

News : Wyoming gas storage expansion to begin service in winter: Spire Midstream

By Killian Staines

Published on - Fri, 16 Aug 2024 12:29:30 CST

- Long permitting process slowing developments
- Mountain region stocks exceptionally high

Spire Midstream’s 16 Bcf working-natural gas capacity expansion to Spire Storage West in Wyoming will begin service this winter, Spire Midstream President Scott Smith said.

Construction is continuing on the Clear Creek expansion. The project “is essentially coming online as we speak, and we’ll be having our first train of capacity up and running this winter,” Smith said Aug. 15 during the LDC Gas Forums’ Rockies and West Forum in San Diego.

The expansion will take capacity in the Spire Storage West depleted reservoir facility to a total of 39 Bcf when it has fully ramped up. Capacity is expected to gradually ramp up at the [project](#), which involves 11 new wells.

The project meets a growing need for storage in the Western US, Smith said. Operators in a number of US western states like California have been retiring coal plants and building out renewables, creating increased volatility in gas demand. “All these changes are happening with essentially the exact same [gas] infrastructure that we’ve had in place over the last 20 years.”

A long permitting process is also slowing down storage projects, Smith said. Spire Storage West took around two years to get a certificate from the US Federal Energy Regulatory Commission. “So that just highlights for a storage facility in Wyoming, in a market that is underserved relative to flexibility getting to where it’s underserved from the standpoint of gas transmission capacity, it still took two years to get that through and get a permit to construct a facility.”

Another factor slowing down storage is a requirement for long-term contracting amongst most developers, Smith said.

Storage developers used to be more willing to build without securing long term agreements. “The contracting trends that you had in storage was typically much different than pipelines,” Smith said. More recently though, developers are increasingly unwilling “to put capital in unless you see sufficiently long contracts to support that.”

Spire bucked this trend and went ahead with the Wyoming expansion before securing long-term contracts “because we felt strongly enough about what is happening with demand changes associated with renewables,” Smith said.

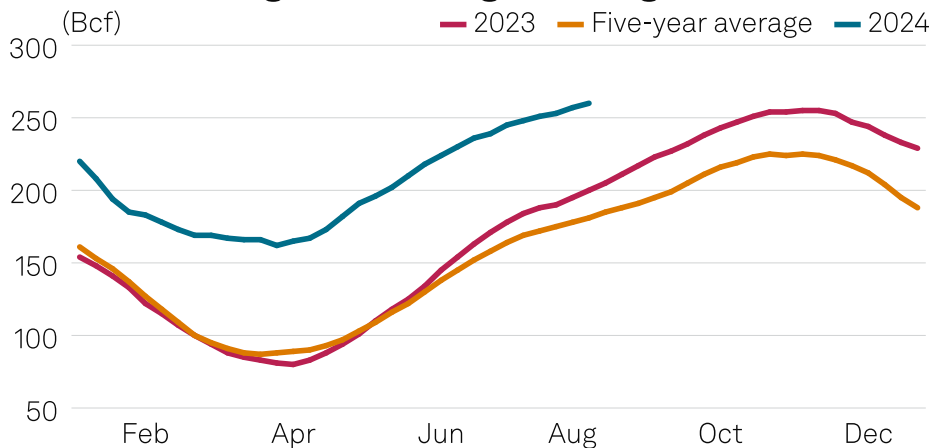
Smith said there were “a lot of opportunities” for further expansions in the region, as evidenced by the recent [Clay Basin](#) announcement. Williams plans to expand working gas capacity at the facility in Utah by 8 Bcf.

The Clay Basin expansion involves no new construction, but instead involves increasing the shut-in pressure, so the extra capacity could start up quickly. In its FERC request, Williams said it could begin utilizing the extra capacity as soon as it is approved.

FERC published a public notice of the request July 25, giving a Sept. 23 deadline for protests, motions to intervene or comments. If no protests are filed, it will be deemed to be authorized Sept. 24. None have been filed so far.

Capacity additions come as stocks in the region are exceptionally high. Mountain stocks were 260 Bcf as of Aug. 9, the highest point at any stage in the past 5 years despite it only being the middle of the typical injection season, EIA data showed Aug. 15.

US Mountain Region natural gas storage stocks



Source: Energy Information Administration

The high storage levels are weighing on prices in the region. Cash prices at Kern River Opal have averaged \$1.72/MMBtu Aug. 1-15, down from \$3.62/MMBtu in August 2023, Platts data showed. It has held an average discount of 24 cents/MMBtu Henry Hub Aug. 1-15, compared with an average basis premium of \$1.05/MMBtu in August 2023.

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