



## Drumbeat: January 5, 2013

Posted by [Leanan](#) on January 5, 2013 - 10:42am

### [Exports of American Natural Gas May Fall Short of High Hopes](#)

HOUSTON — Only five years ago, several giant natural gas import terminals were built to satisfy the energy needs of a country hungry for fuels. But the billion-dollar terminals were obsolete even before the concrete was dry as an unexpected drilling boom in new shale fields from Pennsylvania to Texas produced a glut of cheap domestic natural gas.

Now, the same companies that had such high hopes for imports are proposing to salvage those white elephants by spending billions more to convert them into terminals to export some of the nation's extra gas to Asia and Europe, where gas is roughly triple the American price.

Just like last time, some of the costly ventures could turn out to be poor investments.

### [The Natural Gas Bubble](#)

The hype surrounding natural gas is a last push to take toxic assets—literally, in this case—dress them up as fancy investments, and then sell them off to unsuspecting Americans.

“Public policymakers need to be very aware of the promotional aspect of shale gas,” petroleum geologist Art Berman says. “This is a very efficient public relations and business machine. They have done a really good job of convincing public policymakers that shale is revolutionary.”

The industry's reach, many say, infects the Department of Energy and its Energy Information Agency.

### [China shale gas still 10 years away](#)

PERTH (ICIS)--The shale gas revolution offers huge opportunities for petrochemicals, perhaps not only in the US but also elsewhere in the world.

One day, China, which, according to the US Energy Information Administration has the world's biggest shale-gas reserves, might make use of the technology that has transformed the global energy picture.

But geological, political and technological challenges abound that could hold back the revolution in China and elsewhere – perhaps, in fact, in every location outside the US.

### [Oil Caps Biggest Weekly Gain in Three Months](#)

Oil gained in New York, capping the biggest weekly advance in three months, after U.S. employers hired more workers than expected in December.

Prices increased 17 cents after the Labor Department said payrolls rose by 155,000 workers last month, exceeding the 152,000 forecast in a Bloomberg survey of economists. Futures were down for most of the day as the Energy Department reported gasoline and distillate fuel supplies jumped a combined 7.14 million barrels last week.

### [Crude Oil Options Sink Most Since May on U.S. Jobs Data](#)

Crude oil options volatility sank to the lowest level since May as the underlying futures advanced on a better-than-expected U.S. employment report.

Implied volatility for at-the-money options expiring in February, a measure of expected price swings in futures and a gauge of options price, was 21.66 percent at 3:40 p.m. on the New York Mercantile Exchange, down from 22.77 yesterday. That's the lowest since May 2, according to data compiled by Bloomberg.

### [Low 2013 gas prices will soon evaporate](#)

Gasoline prices remain below \$3 a gallon in at least 50% or more outlets in 14 states. But the national average has crept up three cents to \$3.30 a gallon the past week and 8 cents since hitting a 2012 low of \$3.22 in mid-December.

### [Iran inaugurates huge gas storage facility](#)

Azerbaijan, Baku - Iran inaugurated "the first natural gas storage facility in the whole Middle East", the Mehr News agency reported.

The Sarajeh facility, located in the city of Qom, near Tehran, will have capacity to store 1.2 billion cubic meters of gas in its first phase and the capacity will be increased to 3.3 billion cubic meters in the second phase, ISNA reported.

### [Turkey Seeks Partnership With Qatar to Build Third LNG Terminal](#)

Turkey is seeking investment from Qatar to build the country's third liquid natural-gas

terminal, which may be located close to the country's borders with Greece and Bulgaria, Turkish Energy Minister Taner Yildiz said.

"It will help meet the needs of Greece and Bulgaria and reduce shipments through the straits" of the Bosphorus and the Dardanelles, Yildiz told reporters today while flying to Algeria. The terminal would handle at least 5 billion to 6 billion cubic meters, he said.

### [Valero forms joint venture for Texas marine terminal](#)

(Reuters) - Valero Energy Corp and private Houston industrial developer TGS Development are building a new marine terminal near Port Arthur, Texas that will be able to receive crude oil tankers up to Suezmax class, Valero said on Friday.

### [Colonial Repairs Spur Biggest Gulf Gas Loss in 3 Weeks](#)

A delay in repairs to Colonial Pipeline Co.'s main gasoline line running from Houston to North Carolina today spurred the biggest loss for U.S. Gulf Coast gasoline in more than three weeks.

Colonial's Line 1, which carries more than 1.4 million barrels of gasoline from Houston to Greensboro, is operating at reduced flows as the company repairs damage to a booster pump. Colonial today said it "discovered significant damage" to the pump and pushed back the expected completion of maintenance to Jan. 7 from Jan. 5.

### [What lies behind renewed tensions over the Falkland Islands?](#)

Press reports say up to 8.3 billion barrels of undersea oil reserves could lie in the Falklands economic zone -- a radius of 320-kilometers around the islands, but despite successful drilling, this quantity is still speculative.

The figures are backed by claims from small oil ventures, including Rockhopper and Borders & Southern Petroleum, which are hoping to raise capital for further exploration in fields licensed by the islands' British-backed government.

### [Nigerian police say Hyundai paid some \\$190,000 for hostages](#)

ABUJA (Reuters) - An arrested gang leader told Nigerian authorities that South Korean firm Hyundai Heavy Industries paid a 30 million naira (119,770.56 pounds) ransom to release six workers kidnapped in Nigeria's oil region last month, police said on Friday.

### [Unconventional wisdom: 5 possible energy surprises for 2013](#)

I don't think any of the following is likely to happen in 2013. But, any one of them would certainly surprise most people and most experts and upset the plans and expectations of many governments, businesses, investors and consumers. Here are my five possible energy surprises for 2013:

### [OPEC's Massive \\$1 Trillion Haul In 2012 While Sowing Jihad](#)

This torrent of money flowing into OPEC, especially into the Persian Gulf States, raises the question how is this massive windfall being put to use other than providing fresh capital for the world's largest sovereign wealth funds, as those of Saudi Arabia, United Arab Emirates and Kuwait.

### [Promised Land - Movie Review](#)

The fact is (as Steve Butler said) fracking has been going on for fifty years with little environmental damage. The biggest damage we are likely to see from it is the wide scale expansion of fossil fuel burning to generate electricity and heat our homes, as opposed to renewable resources. The result will be more carbon dioxide into the atmosphere, more climate change, and Hurricane Sandy Senior paying us a visit.

### [Chevron firefighters may have gouged pipe](#)

The pipe that fed a huge fire at Chevron's Richmond oil refinery in August appears to have been punctured from the outside, possibly by company firefighters trying to get at a small leak before the blaze ignited, investigators said Thursday.

The 40-year-old pipe had already been weakened by the heavy sulfur content of the crude oil being pumped through it, according to a draft metallurgical report on the fire that was prepared for federal and state investigators.

### [Petrobras announces new discovery in post-salt of Marlim Sul, Campos Basin](#)

The accumulation is located in Eocene-age arenaceous reservoirs at a depth of approximately 2,965 meters. Preliminary estimates indicate an oil column of 100 meters, with oil quality similar to the oil produced in Marlim field (13 to 16 degree API). Tests to evaluate the productivity of the reservoir are expected to be completed in 2013.

### [Fire engulfs Indian Oil plant in Surat, no casualties reported](#)

A major fire broke out at a plant of the Indian Oil Corporation (IOC) in Surat on Saturday.

## [Shell: Alaska Government Approves Removal of Kulluk Rig from Island](#)

Royal Dutch Shell PLC (RDSA) and the U.S. Coast Guard are setting the stage to remove Shell's oil rig from where it crashed Monday on an island off the southern Alaska shore, the company said Saturday.

Removing the Kulluk, the rig that ran aground on the uninhabited Sitkalidak Island hours before New Year's Eve, will be the first step in winding down an incident that has reintroduced Shell's \$5 billion plan to drill for oil in the waters off Alaska as a target for opponents of Arctic drilling. The accident could also complicate Shell's plans to return to the Arctic when drilling season begins in mid-summer.

## [Coast Guard pursuing investigation into Alaskan drilling ship](#)

(CBS News) CBS News has learned that the U.S. Coast Guard has called in their criminal investigators to probe potential violations of federal law involving the activities of a 572-foot oil drilling and exploration ship owned by the Noble corporation, and contracted by Royal Dutch Shell to search for oil in the arctic. Royal Dutch Shell owned the drilling rig, the Kulluk, that ran aground in rough Alaskan seas Monday.

The revelation that another Noble ship working for Shell may have been operating with serious safety and pollution control problems bolstered allegations from environmental activists that the oil industry is unable to conduct safe oil drilling operations in the Arctic Ocean.

## [CROOKED CLEANUP \(1\): Radioactive waste dumped into rivers during decontamination work in Fukushima](#)

Cleanup crews in Fukushima Prefecture have dumped soil and leaves contaminated with radioactive fallout into rivers. Water sprayed on contaminated buildings has been allowed to drain back into the environment. And supervisors have instructed workers to ignore rules on proper collection and disposal of the radioactive waste.

Decontamination is considered a crucial process in enabling thousands of evacuees to return to their homes around the crippled Fukushima No. 1 nuclear power plant and resume their normal lives.

But the decontamination work witnessed by a team of Asahi Shimbun reporters shows that contractual rules with the Environment Ministry have been regularly and blatantly ignored, and in some cases, could violate environmental laws.

## [CROOKED CLEANUP \(2\): Some decontamination workers sorry for following orders](#)

A man in his 20s questioned the shady practices involved in decontaminating areas in Fukushima Prefecture, only to be assured that everything was OK.

He continued working and watching others around him dump the collected waste instead of properly storing it for disposal.

Like him, other workers involved in cleaning up the radioactive fallout from the Fukushima No. 1 nuclear plant disaster expressed concerns. One even apologized for what he did.

But they were on the bottom employment levels in the decontamination process, and their words apparently meant nothing to their supervisors.

### [CROOKED CLEANUP \(3\): Reporters document extent of shoddy decontamination practices](#)

To discover the extent of shoddy decontamination practices, Asahi Shimbun reporters spent 130 hours observing, photographing and interviewing workers at various locations in Fukushima Prefecture from Dec. 11 to 18.

Early on Dec. 14, one of the reporters visited a forested area in Tamura, about 17 kilometers west of the Fukushima No. 1 nuclear power plant, and positioned a camera at a site about 50 meters up a slope from a local road.

### [CROOKED CLEANUP: Government mishandled complaints about shoddy cleanup work](#)

Environment Ministry officials failed to act on a flood of complaints from residents in Fukushima Prefecture about companies carrying out shoddy decontamination work.

No effort was even made to record the number or contents of those complaints, in part because staffing shortages made such work difficult, and many of the companies involved were not instructed on how to improve their performance.

### [Tepco's Fukushima HQ starts operations](#)

Futaba Mayor Katsutaka Idogawa meanwhile said his town, which has moved its administrative functions to Kazo, Saitama Prefecture, because of the triple-meltdown catastrophe, has set a provisional goal of enabling former residents to return to their homes in 30 years, the half-life of radioactive cesium.

### [More residents refuse nuclear benefits after Fukushima disaster](#)

The number of households declining benefits for living near nuclear plants has nearly doubled since the Fukushima disaster, reflecting growing opposition to a system long criticized as paying off citizens to promote nuclear power.

### [Court should order US NRC to resume Yucca review: petition](#)

Washington (Platts) - Petitioners seeking to force US Nuclear Regulatory Commission to resume its review of the Department of Energy's application for a nuclear waste repository at Yucca Mountain, Nevada, on Friday said Congress' failure to act on the matter means a federal court should immediately order resumption of the work.

### [Staten Island Ferry Goes Green With Natural Gas](#)

In a bid to save fuel and reduce emissions, the Staten Island Ferry will convert a boat to run on liquified natural gas sometime this year, a move that will halve fuel consumption and reduce greenhouse gas emissions by 25 percent.

### [Ford C-Max hybrid roomy, economical](#)

Fuel economy is a reason to buy the 2013 Ford C-Max hybrid crossover, but not the only reason. That matters because critics have questioned how close the C-Max's real-world gas mileage comes to its eye-popping EPA rating of 47 mpg in the city, 47 on the highway and 47 in combined driving.

### [Grid Problems Curb India's Electric-Vehicle Appetite](#)

In May, an acute power shortage took hold in Ampere's home state, Tamil Nadu. The supply of rationed electricity in most of the state dropped from 13 or 14 hours a day to 8. Almost immediately, said the company's co-founder, Pachyappa Bala, the company's monthly sales dropped from 600 bikes to 60.

Ampere's plight highlights an unexpected consequence of the worsening power shortages in India. The fledgling market for electric vehicles, which might help clean up the polluted air, is losing traction because customers aren't confident they can fill up the battery.

### [Whoops—'Cash for Clunkers' Actually Hurt the Environment](#)

Though almost a million people poured into car dealerships eager to exchange their old jalopies for something shiny and new, recent reports indicate the entire program may have actually hurt the environment far more than it helped.

According to *E Magazine*, the "Clunkers" program, which is officially known as the Car Allowance Rebates System (CARS), produced tons of unnecessary waste while doing little to curb greenhouse gas emissions.

### [Why Can't We Have Glow-in-the-Dark Highways Like the Netherlands?](#)

It's one thing for the rest of the world to have way cooler trains than us. America has chosen car culture, for better or worse. But now comes word that the Netherlands is building way awesomer highways, while ours are stuck in the 20th Century. The Netherlands! If this isn't a wake-up call for the United States to invest more in infrastructure, I don't know what is.

### [Ethanol Output in U.S. Caps First Yearly Decline Since 1996](#)

Ethanol production in the U.S. fell 3.2 percent to 807,000 barrels a day last week, capping the first decline in 16 years as record corn prices crimped profits.

Output averaged 859,000 barrels a day in 2012, or 13.2 billion gallons on an annualized basis, down from 13.8 billion in 2011, according to Bloomberg calculations based on an Energy Department report today. Stockpiles fell to 20.2 million barrels in the seven days ended Dec. 28 from 20.3 million.

### [China Share Of Electricity From "Clean Energy" Increases To 20.2%](#)

China's *Xinhua* recently announced that the nation's share of electricity coming from "clean energy" has increased to 20.2%, 3.3% more than at the same time last year. As you may well know, "clean energy," according to China, includes nuclear and large-scale hydropower.

### [Leading Environmental Activist's Blunt Confession: I Was Completely Wrong To Oppose GMOs](#)

As an environmentalist, and someone who believes that everyone in this world has a right to a healthy and nutritious diet of their choosing, I could not have chosen a more counter-productive path. I now regret it completely.

So I guess you'll be wondering—what happened between 1995 and now that made me not only change my mind but come here and admit it? Well, the answer is fairly simple: I discovered science, and in the process I hope I became a better environmentalist.

### [Cattle: the beasts that will fill our bread basket](#)

Farmers are learning lessons from pre-history on how to maximise crop yields and improve soil quality

### [Al Gore, friend of the petro-state](#)

To whom did the Lord of the Upper Atmosphere sell? Why to al Jazeera — which is to say, effectively to the ruler of Qatar, a wealthy country that has nothing else to sustain it



but the sale of its huge petroleum resources.

Qatar is about oil, oil and more oil. It is a global warmer's hell.

### [Will Biomimicry Offer a Way Forward, Post-Sandy?](#)

As neighborhoods devastated by Hurricane Sandy begin drafting plans for reconstruction, some progressive architects and urban planners have been pointing out that the emerging science of biomimicry offers a way forward. The notion is that the next generation of waterfront designs could draw inspiration from the intricate ways that plants and animals have adapted to their situations over hundreds of millions of years.

### [The era of the Superstorm](#)

Satellites like these are expensive -- \$1 billion each -- and they take five years to build and launch.

Compare that to the cost of major storms, like Sandy which is estimated to have inflicted nearly \$80 billion in damage in New York and New Jersey alone. Not to mention the cost in human lives.

### [Malaysia: Floods due to global warming, says Najib](#)

KUANTAN: The recent floods are not only due to the monsoon season but also due to global warming, said Prime Minister Datuk Seri Najib Tun Razak.

He said the Government and other parties should not be blamed for the disasters as they were facing a phenomenon which was out of their abilities to tackle effectively.

### [Effects of climate change could alter eating habits, experts warn](#)

Manila: Changes in global temperature could alter the eating habits of Filipinos, particularly their fondness for eating rice, a lawmaker warned citing findings of international experts.

### [An Antidote for Climate Contrarianism](#)

I would guess a few Green readers had the experience, over the holidays, of arguing yet again about global warming with a parent or brother-in-law who thinks it's all a big hoax. Maybe there's some undiscovered substance in roast turkey that makes people want to pick fights around the dinner table.

Fortunately, the M.I.T. climate scientist Kerry Emanuel has provided us with a solution to this problem: an updated edition of “What We Know About Climate Change,” his 2007 book explaining the science of global warming.

### [What can 2012's biggest sustainability stories tell us about 2013?](#)

From changing perceptions on climate change in the US to big names being tackled on tax avoidance, the signals are all there.

### [Why businesses shouldn't let carbon fraud halt U.S. cap and trade](#)

Given the U.S. trends on climate regulation and the current political climate, it would be a mistake for industry to seize on the criminal activity as a reason to oppose consideration of a cap-and-trade approach. A closer examination shows that this criminal behavior either doesn't have the potential to distort core cap-and-trade pricing or can be prevented from doing so. Moreover, in the current climate, cap and trade may well be Industry's best bet for reducing the burden and cost of greenhouse-gas (GHG) regulations over the next four years.

### [Warming should rule out the coal expansion](#)

Awareness of global warming is several decades old, and Seattle is proud to be a leader. We drive hybrid cars. We recycle our garbage. We vote Democratic. We're good, no? “No,” says Peter Ward.

Ward is a professor of biology and of earth and space science at the University of Washington. He is a specialist on the Cretaceous period, from 135 million to 65 million years ago, when the sea level was higher than today and Puget Sound country was a steaming jungle. He is an expert on extinctions. He is a writer of science books, including *The Call of Distant Mammoths: Why the Ice Age Mammals Disappeared* (1997), and *The Flooded Earth: Our Future in a World Without Ice Caps* (2010).

### [Trade-offs to be made on North's coastal measures](#)

SOME coastal communities may have to be sacrificed to protect other areas from sea flooding, suggest North East experts.

Allowing some areas to erode would release sediment and sand which could provide natural protection for other parts of the coast in the face of rising sea levels.

### [Obama's Sly Attack on Climate Change](#)

The New Year will not mark a clean slate. Congress and the president will re-convene their hostilities. And while the impasse will prevent legislative action to fix the level greenhouse gas emissions, the president is nevertheless preparing a more insidious attack on climate change.

### [Climate change won't wait](#)

Physics is implacable. It takes the carbon dioxide we produce and translates it into heat, which causes ice to melt and oceans to rise and storms to gather. And unlike other problems, the less you do, the worse it gets.

We could postpone healthcare reform a decade, and the cost would be terrible — all the suffering not responded to over those 10 years. But when we returned to it, the problem would be about the same size. With climate change, unless we act fairly soon in response to physics' timetable, it will be too late.

It's not at all clear that President Obama understands this.



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