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Supply network vital to bridge LNG distribution gap in PH – AG&P

ESTABLISHING small to mid-scale liquefied natural gas (LNG) supply network is critical to enable efficient and viable distribution and last-mile delivery of gas to LNG demand centers across the country, according to Atlantic, Gulf and Pacific Co. (AG&P).

Speaking at the 5th Power and Electricity World Week at the SMX Convention Center, Matthew Baxter, AG&P vice president for LNG Technology, said the country as an archipelagic nation presents a unique challenge in distribution of gas energy.

Currently, power delivery models are too large and uneconomical to meet the relatively smaller-scale energy requirements of regional areas outside major metropolitan areas.

"The current model of LNG delivery in the Philippines relies on bigger and complex gas pipeline network that makes it not ideal to meet the often smaller energy

requirements of select regional demand areas," Baxter said.

"AG&P is capitalizing on this, combining its modularization capabilities with the latest technologies to develop the complete spectrum of 'plug-and-play' small to mid-scale LNG infrastructure assets that will help drive down costs and accelerate last-mile delivery to under-served LNG demand centers across the country," he added.

With the Malampaya natural gas field in Palawan nearing depletion, the country needs a viable alternative sourcing-to-delivery solution to power small demand centers, Baxter noted. Malampaya is the country's sole gas-to-power energy source.

A small-scale LNG delivery network, including floating LNG storage, on-shore regasification units, and small-sized power plants, will enable energy to be tailored to the needs of the archipelago from as little as a 5 megawatt (MW) power plant up to traditional-sized

facilities.

"For the Philippines, small-scale delivery systems including small LNG shuttle vessels of less than 8,000m³ that can penetrate shallow waters, re-gasification terminals and smaller power plants would be extremely efficient as they are economical, scalable and readily re-deployable to meet changing demand," Baxter said.

AG&P owns a major stake in GAS Entec, the leading Korea-based engineering firm and has entered a joint venture with Risco Energy Group of Indonesia.

"Standardization (of products and processes) coupled with modular construction (of LNG infrastructure assets) will be the circuit-breaker that will bring power projects in the Philippines online, enabling customers to make the switch to LNG as a clean and affordable energy source," AG&P President Albert Altura said.

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