked the second time FERC has approved an LNG export facility. The current FERC permit is one of the last major regulatory approvals required to start construction on the $9-$10 billion natural gas liquefaction facility. FERC said Cameron LNG proposes to liquefy and export up to 14.95 million tonnes per year of gas, with a maximum operating capacity equal to up to 2.33 bcfd. Once placed into service, the terminal will be capable of liquefying domestically produced gas for export, importing LNG and regasifying it for domestic delivery, and importing foreign-sourced LNG for subsequent export.

(Source: http://www.ogj.com/articles/2014/06/ferc-approves-cameron-lng-liquefaction-export-project.html*)*



Solar Tariffs to Boost Prices for Chinese Panels by 14%: Prices for Chinese solar panels shipped into the U.S. will increase by an average of 14 percent because of import duties that may be announced later this year. That will mean a roughly US$0.10/watt increase in the price of solar panels from China and will negate the price advantage the Chinese have had. Chinese solar producers have become the dominant suppliers by charging less than suppliers in other regions. Duties will make panels made in Southeast Asia by U.S. companies SunPower Corp. and First Solar Inc. more competitive against the largest Chinese producers like Yingli Green Energy Holding Co., and may hurt developers of large, utility-scale power plants. A final determination is expected by August 2014. The International Trade Commission is also expected to issue a ruling on the issue. That may result in a final 14 percent average price increase for panels, depending on mitigation strategies of Chinese suppliers.

(Source: http://www.renewableenergyworld.com/rea/news/article/2014/06/solar-tariffs-expected-to-boost-prices-for-chinese-panels-by-14-percent*)*



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June 23 – June 27, 2014

News you missed during the week…



Texaco Goes Solar: Texaco is planning to retrofit all of its service stations in Jamaica with solar energy. In its push to contain costs, the company has initiated the installation of solar energy systems. The company has already invested about US$45,000 adding solar panels at one station on Molynes Road in Kingston, which has cut the company's energy bill by about half. The Molynes Road station installed a 19 kW photovoltaic system for day-time electricity consumption, but the plan is to eventually increase capacity to 45 KW. Otherwise, the station remains dependent on power supplies from the national grid. The plan is to expand the programme to all 67 of Texaco's service stations in Jamaica.

(Source: http://www.caribjournal.com/2014/06/21/texaco-planning-to-add-solar-panels-to-gas-stations-in-jamaica/*)*



Ease Coming to Trinidad and Tobago's Tight Gas Supplies: Trinidad and Tobago's (T&T) tight natural gas supply could be eased within the next 4 months with the startup of 300 MMscfd of gas from BG Group's Starfish development. BG Group said the project, which involves the drilling of four subsea wells and a 10-km subsea tieback to the Dolphin A platform, is on schedule for this year's fourth quarter. This will be good news for the island's significant downstream sector, which has suffered over the last 2 years from gas curtailment due to significant maintenance work by the country's largest gas supplier BP Trinidad & Tobago (BPTT). T&T is the largest exporter of methanol in the world and the largest exporter of ammonia and urea to the US. It is also the largest exporter of LNG in the Western Hemisphere.

(Source: http://www.ogj.com/articles/2014/06/starfish-start-up-could-ease-trinidad-and-tobago-s-tight-gas-supplies.html*)*



German Lawmakers Look to Reduce Renewable Energy Subsidies: German lawmakers backed an extensive revision of the country's EEG clean-energy law to curb subsidies and slow gains in power prices. Germany has the second-highest electricity prices for private households in the 28-nation EU after Denmark, according to Eurostat.

Chancellor Merkel is seeking to curb subsidies in Europe's biggest renewables market even as she pushes through an "energy switch" from nuclear power. Her plan would see all the country's reactors shut by 2022 and the share of renewables rise to at least 80% by 2050, from about 25% now. Germany seeks to add 2.5 GW of solar panels, 2.5 GW of onshore wind turbines and 100 MW of biomass energy units a year. It targets 6.5 GW of offshore wind capacity by 2020. The government is trying to have the bill become law on Aug. 1, 2014.

(Source: http://www.renewableenergyworld.com/rea/news/article/2014/06/german-lawmakers-vote-to-reduce-renewable-energy-subsidies*)*



Energy Probe Could Lead To 'Major Structural Change': An investigation of the UK energy market could result in "major structural change", according to the industry regulator, Ofgem. It referred the industry to the Competition and Markets authority (CMA) because it does not believe the market is working effectively. The probe is set to look at the profits of the six largest suppliers. In March an Ofgem report questioned the effectiveness of competition in the market and recommended a full inquiry. It was then required by law to consult other interested parties before making a final referral. One of Ofgem's central concerns is the structure of the market which allows big companies to be both energy generators and suppliers to households. It wants the CMA's investigation to examine how this works and whether the relationship should be broken up.

(Source: http://www.bbc.com/news/business-28037567*)*



U.S., Canada Looking Anew at Columbia River's Generation: Hydroelectric power plants located in the Columbia River Basin account for about 29 gigawatts, or between 33% and 40%, of U.S. hydroelectric capacity and produced 44% of the total 2012 U.S. hydroelectric generation, while Canada's portion of the river accounted for 92% of all electricity generated in the province of British Columbia in 2012. Almost 70% of the river basin's U.S. capacity, owned and operated by the U.S. Army Corps of Engineers and the U.S. Department of Interior's Bureau of Reclamation. BC Hydro and Power Authority, a Canadian provincial crown corporation similar to a state-owned utility, operates 31 hydroelectric power facilities. Discussions are underway to see how more of the river resource can be utilized.

(Source: http://www.eia.gov/todayinenergy/detail.cfm?id=16891*)*



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June 30 – July 4, 2014

News you missed during the week…



15 Schools Among Those To Benefit From J$62M Solar Project: The Ministry of Science, Technology, Energy and Mining (MSTEM) in Jamaica announced this week that fifteen schools and three Government agencies would be among those to see considerable reductions in their energy bills as the Petroleum Corporation of Jamaica (PCJ) will be installing Solar PV Systems at public sector buildings at a cost of more than J$62 million (US$570,000). Collectively, the 18 Solar PV Systems to be installed would provide 232 kilowatts peak power which equates to about 344,000 Kilowatt hours per year. This will result in savings of more than J$16 million per year on the public sector energy bill. In addition, the systems are grid-tied, allowing the benefiting institutions to earn revenue by generating electricity to sell back to the grid.

(Source: http://www.jamaicaobserver.com/environment/15-schools-to-benefit-from-PCJ-s--62-m-solar-project_17046677*)*



Toshiba To Supply U.K. Grid Energy Storage Project: Toshiba Corp. says it has been selected to provide the battery for a 2 MW-scale lithium-titanate battery-based energy storage system (ESS) to support a grid management project in the U.K. The company's 1 MWh SCiB battery will be installed in a primary substation in central England in September. The Grid Connected Energy Storage Research Demonstrator project is led by the University of Sheffield and funded by the Engineering and Physical Sciences Research Council, with support from both industrial and academic partners.

(Source: http://www.renew-grid.com/e107_plugins/content/content.php?content.11142*)*



Storms Black Out Nearly 242,800 in US Midwest: Approximately 242,800 electric customers are without power after thunderstorms hit the Midwest amid high temperatures. Illinois was the hardest-hit state with 197,100 Exelon customers and 2,800 Ameren customers without power. Exelon subsidiary Commonwealth Edison said a total of 380,000 customers were affected over the course of the storm. Wisconsin Electric and Indiana utility Alliant respectively had 28,300 and 14,600 customers without power. These storms coincided

with high temperatures, which tend to put a strain on the grid as consumers turn up their air conditioners to remain comfortable. Weather-related outages are responsible for 80% of all U.S. power outages and have doubled in frequency between 2003 and 2012, according to Climate Central. Storms and severe weather caused 59% of these outages.
(Source: http://www.reuters.com/article/2014/07/01/utilities-power-outages-idUSL2N0PC1GQ20140701*)*



Chile Looking to Gas to Meet Energy Demand: Chile is focusing most of its attention on natural gas to meet the country's energy demand challenges, stated the newly appointed Minister of Energy. While South America is universally recognized as a continent rich with fossil fuels—boasting the country with the largest proved oil reserves in Venezuela alongside robust presalt resources offshore Brazil—Chile, South America's sole member of the Organization of Economic Cooperation and Development (OECD), is only a modest producer of oil and gas. Chile is the fifth-largest consumer of energy on the continent.
(Source: http://www.ogj.com/articles/2014/07/chile-looking-to-gas-to-meet-energy-demand-energy-minister-says.html?cmpid=EnlDailyJuly32014*)*



Renewables to Receive Lion's Share of $7.7 Trillion in Global Power Funding: Renewable energy may reap as much as two-thirds of the $7.7 trillion in investment forecast for building new power plants by 2030 as declining costs make it more competitive with fossil fuels. About half of the investment will be in Asia, the region where power capacity will grow the most. That will help global carbon dioxide emissions peak by the end of the next decade. Fossil fuel's share of power generation will shrink to 46 percent from 64 percent now, New Energy Finance said. It estimates 5,000 gigawatts of power generation capacity will be added globally. Coal, gas and oil-fired plants will only account for about 1,073 gigawatts, with much of that put in developing countries where power demand is growing most.
(Source: http://www.renewableenergyworld.com/rea/news/article/2014/07/renewables-to-receive-lions-share-of-7-7-trillion-in-global-power-funding*)*