



## Drumbeat: October 24, 2012

Posted by [Leanan](#) on October 24, 2012 - 9:51am

### [Bigger Than Either of Them?](#)

“DRILL, baby, drill.” It is among the best-remembered lines of the 2008 presidential campaign, colorfully capturing the desire of many Americans for cheap, reliable energy produced at home rather than in unpredictable places like Iran or Venezuela.

No slogan in the current presidential campaign has emerged to match it, but energy has taken center stage again as an issue that encompasses concerns about the environment and national security, and now, even more pressingly, economic revival.

Presidential campaigns have a way of producing stark contrasts between candidates. In the presidential debates, President Obama and Mitt Romney clashed sharply on fossil fuels and renewable energy.

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### [Oil Fluctuates as API Reports Gains in U.S. Inventories](#)

Oil fluctuated after the American Petroleum Institute said U.S. inventories rose for a seventh week and as a Chinese manufacturing index gained.

Crude traded near a three-month low after the industry- funded API said yesterday stockpiles rose 313,000 barrels last week. The Energy Department may report a gain of 1.8 million in its own data, according to analysts surveyed by Bloomberg. A preliminary reading of China manufacturing rose from September.

“People are thinking we are going to have another inventory build,” said Gene McGillian, an analyst and broker at Tradition Energy in Stamford, Connecticut. “The China manufacturing data is giving the market some support. It’s kind of helping stabilize the market.”

### [Gasoline Futures Rise in U.S. After Longest Losing Streak](#)

Gasoline rebounded in New York on speculation that the longest losing streak in 25 years was exaggerated.

Futures climbed as much as 0.9 percent after sinking to a four-month low yesterday. The fuel is down 22 percent this month after Exxon Mobil Corp., Valero Energy Corp. and Citgo Petroleum Corp. started refinery units following outages. Inventories rose in

the week ended Oct. 19, while demand fell 5 percent, the American Petroleum Institute said late yesterday.

### [Falling pump prices could give Obama a lift](#)

In a week that saw President Barack Obama poll dead-even with Republican rival Mitt Romney in the race for the White House, it may have been some relief to Democrats that gas prices have shed 17 cents in the last 12 days.

While that could help boost the president's chances for another four-year term (or at least not hurt them), the drop in prices has more to do with luck than with White House energy policy.

### [Saudi Arabia to generate record-high oil revenues in 2012: investment bank](#)

Dubai (Platts) - Higher crude prices and increased production will enable Saudi Arabia to collect a record Saudi Riyals 1.08 trillion (\$288 billion) in oil revenue in 2012, 4% higher than last year, Riyadh-based Jadwa Investments said in a report to clients Wednesday.

Saudi Arabia, the world's largest oil exporter, is likely to keep its crude production "elevated" through the end of the year, at 9.9 million b/d, the investment bank said. The kingdom averaged that production level in the first eight months of 2012, 8.5% higher than during the same period last year, with April and June production surpassing 10 million b/d.

### [South Africa charges oil majors with price-fixing](#)

JOHANNESBURG (Reuters) - South Africa's competition watchdog said on Wednesday it had brought charges of price-fixing against the local units of major oil companies including Chevron, BP and Total.

The Competition Commission also said in a statement the companies - as well as Shell, Sasol and Engen - had shared detailed information about sales and customers to hinder competition.

### [Russia increasingly worried about US 'shale revolution'](#)

Russia's President Putin urged the country's gas monopoly Gazprom to revise its export policy, as the "shale revolution" and the development of liquefied natural gas will seriously eat into the country's export revenues.

Experts agree that 'alternative commodities' have already started to reshape the

market, with the US posing tough competition to Russia.

### [Nigeria oil output down 20 pct: officials](#)

ABUJA (Reuters) - Nigeria has lost at least a fifth of its oil output in recent weeks due to severe flooding and oil theft, government oil officials said on Wednesday, in comments that helped push oil prices higher.

Nigeria's oil is exported to the United States, Asia and Europe and the current disruptions estimated at 500,000 barrels per day could amount to as much as 0.5 percent of global supply

### [Exclusive: Nigeria loses billions in cut price oil deals - report](#)

ABUJA (Reuters) - Nigeria lost out on tens of billions of dollars in oil and gas revenues over the last decade from cut price deals struck between multinational oil companies and government officials, a confidential report seen by Reuters says.

A team headed by the former head of the anti-corruption agency Nuhu Ribadu produced the 146-page study on an oil ministry request. It covers the year 2002 to the present.

### [Abu Dhabi offers more oil to calm markets](#)

Abu Dhabi is aiming to ramp up oil production capacity to 3 million barrels per day by the end of the year to bring "comfort to the market," according to Mohammed Al Hamli, the oil minister.

"As major responsible producer, we build the capacity to ensure that in case of a crisis, the world needs more oil, we have it," Mr Al Hamli said on the sidelines of an energy conference in Dubai.

### [Iraqi Kirkuk exports set to hit over one year high in Nov.](#)

London (Reuters) - Iraqi exports of medium sour Kirkuk crude oil are set to rise to 484,000 barrels per day (bpd) in November, a preliminary loading programme showed on Wednesday, the highest in over a year.

### [Iraq aims to double power output](#)

Iraq is racing to more than double its power production in the next two years using

everything from the sun to Iranian gas.

### [Kuwait appoints consultants for mega oil projects](#)

KUWAIT CITY: Kuwait National Petroleum Co. (KNPC) said on Wednesday it has selected Foster Wheeler and Amec companies as consultants for two mega oil projects estimated to cost around \$30 billion.

### [Gas producer Egypt turns to Algeria, Qatar for more](#)

CAIRO (Reuters) - Egypt, a gas producer and exporter, has agreed to import Algerian gas and is in talks with Qatar for a similar deal, the prime minister said on Wednesday, a move that may help Egypt meet its own export contracts while domestic demand rises.

Egypt has two liquefied natural gas (LNG) plants and a pipeline to export gas, but energy industry sources say the government has been diverting some gas contracted for export to the domestic market, which suffered fuel shortages and electricity cuts in the summer.

### [Ten reasons to be cheerful, part 3: Energy](#)

The oil, we are told, is running out, and they talk of 'peak oil.' There are vast reserves of coal, but it pollutes more than we want, so the talk turns to renewables. Biofuel from food grains lacks all sense or reason. The farmers loved it, of course, and so probably did the politicians who collected their votes. Poorer people who had to compete with Chelsea tractors for cheap food were less pleased.

Wind farms have blighted our areas of natural beauty, are very expensive, and may not even contribute to environmental quality when their whole life pollution, including construction, is factored in. Moreover there has to be back-up power for when winds prove unreliable.

### [Book Review: \*Oil, The 4th Renewable Resource\* by Shawn Ali](#)

*Oil, The 4th Renewable Resource* by Shawn Ali debunks the myth that oil is not a renewable resource. The book explains that although there is a sufficient supply of oil, prices go up because less oil is refined.

Ali believes that oil companies set prices under an oligarchic model of price competition. Under the Peak Oil assumption, production increases until the supply of oil is exhausted and production ceases.

### [Report: Sea piracy drops to lowest level in four years](#)

Hong Kong (CNN) -- Sea piracy has fallen to its lowest level worldwide since 2008, as policing by international naval forces has deterred pirates operating in the waters off Somalia, new figures from the piracy watchdog show.

#### [U.N. envoy: Syrian government, rebels agree to truce](#)

CAIRO (AP) — The U.N.-Arab League envoy to Syria says the Syrian government and some rebel leaders have agreed to a ceasefire during the upcoming Muslim four-day holiday.

#### [Iran Threatens to Halt Crude Exports If Sanctions Intensify](#)

Iran will suspend all oil exports, pushing global crude prices higher, if the U.S. and Europe tighten sanctions further on the OPEC member's economy, Oil Minister Rostam Qasemi warned.

"If you continue to add to the sanctions, we will stop our oil exports to the world," he said at a news conference in Dubai. "The lack of Iranian oil in the market would drastically add to the price."

#### [Bankers set for \\$30-\\$50 mln from TNK-BP - Freeman](#)

LONDON, (Reuters) - Bankers will likely pick up \$30-\$50 million for their work on Russian state-owned oil group Rosneft's \$55 billion takeover of TNK-BP, according to Freeman Consulting.

#### [China's CNOOC hopeful on Nexen bid; raises FY output goal](#)

HONG KONG (Reuters) - CNOOC Ltd, China's top offshore oil and gas producer, said on Wednesday it was working to win regulatory approval from Canada this year for its \$15.1 billion bid for energy producer Nexen .

#### [Encana reports third-quarter loss on \\$1.2 billion charge](#)

(Reuters) - Encana Corp, Canada's largest gas producer, posted a third-quarter loss as it recorded a \$1.19 billion after-tax impairment charge related to a fall in natural gas prices.

Gas prices remained stubbornly low during the quarter and averaged \$2.89 per million British thermal units - about 30 percent below where they were a year earlier.

### [Canadians could free themselves from oil imports, but will they?](#)

You are not alone if you think it's odd that Canada--the world's ninth largest exporter of crude oil and petroleum products and the main supplier of oil imports to the United States--is itself a longtime oil *importer*, importing more than 40 percent of its oil needs this year.

The situation results from historical pipeline development which has left Canada without a major east-west pipeline to bring the huge surplus of oil produced in the western provinces--now primarily from tar sands--to the eastern part of the country. The country's provinces from Ontario eastward currently import a little more than 60 percent of their oil needs from overseas. That may be set to change.

### [Iberdrola to Sell \\$6.5 Billion in Assets to Reduce Debts](#)

Iberdrola SA, Spain's largest utility, plans to cut about 4 percent of its workforce and sell assets worth as much as 5 billion euros (\$6.5 billion) by 2014 to reduce its debt.

The company aims to sell 1 billion euros of the assets by the end of 2012 as it makes a priority of reducing its leverage and investment in regulated businesses, Chairman Ignacio Galan said in a presentation to analysts. It targets 26 billion euros in debt by 2014, compared with 31 billion euros now.

### [Koch-Backed Texan Faces Sierra Club Fueled Bid for House](#)

A global-warming skeptic backed by energy giant Koch Industries Inc. is squaring off against an opponent supported by the Sierra Club in a Texas congressional district where the largest U.S. oil discovery in decades drives the economy.

### [Five energy topics that won't come up in tonight's foreign policy debate — but should](#)

If North America does become a major world oil producer and manages to shrink its imports, would that change U.S. foreign policy at all? Plenty of experts have argued that the U.S. economy will still be vulnerable to turmoil in the Middle East for years to come, that there's no way to detach ourselves from the global oil markets even if we *did* become energy independent. But what do the candidates think about this?

### [Romney Mining for Votes in Coal Country](#)

Cliff Forrest, founder and president of Rosebud Mining Co., says his coal-producing peers "lambasted" him in 2008 for voting for Barack Obama.

Initially attracted to Obama's intelligence and pledge to work across the aisle, Forrest has returned to the fold among his coal-mining brethren. The 56-year-old has donated



thousands of dollars to Republicans, including presidential nominee Mitt Romney.

### [The Costs of Electricity from Coal Over More Than a Century](#)

The data suggest a qualitative difference between the behavior of fuel and capital costs, the two most significant contributors to total cost. Coal prices have fluctuated and shown no overall trend up or down; they became the most important determinant of fuel costs when average thermal efficiencies ceased improving in the U.S. during the 1960s. This fluctuation and lack of trend are consistent with the fact that coal is a traded commodity and therefore it should not be possible to make easy arbitrage profits by trading it. According to standard results in the theory of finance, this implies that it should follow a random walk.

### [American Electric Profit Declines on Lower Demand](#)

American Electric Power Co. (AEP), which delivers electricity to more than 5 million customers in 11 states, said third-quarter profit fell 48 percent on customer defections, storm clean-up costs and sluggish demand for electricity.

### [Statoil Probe concludes North Sea Gas Leak was Serious](#)

The Norwegian oil and gas company Statoil ASA (STO) said Wednesday that the May 26 gas leak on the Heimdal field in the North Sea was serious, and an investigation showed that the company had to strengthen its safety measures.

No one from the crew of 98 was injured by the leak, but both Norway's Petroleum Safety Authority and Statoil labeled it as a serious incident and launched investigations. The PSA said the leak had "significant potential."

### [BP asks for Gulf spill deal ok despite objections](#)

NEW ORLEANS (AP) — Oil giant BP has asked a federal judge to disregard objections from a fraction of claimants and give final approval to a proposed multibillion-dollar settlement over economic damages from the Gulf oil spill.

### [US downplayed effect of Deepwater oil spill on whales, emails reveal](#)

The images from the summer of 2010 were undoubtedly gruesome: the carcass of a young sperm whale, decayed and partially eaten by sharks, sighted at sea south of the Deepwater Horizon oil well.

It was the first confirmed sighting of a dead whale since the BP oil spill in the Gulf of Mexico in April that year — a time of huge public interest in the fate of whales, dolphins,

sea turtles and other threatened animals – and yet US government officials suppressed the first reports of the discovery and blocked all images until now.

### [EON to Withdraw From Finnish Fennovoima Nuclear Reactor](#)

EON AG, Germany's biggest utility, plans to withdraw from the Fennovoima Oy nuclear reactor project in Finland.

The company will exit the venture in the first quarter, Roger Strandahl, a spokesman for EON in Malmö, Sweden, said today by telephone. Low power use and electricity prices in Europe prompted the decision, he said.

### [China says it's ready to approve new nuclear plants, ending moratorium after Japan disaster](#)

BEIJING — China has announced it is ready to approve new nuclear power plants as part of ambitious plans to reduce reliance on oil and coal, ending a moratorium imposed after Japan's Fukushima disaster.

The government said Wednesday that it hopes to generate 30 percent of China's power from solar, wind and other renewable as well as nuclear energy sources by the end of 2015. That's up from an earlier target of 15 percent from renewables plus 5 percent from nuclear by 2020.

### [GM upgrading '13 Volt software to fix glitch](#)

General Motors Co. said Monday it is upgrading the software on about 4,000 2013 plug-in hybrid Chevrolet Volt cars because a glitch could cause the electric motor to shut down.

GM said the issue only impacts owners that use the delayed charging function — which allows owners to recharge the vehicle at certain times.

### [Renewables subsidies costing UK households £4, says REA](#)

Amid the furore over rising UK energy bills, the Renewable Energy Association (REA) today released figures indicating that renewables subsidies only make up 2% of the increases.

According to the Association's calculations and Ofgem data, average British dual-fuel customers have seen their bills rise by £205 over the last two years. But of that, only £4 comes from support schemes for renewable.



### [British Public Want More Solar and Wind](#)

A whopping 72 percent of those surveyed wanted more solar power, with only 5 percent wanting less than is currently installed and 12 percent wanting levels to stay the same.

An increase in nuclear power was favoured by 40 percent of those surveyed, but only 17 percent wanted more coal- and gas-powered stations.

### [Wind And Solar Make Up 100% Of New U.S. Electricity Capacity In September](#)

September was tied for the hottest of any September on record globally. It was also a very hot month for renewable energy in the U.S. According to figures from the Federal Energy Regulatory Commission, wind and solar accounted for all new electricity capacity added to America's grid in September.

### [Invasive Grasses as Biofuel? Scientists Protest](#)

More than 200 scientists from across the country have sent a letter to the Obama administration urging the Environmental Protection Agency to reconsider a rule, in the final approval stages, that would allow two invasive grasses, *Arundo donax* and *Pennisetum purpureum*, to qualify as advanced biofuel feedstock under the nation's renewable fuel standard.

"As scientists in the fields of ecology, wildlife biology, forestry and natural resources, we are writing to bring your attention to the importance of working proactively to prevent potential ecological and economic damages associated with the potential spread of invasive bioenergy feedstocks," the scientists write.

### [In U.S. building industry, is it too easy to be green?](#)

A USA TODAY examination shows that thousands of "green" builders win tax breaks, exceed local restrictions and get expedited permitting under a system that often rewards minor, low-cost steps.

### [Liquid metal battery: Can we invent our way out of climate trouble?](#)

MIT inventor of a liquid metal battery makes guest appearance on The Colbert Show and adds a note of optimism in climate debate. Can liquid metal battery or other battery technology diminish world's reliance on oil?

### [Dead Sea's Record Loss Grows With Potash Makers Demand](#)

The Dead Sea is shrinking at a record rate, prompting calls for Israel and Jordan to stop fertilizer makers from siphoning so much of the water whose restorative powers have attracted visitors since biblical times.

### [Prepare now for the global water crisis](#)

Business needs to get wise about water, and fast. You can't talk about climate change and ignore water – the two are umbilically linked. That's the message from Anders Berntell of the Stockholm International Water Institute (SIWI). "Water is the bloodstream of our planet. What we mean by that it's something that affects all activities of our planet and societies, including the business community."

### [IKEA to move to clean energy by 2020, protect forests](#)

OSLO (Reuters) - IKEA, the world's largest furniture retailer, will shift to renewable energy by 2020 and grow more trees than it uses under a plan to safeguard nature that has won support from environmentalists.

The Swedish-based group, which wants to build on many customers' desire for a greener lifestyle, also said on Tuesday it would limit sales by 2016 to energy-efficient products including induction cookers and LED light bulbs.

### [Green energy would save EU trillions by 2050: report](#)

BRUSSELS (Reuters) - A green revolution to make EU energy almost totally carbon-free by 2050 would generate 3 trillion euros (\$3.9 trillion) in fuel savings, a report commissioned by environmental campaigners said.

The energy shift would already create around half a million extra jobs by 2020, researchers from German aerospace center DLR, which also specializes in energy and transport, found.

### [Wiping out species decreases resilience to climate change](#)

The impact of climate change is likely to be much worse if species are lost; this is the finding from a group of researchers. Their recently published study suggests that high biodiversity acts as an insurance policy for nature and society alike as it increases the likelihood that at least some species will be sufficiently resilient to sustain important functions such as water purification and crop pollination in a changing environment.

'It's the same principle as an investment portfolio - you'd be mad to put all your eggs in one basket,' says researcher Johan Eklöf.

## [Prayer and the "spiritual biosphere"](#)

That the biosphere is diseased is pervasive in human consciousness. The driver of this disease is called climate change.

## [Climate researchers blaze an uncertain trail](#)

Tanzanian farmers use cell phones to document climate change, keeping track of how new pests and weather patterns affect their crops. Their work is the product of a unique climate change research method pioneered by Swiss-based scientists.

## [Impoverished Niger creates fund to fight desert spread](#)

NIAMEY (Reuters) - Niger said on Monday it will launch a \$110 million project to counter the impact of rapid expansion of deserts and increasingly unpredictable rains in one of the world's poorest countries.

"The programme aims to test strategies that will help us integrate climate risk and adapt climate change into our national planning," Abdou Souley, spokesman for Niger's planning and community development ministry, said.

## [The Issue That Dare Not Speak Its Name](#)

A mountain of scientific evidence points to climate change as a serious risk for the human future. The Pentagon sees it as a threat to national security. Arctic sea ice hit a record low this summer. In some low-lying countries threatened by sea level rise, evacuation planning has already begun.

Yet the presidential debates are now over, and not once did climate change surface explicitly as an issue. This campaign is the first time that has happened since 1988, and environmental groups – and environmentally minded voters – are aghast.

## [Climate of Doubt](#)

In the race to the White House this year, candidates have gone head-to-head on health care, the economy and foreign policy. But there is one issue that has been absent from all the debates -- climate change. On Frontline Tuesday, "Climate of Doubt" looks at how groups of global warming skeptics changed the political climate on the issue.

## [Obama, Romney ignore climate change, but so do voters](#)

Energy and green energy were hot topics during the presidential debates, but climate change didn't come up once. The candidates may be avoiding the issue because voters

don't want to hear a difficult message.

### [Sign on now, UN climate chief says](#)

THE United Nations climate chief has called on Australia to sign up to a new round of the greenhouse-gas-limiting Kyoto Protocol, saying it already has significant clean-energy policies in place.

"From a national perspective it wouldn't change that much what Australia is already doing," the head of the UN Framework Convention on Climate Change, Christiana Figueres, said in Sydney.

### [EU needs to decide carbon reform "without delay" - draft](#)

BRUSSELS (Reuters) - A rapid rise in surplus EU carbon credits is expected to slow from 2014 onwards, but to tackle a short-term glut member states need to decide before the end of the year on a temporary fix, a European Commission draft document said.

The draft report on the carbon market also called on the member states to discuss and explore options for more lasting changes to the Emissions Trading Scheme (ETS) after allowance prices hit a record low in April.

### [Italy, Spain need to pay up to meet Kyoto goals - EEA](#)

BRUSSELS (Reuters) - Indebted euro strugglers Italy and Spain are missing Kyoto targets and must pay up for international emissions credits or undermine the bloc's climate leadership, the European Environment Agency (EEA) said on Wednesday.

### [Australia's Antarctic airstrip melts](#)

Australia's airstrip in Antarctica is melting, prompting a scramble to find a new way to supply its research bases on the icy continent.

Researchers said global warming has caused the glacial ice on the runway to turn to mush just four years after it was built for about £30 million. It was due to receive about 20 flights each summer but only six have been able to land in the past two years.

### [World's Glaciers Have New Size Estimate](#)

The relatively small glaciers that drape the planet's mountains will play an important role in future sea level rise, according to a new study that estimated glaciers' collective

size.

Researchers calculated the ice thickness for 171,000 glaciers worldwide, excluding the Greenland and Antarctic ice sheets, which hold the bulk of Earth's frozen water. Through a combination of direct satellite observations and modeling, they determined the total volume of ice tied up in the glaciers is nearly 41,000 cubic miles (170,000 cubic kilometers), plus or minus 5,000 cubic miles (21,000 cubic km).



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