



Drumbeat: June 30, 2012

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[Iran Oil Sanctions Starting Risks Biggest OPEC Loss Since Libya](#)

European Union sanctions on Iran entered into full force today after exemptions on some contracts and insurance ended, boosting crude prices and pressure on the Persian Gulf nation to halt its nuclear-enrichment program.

The reduction in Iranian exports may become the biggest supply disruption from a member of the Organization of Petroleum Exporting Countries since an armed rebellion all but halted pumping in Libya last year, according to the International Energy Agency. It also comes just as a strike by Norwegian workers is curbing flows from North Sea fields.

[U.S. Bets New Oil Sanctions Will Change Iran's Tune](#)

WASHINGTON — After three and a half years of attempting to halt Iran's nuclear program with diplomacy, sanctions and sabotage, the Obama administration and its allies are imposing sweeping new sanctions that are meant to cut the country off from the global oil market. Many experts regard it as the best hope for forcing Iran to change its course.

[Iran says selling oil easy despite sanctions](#)

TEHRAN, Iran — Iran says it is having no trouble selling oil despite U.S. sanctions imposed over Tehran's disputed nuclear program.

The Saturday report by the semiofficial Mehr news agency quotes Central Bank Governor Mahmoud Bahmani as saying that Iran is "easily" able to sell its oil thanks to countries given waivers by the U.S. to import some oil.

[Sanctions May Squeeze Iran ... And Raise Oil Prices](#)

The move against Iran comes at a time when oil prices have been dropping for the past couple of months.

The EU action could potentially reverse that trend and push world oil prices higher over

the next few months. Analysts surveyed by Bloomberg News forecast that the price for premium crude will rebound to more than \$114 for the third quarter of this year.

[The End of OPEC Despotism](#)

The tectonic plates of Middle East politics are shifting fast. Egypt's Arab spring may have run into the sand of anti-democratic Islamism, but the days when oil-rich Arab sheikhs colluded to hold Western economies to ransom will soon end. Massive shale oil and gas discoveries across the West, Israel's rising status as a Middle East energy powerhouse and a deepening internal rift over strategic policy are all colluding to hasten OPEC's demise.

[India cuts gas prices](#)

Indian oil firms cut gas prices for the second time this month, following an 11 percent hike in May that sparked public protests.

State-run refineries announced the cuts would yesterday, reducing the cost of a liter of gas by 2.46 (\$0.04) rupees to 67.78 (\$1.19) per liter, reported Reuters. May's increase triggered public outcry and political backlash in a country suffering from high inflation, even though gas is only about 10 percent of India's total fuel consumption.

[Brazil Said to Consider Increased Ethanol Mix in Fuel](#)

Brazil is considering a request by Petroleo Brasileiro SA (PETR4), the country's state-owned oil company, to increase the amount of ethanol added to gasoline, said two government officials with knowledge of the discussions.

Authorities are reviewing ethanol supplies in the South American country to determine if there is enough to proceed with the measure, which would help reduce imports and boost Petrobras's earnings, said the officials, who asked not to be identified as the matter is not public.

[Kazakhstan: Justify Charges Against Activists, Oil Worker](#)

The vague nature of the charges and lack of transparency in the investigation, including a failure to provide any information on what they allegedly did to justify the charges, raise serious concerns that these charges are arbitrary and politically motivated, Human Rights Watch said.

[Mexico's Solar Energy Investment and Capacity Doubles](#)

According to solar and wind systems producer, Conermex, Mexico will reach a total of 12 MW of electricity generated by solar energy by the end of 2012, doubling its current potential.

[Kansai votes to keep power target at 10%](#)

OSAKA (Jiji Press)--The Kansai community agreed Saturday not to lower its 10 percent power-saving target even after the second of two reactors at Kansai Electric Power Co.'s Oi nuclear power plant is restarted and operating at full capacity.

[Temperature climbing in No. 4 reactor's pool after cooling system knocked out](#)

The cooling system of the spent-fuel pool in reactor 4 at the Fukushima No. 1 plant automatically suspended operations Saturday and the water temperature is starting to rise, Tokyo Electric Power Co. said.

The utility has been unable to activate a backup cooling system for the pool since operations halted at around 6.25 a.m., and is looking into the causes, Tepco officials said later in the day.

[US Agency Gave Nuclear Industry 'Sweet Deal': Documents](#)

According to documents revealed by the Southern Alliance for Clean Energy (SACE), the US Department of Energy (DOE) handed a secret 'sweetheart deal' to Southern Company, a large utility company. The deal includes loan guarantees for two new nuclear reactors proposed for Plant Vogtle in Georgia.

[B.C. Carbon Tax Sees Gas Prices Rise Again](#)

Gas prices are set to rise again in British Columbia as the final instalment of the province's carbon tax comes into effect on Canada Day.

The increase of 1.11 cents per litre is the last of several steady increases over the past four years that have seen the carbon tax on gasoline rise to almost seven cents a litre.

The B.C. government says the carbon tax has brought in \$500 million in revenue, which has gone towards reducing personal income taxes and business taxes.

[U.S. Sees Greatest Reduction in CO2 Emissions](#)

ATLANTA, Georgia (IPS) - According to a recent report by the International Energy Agency, the U.S. has seen the greatest reduction in carbon dioxide pollution within the past six years in comparison to any other country, even as global carbon dioxide

pollution has reached record highs.

“CO2 emissions in the United States in 2011 fell by 92 Mt (million tonnes), or 1.7%, primarily due to ongoing switching from coal to natural gas in power generation and an exceptionally mild winter, which reduced the demand for space heating,” the IEA writes on its website.

[Iran calls for extraordinary OPEC meeting](#)

Sanctions-hit Iran on Saturday called for OPEC to hold an extraordinary meeting to rein in output going over its agreed total quota because oil prices have dipped to a "critical level" under \$100 a barrel.

"We have asked the secretary general to set up an extraordinary meeting as prices have become irrational," Iranian Oil Minister Rostam Qasemi was quoted as saying on his ministry's official news website Shana.

[Oil Surges Most in More Than a Year on European Agreement](#)

Oil rose the most in more than three years on optimism that Europe's debt crisis may be contained after leaders agreed to ease repayment rules for emergency loans to Spanish banks and relax conditions on help for Italy.

Futures gained 9.4 percent, trimming the biggest quarterly decline since the final three months of 2008, as leaders of the 17 euro countries dropped requirements that taxpayers get preferred creditor status on aid to Spain's banks. Prices also advanced because a European Union ban on the purchase, transport, financing and insurance of Iran's oil starts in July.

"We're seeing a massive return of risk appetite," said Mike Wittner, head of oil market research at Societe Generale SA in New York. "The market was impressed by what the Europeans accomplished and there's a feeling that the worst may be over."

[Saudi and Iraq spur Opec's oil production](#)

LONDON: Opec's oil output has remained close to its highest since 2008 in June as extra oil from Saudi Arabia and Iraq has compensated for a drop in Iranian supply to its lowest level in more than two decades, a Reuters survey found yesterday.

US and European sanctions have pushed Iran from second-largest producer in Opec to rank third behind Iraq.

[Crude Oil Price Bubbleomics Impact on EP Valuations](#)

This is an update on an article posted eighteen months ago called [Crude Oil Price Forecast to 2020](#). The issue then was the specter of Peak Oil.

[Iranian first VP: We welcome oil sanctions](#)

The Iranian first vice president has said that the country welcomes oil sanctions on the verge of imposing the EU sanctions against the Islamic Republic's oil sector.

Speaking to reporters on the sidelines of a ceremony on the national day of industry and mine, Mohammad-Reza Rahimi said that sanctions show greatness of the Iranian nation.

[Iran Says It Has 'Inalienable Right' to Enrich Uranium](#)

Iran is declaring that it has an "inalienable right" to enrich uranium, reasserting a stand that is rejected by world powers and may prevent a deal to resolve Western suspicions it seeks to build nuclear weapons.

[US exemption over Iranian oil trade shows China's power: Report](#)

BEIJING: The US decision to exempt China from its unilateral sanctions over imports of Iranian oil reflected "China's power" and a "victory", a state-run Chinese daily said today, playing down Beijing's move to reduce oil imports from the Islamic Republic.

The US "decision has helped avoid direct diplomatic conflict and possible trade war between the two countries and is widely viewed as the result of compromise", Global Times said in an editorial titled 'sanctions exemption shows China's power'.

[Iran ready to repair Turkey's damaged gas pipeline](#)

The National Iranian Gas Company (NIGC) announced its readiness to help in repairing an Iran-Turkey gas pipeline that exploded yesterday.

[Iraq to sign oil deal with firms](#)

BAGHDAD: Iraq will sign initial contracts in July with three foreign companies that won deals to explore oil and gas blocks as it looks to attract more foreign investment to develop its energy sector.

The Opec member is expected to be the world's biggest source of new oil supplies over the next few years after signing contracts with international oil companies and plans to open up more rounds for additional oil and gas blocks for auction.

[Vietnam Warns China to Halt Oil Bids in Exxon-Awarded Area](#)

Vietnam's state-run oil explorer warned China to halt efforts to develop disputed areas of the South China Sea that Hanoi's leaders have already awarded to companies including Exxon Mobil Corp. and OAO Gazprom.

[National Shipping, Aramco Sign Accord to Merge Their Fleets](#)

National Shipping will be the sole carrier for crude pumped by Saudi Aramco, as the state company is known, under long- duration contracts, according to the statement. The merger will make National Shipping the industry's fourth-largest owner of very large crude carriers.

[Circling the Wagons on Syria](#)

What to do in Syria? Western military intervention looks fraught with difficulties, but the situation on the ground is a humanitarian nightmare and is producing greater instability by the week. A recent trip to Turkey and Russia has persuaded me that there might be a path forward. The pressures on Bashar Assad's regime are real and mounting; it is running out of cash and now faces real military pressures from Turkey. These pressures could be heightened and combined with smart diplomacy, and they could push Assad out of power. But that would mean trying to work with the Russian government rather than attacking it.

[Nigeria says arrests oil pipeline bomber](#)

YENAGOA, Nigeria (Reuters) - Nigerian authorities said on Friday they had arrested the leader of a network of crude oil thieves in the Niger Delta responsible for several pipeline bombings against oil majors including Shell and ENI.

[When money stops talking: The sound of dissent in oil-rich Angola](#)

WITH his thin-rimmed spectacles and philosophy degree, MCK belies the image of a streetwise rapper, but his latest album bears a message that is authentically tough. Released in January, "Proibido Ouvir Isto" (Forbidden to Hear This), assails a host of national ills, from the corruption of Angola's elite to the squalor of its fetid *musseques* (slums).

Flush from oil exports that now generate more than \$45 billion a year, the government is used to silencing critics with cash. "Four years ago they offered me \$500,000 to stop rapping," MCK confesses with a smile, sitting in a sports hall in Angola's capital, Luanda. "Now they know it won't work."

[Workers' protests interrupt crude oil supply](#)

State-run oil and gas firm PT Pertamina revealed that crude oil supply for the Balongan refinery in West Java was cut by around 1,000 barrels per day (bpd) due to a demonstration by hundreds of workers at the refinery who demanded the company scrap its outsourcing scheme.

[BLM 'Auctions' 720-Million-Ton North Porcupine Coal Tract To Single Bidder For \\$1.10 A Ton](#)

The Obama administration's Bureau of Land Management auctioned a major tract of Wyoming coal to Peabody Energy at a bargain-basement price of \$1.10 per ton yesterday.

[Pressure Rises With Heat in Con Ed Negotiations](#)

While New Yorkers try to keep their heads cool during this weekend's heat wave, they may also want to hope that those running the final negotiations between Consolidated Edison and its biggest union do the same.

[Natural gas: Managing our bounty](#)

The financial effect of LNG expansion could be huge, but there is debate on what to do with the revenue — and how to manage the environment at the same time.

[University Will Not Investigate Fracking Institute](#)

The State University of New York at Buffalo has rebuffed calls for an investigation of the work of a new institute it founded that is devoted to the study of shale gas drilling, saying it is defending the freedom of faculty members to conduct research.

[New nuke plant critical, Lithuanian minister says](#)

VILNIUS — The Lithuanian energy minister said his country needs a nuclear power plant to reduce its dependence on Russia, secure economic development and employment, and reduce its greenhouse gas emissions.

"If you depend on imports, it is not safe," Arvydas Sekmokas said in an interview Tuesday after Lithuania decided to order a nuclear power plant from Hitachi Ltd.

[Prisoners in Brazil Can Reduce Their Sentences by Producing Electricity](#)

According to Jornal Nacional, Brazil's Santa Rita do Sapucaí prison, following the

suggestion of a local judge, recently installed electricity-generating stationary bikes as part of a plan to keep inmates active while letting them contribute to a greater good.

For every 16 hours spent pedaling to charge a battery connected to the bike, prisoners of good standing will shave a day off their sentences. The energy will then be used to power streetlights in the city that might otherwise be dark, making the community a safer place at night for everyone.

[Moldy matters: How wasted food is destroying the environment](#)

The title of his new series -- "One Third" -- derives from a 2011 U.N. Food and Agriculture Organization report. It revealed a chilling statistic: A third of all food products worldwide go uneaten.

Depending on the type of food in question, this figure ranges from between 25% and 75% and, altogether, it amounts to 1.3 billion tons of edible goods discarded each year.

[Millions without power as storms pound U.S. following record-setting heat](#)

The severe thunderstorms moving across the Midwest are fueled by the high temperatures, bringing with them lightning and wind gusts as strong as 80 mph, according to the National Weather Service.

The massive systems left one in three Americans baking in scorching heat, has threatened lives and caused misery for those not fortunate enough to find a splash of cool water or air conditioning.

[Carbon Errors Make Australia Wiser as Gillard Sets Price Record](#)

Australia is setting the world's highest price on carbon emissions as it seeks to avoid mistakes made when Europe started the biggest cap-and-trade system seven years ago.

The country of 22.5 million people, with the most emissions per capita among developed nations, will charge almost 300 of Australia's largest polluters a fixed price of A\$23 (\$23.15) a metric ton for their greenhouse gases for the year starting July 1. European Union carbon allowances closed yesterday at 7.97 euros (\$10) a ton on London's ICE Futures Europe exchange.

[Greenland Ice Sheet Melt Nearing Critical 'Tipping Point'](#)

The Greenland ice sheet is poised for another record melt this year, and is approaching a "tipping point" into a new and more dangerous melt regime in which the summer melt area covers the entire land mass, according to new findings from polar researchers.



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