



Drumbeat: June 11, 2012

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[Greek Blackouts Risked as Power Companies' Cash Runs Out: Energy](#)

Greece faces the threat of rolling power blackouts as the economic crisis leaves utilities without cash to pay for natural gas imports and operate power stations.

Regulators will meet with Greece's power market operator as early as today to discuss an emergency loan of 300 million euros (\$375 million) to cover payments for gas imports from Russia's OAO Gazprom, Turkey's Botas AS and Italy's Eni SpA. The country's largest power producer is almost out of money and likely to default after unpaid accounts jumped more than 50 percent in a year, according to Standard & Poor's.

[Oil Gains Most in Five Months on Spain Bailout, China](#)

Oil rose the most in more than five months in New York on speculation fuel demand will increase after Spain requested a European bailout to shore up its banks and China's imports of crude climbed to a record.

[Gas drops nearly 16 cents in the last three weeks](#)

NEW YORK -- The average price for a gallon of regular gasoline in the United States fell 15.9 cents to \$3.624 in the past three weeks due to a drop in crude oil, which took a hit from fears over Europe's economy and a stronger dollar, the Lundberg Survey showed.

The national average for regular gasoline as of June 8 was down more than 11.62 cents from the year-earlier level of \$3.74 a gallon, according to the survey of some 2,500 gasoline stations in the continental United States.

[OPEC chief hints at action to reduce oil glut](#)

VIENNA (Reuters) - OPEC's president signalled on Monday it could act to reduce a glut of oil that has knocked the price down towards double digits, but said it was unlikely to set individual country production quotas at a meeting this week.

Abdul Kareem Luaibi, who also serves as oil minister of Iraq, said maintaining the price

at \$100 (64.33 pounds)-\$120 a barrel was "reasonable and acceptable", but repeatedly declined to specify what action if any OPEC might take when it meets on Thursday.

[OPEC unlikely to push gas prices up as talks break down](#)

OPEC will be seeking harmony in Vienna this week. It won't be easy. Some of the oil cartel's worst infighting in its 50-year history looms. That could make it tougher to cope with the euro crisis, which shows no signs of easing and augurs poorly for the price of crude. The evidence suggests the Organization of the Petroleum Exporting Countries will not be able to do much about it.

[Goldman Sees a 29% Return From Commodities Over 12 Months](#)

Goldman Sachs Group Inc. predicted a 29 percent return over the next year from the Standard & Poor's GSCI Enhanced Commodity Index, led by energy and industrial-metals investments.

European policymakers will be able to contain the euro-area debt crisis, while recovery in the U.S. and China is set to continue, Jeffrey Currie, head of commodities research in New York, said today in a report. Returns may be 41 percent in a year for energy investments, compared with 23 percent for industrial metals and 18 percent for precious metals, while agriculture is forecast to lose 14 percent, the report showed.

[Speculators Slash Bets on Higher Brent Crude Prices](#)

The number of speculators betting on higher Brent futures prices continued its month-long slump last week, falling to its lowest level since November last year, according to IntercontinentalExchange Inc.'s (ICE) weekly Commitment of Traders report published Monday.

Money managers continued to liquidate their long positions in Brent crude in the week ended June 5 as Brent tumbled to its lowest level since October amid growing concerns over the state of the global economy.

[Yergin: America's New Energy Reality](#)

If one takes a broader North American perspective, the changes in the supply picture are even more striking. The output of Canadian oil sands has tripled since 2000 and is now greater than Libya's output before its civil war began in February 2011.

This adds up to a very different outlook from a few years ago. Until fairly recently, energy independence was a subject to get laughs. The joke was that America was actually becoming more and more dependent upon imports. But now "energy independence" has become a subject of serious discussion and debate.

The prospects for actual energy independence remain elusive. It takes some very heroic assumptions to see that happening. But with oil demand in the United States declining, output rising and increasing integration with Canada, the United States is certainly on the way to becoming “energy less dependent.”

[It Only Took A Global Depression To Reduce Gas Prices By 40 Cents](#)

The main reason prices are dropping is the collapse in demand from Europe and the United States. The bumpy plateau of peak oil is in full force. Prices rise to the point where they push economies into recession, demand crashes due to the recession, and prices decline. The double whammy of oil prices reaching \$111 a barrel in 2011 and \$109 a barrel in 2012 have sapped the life out of the American consumer. This is reflected in the plunge in gasoline and petroleum usage since 2008, with a temporary leveling off in 2010, followed by a further nosedive since 2011. As this recession deepens over the next six months, prices will likely fall further. But this is where the Catch-22 kicks in.

[Insurance to stop India shippers handling Iran oil in July: sources](#)

(Reuters) - Indian state-owned refiners will halt planned oil imports of 173,000 barrels per day from Iran when European sanctions take effect in July, unless the government permits them to use insurance and freight arranged by Tehran, industry sources said.

India is the world's fourth-largest oil importer and second biggest customer of the OPEC member nation, but domestic shippers have refused to transport the oil because of a lack of cover, the sources said.

[US continues push to wean India off Iran oil, offers fuel sop](#)

The Barack Obama administration is likely to open North America's doors to India for its energy needs as it pushes New Delhi to reduce its energy dependence on "nuclear armed" Iran.

This hydrocarbon sop for India - oil, cooking and shale gas - is scheduled to figure in the third round of Indo-US strategic dialogue in Washington on June 13.

[Henry Hub sees a future in US gas](#)

As political upheaval swept across parts of the Middle East and North Africa, another revolution was rocking the energy world.

This year, the United States again became a net fuel exporter, thanks to a technology that unlocks natural gas from shale formations by blasting them with a mixture of water and various chemicals, a controversial practice known as hydraulic fracturing, or fracking.

Now oil companies are looking at how shale can be used to solve a gas shortage in the Middle East that threatens to put a cap on industrial development and domestic electricity supply.

[Chesapeake Investors Punish Board Amid 'Collapse' in Confidence](#)

Chesapeake Energy Corp. shareholders issued a sweeping repudiation of the company's management yesterday by rejecting two directors and demanding more influence over the second-largest U.S. natural-gas producer.

['Tainted' Chesapeake Hears Rising Calls to Dump McClendon](#)

Chesapeake Energy Corp.'s efforts to defuse a shareholder revolt over Chief Executive Officer Aubrey McClendon's personal finances and management missteps have intensified calls for his dismissal.

In the past six weeks, the second-largest U.S. natural-gas explorer shrank pay packages, eliminated perks, agreed to remake its board, and obtained a \$4 billion loan to cope with tumbling gas prices and a looming cash shortfall. Still, McClendon is \$7.4 billion shy of the asset sales he said are needed over the next six months to cover drilling costs and begin to repay ballooning debt.

[Fracking in Ohio Sparks Real Estate Rebound: Mortgages](#)

Hydraulic fracturing, or fracking, is bringing new development to the Midwest, creating demand for commercial real estate in the region even as landlords struggle to pay off earlier property loans. Chesapeake Energy Corp., the second-largest U.S. natural-gas supplier, has acquired \$2 billion in land leases comprising 1.35 million acres in Ohio and contributing to the beginnings of an economic recovery in the state. The company has leased or bought real estate in towns including Canton and St. Clairsville, according to Pete Kenworthy, a company spokesman.

[Anadarko Cut as \\$25 Billion Toxic Suit Oozes Into Court](#)

Anadarko Petroleum Corp. (APC) investors are discounting the company's market value by \$2 billion as analysts and lawyers see few ways to minimize the effect of a \$25 billion lawsuit spawned by the toxic past of its Kerr-McGee Corp. unit.

[Japan Wins Scientists' Panel Nod to Restart Atomic Reactors](#)

A panel of Japanese scientists reported that two nuclear reactors idled for safety checks are safe to operate, giving Prime Minister Yoshihiko Noda the approval he needs to re-

start the units.

After a meeting late Sunday that was moved to a new venue after anti-nuclear protests, the 12-member panel appointed by the governor of Fukui prefecture, where Kansai Electric Power Co. (9503)'s Ohi nuclear plant is located, released a document stating the plant can be operated safely.

[N.R.C. Nomination Shines Spotlight on Waste-Disposal Issue](#)

For the first time, the president has chosen a geologist for the post, Allison M. Macfarlane of George Mason University, and her expertise aligns with the pressing concerns facing Congress and the nuclear industry. She is a longtime critic of the idea of burying waste at Yucca Mountain, a volcanic structure about 100 miles from Las Vegas chosen by Congress in the late 1980s, considering its geology too unpredictable. With little new plant construction, the commission's main responsibility these days is assuring the safety of the 104 plants now operating, and what to do with the decades-old problem of waste.

[Romney Helped Spark Green-Energy Boom in Massachusetts](#)

Mitt Romney's criticism of President Barack Obama for promoting green-energy subsidies may keep the former Massachusetts governor from boasting about his own contribution to his state's expanding clean-energy industry.

As a Republican presidential candidate, Romney has chided Obama for doling out billions of dollars to companies such as failed Solyndra LLC, saying the president is in an "imaginary world" where renewable energy fuels the economy, not traditional sources such as oil, natural gas and coal.

[How Eight Possible GOP Tickets Stack Up On Environment And Energy Policies](#)

Mitt Romney will have a lot of criteria to consider in picking a running mate to energize his presidential campaign, and you can bet that environment- and energy-driven economic and regulatory policies will be influential considerations. Right now it's anyone's guess as to which candidates top his list, much less, whom he will pick. Recognizing that I'm probably missing some other good possibilities, I'll mention eight whom appear to be on the media radar, and will characterize my take on where they stand on key issues.

In fact, I'll go ever farther, and risk comparatively ranking them on environment and energy policy metrics alone.

[Q. and A.: A Panoramic View of Energy Innovation](#)

Q. How close are we to the “second Industrial Revolution” that Secretary Chu has described as part of the goal for ARPA-E? How much closer are we now than we were three years ago?

A. Industrial revolutions don't happen overnight. They're built brick by brick. In ARPA-E, we have laid the foundation so that it will lead up to the industrial revolution of the future. In the energy sector, it takes sometimes a decade or more for new technologies to flourish and scale in size and volume. It's not just the technology that one has to innovate. There are things like finance and many, many other aspects that are important. We have to keep our single-minded focus on this so the U.S. comes out globally competitive in the future.

[Club of Rome has a skeptical take on the future](#)

In its latest publication "2052 – a Global Forecast for the Next Forty Years," the Club of Rome takes a bold look into the future. The 66 scientists and economists that make up the club predict - similarly to their first report ("The limits of growth") in 1972 - that the current economic development could soon tip over.

But differing from their view back then, they now put climate change at the heart of their study. Their prognosis is mainly influenced by the assumption that a warming of more than 2.5 degrees Celsius is likely: There will be more floods, draughts and climate extremes.

[Toward a green revolution and civilization](#)

Billion tons of oil are burned every day to support our prosperity. At the same time millions of tons of carbon dioxide are released into the atmosphere, creating a greenhouse effect that will endure for at least for a century.

Our oil-addicted civilization keeps on extracting carbon that has been stored underground for millions of years, burning it and releasing it into the atmosphere to form heat-trapping gases.

[Shell injunction forces Greenpeace to get creative](#)

With a judge ordering its boats to stay away from the oil firm's Arctic rigs, the anti-drilling organization turns to social media and other means of getting its message out.

[Navigating Water Rate Increases in Lingering Drought](#)

Higher prices have a way of grabbing attention, and many communities across Texas are raising rates to pay for new water supplies and to encourage conservation amid concerns that the lingering drought may portend a broader water crisis.

Water experts say it is about time Texans placed more value on this irreplaceable natural resource, given the state's rapid population growth and fickle weather. But raising rates often triggers public resistance in a state that is wary of too much government.

[Turning Saltwater From Earth and Sea Into Water Fit to Drink](#)

SAN ANTONIO — Drilling rigs in the midst of cow pastures are hardly a novelty for Texans. But on a warm May day at a site about 30 miles south of San Antonio, a rig was not trying to reach oil or fresh water, but rather something unconventional: a salty aquifer. After a plant is built and begins operating in 2016, the site will become one of the state's largest water desalination facilities.

[Why climate change needs higher energy bills](#)

Green campaigners focusing on expensive energy bills makes perfect sense, but for long-term savings we need to pay the short term price for green energy.

['The problem for coal right now is entirely economic' – EPA's Lisa Jackson](#)

What we've done at EPA, because we've had to from court order, and it's long overdue in my opinion, is deal with pollution from coal-fired power plants. Pollution from coal-fired power plants comes from the extraction of the coal in some cases, the burning of the coal, which gives soot and smog-forming pollution, and mercury and lead and arsenic and cadmium and acid gases and then you've got to get rid of the ash! ...One form of energy has to at least be subject to the same laws as the other forms are. That's what we've been working on as far as coal. I always tell people, it's not about coal, it's about the pollution that for too long has been associated with coal.

[Airline industry: EU emissions trading scheme 'could risk trade war'](#)

European attempts to enforce its emissions trading scheme on airlines may undermine a global solution to curb aviation's environmental damage and risk a trade war, Iata claims.

The International Air Transport Association, which represents 240 airlines worldwide, reiterated its call for the EU to drop its "unilateral and extra-territorial" scheme, which is opposed by several major powers, some of whom have hinted at retaliatory measures.

[Group: Global airline profits thin this year, could be wiped out if European recession hits](#)

BEIJING, China - Squeezed by high oil prices, the world airline industry's profit will be slim this year and could be wiped out if Europe tumbles into recession, the global

aviation trade group said Monday.

The International Air Transport Association called for governments to resolve a dispute over European carbon charges on airlines and to avoid tax and regulatory changes it said might hamper industry growth.

[China Emissions Suggest Climate Change Could Be Faster than Thought](#)

SINGAPORE/BEIJING (Reuters) - China's carbon emissions could be nearly 20 percent higher than previously thought, a new analysis of official Chinese data showed on Sunday, suggesting the pace of global climate change could be even faster than currently predicted.



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