Oil and Gas News Briefs
Compiled by Larry Persily
July 20, 2015

Canadian companies want bigger share of fracking sand market

http://www.calgaryherald.com/business/Canadian+companies+vying+scoop+bigger+share+frack+sand+market/11226601/story.html

(Canadian Press; July 18) - North American demand has surged in recent years for the smoothest, hardest sand available, and Canadian companies are looking to carve out a bigger chunk of the market. The appetite is coming from the fracking industry, which in North America went from using about seven million tonnes of sand in 2007 to an estimated 35.3 million tonnes this year, accord to PacWest, a consulting group that tracks the industry.

The process involves shooting tonnes of sand down a well as fracking fluid splits open rocks to release oil and gas. The sand wedge into cracks and keep them open so the hydrocarbons can be recovered. The industry has high specifications for their sand, said Joe Peskunowicz of fracking company Canyon Technical Services. "It's got to be round, because if it's angular, it will crush because of point loading," he said. The best sand is known as "Northern White," and many Canadian drillers think it's good enough to justify hauling it 2,200 miles from Wisconsin to the shale plays of northern B.C. and Alberta.

But with energy industry operators looking at any ways to save costs these days, importing sand from far away has become harder to justify. As a result, local sands are making inroads into the Canadian market. Several Canadian producers have stepped in to try to fill the gap and provide some of the 3.5 million tonnes used annually in the country, but it's been a rocky start for some. A lot depends on quality.

Canadian gas producers count on LNG exports to replace U.S. sales

http://www.theglobeandmail.com/news/british-columbia/exports-to-asia-crucial-to-canadian-lng-industry-report/article25524989/

(Globe and Mail; Canada; July 16) – Canada's natural gas industry is counting on energy exports to Asia to lift producers out of a slump. Exports of liquefied natural gas to energy-thirsty customers in Asia are crucial because the United States has been sharply reducing its reliance on Canada for gas supplies, the Canadian Association of Petroleum Producers said July 15.

The amount of natural gas that Canada exports to the United States has fallen almost 30 percent since 2007. "No recovery is anticipated due to the emergence of large volumes of U.S. natural gas production from unconventional supply sources," the association said in its 50-page report. “To realize its full resource potential, Canadian producers will require access to new markets such as those that can be reached through the export of LNG.”

There are 19 B.C. LNG proposals in a range of preliminary to advanced stages, though no terminals are under construction. Even assuming a relatively modest launch of LNG exports, Canadian gas production would climb to 17 billion cubic feet a day by 2030 from the current 14.5 bcf, the association said. By contrast, if LNG isn’t exported, Canadian gas output is predicted to decline 10 percent over the next decade and then flatten out to 13 bcf a day for 2025-2030, the industry group cautioned.

Brookings study sees difficult future for U.S. LNG exports

http://fuelfix.com/blog/2015/07/14/most-u-s-lng-projects-wont-cross-the-finish-line-new-study-says/#27079101=0

(Houston Chronicle; July 14) - Most of the proposed U.S. liquefied natural gas export projects won’t get built amid stiffening global competition that will flood the market as demand begins to slow, a new study finds. Five U.S. projects under construction will cross the finish line, but beyond that construction appears “increasingly unlikely” for the remaining proposals, according to the latest study unveiled July 14 by a task force of gas experts assembled by the Brookings Institution, a Washington D.C. think-tank.

“We believe it will be increasingly difficult to finance new LNG projects, due to high upfront costs in combination with a substantial number of uncertainties which influence supply and demand,” the report said. Developers have been rolling out proposals on the assumptions that U.S. gas prices will remain at record low levels while LNG prices in Asia and Europe remain high, offering North American exporters attractive margins.

U.S. gas prices are expected to rise slowly, which could undercut the competitive advantage of U.S. LNG exports unless developers figure out cheaper ways to liquefy and transport the gas. Gas faces stiffer competition from other competing fuel sources, such as cheap coal and renewables, and that waning demand makes it increasingly difficult for North American LNG to turn a profit, the report found. And collapsing crude prices gave a fresh advantage to rival oil-linked LNG projects in other countries.

Shell expects oil to recover to $90 by 2020

http://www.reuters.com/article/2015/07/16/us-shell-oil-prices-idUSKCN0PQ14M20150716

(Reuters; July 16) – Shell expects oil prices to recover gradually over the next five years, with progress slowed by persistent global oversupply and receding Chinese demand growth. The energy giant is betting on crude rising to $90 a barrel by 2020, a key assumption in its move to buy rival BG Group for $70 billion to help transform it into a leading player in the costly deep-water oil production and liquefied natural gas markets.

"We are not banking on an oil price recovery overnight. It will take several years but we do believe fundamentals will return," Andy Brown, Shell's upstream international director, who oversees the company's oil and gas production outside North America, told Reuters in an interview. A rise in global supplies, mainly due to a sharp increase in output from U.S. shale, has weighed on oil prices.

In the nearer term, Shell expects Brent crude oil to show only a modest recovery from today's $58 a barrel, with 2016 prices forecast to average $67 a barrel and $75 a barrel in 2017, based on the company's BG offer. Oil companies rarely reveal the price forecasts that underpin their future strategies. The chief executive of Shell's rival BP, Bob Dudley, said recently he expected oil prices to remain low for "a couple of years most certainly."

Pipeline company buys out Shell’s stake in Georgia LNG project

http://www.upi.com/Business_News/Energy-Resources/2015/07/16/Kinder-Morgan-grabs-holds-of-Georgia-LNG-project/9731437041690/

(UPI; July 16) – Natural gas pipeline leader Kinder Morgan announced it has bought the entire stake in a proposed liquefied natural gas export terminal in Savannah, Ga., for $630 million from Shell. Though Kinder Morgan will own 100 percent of the project, Shell would take 100 percent of the liquefaction capacity of the terminal for 20 years (2.5 million tons a year, or about 120 billion cubic feet of natural gas).

Shell owns 51 percent of the project, which it will sell to Kinder Morgan, which already holds a 49 percent interest. The project has export approval but only for free-trade nations. It is still waiting for Energy Department approval to the much wider market of nations that lack a free-trade treaty with the United States.

BG Group starts up second LNG unit at new Australia plant

http://www.smh.com.au/business/energy/bg-group-starts-production-at-second-lng-train-in-gladstone-20150713-gib8y0.html

(Sydney Morning Herald; July 13) - BG Group has begun production at its second LNG unit at its Queensland, Australia, export project, marking another milestone at the $20.4 billion (U.S.) coal-seam gas project and putting it on track for full production mid-2016. The start-up of the second train at BG's Queensland Curtis project will be followed later this year by the start of production from the first trains of two other Australia projects: Santos's Gladstone LNG venture and Origin Energy's Australia Pacific venture.

While the start-up marks a major step forward for Queensland's new gas export industry, the new wave of LNG supply is set to hit the Asian market in a period of low prices because of slower than expected growth in demand and weak crude oil prices. As a result, revenues from the plant are set to be lower in the initial phase than might have been expected 12 months ago when prices were much higher.

Once the Queensland Curtis LNG venture reaches full capacity, 10 LNG tankers a month will be loading at BG's project, exporting about 8 million metric tons a year. Since production from the first LNG train started in late December, 27 cargoes have been shipped. Much of the LNG from the first train is being shipped to BG's biggest customer for the project, Chinese oil major CNOOC. However CNOOC doesn't have a stake in the second train, which will supplement BG's global portfolio of LNG supplies.

Australia rules union can poll Gorgon LNG workers for strike

http://www.afr.com/business/energy/gas/chevrons-gorgon-lng-project-faces-fresh-strike-risk-20150719-gifmai

(Australian Financial Review; July 20) - Chevron's $54 billion (U.S.) Gorgon liquefied natural gas project being built off Western Australia is facing a fresh threat of industrial action after unions won official approval to poll workers on a potential strike just months before exports from the venture are finally due to begin. The latest development risks further delaying the start of production at the troubled project beyond its second-half 2015 target, which has already slid by more than a year from the original schedule.

The Fair Work Commission on July 17 ruled that the Construction, Forestry, Mining & Energy Union and the Australian Manufacturing Workers' Union could hold a protected ballot of employees of CB&I, the U.S. engineering company carrying out a contract on mechanical, electrical and instrumentation work at the onshore LNG plant under construction on Barrow Island.

In the past month CB&I workers have several times rejected a proposed replacement enterprise agreement. A hard-line group of construction workers had been pushing for the work roster at the remote Gorgon site to be switched to a 20-10 cycle, consisting of 20 days of work followed by 10 days off. That compared with an existing work cycle of 28 days on and nine days off. The shorter cycle would further increase costs at the Gorgon project, which is already substantially over budget.

http://www.gasworld.com/crowley-adds-16-iso-tanks-to-lng-fleet/2007857.article

(Gas World; July 20) - In response to high customer demand, Crowley Maritime Corp. has acquired 16 additional ISO tanks for its Carib Energy group that will be used to supply, transport, and distribute US-sourced liquefied natural gas (LNG) to customers in Puerto Rico, the Caribbean and Central America.

The 40-foot tanks, which each hold 10,700 gallons of LNG, now feature technological improvements that increase the offload rate, allowing for faster fuel transfers to customers.

“Adding ISO tanks to our equipment fleet for our established business not only allows us to meet heightened customer demand, but also to continue delivering an uninterrupted supply of LNG to these regions,” explained Crowley Vice President Greg Buffington. “And the improved offloading performance reduces the amount of time required to transfer the fuel from tank to the storage unit, adding to overall efficiency. It is our pleasure to play a pivotal role in supplying a cost-effective, safe, reliable and environmentally friendly natural gas fuel to customers.”

From the sourcing and transportation to the delivery into the equipment, the entire LNG supply chain is seamless for Crowley customers. The transportation from US-based liquefaction facilities to customers’ storage units is managed by Crowley’s domestic logistics team, which coordinates over-the-road transportation to the company’s Jacksonville or Port Everglades, Florida, shipping terminals. Once at the terminal, the containers are loaded onto company-owned vessels and transported to customers’ locales. At the port of entry Crowley’s onsite logistics team delivers the LNG to customers’ facilities where it is regasified into pipeline natural gas for boiler consumption.

In 2014, Crowley’s Carib Energy was granted a 20-year, small-scale US Department of Energy (DOE) export license for the supply, transportation and distribution of LNG into Non-Free Trade Agreement (NTFA) countries in the Caribbean, Central and South America. The licensing permits Crowley to export 14.6 billion cubic feet (BCF) 0.04bcf/d of LNG – roughly the equivalent of 480,000 gallons – per day via 10,700 gallon ISO tanks to these regions.

https://stateimpact.npr.org/pennsylvania/2015/07/22/penneast-pipeline-surveyors-blocked-from-mapping-land-in-new-jersey/

(State Impact; July 22) - Mercer County is joining the list of landowners trying to block PennEast Pipeline LLC from surveying property — part of a county park — in order to build a highly contentious natural gas pipeline.

The county, which has opposed the project since last year, told PennEast yesterday that the company would no longer have access to the park in Titusville for the purpose of surveying the property to facilitate the project. The county cited soil borings on Baldpate Mountain, which it has deemed as potentially environmentally harmful.

The notification follows an announcement by the state Department of Environmental Protection earlier this month, advising the company not to apply for permits needed for the project, since private landowners refused to give it access to survey their properties.

Thirty-two miles of the $1 billion proposed pipeline would run through four communities in Hunterdon County, before ending in Hopewell in Mercer County. The rest of the 110-mile pipeline crosses land in Pennsylvania.

In New Jersey, much of the proposed route — about 3,000 acres, critics say — would run through preserved open space, farmland, and wetlands, as well as cross numerous waterways.

Unless the project receives federal approval, the county will no longer permit any soil borings to be done on Baldpate Mountain, the highest point in Mercer County offering spectacular views of the Delaware River.

Mercer County is prepared to fight to protect both its interests and the open space it has purchased, according to County Executive Brian Hughes. The property, about 1,000 acres, used to be owned by Trap Rock Industries, which had planned to expand a nearby quarry on Route 39. The county acquired the land in 1998, using Green Acres funds and its own money.

PennEast said it was disappointed by Mercer County's decision to rescind and terminate survey permission. The company will continue in its efforts to work with all directly involved landowners, as well as agencies, to define the best route, according to Patricia Kornick, a spokeswoman for PennEast.

Potential environmental damage at sites, such as this one on Baldpate Mountain, led Mercer County to suspend PennEast's surveying privileges.

Surveys are an important part of the project, though they are not the only way that PennEast obtains information needed to determine the best pipeline route, Kornick said. They are complemented by the comprehensive geological, environmental, and engineering studies currently being conducted by the company, she said.

The county's action won praise from opponents of the project.

"Without surveys, PennEast will be unable to retrieve the information to move the project forward,'' said Jeff Tittel, director of the New Jersey Sierra Club. "By sticking together, not letting them on your property, and not supporting an alternate route, that's how we can stop this pipeline.''

Michele Byers, executive director of the New Jersey Conservation Foundation, also lauded the county executive's decision. "(He) knows how crucial it is to protect our preserved lands, which our community worked so hard to save,'' she said.

The PennEast undertaking is one of at least a dozen pipeline projects in New Jersey, all of which would deliver cheap natural gas from the Marcellus Shale formation in Pennsylvania to consumers and businesses in the state. Some critics question whether the gas will actually end up in LNG (liquid natural gas) facilities to be exported overseas.

Another contentious pipeline project may move forward a bit today. The New Jersey Board of Public Utilities is scheduled to vote again on an amended proposal to build a 22-mile pipeline by South Jersey Gas through parts of the Pinelands.

http://www.eia.gov/todayinenergy/detail.cfm?id=22072&src=email

(EIA; July 15) - Rail and pipeline shipments of crude oil from the Rocky Mountain region (Petroleum Administration for Defense District 4) have steadily increased as regional crude oil production has increased. The recently released Petroleum Supply Monthly, which contains data for April 2015, shows that 122,000 barrels per day (b/d) of crude oil was moved by rail from PADD 4 to other regions of the country, representing 19% of total crude shipments from the region.

Although crude oil production in the Rocky Mountain region has continued to grow, increasing by 290,000 b/d between 2010 and 2014, PADD 4 refinery runs increased 41,000 b/d between 2010 and 2014, only 14% of the production increase. Because this region also is a net importer of crude oil (generally from pipelines that cross the Canadian border into Montana), PADD 4 has been a net shipper of crude oil since EIA began collecting PADD-level movement data in 1986. With the increase in regional crude oil production, pipeline shipments also increased and were the only outlet until the emergence of rail transportation options in recent years.

In addition to higher volumes of shipments, the number of destinations for the shipments of oil from PADD 4 has also increased. In 2010, just 359 b/d of crude oil from PADD 4 was shipped out of the region by rail, heading to the Gulf Coast region (PADD 3). Rail shipments of oil from PADD 4 have increased to 122,000 b/d in April 2015, and the latest monthly data show crude production from PADD 4 reaching all four other PADDs by rail.

By contrast, pipelines move crude oil from the Rockies only to the Midwest and Gulf Coast (PADDs 2 and 3), and the volume of shipments has also steadily risen. Pipeline shipments from PADD 4 averaged 184,600 b/d in 2010 and increased to 264,400 b/d in 2014. Through the first four months of this year, pipeline shipments from PADD 4 averaged 429,000 b/d.

Several pipeline projects are in progress, designed to accommodate higher oil production by adding capacity between PADD 4 and Cushing, Oklahoma, a major pipeline and storage hub. SemGroup Corporation's White Cliff Pipeline will be expanded to a takeaway capacity of 215,000 b/d and is expected to be completed in late 2015. The Grand Mesa Pipeline, owned by NGL Energy Partners LP, is being expanded to a capacity of 200,000 b/d. It is expected to be completed in the fourth quarter of 2016. The Magellan Midstream's Saddlehorn Pipeline will have an initial takeaway capacity of 200,000 b/d, with expected completion in the second quarter of 2016. With the development of more pipelines in the region, future growth in rail shipments of crude oil produced in PADD 4 may be relatively limited.

http://www.cbc.ca/news/canada/british-columbia/bc-liberals-passes-25-year-lng-act-promising-billions-in-revenue-1.3162685

(CBC News; July 21) - B.C. passed the Liquefied Natural Gas Project Agreements Act late Tuesday after holding an unusual summer legislative sitting to push through the bill. BC Premier Christy Clark says the act sets the stage for "unprecedented levels of investment, job creation and economic activity."

"Liquefied natural gas represents an extraordinary opportunity." said Clark, adding that this law will create jobs and build a "clean, competitive new industry."
The special summer legislative session was called July 13th to debate Bill 30 which gives the province authority to enter into LNG project agreements.
"British Columbians own this resource and we have ensured a fair return for current and future generations who will benefit significantly," said B.C. Finance Minister Michael de Jong.
An energy industry group is warning that Canada's natural gas industry risks decline unless new export terminals are built. (CBC)
With Bill 30 passed, B.C. can move ahead with the first LNG project, a $36-billion US dollar deal signed with Pacific NorthWest LNG. The project is forecast to create 4,500 jobs in the construction phase and estimate up to $8.6 billion by 2030 in tax and royalties.
"We are creating a better future and a better British Columbia for our children and grandchildren, said Natural Gas Development Minister Rich Coleman.

One-year-old oil pipeline spills 31,000 barrels in Alberta

http://www.calgaryherald.com/business/energy-resources/Spills+like+this+unacceptable+Alberta+Energy/11240865/story.html

(Edmonton Journal; July 23) - Alberta's energy minister said the Nexen pipeline spill discovered last week near Fort McMurray is "unacceptable." Energy Minister Marg McCuaig-Boyd, Environment Minister Shannon Phillips and First Nation representatives toured the site of the spill July 24, about 22 miles southeast of oil sands center Fort McMurray. An estimated 31,000 barrels of bitumen emulsion poured out of the double-layered steel pipeline, touted for its novel technology to prevent such incidents.

The buried pipeline had not been inspected since it was installed in 2014. Kirk Bailey, with the Alberta Energy Regulator, an independent watchdog investigating the spill, said July 24 the pipeline had been deemed low risk because of the "newness of the pipeline and the leak detection system that had been installed seemed to be effective." However, that built-in leak detection system failed to alert the company about the spill, which was discovered July 15 by a contractor walking along the pipeline's route.

"It's no surprise that we found it quite troubling that there was a lag with respect to how long it took" to find the leak," Phillips said. "But that forms part of the investigation." That's exactly what the work of the Alberta Energy Regulator is focused on, she said. Bailey said the potential outcome of the investigation could be anything from administrative penalties to enforcement action to criminal charges.

Croatia may join list of new LNG importers

http://af.reuters.com/article/energyOilNews/idAFL5N1012SV20150721

(Reuters; July 21) - Croatia's power utility HEP and gas transmission system operator Plinacro July 21 invited investors to express interest in building a liquefied natural gas import terminal in the Adriatic, part of the country's drive for energy independence. The proposed terminal on the island of Krk is also part of Europe's wider efforts to reduce its reliance on Russian pipeline gas deliveries, joining other LNG import projects.

HEP and Plinacro, in a joint venture named LNG Croatia, said the deadline for submitting investor proposals is Dec. 15. The terminal is expected to cost almost $700 million. The Croatian government last week declared the project to be of strategic interest, which should simplify the procedures for obtaining construction permits.

Newspaper reports delay in second Russian gas pipeline to China

https://www.rt.com/business/310451-gazprom-cnpc-gas-deal/

(RT Network; July 22) - The contract between Russia and China for gas via the proposed western-route pipeline known as Power of Siberia-2 is delayed indefinitely, Russian-language business newspaper Vedomosti reported, citing Russian officials who said China is reviewing its energy needs due to its economic slowdown. China's demand growth for gas is slowing, while access to LNG imports is growing due to low oil prices, Sberbank CIB analyst Valery Nesterov told Vedomosti July 22.

While gas consumption in China grew by 12 to 13 percent in 2013, the growth fell to 8.5 percent last year. In the first six months of 2015, growth stood at only 2 percent, according to Nesterov, which means that Gazprom won't be able to get a high price for gas delivered through the proposed western-route pipeline into China.

Russia's Power of Siberia-2 route, previously known as the Altay route, is expected to supply up to 1 trillion cubic feet of gas per year to China. That would be in addition to the eastern route called the Power of Siberia pipeline, which would deliver more than 1 tcf a year to China. The pipeline, the world's largest, is scheduled to begin delivering gas to China in late 2018, and become fully operationally in 2019.

Japan paid average $8.65 for LNG imports in June; lowest since 2009

http://uk.reuters.com/article/2015/07/23/energy-japan-imports-lng-idUKL3N10300T20150723

(Reuters; July 23) – Japan's combined average long-term contract and spot-market price for liquefied natural gas imports in June fell to the lowest since September 2009. LNG import prices averaged $8.65 per million Btu in June, down from $8.84 in the previous month and marking a seventh straight month of declines, Reuters calculations based on preliminary trade data from the Finance Ministry showed July 23.

Japan, which buys about one-third of all global LNG shipments, spent a record 7.85 trillion yen ($63.28 billion) on almost 4.3 trillion cubic feet of natural gas as LNG in 2014, after the nuclear plant meltdown at Fukushima in 2011 led to the shutdown of all the country's nuclear reactors. Japan's LNG imports last month were 6.63 million tons (almost 320 billion cubic feet of gas as LNG), down 2.8 percent from a year earlier and the third monthly year-on-year decline, the data showed.

Because most LNG imports to Japan are bought on long-term contracts linked to oil, the slump in crude is being reflected in a cheaper price for LNG.

Australian industries to pay the price of LNG exports surge

http://www.watoday.com.au/business/rocketing-gas-prices-to-hit-industry-users-20150723-gihx4m?

(Western Australia Today; July 23) - Australia's industrial gas users face a more than doubling in prices over the next three to five years, slashing profitability, driving up debt and potentially forcing plant closures, according to analysis on the natural gas market by ANZ Bank. The chemical industry is set to be the worst hit of the industry sectors, potentially forcing multinational operators to shift operations overseas, ANZ senior commodity strategist Daniel Hynes said July 23.

The lack of alternative feedstocks for chemical production and their exposure to international competition means that sector will bear the heaviest toll from the rising prices, caused by the surge in growth in LNG exports that will send more Australian gas overseas. The metals and steel manufacturing sectors, and wood, pulp and paper manufacturers are also set to suffer pain over the next few years as the market adjusts to the transformation being wrought by Australia’s LNG exports surge.

Households, meanwhile, face an increase of about 30 percent in their gas bills by 2020. The fresh analysis from ANZ came as the Australian Energy Market Commission recommended a package of immediate actions to be considered by the Commonwealth and state energy ministers to address some of the constraints in gas supply for domestic consumers.

First nuclear restart could cut Japan’s LNG imports 40 bcf a year

http://af.reuters.com/article/commoditiesNews/idAFL3N1032F820150723

(Reuters; July 23) - The scheduled restart next month of Japan's first nuclear reactor in nearly two years would save around 850,000 metric tons of liquefied natural gas per year (about 40 billion cubic feet of natural gas), according to Reuters calculations based on data from the country's industry ministry. Kyushu Electric Power is set to restart one of its Sendai reactors in southwestern Japan in August, pending a final sign-off by the country's nuclear regulator.

It would be the first restart of a reactor in Japan since the Fukushima meltdowns of 2011 led to the eventual closure of all of the nation's reactors in September 2013 for checks and costly safety upgrades. The shutdown of an energy source that supplied about a third of Japan's power forced utilities to burn record amounts of fossil fuels. Fukushima turned the Japanese public against atomic power even as electricity became more expensive to cover the higher costs of imported oil and LNG.

Kyushu Electric aims to restart the Sendai No. 1 reactor in mid-August and the No. 2 reactor in mid-October, each having a capacity of 890 megawatts. With both reactors operating, Kyushu says it will save about 15 billion yen ($120 million) in fuel costs per month, mainly from using less oil and LNG. Any restart is likely to be unpopular, with opinion polls showing a consistent majority opposing restarts.

Some Texans question LNG export terminals

http://portisabelsouthpadre.com/2015/07/25/texas-lng-opponents-moving-forward/

(Port Isabel Press; South Padre, Texas; July 25) - In what has become a regular occurrence, members of the group Save RGV from LNG met July 23 in Brownsville, Texas, to discuss the progress of several proposed liquefied natural gas export terminals along the Brownsville Ship Channel. Five developers have been granted options to lease land along the channel for the multibillion-dollar projects, though none have secured federal export and environmental approvals, financing and customers.

Save RGV (Rio Grande Valley) from LNG members, many of whom belong to the Sierra Club, have attended open houses and demonstrated in places like South Padre Island. At the July 23 meeting, the group reiterated its concerns that the LNG facilities could present a hazard to the environment, primarily the Bahia Grande, which is one of the largest restored wetlands area in the country. They also expressed concerns about possible negative impacts to ecotourism and real estate values.

Port Isabel resident Edna Goette acknowledged the historic track record of gas. "The safety record is pretty good, but there is the possibility," she said.

First Nation continues opposition to pipeline for Kitimat LNG project

http://www.princegeorgecitizen.com/news/local-news/pipeline-opponents-set-up-camp-1.2012109

(The Citizen; Prince George, BC; July 24) - Proponents of a pipeline that would carry natural gas from a station north of Prince George, B.C., to an LNG plant in Kitimat are treading carefully as a First Nation community opposed to the project is again making its presence felt. The Pacific Trail Pipeline has won the support of 16 First Nations, but the Unist'ot'en, a clan within the Wet'suet'en hereditary chief system, remains opposed and is setting up checkpoints where the route goes through their territory.

The action comes just as Chevron has begun pre-construction work along a 33-mile portion of the pipeline's 300-mile route. Chevron is the lead in the LNG project, which still lacks a final investment decision by the partners. "We have made it clear to the police and industry that we are not blockading the road," the Unist'ot'en said in an online posting. "We are establishing checkpoints on the boundaries of Unist'ot'en territories. People and companies who gain our consent are allowed to enter.

"The clan maintains the project will impose a toll on the environment within its territory. At the same time we are considering the impacts of the communities where Chevron wants to frack, and the coastal communities who will bear the burden of impact from giant LNG tankers traversing treacherous waterways," the Unist'ot'en said in its posting. "We will protect our critical infrastructure of water, salmon, berries and medicines from destruction by industries that pollute."

Pipeline expansions will deliver Marcellus gas to Southeast U.S.

http://www.bloomberg.com/news/articles/2015-07-21/shale-gas-heads-to-florida-as-pipelines-seek-to-even-prices

(Bloomberg; July 21) - A glut of cheap natural gas trapped in the U.S. Northeast will be heading south by the end of the year, reducing price differences between the regions. Pipeline expansions by Williams, Kinder Morgan and Spectra Energy will carry gas from the Marcellus shale to southern states as early as the fourth quarter. That will drop the regional premium paid for gas in the Southeast to as little as 30 cents per million Btu from more than a dollar higher than the Northeast, industry analysts said July 20.

New pipelines are closing the divide between the winners and losers of America’s shale revolution as long-awaited supplies move to southern states and other regions. Without a Marcellus of its own, the Southeast, including Florida, where gas demand is booming, has missed out on the cheap fuel that has come with increased production.

“These projects will definitely reduce the spread between the Northeast and other regions,” Tony Franjie, senior natural gas analyst for Genscape in Sugar Land, Texas, said July 20. “Everyone but those near the shale plays has kind of missed out on the boom. It’s just crazy what’s happened in the Northeast.” The difference between the two Northeast and Southeast has averaged $1.48 this year and will shrink to about 30 cents as new pipelines come online over the next three years, Franjie said.

Bipartisan Senate bill would speed up LNG export decisions

http://www.platts.com/latest-news/natural-gas/washington/us-senate-energy-bill-to-speed-lng-exports-clarify-21837704

(Platts; July 22) - Key U.S. senators have reached a deal on a broad package of energy sector reforms that if enacted would speed decision-making on liquefied natural gas exports, focus the intent of the nation's Strategic Petroleum Reserve and require reviews of how federal rules impact electric system reliability. The bipartisan legislative package follows a number of Senate hearings in recent months and lawmakers' consideration of more than 100 bills offered for inclusion in the package.

The bill unveiled July 22 is also the result of negotiations between the two leaders of the Senate Energy and Natural Resources Committee — Chairwoman Lisa Murkowski of Alaska and Ranking Democrat Maria Cantwell of Washington — and their staffs. Mark-up of the bill is scheduled to begin the week of July 27.

A provision would speed decision-making on LNG exports by requiring the Energy Department to approve or deny applications to export LNG to non-free-trade agreement countries within 45 days of final environmental review action at the Federal Energy Regulatory Commission (or Maritime Administration for offshore terminals). The bill also provides for expedited review of legal challenges to LNG facilities, and would change the Natural Gas Act to require public disclosure of where LNG cargoes are going.

Federal review of Petronas B.C. LNG project likely to extend into fall

http://www.theglobeandmail.com/news/british-columbia/environmental-review-for-bcs-lng-project-faces-likely-delay/article25588678/

(Globe and Mail; Canada; July 19) - A federal environmental review of a proposed B.C. liquefied natural gas project will likely stretch into the fall, months after the provincial legislature's expected ratification this week of a comprehensive measure to encourage LNG export projects. The Canadian Environmental Assessment Agency is focusing its attention on a suspension bridge and trestle proposed by Pacific NorthWest LNG, a project led by Malaysia's state-owned Petronas for near Prince Rupert, B.C.

Don't expect the federal Environment Minister to render any ruling on the controversial Pacific NorthWest LNG file before October's elections, said Matthew Keen, an energy regulatory lawyer at Bull Housser in Vancouver. Pacific NorthWest LNG envisages constructing a mile-long suspension bridge to carry a pipeline over the northwest flank of Flora Bank, an area that contains eelgrass beds used by juvenile salmon. The bridge would connect with a trestle-supported jetty at a loading terminal for LNG tankers.

In May, members of the Lax Kw'alaams First Nation declined to give their consent to the project. A study commissioned by the 3,600-member Lax Kw'alaams band warns that the trestle would disrupt a complex system that effectively holds Flora Bank in place, putting juvenile salmon at risk in the Skeena River estuary. The federal environmental assessment agency has been reviewing the project since April 2013. Industry observers say final approval by CEAA appears destined to come after the federal election Oct. 19.

Gas overtakes coal as nation’s top electric power generating fuel

http://www.tri-cityherald.com/2015/07/13/3649649/natural-gas-surpasses-coal-as.html

(The Associated Press; July 13) - Natural gas overtook coal as the top source of U.S. electric power generation for the first time ever earlier this spring, a milestone that has been in the making for years as the price of gas slides and new regulations make coal more risky for power generators.

About 31 percent of the nation’s electric power generation in April came from gas, and 30 percent from coal, according to a recently released report from the research company SNL Energy, which used data from the U.S. Energy Department. Nuclear power came in third at 20 percent. A drilling boom that started in 2008 has boosted U.S. gas production by 30 percent and made the United States the world's biggest producer of oil and gas.

Hydraulic fracturing has allowed energy companies to tap huge volumes of gas trapped deep underground in shale formations. That has driven the price of gas sharply lower to levels about a third of what they were just 10 years ago. At the same time, power companies have been installing more gas-fired turbines and retiring some older coal-fired facilities. The burning of natural gas produces carbon dioxide and nitrogen oxides, but far less than coal.