



Newsletter #13
Don't let others tell you about it!

ALTERNATIVES TO FACE THE GAS CRISIS IN VENEZUELA

NATURAL GAS

KEY TO VENEZUELA'S ECONOMIC DEVELOPMENT



The gas that doesn't come

Keys to solving the domestic gas crisis in Venezuela

The shortage of domestic gas in Venezuela is one of the most dramatic expressions of the country's energy collapse. In a nation that has the sixth largest natural gas reserves in the world and the largest in Latin America, it is paradoxical and painful that millions of families cook with firewood or wait weeks – sometimes months – for a gas cylinder. Solving this problem is not only possible: it is urgent, strategic and viable, if political leadership, international cooperation and an intelligent use of foreign assets, especially CITGO, are combined.

What is failing?

- The liquefied petroleum gas (LPG) collection, fractionation and distribution system is in ruins. Plants such as Jose (Anzoátegui) or Ulé (Zulia), which used to supply a good part of the country, today operate at a minimum fraction of their capacity.
- Chronic disinvestment since 2007, coupled with corruption and institutional deterioration, has generated a system incapable of processing and distributing what is still being produced in some fields.
- The creation of PDVSA Gas Comunal and the politicization of distribution eliminated incentives for efficiency and facilitated clientelistic networks, where the delivery of gas became an instrument of social control.
- Much of the gas associated with crude oil production—especially in the Orinoco Oil Belt—is burned or vented due to the lack of infrastructure to capture, process and distribute it.

A problem with a solution!

The urgent rehabilitation of the fractionation and filling plants is a priority. An emergency plan is needed to recover plants such as Jose, Ulé, Bajo Grande and Yagua, but others require urgent intervention.

This effort should include international technical cooperation and transparency in execution. New business schemes can be implemented through joint ventures with specialized LPG partners that could participate in schemes supervised by an autonomous energy authority.

Read the full article on our website and learn more about the measures to mitigate the gas sector crisis in Venezuela.

[READ ARTICLE](#)



Interview

Nelson Hernández

Nelson Hernández is an energy specialist, with a master's degree in gas and energy, and an extensive career as advisor, consultant and professor in Venezuelan universities. He is a Corresponding Member of the National Academy of Engineering and Habitat (ANIH) and founder of national and international energy associations.

[Read the full interview](#)

Natural gas: The energy needed to boost the national economy

Gas is a factor of development in the economy of countries. Worldwide, the reserves of this hydrocarbon are located in 50 emblematic countries with a total of 6642 TPC (Tera cubic feet).

Among the countries with the largest reserves are Russia (1321 TPC), Iran (1134), Qatar (871), USA (446), China (297), Venezuela (221), Saudi Arabia (210), Nigeria (193) and Iraq (125). The fact that Venezuela has these gas reserves makes it necessary to look with interest at this energy resource and to include it in the plans to be developed for the sector, with a view to boosting not only the economy, but also the quality of life of the population.

On this occasion, to talk about the subject of natural gas, we have interviewed petroleum engineer **Nelson Hernández**, who holds a master's degree in gas and energy and has extensive professional experience as an advisor, consultant and professor in Venezuelan universities. He is a Corresponding Member of the National Academy of Engineering and Habitat (ANIH) and founder of national and international energy associations. Co-author of several books and with high presence on the Internet. He participates in forums and

conferences on energy issues. Currently, he works as an energy specialist.

"Venezuela today does not have enough natural gas volumes to satisfy the domestic market and the needs of the oil industry. For the business to be competitive, it is necessary to provide tariffs and prices in the commercialization chain in such a way as to provide financial and economic muscle to those who participate in said chain. In other words, the country can no longer continue to subsidize energy."

"Today, a volume of 921 MPCD is thrown into the atmosphere (especially in the North of Monagas State), which is energetically equivalent to 2.8 G\$ per year. This can be considered an economic and ecological crime."

[READ THE INTERVIEW](#)

Curious Fact

PDVSA was considered one of the best oil companies in the world.

During the 80's and 90's, Petróleos de Venezuela (PDVSA) was recognized as one of the most efficient and transparent oil companies in the world, even rated by "Fortune" magazine as one of the five best managed in the energy sector.

Chapter 20: Venezuela en Crudo

We invite you to listen to chapter 13 of the podcast ***Venezuela en Crudo***, with **Horacio Medina**, president of the **Ad Hoc Board of PDVSA**.



In chapter #20 of our podcast, *Venezuela en Crudo*, we talk to Dr. Giuseppe Giannetto, academic, researcher and former rector of the Universidad Central de Venezuela, on the deterioration of education, the importance of defending university autonomy, and the need to dignify the teaching profession in order to train new generations of Venezuelans.

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