



Drumbeat: May 23, 2012

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[OPEC Has Lost the Power to Lower the Price of Oil](#)

There's been a lot of excitement in the past year over the rise of North American oil production and the promise of increased oil production across the whole of the Americas in the years to come. National security experts and other geo-political observers have waxed poetic at the thought of this emerging, hemispheric strength in energy supply.

What's less discussed, however, is the negligible effect this supply swing is having on lowering the price of oil, due to the fact that, combined with OPEC production, aggregate global production remains mostly flat.

But there's another component to this new belief in the changing global landscape for oil: the dawning awareness that OPEC's power has finally gone into decline.

[Oil Falls Below \\$90, Erases Gains Through 2011](#)

Oil tumbled below \$90 a barrel in New York, erasing gains through 2011, as U.S. supplies increased to a 22-year high and European leaders met to discuss the euro region's debt crisis.

Futures fell 2.1 percent after the Energy Department said stockpiles rose 883,000 barrels to 382.5 million barrels last week. The European Union summit is the 18th since Greece was shaken by debt and the first since an anti-austerity campaign carried Francois Hollande to France's presidency. The euro sank to the lowest level in almost two years.

[Gasoline Prices Falling With Crude, But Price At The Pump Still Too High, Says Oil Trade Group](#)

The American Petroleum Institute on Wednesday again called on Washington to increase domestic production of oil on both federal and other public lands, to help consumers by bringing gasoline prices down even further.

[World's most expensive gas: top 10 countries](#)

Gasoline is a very visible price, and closely watched by many drivers. Petroleum prices

impact many products, from food to industrial production. While the cost of crude is the major factor in gasoline price volatility, some countries levy taxes on fossil fuels. Here are ten countries where high gas prices are the norm.

[Its The Gas, Stupid !](#)

For years, energy policy makers and pundits have debated pipeline routes and pipeline consortium proposals for bringing gas into Europe from the east. The latest Azeri gas venture, shipping gas to European markets through the Southern Corridor gasline, has already and predictably hit a tough patch. The basic problem is what Azerbaijan might want out of the deal, more than simply having its state oil company Socar bring the gas to the Turkish border, after which Ankara and Europe can sort out the rest of the route and divide up the costs and profits. This is already outdated thinking: like other pipeline gas suppliers, starting with the biggest of them all - Gazprom - the Azeris clearly want a lot more of the Southern Corridor value chain, all the way down to European final consumers.

[Iran Navy Helps U.S. Ship Attacked by Pirates in Middle East](#)

Iran's navy helped a U.S.-flagged cargo ship that was attacked by pirates off the United Arab Emirates, according to the vessel's owner, Maersk Line Ltd.

[Iran Nuclear Talks to Resume Tomorrow, Official Says](#)

Western powers and Iran will resume nuclear talks today in Baghdad after a first day of discussions, according to a Western official.

Chinese, French, German, Russian, British and U.S. negotiators -- the so-called P5+1 group -- and Iran's representatives didn't issue a public statement as daylong talks recessed yesterday at almost midnight. Talks will resume at 8 a.m. Baghdad time, according to the Western official, who spoke on condition of anonymity because the deliberations are being conducted privately.

[Lawsuit challenges Keystone pipeline review law](#)

The lawsuit filed Wednesday by several Nebraska landowners along TransCanada's proposed pipeline route argues that the law outlining the review process is unconstitutional.

[Kinder Morgan pares Trans Mountain expansion project](#)

Kinder Morgan Energy Partners KMP-N has reduced the size of a planned expansion of its pipeline to the Pacific Coast after fewer shippers than expected signed 20-year contracts that would allow surging Canadian oil supplies to be shipped to Asia, the

company said on Wednesday.

[Australia Pacific LNG secures massive finance package](#)

Australia Pacific LNG, the natural gas joint venture between Origin Energy Ltd, ConocoPhillips and Sinopec, has secured a massive finance package to fund the downstream parts of the project.

[Tepco reportedly to hike some power rates by 12%](#)

LOS ANGELES (MarketWatch) -- Tokyo Electric Power Co., better known as Tepco, plans to hike power rates for some heavy users by 12% starting in July, the Nikkei business daily reported Thursday without citing sources.

[Long commute time linked with poor health, new study shows](#)

New evidence shows that a long commute by car not only takes hours out of your day, but could take years off your life.

A study published this month in the *American Journal of Preventive Medicine* found that the longer people drive to work, the more likely they are to have poor cardiovascular health.

[Feds lay out plans for new blowout preventer mandates](#)

Obama administration officials today outlined their plans for new regulations designed to boost the reliability and power of emergency equipment used as a last line of defense against surging oil and gas at offshore wells.

Interior Secretary Ken Salazar said the rule, set to be proposed by September, aims to respond to vulnerabilities exposed by the 2010 Deepwater Horizon disaster, when the five-story blowout preventer at BP's doomed Macondo well failed to block a lethal surge of explosive oil and gas.

[Oil Trades Near Two-Day Low on Iran Deal, Rising Supplies](#)

Oil declined for a second day in New York after Iran agreed to grant access to United Nations nuclear inspectors and the euro slumped to a 21-month low against the dollar.

West Texas Intermediate slid as much as 1.2 percent. UN inspectors and Iran broke a five-year stalemate with a deal that gives the International Atomic Energy Agency access to the nation's Parchin military complex, IAEA Director General Yukiya Amano said yesterday. Western governments are holding talks with Iran today in Baghdad. The

euro fell on speculation European leaders won't propose new measures today in Brussels to stem the region's debt crisis.

[Oil Shipments From The N Sea Going East Prop Up Prices](#)

LONDON – More North Sea crude is set to head to Asia in June, shipbrokers told Dow Jones Newswires Wednesday, continuing a trend that has helped prop up the price of oil in the North Sea region since it emerged at the end of last year.

Large volumes of oil have been seen flowing east in recent months, thanks in large part to a free trade agreement brokered last year between the European Union and South Korea.

[High gas prices still curbing consumer spending](#)

Americans are still keeping a tight grip on their wallets, bypassing vacations and dinners out, even though they feel better about their own financial security.

What's still spooking U.S. consumers? Gas prices.

[Gas price expected to peak at \\$3.90 this summer](#)

Michigan's demand for energy will dip across the board this summer, a state report predicted Tuesday, while a gas analyst said Michigan's price for fuel might fall lower than Tuesday's average of \$3.73 a gallon.

The state's gas prices will top out at \$3.90 a gallon during the summer driving season that goes from April to September, according to the Michigan Public Service Commission's biannual appraisal.

[Oil Supplies Grow as Seaway Relief Valve Looms](#)

U.S. oil inventories climbed for a ninth week, reaching a 21-year high, as growing production bolstered a supply glut in the days before the Seaway pipeline began to move crude to refineries along the Gulf Coast, a Bloomberg survey showed.

[India oil cos to raise gasoline prices from Thursday](#)

(Reuters) - Indian Oil Corp. will raise gasoline prices by 6.28 rupees per litre from Thursday, a company statement said on Wednesday, an attempt to compensate losses incurred by the state-run company to sell the fuel at subsidised rates.

[India's rupee sinks to new low despite 'intervention'](#)

Overseas funds withdrew a net \$292 million worth of Indian equities in the same period, pulling down local share prices nine percent.

There has also been pressure from oil importers, who exchange rupees for dollars when they buy crude for energy-scarce India, which imports four-fifths of its crude oil needs.

[Shale Glut Means \\$1-a-Gallon Savings at the Pump](#)

Chad Porter wants to run his 18- wheeler trucks on frozen natural gas along a highway that crosses Canada's Rocky mountains even before the world's longest chain of refueling stations gets built to keep them fueled.

The chief operating officer of oil services company Ferus Inc. bought two vehicles to test liquefied natural gas and reckons switching from diesel may cut 22 percent from his fuel bill, or about \$1 a gallon. At the moment, Calgary-based Ferus uses mobile tankers to refuel his trucks, which cost about C\$100,000 (\$99,000) more than conventional vehicles, adding expense to a project that's about saving money. A Royal Dutch Shell Plc (RDSA) project will make it easier to fill up

[Electricity prices are going up – just ask Alice](#)

Next month, the Public Utility Commission is set to vote on a plan to raise the ceiling on wholesale electricity prices by 50 percent as early as August.

Lower gas prices were finally supposed to justify the costly fiasco of deregulation. Now, that promise, like so many others related to deregulation, has evaporated.

[Gas supplies via Nord Stream 1st line reach maximum capacity: Gazprom](#)

Supplies of Russian gas via the first train of the Nord Stream gas pipeline built via the Baltic Sea to Germany, have reached the project's maximum capacity, Gazprom's deputy CEO Vitaly Markelov said Wednesday.

"Yesterday, we reached the maximum capacity of Nord Stream," he told reporters at a briefing, adding that currently the network, including pipelines and compressing stations, is working in a testing mode.

[Iran, World Powers Meet Over Atomic Concerns in Baghdad](#)

Iraq, invaded and occupied in 2003 over concern about weapons of mass destruction, today hosts international negotiations intended to avert a potential war over atomic work by its eastern neighbor Iran.

[U.S. Torn Between Israel's Nuclear Demands Versus Iran's](#)

U.S. negotiators going into Iranian nuclear talks today are under pressure to reconcile two fundamental and seemingly irreconcilable demands before the clock runs out on a diplomatic solution.

[IEA says ready to take action on strategic stocks if needed](#)

PARIS (Reuters) - The International Energy Agency is monitoring oil markets and is ready to take action to release strategic oil reserves if needed, IEA's Executive Director Maria van der Hoeven said at an OECD event on Wednesday, reiterating the body's recent stance.

"We have to be on the alert, we have to monitor the situation as it is and if necessary ... are ready to take action if necessary," she said.

[Syria's oil industry lost \\$4 billion due to sanctions - Syria's oil minister](#)

(Reuters) - The Syrian oil industry has lost around \$4 billion due to sanctions imposed in September which banned crude oil imports from the country, Syrian oil minister Sufian Alao said on Wednesday.

[Gazprom hints at Shtokman line-up changes](#)

(Reuters) - Russia's Gazprom said on Wednesday that it would review the composition of the consortium to develop the Shtokman offshore gas field next month, further heightening uncertainty over the project's future.

[Putin Adviser Sechin Renews Dealmaker Role Beyond Kremlin](#)

Vladimir Putin's energy czar Igor Sechin, who laid the groundwork for \$500 billion in potential investments with Western oil companies, is set to push ahead with the plans even after changing jobs under a new government.

[U.S. Agency Approves New Gas Line to Run Under Hudson](#)

The Federal Energy Regulatory Commission has approved the construction of a much-debated natural gas pipeline that would run beneath the Hudson River from New Jersey

into the West Village in Manhattan, connecting with Consolidated Edison's distribution system.

[2012 Atlantic hurricane season tropical storm names](#)

Six lists are used in rotation, so the 2012 list will be used again in 2018.

[Most radiation doses from Fukushima within norms - WHO](#)

GENEVA (Reuters) - Radiation doses received after the Fukushima nuclear accident last year were below international reference levels in all but two locations in Japan and below the level seen as "very small" in neighbouring countries, the World Health Organization said on Wednesday.

[Why Oil Will Soon Start To Rally](#)

First and foremost, any discussion of oil prices should begin with the observation that oil production has peaked while demand is growing. Since 2005, global oil production has plateaued at 75 million barrels per day; even new discoveries, like the much heralded Bakken oil fields, are not enough to offset declines elsewhere in the world. That the price of oil has risen significantly since 2005, and that this price increase has not provided the ability to expand oil production beyond 75 million barrels per day, is particularly ominous. Presumably higher prices would attract more determined oil producers that invest more in production if oil were actually attainable.

[An energy policy for dimwits](#)

Yesterday, the UK government published a draft Energy Bill. The bill's measures would mean rising energy costs and greater encouragement for new nuclear power and renewables, but underpinning it all is the aim of making us use less not do more.

[Are We Sitting on the Mother Lode of Oil Riches?](#)

It wasn't long ago that "peak oil" -- the notion that the world's supply of our primary fuel is declining toward insufficiency -- was a major worry for some. Now, we've recently had news that the General Accounting Office in Washington has pegged the potential oil reserves in a remote area where Wyoming, Utah, and Colorado converge at trillions of barrels.

[America has plenty of oil, but Obama managed to turn an energy boom into an energy crisis](#)

In the mountainous Green River Basin of the American West, running through Utah, Colorado, and Wyoming, the American people own lands containing an estimated one

trillion barrels of oil, more than triple the amount of Saudi Arabia's proven oil reserves and far exceeding anything we could have dreamed a few decades ago.

This incredible supply—made of up most of the world's oil shale—should be a cause for national celebration, since it has the potential both to lower gasoline prices and to increase government revenues without raising taxes.

[Will Algae Biofuels Hit the Highway?](#)

An Arizona-based algae technology company says it's on to something big: harnessing the growth of algae at a commercial scale so that it can ultimately be used as a transportation fuel. "Heliae" broke ground Friday on its new plant. Now, all it needs is an abundance of sunshine, water and carbon dioxide.

[Pingelly farmer set for biodiesel comeback](#)

BIODIESEL is again looming as an alternative fuel source.

With the prospect of peak oil, a carbon tax and the potential loss of the diesel fuel rebate, biodiesel producer and Pingelly farmer John Hassell said farmers were starting take more notice of how they should be consuming energy in order to be more sustainable and less reliant on oil.

[Massachusetts Addresses "Biomass Loophole" and Limits Subsidies](#)

The Massachusetts Department of Energy Resources (DOER) issued regulations recently limiting ratepayer-funded subsidies known as renewable energy certificates (RECs) to only those biomass power plants which adhere to scientific standards for climate and forest impacts. The regulations followed a two-year review process involving scientists, industry, and citizen groups.

[Solar Insurers Turn Kingmakers Over Panel Survival Doubts](#)

When True Green Capital Management LLC chose a solar panel maker for a rooftop installation in New Jersey, the firm's biggest concern was whether the manufacturer would survive long enough to guarantee the equipment.

The New York-based private equity fund made its Chinese manufacturer buy insurance to back the 25-year warranty on its panels to close the contract. If the supplier went bust, PowerGuard Specialty Insurance Services of California would ensure the panels installed performed as promised.

[Navy Crowdsources Future Energy Strategy with Wargame](#)

If Call of Duty has lost its sparkle, the U.S. Navy hopes you are ready to play a different kind of online wargame.

Today the Navy will open up a new version of its MMOWGLI gaming project to players around the world, to develop innovative new “outlier” strategies for Navy and Marine Corps energy supplies.

[Why the best world-changing ideas begin in your neighbourhood](#)

Certainly, when I first found out about 'peak oil', in 2005, I was desperately worried. I told my wife that the future as we had always imagined it was an illusion. (This didn't go down very well.) I wanted to act, but felt lost until I heard about the startlingly upbeat approach of Rob Hopkins and the other Transition Town pioneers, who seemed to have found ways to turn this catastrophic prospect into an opportunity.

'Realistically, only a very small percentage of people will think that life beyond abundant oil could be preferable to what we have now,' Hopkins told me. 'But I don't think it has to be a dark age. It could be a most extraordinary renaissance.'

[Big Risks for Uninsured Farmers](#)

Crop insurance policies, which are regulated and subsidized by the Department of Agriculture, provide coverage almost exclusively on a per-crop basis, which suits industrial farms growing single crops on vast acreage. But for farmers who grow a diverse array of crops, as many small and organic farms do, enrollment can be an onerous and complicated task requiring them to apply for a dozen or more separate policies.

[Late for School After a Long Journey for a Drop to Drink](#)

ZINDER, Niger — Wars keep children out of school. So does sickness. But in Niger, a sun-baked land where drought occurs with alarming frequency, a major impediment to education is thirst and the long trek required to quench it.

[Free tool helps congregations save money, reduce emissions](#)

Portfolio Manager is an online software operated by the Environmental Protection Agency that parishes can use to track their energy savings and their emission reductions over time. It is based on the data from the DOE [Department of Energy] national Commercial Energy Consumption Survey plus an independent data collection. Portfolio Manager has become the national standard tool by which energy use is tracked and is now used by over 340,000 buildings.

[Heartland reflects on its beating](#)

It was an odd choice of icon for the ultra-conservative Heartland Institute. But there he was in round glasses, beard, and halo of curls staring out from T-shirts and coffee mugs at their gathering of climate change contrarians this week, the scientist whose internet sting set Heartland on its current course of collapse.

Heartland's seventh climate conference, which runs until Wednesday, was a much diminished event, compared to earlier lavish gatherings which spilled out over several floors of a hotel in New York's Time Square, and attracted up to 800 followers.

[More Than 150,000 Methane Seeps Appear as Arctic Ice Retreats](#)

Scientists have found more than 150,000 sites in the Arctic where methane is seeping into the atmosphere, according to a report published Sunday in the journal *Nature Geoscience*.

Aerial and ground surveys in Alaska and Greenland revealed that many of the methane seeps are located in areas where glaciers are receding or permafrost is thawing as the climate warms, removing ice that has trapped the potent greenhouse gas in the ground.



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