



Drumbeat: December 24, 2012

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[German Utilities Pay Power Users as Warm, Windy Christmas Looms](#)

Day-ahead power in Germany turned negative for the first time in at least five years as utilities prefer to pay users rather than halt plants amid low demand, mild temperatures and higher-than-average wind generation.

Baseload next-day power, for supplies delivered around the clock, fell as low as minus 15 euros (minus \$19.84) a megawatt-hour, compared with 22 euros a megawatt-hour on Dec. 21 for power delivered today, according to broker data compiled by Bloomberg. That's the first time the day-ahead contract has been negative since Bloomberg started collecting the data in 2007.

Germany seeks to generate more than a third of its electricity from renewables as the country exits nuclear energy. Utilities including EON SE and RWE AG may prefer to pay users rather than halt fossil fuel-fed plants when turbines and solar cells push power supply above demand.

[Brent Crude Declines a Third Day Amid U.S. Budget Talk Impasse](#)

Oil slipped for a third day in London because of concern that U.S. lawmakers may fail to avert automatic spending cuts and tax increases that threaten the economy of the world's biggest crude consumer.

Brent crude fell as much as 0.4 percent, while futures in New York traded near their lowest level in a week. Republicans and Democrats probably won't reach an agreement on a budget deal by year-end to avoid triggering more than \$600 billion in measures known as the fiscal cliff, Senator Joseph Lieberman said on CNN's "State of the Union" program.

[Gas prices slide, but the decline won't last, survey says](#)

(CNN) -- Gas prices have fallen nearly 12 cents over the last two weeks, continuing a "price crash," the publisher of a new survey said Sunday.

The average cost of a gallon of regular gasoline is \$3.26, down 58 cents over the past 11 weeks, the Lundberg Survey found.

But that good news at the pump is unlikely to continue, says publisher Tribly Lundberg.

"Higher crude oil prices are translating into higher wholesale gasoline prices," and retailers will need to pass them through, she says. Expect prices to jump 5 or 10 cents per gallon soon.

[Oil and gas return to the world stage](#)

Not surprisingly, energy issues featured high on the regional and global agenda this year, with tensions over the Strait of Hormuz, the emergence of shale oil and gas in the United States and Iraq's rise all making headlines.

Here is a look back at some of the main talking points in 2012.

[Bullish Wagers Drop to Six-Month Low on U.S. Budget](#)

Investors cut bullish commodity bets to the lowest in almost six months as U.S. budget talks stalled, increasing concern that lawmakers' failure to reach an agreement will push the world's biggest economy back into a recession.

[Bangladesh fixes fuel import contracts](#)

(Reuters) - Bangladesh Petroleum Corporation has concluded first half 2013 term negotiations for refined oil products at mostly stronger premiums than current contracts, a senior BPC official said on Monday.

BPC will also buy 700,000 tonnes of Murban crude from Abu Dhabi National oil Company and another 700,000 tonnes of Arab Light crude from Saudi Aramco in 2013 for its refinery.

[Petrobras CEO Sees Fuel-Price Increase, But Unsure When - Report](#)

Petroleo Brasileiro, or Petrobras, expects to get approval for another round of fuel-price hikes, but Chief Executive Maria das Gracas Foster told O Globo newspaper that she doesn't know when the much-needed boost to offset heavy imports will come.

[Petroceltic Plans Oil Exploration in Greece, CEO O'Cathain Says](#)

Petroceltic International Plc, an oil and gas company with operations in Egypt and eastern Europe, plans to explore for oil in Greece.

The company has made an application in the country for onshore and offshore blocks

with Hellenic Petroleum SA and Edison SpA, Brian O’Cathain, chief executive officer of Petroceltic, said in a Dec. 21 telephone interview from Dublin.

[Siemens, Korea Electric May List Units in Nigeria, Oteh Says](#)

Nigeria’s sold-off state power companies may be required to list on the nation’s stock exchange within five years, the head of the market regulator said, as the bourse targets a \$1 trillion market value by 2016.

[Lanco Griffin Unit Defeats Bid to Block Sale of Assets](#)

Lanco Infratech Ltd.’s Australian coal-mining unit defeated a bid by a fertilizer maker in a A\$5.8 billion (\$6 billion) suit to block the sale of energy assets needed to move the miner to profitability.

[Security fears dogged Canada debate on China energy bid](#)

OTTAWA (Reuters) - In September, two months after China's state-owned CNOOC Ltd made an unexpected \$15.1 billion bid for Canadian energy company Nexen Inc, Canada's spy agency told ministers that takeovers by Chinese companies may threaten national security.

The rare warning from the Canadian Security Intelligence Service, which was disclosed to Reuters by intelligence sources, did not stop the takeover. That was approved by Canadian authorities earlier this month.

[Rosneft Agrees to Five-Year Oil Supply Deal With Glencore, Vitol](#)

OAO Rosneft, Russia’s largest oil producer, agreed to a prepaid long-term supply deal with Glencore International Plc (GLEN) and Vitol Group as it seeks to raise funds for its acquisition of TNK-BP.

The deal is for as much as 67 million metric tons of crude for five years from the start of next year, Rosneft said in a statement posted on its website. That’s 270,000 barrels a day or about 11 percent of the Russian producer’s current output.

[Rosneft Obtains \\$16.8 Billion in Loans to Finance TNK-BP Deal](#)

OAO Rosneft, Russia’s largest oil producer, signed loan agreements for \$16.8 billion to finance the acquisition of TNK-BP.

Rosneft will borrow \$4.1 billion for five years and \$12.7 billion for two years from a

group of international banks. The cash will pay for BP Plc (BP/)’s 50 percent stake in Russia’s third- largest oil producer, the Moscow-based company said in a statement today.

[Russia clashes over energy with Belarus, Ukraine, EU](#)

(Reuters) - Russia plunged back into the disputes over energy with Ukraine and Belarus that have repeatedly disrupted oil and gas supplies to European Union countries, and it also termed EU energy policy as "uncivilized".

Russia on Friday denied remarks by Belarussian President Alexander Lukashenko that it had agreed to increase its crude oil supplies to Minsk, vital for the Belarus economy, and said that it still intended to cut them next year.

[Freezing Kyrgyzstan to sell its gas company to Gazprom](#)

BISHKEK (Reuters) - Kyrgyzstan will sell its state gas company to Russia's Gazprom early next year, to ease a crippling energy crisis, its president said on Monday.

Gas supplies to Kyrgyzstan's north via its leading supplier Kazakhstan have sputtered due to mounting unpaid bills. Tens of thousands of residents of the capital Bishkek have suffered night temperatures at minus 20 Celsius (minus 4 Fahrenheit).

Russia, which like the United States runs a military air base in Kyrgyzstan, is keen to strengthen its economic foothold in the mountainous country neighbouring China.

[LUKOIL says "no" to Iraq's West Qurna-1](#)

MOSCOW (Reuters) - Russia's second-largest crude producer LUKOIL said on Monday it had decided not to join the development of Iraq's West Qurna-1 oilfield, citing high risks, paving the way for Chinese companies to enter the project.

[JX Nippon plans UK splurge](#)

JX Nippon Oil & Gas Exploration’s “significant investment” in the UK continental shelf in the next number of years could be around the \$2 billion mark.

The Japanese company’s UK offshoot is gearing up for the investment drive after agreeing to a set of significant asset purchases in the region from Italy’s Eni.

[Iran says it has enough oil for 150 years](#)

Tehran: Iran has enough petroleum to last for 150 years, allowing it to be one of the world's main exporters of crude, Petroleum Minister Rostam Ghasemi told the Fars news agency Sunday.

"The country has petroleum reserves for about 150 years and during that time ... it can be one of the principal exporters of hydrocarbon resources," Ghasemi said.

"Iran has reserves of nearly 600 billion barrels of petroleum," Ghasemi said.

[Iran Ends Fuel Subsidies for Passenger Cars With 1,800cc Engines](#)

Iranians driving cars with engines of 1,800cc and bigger will stop benefiting from a rationing plan that supplies subsidized gasoline, Iran's Oil Ministry news website reported, citing an energy official.

Iran will stop supplying fuel at a cheaper price to "all new locally produced as well as imported passenger cars" with engines of that size, Mohammad Royanian, head of Iran's transportation and fuel management office, said in today's Shana report. Iranians with cars pay 4,000 rials (33 cents) a liter for a monthly allowance of 60 liters and 7,000 rials a liter for larger volumes.

[Iran launches international insurance company to insure its oil tankers](#)

Iran oil industry has launched an international insurance company to insure the tankers transporting its crude oil across the globe.

Iranian Oil Minister Rostam Qassemi was quoted by English.farsnews.com as saying that after international sanctions, the country decided to set up its own insurance company for oil tankers.

[UN Syria Envoy to Meet Assad as Death Toll Rises](#)

A top United Nations official met with Syrian President Bashar al-Assad today to discuss the 21- month uprising, a day after an opposition group said government warplanes bombed a bakery and killed 94 people.

Lakhdar Brahimi, the UN Special Envoy on Syria, met Assad in Damascus to discuss international efforts toward a cease- fire. During the meeting, Assad told Brahimi that the government backs any effort that is in the interest of the Syrian people, state television reported. The talks were "constructive," it said.

[4 foreign sailors kidnapped off Nigeria coast](#)

LAGOS, Nigeria (AP) — Gunmen attacked a supply tug boat off the coast of Nigeria's oil-rich southern delta, kidnapping four foreign sailors in the latest attack in the West African region that is increasingly dangerous for shippers and oil companies, officials said Monday.

The attack happened 40 nautical miles off the coast of Bayelsa state in the Niger Delta on Sunday night, as the gunmen stormed the moving vessel, the International Maritime Bureau said Monday in a warning to other shippers. The gunmen seized four workers and later fled, the bureau said. Those remaining onboard safely guided the ship to a nearby harbor, the bureau said.

[Sandy Legacy Has Utilities Opening Wallets for Drones](#)

One slice of Hurricane Sandy's \$80 billion in economic damages was \$3.3 billion just to repair the New York-New Jersey electrical grid -- a casualty that's inspiring utilities to re-engineer their disaster plans.

The worst-ever U.S. storm has power companies including Consolidated Edison Inc. (ED) and Public Service Enterprise Group Inc. (PEG), New York and New Jersey's largest, considering flying drones to get fast snapshots of destruction, reinforcing power poles with concrete and building "self-healing" networks that reroute electricity around damaged circuits.

[In fracking culture war, celebs, billionaires and banjos](#)

NEW YORK (Reuters) - Not so long ago, fracking was a technical term little known beyond the energy industry. Now it's coming to Hollywood, as the fierce battle between environmentalists and oil firms is played out in several forthcoming films.

[Egypt seeks land auction to generate 600MW wind energy in Gulf of Suez](#)

The Egyptian Electricity and Energy Ministry has announced its plans to conduct an auction to allocate land in the Gulf of Suez for the development of wind power generation in the region.

Egypt is seeking to utilize the land for sustainable energy generation and will invite investors to construct wind power plants with a potential capacity to generate 600MW, Bloomberg quoted the Ministry as saying.

[Energy from willows comes of age in upstate NY](#)

ALBANY, N.Y. (AP) -- Energy from willows is moving out of the experimental stage and into commercial production in New York.

Farms are growing willow shrubs and selling them to a utility, a nursery sells them commercially and plans are being made for refineries.

[Pest Control in the Sky, Courtesy of a Raptor](#)

Known as the “sport of kings,” falconry is thought to date back to 2,000 B.C. In medieval Europe, falcons were popular with hunters and served as a status symbol among the aristocracy.

Now, a falcon that once might have graced a king’s wrist could be helping a blueberry grower ward off hungry starlings, or the owner of a landfill contend with a siege of sea gulls.

[Scientists Report Faster Warming in Antarctica](#)

West Antarctica has warmed much more than scientists had thought over the last half century, new research suggests, an ominous finding given that the huge ice sheet there may be vulnerable to long-term collapse, with potentially drastic effects on sea levels.

A paper released Sunday by the journal Nature Geoscience reports that the temperature at a research station in the middle of West Antarctica has warmed by 4.4 degrees Fahrenheit since 1958. That is roughly twice as much as scientists previously thought and three times the overall rate of global warming, making central West Antarctica one of the fastest-warming regions on earth.

“The surprises keep coming,” said Andrew J. Monaghan, a scientist at the National Center for Atmospheric Research in Boulder, Colo., who took part in the study. “When you see this type of warming, I think it’s alarming.”

[Study: Home air conditioning cut premature deaths on hot days 80 percent since 1960](#)

As winter begins to tighten its grip on much of the United States, air conditioning doesn’t seem like much of a survival strategy. But a new study has found that home air conditioning played a key role in reducing American death rates over the past half-century, by keeping people cool on extremely hot days.

The installation of air conditioning in American homes is the reason why the chances of dying on an extremely hot day fell 80 percent over the past half-century, according to an analysis by a team of American researchers.

The findings, based on a comprehensive analysis of U.S. mortality records dating from 1900, suggests the spread of air conditioning in the developing world could play a major role in preventing future heat-related deaths linked to climate change.



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