



Drumbeat: July 3, 2013

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[Egypt's military holds crisis meeting as deadline looms](#)

CAIRO — Leaders of Egyptian armed forces held a crisis meeting Wednesday only hours before their deadline for a defiant President Mohamed Morsi to either yield to mass protests for sweeping political changes or step aside.

The military leadership planned to issue a statement after the deadline at 4:30 p.m. local time (10:30 a.m. ET.), according to *Al-Ahram*, the major Egyptian newspaper, and Western news agencies.

As rumors swirled and thousands of pro and anti-Mursi forces demonstrated in Cairo, *Al Ahram* said it expected the president to either step down or be removed from office.

[WTI Rises Above \\$100 on Drop in U.S. Stockpiles, Egypt Unrest](#)

Crude oil advanced, with West Texas Intermediate surpassing \$100 a barrel for the first time in nine months, on shrinking U.S. stockpiles and concern that political turmoil in Egypt may disrupt Middle Eastern supply.

Futures rose as much 2.6 percent in New York after climbing to the highest settlement price in 14 months. Crude inventories fell by 9.4 million barrels last week, the American Petroleum Institute said yesterday. A government report today may show a drop of 2.25 million, according to a Bloomberg News survey. Egypt's President Mohamed Mursi rejected an ultimatum by the armed forces to solve the country's political impasse, fanning concern that unrest may interrupt oil shipments through the Suez Canal or Suez-Med pipeline.

"People are expecting to see a large draw-down in inventories in Cushing, and that is supporting the WTI market much more than the Brent market," Torbjørn Kjus, a senior oil analyst at DNB ASA (DNB) in Oslo, said by phone, referring to the Oklahoma town serving as a U.S. storage hub. "The Brent market is supported by geopolitical risks due to tensions in Egypt."

[The Peak Oil Crisis: China at a Turning Point](#)

The impact on the global oil market of efforts to control pollution and unwind excessive debt could be considerable. For the last decade, Beijing has been increasing its demand

for oil by circa 500,000 barrels a day or more in most years. Until recently projections had China's demand for oil increasing at this pace indefinitely, surpassing US oil consumption by the end of the decade and buying up all the oil OPEC and other exporters can produce soon thereafter.

In last six months, however, reasons to rethink these projections are rising. Although China's leaders want to grow their economy, the reality of un-breathable air should be enough to slow or even halt these ambitions. There are technologies out there which would allow China to produce increasing amounts of energy while maintaining air quality, but they will take years and much money to implement on the scale need to clean-up China's air.

[The Reality of Peak Oil Sinks In](#)

Too much optimism can be a dangerous thing.

Sure, it's easy to sit back and say everything is fine and dandy for the U.S. oil industry right now. After all, success stories from our oil patch are saturating media headlines (I've read a few dozen in the past few days alone).

The latest report out of Harvard is adding fuel to the fire.

It predicts U.S. oil production will climb to nearly 16 million barrels per day within the next four and a half years!

[The Rise Of Saudi Texas: Shale And Farewell To OPEC](#)

Oil: Production data for April show how fracking has shattered not only the shale rock in formations like Texas' Eagle Ford and Permian Basin but also the myths of "peak oil" and petroleum as an energy source of the past.

[Exco to Buy Chesapeake Oil and Gas Assets for \\$1 Billion](#)

Exco Resources Inc., the Dallas-based energy producer whose market value has dropped by more than half since 2010, agreed to buy Chesapeake Energy Corp. assets in the Eagle Ford and Haynesville shale formations for about \$1 billion.

Exco is adding the equivalent of 6,100 barrels of oil production a day in the Eagle Ford and 114 million cubic feet of natural gas in the Haynesville, the company said in a statement today. The transaction, expected to close this month, includes 55,000 net acres in Texas and 9,600 net acres in Louisiana, Exco said.

[Angola enters natural gas market with first cargo to Brazil](#)

After a long and frustrating wait, full operation at Angola LNG, a US\$10 billion natural gas processing facility in Africa, is finally up and running.

Production of liquefied natural gas has safely commenced and the plant shipped its first cargo on June 16 after 18 months of delays.

[Rosneft Buys Itera Stake for \\$2.9 Billion to Expand Gas Business](#)

OAO Rosneft acquired full control of OOO Itera, an independent natural gas producer and trader, buying the remaining 49 percent for \$2.9 billion as the country's biggest oil company expands.

"Gas business is one of the top priorities," Rosneft Chief Executive Officer Igor Sechin said today in a statement. The deal will boost growth and "will ultimately increase the total capitalization."

[Abu Dhabi energy firms ride a wave](#)

UAE energy companies are teaming up with oil and gas giants to form ventures, capitalise on investing opportunities and gain a larger presence in overseas energy markets.

Shell, for example, in April was chosen by the Abu Dhabi National Oil Company (Adnoc) to participate in a 30-year joint venture to develop the major Bab sour gas reservoirs in the emirate of Abu Dhabi.

[Brazil billionaire's oil firm in deep water](#)

LONDON (CNNMoney) - Five years ago it was Brazil's biggest initial public offering, today it's at risk of defaulting on its debt. Is billionaire Eike Batista's oil and gas group finally hitting the wall?

Shares of OGX have lost 90% of their value so far this year, a slump that accelerated this week after the company suspended development at three oil fields in Brazil and warned that its only field currently in production could stop pumping next year.

[Ex-JPMorgan Deal Adviser Fights Fine Over Heritage Tip](#)

Ian Hannam, formerly one of JPMorgan Chase & Co.'s top merger advisers, was seeking more bidders for one of his clients, Heritage Oil Plc, when he disclosed to an investor that another potential acquirer had made an offer.

"I believe that the offer will come in in the current difficult market conditions at 350

pence (\$5.30) and 400 pence per share,” Hannam wrote to his contact. “I am not trying to force your hand, just wanted to make you aware of what is happening.” On the day Hannam sent the e-mail, Heritage stock closed at 204 pence in London.

[Ofgem calls for action on electricity theft](#)

Stealing electricity to power cannabis farms is costing consumers millions of pounds a year, and the industry must do more to investigate, according to the regulator Ofgem.

Overall, there are around 25,000 cases of electricity theft each year, costing customers £200m, or the equivalent of £7 each a year. Up to a third of the electricity stolen goes to heat premises used to grow cannabis, Ofgem said. The regulator is proposing new rules to reduce the instances of theft, with fines for suppliers who do not comply.

Under the proposals, suppliers would have to set up a national theft risk assessment service to help them target premises where there are strong suspicions that electricity is being stolen.

[Turning on the Lights in Pakistan](#)

KARACHI, Pakistan — Since Pakistan’s biggest electricity company was privatized, its headquarters has been looted, its employees kidnapped and its boss nearly arrested by the government.

Despite all of that, it is regarded as a roaring success.

Power cuts lasting 12 hours a day or more have devastated the Pakistani economy. The loss of millions of jobs has fueled unrest in a nuclear-armed nation already beset by a Taliban insurgency.

The only city bucking the trend is the violent metropolis of Karachi, Pakistan’s financial heart — and that is thanks to Tabish Gauhar and his team at the Karachi Electricity Supply Co.

[Catastrophic power outages on the rise, but new tech helps keep lights on](#)

Last year, nearly a tenth of the world’s population — 620 million people — lost power at once. The cause? Two simultaneous failures on India’s enormous electric grid.

While these catastrophes are a symptom of infrastructure investment lagging behind rapid urbanization and modernization, technology can help: A new computer algorithm could lower the chances of such massive blackouts from recurring.

This new computational program identifies the most dangerous pairs of failures among the millions of possible combinations in a power grid.

[Judges Seen Raising French Power Prices to Rescue EDF](#)

Tradition holds that once the French are comfortably ensconced on their summer holidays, the government quietly announces an increase in household power rates charged by the utility Electricite de France SA.

This year, the ritual may take a different turn and end up before judges. A June report by regulators concluded domestic power rates, half those of neighboring Germany, should rise almost 10 percent. That's five times the increase the government proposed last year.

[Hollande Fires Energy Minister Batho Amid Nuclear-Power Debate](#)

President Francois Hollande's ouster of Environment Minister Delphine Batho after she criticized the government's budget plans for next year comes at a critical time for the country's energy policy.

Batho, 40, was summoned to Prime Minister Jean-Marc Ayrault's office yesterday after calling Hollande's 2014 spending plans "bad" in a morning radio interview because they cut her department's available funds about 7 percent. She leaves in the midst of debate about France's future energy mix, now heavily dependent on nuclear.

[Analysis: France's climate ambition starts to unravel](#)

Being minister of energy and environment seems to have become the most politically dangerous position in Paris.

[Japan Nears Switching on Reactors After Tepco's Meltdown](#)

A countdown is starting in Japan for restarting some of the 48 nuclear reactors that were idled after the 2011 Fukushima meltdowns caused the worst atomic accident since Chernobyl.

The nation's Nuclear Regulation Authority will receive applications for switching on plants starting July 8, and more than five utilities plan to seek permits. Tokyo Electric Power Co., operator of the wrecked Dai-Ichi plant that spread radiation in the Fukushima area, said yesterday it will seek permission to start its Kashiwazaki-Kariwa nuclear plant as soon as possible. Its shares jumped 19 percent yesterday.

[No fire without smoke: wood stove trend creates a burning issue](#)

While the smell of woody fires and a soft smoky haze across some country towns is as

welcome a sign of winter arriving as fallen autumn leaves, few realise that domestic solid fuel burning contributes more polluting particulate matter than cars to the atmosphere every year.

[Why China Is Ordering Adult Children to Visit Their Parents](#)

As odd as it seems for a government to step in and regulate relationships within the family, in China there's nothing unusual about the new law. After all, this is a country whose government has been mandating for decades the number of children per family. Indeed, it's because of the success of the One Child Policy that Chinese officials now feel the need to implement the new Visit the Elderly law. With government-provided assistance very limited, seniors in China largely depend on their families to care for them in their golden years. Hence the risk from the One Child Policy: Without brothers and sisters to pick up the slack, all it takes is one unfilial child for the system to break down.

[We keep moaning about population, but ignore consumption habits](#)

Three years ago the science writer Fred Pearce, a knowledgeable and long-term observer of climate change and other natural resource issues, published a book called *Peopluquake*.

Although expecting population to grow (and level off later in the century), Pearce came to quite opposite conclusions. Future historians, he wrote, would look back on this period in history as marked by a, "dramatic decline in fertility and the transformation of the role of women in society." In recent years, writes Pearce, fertility rates have generally fallen off a cliff.

If there is an explosive problem, he wrote, it is to do with consumption, and it is a problem for a wealthy minority of humankind. The poorest three billion people on earth, short of half the world population accounted for about 7% of carbon emissions, while conversely, the richest 7% of people accounted for about half of all emissions.

[Carbon Market Glut-Fix Plan Wins Backing in European Parliament](#)

The European Parliament approved a plan to reduce the record glut of permits and increase prices in the world's biggest carbon market after prices slumped to an all-time low.

European Union carbon allowances rose as much as 9.8 percent after lawmakers in Strasbourg, France today endorsed a watered-down version of a plan known as backloading and advanced by the European Commission, the region's regulatory arm. It was the parliament's second verdict on the plan, which will delay the sale of some carbon permits to support prices after lawmakers blocked the measure in April, triggering a 45 percent slump in prices.

[Obama Seeks New U.S. Role in Climate Debate](#)

WASHINGTON — When President Obama barged into a meeting of leaders from Brazil, China, India and other countries at a climate conference in Copenhagen in December 2009, he managed to extract a last-minute agreement to set a goal to limit the rise in global temperatures.

It was the high-water mark of Mr. Obama's leadership on climate change — even if the deal was less than the Americans or Europeans wanted — but it has been downhill ever since. Preoccupied with other problems, the president largely disappeared from the global debate.

Now he is trying to reclaim the spotlight.

[Obama Revamps \\$8 Billion Coal Program Amid Objections](#)

Under fire from coal producers and lawmakers from coal-producing states, the Obama administration is revamping an \$8 billion federal loan-guarantee program to help companies reduce their carbon dioxide emissions.

The plan announced yesterday is part of a broader strategy for dealing with the risks of climate change that President Barack Obama unveiled last week. His policy relies on cuts to carbon emissions at new and existing power plants that will probably reduce coal use in the U.S.

[Obama Climate Plan Seen by Environmentalists Adding Jobs](#)

President Barack Obama's plan to use regulations to curb carbon-dioxide emissions from power plants could result in the U.S. economy adding jobs -- not losing them -- as well as lower electricity rates, according to an analysis released by an environmental group that favors the rules.

The Natural Resources Defense Council, which proposed a plan in December to curb greenhouse gases from power plants, said today that its analysis showed that Obama can make good on his pledge last week to curtail the emissions blamed for global warming without harming the U.S. economy.

[Obama climate plan: the one thing you need to know](#)

The one thing you need to know about President Obama's plan to address climate change is that the most it will accomplish is slowing very slightly the pace at which the world is currently hurtling toward catastrophic climate change. Having said this, his plan is nonetheless a brave and even historic move in a country whose political campaigns and public discourse have been utterly poisoned by the science-free propaganda of the fossil fuel industry.

[How fossil-fuelled is your university?](#)

A bit of citizen science policy research launched by Platform and People & Planet this week offers the chance to do some such digging. The two NGOs share an interest in campaigning against the fossil fuel industry and want to learn more about the links between oil and gas companies and UK universities. They are hoping to crowdsource information from those who know these institutions best: students, staff and alumni.

The project wants to track whether universities have staff, buildings, research projects, events (including careers events), courses or publications sponsored by fossil fuel companies. They also want to know about secondments, honorary degrees and if there is research undertaken into unconventional gas and oil (whoever funds it). They provide examples and tips on where to look for such information, including making freedom of information requests.

[It's time to move](#)

PEOPLE of Malaita Outer Islands (MOI) says it is time for them to move into resettlement before sea level rise could become a huge threat for them.

[Officials in the Florida Keys stop debating sea level rise, start adjusting infrastructure](#)

In many sea level projections for the coming century, the Keys, Miami and much of southern Florida partially sink beneath potential waves. However, officials are quick to note that the Keys' beloved resorts and marinas and airport — with a runway averaging just over 2 feet above sea level — aren't disappearing underwater overnight.

The Keys and three South Florida counties agreed in 2010 to collaborate on a regional plan to adapt to climate change. The first action plan developed under that agreement was published in October and calls for revamped planning policies, more public transportation options, stopping seawater from flowing into freshwater supplies and managing the region's unique ecosystems so that they can adapt, too.

[Experts See New Normal as a Hotter, Drier West Faces More Huge Fires](#)

One of the deadliest wildfires in a generation vastly expanded Monday to cover more than 8,000 acres, sweeping up sharp slopes through dry scrub and gnarled piñon pines a day after fickle winds and flames killed 19 firefighters.

The gusty monsoon winds where the Colorado Plateau begins to drop off into the Sonoran Desert continued to bedevil about 400 firefighters who were defending 500 homes and 200 businesses in the old gold mining villages of Yarnell and Peeples Valley.

Scientists said those blazes and 15 others that remained uncontained from New Mexico

to California and Idaho were part of the new normal — an increasingly hot and dry West, resulting in more catastrophic fires.

[UN Charts 'Unprecedented' Global Warming Since 2000](#)

The planet has warmed faster since the turn of the century than ever recorded, almost doubling the pace of sea-level increase and causing a 20-fold jump in heat-related deaths, the United Nations said.

The decade through 2010 was the warmest for both hemispheres and for land and sea, the UN's World Meteorological Organization said today in an e-mailed report examining climate trends for the beginning of the millennium. Almost 94 percent of countries logged their warmest 10 years on record, it said.

"The decadal rate of increase between 1991-2000 and 2001-2010 was unprecedented," WMO Secretary-General Michel Jarraud said in a statement. "Rising concentrations of heat-trapping greenhouse gases are changing our climate, with far-reaching implications for our environment and our oceans."



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