LNG Unlimited

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Mitsui OSK Lines CEO Ikeda to boost LNG amid 2020 concern

Japanese shipping line outlines challenges facing industry from IMO limits and global economics

LNG Journal editor

MOL CEO: 'It is no exaggeration to say that the enforcement of these (sulfur cap) regulations will mark a major turning point' for marine transport

Mitsui OSK Lines, the Japanese shipping company whose operated fleet includes almost 100 LNG carriers, said that in an uncertain political and economic environment in the year ahead, one issue that would have a notable impact on the global shipping industry is the enforcement of new sulfur-oxide emissions regulations in January 2020.

MOL President and Chief Executive Junichiro Ikeda outlined the challenges ahead in his New Year message to employees when he focused on the International Maritime Organization-backed 0.5 percent sulfur cap on shipping fuel from next year.

Performance

"It is no exaggeration to say that the enforcement of these regulations will mark a major turning point that will have a crucial bearing on the success of the MOL Group as well as the marine transport industry as a whole," said Ikeda.

"We have less than one year left to prepare. Operational concerns notwithstanding, we need to re-examine whether our preparations are adequate on the sales and marketing fronts, and identify any hidden risks," explained the MOL CEO.

"As professionals in the marine transport business, we will draw on the MOL Group's full range of experience and knowledge to rise above these changes," stated Ikeda.

The CEO said his company would be expanding its activities in the LNG bunkering market as the industry opts to meet new clean-fuel regulations in emission control areas.

"In the technology development and environment and emission-free business, we took several steps to prepare for the trend toward the adoption of LNG-fueled vessels in the near future," said Ikeda.

"Specifically, we successfully entered the new business sector of LNG bunkering vessels and launched an LNG-fueled tugboat," he added.

In addition to its LNG fleet, the company's other ships include large crude oil carriers, liquefied petroleum gas carriers, containerships, bulk carriers and car carriers.

MOL will soon be shipping more LNG cargoes from the US to Japan, including from the Cameron liquefaction plant of Sempra Energy in the state of Louisiana, as more export facilities come on stream on the Gulf Coast.

The CEO noted that the company is also using ice-breaking carriers for the first time to ship LNG cargoes from the Russian Yamal plant in the Arctic region and also has the world's largest floating storage and regasification unit now in operation.

"In the offshore businesses, we have been working to expand the range of services we can provide. Notably, we started operation of the 'MOL FSRU Challenger' in Turkey, following the delivery in 2017," said Ikeda.

Ice-breakers

"In the Yamal LNG project in Russia, we began LNG transport using ice-breaking LNG carriers. In the logistics field, we have integrated our services under the unified brand of MOL Worldwide Logistics," added the CEO.

Ikeda also stated that the company would be relying in future on increasing numbers of crew members from the Philippines to man its vessels.

"In terms of marine technical skills, we opened a maritime academy in the Philippines as a center for training human resources who will help us to operate MOL vessels in years to come," stated Ikeda.

■

UNLIMITED AGENDA

Sovcomflot orders LNG-powered product tankers from Zvezda yard and charters them to gas producer Novatek

LNG Journal editor

Russian shipping line Sovcomflot has placed an order at Zvezda Shipbuilding for construction of three new generation product carriers powered by liquefied natural gas as their primary fuel.

Three medium-range product tankers will have a deadweight (DWT) of 51,000 tonnes each.

LNG-fueled newbuild Aframax tanker 'Lomonosov Prospect'

Ice-class

They will transport petroleum products and gas condensate and will be chartered to Russian natural gas company and LNG project developer Novatek under long-term time charter agreements.

Each tanker will have an ice class of 1B, enabling safe operations in areas with challenging ice conditions, including in the Baltic and subarctic seas.

The Zvezda complex is part of an expansion to the existing Zvezda shipyard owned by United Shipbuilding Corp. in the town of Bolshoi Kamen and is located in the south of the Primorsky Territory, 20 kilometres east of Vladivostok.

Sovcomflot's current fleet includes 144 vessels with a total deadweight of 12.5 million tonnes and 80 of the vessels have an ice class.

The fleet services large oil and LNG projects at Sakhalin Island in the Russian Far East and other projects such as Novatek's Arctic Yamal LNG plant and the Tangguh liquefaction and export facility in Indonesia.

Sovcomflot said using LNG fuel enables it to significantly reduce emissions. Compared to engines burning standard marine fuels, LNG-powered vessels release 27 percent less carbon dioxide, 85 percent less nitrogen oxide and no sulphur oxides.

"The technical specification of the tankers reflects the international regulatory limits on sulphur, nitrogen and greenhouse gas emissions, which will come into effect in 2020," said Sovcomflot.

Sovcomflot in September 2018 also ordered two 114,000 DWT LNG-fueled Aframax crude oil tankers from the Zvezda yard and three others have already been delivered.

The company has pioneered the adoption of LNG as the primary fuel for large-capacity oil tankers.

Sovcomflot along with Russian oil company Rosneft and the Zvezda Shipbuilding have signed a set of agreements for LNG-fueled vessels that will also lead to infrastructure development to allow ships to be bunkered with LNG fuel at Russian ports.

The Aframax vessels are being built by Zvezda jointly with Hyundai Heavy Industries of South Korea, the world's leader in Aframax construction and the technology partner of Zvezda. ■

Alaskan Governor Dunleavy names four new board members to body developing Alaska LNG plant

Alaska Governor Michael J. Dunleavy has named four new members to the seven-member board of directors governing the Alaska Gasline Development Corp., the state company aiming to build the Alaska LNG project to supply Asian nations.

Governor Dunleavy, a Republican, named two oil and gas industry supporters, Doug Smith and Dan Coffey, both of Anchorage, to replace outgoing board members Hugh Short of Girdwood and Joey Merrick of Eagle River.

The two other appointees were Department of Labor Commissioner Tamika Ledbetter and Department of Environmental Conservation Commissioner Jason Brune to serve as State of Alaska department-level members of the AGDC Board.

The Alaska LNG developers are expected to spend up to $45 billion to build an 800-mile gas pipeline from the North Slope in northern Alaska to a planned liquefaction plant in Nikiski on the Kenai Peninsula, south of Anchorage.

A gas processing plant, needed mainly to remove carbon dioxide from the Prudhoe Bay gas, would also be built on the North Slope.

"Alaskans have long focused on the benefits of reduced energy costs, bringing our rich energy resources to market and monetizing our North Slope gas," said Dunleavy

"The announcement continues those goals, while putting in place the personnel to make diligent review of the project," he added.

"AGDC is tasked with a very complex mission and I look forward to seeing how best the State can assist in moving a project forward," he explained.

"Each one of our appointees bring a wealth of knowledge and experience to table, including in areas of resource development, labor and workforce, regulatory issues and oversight, and I look forward to working closely with them in the future," stated Dunleavy.

AGDC is governed by a seven-member board of directors, five public members and two principal department heads of the State of Alaska.

Board members are appointed by the governor and subject to confirmation by the legislature.

The four new members will join existing AGDC board members Dave Cruz of Palmer, Alaska, David Wright of Anchorage, and Warren Christian from the town of North Pole.

The board changes come as AGDC is expected to sign a final joint development agreement with Chinese investors by the end of the first quarter of 2019.

These include companies such as China Petroleum & Chemical Corp., known as Sinopec, and Chinese banks.

Dunleavy was sworn in as Alaska's governor on December 3. The former incumbent, Bill Walker, was an independent and dropped his re-election bid in October.

Dunleavy, a former state senator, won office by defeating Democratic former US Senator Mark Begich in November's election.

The first agreement with Sinopec, a potential main customer for the project, was signed by AGDC in November 2017 to purchase up to 75 percent of the venture's expected 20 million tonnes per annum of output. ■

Firm trading LNG and coal to soon be Jera Global Markets

Jera Trading (Jerat), the joint trading venture between Japanese LNG and fuel procurement and utility company Jera Co. Inc. and French firm EDF Trading established in April 2017 following the acquisition of EDFT's coal business, is continuing its countdown to becoming Jera Global Markets.

Jerat is strengthening its team by hiring a senior trader from global commodities firm Vitol. Jerat said Alex Baileff would join the company in April as Senior Vice President for Coal.

"We are looking forward to welcoming Alex to Jera Trading. He brings with him a wealth of knowledge and trading experience which will be an asset to our coal and freight activities as we develop Jerat's global footprint," said Sunao Nakamura, Chairman of the Board of Jera Trading.

Jera and EDF Trading signed an agreement last year to form an LNG optimization and trading joint venture whereby Jera's and EDFT's LNG trading activities would be merged into Jerat, which will be renamed Jera Global Markets.

This agreement is expected to be completed in early 2019. Baileff will join Jerat's senior team comprising Kazunori Kasai, Chief Executive; Robert Quick, Director of Corporate Affairs; Hisaki Endo, Director of Group Coordination; Ronan Lory, Chief Operating Officer; and Sarah Behbehani, senior Vice President of LNG.

Jera Co. Inc is the main company in all the operations. It was set up by Tokyo Electric Power Co and Chubu Electric to combine their LNG and other trading activities and ultimately to run their power businesses as the industry in Japan reformed and was deregulated.

Ophir loses Equatorial Guinea gas licence after FLNG plan was shelved

LNG Journal editor

Ophir Energy, the UK company that planned a floating LNG export project offshore Equatorial Guinea, has been told by the West African nation that its exploration and production licence that underpinned the project has not been renewed.

Ophir said it had been informed by the Equatorial Guinea Ministry of Mines and Hydrocarbons, headed by Gabriel Mbaga Obiang Lima, that the Block R Licence containing the Fortuna gas discovery, had expired on 31 December 2018.

Minister of Mines-Hydrocarbons Gabriel Mbaga Obiang Lima

"Disappointing'

The UK company had been unable to meet its schedule for a final investment decision on the Fortuna floating LNG project.

"It is disappointing that the Ministry has decided not to extend the licence, despite the amount of effort and cost dedicated to the delivery of the project and especially as we were still talking to highly credible potential co-investors," said Alan Booth, interim Chief Executive of Ophir.

"Nevertheless, we will continue to work constructively with the authorities in Equatorial Guinea. I should like to thank everyone in the Ophir project team. You gave this your very best endeavours," stated Booth.

Ophir and OneLNG, a joint venture between Bermuda-based Golar LNG and global energy services company Schlumberger, had established a joint operating company to develop the Fortuna FLNG venture using Golar's floating hull technology.

OneLNG and Ophir had 66.2 percent and 33.8 percent ownership respectively of the LNG venture company. Ophir managed in late 2017 to agree to a 12-month extension to the Block R exploration and production licence offshore Equatorial Guinea from where the feed-gas was to come for LNG production.

The UK company and its partners had been involved last year in unsuccessful financing discussions with a group of Chinese banks.

The Fortuna FLNG project if completed would have produced 2.5 million tonnes per annum of LNG from a converted hull of an LNG carrier to be deployed over the gas field.

Tokyo Gas helps start first Thai non-state gas distribution business

Tokyo Gas, the utility and importer of around 12 million tonnes per annum of LNG to Japan, has helped start the first non-state natural gas distribution business in Thailand in a joint venture with Japanese trading house Mitsui and three Thai companies.

Thailand's largest private power generation companies are the main partners of Tokyo Gas and Mitsui.

The holding company for the new business has three Thai firms and the Tokyo Gas-Mitsui joint venture, known as MITG (Thailand) Ltd, as shareholders. The Thais own 70 percent of the business and the Japanese 30 percent.

The Thai companies involved include Gulf Energy Development Public Company, headed by Chief Executive Sarath Ratanavadi.

WHA Utilities and Power Public Company, whose CEO is Wisate Chungwatana, has also joined the gas distribution business along with Whaup, a private utility supplier for industrial estates in Thailand.

Tokyo Gas said that through these gas distribution subsidiaries, the Thai-Japanese venture will supply natural gas to industrial users, creating Thailand's first fully private gas distributor.

"The industrial users are in the Eastern Economic Corridor, a special economic zone specified by the Thai government for the purpose of promoting investment," explained Tokyo Gas.

"Various companies, including non-Japanese as well as Japanese companies, are eager to enter this industrial area," it added.

"Tokyo Gas will seek to expand the gas distribution business in the industrial area, leveraging know-how on gas distribution backed by years of experience and successful operations in Japan, together with its knowledge of the LNG value chain," stated the utility.

Analysts said that Tokyo Gas and Mitsui could develop the business in the future with infrastructure and the ability to import LNG for gas-fired power.

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NEWS NUDGES

Texas waterway work contract

The US Army Corps of Engineers said it awarded a $92 million construction contract to Great Lakes Dredge and Dock Company to deepen and widen the Corpus Christi Ship Channel (CCSC) from the Gulf of Mexico to Harbor Island. The contract work will increase the depth from -47 feet Mean Lower Low Water (MLLW) to -54 ft MLLW from the jetties at the entrance of the ship channel to Harbor Island and will extend the CCSC into the Gulf of Mexico to -56 feet MLLW.

Florida LNG bunkering

Eagle LNG, a subsidiary of Ferus Natural Gas Fuels, said it supplied fuel to the Crowley Maritime Corp. vessel “Taino”, the second of two of the world’s first combination container and roll-on-roll-off ships powered by LNG. The “Taino” was refueled at the Eagle LNG shoreside bunkering depot at Jacksonville port in Florida before starting service on the Puerto Rico trade route.

ABS opens headquarters

The American Bureau of Shipping, the US classification society offering services for vessels and projects in LNG and other sectors, has formally opened its new global headquarters in the town if Spring in Texas. The HQ is a 10-storey, 326,800-sq-ft building housing employees from ABS and its affiliated companies. “This is a significant milestone in our 157-year history and reaffirms our commitment to provide industry-leading safety and practical technology solutions for marine and offshore industry challenges,” said ABS Chairman, President and Chief Executive Christopher J. Wiernicki.

US Transco pipeline expansion to reach two export plants in Texas

LNG Journal editor

Gulf pipeline includes reverse flow at station 40 and new compressors at stations numbered 17, 23 and 32

Williams, the US pipeline and infrastructure company, said its Gulf Connector project has been placed into full service to expand its Transcontinental Gas Pipe Line (Transco), the nation’s largest interstate natural gas pipeline, with more liquefied natural gas ventures.

Tulsa, Oklahoma-based Williams said the Gulf Connector pipeline expands Transco’s delivery capacity by 475 million cubic feet per day, reaching two Texas liquefaction and export plants, the newly on stream Cheniere Energy-owned Corpus Christi facility and the Freeport LNG project at Quintana Island.

Schedules

The Corpus Christi export plant exported its first cargo in December 2018 while Freeport is targeting the third quarter of 2019 for commercial start-up of Train 1 and has two other Trains under construction and a fourth Train under development.

The first phase of the Corpus Christi development will have an initial 13.5 million tonnes per annum of LNG exports and the first three Trains at Freeport when completed will ship around 15 MTPA of LNG.

The expansion marks the second Transco project to serve Gulf Coast LNG plants and follows the company's February 2017 start-up of the 1.2 Bcf/d Gulf Trace Project feeding Cheniere's Sabine Pass export facility in Louisiana.

“Since 2017, Williams has now added more than two billion cubic feet per day of capacity to directly serve global LNG export facilities,” said Alan Armstrong, President and Chief Executive of Williams.

“Projects like Gulf Connector, which leverage existing gas pipeline infrastructure, make it possible to connect abundant domestic supply with emerging international markets, giving a boost to the US economy while helping meet the world’s increasing demand for clean energy,” said Armstrong.

Williams said it was well-positioned to take advantage of the projected surge in LNG demand growth as its Transco pipeline passes through every US state with an export facility currently under construction.

Corpus Christi plant given go-ahead for commissioning of second Train

The newest US export plant at Corpus Christi in Texas has been given the go-ahead to begin commissioning the second liquefaction Train as operator Cheniere Energy continues to ramp-up the first Train after staring commercial operations and shipping its first cargo in December.

The proposed three Trains in the first phase of development at the Texas facility, located on the La Quinta Channel on the northeast side of Corpus Christi Bay, will have total nameplate production of 13.5 million tonnes per annum when completed.

“I grant your request for Corpus Christi Liquefaction to introduce gas and commission the Train 2 fuel gas system,” said a letter to the company from the Federal Energy Regulatory Commission.

The first Corpus Christi cargo to be shipped arrived at the Greek Revithousa LNG import terminal, located west of Athens, at the end of December.

Cheniere has said that Train 2 at Corpus Christi was expected to reach substantial completion in the second half of 2019, and Train 3 in the second half of 2021.

There are also an additional seven smaller Trains currently under development at the Corpus Christi site, eventually increasing its nameplate capacity to around 23 MTPA.

In addition to the liquefaction plant, the Corpus Christi facilities include three storage tanks and jetties to handle two LNG carriers at a time.

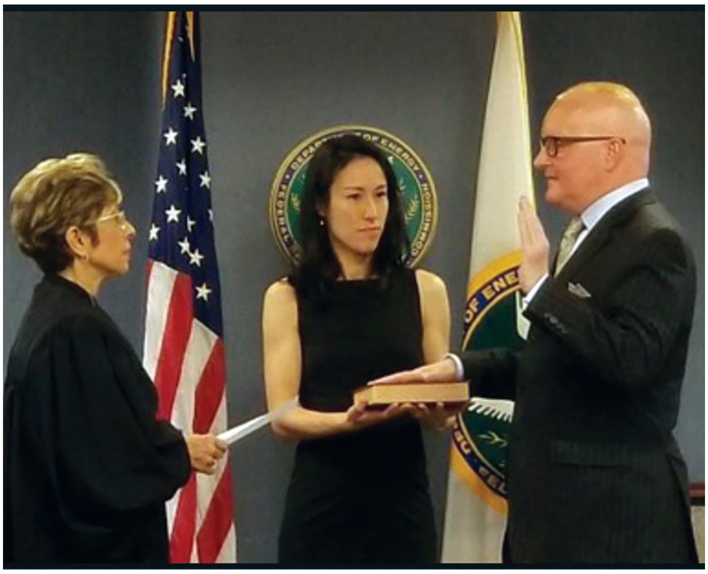
The first two Trains are fully contracted and Train 3 is mostly contracted to buyers from Spain, Portugal, France, Australia and Indonesia, though the facility can also sell spot shipments to other customers anywhere in the world.

Chairman of US FERC Kevin McIntyre dies at age of 58 after illness, praised as 'true public servant'

LNG Journal editor

Federal Energy Regulatory Commission Chairman Kevin McIntyre has died at his home in Arlington, Virginia, after an illness. He was 58 and had been nominated in August 2017 to head the FERC, the main regulatory body for LNG projects and other energy-related ventures.

Commissioner McIntyre was confirmed in his post by the US Senate on November 2, 2017 and served as Chairman until October 24, 2018.



FERC Chief Administrative Law Judge Carmen A. Citron swearing in Kevin McIntyre in 2017 with wife, Jennifer

LNG advances

In its work under McIntyre, the FERC has been altering its work practices to shorten environmental assessment time-frames for up to a year for 12 LNG export projects currently under development on the US Gulf Coast and in Oregon.

The Trump Administration had in October 2018 named Bernard L. McNamee to fill the vacant fifth seat at the FERC before McIntyre was no longer able to work because of his illness. The four remaining Commissioners are McNamee, Neil Chatterjee, who is now Chairman, Cheryl A. LaFleur and Richard Glick.

A setback in his illness had led McIntyre to step away from the Chairman's role on October 24. He remained on the Commission, though was succeeded as Chairman by Commissioner Chatterjee.

"It is with great sadness that we announce the passing of Chairman Kevin J. McIntyre," said a FERC statement.

Successor Chatterjee said that during his tenure at the Commission, McIntyre had exhibited strong leadership and an unmatched knowledge of energy policy and the rule of law.

"He exemplified what it means to be a true public servant each and every day, no matter the challenges," added Chatterjee.

Prior to joining the FERC, McIntyre had been the co-leader of the global energy practice at the US law firm Jones Day, where he practiced law for most of his nearly 30-year legal career.

"At the firm, he had an expansive FERC practice, counseling and representing clients in nearly all industry sectors, including natural gas, conventional electricity, oil, hydropower, wind power and other renewable resources, and energy marketing and trading," said the FERC.

McIntyre had graduated from San Diego State University and Georgetown Law. He is survived by his wife Jenny and three children.

"We will always be grateful for the opportunity, however brief, that Kevin had to serve our country as FERC Chairman," said Mrs McIntyre.

Kaliningrad enclave is supplied with FSRU supply

The Russian port and enclave of Kaliningrad is now self-sufficient in LNG after a delivery via the floating storage and regasification unit, the “Marshal Vasilevskiy”, to the small area separated from Russia and bordering Lithuania and Poland.

The 174,000 cubic metre “Marshal Vasilevskiy” delivered regasified LNG to Kaliningrad at the start of January.

Russian President Vladimir Putin issued a statement saying that Kaliningrad was now “independent” from neighbouring countries as regards energy as the FSRU-backed regasification system and pipelines were formally opened.

“In recent years we have paid much attention to energy supplies, to the energy of the region as a whole, including in connection with EU plans to remove the Baltic states from Russia’s energy ring,” said Putin.

Russian natural gas company Gazprom has completed construction of the facilities to transfer gas from the FSRU into the network in Kaliningrad.

“The terminal links to an existing gas pipeline near a local underground storage facility, allowing gas deliveries to local consumers as well as into storage reservoirs,” said Gazprom.

Kaliningrad has special status in Russia. Before it was annexed by the Soviet Union at the end of World War Two, the area had been part of the German state of East Prussia for hundreds of years, with its capital city called Konigsberg.

After the break-up of the Soviet Union, Kaliningrad found itself between Poland and the newly independent Lithuania which later gained accession to the European Union.

■

Equity fund takes stake in LNG firm founded by Teekay executive

LNG Journal editor

The Texas-based private equity firm, BP Energy Partners (BPEP), has purchased a controlling interest in Cryopeak LNG Solutions Corp., a small-scale Canadian provider of liquefied natural gas to users in remote locations.

BPEP said it would commit fresh capital to Cryopeak, whose headquarters are in Vancouver, to support its continued growth throughout North America. The terms of the transaction were not disclosed.

Cryopeak supplies LNG solutions to mines and remote areas

Offerings

Cryopeak is focused on providing industrial customers and utilities with access to natural gas through using LNG in locations where pipeline services are unavailable, limited or unreliable.

“The company provides safe and reliable LNG virtual pipeline services including procurement, transportation and onsite equipment and support,” said BPEP.

Cryopeak delivers LNG by tanker trucks to locations such as mining sites where LNG is used instead of diesel to supply power and to towns in isolated regions of British Columbia and other provinces.

It sources its LNG from the small-scale Tilbury Island liquefaction plant in BC, owned by the utility FortisBC.

Calum McClure, Chief Executive of Cryopeak, said he was pleased with the deal and to have BPEP as a major investor.

McClure was previously an executive with shipping company Teekay Corp. before founding Cryopeak in 2012.

“BP Energy Partners' investment provides Cryopeak with the capital to grow the business providing our customers with a cleaner, lower cost fuel.,” said McClure.

“The team at BP Energy Partners has great experience in energy investments and we look forward to Cryopeak continuing to grow as a leader in the small-scale LNG industry,” he stated.

Michael Watzky, Managing Partner of BPEP whose HQ is in Dallas, said the Cryopeak transaction was an exciting addition to the BPEP platform.

■

Monaco-based LNG fleet owner gives more Cheniere charter details

GasLog Ltd, the Monaco-based LNG fleet owner with 25 ships operating and nine others on order, has given more details of its terms for the latest time charters for vessels to US LNG producer Cheniere Energy, owner of the Sabine Pass plant in Louisiana and the Corpus Christi facility in Texas.

GasLog also outlined its preference for the most modern technology in its LNG fleet and its attractive earnings prospects.

Cheniere has signed charter party agreements, each for a firm period of seven years, for two vessels ordered from Samsung Heavy Industries in South Korea.

The two carriers each have 180,000 cubic metres of storage capacity with low-pressure, two-stroke propulsion and Mark III Flex-Plus cargo containment systems from French technology company GTT.

The ships are schedule to be delivered from the Samsung yard in mid-2021.

GasLog’s existing relationship with Cheniere now totals four newbuilds on order and the GasLog Partners-owned “GasLog Sydney”. This ship is currently on a multi-year time charter.

“The rate of hire for the Charters is broadly in line with mid-cycle rates and delivers returns in line with GasLog’s financial strategy,” said GasLog.

GasLog Partners, the shipping line’s affiliate listed on the New York Stock Exchange, has the right to acquire the vessels delivered into the charters with Cheniere.

As a result, GasLog said that the potential fleet of GasLog Partners could increase to 12 LNG carriers with charter lengths of five years or longer and the partnership could announce a further dropdown acquisition within the first quarter of 2019.

“I am delighted to build further on our existing relationship with Cheniere,” said Paul Wogan, Chief Executive of GasLog.

“The four newbuilds that we now have on order for them will provide further support for their leading position in US LNG exports,” added Wogan.

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LNG Canada project defended by PM Trudeau and Mayor of Kitimat where LNG export plant to be built

LNG Journal editor

The Royal Dutch Shell-led LNG Canada project has become the main issue in the province of British Columbia in the run-up to the Canadian federal election this year, with Prime Minister Justin Trudeau emerging as a supporter of the venture amid renewed protests.

Trudeau visited the town of Kamloops in BC to address supporters after protests against construction of the Coastal GasLink feed-gas pipeline that will provide feed-gas for the liquefaction plant led to the arrest of 14 people.

Montney shale

The US$5-billion pipeline of 670 kilometres is being developed by TransCanada to bring feed-gas from the Montney shale basin in northeast BC to the liquefaction and export plant proposed for the LNG Canada venture at Kitimat on the Pacific Coast.

In a campaign-style speech in Kaloops, Trudeau did not mention the arrests as he praised the LNG Canada project and its aims to ship clean energy to Asian nations.

Kitimat Mayor Phil Germuth says LNG plant and pipeline will 'mean a lot jobs-wise' in northern BC

"We moved forward on the LNG Canada project, which is the largest private sector investment in Canada's history, C$40 billion, which is going to produce Canadian LNG that will supplant coal in Asia as a power source and do much for the environment," Trudeau told supporters of his Liberal party.

The Canadian police had enforced an injunction from the BC Supreme Court that ordered the removal of any obstructions to the pipeline project in and around the Morice River Bridge on a remote forest road that had been blockaded by a First Nation that had not been signed up to benefit from the project as others had along the pipeline route.

TransCanada had signed agreements with all First Nations along the route. However, the demonstration was led by the Wet'suwet'en people and their hereditary chiefs who do not have an elected council as other native peoples have.

Trudeau said that the federal government and other authorities had to do more to improve native representation and avoid conflict.

"There's still work to be done right across the country in terms of having the opportunity for Indigenous communities to strengthen their governance models," said the federal PM.

"The federal government is not the one who should be deciding who speaks for which Indigenous community. Our responsibility is to support communities as they develop models that make sense. That's what we're in the middle of right now," he explained.

The LNG Canada liquefaction plant will be built near the town of Kitimat and the mayor of Kitimat, Phil Germuth, stated that the benefits coming from the venture far outweigh the costs.

"It's a game changer for Kitimat and not just for Kitimat either, it's also for our region up here in Northern BC and, of course, for the economy of BC and Canada. It means a lot jobs-wise," explained Germuth. ■

GNL Quebec proceeds with LNG plant proposed for site at junction of Saguenay and St. Lawrence rivers

GNL Quebec Inc. is still planning an export project in the French-speaking Canadian province, comprising a liquefaction and export plant near Port Saguenay at the junction of the Saguenay River and the St. Lawrence River.

The company said its LNG proposals were still on track as it filed with the Canadian National Energy Board on January 8 as an interested party in the North Bay Junction fixed-price natural gas delivery service of TransCanada Corp.

The GNL Quebec LNG project is known as Energie Saguenay and is backed by two equity firms based on the West Coast of the US.

They are Breyer Capital of Menlo Park, California, and Freestone International from San Francisco.

"GNL Quebec wishes to participate in the North Bay Junction proceedings as the issues to be addressed are material to its Energie Saguenay LNG export project, which is planned to be in service by 2025," it told the Board.

The Quebec liquefaction facility proposes to export up to 11 million tonnes per annum of LNG to Europe, Asia and South America.

"An integral part of the project is procuring gas supply with terms of up to 20 years from Western Canadian producers and finalizing long-term transportation arrangements on the TransCanada Canadian Mainline to supply the project facility in Quebec," GNL Quebec told the Board.

"GNLQ plans to receive firm service transportation in 2025 from Empress to Ramore, which is a proposed delivery point located near North Bay Junction," the Board was told.

"Substantial capacity will be requested of up to 1.6 billion cubic feet per day, and commercial discussions have been initiated with TransCanada for this service," it explained.

"At Ramore, the proposed Gazoduc Pipeline will interconnect with the Mainline and transport gas on its 42-inch pipeline," it added.

"Gazoduc will extend 750km across northern Ontario and Quebec to Chicoutimi, Quebec where the LNG project will be located," said GNL Quebec.

The developers of the Gazoduc pipeline filed their pre-application project description with the NEB on November 20, 2018, and their project notice with Quebec's Ministry of Environment and the Fight Against Climate Change (MELCC).

GNL Quebec said it expected its project economics and the gas transportation service will be substantially impacted by the issues that are considered and decided in the North Bay Junction proceedings, including the terms of service, tolls, tolling structure and the availability of Mainline capacity. ■

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