

Drumbeat: July 13, 2013

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Ideas to Bolster Power Grid Run Up Against the System's Many Owners

WASHINGTON — Bill Richardson often denigrated America's power transmission network as a "third-world grid" when he was President Bill Clinton's energy secretary, but the more current description of it is "balkanized," with 500 separate owners. Marc L. Spitzer, a former member of the Federal Energy Regulatory Commission, said even that analogy was not harsh enough.

"To call the U.S. grid balkanized would insult the Macedonians," he said.

When President Obama presented his plans last month for executive action that would cut emissions of greenhouse gases, one item on his list was strengthening the power grid. It was on the lists of President George W. Bush and Mr. Clinton, too. But for the most part, experts say the grid is not being changed, at least not on a scale big enough to make much difference.

WTI Crude Rises on Speculation U.S. Supplies to Drop

West Texas Intermediate crude climbed on speculation that U.S. inventories will keep declining after the largest two-week drop in at least three decades.

Futures advanced 1 percent today and 2.6 percent this week. Inventories slid 20.2 million barrels to 373.9 million in the two weeks ended July 5, the Energy Information Administration reported July 10. WTI has moved into backwardation, with futures closest to expiration more expensive than those for later delivery, removing the financial incentive to hold supplies. WTI also gained as corporate earnings topped analysts' estimates.

"We've had a staggering two-week draw in crude inventories," said Tom Finlon, the Jupiter, Florida-based director of Energy Analytics Group LLC. "Given the structure of the market, it looks like we'll see another big draw."

U.S. Energy Rigs Gain for Second Week, Baker Hughes Says

Oil and gas rigs in the U.S. rose for a second week, increasing by two to 1,759, according to Baker Hughes Inc.

Oil rigs were down four at 1,391, gas rigs advanced by seven to 362 and miscellaneous rigs slipped one to six, the Houston-based field services company said on its website. Gas rigs reached an 11-week high.

Oil Options Volatility Declines as Crude Futures Increase

Crude options volatility declined after underlying futures rose.

Implied volatility for at-the-money options expiring in September, a measure of expected price swings in futures and a gauge of options, was 21.78 percent on the New York Mercantile Exchange as of 3:40 p.m., down from 22.21 percent yesterday.

Increasing Oil Production in the U.S. Sparks Less OPEC Reliance

Oil production in the U.S. hit its highest level in over a decade, marking a move from dependence on countries overseas to energy independence.

Pro-Mursi Protesters Gather in Egypt Demanding His Return

Protesters against the Egyptian army's removal of Islamist President Mohamed Mursi plan to maintain their sit-ins and rallies after a day when tens of thousands of people demonstrated in the capital.

While protest leaders such as Safwat Hegazy, an Islamic scholar and Muslim Brotherhood supporter, told crowds in the Nasr City neighborhood of Cairo yesterday that rallies wouldn't end until Mursi is reinstated, the U.S. and Germany called for the ousted leader to be released from army custody.

Chinese bank resumes disbursement for Ghana gas project

ACCRA (Xinhua) -- The China Development Bank (CDB) has resumed disbursement of loan to SINOPEC for the development of Ghana's western gas infrastructure, Ghana National Gas Company Ltd (GNGCL) told Xinhua on Friday.

The payment done on Wednesday brought the total disbursement to 446.93 million U. S. dollars.

Scottish independence: UK 'may snub Scots energy'

UK energy secretary Ed Davey has warned that if Scotland backs independence next year, the rest of the UK may buy energy from other countries such as Ireland,

Denmark, Sweden or Iceland instead of choosing Scotland.

The UK's Energy Secretary made an impassioned plea to keep the Union together, attacking those who "want to break up my family".

But he added that rUK would not need Scotland for its energy needs.

Alberta sinking billions into pipeline plan to send oil east

CALGARY – Alberta is pumping billions into a plan to send oil to Canada's eastern provinces. And it will pay hundreds of thousands of dollars more in annual fees to support a domestic refinery.

The apparent mismatch of a free-market touting province with deep conservative roots underwriting energy infrastructure has emerged as international scrutiny and political wrangling sideline pipelines and competition makes upgrading bitumen into refinery-ready oil uneconomic.

Loss, now anger, fuel a town forever changed

Lac-Megantic, Quebec (CNN) -- The runaway train stirred special sorrow for Daniel Poulin. The sister of his childhood baby sitter is gone. So is a golf buddy.

They are among the dozens of missing souls believed to have perished in a fiery derailment that tore a hole in the heart of this Canadian town on a languid Saturday morning just a week ago. The world shuddered as newscasts hammered home the possible cause of death. Many, it is believed, were vaporized.

"It's like 9/11," said Poulin, editor of a monthly newspaper here called MRG du Granit. "All they find will be ashes."

More oil than ever shipping by rail

NEW YORK (CNNMoney) - With U.S. oil production booming and pipelines operating at full capacity, the amount of oil shipped by rail car surged in the first six months of the year -- jumping 48%.

And in light of rail's growing importance in bringing oil to market -- and the derailment and explosion of a train carrying oil in Canada earlier this week that killed at least 24 people -- the focus is now on safety.

TEPCO's plan to halt spread of radioactive water based on shaky theory

Tokyo Electric Power Co. has started taking measures to contain highly radioactive

I Drum | Drumbeat: July 13, 2013 http://www.theoildrum.com/nogroundwater at the Fukushima No. 1 nuclear plant, but its strategy is based on a theory that is disputed by industry experts.

TEPCO insists that recently detected radioactive substances originated during the early stages of the disaster in 2011, and it is setting up barriers near the area of the initial water leak problems.

However, even the Nuclear Regulation Authority (NRA) says it is currently impossible to pinpoint where the latest leaks are coming from. Some say the leakage could be anywhere within the intricate system to cool the melted reactors and the underground maze of pipes at the plant site.

Netherlands to build world's largest network of EV fast-charging stations

By the end of 2015, residents of the Netherlands will be using the world's largest network of electric vehicle fast-chargers, with no charger further away than 50km from any of the country's inhabitants.

OK Looks to Methanol as Fuel for Denmark's Future

OK, one of Denmark's leading fuel distributors and the operator of 670 of the country's 2,000 petrol filling stations, is to build a number of methanol filling stations in the country to support the demonstration of methanol-electric QBEAK vehicles.

The Danish government has stated that it wishes to phase out fossil fuels by 2050. As a major distributor of fossil fuels OK is keen to support a cleaner fuelling solution that can utilise its existing network of stations - methanol distribution allows for modification of existing liquid fuelling systems rather than the complete replacement or supplementation that is necessitated by gaseous hydrogen.

Regulators OK solar expansion for Georgia Power

ATLANTA (AP) -- Georgia Power must purchase more solar power for its energy system under a plan approved Thursday by state utility regulators, a move sought by solar developers and renewable energy proponents but denounced by a commissioner who argued it could raise costs.

Public Service Commissioner Lauren "Bubba" McDonald's plan calls for the Southern Co. subsidiary to add 525 megawatts of solar energy to its electrical grid, a plan backed by a group of solar developers and organizers of the Atlanta Tea Party Patriots. McDonald called for expanding the renewable energy source as a hedge against environmental rules that might force coal plants offline or future increases in the price of natural gas.

California solar installations jumped 26% in 2012

California had a banner year in solar installations in 2012, bringing the state 391 megawatts closer to its goal to install 3,000 megawatts by 2017.

According to a California Solar Initiative progress report by the Public Utilities Commission, those additions represent a 26% growth from 2011. The state is now equipped to produce 1,629 megawatts of solar energy across completed projects at nearly 168,000 sites -- enough to power 150,000 homes.

'Solar power cheaper than coal'

Solar is increasingly becoming one of the cheapest energy sources, even compared to large conventional power plants. Bernhard Beck, chief executive of solar power plant builder Belectric, sees a large market for growth.

Factbox - Offshore wind power subsidies

(Reuters) - The offshore wind power industry is holding back on further investment as it awaits news on policy moves by various European governments considering reining in their green subsidies.

Those who oppose subsidies say they inflate energy prices and undermine Europe's competitiveness. The industry, meanwhile, insists subsidies are essential in the early stages to attract the enormous upfront investment required for the infrastructure.

Miss. regulators approve energy efficiency rules

JACKSON, Miss. (AP) -- Mississippi electric and natural gas utilities will soon be paying for their customers to cut energy use.

The state Public Service Commission voted unanimously Thursday to adopt energy efficiency rules requiring all gas and electric companies with more than 25,000 customers to begin offering programs within six months.

After Rare Protest, China Cancels Plans for Uranium Plant

HONG KONG — One day after a rare public protest, Chinese authorities said Saturday that they were abandoning plans to construct a uranium processing plant in southeastern China, where residents raised concerns about its safety and potential environmental impact.

The decision not to proceed with the plant in Guangdong Province, less than 60 miles from Hong Kong, came after hundreds of people turned out on Friday and "took a walk" through the city of Jiangmen carrying banners showing their opposition to the proposed plant, which would have been capable of processing half the fuel needed for China's

nuclear power needs. Unsanctioned gatherings are banned in China, but participants said the police did not intervene to stop the protest.

<u>In Caribbean, push to create no-take reserves</u>

In St. Lucia, local fishermen strongly resisted when the government closed 35 percent of coral reef fishing grounds in the mid-1990s. For two years, the total catch was severely reduced. But within five years, the catch had soared, increasing by as much as 90 percent in some areas.

"We used to get threatened by fishermen, but now they have been asking for more reserves to be created because they have seen such big improvements," said St. Lucia's chief marine warden, Peter Butcher.

Acting globally

President Barack Obama has vowed to make an end run around Congress, if necessary, to achieve domestic global warming objectives he views as critical to the health and survival of the planet.

Using the Environmental Protection Agency and an array of presidential powers at his disposal, Obama believes he can take the steps he views as necessary to safeguard the planet's health on his own; Congress be damned, apparently.

No doubt, he can. But not without a war of words in Washington's halls of power that will echo around the world, and probably with troubling consequences.

Mexico's Cities Not Ready for Climate Change

PROGRESO, Mexico (IPS) - Towns on Mexico's Caribbean coast are behind schedule on the design and implementation of plans to face the challenges of climate change, in spite of the urgency of measures to reduce vulnerability.

The country's 2012 General Law on Climate Change requires state and municipal governments to implement programmes addressing issues like greenhouse gas inventories and adaptation and mitigation policies.

Global warming "can be reversed", scientists claim

Hi-tech new bio-energy plants could "reverse" global warming by pumping carbon dioxide into old gas wells - lowering temperatures by 0.6°C per century, according to a study.

There are already 16 projects around the world working on the technology - aiming to generate power for local homes by burning vegetation such as wood or straw and then burying the carbon dioxide it produces deep underground. "It's like drilling for natural gas, but in reverse," says Niclas Mattson of Chalmers University, Sweden, co-author of the study.

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