



Drumbeat: August 16, 2013

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[Foreseeing Trouble in Exporting Natural Gas](#)

MIDLAND, Mich. — As Dow Chemical's chief executive, Andrew N. Liveris has made himself into something of an outcast among his fellow business leaders.

The reason? He is spearheading a public campaign against increased exports of natural gas, which he sees as a threat to a manufacturing renaissance in the United States, not to mention his own company's bottom line. But many others say such exports would provide far more benefits to the country than drawbacks, all part of a transformation that promises to increase the nation's weight in the global economy.

[WTI Oil Trades Near Two-Week High Amid Unrest in Egypt](#)

West Texas Intermediate crude traded near the highest price in two weeks as an escalating conflict in Egypt fanned concern that oil shipments through the country may be disrupted.

Futures were little changed after rising for a fifth day yesterday, capping the longest stretch of gains since April. Egypt's Muslim Brotherhood urged supporters onto the streets after noon prayers to protest the killing of hundreds of their number. A weather system heading for the Gulf of Mexico has a 50 percent chance of becoming a tropical cyclone in the next two days. Crude and fuel export terminals in Libya remain closed, while Iraq's oil ministry said the nation plans to increase exports in September.

"The market isn't sure of future direction and is looking at the news on balance," Ole Hansen, the head of commodity strategy at Saxo Bank A/S in Copenhagen, said by phone. "The market is now better prepared for disruptions than before, as we see more supply elsewhere."

[With Energy Costs Lower, Producer Prices Were Flat in July, Evidence of Little Inflation](#)

WASHINGTON — Producer prices were flat in July, providing further evidence of very little inflationary pressure in the economy.

The Labor Department reported on Wednesday that a drop in natural gas and gasoline costs left its seasonally adjusted producer price index unchanged for the month. Analysts polled by Reuters had expected a 0.3 percent increase.

[Stuart Staniford: Saudi Arabian Oil Production](#)

The above graph shows Saudi production of crude and condensate (ie oil) from 1995 through July. There are several data sources, but the black line is the average. The red curve is the number of oil rigs working in the country, and is a rough proxy for the level of effort being made to maintain or increase production.

In the middle of the price spike in 2005-2008, Saudi Arabia began to reduce production, rather than increasing it, and at the same time increased drilling over the very low level they had traditionally maintained. This suggested to some of us difficulty maintaining production (probably due to long-standing under-investment in developing new resources to replace aging fields).

[Major oil companies' emphasis on gas is growing ever deeper](#)

When Shell announced the successor to its chief executive Peter Voser, it set a few tongues wagging. Ben van Beurden, the current head of refining, had not been among those tipped to lead the company come January.

Mr Van Beurden's role in the downstream business sits awkwardly with the company's focus on upstream projects, and the struggle to replace the crude reserves on its books. But a closer look sheds insight not only into Shell's strategy, but the industry trend that defines it.

[More clashes feared as protesters vow 'Friday of anger' in Egypt](#)

Cairo (CNN) -- As Egypt faces the gruesome aftermath of clashes that left hundreds dead, demonstrators plan to defy an emergency order and take to the streets to mark "Friday of anger."

The Muslim Brotherhood promised huge protests, and Egypt's military government showed no sign of easing its crackdown, setting the stage for what could become another catastrophic encounter of security forces and protesters.

"The struggle to overthrow this illegitimate regime is an obligation," the Muslim Brotherhood said on its website Friday, while urging people to protest peacefully.

[Dana Petroleum monitoring growing unrest in Egypt](#)

Aberdeen-based oil firm Dana Petroleum has said it is continuing to monitor events in Egypt after pulling non-essential staff from the country amid growing political unrest.

Dana stated it had taken the step to ensure the safety of staff.

[Iran intercepted Indian oil tanker for pollution concerns: spokesman](#)

TEHRAN (Xinhua) -- Iran's Foreign Ministry spokesman said Friday that the country has intercepted an Indian oil tanker in the Gulf for pollution concerns, Press TV reported.

On Tuesday, Iran's Navy intercepted the Indian oil tanker, MT Desh Shanti, which was carrying 140,000 tons of crude oil from Iraq to India through the Gulf.

[“Iraq will not sell crude to India at a special price”: Shahrستاني](#)

Iraq, the second-largest supplier of oil to India, has ruled out offering any special price to the country because its laws don't allow it to do so.

"Our laws do not allow us to offer any special pricing to anyone. We can sell crude only at the existing market-determined prices," Iraqi Deputy Prime Minister for Energy Hussain Ibrahim Saleh al-Shahrستاني said.

[Libya threatens to bomb ships loading stolen crude oil](#)

TRIPOLI (AFP) – Libya has accused striking guards who have seized oil export terminals of trying to make shipments for their own profit and threatened military action against any unauthorised vessel that docks.

Prime Minister Ali Zeidan issued the warning late on Thursday, three weeks into the action by the security guards that has halted virtually all loadings at key terminals on the central coast.

[Military Crackdown Worsens Pollution in Nigeria's Oil Region](#)

The Nigerian government's military crackdown against the theft of crude in the Niger River delta has left more than a 1,000 makeshift refineries in flames, worsening pollution in the area, authorities said.

A military taskforce deployed last year to stop theft and protect facilities in Africa's top oil producer has destroyed 1,819 makeshift refineries, set ablaze 861 boats carrying as much as 20,000 liters (5,277 gallons) each of illegally refined crude and 51 tanker trucks, force commander Major General Bata Debiro said yesterday at a conference on crude theft in Lagos.

[Oil Pipeline From Kurdistan Makes Gulf Keystone Target](#)

Todd Kozeł's adventure in Kurdistan may soon pay off.

The American chief executive officer of Gulf Keystone Petroleum Ltd. has dealt with angry shareholders, an ex-business partner's lawsuit and byzantine politics for six years pursuing billions of barrels of crude in the northern Iraqi region. Now, his \$2.5 billion exploration venture is being called a takeover target as the world's biggest oil companies look for untapped fields.

[Turkey plays big in Kurdistan's energy game](#)

Ankara, Reuters—Turkey has quietly built up a large presence in Kurdistan's oil and gas industry, teaming up with US major Exxon Mobil, as Ankara bets on Iraq's semi-autonomous republic to help wean it off costly Russian and Iranian energy imports.

A state-backed Turkish firm was also set up in the second quarter of 2013 to explore for oil and gas in Kurdistan, according to three sources familiar with the company.

[Warren Buffett's Suncor stake may be 'turning point' for oil sands stocks](#)

Warren Buffett's massive stake in Suncor Energy Inc. could spark investor interest in the battered stocks of Canadian oil sands' companies, according to analysts.

[Montana Oilmen Baffled by Bay Area Opposition to Keystone](#)

In Montana, Commissioner Richard Dunbar of Phillips County, the U.S. entry point for the pipeline if it is built, said he could only wonder why distant towns oppose the project.

"That just baffles me," Dunbar said in an interview. "Why would they have an interest in something that doesn't go through their county or state?"

[Beyond Keystone XL: 3 Controversial Pipelines You Probably Haven't Heard Of](#)

While the national debate remains largely focused on President Obama's impending decision regarding the controversial Keystone XL pipeline, communities across the U.S. and Canada are grappling with the oil and gas industry's rapidly expanding pipeline network — cutting through their backyards, threatening water supplies, and leaving them vulnerable to devastating spills.

[Ecuador Plans to Tap Crude From Amazon Reserve as Economy Slows](#)

Ecuador, where the rights of nature are recognized in the constitution, plans to develop crude deposits in an Amazon area declared a biosphere reserve by the United Nations as existing fields age and economic growth slows.

President Rafael Correa will ask the country's congress to allow drilling in the Ishpingo-Tambococha-Tiputini oil fields located in eastern Ecuador's Yasuni National Park, he said yesterday in a speech broadcast live on public television station ECTV.

[Yasuni: Ecuador abandons plan to stave off Amazon drilling](#)

Ecuador's President Rafael Correa has abandoned a unique and ambitious plan to persuade rich countries to pay his country not to drill for oil in a pristine Amazon rainforest preserve.

[Cuadrilla Halts Well in Southern England on Anti-Shale Protests](#)

Cuadrilla Resources Ltd., a U.K. oil and gas explorer, suspended drilling at Balcombe in southern England in the face of an anti-shale protest camp.

"After taking advice from Sussex Police, Cuadrilla is temporarily scaling back drilling operations ahead of the event," the Lichfield, England-based company said today in an e-mailed statement. "We plan to resume full operations as soon as it is safe to do so."

[Church of England in 'fracking land-grab'](#)

The Church of England has begun legal action to claim ancient mineral rights beneath thousands of homes and farms, prompting fears the church could seek to cash in on fracking.

[Nagasaki Bomb Maker Offers Lessons for Fukushima Cleanup](#)

Hanford Engineer Works produced the 20 pounds of plutonium for the bomb dropped on Nagasaki. It's among the most toxic nuclear waste sites and the place Japan is turning to for help dealing with melted reactors in Fukushima.

Tokyo Electric Power Co. has sent engineers on visits to the Hanford site in Washington state this year to learn from decades of work treating millions of gallons of radioactive waste. Hanford also has a method to seal off reactors known as concrete cocooning that could reduce the 11 trillion yen (\$112 billion) estimated cost for cleaning up Fukushima.

[Appeals Court Blocks Attempt by Vermont to Close a Nuclear Plant](#)

WASHINGTON — States cannot shut down nuclear plants over safety worries, the United States Court of Appeals for the Second Circuit ruled on Wednesday, upholding a lower court's decision that allowed the Vermont Yankee plant to keep running despite a seven-year effort by the Vermont Legislature to close it.

“The nuclear power industry has just been delivered a tremendous victory against the attempt by any state to shut down federally regulated nuclear power plants,” said Kathleen Sullivan, a lawyer for Entergy, which owns Vermont Yankee.

[Report: U.S. nuclear plants remain vulnerable to terrorists](#)

Washington (CNN) -- None of the 107 nuclear facilities in the United States are protected against a high-force terrorist attack, and some are still vulnerable to the theft of bomb-grade nuclear fuel, or sabotage intended to cause a nuclear meltdown, a new report says.

The Nuclear Proliferation Prevention Project (NPPP) at the LBJ School of Public Affairs at the University of Texas released the report Thursday. It wants to shine a light on the security gaps that still exist more than 10 years after the terrorist attacks of September 11, 2001.

[U.S. to Bring Gas Mileage Rules to Era of Hybrids](#)

DETROIT — Federal regulators are planning changes to vehicle fuel-economy ratings after the Ford Motor Company said Thursday that it was cutting the miles-per-gallon rating on one of its popular hybrid models.

The Environmental Protection Agency said it would update its labeling rules — which date to the 1970s — to resolve disparities among the growing number of hybrid and electric vehicles on the market.

[Intermittent Nature of Green Power Is Challenge for Utilities](#)

The 21 turbines at the Kingdom Community Wind farm in Vermont soar above Lowell Mountain, a testament in steel and fiberglass to the state's growing use of green energy.

Except when they aren't allowed to spin at their fastest. That has been the case several times in the farm's short existence, including during the record July heat wave when it could have produced enough much-needed energy to fuel a small town. Instead, the grid system operator held it at times to just one-third of what it could have produced.

“We were being told to turn on diesel-fired units that are very expensive and dirty and told to ramp down what is renewable, cost-effective energy for our customers,” said Mary Powell, chief executive of Green Mountain Power, the utility that owns and operates the wind plant. “We should go with the sources that can have the highest value, especially during peak times.”

[White House goes green with solar panels](#)

The White House is going green. Solar panels are being installed on parts of the residence, a US official said Thursday—making good on a pledge that dates back to 2010.

[Ethanol quotas pump money from your pocket: Our view](#)

Because of a decline in gasoline consumption — driven largely by a new generation of fuel-efficient cars — the only way to burn that much ethanol is to blend more into each gallon of gas. This is bad news for your car because automakers won't warranty their engines when they run a blend higher than the current 10% ethanol.

Refiners are left with only one viable option: buying credits known as RINs (for Renewable Identification Number) that provide an out. Under the bizarre ethanol law, each RIN that a refiner acquires is a gallon of ethanol that it doesn't have to blend.

Those RINs, which cost a few pennies last year, have traded for as much as \$1.40 this year because of the mandate. Major refiners have spent hundreds of millions of dollars on them, enriching speculators and passing along their additional costs in form of higher fuel prices.

[Biofuels could increase UK motor costs by £224 million per year](#)

Mixing biofuels into petrol and diesel could cost UK motorists £224 million more each year than the government previously estimated.

ActionAid-commissioned research indicates the government's plans to increase the proportion of biofuels in UK petrol to meet EU targets is contributing to land grabs, exacerbating global hunger and costing motorists more than the government had previously stated.

[Armed to teeth, goats keep weeds in check across U.S.](#)

The use of goats has been around worldwide for centuries, but they're now "catching on" in the eastern part of the country as a sustainable method to clear land, and more companies deploying the animals are popping up across the nation, says Brian Knox, president of Sustainable Resource Management, which focuses on the protection and management of natural resources.

"We're seeing them more and more as a relatively inexpensive way to clear these areas," says Knox, who is also the supervising forester for the Maryland-based company Eco-Goats, a company that brings in a herd to help clean up areas.

[Farms are gigantic now. Even the “family-owned” ones.](#)

Even while the average size of farms is going up, there are more small farms than ever, especially in small states with farmland preservation programs like Massachusetts and Rhode Island. Community-supported agriculture, plus the local and organic food movement, are starting to show up in the numbers. It's the mid-sized farm, between 100 and 500 acres, that's disappearing.

[Overdevelopment widens Florida sinkhole problem](#)

Sinkholes may be as old as the earth itself, but the increase in sinkhole activity is new. The rush to reason why has put scientists, engineers and real estate developers at odds.

Some geological experts believe the sinkhole activity is increasing because developers are pumping more water out of the ground for new projects or for agricultural use. While acid in the water itself is what causes the limestone under much of Florida to dissipate and create the holes, the water also acts as a support. Add water from heavy rains on the top soil, and you've got a bigger problem.

[Businesses Back Greenhouse Gas Emissions Law](#)

As Texas Republican leaders continue their drumbeat against what they say is federal overreach by the Obama administration, the Environmental Protection Agency remains a primary target.

Attorney General Greg Abbott, a candidate for governor, trumpets the fact that the state has multiple lawsuits targeting the agency, and other candidates for statewide office are also pledging to protect Texas from what they see as encroachment by the E.P.A.

But a new law that comfortably passed the State Legislature this year reflects a different reality — that Texas businesses have to live with climate change regulation, regardless of the politics. House Bill 788 orders the state to regulate emissions of greenhouse gases. It had the support of many of the companies that need permits related to greenhouse gas emissions from the Texas Commission on Environmental Quality to expand or construct facilities.

[Australia Carbon to Survive Rudd-Abbott Standoff](#)

Electricity markets are showing Australia's biggest polluters will have to pay for their carbon emissions regardless of who wins the Sept. 7 election.

With Prime Minister Kevin Rudd seeking to reduce the cost of CO₂ permits to an estimated A\$6 (\$5.48) a metric ton and his rival Tony Abbott vowing to scrap carbon

prices altogether, power futures signal the cost of emissions will be about A\$10 a ton by 2015, up from A\$7 two months ago, according to Deutsche Bank AG and Westpac Banking Corp.

[New Zealand reduces carbon emissions target](#)

(Reuters) - New Zealand scaled back its target for reducing carbon emissions on Friday, saying the move was an interim step ahead of a new United Nations pact from 2020.

The government said it would commit to cutting greenhouse gas emissions to 5 percent below 1990 levels by 2020. It had previously indicated that it would look at a cut of 10 percent to 20 percent.

[Limbaugh: 'If You Believe In God, Then Intellectually You Cannot Believe In Manmade Global Warming'](#)

And while evangelical Christians have historically been less willing to tackle the issue of climate change, scientific evidence is starting to shift perceptions in the pews. Polls now show that roughly half (50 percent) of white evangelical Protestants agree that the severity of recent natural disasters is evidence of global climate change, and groups such as Evangelical Environmental Network and Young Evangelicals for Climate Action (YECA) are increasingly making their voices heard at environmental protests and rallies. Most of these faithful see their activism as a direct expression of their faith, with the YECA website arguing that overcoming the environmental crisis is a “part of our Christian discipleship and witness.”

In fact, despite Limbaugh’s claims, many people of faith appear to be balancing their intellectual understanding of climate change and their belief in God rather well: some 200 self-identified evangelical scientists from secular and religious universities sent a letter to the U.S. Congress last month, citing their faith as they urged elected officials to take action to reduce carbon emissions and protect the environment.

[Democrats turn up heat on Republican climate-change skeptics](#)

Thanks to California Sen. Barbara Boxer, the White House and environmental groups, some Republican lawmakers are on the defensive over an issue that hadn’t been on their August radar.

As wildfires raged in Southern California last week, Boxer, a Democrat who leads the Senate Environment and Public Works Committee, said climate change was making the problem worse and that Republican skeptics needed to “get out of the fringe lane.”

[Climate report urges Delaware be proactive](#)

WILMINGTON — Two state business groups are questioning why Delaware officials are considering policies that could hurt the state's economy in an effort to address sea level rise forecasts.

“Many of the recommendations in this report could lead to actions in the near future that will have immense economic consequences,” Richard G. Collins, director of the conservative Positive Growth Alliance, said in a dissent filed with a state report released Thursday, “yet it will not be known if those actions are truly necessary for decades.”

[Ireland to experience huge temperature rises, says expert](#)

Ireland will experience “huge increases” in temperatures over this century, according to a leading Irish expert on climate change. Average Irish August temperatures are projected to have increased by “two to three degrees Celsius by 2050, and by six to seven degrees Celsius by 2100”, according to Prof Colin O’Dowd, director of NUI Galway’s centre for climate and air pollution studies. The rises predicted are significantly higher than most current forecasts.

[New shipping route shows China's Arctic ambitions](#)

The maiden voyage to Europe by a Chinese merchant ship through the "Northeast Passage" will help the world's biggest exporter speed goods to market and is a symbol of Beijing's strategic ambitions in the Arctic.

The emerging Arctic Ocean shipping route north of Russia has been opened up by global warming and cuts thousands of kilometres (miles) -- and many days -- off the journey from China to its key European market.

[Extreme heat waves to quadruple by 2040, study says](#)

The type of heat waves that wilt crops, torch forests — and kill people — are expected to become more frequent and severe over the next 30 years regardless of whether humans curb emissions of the greenhouse gas carbon dioxide, according to a new study.



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