

WEEKLY GLOBAL ENERGY Markets SNAPSHOT

May 5 – May 9, 2014

News you missed during the week…



Solar Car-Charging Station Opens in Grand Cayman: It may be the Caribbean's most abundant resource, but in a region where energy costs are oppressive, solar energy isn't used nearly enough. That's starting to change, though, and it got a significant boost with the opening of the first standalone, public solar-powered car-charging stations in the Caribbean, a place for electric-powered cars (EV) to come and top off their energy supplies. The new Cayman station is one of six electric charging stations on the island. This follows closely behind Barbados opening its first solar car-charging station in 2013 at the Wildey Business Park. Cayman's government lowered import duties on EVs from 42% to 10%, which is now the third-lowest in the region, in an effort to promote the vehicles. The electric movement on Cayman also got a boost earlier this year when Grand Cayman's Budget Rent-a-Car announced plans to offer 100% EVs on the island.

(Source: http://www.caribjournal.com/2014/05/05/solar-car-charging-station-opens-in-grand-cayman/)



High School Cuts Electric Bill in Half with Renewable Energy: Holy Trinity High School (Jamaica) was able to cut its electricity bill by half, from around US$10,000 to US$5,000 per month. Holy Trinity, a technical institution with an auto-mechanic centre, cosmetology and computer labs, as well as welding and woodwork workshops, a music department and a home economics department, has plugged into the sun. The Education Ministry highlighted that the solar-powered system was a gift from private-sector group New Leaf Power. The 10,000 watt, grid-connected, roof mounted photovoltaic system was designed to reduce the school's consumption by 1,250 kWh per month. The cost of the solar platform was US$27,000. It is estimated that the cost of producing power with the use of the system is US$.10 to US$0.15 when compared to the current cost of power supplied from the grid, which is US$0.42 cents.

(Source: http://jamaica-gleaner.com/gleaner/20140509/lead/lead1.html)

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IAEA Review of Pakistan's Nuclear Regulatory Framework: Senior international nuclear experts last week concluded a 12-day Integrated Regulatory Review Service (IRRS) mission of the International Atomic Energy Agency (IAEA) that reviewed Pakistan's regulatory framework for nuclear and radiation safety. The mission reviewed the effectiveness of the Pakistan Nuclear Regulatory Authority (PNRA) in regulating the safety of the use of nuclear and radioactive material. The results highlighted that PNRA has a well-established regulatory and legal framework that is based on IAEA safety standards and that it conducts effective regulatory activities for nuclear power plants, including licensing, inspection, enforcement, lessons learned and emergency preparedness.

(Source: http://www.iaea.org/newscenter/pressreleases/)



Petrobras Completes Exploration Well: Brazil's state-owned Petroleo Brasileiro SA (Petrobras) reported that it has completed drilling the last exploration well in the Transfer of Rights (TOR) area in the Santos basin presalt. Petrobras announced initial results show that the well has confirmed the discovery of "good-quality oil" in the presalt reservoirs. The well, known as Entorno de Iara 3, was drilled offshore Rio de Janeiro state. With the completion of this well, Petrobras has completed exploratory drilling activities for 16 exploratory wells with a 100% success rate.

(Source: http://www.ogj.com/articles/2014/05/petrobras-completes-exploration-well-in-tor-area-of-santos-basin.html*)*



Obama Commits to Solar Training & Pledges $2B in Energy Efficiency Funding: President Barack Obama announced several plans for improving energy efficiency and commitments by several big retailers to support solar PV. He led with his plan to invest another "$2 billion in energy upgrades for federal buildings over the next three years." He also touted his three-year-old Better Buildings Initiative, noting that businesses and organizations have signed on, committed to improving energy efficiency in America's commercial buildings. He vowed to support training programs at community colleges across the country that will help 50,000 workers earn the skills that solar companies are looking.

(Source: http://www.renewableenergyworld.com/rea/news/article/2014/05/obama-pledges-2-b-energy-efficiency-funding-lauds-wal-mart-solar-roofs)



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May 12 – May 16, 2014

*N*ews you missed during the week…



Kenya's Commercial Oil Find Could Generate $10 billion: Kenya's first commercial oil discovery in South Lokichar basin could yield $10 billion in revenue over a 30-year production period based on regional geological characteristics and well test results, according to a consulting firm. Analysts have projected that the volume of cash flow from the find could enable Kenya's gross domestic product to rise at an average rate of 0.83%/year from its current $40.7 billion. Kenya's oil and gas sector has intensified over the past 20 months.

(Source: http://www.ogj.com/articles/2014/05/globaldata-kenya-s-first-commercial-oil-find-could-generate-10-billion.html)

E.On Energy Supplier to Pay Record Fine for Mis-Selling: Energy giant E.On is to pay out £12m to some of its customers following an investigation into mis-selling by the industry regulator. Regulators of the electricity and gas markets in Great Britain, Ofgem, said it was the largest penalty paid to date by a UK energy supplier. Its investigation found "extensive poor sales practices" amongst staff selling on the doorstep and by phone. The company has estimated that the bill for compensation payments is likely to be between £3m and £8m, on top of the £12m penalty. The regulator said that E.On had opportunities to improve its sales practices long before 2013, but its response was inadequate.



(Source: http://www.bbc.com/news/business-27433428)



Statoil Shows Added Interest in Offshore Angola: Statoil ASA has farmed out 5% participating interest in the Eni SPA-operated Block 15/06 offshore Angola to Sonangol EP for $200 million. The transaction is reportedly part of Statoil's continued optimization process to maximize value and focus financial and organizational capabilities to core assets. Statoil said the Angolan continental shelf is the largest contributor to its oil production outside Norway and is a key building block for the company's international production growth. Statoil's equity production from Angola totalled 200,000 b/d in 2013.

(Source: http://www.ogj.com/articles/2014/05/statoil-farms-out-more-interest-offshore-angola.html)



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Duke Energy To Build 750 MW Natural Gas Plant: Duke Energy Carolinas has announced it will build and operate a 750 MW combined cycle natural gas-fired plant. The North Carolina Electric Membership Corporation will own 100 MW. The plant will be sited at the utility's existing William S. Lee Steam Station, already the site of 370 MW of coal-fired generation, in Anderson County, South Carolina. Duke anticipates construction to begin mid-2015 with the plant to come online in late 2017. The project is part of Duke Energy's plans to move away from coal to natural gas.

(Source: http://www.utilitydive.com/news/duke-energy-to-build-750-mw-natural-gas-plant-in-sc/264225/*)*



China Targets 70GW of Solar Power to Cut Coal Reliance: China, the world's biggest carbon emitter, plans to speed up solar power development, targeting a more than tripling of installed capacity to 70 gigawatts (GW) by 2017 to cut reliance on coal. The goal would be double a previous target set for 2015. China also plans to have 150 GW of installed wind power capacity by 2017, 11 GW of biomass power and 330 GW of hydro power. The plans come as the nation strives to get 13% of the energy it consumes from non-fossil fuels. High pollution levels have forced the government to declare war on smog. As part of its goal, China also aims to operate 40 GW of nuclear plants by 2015 and 50 GW by 2017. China targets natural gas supply capacity of 250 billion cubic meters in 2015 and 330 billion cubic meters in 2017.

(Source: http://www.renewableenergyworld.com/rea/news/article/2014/05/china-targets-70-gigawatts-of-solar-power-to-cut-coal-reliance)



Oncor To Test Battery Storage On Grid: Oncor Electric is investing $1 million to install six storage batteries across Dallas' grid to test how well the technology can function as back-up power supply during short outages. The lithium batteries are designed to store enough electricity to keep three-to-four households-worth of electricity running for about an hour in the event of a power outage. Five of the batteries will be distributed in residential areas, while one will be housed near one of Oncor's power plants. The utility is also testing a "microgrid concept" at one of its storage and maintenance facilities.

(Source: http://www.dallasnews.com/business/energy/20140511-oncor-is-testing-battery-technology-on-grid.ece)



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May 19 – May 23, 2014

News you missed during the week…



EPA, Duke Energy Reach Deal to Clean Up Coal Ash Spill: The Environmental Protection Agency (EPA) and Duke Energy have come to an agreement over how to handle the continuing clean-up of the Dan River in North Carolina, where 39,000 tons of coal ash spilled into the river in February 2014 from one of the utility's coal ash ponds. The EPA will work with federal wildlife officials to clean-up the river under the Superfund Law, which is usually used to clean-up abandoned hazardous waste sites. Duke will reimburse all government agencies involved in the oversight and emergency response. The agreement does not name further fines against Duke.

(Source: http://www.huffingtonpost.com/2014/05/22/epa-duke-coal-ash_n_5375196.html?&ncid=tweetlnkushpmg00000048)



Philippines Could Get 1,200 MW of New Hydroelectric Power Capacity: Four new hydropower projects could give the Philippines more than 1,200 MW of additional capacity. Banco de Oro Capital and Investment Corp. will serve as financial adviser for the US$2.5 billion undertaking. SLRB said a number of foreign investors have expressed interest in the projects, but that the company is not ready to disclose potential partners. Construction of the projects would take between three and four years, according to SLRB.

(Source: http://www.dallasnews.com/business/energy/20140511-oncor-is-testing-battery-technology-on-grid.ece)



Fukushima, Japan Rebuilding Communities with Solar: Fukushima experienced the world's worst nuclear disaster since Chernobyl when a 9.0 magnitude earthquake hit three years ago. Now, the region is trying to turn the "lost landscape" into massive renewable energy fields. The prefecture has declared "zero dependency on nuclear energy" and created a goal to meet 100 percent of its electricity needs with renewable energy, such as solar, by 2040. The prefecture also believes that investing in renewable energy will spur economic development and create jobs to help its recovery and rebuilding efforts.

(Source: http://www.renewableenergyworld.com/rea/home)



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U.S. Electricity Prices to Rise 4% in 2014: The Energy Information Administration (EIA) announced that retail power prices will increase by an average of 4% in 2014, the biggest jump since 2008, and prices will be 13% above this year's level by 2020. Although the national average inflation-adjusted residential electricity price is nearly 30% below the 1984 price, it is now rising because of (i) the shuttering of coal plants, the biggest source of cheap power; (ii) in response to the recession-driven demand drop; (iii) low natural gas and wind energy prices; and (iv) environmental regulations. The estimated 13% increase in the U.S. electricity price by 2020 does not include the impacts of coming EPA pollution and emissions rules that are likely to force expensive plant retrofits and at least 68 plant closures across 20 states between 2014 and 2017.

(Source: http://www.utilitydive.com/news/eia-us-electricity-prices-to-rise-4-in-2014/266324/)



Atlantic LNG not Concerned With Competition From US in LNG Market: Atlantic LNG (ALNG) says it is not concerned with impending competition from the US because it is the most reliable LNG producer in the world. The CEO stated that when one considers global LNG production, ALNG is the only company that has met all its deliveries over the 15 years the company has been in operations. The CEO also mentioned that the shale gas revolution will not lead to a fall in LNG prices because demand was outstripping supply and even with new supplies projected from the US and Australia, LNG was still a good business to be in. He added that the Panama Canal would open up the Asian market to ALNG, making it even more lucrative in the future. ALNG was once responsible for 70% of all of the LNG imported into the US.

(Source: http://www.ogj.com/articles/2014/05/atlantic-lng-s-darlow-not-concerned-with-competition-from-us-in-lng-market.html*)*



WEEKLY GLOBAL ENERGY MARKETS SNAPSHOT

May 26 – May 30, 2014

News you missed during the week…



Brazil, Paraguay Itaipu Hydropower Project Celebrates 40 Years: Representatives from Brazil and Paraguay met this week to celebrate the 40th anniversary of the 14,000-MW Itaipu hydropower plant. Located on the Parana River between the two countries, the decade-long project which started in 1974 employed approximately 40,000 workers. Named one of the "Seven Wonders of the Engineering World" by Popular Mechanics magazine, Itaipu's dam was the world's largest when it was inaugurated. The company announced Itaipu had broken its own world record for annual power production in January after the plant posted an output of 98.63 TWh in 2012-13. The plant is the world's second largest in overall capacity, trailing only China's Three Gorges.

(Source: http://www.hydroworld.com/articles/2014/05/brazil-paraguay-celebrate-itaipu-hydropower-project-s-40th-birthday.html)



Iceland Moves Closer to Powering Europe With Geothermal Energy: Iceland is moving closer to plugging European homes into the volcanic island's geothermal and hydropower reserves via what would be the world's longest power cable. Iceland's government and Landsvirkjun, which produces more than 70 percent of Iceland's power, are studying whether the country should press ahead with the project, which could cost as much as 2 billion euros ($2.7 billion). Construction of the 1,170-kilometer (727-mile) submarine cable would need a bilateral agreement with the U.K. as well as deals concerning the purchase and sale of electricity.

(Source: http://www.renewableenergyworld.com/rea/news/article/2014/05/iceland-moves-closer-to-powering-european-homes-with-geothermal-energy)



South Carolina Lawmakers Pass Landmark Solar Bill: The South Carolina General Assembly passed a bill increasing access to solar that was hammered out by lengthy negotiation between state solar advocates and environmentalists, the dominant regional utilities, and multiple stakeholders. The bill establishes a legal basis for solar to be financed through lease agreements with third party funders, a financing structure that has dramatically expanded installed solar capacity wherever it has been available because it allows homeowners to add

solar without upfront costs or maintenance responsibilities. The bill protects South Carolina's existing net energy metering incentive, which has supported some solar growth, but requires state regulators to institute a value-of-solar proceeding to re-evaluate the controversial practice of reimbursing net metered solar at retail electricity rates.

(Source: http://www.renewableenergymagazine.com/article/south-carolina-solar-bill-heads-to-governora-20140529)



Alberta, Canada Renewables Seen Cheaper Than Coal in Next Decades: Alberta, which relies on coal to generate about half its power, would see electricity rates rise more slowly in coming decades if use of renewable energy increased, according to a study published this week. Prices for electricity would be 4 percent lower by 2033 with a transition to more wind, solar and hydroelectric power than a persistent reliance on coal and natural gas, according to a report by Calgary-based environmental research firm Pembina Institute and Clean Energy Canada, a Vancouver-based organization that promotes renewable energy. The price per kilowatt-hour in Calgary has averaged less than 10 Canadian cents (9 U.S. cents) in the past decade.

(Source: http://www.renewableenergyworld.com/rea/news/article/2014/05/alberta-canada-renewables-seen-cheaper-than-coal-in-next-decades)



Washington State Enacts New Regulation For Refineries: The state of Washington has adopted a new rule that will require refineries in the state to limit greenhouse gas (GHG) emissions by 2025. The rule, entitled WAC Petroleum Refinery Greenhouse Gas Emission Requirements, was adopted on May 28 and establishes reasonably available control technology (RACT) to limit GHG emissions from the state's refineries. The newly enacted law allows Washington's five refineries to choose one of two options available under the rule to meet the GHG emission reduction requirements: Option 1 is known as the energy efficiency standard (EES) – a refinery may demonstrate reasonably available energy efficiency performance by scoring in the top 50th percentile of similar-sized US refineries; Option 2 known as the emission reduction requirement (ERR) – the refinery must implement GHG emission reduction projects that, cumulatively, must achieve reductions adding up to 10% of the refinery's baseline-year GHG emissions.

(Source: http://www.ogj.com/articles/2014/05/washington-state-enacts-new-regulation-for-refineries.html*)*