



Drumbeat: September 01, 2013

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[Egypt says preparing timetable for energy debts](#)

(Reuters) - Egypt is preparing a timetable for repaying arrears on debts it owes to foreign oil companies to encourage them to continue investing in the country, the Petroleum Ministry said on Sunday.

Egypt owes at least \$5 billion to oil companies producing oil and gas on its territory, with half of it overdue, according to corporate reports issued earlier this year.

The government, seeking to avoid public unrest, has delayed oil payments as it struggles to meet soaring energy bills caused by high subsidies on fuel products. Some of the debts were accumulated even before Mubarak was ousted.

[WTI Falls a Second Day as Concern Eases on Syria Strike](#)

“The premise that oil supplies would be threatened by what will probably be a limited attack by cruise missiles on Syria, a country that’s not an oil exporter or conduit, is specious,” said Stephen Schork, president of the Schork Group Inc., an energy advisory company in Villanova, Pennsylvania. “The Syrians have very limited capabilities and the Iranians have no interest in reducing shipments because they need the currency.”

[Gasoline Falls as Crude Slips While Summer Fuel Demand Wanes](#)

Gasoline fell as crude declined after British lawmakers refused to join the U.S. in a military strike against Syria and as the end of the U.S. summer driving season approaches.

Futures sank as much as 1.2 percent as the U.S. lost the support of Britain yesterday in acting against Syria and its suspected use of chemical weapons, lessening concern of an imminent strike that might embroil the Middle East and disrupt oil supplies. U.S. gasoline demand dipped to a five-week low in the seven days ended Aug. 23 and in June was the lowest for that month since 2001, government data show.

[Gulf Coast Ship Rate Nears 4-Week High as Exports Surge](#)

Charter rates for tankers from the U.S. Gulf Coast to Europe surged to the highest level in almost four weeks as a boost in exports from the Gulf Coast reduced the number of available tankers.

[FGE: US gas price sensitive to LNG exports](#)

The future price of natural gas in the US depends greatly on development of LNG exports, the outlook for which remains unclear, says Facts Global Energy (FGE).

[No Atlantic Hurricane by August in First Time in 11 Years](#)

August is about to end without an Atlantic hurricane for the first time since 2002, calling into question predictions of a more active storm season than normal.

[Required reading: The end of oil](#)

Higher oil prices reverberate around the world, pushing up the price of petrol, affecting food prices and weakening economic growth. But some experts say that current high prices reflect a deeper, more worrying reality: the world is running out of oil. Are we really at “peak oil”? And how can we prepare for a post-oil future?

[The Current Oil Scare Is A False Information Scare](#)

The scuttlebutt (talk around the water cooler) says that an impending war with Syria will endanger the world's oil supply. Many people are assuming that this is because Syria's oil will go offline to the rest of the world. This is a mistaken impression. Syria's oil production is only estimated at about 50,000 bopd. All of this is refined domestically. It is true that prior to sanctions it produced about 370,000 bopd (about 0.4% of the world's oil supply). However, the sanctions have been in place for some time (since 2011 - 2012). Plus Syria only exported 150,000 bopd before the sanctions. In other words Syria is not now supplying the outside world with any oil; and it has not been for a year or more. In fact Syria is a net importer of oil products. A war in Syria by itself would have NO IMPACT on the world's oil supplies.

['Acidizing' could rival hydraulic fracturing in oil exploration](#)

Fracking hasn't unleashed an oil production boom in California, at least not yet.

Could acid?

Companies trying to pry oil from a vast shale formation beneath Central California have been pumping powerful acids underground to dissolve the rock and free the petroleum within.

And there are hints that the process, known as “acidizing” a well, may work better than

hydraulic fracturing in California's Monterey Shale, estimated to hold 15.4 billion barrels of oil.

[First Take: Obama's decision a risky precedent?](#)

Defying expectations that a U.S. military strike was imminent, Obama stunned nearly everyone by announcing that, while he had decided that the United States should take action to punish the Syrian regime for using chemical weapons against its own people, he would seek congressional authorization before moving forward.

[Could Syria strike back if United States, allies, attack?](#)

(CNN) -- As the United States and its allies debate military intervention in Syria, the nation's president, Bashar al-Assad, has warned that Syria will "defend itself against any aggression."

Meanwhile, Prime Minister Wael Nader al-Halqi struck a similar note Saturday, saying the Syrian Army "is on maximum readiness and fingers are on the trigger to confront all challenges."

[China partners with U.S. oil firm in Egypt](#)

NEW YORK (CNNMoney) - China's Sinopec and Houston-based Apache announced a long-term partnership Thursday, continuing a trend of U.S. firms selling foreign assets to focus on the domestic oil boom.

[Iraq Aug oil exports rise to average 2.579 mln bpd](#)

BAGHDAD (Reuters) - Iraq's oil exports rose to an average of 2.579 million barrels per day (bpd) in August, the oil ministry said on Sunday, due to increased shipments from southern oil fields which have helped it move closer to a year-end target.

Exports were higher than in July when Iraq exported 2.324 million bpd on average. OPEC's second-largest producer wants to export 2.9 million bpd per day by the end of the year.

[Dubai's ENOC loses deal to fuel U.S. military jets](#)

DUBAI (Reuters) - The U.S. military has not renewed its contract to buy jet fuel from Emirates National Oil Company (ENOC) in the United Arab Emirates (UAE) because other suppliers made cheaper bids, the U.S. Department of Defense said.

[Mexico march](#)

Thousands have marched in Mexico City, protesting over the proposed reform of state oil company Pemex.

[India could save \\$8.5b by buying extra Iranian oil, says minister](#)

NEW DELHI: India could save \$8.5 billion in foreign exchange spending on crude oil imports in 2013/14 if it relied more on supplies from Iran, which is able to accept payment in rupees, India's Oil Minister M. Veerappa Moily said.

[Iran oil minister orders energy contract overhaul - Shana](#)

DUBAI (Reuters) - Iran's new oil minister has ordered the revision of energy project contracts to make them more attractive to foreign investors, a National Iranian Oil Company (NIOC) executive told oil ministry news service Shana.

Iran's long insistence on paying contractors with oil made projects unattractive to foreign investors long before Western sanctions made it almost impossible to work in the isolated Islamic republic.

[Iran Puts West in Check With Oman Gas Deal](#)

The Iranian government announced this week it secured a long-term natural gas agreement with its maritime neighbors in Oman. Iranian President Hassan Rouhani vowed to lead the country as a moderate when he was sworn in to office in early August. The Iranian Oil Ministry vowed to move the country's oil and natural gas industries closer to the international community and the gas deal with Oman was touted as a breakthrough in a deal first discussed in 2007. Officials there vowed to move quickly on infrastructure developments. Either Iran is trying to show it's serious about engagement or it's just window dressing as usual for the Islamic republic.

[Electricity Utilities Must Evolve or Die: Are They Up to the Task?](#)

It's a tough time to be an electricity utility in Europe. A confluence of factors, including the rising use of renewable energy, falling wholesale market prices, and the growth of distributed generation and energy efficiency are eroding traditional utility market shares and sending profits into free fall.

While European energy policy priorities have exacerbated several of these factors, current trends in Europe may simply preface broader revolutionary forces under way across much of the global electric power sector.

[South Africa's Sasol helps Louisiana to lead America's gas-to-liquid race](#)

Sasol, an energy and chemicals giant based in Johannesburg, plans to spend up to US\$14 billion to build the first commercial plant in the United States that will turn natural gas into liquid fuels.

[Facing Fire Over Challenge to Louisiana's Oil Industry](#)

For the generations since Mr. Long's third cousin Huey P. Long was the governor, this state has relied on the oil and gas industry for a considerable part of its revenues and for tens of thousands of jobs. In return, the industry has largely found the state an obliging partner and staunch political ally as it has fought off curbs on its business.

Now, however, a panel of state appointees, created after Hurricane Katrina to be largely insulated from politics, showed just how insulated it was by upending the agreement.

[Toll in Vizag refinery blast climbs to 23](#)

Hyderabad (IANS) The toll in Aug 23 blast at the Hindustan Petroleum Corporation Ltd (HPCL) refinery in Visakhapatnam rose to 23 with four more injured succumbing to burns at various hospitals Sunday.

[Why Fukushima is worse than you think](#)

While the amount of radioactivity released into the environment in March 2011 has been estimated as between 10 percent and 50 percent of the fallout from the Chernobyl accident, the 400,000 tons of contaminated water stored on the Fukushima site contain more than 2.5 times the amount of radioactive cesium dispersed during the 1986 catastrophe in Ukraine.

So, where has this huge amount of highly contaminated water – enough to fill 160 Olympic-size swimming pools – come from? In the aftermath of the 2011 earthquake and tsunami, the reactor cores of units 1, 2 and 3 melted through the reactor vessels into the concrete. Nobody knows how far the molten fuel went through the containment – radiation levels in the reactor buildings are lethal, while robots got stuck in the rubble and some never came back out.

[Fukushima radiation levels spike, company says](#)

(CNN) -- There's been a sharp spike in radiation levels measured in the pipes and containers holding water at the crippled Fukushima Daiichi nuclear plant in Japan.

But the company in charge of cleaning it up says that only a single drop of the highly contaminated water escaped the holding tanks.

Tokyo Electric Power Company said it is confident it can provide safety for workers dealing with the problem.

[Tepco reports leaking pipe, four hot spots](#)

Tokyo Electric Power Co., manager of the stricken Fukushima nuclear plant, said Sunday it halted a highly radioactive water leak from a pipe connecting two storage tanks by patching it with tape just a day after stumbling upon a lethal radioactive hot spot.

[Chubu Electric eyes April rate hike](#)

NAGOYA – Chubu Electric Power Co. is considering raising household electricity rates 5 to 8 percent next April to offset losses caused by the shutdown of its Hamaoka nuclear plant, sources said Saturday.

[A manhattan project for solar energy?](#)

Naples Daily News guest commentator Hy Bershad recently wrote, “One hour of sunshine over the entire state of Florida contains enough energy to provide power to the entire state for one full year.” Columnist Ben Bova added, “Our planet Earth receives more energy from the sun in one hour than the entire human race consumes in a whole year.”

The challenge, of course, is to harness it economically. And it’s a big challenge.

Futurists David King and Richard Layard think we should take the challenge seriously. Writing in the Financial Times, they propose a massive international project “to enable bulk electricity to be produced more cheaply by solar power than by any fossil fuel.”

[Fighting Pest, Farmers Find Strange Ally: A Drought](#)

Texas’ drought has left crops parched across the state, but the lack of water could have unintended benefits, in the killing-off of boll weevils, for South Texas farmers.

[Frontiers launches a new open-access journal in Energy Research](#)

Frontiers, one of the largest and fastest-growing open-access scholarly publishers, now part of the Nature Publishing Group family, has launched its Frontiers in Energy Research journal today. In Frontiers in Energy Research, scientists from around the world can join together to examine how new energy systems can be integrated in the economic and social fabric of our world.

[Silver Lining in China's Smog as It Puts Focus on Emissions](#)

HONG KONG — Jiang Kejun may be one of the few Beijing residents who see a ray of hope in the smog engulfing the city. A researcher in a state energy institute, he is an outspoken advocate of swiftly cutting China's greenhouse gas output, and he says public anger about noxious air has jolted the government, which long dismissed pollution as the necessary price of prosperity.

[Why Hasn't the Free Market Solved Climate Change?](#)

One of the great mysteries of contemporary capitalism is the fact that as a system it appears absolutely incapable of responding to the crisis of climate change. Why can't a system that made the automobile into an accessible mass consumer good provide us with clean and efficient mass transit, or at the very least electric cars? Why are we still burning coal, the energy source that drove the Industrial Revolution over 200 years ago? Where are all the new green enterprises leading the way into a low-carbon future?

[The oceans are acidifying at the fastest rate in 300 million years. How worried should we be?](#)

The world's oceans are turning acidic at what's likely the fastest pace in 300 million years. Scientists tend to think this is a troubling development. But just how worried should we be, exactly?

[A case for cap and trade](#)

Fortunately, there is a bipartisan way forward.

The model for RGGI was actually the national program started in the first Bush administration. It was aimed at achieving an environmental goal — cutting emissions of sulfur dioxide, a component of acid rain — through the power of the market rather than the regulatory hand of government. Yes, the government set caps on emissions, but then created a system that allowed companies to buy and sell pollution credits. They could choose whether to pollute, up to a point, or to reduce their emissions and sell their credits to make money. As the emission limits fell, the credits became more and more valuable, making investment in cleaner technology more attractive.

[A Carbon Tax That America Could Live With](#)

Among economists, the issue is largely a no-brainer. In December 2011, the IGM Forum asked a panel of 41 prominent economists about this statement: "A tax on the carbon content of fuels would be a less expensive way to reduce carbon-dioxide emissions than would a collection of policies such as 'corporate average fuel economy' requirements for automobiles." Ninety percent of the panelists agreed.

Could such an overwhelming consensus of economists be wrong? Well, actually, yes. But in this case, I am confident that the economics profession has it right. The hard part is persuading the public and the politicians.

['We are fighting for survival,' Pacific islands leader warns](#)

Pacific islanders will challenge world leaders this week to act on climate change, warning that their low-lying atolls are close to becoming uninhabitable because of rising seas and increasingly severe floods, droughts and storm surges.

"The Pacific is fighting for its survival. Climate change has already arrived," said Christopher Loeak, president of the Marshall Islands, which will host the Pacific islands' annual summit, attended by most of the world's largest emitters of greenhouse gases, including the US, China and the EU.

[Banks Put a Price on Earth's Life Support](#)

LONDON – It is not easy to put a value on an intact forest, a clean river, or unpolluted air, but that is what a group of the world's biggest banks is attempting to do.

They have agreed that the present economic system uses and often destroys the environment without paying to do so. And that, they say, is not sustainable.

Reminder: *There will be one last Drumbeat posted sometime in the next week. It will include links to other peak oil-related forums and blogs. If you would like yours included, send me the link in an e-mail. Or post it yourself in the comments, once the post goes live.*



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