



Drumbeat: July 27, 2013

Posted by [Leanan](#) on July 27, 2013 - 10:30am

[On Rooftops, a Rival for Utilities](#)

For years, power companies have watched warily as solar panels have sprouted across the nation's rooftops. Now, in almost panicked tones, they are fighting hard to slow the spread.

Alarmed by what they say has become an existential threat to their business, utility companies are moving to roll back government incentives aimed at promoting solar energy and other renewable sources of power. At stake, the companies say, is nothing less than the future of the American electricity industry.

[JPMorgan Mulls Physical Commodities Exit Amid U.S. Review](#)

JPMorgan Chase & Co. said it plans to get out of the business of owning and trading physical commodities ranging from metals to oil, three days after a U.S. Senate panel questioned whether banks are abusing their ownership of raw materials to manipulate markets.

The announcement also comes as JPMorgan negotiates a settlement with the Federal Energy Regulatory Commission that may include a \$400 million fine and other penalties, according to a person familiar with the negotiations.

[JPMorgan Commodities Exit May Sap Liquidity Until Others Step in](#)

A decision by JPMorgan & Chase Co. to exit its physical commodities business would temporarily reduce market liquidity before other companies quickly take its place, according to analysts and traders.

New York-based JPMorgan, the largest U.S. bank, said yesterday that it's "pursuing strategic alternatives," including the sale or spinoff of its commodities business, after an internal review. The statement came three days after a congressional hearing investigated whether deposit-taking banks should be allowed to trade raw materials such as oil and industrial metals.

JPMorgan owns and trades financial and physical commodities including crude oil, natural gas and power, and describes itself as "one of the world's leading energy market makers." The bank may be the first to exit physical commodities, though others may

follow if regulations are changed, as suggested by Senator Sherrod Brown, an Ohio Democrat whose subcommittee of the Senate Banking Committee held the July 23 hearing.

[WTI Caps Weekly Drop as China Cuts Manufacturing](#)

West Texas Intermediate crude fell, capping the first weekly drop in more than a month, on speculation that China's plans to cut excess manufacturing capacity will reduce fuel consumption.

Futures slid 0.7 percent after China ordered more than 1,400 companies in 19 industries to cut excess production capacity this year, part of efforts to shift toward slower, more-sustainable economic growth. WTI reached \$109.32 a barrel on July 19, the highest level since March 2012, on signs the U.S. economy is rebounding and on declining crude supplies.

[Citi's Morse: Oil Prices Have Peaked For The Year](#)

Citi's chief commodities analyst Ed Morse says oil prices have peaked for the year.

In a taped segment with Yahoo finance today, he also reiterates his call that the "peak oil" theory is dead.

[California Gasoline Gains After Carson Refinery Reports Upset](#)

California-blend gasoline on the spot market in Los Angeles strengthened against futures after an area refinery reported a breakdown.

Tesoro Corp.'s Carson plant reported the upset early today, according to a filing with the South Coast Air Quality Management District. The refinery previously filed notice it would flare from July 24 to today as part of planned work.

[Are Even Higher Gas Prices Around the Corner?](#)

A big surge in renewable credit prices has some analysts predicting a shortage of gas just as the mid-term 2014 elections approach. A problem for Obama?

[Energy Rigs in U.S. Advance by 6 to 1,776, Baker Hughes Reports](#)

Oil and gas rigs in the U.S. increased by six to 1,776 this week, according to Baker Hughes Inc. The advance was the fourth in a row.

Oil rigs rose six to 1,401, the Houston-based field services company said on its website. Gas rigs were unchanged at 369. The total U.S. count reached the highest level since March 15. Rising output from U.S. shale formations have boosted domestic oil production to a 22-year high.

["Biggest Oil Discovery In 50 Years" Debunked](#)

You'd think a discovery equivalent to Saudi Arabia would have been pretty big news, but I hadn't heard about it. Let's spend about 5 minutes and dig into this. The announce was in January. The current company market capitalization is roughly 900M\$. CONCLUSION: This isn't a very big deal.

[Shell Bids for Forties Crude; Surgut Offers Urals Via Tender](#)

Royal Dutch Shell Plc wasn't able to buy North Sea Forties crude even after raising its bid to a higher level than the previous day. There were no bids or offers for Russian Urals blend in the Platts window.

[Chinese Oil Companies Move Up on Fortune Global 500](#)

For almost 15 years we have been beating the drum of the importance of the oil business for the world, a far cry from peak oil and the cacophony of climate change nonsense. Chinese demand for oil and gas has provided and continues to provide an additional accent. It is moving towards the domination of the oil business and commerce. Chinese oil companies have obliged and filled a void in that country and they have influenced the oil business in hitherto unthinkable ways. More than \$200 billion have been invested by Chinese oil companies to buy oil and gas properties throughout the world.

[Death and divisions in Egypt after judge orders Morsy jailed](#)

Cairo (CNN) -- Any use of force to end mass protests staged by supporters of deposed Egyptian President Mohamed Morsy will only result in more death, the country's interim interior minister said Saturday.

The warning from Minister Mohamed Ibrahim came as dozens were reported killed overnight in clashes between Morsy's supporters and those opposed to his rule, an escalation of violence that has raised concerns among Western leaders about the stability of a key ally in the region.

[Rising sectarian war hits Iraq oil export](#)

BAGHDAD/MOSUL, Iraq (RTRS): Iraq's Sunni insurgents are targeting its main

northern oil pipeline, undoing plans for a massive increase in exports as violence reaches levels unseen since the darkest days of civil war. Iraq's ambitious plans to ramp up its oil output have been held back by poor maintenance and technical problems. Violence is making the situation worse, and, if it continues to escalate, could have a measurable impact on global supply. Death tolls for the past three months in Iraq have been the highest for five years, since the days when rival Sunni and Shiite militias fought for control of neighbourhoods and battled 170,000 US troops.

Today, the Americans are long since gone, but sectarian animosity has re-emerged, fuelled by resentment among Sunni Muslims at what they perceive as domination by Prime Minister Nouri al-Maliki's Shiite majority.

[Nigerian LNG exports gas](#)

LAGOS (AFP) – A blockade on exports of liquefied natural gas (LNG) from Nigeria has been lifted following a partial resolution of a tax dispute between the gas firm and the maritime agency, the company said Friday.

[Iran on verge of electricity shortage, again](#)

Iranian Energy Ministry warned that, if citizens do not decrease electricity consumption, electrical outages will be inevitable, Jahanesanat daily quoted Iran's Energy Ministry as saying.

[Oil Minister: Iran Playing Undeniable Role in Energy Security](#)

"One of the main topics on the Munich agenda was the place of our country on meeting energy needs," Qassemi said in an interview following the Munich Security Conference earlier this month, and added, "The Islamic Republic of Iran guarantees transferring millions of barrels of oil from the Persian Gulf and the Strait of Hormuz indicating its importance in view of its geopolitical location, an issue that hardly can be ignored."

"In the Munich Conference, we stressed that unilateral sanctions imposed by the US were illegal and declared that even though the Islamic Republic of Iran has been able to run its oil industry and moves toward domestic manufacturing to meet its needs, the United States' illegal sanctions have jeopardized development of energy and its security around the world."

[Myanmar opens doors to Big Oil, but investment pitfalls still lurk](#)

After decades, Myanmar's rich energy reserves are now available to foreign companies. But sectarian violence and cronyism may still give some companies pause.

[Russian Gazprom acquires gas infrastructure in Kyrgyzstan](#)

Russian Energy Minister Alexander Novak and Kyrgyz Energy and Industry Minister Osmonbek Artykbaev signed a bilateral agreement on cooperation in the field of transportation, distribution and sale of natural gas in Kyrgyzstan, Russian ministry reported.

[George Mitchell, a Pioneer in Hydraulic Fracturing, Dies at 94](#)

George P. Mitchell, the son of a Greek goatherd who capped a career as one of the most prominent independent oilmen in the United States by unlocking immense natural gas and petroleum resources trapped in shale rock formations, died on Friday in Galveston, Tex. He was 94.

[Groundwater verdict against Exxon Mobil is upheld](#)

NEW YORK — A federal appeals court has upheld a \$105 million verdict against Exxon Mobil for contaminating New York City's groundwater.

The city sued Exxon Mobil for the costs of removing a gasoline additive known as MTBE from drinking wells in Queens.

[UPS: Natural gas 'game changer' for cutting costs, emissions](#)

United Parcel Service Inc., the world's largest package-delivery company, said it can save 40 percent in fuel costs by running its long-haul semi-tractor trailer fleet on natural gas instead of gasoline or diesel.

[Delay in Disclosing Leaks at Fukushima Is Criticized](#)

TOKYO — Foreign nuclear experts harshly criticized the operator of the devastated nuclear power plant at Fukushima on Friday for its delay in disclosing that highly contaminated groundwater has been leaking from the site into the ocean.

[Fukushima trench water crisis returns](#)

Tokyo Electric Power Co. said Saturday that the trench problem at the crippled Fukushima No. 1 nuclear plant has cropped up again and is sending highly radioactive water into the sea.

[Gulf of Mexico oil spill: Did Halliburton cut a good deal with US Justice Department?](#)

Halliburton will pay the maximum fine for a misdemeanour, but the \$200,000 is equal to just under four minutes' revenue for the company.

[3 Tons of Oil Spills in Russia's Siberia](#)

MOSCOW (RIA Novosti) – A leak in the Omsk-Irkutsk pipeline cause an oil spill of some three tons in Russia's west Siberia, emergencies situation officials said on Saturday.

[Texas loses another battle against EPA](#)

WASHINGTON — The U.S. Court of Appeals slapped down Texas' most recent challenge to the Environmental Protection Agency on Friday — the latest defeat in Attorney General Greg Abbott's lengthy legal crusade against the federal government.

Abbott had attempted to block the EPA from controlling the state's system for issuing permits to power plants. That process has been under federal oversight since 2010.

[U.S. appeals court rejects states' challenge over climate rules](#)

WASHINGTON (Reuters) - A federal appeals court on Friday rejected a legal challenge by Texas and Wyoming to the U.S. Environmental Protection Agency's efforts to curb greenhouse gas emissions.

A three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit, in a 2-1 vote, said the states and various industry groups did not have standing to sue because they could not show that they had suffered an injury or that a ruling throwing out the EPA plan would benefit them.

[National park visitors leave roadkill in their wake](#)

Drivers in America's national parks are killing the very bears, deer, wolves and other animals they're hoping to see, says a new report seeking changes to the way park managers deal with conflicts between cars and wildlife.

[Exxon Among Targets for Divestiture in Climate Push](#)

Activist Bill McKibben, who helped turn an obscure oil pipeline project into a high-profile political fight, has a new target for his effort to curb global warming: energy companies such as Exxon Mobil Corp.

McKibben's group, 350.org, is asking colleges, cities and churches to divest their financial holdings from a group of 200 companies that produce coal, oil or natural gas. So

far six schools, 16 cities and 11 religious institutions have agreed to divest from those companies, according to his group.

[Can Agriculture Reverse Climate Change? A Future Tense Event Recap.](#)

Climate change is the gravest existential threat the planet faces. Whether we're talking about flora or fauna, the damage that could, and is likely, to occur should give rise for alarm. To tackle such a complex problem will require major shifts in society. And one large sector that's ripe for change is agriculture.

[Yes, we should do something about the weather](#)

The weather is broken. To some degree, this is because we broke it: While it is foolish to link any individual extreme-weather event to the larger climate, it is becoming increasingly apparent that the growing frequency and intensity of windstorms, floods, hurricanes and extremes of heat and cold is a consequence of higher levels of weather-system volatility related to a warming trend caused in part by human-generated carbon emissions.

If we broke it, should we fix it?

[Arctic oil and gas drilling 'needlessly risky', says green watchdog](#)

The government is failing to grasp the urgency of protecting the Arctic from new oil and gas drilling, according to Parliament's green watchdog.

The Environmental Audit Committee, in a report published today, argues that the lack of oil spill response techniques, demonstrated by Shell's 2012 Kulluk incident, makes exploring for new reserves in the Arctic "needlessly risky".



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