



PetroMed⁴

JANUARY 2009 | GAS TRANSMISSION AND DISTRIBUTION UPDATES

Constant delays, budget overruns and even technical mishaps such as welding problems are still plaguing INGL causing delays and budget overruns.

OTHER

Solar Energy

The National Planning and Building Council proposed a fast-track process for erecting solar panels on rooftops, hoping that the easing of bureaucracy will encourage the public to invest in this renewable source of energy. No special permit will be required or extra taxes charged, just a regular permit for small construction jobs.

The tariff for the sale of electricity from solar energy will decrease by 2% as of January 1st 2009 to 1.97 shekels KwH, whilst the tariff for those who concluded the arrangement with the PUA during the past 6 months will increase by 4.5% to 2.1 shekels compared to the original tariff of 2.01 shekels.

Electric Cars

Israel Corp has invested another \$20 million in project Better Place. As part of the project, charging stations will be installed throughout Israel and other participating countries. The stations will allow owners of electric cars to recharge the car batteries. The project is set to also allow exchanging the batteries in order to save the lengthy recharging time

Fuel and Tariffs

Three of Israel's main fuel companies – Delek Israel Fuel Corporation, Sonol Israel and Dor Alon Energy will buy most of their refined fuel products this year from Oil Refineries, controlled by Israel Corporation. The fuel companies will probably buy fuel at similar terms as in 2008; i.e. at less than international market prices. However, the companies will probably buy less fuel than last year because the companies built up their inventories in 2008 in anticipation of higher prices. The fuel companies also expect that the slowdown will reduce sales in 2009, and they reduced their monthly fuel orders accordingly. In recent months, the fuel companies had been in talks to import fuel products, especially from Indian refineries Essar Oil Ltd. and Reliance Industries Ltd., which are interested in Israel's fuel market. However, it turned out during the talks that Indian fuel would not be available before the second half of 2009.

Paz is starting to establish LPG refueling points at some of its fueling stations, beginning with one station in the south of the country. Currently, Dor Alon has been providing this service at a number

of its stations. There are currently 46 LPG refueling points in Israel, 10 owned directly by Dor Alon, 22 by Dor Gaz a subsidiary of Dor Alon and the others are owned by the LPG companies themselves (Amisragas, Pazgas, Supergaz). There are about 10,000 cars in Israel that run on LPG