



Drumbeat: August 7, 2013

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[Tanzania to Export Electricity While Most of Its Citizens Lack Power](#)

While the construction of the \$300-million electrical plant, to be powered by recently discovered reserves of natural gas, could potentially be a positive development, the announcement that Tanzania intends to export electricity within two years demonstrates that the construction of this facility is far from a nation-building, development-oriented undertaking. Tanzania's plans to export electricity while the vast majority of its population lacks access to power illustrates some of the most perplexing and damning characteristics of the international economic system.

Given the impossibility of extending electricity to the 86 percent of Tanzanians without access within the next two years, it is obvious that the Tanzanian government has prioritized an export-oriented economy over nation building. The intricate calculus that informs such a policy calls into question the state of Tanzanian domestic politics and sheds light on the nature of Chinese engagement in the region.

[WTI Crude Fluctuates Amid Signs U.S. Fuel Stockpiles Fell](#)

West Texas Intermediate swung between gains and losses before government data forecast to show U.S. crude inventories fell to a six-month low. London-traded Brent slid for a fourth day.

Futures fluctuated after declining for three days in New York. Stockpiles declined by 1.5 million barrels to 363.1 million last week, a Bloomberg News survey showed before the report from the Energy Information Administration. That would be the fifth drop in six weeks. Prices jumped after German industrial production rose in June, adding to signs that growth in Europe's largest economy accelerated in the second quarter.

[Natural Gas Declines for Fifth Day on Mixed U.S. Weather Outlook](#)

Natural gas declined a fifth day in New York after trading at the lowest in more than five months.

Futures for September delivery fell as much as 0.8 percent to \$3.292 per million British thermal units in electronic trading on the New York Mercantile Exchange and were at \$3.299 at 10:32 a.m. Singapore time. The contract closed at \$3.318 yesterday, the lowest settlement since Feb. 22.

[Palladium Shortages Spur Bullish Hedge-Fund Wagers](#)

At a time when gold and silver are tumbling the most in three decades, hedge funds are holding a near-record bullish bet on palladium as forecasters from Morgan Stanley to Credit Suisse Group AG predict years of shortages.

[Peak Oil Is Finally Here](#)

Rising production and falling demand is a dynamic few predicted even three years ago. But it's today's reality. And it can stop the end-of-the-world peak oil argument dead in its tracks.

These comments tend to bring up one question and one rebuttal.

The question is, Why hasn't this lowered gas prices?

There are two answers. One is that nationwide gas prices are lower today than they were five years ago, so the impact rising production may have on prices is a matter of perception. Second, and more important, oil trades on a global market, and rising American production has been offset by geopolitical factors like Iranian sanctions.

[Mexico Leader Said to Seek Changes to Break Oil Monopoly](#)

Mexican President Enrique Pena Nieto will seek to amend several articles of the constitution to break Petroleos Mexicanos's monopoly in the state-run oil industry, ruling party President Cesar Camacho said.

Pena Nieto will propose production-sharing contracts for oil exploration and output, Camacho said in a phone interview today. The proposal will seek to change articles 25, 27 and 28 of the constitution, and tenders for the most part would be managed by government regulators, and not by the state-company known as Pemex, two people with direct knowledge of the bill said yesterday. They asked not to be named because the bill will be officially presented later this week.

[BP Says Azerbaijan Will Finalize EU Gas Sale Deals Next Month](#)

BP Plc said partners in Azerbaijan's Shah Deniz natural-gas project will finalize gas sales agreements with European buyers in September.

Terms of sales have already been agreed with a number of buyers in Italy, Greece and Bulgaria, the BP office in the Azeri capital of Baku said by e-mail late yesterday.

[BHP's CEO Sees U.S. Shale Expansion as Mineral Demand Grows](#)

BHP Billiton Ltd., the world's biggest mining company, signaled it will expand in the shale oil and gas industry in the U.S., forecasting global commodity demand will jump 75 percent over the next 15 years.

"It's my intention to make us hugely proficient, if not one of the leaders in the shale gas and oil business," Andrew Mackenzie, chief executive officer of the Melbourne-based company, said today in an interview. "Which means if there are opportunities elsewhere we'll be able to consider them with a lot of precision and interest."

[Pepco to Exelon Seek Rate Hikes to Deter Power Grid Hacks](#)

Pepco Holdings Inc. and Exelon Corp. are among the electric utilities seeking authority to raise customer rates or take other steps to recoup costs of meeting U.S. demands to protect the nation's power grid from hackers.

Utilities face increased expenses to comply with cybersecurity regulations being developed by President Barack Obama's administration, and representatives of several power companies said they want regulators to clarify how they can recover those costs.

[Chubu Electric to acquire 80% of power retailer](#)

NAGOYA – Its revenues narrowed by the indefinite shutdown of its only nuclear plant, Chubu Electric Power Co. has signed a contract to acquire an 80 percent interest in Diamond Power Corp., a small electricity supplier affiliated with Mitsubishi Corp., on Oct. 1 and will consider selling electricity in eastern Japan to expand its earning potential in the future.

[Japanese Battery Trial Seeks to Transform How Grids Work](#)

On a windy island 500 miles north of Tokyo, Japan is about to experiment with a battery designed to transform the way electricity is supplied and at the same time boost Prime Minister Shinzo Abe's economic rescue plan.

The Ministry of Economy, Trade and Industry is investing 20 billion yen (\$203 million) on a Sumitomo Electric Industries Ltd. device to be used by Hokkaido island's utility to store excess solar and wind power, stabilizing flows to consumers.

['Thousands' of protestors could descend on UK fracking site](#)

UK campaign group No Dash for Gas says it plans to link up with protesters in the village of Balcombe, in what is rapidly turning into a battle over the future of fracking in the country.

No Dash For Gas activists gained widespread attention last August, when they shut down a power station in West Burton for seven days, and were subsequently sued for £5m in damages by EDF.

[Goals Collide in Drilling Protests](#)

Shale gas, which in North America has increased natural gas supplies and helped reduce greenhouse gas emissions, has given rise to great anxiety in Europe, where there are environmental concerns, including fears that the extraction process may pollute groundwater.

One could argue that the activists are overplaying their hand in Balcombe. The main aims of the protests are to prevent shale gas drilling and particularly hydraulic fracturing, or fracking — the injection of large quantities of water and sand into the ground under high pressure to break up rock formations to release trapped natural gas.

Yet Caudrilla is drilling in Balcombe for oil, not natural gas, and says it has no plans to use fracking at the well. The protesters do not seem concerned with such details.

[Jeff Rubin: Energy East pipeline is no magical oil sands solution](#)

Shipping oil across Canada to the Atlantic coast, as TransCanada proposes to do with its Energy East project, is hardly the industry's first choice. Taking oil south to the Gulf coast via Keystone XL or west through British Columbia are clearly more expedient options. Still, it's no surprise to see Energy East jump ahead in the queue, given the public and political opposition facing the other routes.

What will be surprising is if Quebec embraces the proposal. This is a province with enough environmental mettle to turn its back on drilling for potentially rich shale gas reserves in the St. Lawrence Valley. The tragedy at Lac-Mégantic, it goes without saying, also puts the business of moving oil into the public consciousness as never before. Does Quebec really want more than a million barrels of oil coursing through its territory every day? Better yet, should it?

[Battle over American pipe dreams](#)

With the UAE scheduled to have the first phase of its vast planned freight rail network operational by the middle of next year, Canada's worst train accident in 150 years last month may have future resonance in the Emirates.

And the UAE's recent opening of the Habshan-Fujairah oil pipeline, which runs from the Habshan onshore field in Abu Dhabi and runs to Fujairah on the Gulf of Oman, could also

spur a future debate mirroring the present battle in the United States over the relative safety of pipelines and rail.

[More oil may spur petrol price rise](#)

Would the Keystone XL pipeline raise US petrol prices?

It seems a counter-intuitive query, given that the new infrastructure would enable hydrocarbons to be moved easily, and more cheaply, from tar oilfields to refineries.

[New Tools Pinpoint Natural Gas Leaks, Maximizing a Fuel's Green Qualities](#)

WASHINGTON — Natural gas is hailed as green and safe, but its environmental benefits and ability to temper climate change are reduced by its tendency to leak into the air undetected. Now, laser technology, some of it borrowed from the telecommunications industry, is giving engineers and scientists crucial new tools to measure leaks and track them to their source.

[Probe of Keystone Contractor Energizes Pipeline Opponents](#)

An ethics probe of the contractor assessing the environmental impact of TransCanada Corp.'s proposed Keystone XL oil pipeline has energized critics who say it should be grounds for the project to be delayed.

The State Department inspector general's office said it is looking at conflict-of-interest complaints relating to the contractor writing the analysis of the \$5.3 billion pipeline, which would connect Alberta's oil sands to refineries in the U.S. Gulf Coast.

[Judge intervenes as BP won't pay on Gulf oil spill](#)

NEW ORLEANS A court hearing is set for BP to justify why it has refused to pay more than \$130 million in fees to the administrator of its multi-billion dollar settlement with U.S. Gulf Coast businesses and residents after the company's 2010 oil spill.

[Apache shuts platform after oil release into Gulf of Mexico](#)

(Reuters) - Apache Corp said it shut down an oil platform after an accidental discharge of crude oil into the Gulf of Mexico.

The company, in a filing with the U.S. National Response Center, said the discharge from an exploration and production platform near Grand Isle, Louisiana, was due to an oil release from a vent boom.

[Japanese Government to Help Stabilize Nuclear Plant After Leaks](#)

TOKYO — The Japanese prime minister directed his government on Wednesday to step in to help stabilize the damaged Fukushima Daiichi nuclear plant, after continuing radiation leaks exposed the failure of the plant's operator to contain the problem more than two years after a triple meltdown.

[Tepco needs public cash to dig deep wall](#)

The public must help fund Tokyo Electric Power Co.'s effort to freeze the soil around the reactor buildings at its Fukushima No. 1 nuclear plant, creating a barrier to prevent more groundwater from becoming radioactive, Chief Cabinet Secretary Yoshihide Suga said Wednesday.

[Green Price War Breaks Out to Spark Interest in Electrics](#)

As the auto industry struggled to recover from the recession, it swore off the deep discounting that destroyed profits and led to disaster. Now, a price war has erupted in the industry's smallest segment: electric cars.

General Motors Co.'s \$5,000 price cut yesterday on its Chevrolet Volt plug-in electric vehicle came in response to rapid-fire discounting on battery-powered models this year. It began with Nissan Motor Co. slicing \$6,400 off the sticker of its Leaf electric car in January, followed by price cuts from Ford Motor Co. and Honda Motor Co. on their EVs.

[Average U.S. car is 11.4 years old, a record high](#)

NEW YORK (CNNMoney) - If the cars you see on the road these days seem a little run down to you, you might be on to something.

The average age of vehicles on America's roads has reached an all-time high of 11.4 years, according to the market research firm Polk. And that average age is sure to keep climbing, the firm said.

[Major fire closes Kenya airport; flights rerouted](#)

"It is a disgrace of biblical proportions that the entire Nairobi County does not have a public fire engine in working condition," the paper wrote in an editorial last month. "When (government leaders) were debating their budgets, they did not deem it fit to set aside money either to buy new ones or repair the old ones. But they did set aside money to build mansions for governors, (buy) big vehicles for county executives and other needs without a direct benefit to Kenyans."

The paper said the collapse of the fire department means responses to disasters is in the hands of private companies and the military.

[CDC: Childhood obesity rates falling in many states](#)

Frieden called three trends associated with the declining rates "encouraging."

The first includes changes in the Women, Infants, and Children (WIC) program, which now aligns more closely with the dietary guidelines for Americans, he says. The second is a steady increase in breast-feeding, even though its impact on childhood weight is controversial. The third includes changes led by programs such as Let's Move!, an initiative developed by first lady Michelle Obama to tackle childhood obesity. Those efforts have increased awareness of healthy eating and active living, he adds.

[Worker Bees on a Rooftop, Ignoring Urban Pleasures](#)

On the rooftops above the office canyons of Midtown Manhattan, there is a corporate life for bees where new colonies pollinate green roofs and produce honey for the lucky tenants working below.

At One Bryant Park last summer, Richard Kohlbrecher, who is allergic to bee venom, first saw hundreds of honeybees darting in and out of the sprawling sedum ground cover on the green roofs he was inspecting. He turned his initial alarm into a housing plan for the secret tenants.

"I had never seen that before and it got me thinking: if there are that many bees in Midtown, maybe it makes sense to put up some hives," said Mr. Kohlbrecher, vice president for operations for The Durst Organization, which owns the company's 51-story-tower at 42nd Street and Sixth Avenue. The skyscraper houses the corporate and investment businesses of the Bank of America as well as Durst's offices.

[U.S. lawmakers mull climate impact of LNG](#)

WASHINGTON (UPI) -- A bicameral task force on climate change called on the Energy Department to assess the environmental impact of liquefied natural gas exports.

A task force on climate change, led by Rep. Henry Waxman, D-Calif., and Sen. Sheldon Whitehouse, D-R.I., called on the Department of Energy to take a closer look at the dozens of applications to export liquefied natural gas.

[Climate change softens up already-vulnerable Louisiana](#)

On this sunny day, the Tarpon Rodeo — billed as "the oldest fishing tournament in the

United States!" — is underway, with fishing boats and truck-bed hot tubs competing in nearly equal numbers on the road . But beneath the sunshine here on the edge of this vanishing wetland, human mistakes are adding up.

Indeed, the in-your-face transformation — a product of climate change and the rewiring of the Mississippi — is threatening the spawning grounds for much of the nation's seafood, the pit stop for the Gulf's oil industry and the home of the beloved bayous and fishing "camps" that make life here unlike anywhere else. With every bit of wetlands lost — each day a football field's worth — the people and places of the Gulf Coast become that much more vulnerable to the next hurricane.

[Government Acknowledges That 2012 Climate Milestones Show We've Reached 'A New Normal'](#)

Last year was one of the top 10 warmest ever recorded and broke numerous climate-related records, according to the National Oceanic and Atmospheric Administration's annual State of the Climate report.

In a press conference Tuesday, Kathryn Sullivan, acting NOAA administrator and co-author of the report, said the findings in the report paint a picture of a "new normal" for the Earth, and could help shape U.S. policy for addressing and becoming more resilient to the impacts of climate change.



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