

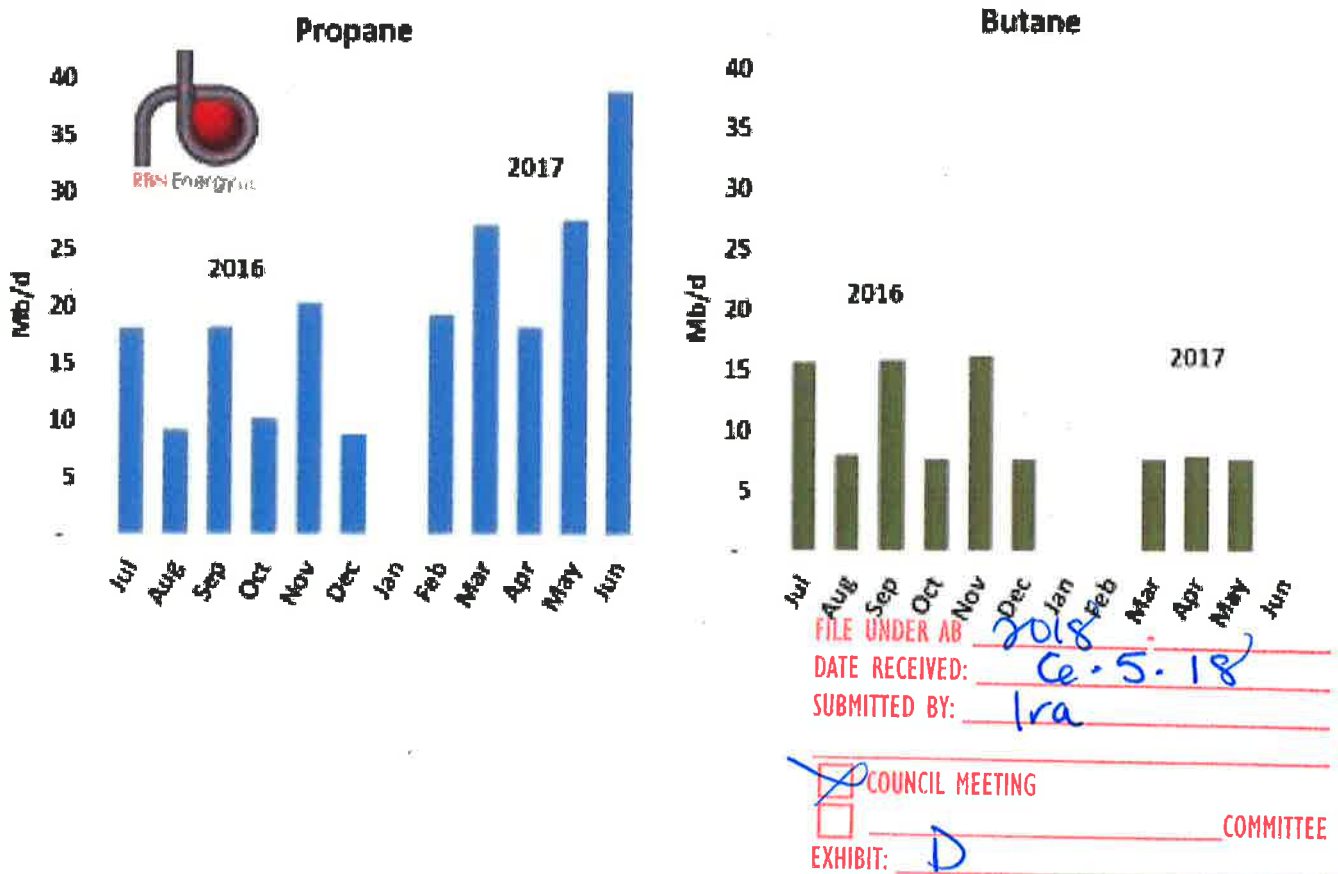
Floating Bridge - West Coast Alternatives for Exporting LPG to Asian Markets.

Carr, Housley. June 21, 2017 (Excerpt)

<https://rbnenergy.com/floating-bridge-west-coast-alternatives-for-exporting-lpg-to-asian-markets>

“Ferndale, with its rail and truck access, 750 Mbbl of LPG storage capacity and deepwater port (capable of handling VLGCs), emerged from the shadows and, in March 2014, Petrogas (a Calgary, AB-based LPG marketing and logistics company that is partly owned by AltaGas and Idemitsu Kosan, a leading Japanese LPG distributor), acquired the terminal from Chevron and contracted with AltaGas (a diversified energy company that, among other things, produces natural gas and NGLs) to run the facility (see West Coast LPG Exports Are a Brand New Game). Generally speaking, the LPG exported out of Ferndale is produced by AltaGas and other natural gas processing plants and fractionators in western Canada, loaded onto Petrogas tankcars at Petrogas rail-loading terminals, and railed to Ferndale, where much of it is loaded onto VLGCs owned by Astomos Energy (a joint venture of Idemitsu and Mitsubishi Corp. that owns more than 20 VLGCs) destined for Japan. In short, the network functions as a sort of floating bridge that carries LPG from North America to Asia.

LPG export volumes out of Ferndale have risen sharply since Petrogas and its co-owners took over more than three years ago. In 2013, exports of propane and butane from Petroleum Administration for Defense District 5 (the U.S. West Coast) — with Ferndale being the only LPG export terminal in PADD 5 — averaged only 10 Mb/d, but they increased to 22 Mb/d in 2014, 32 Mb/d in 2015 and 41 Mb/d in 2016, according to EIA. (These exports included some propane shipped by rail back to Canada.) (See Come on Down to My Boat for more on how LPG is defined by EIA and others.) Figure 1, from the June 20 issue of RBN’s NGL Voyager Report, shows the mix of propane exports (blue bars) and butane exports (green bars) from Ferndale...the destination of all those shipments was Asia — a fact confirmed by the ship-tracking data that is part of the Voyager analysis.”



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