



Drumbeat: June 28, 2013

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[What natural gas glut? Just export, baby, export!](#)

Drill, baby, drill! Energy companies are doing that all over America right now, sparking fears of a natural gas glut.

But the experts are not concerned, saying demand -- especially from overseas -- is increasing and the United States needs to simply export more of the natural gas it is producing.

[Israel mulls natural gas exports. Is that a good idea?](#)

As the United States contemplates exporting natural gas to the rest of the world, previously energy-poor Israel seems about to jump on the export bandwagon. The current government is seeking approval to export about 40 percent of the production from its newly discovered offshore natural gas fields.

In an era of high volatility in energy prices and supplies and in a country surrounded by unfriendly neighbors, one would think that Israel would want to keep this valuable energy prize all to itself. Current estimates suggest that the remaining 60 percent of production will allow Israel to supply all its needs for 25 years.

[WTI Crude Oil Heads for Longest Gain Since April](#)

West Texas Intermediate rose for a fifth day, its longest increase since April, on that signs of economic recovery in the U.S. and Germany will support fuel consumption.

WTI futures climbed as much 0.8 percent. German retail sales rose more than forecast in May, adding to signs that a recovery in Europe's largest economy has gathered pace this quarter. Fewer Americans filed claims for weekly unemployment benefits and consumer spending rebounded in May, U.S. government data showed yesterday. Brent's premium to WTI shrank after closing at the narrowest since January 2011.

[U.S. Natural Gas Heads for Second Monthly Drop as Supplies Rise](#)

U.S. natural gas traded near a four-month low, heading for a second straight month of declines, after a larger-than-expected jump in supplies yesterday drove prices to the biggest retreat in three weeks.

Futures swung between gains and losses, with volume about 55 percent below the 100-day average. The Energy Information Administration in Washington said yesterday inventories rose 95 billion cubic feet in the week ended June 21 to 2.533 trillion cubic feet. Analysts expected a gain of 90 billion, according to forecasts compiled by Bloomberg.

[Reliance, ONGC Surge After India Raises Gas Price](#)

Reliance Industries Ltd. and Oil & Natural Gas Corp., India's biggest energy explorers, led Indian stocks higher after the nation's cabinet agreed to increase the price of natural gas.

Reliance rose as much as 5.2 percent to 873 rupees, headed for its steepest gain since Feb. 20, and traded 2.6 percent higher at 851.50 rupees as of 12:03 p.m. in Mumbai. ONGC surged as much as 10 percent and Oil India Ltd. 9.2 percent. The benchmark S&P BSE Sensex climbed 1.9 percent.

[China to lift non-residential natural gas prices](#)

BEIJING - The government will increase the price of natural gas for non-residential use on July 10, China's top economic planner announced Friday.

[BP Says Adriatic Pipeline Choice for Azeri Gas Driven by Prices](#)

BP Plc, the lead developer of Azerbaijan's Shah Deniz natural-gas field, said its decision to send the fuel to Europe through the proposed Trans-Adriatic Pipeline was driven by prices.

The move, which ends four years of competition with the Nabucco pipeline project, was based on "commercial factors, including the cost to get the gas to the market and the market prices," Al Cook, BP Azerbaijan president for Shah Deniz, said in an interview in Baku, Azerbaijan. "We saw a difference between the two pipelines measuring in billions of dollars."

[Gazprom Eases Stance on LNG Monopoly as Putin Urges Competition](#)

OAO Gazprom, Russia's natural gas export monopoly, conceded some arguments for allowing competition in shipping liquefied natural gas abroad after President Vladimir Putin called for easing.

“Arguments can be found, concerning LNG and the monopoly, on the possibility of preparing a program with Gazprom’s participation,” Gazprom Deputy Chief Executive Officer Alexander Medvedev told reporters today in Moscow.

[Gazprom Wants to Supply 15 Percent of World's LNG - Miller](#)

MOSCOW (RIA Novosti) – Russia’s state-owned energy giant Gazprom is planning to boost its exports of liquefied natural gas (LNG) to corner up to 15 percent of the world market for the fuel, CEO Alexei Miller said Friday.

The Russian gas giant is turning to lucrative Asian LNG contracts against a backdrop of growing domestic competition and falling demand among its mainstay European customers. It currently supplies just 5 percent of the world’s LNG.

[India to Eclipse China as World's Coal Power, Buoying BHP](#)

India is burning coal in power plants at the fastest pace in 31 years.

At the same time, domestic supplies of natural gas that are the main alternative are falling at the quickest rate in Asia, data from 2012 compiled by BP Plc show. Both trends run counter to those in most major economies and give India clout over global coal prices.

[Lights out as risk of blackouts doubles](#)

Energy watchdog Ofgem says we don't have enough capacity to produce energy - and has suggested rationing might be the only solution.

[Does the UK really face electricity blackouts?](#)

Britain could face a return within 18 months to 70s-style power rationing to prevent blackouts, screamed one tabloid front page on Friday, conjuring up a vision of coalminer militancy and the three-day week.

The irony of the latest scare is that the big employers in this scenario – the energy companies – have partly created the threat of electricity disruption by using too much coal too quickly and mothballing their gas-fired power stations.

[CNPC Said Set to Buy \\$5 Billion Stake in Largest Kazakh Field](#)

China National Petroleum Corp. plans to pay about \$5 billion for a stake in Kazakhstan’s

biggest oil field, people with knowledge of the matter said.

CNPC is planning to acquire 8.33 percent in the Kashagan project from state oil company KazMunaiGaz National Co., two of the people said, asking not to be named before the deal is public. An announcement may be made as soon as next week, two of the people said.

[Saudi Arabia Barricades Its Border, U.S.-Style](#)

From a new stone tower overlooking the border with Yemen, Saudi soldiers send out patrols in search of illegal immigrants drawn to the biggest economy in the Arab world. In the past year, dozens of observation posts have gone up along a 1,100-mile stretch in the southern province of Jazan, some positioned on mountain ridges, others just yards from where Yemenis herd goats through sand and brush. Lieutenant General Meladaan al-Meladaan, who's responsible for protecting 52 miles, says his patrols catch as many as 70 people—from Yemen, Ethiopia, Somalia, Bangladesh—trying to sneak into the country each day.

Many more are able to get past the guards, a steady influx of cheap foreign labor that's made it difficult for some Saudis to find work. Saudi citizens represent only 43 percent of the country's 10.6 million workers, as 6 million foreigners build oil pipelines, fix cars, and bag groceries. In a report last month, EFG Hermes Holding (EFGD), citing government data, said that people living in Saudi Arabia illegally may represent 30 percent of the workforce.

[Oh, Canada: How America's friendly northern neighbor became a rogue, reckless petrostate](#)

For decades, the world has thought of Canada as America's friendly northern neighbor - a responsible, earnest, if somewhat boring, land of hockey fans and single-payer health care. On the big issues, it has long played the global Boy Scout, reliably providing moral leadership on everything from ozone protection to land-mine eradication to gay rights. The late novelist Douglas Adams once quipped that if the United States often behaved like a belligerent teenage boy, Canada was an intelligent woman in her mid-30s. Basically, Canada has been the United States -- not as it is, but as it should be.

But a dark secret lurks in the northern forests. Over the last decade, Canada has not so quietly become an international mining center and a rogue petrostate. It's no longer America's better half, but a dystopian vision of the continent's energy-soaked future.

[If You Remember 'Peak Oil' And 'Peak Wireless Spectrum,' You're Laughing Now](#)

Be wary of predictions about complex systems such as technology and natural resources. Trust in innovation and free markets.

[Colorado's Binz Picked as Obama Nominee for FERC](#)

Ron Binz, a former utility regulator from Colorado, is President Barack Obama's choice to lead the Federal Energy Regulatory Commission.

The White House said in a statement today that Obama intends to nominate Binz, an advocate of clean-energy technologies who served as chairman of the Colorado Public Utilities Commission from January 2007 until April 2011. He is now a consultant on energy and telecommunications issues.

[CEZ to Update Temelin Timetable After Czech Government Collapse](#)

CEZ AS, the state-controlled Czech power producer, will update the timetable for its \$10 billion Temelin nuclear-power expansion after the government collapsed in the middle of bidding by contractors to build the project.

"The tender is still on," CEZ's spokeswoman Barbora Pulpanova said today in a telephone interview. "Negotiations with bidders should enter the next phase next week, and we'll make an announcement regarding the timetable of the tender."

[UAE energy chief calls for nuclear consensus](#)

The UAE energy minister has painted an optimistic picture of nuclear power two years after the Fukushima disaster in Japan but cautioned other nations to step up liability and safety practices.

Suhail Al Mazrouei spoke alongside counterparts at an International Atomic Energy Agency (IAEA) summit in St Petersburg as nuclear energy faces obstacles in public-safety fears, competition from low gas prices in North America and reduced access to credit for funding expensive reactors. In three years, renewables such as solar and hydro are set to produce double the amount of electricity generated by nuclear, according to some forecasts.

But from the perspective of the UAE, which will be home to the Arab world's first civilian reactor in 2017, atomic energy is moving along just fine.

[Fusion energy dreams smash into hard economic realities](#)

The old joke about nuclear fusion is that it's the "energy source of the future, and always will be" – but budgetary realities have raised new questions about just how much of a future fusion power has.

A campaign to get to the long-sought break-even point in a fusion reactor fell short last year at the Lawrence Livermore National Laboratory's \$3.5 billion National Ignition Facility. Now it looks as if NIF will be turning its focus more toward nuclear weapons applications.

Meanwhile, the U.S. contribution to the international \$13 billion ITER fusion research project is coming under increased congressional scrutiny. There's a chance that federal funding will be held up just as the decade-long effort is due to hit its stride.

[Renewable power to eclipse natural gas within 3 years, says IEA](#)

Clean power is set to eclipse gas-generated electricity by 2016, the International Energy Agency (IEA) has forecast in a report that challenges conventional knowledge about economic hurdles to renewables.

The number of gigawatts generated by hydro, solar, wind and other renewables is set to increase by 40 per cent in the coming five years, making them the fastest-growing segment in the global energy mix.

“As their costs continue to fall, renewable power sources are increasingly standing on their own merits versus new fossil-fuel generation,” Maria van der Hoeven, the executive director of the IEA, said at a presentation in New York.

[Chinese Firm Is Charged in Theft of Turbine Software](#)

WASHINGTON — China’s biggest wind turbine company and two of its executives conspired with an employee of a Massachusetts wind company to steal the American firm’s software for controlling the flow of electricity, causing \$800 million in damages, according to an indictment on Thursday.

[Republicans Eye Splitting Farms, Food Stamps for Measure](#)

Republican leaders in the U.S. House are exploring divorcing farm subsidies from food stamps to revive an agriculture bill, breaking up a political alliance that for decades expanded spending on farmers and hungry families.

Majority Leader Eric Cantor, a Virginia Republican, is considering the possibility of advancing a slimmer, farm-only plan that can win enough Republican votes to pass, according to a party aide who spoke yesterday on condition of anonymity. A bill without food stamps wouldn’t need support from Democrats, who have championed the nutrition program for more than three decades and joined Republicans to defeat the bill last week.

[Food security weakening "on a scale we haven't seen" - expert](#)

LONDON (Thomson Reuters Foundation) - Population growth, rising affluence, water shortages and climate change are combining to create unprecedented pressure on the world’s food supply - pressure that is likely to play out both as slow rises in hunger and

as famines linked to extreme weather events, a leading agriculture expert says.

"We have yet to grasp what climate change means in terms of food security," says Lester Brown, an environment and agriculture specialist and president of the U.S.-based Earth Policy Institute. "We're looking at changes on a scale we haven't seen yet."

[Bee crisis: UK government launches 'urgent' review](#)

The government has launched an "urgent" review of the crisis facing bees and other pollinators in the UK and pledged to introduce a national pollinator strategy.

"As we all recognise, pollinators play a vital role in the security of our food supply and the quality of our natural environment," said Lord Rupert de Mauley, minister at the Department for Environment, Food and Rural Affairs (Defra). "In safeguarding their future, we can secure our own."

[Every nation must shift to sustainable growth - debate](#)

LONDON (Thomson Reuters Foundation) - The pressing need to limit damage from climate change means that all countries must start running their economies in a way that shares the world's resources more fairly, experts told an online debate hosted by Thomson Reuters Foundation and CARE International on Thursday.

"Addressing climate change requires addressing the unsustainable consumption and production patterns of rich countries," wrote Amina Mohammed, special advisor to the U.N. Secretary-General on post-2015 development planning. For example, while energy is wasted in many places, there are 1.3 billion people without access to electricity, she noted. Food waste is another huge problem, panelists said.

[While Congress sleeps: Barack Obama offers stopgap measures to slow global warming](#)

IN THE full glare of Washington's summer sunshine, Barack Obama unveiled what he called "a co-ordinated assault on a changing climate" on June 25th. He promised to deploy almost every green weapon at his disposal, from better insulation in public buildings to loan guarantees for clean energy. To engage the enemy as quickly as possible, he is relying solely on authority already granted to him by Congress. Yet most of the munitions in his atmospheric arsenal are less than fearsome—and Congress, which could provide reinforcements, prefers not to.

[Insurers welcome Obama climate initiative](#)

Insurers and reinsurers have welcomed a new initiative to combat climate change, announced by President Obama early this week, which includes a proposal to convene an insurance sector group to focus on best practices and processes for assessing climate

risk.

The insurance market has reacted positively to the news that the Obama administration is focused on combating climate change.

[Methane Scrutiny in Obama Climate Plan May Cost Drillers](#)

Riding shotgun in a Toyota 4Runner rigged up with a carbon-fiber pipe and a spectrometer, Duke University researcher Rob Jackson trolled through Washington searching for evidence that natural gas is not quite the climate champion President Barack Obama claimed this week.

He was replicating a study he did in Boston, measuring leaks from creaky natural gas pipes. In addition to being a possible safety risk, methane, the key component of natural gas, is 25 times as potent a greenhouse gas as carbon dioxide. And leaks may undercut much of the climate benefits of gas.

[Natural gas fracking critics find fault in Obama's speech](#)

PITTSBURGH — President Barack Obama's speech this week on climate change forcefully rejected some key arguments made by opponents of natural gas fracking, upsetting some environmental groups that otherwise back his climate goals.

[The Myriad Benefits of a Carbon Tax](#)

Few goals in Washington have more bipartisan support, at least in theory, than cleaning up the tax code. Republicans and Democrats say they want a system that is simpler, fairer and more efficient. Put simply, they want a system with fewer special tax breaks and lower rates.

Yet one of the best ideas for advancing all of those goals – and also heading off catastrophic climate change – isn't even on the table. I refer to a carbon tax, which would impose a price on emissions of carbon dioxide and other greenhouse gases.

[World's Highest Carbon Price Bedevils Australia's New Leader](#)

Kevin Rudd, sworn in yesterday for his second stint as Australia's prime minister, may seek to amend his predecessor's flagship clean-energy policy that's left the nation with the world's highest carbon price, analysts say.

Bloomberg New Energy Finance joined RepuTex in Melbourne and Climate Mundial in London in predicting Rudd will try to deflect attacks on Australia's fixed carbon price, set to rise next month to almost four times the European rate, by pledging to speed up the shift to a market-based trading system.

[EU plans to make it mandatory for ship owners to measure carbon emissions](#)

Owners of large ships using EU ports will have to measure and report annual carbon emissions from January 2018 under new European commission proposals published on Friday.

The plans stop short of including shipping emissions in the EU carbon market, but the commission says they can still have an impact and are part of its work towards global emissions agreements.

[Energy Secretary Optimistic on Obama's Plan to Reduce Emissions](#)

WASHINGTON — The short-term plan to reduce greenhouse gas emissions that President Obama outlined this week is achievable with some new programs and better management of existing ones, the new energy secretary, Ernest J. Moniz, said in an interview on Thursday. But he said reaching a longer-term goal would require bigger reductions as well as action from Congress.

[Humans Play Role in Australia's 'Angry' Hot Summer](#)

Human influences through global warming are likely to have played a role in Australia's recent "angry" hot summer, the hottest in Australia's observational record, new research has found.

The research led by the University of Melbourne, has shown that global warming increased the chances of Australians experiencing record hot summers such as the summer of 2013, by more than five times.



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