



Drumbeat: January 4, 2013

Posted by [Leanan](#) on January 4, 2013 - 8:15am

[Japan: 'Warmth-sharing' movement spreads](#)

Winter cold is not only uncomfortable but also sometimes expensive, and increased power use this time of year adds an extra burden to the already taxed power grid, which is why both the government and ordinary people appear to be willingly adopting "warmth sharing," or the communal use of warm and toasty places to save electricity.

In addition to saving power and reducing carbon dioxide emissions, two benefits that the Environment Ministry hopes to gain from the movement, the concept can help provide companionship to elderly people living alone and help restaurants boost profits.

The idea was introduced this year as part of the ministry's "warm biz" campaign to reduce wintertime electricity use.

[Iceland bets on oil to boost fragile economy](#)

OSLO (Reuters) - Iceland is opening its waters for exploration to energy firms, and involving the help of oil-rich Norway in the process, as it looks to make use of its energy resources and boost its fragile economy.

On Friday Iceland and Norway are scheduled to sign a deal that will see Norwegian state-owned firm Petoro take 25-percent stakes in Icelandic oil licences awarded last month to London-listed firms Valiant Petroleum and Faroe Petroleum.

[Oil Slips a Second Day in New York on U.S. Jobless Claims](#)

Oil trimmed its second weekly gain in London after U.S. Federal Reserve officials signaled the winding down of a stimulus program this year, raising concern the economic recovery may falter in the world's biggest crude user.

Brent futures dropped as much as 1.3 percent, trimming its weekly increase to 0.2 percent. Members of the Federal Open Market Committee said they will probably end their \$85 billion monthly bond purchases sometime in 2013, according to minutes of its latest meeting released yesterday. The U.S. unemployment rate may have held at 7.7 percent, the lowest since December 2008, according to the median forecast of economists surveyed by Bloomberg ahead of a Labor Department report today.

[OPEC oil output falls in Dec, lowest in a year-survey](#)

LONDON (Reuters) - OPEC oil output fell in December to its lowest in more than a year as Iranian exports dipped again because of sanctions, top exporter Saudi Arabia cut output and supplies from Iraq eased, according to a Reuters survey.

Crude supply from the Organization of the Petroleum Exporting Countries averaged 30.62 million barrels per day (bpd), down from a revised 30.71 million bpd in November, the survey of sources at oil companies, in OPEC and consultancies found.

[OPEC to Cut Crude Exports on Demand Trough, Oil Movements Says](#)

The Organization of Petroleum Exporting Countries will cut crude shipments this month by 1 percent as demand tapers off after peaking for the northern hemisphere winter, according to tanker tracker Oil Movements.

The group that supplies about 40 percent of the world's oil will export 24.02 million barrels a day in the four weeks to Jan. 19, down 250,000 barrels from the previous period, the researcher said today in an e-mailed report. The figures exclude Angola and Ecuador.

[Brazil oil output slips for 8th month in November](#)

BRASILIA (Reuters) - Brazil's output of oil and natural gas fell for the eighth straight month in November, with maintenance of offshore oil platforms run by Petrobras limiting production, the country's oil regulator said on Thursday.

[Alaska December Crude Output Down 6.5 Percent From Year Earlier](#)

Oil production from Alaska's North Slope slid 6.5 percent in December from a year earlier as output from existing wells shrinks and isn't matched by new additions.

Production averaged 582,150 barrels a day last month, down from 622,355 barrels in December 2011, the state tax division said on its website. Output was up from 581,938 barrels a day in November.

[UAE oil storage terminal set to start ops in 2014](#)

An oil storage terminal being built in the UAE port of Fujairah by Singapore-based Concord Energy and a subsidiary of China's Sinopec is expected to start operations by late next year, Concord Energy said on Friday.

Asia's strong oil and oil products demand have prompted many oil producers and trading houses such as Litasco, Noble Group and Azeri SOCAR to secure oil storage rights in the Gulf region.

[South Korea Cites Bias in Move to Ban Japanese Ship Lines](#)

South Korea's government is moving to bar foreign shipping lines from contracts in the state-run energy sector as it supports domestic companies struggling to recover from the global downturn.

[Intercontinental Has Record 2012 After Changing Swaps to Futures](#)

Intercontinental Exchange Inc., which agreed last month to buy NYSE Euronext, reported record volume for 2012 after it converted energy swaps to futures contracts.

[Petrobras Losing on Record Gas Use for Power](#)

Petroleo Brasileiro SA, Brazil's state-run energy company, is selling at a loss record amounts of natural gas for electricity generation as hydropower dams operate at the lowest water levels in more than a decade.

Petrobras, as the company is known, increased imports of the fossil fuel to 11.9 billion cubic meters (420 billion cubic feet) last year through November, the most for any year since at least 2000, when Brazil's oil regulator started keeping records. Petrobras may be losing 240 million reais (\$117 million) a month by selling imported liquefied natural gas, or LNG, at a discount of about \$6 per million British thermal unit, said Marco Tavares, chairman of research firm Gas Energy.

[Grocery prices are predicted to rise in 2013](#)

Expect to pay more this year for milk, eggs, beef, poultry and pork.

The U.S. Department of Agriculture Economic Research Service predicts a 3 to 4 percent increase in costs for these items in 2013 largely because of the severe drought in the Midwest last year.

[Chavez still suffering 'severe' respiratory infection](#)

CARACAS — Venezuelan President Hugo Chavez is still suffering a "severe" respiratory infection that has hindered his breathing as he struggles to recover from cancer surgery in Cuba, the government said on Thursday.

[What Peak Oil Has to Do With the Future of Meetings](#)

“Some say we have reached peak oil; some predict it will be in the next five to 15 years,” she says. “Oil will become a scarce resource. It will be more expensive, and this will have a huge impact on travel and manufacturing. All of our plastics come from oil, too. So a rethink on raw materials in the future will be necessary.”

Because travel will be so much more expensive (“the golden age of budget travel is over,” says Flatters of Trajectory), the focus on meeting costs will intensify. “Pressures on costs will remain prominent for businesses in the meeting industry,” says Dr. Rhodri Thomas, director of the International Centre for Research in Events, Tourism and Hospitality at Leeds Metropolitan University. “It will simply become more expensive for people to meet. Meetings will continue, but it creates a pressure for organizations to look at cutting costs in other ways.”

[Peak oil video is a must](#)

On New Year’s Day, I received an email with an attached video entitled “There’s No Tomorrow.” It’s about a half-hour long and explains how our planet is being exploited by the rich and powerful with assistance from governments around the world.

It also illustrates how this exploitation will be complete around the middle of this century when the vast majority of carbon-based resources will have been depleted. At that point, the world’s population is expected to be around 9 billion and life on Earth will be an utter nightmare.

[Taqa signs \\$12bn coal plant deal with Turkey](#)

Abu Dhabi plans to develop coal-fired power plants across Turkey at a cost of up to US\$12 billion (Dh44.08bn).

The UAE and Turkey signed an agreement yesterday that will see the Abu Dhabi National Energy Company, known as Taqa, spearhead the massive project.

[The unwelcome renaissance: Europe’s energy policy delivers the worst of all possible worlds](#)

WHILE coal production and use plummet in America, in Europe “we have some kind of golden age of coal,” says Anne-Sophie Corbeau of the International Energy Agency. The amount of electricity generated from coal is rising at annualised rates of as much as 50% in some European countries. Since coal is by the far the most polluting source of electricity, with more greenhouse gas produced per kilowatt hour than any other fossil fuel, this is making a mockery of European environmental aspirations. How did it happen?

[Damage, flooding on grounded Shell oil rig but no spill](#)

(Reuters) - A Shell oil drilling rig grounded off an Alaska island since a New Years Eve storm has suffered damage from waves and flooding but has spilled none of the 155,000 gallons of fuel and other oil products aboard, officials managing the incident said on Thursday.

Salvage experts were flown to the stricken Kulluk drillship on Wednesday and Thursday, which remains upright and stable not far from Kodiak Island, officials said at a news conference.

[Did Alaska Tax Liability Play Role in Shell Oil's Drill Rig Fiasco?](#)

Hopes of avoiding millions in state taxes may have faded for Royal Dutch Shell when the clock struck midnight on Jan. 1 and 2012 became 2013. Just hours earlier, its Arctic drill rig, the Kulluk, had grounded on an island in the Gulf of Alaska, exposing Shell to a unique Alaska property tax on equipment dedicated to oil and gas development and exploration.

If the rig had been just three miles from state shores, the tax could have been avoided. Instead, because the vessel had found its way back to Alaska just in time to ring in the new year, the company's hopes for good weather and a quick run to port in another state were dashed in the worst possible way.

[Rig Owner Will Settle With U.S. in Gulf Spill](#)

The driller whose floating Deepwater Horizon oil rig blew out in 2010, causing a massive oil spill, has agreed to settle civil and criminal claims with the federal government for \$1.4 billion, the Justice Department announced Thursday.

[Transocean's \\$1.4B settlement with Justice Department to pump millions into recovery projects](#)

NEW ORLEANS — A \$1.4 billion settlement between the Justice Department and Deepwater Horizon rig owner Transocean Ltd. will pump hundreds of millions of dollars into projects designed to help the Gulf Coast recover from the nation's largest offshore oil spill.

[Together a Century, City and Oil Giant Hit a Rough Patch](#)

Chevron has spent millions in recent years trying to shore up its relationship with Richmond, Calif., but many residents still oppose the company's efforts to repair a refinery hit by a fire.

[Gas Drilling Is Called Safe in New York](#)

ALBANY — The state's Health Department found in an analysis it prepared early last year that the much-debated drilling technology known as hydrofracking could be conducted safely in New York, according to a copy obtained by The New York Times from an expert who did not believe it should be kept secret.

[Bans and Rules Muddy Prospects for Gas Drilling](#)

In three decades of drilling, John C. Holko said, his oil and gas business has never faced such a hostile environment.

Years after he negotiated leases for gas drilling in upstate New York, strict rules on hydraulic fracturing that state environmental officials proposed threaten to put 20 percent of that land off limits, he estimated. And local drilling bans adopted by town boards could put him out of business altogether, he said.

[Fracker Ad Clashes on Screen With Damon's 'Promised Land'](#)

Before many Pennsylvania movie-goers settle in for Matt Damon's film about the fight over natural gas drilling, they will see a message from the energy industry offering "straightforward facts" about hydraulic fracturing.

The unorthodox, on-screen pre-buttal of "Promised Land," which opens nationwide today, is part of an industry campaign aimed at heading off criticism about the process, also called fracking. Instead of direct attacks, which the industry used against the documentary "Gasland," they have described Damon's movie as derivative, boring, condescending and cliched.

[Rail Traffic Declines To Start 2013](#)

The first reading on rail traffic showed a modest decline to -0.1%. The beginning of the year is usually a volatile period for rail traffic trends, so it's better to take a bit longer view here. The 12-month moving average remains modestly positive at 2.23%. That's consistent with an economy that is expanding, but still muddling through.

[Chevy Volt sales triple](#)

Chevy Volt sales are cranking up. General Motors sold three times as many Chevrolet Volts in 2012 as it did in 2011, which was the car's first full year on the market.

[Are high-mpg gas cars better than hybrids?](#)

As gas prices fluctuate between \$3 and \$4, car buyers continue to seek relief at the pump by focusing on cars with high fuel-efficiency. But unlike in recent years, in which hybrids were considered the best bets for consumers wanting high fuel economy, auto observers are now saying gas-powered vehicles may now be the biggest bang for the buck.

Across the board, car companies are making their high-mpg gas cars faster and more powerful, which makes them more attractive than their counterparts from a few years ago.

[The Wind Industry Gets to Draw Another Breath](#)

In the last-minute tax maneuvering in Congress this week, wind power came out well.

Wind not only got an extension of its tax credit in the federal budget compromise, but the rules were also restructured: while the extension runs for only one year, the nature of the deadline has changed. Projects do not need to be finished and feeding electricity to the grid by next New Year's Eve; construction only needs to be started.

[Congress Renews Credit for Biodiesel Industry](#)

The Congressional budget deal brokered this week kept tax breaks in place for a variety of industries, but biodiesel got something even better: a retroactive reinstatement of a dollar-a-gallon credit going back to January 2012, when it lapsed.

[The Reluctant Composter](#)

When your children repeatedly beg you to compost, your options are limited. After all, "No, because Mommy and Daddy don't care about preserving the Earth for you, your children and your children's children," is not the message most parents are trying to send.

The time to compost had come.

[Mississippi Seen Navigable Until Jan. 26 as Rocks Removed](#)

The drought-depleted Mississippi River will remain safe for barge traffic at least for the next week and possibly until Jan. 26, as the U.S. Army Corps of Engineers makes progress in removing submerged rocks.

Mike Petersen, a Corps spokesman, said water levels near the so-called rock pinnacles at Thebes in southern Illinois will remain above 10 feet through Jan. 10. Expedited work to remove the obstacles will add an additional two feet of depth to the channel by Jan.

11, he said yesterday in an interview.

[Cost of combating climate change surges as world delays - study](#)

(Reuters) - An agreement by almost 200 nations to curb rising greenhouse gas emissions from 2020 will be far more costly than taking action now to tackle climate change, according to research published on Wednesday.



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