



## Drumbeat: July 9, 2012

Posted by [Leanan](#) on July 9, 2012 - 8:39am

### [JPMorgan Probe Shows FERC Priority on Policing Energy Markets](#)

The U.S. Federal Energy Regulatory Commission's probe of JPMorgan Chase & Co. demonstrates a renewed focus on market manipulation as the agency beefs up its oversight of the multibillion dollar energy-trading business.

The FERC on July 2 sued New York-based JPMorgan to release e-mails, revealing an investigation of possible gaming of power markets in California and the Midwest. Since January 2011 the agency has announced 11 probes of alleged manipulation in electricity and natural gas markets and a record \$245 million settlement with Constellation Energy Group Inc.

"There is a theme here," Susan Court, a former director of the FERC's Office of Enforcement, said in a telephone interview. "I see a fairly steady activity in the enforcement area."

### [Norway Oil Industry Group Says Talks Fail to End Strike](#)

Norway's oil strike continued for a 15th day after talks supervised by a state mediator failed to reach a compromise that would prevent the dispute from escalating to include all of the country's offshore oil and gas production.

"There are no new talks planned and we don't know where we will go from here," Kristin Bremer Nebben, a spokeswoman for the Norwegian Oil Industry Association, which represents employers including Statoil ASA, BP Plc and Exxon Mobil Corp. , said in a phone interview today.

### [Statoil prepares to shut output; strike continues](#)

The Norwegian oil and gas major Statoil STO -2.23% said Monday it is preparing to shut down its production on the Norwegian continental shelf at midnight after negotiations to end a strike over pensions broke down Sunday.

The threatened halt to production is the result of a lockout announced by the Norwegian Oil Industry Association, which represents the oil companies in the dispute, in response to a strike by more than 700 North Sea oil workers over pensions that began in June.

## [Oil Rebounds as Norway Strike Looms](#)

Oil rebounded in New York after the biggest drop in two weeks as a labor strike threatened to halt production in Norway, Western Europe's biggest exporter.

Futures advanced as much as 0.7 percent. Statoil ASA said it may declare force majeure on fuel deliveries as it prepares to halt more offshore fields at midnight. Prices slid 3.2 percent on July 6, the biggest decline in two weeks, after a report showed the U.S. created fewer jobs than estimated in June. European Union sanctions on Iranian imports took effect at the start of this month.

## [Station owners adapt as driving changes put crimp in gas sales](#)

Gas stations have been partially growing into convenience stores for many years, and owner Tony Ioffe isn't worried about gas sales at Georgetown Market. In fact, his June sales were substantially greater than last June, before he bought the business.

Nevertheless, Ioffe is working hard to build his inside sales, the part of the business that doesn't go into someone's gas tank. And they were already substantial at Georgetown Market, 3710 Meachem Road.

"What helps a lot is we have the meat market and deli," he said, inside the large 7,000-square-foot store.

## [Worldwide oil, gas rig count up 4.5% in June from May: Baker Hughes](#)

London (Platts) - The number of drilling rigs actively exploring for or developing oil or gas worldwide rose 4.5% in June from May helped by the inclusion of Iraqi rigs for the first time since 1990, Baker Hughes said Monday in a monthly report.

The worldwide count for June 2012 was 3,484 rigs, up 149 from 3,335 counted in May 2012 and up 227 from the 3,257 in June 2011, Baker Hughes said.

## [Denmark to take 20 pct stake in N.Sea oil producer DUC](#)

COPENHAGEN (Reuters) - Denmark has tightened its grip on the country's North Sea oil income by taking a 20 percent stake in oil producer the Danish Underground Consortium, owned by A.P. Moller-Maersk, Chevron and Royal Dutch Shell.

Danish state-run fund Nordsofonden, which bought the stake, will also push to boost DUC's oil output.

### [Statoil restarts Gullfaks A oil platform](#)

(Reuters) - Statoil has restarted production at its Gullfaks A oil platform in the North Sea, after it was shut down due to a ballast tanker leak at end-June, a spokesman said on Monday.

"Production on Gullfaks A was restarted last Friday, and it has returned to normal production levels, Statoil's spokesman Baard Glad Pedersen said.

### [Qatar budget surplus triples to \\$12 bln last FY-prospectus](#)

DUBAI (Reuters) - Qatar's budget surplus more than tripled to 44.5 billion riyals (\$12.2 billion) in the fiscal year ended in March, double the original plan and helped by booming revenues from liquefied natural gas, a prospectus for the country's potential Islamic bond issue showed on Monday.

Qatar is the world's top exporter of liquefied natural gas and its fiscal surplus for 2011/12 was equivalent to 7 percent of 2011 gross domestic product, according to a Reuters calculation, up from the original 22.5 billion-riyal plan.

### [BP Says Still in Talks with Abu Dhabi on Oil-Production Rights](#)

BP Plc said it's still in talks with Abu Dhabi about renewing rights to produce oil in the Middle Eastern emirate, after a report indicated the London-based crude producer had been excluded from negotiations.

### [Aramco venture to spur new technologies](#)

DAMMAM: Saudi Aramco has announced the launch of its new wholly-owned corporate venturing subsidiary called Saudi Aramco Energy Ventures (SAEV).

Headquartered in Dhahran, SAEV will invest in technologies of strategic importance to Saudi Aramco that will enhance its position as a technology leader in the global energy industry, and support its broader Kingdomwide initiatives in advancing sustainable domestic energy and water consumption.

### [Saudi Arabia says two killed after cleric's arrest](#)

Saudi Arabia said on Monday that two men had been killed after protests in a Shi'ite Muslim area in the eastern part of the world's top oil exporter, following the arrest of a prominent Shi'ite cleric.

### [Saudi counter-strikes Iran with oil line](#)

Saudi Arabia has reopened an old oil pipeline built by Iraq to bypass Gulf shipping lanes, giving Riyadh scope to export more of its crude from Red Sea terminals should Iran try to block the Strait of Hormuz, industry sources told Reuters.

### [Syrian army conducts exercises in show of force as Iran warns of regional 'catastrophe'](#)

DAMASCUS, Syria - In a show of force, Syria began large-scale military exercises Sunday to simulate defending the country against outside "aggression." Damascus' staunch ally Iran warned of a "catastrophe" in the region if no political solution to the 16-month-old Syrian conflict is found.

Tehran is Syria's closest ally, and has stood by President Bashar Assad's regime throughout the revolt against his rule despite a growing chorus of international condemnation. The relentless bloodshed has accelerated diplomatic efforts to find a solution to the crisis, and spurred some in the Syrian opposition to urge the West to intervene militarily to stop a conflict that activists say has left more than 14,000 people dead.

### [Sad polar bear wanders around to sad Radiohead song](#)

Radiohead have partnered with Greenpeace for a poignant new ad that shows a homeless polar bear wandering around London, set to the fittingly unfitting soundtrack of "Everything In Its Right Place" from the Oxford band's beloved album "Kid A." With narration from Jude Law, the clip is being used to help raise awareness about oil companies looking to drill in the Arctic, a landscape already decimated by global warming.

### [Alberta pipeline oil spills, gas emissions stain Canada's green rep](#)

TORONTO, Canada — Three oil spills in a month isn't the track record Alberta wanted while peddling a major tar sands pipeline to Americans.

The spills have the provincial government and the oil industry scrambling to control the damage to both the environment and their credibility.

### [The Wise Way to Regulate Gas Drilling](#)

The states have moved forward with a patchwork of regulations — some specific and prescriptive, others vague and general. Many states require some disclosure of the chemicals the drillers use, but in some states drillers decide which chemicals constitute proprietary secrets and therefore do not have to be disclosed. Some states allow

operators to store toxic wastewater from the fracturing process in open pits, risking surface or groundwater contamination. Some states simply lack the experience or resources to enforce their standards.

The uneven approach is bad not only for the environment but also for industry, because under the current system, mistakes by a few bad apples could lead to overregulation or even outright bans on drilling.

A better approach is one already reflected in many environmental laws: cooperative federalism. The federal government sets baseline standards, which states can exceed but not fall below. Ideally, these would be general “performance standards” rather than detailed specifications, giving the states flexibility to meet them.

### [Japan's Nuke Report Undercuts Itself With Cultural Copout](#)

Yet for all its detail and willingness to label the Fukushima disaster as “profoundly manmade,” the report does not identify which men (and this being Japan, there probably weren't many women) failed. Instead, it sweepingly indicts “the ingrained conventions of Japanese culture,” effectively letting individual culprits off the hook. Its conclusions and recommendations avoid any discussion of prosecution or punishment.

### [U.S. drivers slow to embrace all-electric vehicles](#)

DETROIT -- All-electric vehicles that you plug-in overnight are a tough sell with drivers afraid of becoming stranded with few charging stations in operation across the nation.

Consumers want hybrids that combine gas with battery power, such as the Toyota Prius, or that plug in but have a backup gas tank, such as the Chevrolet Volt.

### [First Solar Bonds Financing \\$4.6 Billion U.S. Panel Boom](#)

Underwriters from Bank of America Corp. to Credit Suisse AG and Citigroup Inc. for the first time are close to converting sunlight into cash to pay bond investors.

Similar to asset-backed securities that finance everything from car purchases to college tuition, solar bonds will help fund rooftop power projects that Bloomberg New Energy Finance estimates will need to raise about \$4.6 billion next year. Investors will be paid from monthly payments from people with photovoltaic panels atop their homes and businesses.

### [As Putin Tours Flooded Region, Questions of Negligence Arise](#)

Mr. Putin toured the deluged region by air on Saturday evening, flying over towns that were inundated by rivers of muddy water churning through the streets, submerging

cars and ravaging buildings. "Like a tsunami," Mr. Putin said.

Questions about whether official negligence or misconduct had played a role in the disaster quickly came to the fore. The federal Investigative Committee said it had opened a criminal inquiry and would examine the authorities responsible for emergency preparedness to determine if more should or could have been done to prevent the deaths.

### [The DC blackouts and global warming](#)

Those who are relatively wealthy will likely be able to shield themselves from many of the worst effects of global warming. They will not be victims of monsoons and flooding like hundreds of millions of people in Bangladesh and elsewhere in south Asia. Nor will they be victims of drought who are unable to produce enough food to survive, like tens of millions of farmers in Sub-Saharan Africa. While no one may be able to escape the negative effects of global warming completely, the bulk of the suffering will no doubt be experienced by the world's poor.

### [Freak storms, flash floods, record rain – and there's more to come](#)

What is affecting these changes in the jet stream is the million-dollar question, said Chivers. Variations could be caused by temperature changes in the Pacific, but meteorologists are also studying how shifts in the Earth's temperature, caused by global warming, affect weather conditions.

"A lot of work is being done into the decrease in Arctic sea ice," said Chivers. "Essentially, if you warm up a sea, you change the temperature differential between the poles and the tropics and that in turn influences the jet stream. Research has already shown the influence on north-west Europe winters, making them drier and colder, but what happens in the summer is still relatively unknown."

### [Climate Change: 'This Is Just the Beginning'](#)

According to Dr. Jeff Masters, one of the few meteorologists who frequently makes the connection between extreme weather and climate change, "across the entire Continental U.S., 72 percent of the land area was classified as being in dry or drought conditions" last week. "We're going to be seeing a lot more weather like this, a lot more impacts like we're seeing from this series of heat waves, fires and storms. ... This is just the beginning."

Fortunately, we might be seeing a lot more of Jeff Masters, too. He was a co-founder of the popular weather website Weather Underground in 1995. Just this week he announced that the site had been purchased by The Weather Channel, perhaps the largest single purveyor of extreme weather reports. Masters promises the same focus on his blog, which he hopes will reach the much larger Weather Channel audience. He and others are needed to counter the drumbeat denial of the significance of human-induced climate change, of the sort delivered by CNN's charismatic weatherman Rob

Marciano. In 2007, a British judge was considering banning Al Gore's movie "An Inconvenient Truth" from schools in England. After the report, Marciano said on CNN, "Finally. Finally ... you know, the Oscars, they give out awards for fictional films, as well. ... Global warming does not conclusively cause stronger hurricanes like we've seen." Masters responded to that characteristic clip by telling me, "Our TV meteorologists are missing a big opportunity here to educate and tell the population what is likely to happen."

### [Maldives eyes \\$100 mln tourist tax for CO2 plan](#)

LONDON (Reuters) - A voluntary tax on tourists who visit the luxury resorts and white sands of the Maldives could raise up to \$100 million a year towards the country's aim to become carbon neutral by 2020, President Mohamed Waheed said.



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