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DECEMBER 2008 | GAS TRANSMISSION AND DISTRIBUTION UPDATES

Israel Natural Gas Lines (INGL)

INGL is in talks to loan 400 million shekels from Bank Leumi for financing part of the northern section of the natural gas transmission line. The company had originally planned to raise the money through the issuing of bonds, but due to the financial crisis realized that this would not be possible. The section from Kiryat Gat southwards to Sdom (135 km and 18-24 inches) is under construction.

Gas Transmission

Due to further delays in the completion of the transmission line to Sdom in the south, the supply of natural gas to Israel Chemicals from Yam Tethys will be delayed by several months. The savings estimated to be made by the company is around \$100 million per year.

Cost for construction of the northern section of the transmission line may double from the original budget and reach \$120 million.

OTHER

US Israel cooperation

Rotem Industry, the technological branch of the Israel Atomic Energy Commission entered into an agreement with the American Midwest Research Institute to establish a R&D center for renewable energy in the Negev as of 2009. The MNI defined this as an agreement of strategic cooperation for full scientific cooperation between the two entities, which will include development of novel technology in the field of solar, wind, hydrogen energy and biological fuels

Solar Energy

Two kibbutzim claim to have won the solar race. Ein-Dor in the Galilee and Reim in the Negev. Ein-Dor plans to build a new neighborhood in which each house has photovoltaic panels supplied by solar energy technology provider Dorel. Re'im claims to have signed an agreement with SunDay, a rival company which will network the 130 buildings in the kibbutz to a central electricity production system.

Electric Cars

Better Place project of Shai Agassi and Idan Ofer unveiled the prototype of its electric car recharging station in Tel Aviv. The station was developed in Israel and designed in San Francisco. It has two sockets for the simultaneous recharging of two cars. Better Place, launched by Shai Agassi, plans to deploy 400 recharging stations across Israel in parking lots, workplaces, and residences as part of a six-month pilot program. The pilot will also include the prototype electric car, based on the Nissan Rouge crossover SUV, which is sold in Europe and Israel as the Qashqai.

The OECD declared that the Better Place project in Israel did not meet the approval of the OECD as long as Israel continued to generate a large proportion of its electricity with coal and gasoil

Fuel and Tariffs

Israel's large fuel companies Delek Israel Fuel, Sonol and Dor Alon have recently renewed talks to import fuel. In the past year, Israel's fuel companies have purchased most of their fuel from Oil Refineries in Haifa and Paz Ashdod Refinery.

The price of self service 95 octane gasoline will be reduced to NIS 4.75 per liter from NIS 5, and self service 96 octane gasoline will be reduced to NIS 4.77 from NIS 5.01. The full service charge will remain at NIS 0.13 per liter. Since July when the price of a barrel of oil reached \$147 a barrel, the cost of oil has fallen 73%, while the price of a liter of 96 gasoline has fallen 32% from NIS 7.01 per liter to NIS 4.75. The last price change was at the end of November when fuel at the pumps fell 9% and the cost of a barrel of oil was \$50