



Drumbeat: January 26, 2013

Posted by [Leanan](#) on January 26, 2013 - 10:42am

[Court Overturns E.P.A.'s Biofuels Mandate](#)

WASHINGTON — A federal appeals court threw out a federal rule on renewable fuels on Friday, saying that a quota set by the Environmental Protection Agency for incorporating liquids made from woody crops and wastes into car and truck fuels was based on wishful thinking rather than realistic estimates of what could be achieved.

The ruling by the United States Court of Appeals for the District of Columbia involved a case brought by the American Petroleum Institute, whose members were bound by the 2012 cellulosic biofuels quota being challenged.

But production of the “cellulosic” fuel, made from woody material, has been slow to start up, making it virtually impossible to come by. That has presented the refiners, the ones required to buy the cellulosic fuel, with a quandary.

[US 'shale boost' provokes EU fears and indecision](#)

A US industrial boost following its ability to tap abundant shale gas reserves is provoking fears that imperilled energy-intensive European businesses will find it harder than ever to compete.

But calls for the EU to deliver a ‘silver bullet’ and emulate the US by tapping shale gas through ‘fracking’ (see background) remain controversial because of environmental and logistical concerns.

[Peak Oil Bites the Dust](#)

For years, so many years, we've launched article after article pointing out the insanity of beliefs in elite "scarcity memes."

And Peak Oil has been one of the most stubborn and longest-lasting. We've argued that the market itself (the Invisible Hand) would find a way to generate energy – via more oil or with other energy sources – if oil was actually running out. But we didn't really think oil WAS running out. We believed it was just another manipulation.

[Should Do Away With Fuel Subsidies: World Bank Chief](#)

Countries should do away with subsidies for fossil fuels to help mitigate the impact of climate change, World Bank Chief Jim Yong Kim today asserted, but felt removing them would be "politically difficult".

[Oil Completes Longest Run of Weekly Gains Since 200](#)

Oil completed a seventh weekly gain in New York, the longest run of advances in almost four years, on speculation that stronger economic growth will boost demand.

Prices were little changed today as the euro strengthened to an 11-month high against the dollar after the European Central Bank said banks will hand back a greater amount of loans than analysts estimated and German business confidence rose for a third month in January. U.S. oil demand grew last week by the most in a month, government data showed yesterday.

[Troll output cut extended](#)

Statoil has extended by two months the date for a restart of full production from the Troll A platform off Norway that has been cut due to compressor issues.

The outage at the facility is now set to reduce output from the Troll gas field by up to 35 million cubic metres per day until at least 1 April, compared with an earlier schedule of 4 February, state gas infrastructure agency Gassco reported on its website.

[Energy Rig Count in U.S. Advances for First Time in Nine Weeks](#)

The gas and oil rig count in the U.S. gained for the first time in nine weeks, according to data from Baker Hughes Inc. (BHI)

Total energy rigs rose by four to 1,753, the first increase since Nov. 23. Oil rigs dropped by one to 1,315, data posted on the Baker Hughes website show. The gas count rose five to 434, the field-services company based in Houston said.

[Vitol Sells Russian Urals Crude; Buzzard Said to Shut in March](#)

Vitol Group sold two cargoes of Russian Urals crude. Total SA bid unsuccessfully for North Sea Forties grade for a fifth day at a lower premium than yesterday.

The North Sea Buzzard oil field will shut for a week of scheduled maintenance in March, according to a person with direct knowledge of the matter.

[Alberta oil selling at 50% discount to world price...](#)

The oil patch's hopes now seem pinned on one of a few pipelines, all of which face strong opposition, and none of which can soak up the new production to which Alberta aspires.

[Los Angeles Gasoline Jumps to Three-Month High on Plant Upsets](#)

Spot gasoline in Los Angeles surged against futures as Valero Energy Corp. was said to be shutting an alkylation unit at its Southern California plant next week and Chevron Corp. and Phillips 66 reported equipment shutdowns.

Valero's 78,000-barrel-a-day Wilmington refinery near Los Angeles will shut the alkylation unit for about seven to 10 days of repairs on a depropanizer, a person familiar with the plans said. Bill Day, a spokesman at Valero's headquarters, said by e-mail that he couldn't confirm the planned work.

[Seaway Pipeline 'Running as Expected' Despite Terminal Limits](#)

Enterprise Product Partners LP (EPD) said the Seaway pipeline is "running as expected" despite restrictions on how much oil can be received at the pipe's final terminal in Jones Creek, Texas.

Shippers can take enough oil off the line at Seaway's other terminal in Katy, Texas, to "make up the difference," Rick Rainey, a Houston-based spokesman for Enterprise, said today. Rainey declined to specify the rate at which the line is currently running.

[N. Dakota tax bills pique industry interest](#)

A pair of bills facing the North Dakota legislature could have a significant impact on oil and gas drillers who have transformed the frigid US state into a producing behemoth.

[No new hearing for suit over rescinded energy leases](#)

The U.S. 10th Circuit Court of Appeals on Thursday rejected a plea to re-examine its decision upholding the withdrawal of dozens of federal oil and gas leases sold during the waning days of the George W. Bush administration.

[Mercuria in Talks to Sell Stake, Sees \\$90 Oil Price Floor](#)

The Geneva-based company's revenue rose to \$100 billion last year, Dunand said. That's up from \$76 billion in 2011. The CEO said in April last year that Mercuria was in early talks with potential investors to sell a stake of as much as 20 percent as it

diversifies into non-energy commodity markets and enlarges operations in China and elsewhere.

Oil markets will maintain “a certain stability with last year” even as prices may be “marginally lower,” he said today. Crude probably won’t drop below a range of \$90 to \$100 a barrel because the Organization of Petroleum Exporting Countries would cut production to stop prices from falling, Dunand said.

[Apple Loses to Exxon Mobil as World’s Most Valuable Company](#)

Apple Inc. surrendered the title of the world’s most valuable company to Exxon Mobil Corp. after concern over slowing growth drove the shares to the biggest loss in the Standard & Poor’s 500 Index.

[Caspian Oil Pipeline Expansion to Finish in 2015, Transneft Says](#)

The Caspian Pipeline Consortium’s crude link that runs from northwest Kazakhstan to the Black Sea will reach full capacity by 2015, according to OAO Transneft.

The expansion is still dependent on whether fields being developed have started production, Mikhail Barkov, a vice- president at Russia’s state-owned pipeline operator, said today in Moscow. The link’s output is to be increased to 67 million metric tons annually, or 1.4 million barrels a day.

[Rail hits Enbridge business in North Dakota](#)

Enbridge’s North Dakota pipeline system has been underused for the past three months as railroads move more oil out of the Bakken shale play, according to a report.

Enbridge’s plans to expand its pipeline network out of the Bakken will not stop railroads from taking business, Bloomberg reported Flint Hills Resources, a unit of Koch Industries, as saying in a filing with the Federal Energy Regulatory Commission.

“This trend is not temporary,” Flint Hills said. “Rail transportation is becoming more competitive and will continue to take barrels away from the Enbridge North Dakota system.”

[Iran to launch world's largest gasoline unit](#)

TEHRAN - Iran will start within coming days a new gasoline production unit at the Shazand refinery which will produce 8.5 million liters gasoline a day, the Mehr news agency reported on Friday.

Rashid Seyedian, director of capacity enhancement project at the Shazand Refinery, said

the development project of the unit is nearly completed.

[Algeria admits 'mistakes' in hostage standoff, needs international help](#)

DAVOS, Switzerland — Algeria's foreign minister acknowledged that security forces made mistakes in a hostage crisis at a Saharan gas plant in which many foreign workers were killed by Algerian military strikes.

Mourad Medelci, in an Associated Press interview, also conceded that Algeria will need international help to better fight terrorism. Algeria's decision to refuse foreign offers of aid in handling the crisis, and to send the military to fire on vehicles full of hostages, drew widespread international criticism.

[Libya not to reveal oil sales details this year](#)

London/tripoli: Libya will not reveal the details of its oil sales this year, National Oil Corporation (NOC) officials said this week, stepping back from pledges to deliver greater transparency after the corruption of the pre-revolutionary regime

[Indian Sailors Held by Pirates Near Nigeria Freed](#)

Five Indian sailors kidnapped off Nigeria's oil-rich southern delta and held captive for more than a month have been released by the pirates, a spokesman said today.

[U.S. Envoy Apologizes for Ship's Grounding on Philippine Coral Reef](#)

MANILA — The United States ambassador to the Philippines apologized Friday for the grounding of an American naval ship on a reef in a marine sanctuary, the latest in a string of embarrassing episodes for the United States military in the country at a time when the administration is pushing a "pivot" to Asia and the American military has increased its presence in the Philippines.

[Mongolia Loan May Help Tavan Tolgoi Exit Chalco Deal, CEO Says](#)

Mongolia pledged to give Erdenes Tavan Tolgoi LLC, its largest coal company, a \$355 million loan that Chief Executive Officer Yaichil Batsuuri said may be used to help it exit an agreement to supply China.

[Shale Oil and the Australian Outback – A Hot, Secure Frontier](#)

Linc Energy CEO Peter Bond told international media: "It is massive, it is just huge. If

the Arckaringa plays out the way we hope it will, and the way our independent reports have shown, it's one of the key prospective territories in the world at the moment. If you stress test it right down and you only took the very sweetest spots in the absolute known areas and you do nothing else, it is about 3.5 billion [barrels] and that's sort of worse-case scenario."

This is a massive deal for a country that only produces about 180 million barrels a year. South Australia's minister of mining, Tom Koutsantonis, prefers to remain sober and cautious over the announcement, however. The deposits found are deep and remote and it's still early days: Can they be profitably tapped? This is where the risk comes in, but the reward will be enormous.

[Russian \\$7 bln gas bill dampens Ukraine's glee at shale deal](#)

KIEV (Reuters) - Russia has slapped a \$7 billion bill on Ukraine for imports of gas it says Kiev was committed to buy last year but never took, a Ukrainian energy industry source said on Saturday.

The move by Moscow comes just days after the former Soviet republic signed a \$10 billion deal with Royal Dutch Shell for shale gas exploration aimed at reducing Ukraine's reliance on costly Russian gas imports.

[After Nabucco, TAP too proposes shares to Azerbaijan](#)

The Trans-Adriatic Pipeline (TAP) group has agreed offer up to 50% of its shares to the Shah Deniz gas consortium - made up of Azerbaijan's state gas company SOCAR and leading European energy partners. The deal follows the rival Nabucco pipeline's recent decision to give the Caspian Sea gas consortium the chance to acquire half of its shares.

[‘Not encouraging’: Flaherty less optimistic Obama will approve Keystone XL](#)

DAVOS, Switzerland – U.S. President Barack Obama's emphasis in his inaugural address on fighting climate change may not bode well for the contentious project to build the Keystone XL oil pipeline, Canada's finance minister said on Friday.

[Kerry Says Will Make ‘Appropriate Judgement’ on Keystone](#)

Senator John Kerry said he will make the “appropriate judgement” on the proposed Keystone XL pipeline should he be confirmed as secretary of State.

“There is a statutory process with regards to the review and that is currently ongoing,” Kerry, a Massachusetts Democrat, said today during his confirmation hearing before the Senate Foreign Relations Committee. “It will not be long before that comes across my desk, and I will make the appropriate judgements about it.”

[An Increase in Radiation Monitoring for Fracking](#)

Pennsylvania will step up its monitoring of naturally occurring radiation levels in water, rock cuttings and drilling wastes associated with oil and gas development in a yearlong study that will be peer-reviewed, the state's environmental agency reports.

The study will also assess radiation levels in the pipes, well casings, storage tanks, treatment systems and trucks used by the natural gas industry, which has drilled thousands of wells in the gas-rich Marcellus Shale over the last five years.

[EU law to create market for electric cars](#)

BRUSSELS - Cars using alternative sources of clean energy are not finding a market due to a lack of fuelling stations and high price tags.

EU transport commissioner Siim Kallas told reporters in Brussels on Thursday (24 January) that member states must take the initiative to build the stations to help open the market, cut CO2 emissions and reduce dependency on oil.

[Household solar power generation blooms in China](#)

BEIJING (Xinhua)-- When the previously smog-blurred sun cast its light onto a bizarrely equipped house on Friday, a man who prefers to go by "Ruhai" saw his dream of converting the sun's rays into usable power come true.

Ruhai's three-story house, located in the northern suburbs of Beijing, stands out amongst the rest of the area's dwellings, with thin film solar cells (TFSC) on the walls and a silicon battery on the roof.

[Sugar Mills to Lose \\$1.1 Billion on Record Cane: Corporate India](#)

Sugar mills in India, the biggest producer after Brazil, are set to lose about 60 billion rupees (\$1.1 billion) this year as record cane prices and surging imports prompt them to sell below production cost.

[Woodland Heists: Rising Energy Costs Drive Up Forest Thievery](#)

With energy costs escalating, more Germans are turning to wood burning stoves for heat. That, though, has also led to a rise in tree theft in the country's forests. Woodsmen have become more watchful.

[The Conundrum of Food Waste](#)

Each year, 1.3 billion tons of food — about one third of all the food produced globally — ends up wasted even as hundreds of millions of people go hungry. This week, two United Nations agencies opened a global campaign to address that conundrum, calling for changes in the way that food is harvested, transported, processed, sold and consumed.

[15,000 Crocodiles Escape From South African Farm](#)

JOHANNESBURG — About 15,000 crocodiles escaped from a South African reptile farm along the border with Botswana, a local newspaper reported Thursday.

Driving rains forced the Limpopo River over its banks on Sunday morning near the Rakwena Crocodile Farm. The farm's owners, fearing that the raging floodwaters would crush the walls of their house, opened the gates, springing the crocodiles, the report said. About half of the reptiles have been captured, with thousands still on the loose.

[Should colleges divest from coal, oil?](#)

Students at college campuses are calling on administrators to divest from fossil fuels in an effort to curb the effects of climate change. But schools are wary of doing away with some of their most profitable assets.

[World Bank's Kim Urges Governments to Get Behind Carbon Market](#)

World Bank (BOWEMBA) President Jim Yong Kim urged governments to help establish a global carbon market as the effects of climate change threaten the world's poor countries.

In a November report the World Bank said that the earth risks "cataclysmic changes" caused by extreme heat waves, rising seas and depleted food stocks as it heads toward global warming of 4 degrees Celsius this century.

[On Climate Change, Some Arguments Shift](#)

Among the significant divides in public attitudes is age. In an October poll by the Pew Research Center, younger respondents showed the highest agreement with the view that warming is manmade and that it is a "very serious" problem. Only 28% of respondents 65 and over thought there was solid evidence the earth was warming because of human activity, versus 42% overall.

For climate-change campaigners and politicians in Washington, those demographics could be significant. As more young people—even those who are conservative on other issues—side with those who believe in manmade global warming, it could be easier to

find the votes for aggressive action on the climate in Congress, although immediate moves appear unlikely.

[Global warming 'less extreme than feared'](#)

Washington (ANI): New findings from a Norwegian project on climate calculations indicate a lowered estimate of probable global temperature increase as a result of human-induced emissions of greenhouse gases.

Policymakers are attempting to contain global warming at less than 2 degree C. New estimates from the Norwegian project indicate this target may be more attainable than many experts have feared.



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