



Drumbeat: June 26, 2013

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[Egypt blames rumors for acute fuel shortage](#)



CAIRO (AP) — Egypt's embattled government on Tuesday blamed rumors and corruption for an acute fuel shortage that has had drivers waiting in long lines to fill their gas tanks — straining already taugth nerves ahead of planned mass demonstrations this weekend demanding the resignation of the president.

Four Cabinet ministers lined up in front of cameras inside the presidential palace late Tuesday, trying to calm citizens' fears, as the Islamist government appeared desperate to grapple with successive political and economic crises that are hitting the country, adding to public discontent.

Government officials blamed nervous hoarding and black market diversions for the shortages. People are stocking up on staples, including fuel, ahead of the protests. Heavy subsidies on Egypt's fuel have caused distortions in the economy, encouraging some to make quick profits by illegally reselling gasoline and diesel.

[WTI Crude Drops as U.S. Supplies Near Three-Decade High](#)

West Texas Intermediate dropped for the first time in three days after an industry

report showed U.S. crude stockpiles remained near the highest level in more than 30 years.

Futures lost as much as 1.1 percent in New York, before paring most of the decline. U.S. inventories slid by 28,000 barrels last week to 392 million, the American Petroleum Institute said after futures markets settled yesterday. Crude supplies climbed to 396.3 million earlier this month, the most since July 1981. A report from the Department of Energy today may show a decrease of 1.75 million barrels, according to a Bloomberg News survey. Stockpiles last month swung between a drop of as much as 6.3 million barrels and a gain of 3 million, according to weekly government data.

[Enbridge Line Shutdowns Sap Output as U.S. Crude Gains on Europe](#)

Enbridge Inc.'s shutdown of Alberta pipelines capable of moving 1.17 million barrels a day toward U.S. markets is shrinking output and boosting U.S. crude to the highest level against Europe's benchmark oil since 2011.

The company's Athabasca and Waupisoo lines, carrying oil from northern Alberta's rapidly expanding oil-sands operations to hubs farther south, remained closed today, with the exception of a segment from Cheecham to Hardisty. Nexen Inc. and Suncor Energy Inc. (SU), facing transportation limits, cut output.

[Roads slightly less crowded 4th of July, AAA says](#)

Get ready for lots of company on the road and in the skies around the Fourth of July weekend, though you'll find them slightly less crowded than last year.

AAA projects 40.8 million Americans will take a trip of 50 miles or more during the Independence Day holiday, a 0.8 percent decrease from last year's record high.

The car trip still rules: 84 percent of travelers will be driving, while 8 percent will go by plane. But the number of people flying will increase slightly compared to 2012. The remaining travelers will take a train or go by bus.

[Calgary's Flooding Bruises Oil Patch Economy](#)

Record flooding near Calgary has left the downtown core of Canada's oil capital empty while forcing three oil pipelines to close and causing as much as C\$5 billion (\$4.8 billion) in damage to homes and offices.

Companies including Cenovus Energy Inc. and Encana Corp. asked employees to work from home yesterday as power to the office towers in Canada's fourth-largest city remained cut off for a fourth day. Most shops and restaurants that rely on office workers for business were closed.

[Shale, the unfinished revolution](#)

GENEVA (Reuters) - Shale has revolutionised oil and gas supply and the global political balance in less than five years, transforming the narrative from one about "peak energy" into a story about managing abundance.

The revolution stems from the application of two mature technologies (horizontal drilling and hydraulic fracturing) in a new context to unlock oil and gas from well known rock formations that were previously impossible to tap because of their low permeability.

[Indonesia Tries to Jump-Start its Own Shale Revolution](#)

Indonesia's state owned oil and gas major PT Pertamina has shale gas on its mind. The company is gearing up to explore for unconventional natural gas, amid Indonesia's dwindling crude oil production.

[Exxon to stop selling sticky fuel to shippers in Halifax](#)

Citing environmental rules, ExxonMobil says it will phase out the sale of marine bunker C fuel to commercial shippers in the Port of Halifax as part of its decision to close its Imperial Oil refinery in Dartmouth, N.S.

Last week the company announced it will convert the 95-year old refinery to a large import terminal by year end.

[Kenya plans to upgrade, not close, region's sole refinery](#)

MOMBASA, Kenya (Reuters) - Kenya plans to upgrade east Africa's sole refinery in the port of Mombasa rather than close it, after the threat of shutting it down prompted protests, Energy and Petroleum Minister Davis Chirchir told workers on Wednesday at the ageing facility.

[Sinopec proposes \\$3.1 bln natural gas, LPG-based ethylene project](#)

(Reuters) - Sinopec Corp has proposed a \$3.1 billion ethylene plant in east China that would be the top Asian refiner's first to use natural gas and liquefied petroleum gas (LPG) as a petrochemical feedstock.

Sinopec's plans call for a 1 million tonnes per year ethylene complex in Qingdao, Shandong province, at a cost of 18.79 billion yuan (\$3.1 billion), according to a circular posted on the Ministry of Environmental Protection's (MEP) website on Tuesday.

[Norway overtakes Russia as Europe's biggest gas supplier](#)

Russia lost its position as the main supplier of gas to EU last year as Gazprom exports fell by 10% knocked down by coal and high prices.

High gas prices in the EU coupled with cheap coal from the US, have made coal a more attractive fuel for power stations, according a new energy report from BP. On average, generating power in Europe is 45% cheaper with coal than with gas, BP chief economist Christof Rühl explains in the report. That's why Europe did not compete for liquid natural gas (LNG) and its imports to Europe fell by 25%. EU imports from Gazprom also dropped by 10%, as Russia's gas prices are tied to oil prices and therefore remained high, BP's economist said. Norway's gas pricing is not pegged to oil and are therefore lower. Imports from Norway rose 12%, and 2012 became the first year when Norway sold more gas to the EU than Russia, Rühl said.

[Pipeline gas to drive European gas prices: EC's Lowe](#)

London (Platts) - Pipeline gas will continue to provide price direction in the European and UK gas markets, Philip Lowe, director general of the European Commission's energy department, told the European Gas and Power Trading Conference in London Wednesday.

"Pipeline gas remains the driver in Europe given the conversion costs of LNG," Lowe said.

[Iraq to announce in July firms to build oil pipeline to Jordan - official](#)

Iraq plans to announce in July prequalified companies to build the country's first oil export pipeline in decades via Jordan, a senior Iraqi oil official said Wednesday.

Nihad Mousa, a director general at the Iraqi oil ministry, said that Japanese, Russian, Chinese and South Korean consortia have submitted documentation to qualify to build the pipeline. European and other companies have also shown an interest, she said.

[Azeri gas consortium rejects Nabucco pipeline](#)

VIENNA: The consortium developing an immense new Azeri gas field, part of European efforts to reduce dependence on Russia, rejected Wednesday the proposed Nabucco pipeline in favour of a shorter, cheaper route through Greece to Italy.

According to an announcement by Austrian company OMV which backs the Nabucco project, the Shah Deniz II consortium, has opted for the rival Trans-Adriatic Pipeline (TAP).

[TransAlta to sell coal power to Washington's Puget Sound](#)

(Reuters) - Washington State utility regulators approved TransAlta Corp's 11-year pact to sell power from its Centralia coal-fired plant to Puget Sound Energy, the Canadian company said on Wednesday.

"PSE is now our largest customer for Centralia coal power," Dawn Farrell, TransAlta president and chief executive, said in a statement.

[China canal project in Nicaragua has investors](#)

The proposed passage through Nicaragua would be wider than the Panama Canal, and could leave the country well placed to capitalize on a predicted rise in global shipping over the next 20 to 30 years.

Even with its current expansion, the Panama Canal will still be too small to accommodate the world's largest container ships.

In addition to the canal, HKND has won rights to build a railroad, two ports, an international airport and an oil pipeline.

[Afren Advances After 'Significant' Light-Oil Find](#)

Afren Plc, a U.K. oil explorer in Africa and northern Iraq, rose in London trading after its Ogo well discovered a "significant" light-oil field in Nigeria.

Afren climbed as much as 8.7 percent, the biggest gainer on the benchmark FTSE All-Share index. Its well was drilled to 10,518 feet (3,206 meters) and encountered a gross hydrocarbon section of 524 feet, the London-based company said in a statement.

[Pakistan aims to curb oil imports](#)

Pakistan plans to use a port in the Arabian Gulf to import coal and to reduce its dependence on more costly GCC oil. That dependence is "killing its economy", said the country's water and power minister in Dubai yesterday.

One of the aims of the expansion of Gwadar port in Pakistan's Balochistan province is to help Pakistan to overcome an energy crisis by widening the mix of its power supply. The port is financed more than 80 per cent by the Chinese.

[Challenges ahead as guard changes in Qatar](#)

The energy empire built during Sheikh Hamad bin Khalifa Al Thani's 18 years as emir has fuelled a rise in GDP from US\$29 billion to nearly \$200bn and given Qatar the means to be a global player in art, sports and politics.

His son, Sheikh Tamim, who took over as the country's ruler yesterday, is to lead a nation blessed with a population as small as its reserves are plentiful: 117,401 barrels of oil for every citizen as well as the world's biggest gasfield.

But a shift in the source of new global supplies from East to West, driven by the rapid growth of North American shale gas, may eventually alter that equation.

[Rising middle class fuels Brazil's protests](#)

NEW YORK (CNNMoney) - In many countries, like Spain and Greece, glaring inequality or a failing economy have triggered popular revolt.

But in the protests that have gripped Brazil since last week, regional experts say economic growth is actually feeding discontent, as a rising middle class puts demands on social services such as education and transportation that the government has failed to meet.

[Industry, Environmental Groups Settle Seismic Law](#)

The oil and gas industry will be required to provide additional protection for marine mammals, cease conducting airgun seismic surveys in certain areas of the U.S. Gulf of Mexico and develop and test an alternative to field guns as part of a lawsuit settled on June 20.

[Scientists Find Canadian Oil Safe for Pipelines, but Critics Say Questions Remain](#)

Diluted bitumen — the blend of thick Canadian crude that would be shipped by the proposed Keystone XL pipeline — is no riskier to transport than other types of crude oil, a new study has found, a conclusion that came under sharp attack by environmentalists.

[Studies Find Methane Gas In Pa. Drinking Water](#)

PITTSBURGH (AP) – New research in Pennsylvania demonstrates that it's hard to nail down how often natural gas drilling is contaminating drinking water: One study found high levels of methane in some water wells within a half-mile of gas wells, while another found some serious methane pollution occurring naturally, far away from drilling.

The findings represent a middle ground between critics of the drilling technique known as hydraulic fracturing who claim it causes widespread contamination, and an industry that suggests they are rare or nonexistent.

[Massive tar mat dug up off Louisiana coast, 3 years after Gulf spill](#)

(CNN) -- Three years after the Deepwater Horizon oil spill, workers have dug up a massive chunk of weathered crude from the shallows off a Louisiana beach.

The tar mat, a slab of oil residue mixed with wet sand, was about 165 feet long by 65 feet wide, said Lt. Cmdr. Natalie Murphy, a Coast Guard spokeswoman. It weighed more than 40,000 pounds, but more than 85% of that weight was sand, shells and water, she said.

[BP Challenges Settlements in Gulf Oil Spill](#)

NEW ORLEANS — BP is placing full-page advertisements in three of the nation's largest newspapers on Wednesday as the company mounts an aggressive campaign to challenge what could be billions of dollars in settlement payouts to businesses after its 2010 oil spill in the Gulf of Mexico.

The ad, scheduled to be published in The New York Times, The Wall Street Journal and The Washington Post, accuses "trial lawyers and some politicians" of encouraging Gulf Coast businesses to submit thousands of claims for inflated or nonexistent losses.

[Marc Rich, "King of Oil" pardoned by Clinton, dies at 78](#)

LUCERNE, Switzerland (Reuters) - Billionaire Marc Rich, who invented oil trading and was pardoned by President Bill Clinton over what had once been the biggest tax evasion case in U.S. history and busting sanctions with Iran, died on Wednesday from a stroke in Switzerland at 78.

[Why Honda's Unloading Electric Cars for Cheap](#)

When Honda Motor introduced its all-electric Fit EV in July 2012, it set a modest goal of delivering 1,100 of the lease-only cars in two years. Yet through May, the company had found just 176 takers for the plug-in. Consumers didn't leap to pay \$389 a month for a subcompact that can go only about 82 miles before it needs recharging, especially when the gas-powered version gets 30 miles a gallon and costs half as much. General Motors, maker of the plug-in Chevy Volt hybrid, and Nissan Motor, which makes the all-electric Leaf, have also seen sales fall short of their goals.

[Car Sharing Grows With Fewer Strings Attached](#)

One-way or free-floating services, which recently started in the United States, use GPS and smartphone apps for far more flexible car sharing. Cars are parked on city streets, and users pick up cars parked nearest to them. Instead of bringing the car back to a lot,

users leave it wherever they find parking near their destination. They are charged for the amount of time they spend driving.

[Solar Boat Harnessed for Research](#)

Last year, after it became the first solar-powered boat to circumnavigate the globe, the Turanor PlanetSolar could have taken its 5,500 square feet of photovoltaic cells and eight tons of lithium-ion batteries and sailed off into the sunset.

Instead it is becoming a scientific research ship, at least for the summer. The boat, a 100-foot, \$17 million catamaran that was dreamed up by a Swiss eco-adventurer and bankrolled by a German businessman, will cruise the Gulf Stream studying the role of atmospheric aerosols and phytoplankton in regulating climate, under the direction of Martin Beniston, a climatologist at the University of Geneva.

[Clean Energy to Reach 25% by 2018 on New Markets, Costs](#)

Renewable energy may supply more electricity than nuclear reactors or natural gas by 2016, spurred by declining costs and growing demand in emerging markets, the International Energy Agency said.

Wind, solar, bioenergy and geothermal use may grow 40 percent in the next five years, double the 20 percent pace in 2011, the Paris-based organization said today in a report on the industry. Excluding hydropower, cleaner sources of energy may reach 8 percent of total world electricity generation capacity by 2018, compared with 4 percent in 2011, the IEA said.

[U.K. Wave Energy Needs Strike Price Six Times Higher Than Coal](#)

Technologies that make electricity from waves need subsidized prices almost six times tariffs paid for coal-fired power if British developers are to bring their devices to market, an adviser to the government said.

Under the U.K.'s Electricity Market Reform, wave energy providers need at least 300 pounds (\$461) a megawatt-hour if support is given over 20 years or 350 pounds over 15 years, said Richard Yemm, chairman of the EMR sub-group of the Marine Energy Programme Board, which advises the government on the industry. That compares with \$78 a megawatt-hour price paid for coal-fired power, according to a Bloomberg estimate.

[Melting Ice, Freezing Fossil Fuels Ambitions: Interview with Fen Montaigne](#)

I am in the go-slow camp when it comes to developing the Arctic, whether it be the region's fossil fuel riches, its minerals, or its fisheries. I think the problems that Shell has

experienced in its early attempts to drill off Alaska's coast bolster the case for a cautious approach. Cleaning up an oil spill in that environment would be far, far more difficult than in the Gulf of Mexico, and a spill's effects would be more severe and long lasting in a cold-water environment than in warm waters.

The Arctic nations — as well as other interested countries, such as China — need to carefully survey and assess the resources of the Arctic basin and draft a conservative plan for their exploitation. That may include a ban on drilling for oil and gas in large sections of the Arctic.

[Alberta Floods Cause: Jet Stream Seen As One Of The Causes Behind Floods, Upside-Down Weather](#)

EDMONTON - It's a long way from the Arctic Ocean to southern Alberta, but scientists are increasingly intrigued by theories that link disappearing sea ice to off-the-hook weather such as last week's flooding.

Many are coming to believe there's a common thread between not enough ice on the ocean and too much water in the rivers — a high-altitude, high-speed torrent of air called the jet stream.

[A changing tide?](#)

ONE of the most divisive debates in Canada during the seven and a half years that Stephen Harper has been prime minister has been about climate change. It has pitted Mr Harper's Conservative government and the country's oil industry against the New Democrat and Liberal opposition parties and environmentalists, who mourn Canada's exit from the Kyoto protocol and advocate stronger measures to curtail greenhouse-gas emissions.

Floodwaters began to rise in the western province of Alberta on June 20th. Within days four people had died, 100,000 had been displaced and the Calgary headquarters of the major oil firms had been forced to close. Greens quickly sensed an opportunity to press their case: with the centre of Canada's oil industry underwater, perhaps the government would take a stronger line on the environment? Andrew Nikofooruk, a Calgary-based environmental writer, said: "I only hope my city's nightmare is the climate-change wake-up Alberta, and Canada, needs."

[Environment and climate change: where the parties stand](#)

After once being policy frontrunners, the environment and climate change have slipped on the agenda.

When the ALP was elected in 2007, then prime minister Kevin Rudd made climate change centre-stage at the UN climate meeting in Bali, where he declared that Australia would ratify the Kyoto Protocol.

Since then, the carbon tax was introduced, dumped and then returned to the agenda, and legislated. But it now faces being axed should the Coalition be elected.

[Obama Sets Limiting Carbon as Priority in Climate Plan](#)

President Barack Obama declared that limiting carbon emissions is in the national interest, setting a standard that will affect almost every sector of the economy, from power plants to the proposed Keystone XL pipeline.

The package of initiatives announced in an address in Washington today mark the president's first detailed plan for confronting what he's called a central global challenge of the 21st century.

[Clean Air Act, Reinterpreted, Would Focus on Flexibility and State-Level Efforts](#)

With no chance of Congressional support, President Obama is staking part of his legacy on a big risk: that he can substantially reduce greenhouse gas emissions by stretching the intent of a law decades old and not written with climate change in mind.

His plan, unveiled Tuesday at Georgetown University in Washington, will set off legal and political battles that will last years.

But experts say that if all goes well for the president, the plan could potentially meet his stated goal of an overall emissions reduction of 17 percent by 2020, compared with the level in 2005.

[Keystone Supporters, Foes See Obama's Support in Address](#)

Leaders of a group opposing the Keystone XL pipeline hailed President Barack Obama for raising the issue in a major address on combating climate change.

"On a scale of one to 10, this was an 11," said Daniel Kessler, a spokesman for 350.org, which advocates for action to address climate change.

Supporters of the project also were heartened.

[Obama's Faulty Plan a 'Full-Throttle' Endorsement of Fracking](#)

Obama climate plan touts gas fracking as "Transition Fuel," doubling down on methane risk.

President Barack Obama today announced a broad attack on climate change. His hope is to reduce greenhouse-gas emissions, and he aims at every target imaginable -- every target within his authority, that is.

Included in his plan are solar and wind projects on U.S. public lands, new energy-efficiency standards and fuel-economy requirements, and greater limits on greenhouse-gas emissions of all kinds.

[Obama's global warming plan: Not enough but better than nothing](#)

Other than his position on Keystone pipeline, the most controversial aspect of Mr. Obama's plan involves reducing the carbon pollution from coal-fired power plants. That policy is virtually unavoidable as such facilities generate about one-third of all U.S. greenhouse gas emissions. But it's also unlikely to prove popular with conservatives who see such regulations as a burden to the private sector and generally prefer to delay, dilute or deny climate change policy.

A far better approach would involve some form of carbon tax or cap-and-trade policy that gave greater flexibility to energy providers. It would let the marketplace determine the solution. And fossil fuel-based forms of energy would be forced to pay for the harm they cause. In return, the federal government might reduce other taxes so that average consumers would suffer little-to-no net loss while the invisible hand of the free market works its magic.

[Coal at Risk as Obama Seeks to Revive Emissions Progress](#)

In his first presidential term, President Barack Obama presided over a sharp decline in U.S. carbon pollution.

With the economy depressed, Americans drove less. Low natural gas prices prompted utilities to shutter carbon-heavy coal plants, and burn more gas for electricity. Solar and wind installations soared.

This year, coal use and carbon emissions are up -- and forecast to grow in the years ahead, putting in doubt Obama's 2009 pledge to cut greenhouse gases 17 percent by 2020. It's against that backdrop that he outlined yesterday a broad swath of policies to curb the use of coal, improve the efficiency of appliances and boost clean-energy investments.

[Obama's Overseas Coal Pledge to Curb Ex-Im Bank Financing](#)

President Barack Obama pledged to end U.S. government financing of overseas coal projects, a promise that could end millions of dollars in support for power plants in nations such as Vietnam and India.

As part of a "Climate Action Plan" released today, Obama called for ending U.S. support of foreign coal-fired power plants, unless they are in the poorest nations or have expensive carbon-capture technology.

[Corbett reacts coldly to Obama climate change plan](#)

HARRISBURG, Pa. (AP) — Pennsylvania's governor isn't warming up to President Barack Obama's plan to address global climate change.

Gov. Tom Corbett issued a statement late Tuesday calling it "not only a war on coal ... but also a war on jobs."

[Obama's Climate Words Are Nice. His Climate Deeds Are Even Nicer.](#)

Obama has probably done more than anyone in the history of the planet to reduce carbon emissions.

[Sea level along Maryland's shorelines could rise two feet by 2050, according to new report](#)

A new report on sea level rise recommends that the State of Maryland should plan for a rise in sea level of as much as 2 feet by 2050. Led by the University of Maryland Center for Environmental Science, the report was prepared by a panel of scientific experts in response to Governor Martin O'Malley's Executive Order on Climate Change and "Coast Smart" Construction. The projections are based on an assessment of the latest climate change science and federal guidelines.

[Building the indestructible metropolis](#)

New York City's plan to bolster its infrastructure to deal with climate change is only the beginning of a long struggle to fortify cities around the world.



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