

U.S. natural gas futures struggle near 1-month low on weather outlook



Investing.com - U.S. natural gas futures struggled near a one-month low on Wednesday, as traders looked ahead to fresh weekly information on U.S. gas inventories to gauge the strength of demand for the fuel. Natural gas for delivery in July on the New York Mercantile Exchange dipped 0.1 cents, or 0.05%, to trade at \$2.145 per million British thermal units by 13:30GMT, or 9:30AM ET.

A day earlier, gas futures sank 5.3 cents, or 2.41%, after the latest U.S. weather model called for mild temperatures over the next two weeks, which should reduce heating demand during that time. Natural gas prices have closely tracked weather forecasts in recent weeks, as traders try to gauge the impact of shifting outlooks on spring heating demand.

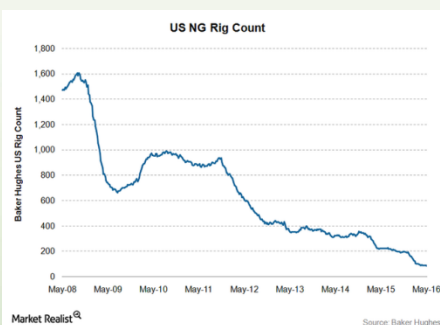
Total U.S. natural gas storage stood at 2.754 trillion cubic feet, according to the U.S. Energy Information Administration, 28.8% higher than levels at this time a year ago and 28.9% above the five-year average for this time of year.

Natural gas prices are down nearly 15% so far this year as weak winter heating demand, near-record production and record-high storage levels dragged down prices.

<http://www.investing.com/news/commodities-news/u.s.-natural-gas-futures-struggle-near-1-month-low-on-weather-outlook-404404>
(Investing.com) 5/25/16

US Natural Gas Rig Count Rose Slightly from a 29-Year Low

On May 20, 2016, Baker Hughes (BHI) will release its weekly US natural gas rig count report. Last week, the US natural gas rig count rose by one rig to 87 for the week ending May 13, 2016—compared to the previous week. So far, the US natural gas rig count has fallen by 75 rigs in 2016.



The US natural gas rig count peaked at 1,606 rigs on September 12, 2008. On the other hand, the natural gas rig count hit 86 rigs in the week ending May 6, 2016. It's the lowest level in the last 29 years. The US natural gas drilling activity fell due to lower natural gas prices. The prices were lower due to oversupply. For the latest on natural gas prices, please read the first part of this series. The drilling activity fell by 61%—compared to the same period in 2015.

The U.S. Energy Information Administration released its monthly drilling report on May 16, 2016. It estimated that natural gas production in the seven key shale regions would fall by 464 MMcf (million cubic feet) per day to 45,972 MMcf per day in June 2016—compared to the previous month.

<http://marketrealist.com/2016/05/weather-us-natural-gas-inventories-impact-natural-gas-prices/>

By Gordon Kristopher (Market Realist) 5/20/16

City of Santa Monica Adds 31 CNG Pickup Trucks to Fleet

In an effort to replace older vehicles, the City of Santa Monica, Calif., says it plans to add 31 new Ford pickup trucks that run on compressed natural gas (CNG) to its fleet.

According to a report from the Santa Monica Lookout, these new trucks will replace 29 vehicles that have been in use between 10 and 19 years and will be used for a variety of tasks, including code enforcement, animal control, traffic signal maintenance, and engineering and maintaining city facilities, parks, streets, and the city's fleet itself.

<http://ngtnews.com/city-of-santa-monica-adds-31-cng-pickup-trucks-to-fleet/>

by NGT Staff (NGT News) 5/23/16

General Motors' IMPCO Automotive CNG Aftermarket Solutions Still Available for Model Year 2016

STERLING HEIGHTS, Mich., (GLOBE NEWSWIRE) -- IMPCO Automotive, a division of IMPCO Technologies, Inc. and a subsidiary of Fuel Systems Solutions, Inc., is offering aftermarket conversion solutions on popular GM platforms using the same conversion center and expertise utilized by General Motors. IMPCO Automotive has been General Motors' North American OEM CNG conversion partner since 2010.

Vehicle platforms available include the following:

- All 1500, 2500 & 3500 Chevy Silverado & GMC Sierra 5.3L and 6.0L Pick-Up trucks
- All Tahoe, Yukon, Suburban and PPV Chevy & GMC 5.3L SUVs
- All 2500 & 3500 Chevy Express & GMC Savana 6.0L Van platforms
- GM4500 6.0L Cutaways

http://www.einnews.com/pr_news/327503002/general-motors-impcO-automotive-cng-aftermarket-solutions-still-available-for-model-year-2016

(EIN News) May 23, 2016

South Jersey Gas Deploys Its 100th CNG Fleet Vehicle

South Jersey Gas, a Folsom, N.J.-based natural gas utility serving customers in 112 municipalities, has [introduced](#) the 100th compressed natural gas (CNG) vehicle to its fleet, achieving a significant milestone for the company.



South Jersey Gas says it is committed to expanding CNG fueling sites across southern New Jersey, with seven public fueling stations currently open and plans to construct more this year.

Furthermore, the utility has already converted more than 100 of its vehicles to CNG since 2011 and says it is committed to converting its entire fleet by 2020. Once the entire fleet is converted, the use of approximately 457,000 gallons of gasoline per year will be eliminated, the company asserts.

<http://ngtnews.com/south-jersey-gas-deploys-its-100th-fleet-vehicle/>

by NGT Staff (NGT News) 5/24/16

Livonia CNG station open

Consumers Energy has opened a Compressed Natural Gas (CNG) fueling station in Livonia, MI. The CNG station is open to the public and provides access to all vehicles sizes, trucks and busses. The covered facility has two dispensers, 4 fueling hoses with both standard and hi-flow nozzles. The station is also equipped with two Level 2 Plug-in Electric Vehicle (PEV) charging stations, able to charge four vehicles at the same time.

“We’re proud to expand CNG availability in Southeast Michigan and look forward to working with customers to expand trucking routes into Michigan or to consider the benefits of integrating CNG units into their fleet,” the company said. “The CNG Fuel Station is located 1 mile south of I-96, 3 miles east of I-275, and 10 miles north of I-94.”

Consumers Energy said it will be investing more than \$17 billion in Michigan over the next 10 years. That includes investments in energy efficiency, renewable energy, environmental and customer service enhancements, and new power generation.

<http://fleetowner.com/running-green/livonia-cng-station-open>

(Fleet Owner)

5/24/16

Automating Fleets Can Bring Safety and Savings



Technological changes, too, have made ASLs more appealing. Converting fleets to compressed natural gas (CNG), and in some cases, such as in Heil’s CNrG, having the option of tailgate-mounted CNG tanks versus roof-mounted, reduces the overall height of units. It also increases the total diesel gallon equivalency (DGE) that can be carried on each unit. The vehicles go up to 105 DGE, without additional body height. The added fuel capacity in one place allows the trucks the potential to carry enough fuel for longer routes and reduces the need for daily refueling.

<http://waste360.com/automation/automating-fleets-can-bring-safety-and-savings>

Cheryl McMullen

(Waste360)

5/23/16

US to streamline LNG export process

An improved, quicker process of getting US-produced liquefied natural gas (LNG) shipments to foreign markets took a step closer to reality with the House of Representatives passing a defence-related bill that includes LNG provisions.

Passing of the FY17 National Defence Authorization Act (NDAA) approves a streamlined process by which the Department of Energy grants permits.

The new provisions would mean export applications being reviewed within 30 days and then decided on within a further 30 days. America is on the way to being a dominant player in LNG because of its vast reserves of inland shale but the number of liquefaction and export terminals is still lagging.

The House’s version of the NDAA must still be reconciled with the Senate’s one, and there are some significant differences. Once reconciled it must then be signed by the president.

<http://splash247.com/us-to-streamline-lng-export-process/>

Donal Scully

(Splash24/7)

5/22/16



The challenges and opportunities of small scale LNG

In the build up to CWC's LNG Fuels Summit, CWC conducted an interview with Laurant Wetemans, GM Downstream LNG, Shell Downstream Services International.

Shell is currently being extremely proactive in developing infrastructure in small scale LNG for bunkers and road transport - where does this fit in Shell's global strategy?

At Shell we believe natural gas, a lower carbon fuel, will play an increasingly important role in the global energy mix. LNG is emerging as a cost competitive and cleaner burning fuel vs heavy fuel oil and diesel for shipping, heavy duty road transport, and industrial applications. In the future, we expect it also be used for rail and mining.

How does the fall in oil price and the narrowing of the oil/gas spread impact on the growth for LNG for bunkers and road transport?

On a long-term basis we believe LNG offers operating cost benefits to many types of vessels compared to existing fuel options. Demand for LNG as a fuel in the shipping industry is increasing, in part due to emissions reduction requirements, which came into force in January 2015. Marine customers are facing increasing regulations on sulfur and nitrogen oxide emissions as part of the Emission Control Areas (ECAs), located in North America and the North Sea/Baltic region.

LNG can help the industry comply with current and future regulations as it can reduce sulfur emissions, particulates and nitrogen oxides, and can help reduce well-to-wheel greenhouse gas emissions vs heavy fuel oil.

Where do you believe the biggest challenges lie currently for end users (marine and road transportation) with regards to converting/investing in LNG fuelled vehicles/ships?

LNG's development as a successful fuel option will depend on many areas: it requires infrastructure, the right regulatory framework to foster growth, and a good business case for customers to invest in new vehicle technology, engines and/or modifications to their existing fleets and vessels. The key to unlock the demand is bringing together all the parties that can make this transition happen in order to de-risk the investment and coordinate the activities.

How important, in your view, is regulation in growing the small scale LNG business?

The right policy and regulatory framework is critical to foster growth in the LNG fuel business. To facilitate increased LNG deployment in transport, policy tools are needed to build momentum, address market barriers and to ensure that the industries providing the fuels and technologies become competitive over the long term.

ECA areas are key to the growth of LNG for bunkers - currently in North-West Europe and North America - what other ECA areas do you expect to see in the future?

In Europe and North America, environmental regulations require shipping operators to reduce local emissions. LNG, which is virtually free of sulfur and particulates, can help them meet these requirements. Many terminals already have truck loading capabilities or have plans to install these facilities. Together with small break bulk access for ships, this will allow distribution beyond the terminal and offer supply positions across Europe to help meet future regulatory requirements.

<http://www.lngindustry.com/special-reports/25052016/The-challenges-and-opportunities-of-small-scale-LNG-2457/>

Interview conducted by CWC Group. Edited by Callum O'Reilly (LNG Industry) 5/25/16

Biggest LNG Buyer Pays Least Since 2005 For Fuel as Prices Slump

The average price of LNG shipments into the country was about \$6.32 per million British thermal units in April, the least since August 2005, according to Bloomberg calculations based on preliminary data from the Ministry of Finance. Prices are expected to rebound in coming months as crude values have surged, according to Junzo Tamamizu, managing partner at Clavis Energy Partners LLC.



LNG under long-term contracts imported into Asian countries are typically linked to oil prices with a time lag of several months. Brent which sank near \$27 a barrel in January, the lowest level since 2003, has rallied more than 70 percent since then and traded at \$48.51 at 2:06 p.m. Tokyo time on ICE Futures Europe exchange.

“With crude prices bottoming between January and February, LNG prices are set to rebound,” Tamamizu said by phone Monday. As Asian spot LNG prices are cheaper, “buyers would likely work harder to renegotiate with suppliers” to lower prices and get more flexibility, Tamamizu said.

<http://www.hellenicshippingnews.com/biggest-lng-buyer-pays-least-since-2005-for-fuel-as-prices-slump/>

(Oil & Companies News) (Hellenic Shipping) 5/24/16

US can supply EU long term with LNG at \$7-\$8/MMBtu: Cheniere

The US can supply Europe long term with LNG at \$7-\$8/MMBtu, based on long-run marginal costs for additional infrastructure, US LNG pioneer Cheniere Marketing's vice president for strategy, Andrew Walker, said Monday.

"What US supply does very effectively is put a transparent price marker out there that says if you need gas in the future we can supply at this price," Walker told a public hearing organized by the European Parliament's energy committee. "If others are asking you for a higher price then you should come and see us," he said.

"We think this is a very effective negotiating tool for the EU to have as it looks at its existing suppliers, be those Russian, Norwegian, domestic or otherwise," Walker said.

<http://www.platts.com/latest-news/natural-gas/brussels/us-can-supply-eu-long-term-with-lng-at-7-8mmbtu-21519771>

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(Platts) 5/23/16

Energy Spectrum commits \$100 mln to BlueJack Energy Solutions

BlueJack Energy Solutions, LLC (“BlueJack”) today announced that it has secured an initial equity commitment of up to \$100 million from Energy Spectrum Capital through Energy Spectrum Partners VII LP (“Fund VII”). Formed in the third quarter of 2015, BlueJack provides oil and gas producers with a full suite of waste stream management solutions including saltwater transmission and disposal, solids processing and disposal and wastewater recycling. BlueJack’s initial operations are focused in the Permian Basin and the Marcellus and Utica shale plays.

“Despite the dramatic shift in the commodities price environment, the opportunity for large-scale development of waste stream management and supply-side infrastructure continues to grow and expand,” said BlueJack CEO Ted Lopez. “Producers are focusing on plays with the best economics and are seeking relationships with reliable partners that have specific expertise and the ability to help them optimize operations and reduce lease operating costs. We established BlueJack alongside Energy Spectrum to combine and leverage our deep experience in waste stream management with their history of backing successful, growth-oriented midstream service providers.”

<https://www.pehub.com/2016/05/3334269/>

By Eamon Murphy (PE Hub Network) 5/24/16



Why Intrexon and Dominion Resources Are Excited About Natural Gas-to-Fuels

Despite its overnight success, corn ethanol simply isn't the best renewable fuel blendstock available. These companies have something better in mind.

Last August, engineered biology conglomerate Intrexon (NYSE:XON) and domestic energy leader Dominion Resources (NYSE:D) announced an exclusive agreement to "explore the potential" for cheap natural gas to be converted into isobutanol, a next-generation fuel blendstock. The partnership seeks to combine core strengths of each company. Specially, it offers a way for Dominion Resources to diversify and monetize its vast natural gas reserves in the Marcellus and Utica shale regions, while Intrexon will have the potential to create tremendous value from applied biology.

Intrexon has kept investors excited about the potential for its methanotrophic platform (that's biology-speak for "using methane as a cellular energy source"), which, arguably, it has positioned as its second most important project, after its widely followed tools for combating the Zika virus. The intrigue is only growing stronger after a recent announcement that the pilot plant for the technology is finally operational. While there's a long way to go before the natural gas-to-fuels platform contributes to the top line -- the company is eyeing commercialization in 2018 at the earliest

<http://www.fool.com/investing/general/2016/05/24/why-intrexon-and-dominion-resources-are-excited-ab.aspx>

By Maxx Chatsko (The Motley Fool) 5/24/16

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About the SGICC

The Ben Franklin Shale Gas Innovation and Commercialization Center (www.sgicc.org) is designed to harness innovation and new technologies to maximize the economic return to Pennsylvania's citizens from the Marcellus and Utica shale formations. The Center's goal is to increase sustainable employment and wealth creation in Pennsylvania that has the potential to outlast the initial exploration, production and transportation of natural gas from the formations. The Center will also identify, support and commercialize technologies and early-stage businesses that enhance responsible stewardship of the environment while properly utilizing this transformative energy asset.

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