



Drumbeat: February 6, 2013

Posted by [Leanan](#) on February 6, 2013 - 9:14am

[Spreading an Energy Revolution](#)

ONLY two or three years ago, consensus was building among pundits that we had reached peak oil, that the fossil fuel industry was in its dotage and that the world would suffer repeated energy price shocks in the transition to a post-fossil fuel economy. Many people in the oil industry were skeptical of this dire prognosis, and the extraordinary recent expansion of unconventional gas and oil production in North America proved the optimists to be correct.

What many fail to recognize, however, is that North America's oil and gas renaissance, which has the potential to fuel a U.S. industrial recovery with cheaper energy, is not a happy accident of geology and lucky drilling. The dramatic rise in shale-gas extraction and the tight-oil revolution (mostly crude oil that is found in shale deposits) happened in the United States and Canada because open access, sound government policy, stable property rights and the incentive offered by market pricing unleashed the skills of good engineers.

[Duke Reactor Shutdown Plan Shows Shale's Sway Over Power](#)

Duke Energy's decision to dismantle a Florida nuclear power plant rather than undertake the costliest-ever U.S. atomic repair shows how rapidly cheap natural gas is remaking the U.S. power industry, hastening a shift from traditional fuels such as coal and uranium.

[Tepco to Buy U.S. LNG From Mitsui, Mitsubishi to Cut Fuel Costs](#)

Tokyo Electric Power Co., Japan's biggest consumer of liquefied natural gas, plans to buy the fuel from the Cameron project in the U.S. through Mitsui & Co. and Mitsubishi Corp. to reduce its energy costs.

The company known as Tepco plans to buy at least 400,000 tons a year of LNG each from Mitsui and Mitsubishi at U.S. Henry Hub linked prices for 20 years from 2017, it said in a statement.

[Banks No Match for Trucks Where Rigs Pay Twice as Much](#)

Robert Boyd quit his job as a bank assistant branch manager to start truck-driving school in September. He graduated in December and landed work behind the wheel of a rig at twice the pay.

Boyd saw opportunities in driving school ads on television, articles in the paper and trucks filling the roads. He contacted recruiters and enrolled at the Western Area Career & Technology Center, about 25 miles southwest of his Pittsburgh home. Demand for its graduates has climbed amid a national driver shortage and a local shale-gas drilling boom that are both boosting competition for drivers.

[WTI Crude Slips, Discount to Brent Widens](#)

Oil fell in New York after the biggest gain in a week, widening its discount to Brent crude to the most this year. U.S. crude and gasoline stockpiles rose last week, an industry report showed.

West Texas Intermediate futures declined as much as 0.7 percent. WTI's discount to London-traded Brent widened for a sixth day as limits on the Seaway pipeline cut flows to Gulf Coast refineries. U.S. crude supplies rose by 3.63 million barrels, the American Petroleum Institute said. Energy Department data due today will probably show oil inventories rose to a seven-week high.

[Cuts in Saudi Aramco's Mar crude OSP differentials for Asia within trader expectations](#)

The steep cuts in Saudi Aramco's Official Selling Prices differentials for crude cargoes to be loaded in March and heading to Asia came within expectations, said traders Wednesday.

Aramco slashed price differentials for its Asia-bound grades by \$1.30-2.10/barrel for March-loading barrels. The crudes are priced against the average of Platts Oman and Dubai monthly crude assessments.

"The [OSPs are] very good for everybody," a trader at a global oil company said.

Another trader at a trading house was surprised at the cuts. "[The cuts in Aramco's OSPs} were a huge surprise," he said.

[Heat or food: Lithuanians feel Russia's cold shoulder as gas prices rise](#)

VILNIUS, Lithuania — To save money during the harsh Baltic winter, Romanas Ziabkinas did something unremarkable: He turned off his central heating and installed a cheaper electric heater. Now he finds himself neck-deep in legal woes.

His utility company refused to recognize the switch and is suing him for some \$10,000 in unpaid utility bills for his apartment in Lithuania's capital. "Splitting from the Soviet Union was easier than leaving this heating system," he says.

Ziabkinas plight is extreme, but his frustrations over heating costs are shared by a majority of Lithuanians, who have seen prices soar over the past several years, especially since the shuttering of its only nuclear power plant in 2009, forcing the country to import more Russian gas to keep warm.

[Azerbaijan, Russia to sign gas agreement](#)

In February Azerbaijan and Russia will sign an agreement on Azerbaijani gas supplies for 2013.

Russian Ambassador to Azerbaijan Vladimir Dorokhin made this statement at the meeting of the Caspian-European Integration Business Club (CEIBC) on Wednesday.

[Ukraine wants talks on 'unfair' \\$7 bn Gazprom bill: president](#)

(VILNIUS) - Ukrainian President Viktor Yanukovich on Wednesday called a \$7 billion bill from Russian gas giant Gazprom unfair, saying he was prepared to negotiate with Moscow.

"We told Gazprom that we think this bill is unfair, and we are ready to further analyse this issue in negotiations with Russia," Yanukovich told journalists through a translator during a visit to Lithuania.

[Rising gas prices are hitting Americans in the wallet](#)

With pump prices at their highest level on record for this time of year, the stage is set for a even greater climb in gasoline prices and expenditures than in 2012.

Retail gasoline prices have surged 17 cents in a week to top \$3.50 a gallon on average, posting the highest prices on record for the beginning of February.

[Why gas prices are rising](#)

NEW YORK (CNNMoney) - It's happening again.

It's not even close to the summer driving season -- in fact, it's not even springtime -- but as surely as February gives way to March, gas prices have begun their annual ascent.

[Brazil Swap Rates Rise After Mantega Oil Comment; Real Declines](#)

Brazil's swap rates climbed as the government's concern over the state oil company's earnings decline spurred speculation fuel prices will rise and the central bank will increase borrowing costs to curb inflation.

[Oil activity off Brazil down on Petrobras woes-supplier](#)

OSLO (Reuters) - Brazil's Petrobras has been awarding fewer contracts than expected as it seeks to retain cash for future investments and to limit rising debt, one of its suppliers, Fred. Olsen Energy, said.

The Norwegian offshore rig company posted a fourth-quarter operating profit below expectations on Wednesday as its costs increased due to higher repair and maintenance needed on its fleet of drilling rigs.

[Japanese prime minister accuses Chinese navy ship of "dangerous" act](#)

Tokyo (CNN) -- Japanese Prime Minister Shinzo Abe on Wednesday described as "dangerous" and "regrettable" the actions of a Chinese navy ship that Tokyo says put a radar-lock on a Japanese vessel last week.

His comments come amid severely strained relations between the two Asian powers over a set of disputed islands in the East China Sea.

[Argentina: we will prosecute Falkland energy firms](#)

LONDON (Reuters) - Argentina will continue legal action against energy firms working off the disputed, British-controlled Falkland Islands, Argentine Foreign Minister Hector Timerman said on Wednesday.

"We will continue to seek legal action against (these) hydrocarbon companies ... they are stealing the natural resources of Argentina," he told reporters at a news conference in London.

[Iran says 2011-2012 oil income rose to record \\$110 billion](#)

ehran (Platts) - Iran earned \$110 billion from oil exports in the 2011-2012 Iranian year, which the National Iranian Oil Company said was a record for the OPEC state, students' news agency ISNA reported Wednesday.

[New U.S. Sanctions Hamper India-Iran Oil Trade](#)

The U.S. sanctions noose is set tighten on Iran from Wednesday, making it even tougher to get paid for crude it sells to large buyers, such as India.

The U.S. has been using the threat of financial sanctions to force countries to stop buying Iranian crude oil. Washington hopes that by doing so it will starve Tehran of cash and force it to give up its nuclear program. The U.S. believes the program is to develop nuclear weapons; Iran says it's for peaceful purposes.

[Syria's Fate Hinges on Whom It Hates Most, U.S. or Iran?](#)

As Syria's President Bashar Al-Assad clings mercilessly to power, hopes that his regime will be replaced by a stable, tolerant democracy are being dwarfed by fears of prolonged sectarian strife and Islamist radicalism. The outcome will hinge in part on a simple question: Whom do Syria's diverse rebels hate more, the U.S. or Iran?

[China at risk with Venezuela oil bet](#)

Referring to the evolving political crisis in Venezuela, a Shanghai Academy of Social Science scholar, Zhang Jiazhe, recently remarked, if Hugo Chavez dies, "the diplomatic effect on China won't be large because China-US competition is in Asia not Latin America. Economically, China-Venezuela relations are based on oil and weapons sales".

Back in 2006, Beijing University Professor Ha Daojiong, however, sounded a more skeptical note when he wrote, "The search for overseas oil supplies has led Beijing to pursue close diplomatic ties with Iran, Sudan, Uzbekistan and Venezuela - all countries that pursue questionable domestic policies and... foreign policies".

[Super Bowl Blackout Wasn't Caused by Cyberattack](#)

The blackout doesn't fit the profile of an attack from a terrorist or nation-state, which probably would have been designed to cause widespread panic by shutting off all the lights, James Arlen, a utility security consultant at Leviathan Security Group, said in a telephone interview. If it was a cyber prank or activist hacker, they would "probably want to do something far more interesting like flicking the lights on and off," Arlen said.

"There is a far greater chance that it was something like a rat fell and touched two conductors simultaneously and that was just enough to cause a blip in the power field," he said.

[Suncor Posts First Quarterly Loss in 3 1/2 Years on Voyageur](#)

Suncor Energy Inc., Canada's largest energy company by market value, reported its first quarterly loss in 3 1/2 years after a charge of C\$1.49 billion (\$1.49 billion) related to its Voyageur oil project in the province of Alberta, which may face cancellation.

[Total in Talks to Sell Gas Network for \\$3.26 Billion](#)

Total SA entered exclusive talks to sell the TIGF natural gas network in southwestern France to Snam SpA, Electricite de France SA and the Government of Singapore Investment Corp. for 2.4 billion euros (\$3.26 billion).

[BP Fourth-Quarter Earnings Decline as Oil Production Drops](#)

BP Plc said fourth-quarter profit declined as oil and natural gas production slipped at Europe's second-biggest energy company.

Net income fell to \$1.6 billion from \$7.7 billion a year earlier, the London-based producer said today in a statement. Adjusted for one-time items and changes in inventory, earnings were \$4 billion. That beat the \$3.7 billion average estimate of 16 analysts surveyed by Bloomberg. Output excluding Russia fell 7 percent to 2.3 million barrels a day from a year earlier.

[BP Headed for Trial as Gulf States Claim \\$34 Billion for Spill](#)

BP Plc may not reach a settlement over civil claims from the 2010 Gulf of Mexico oil spill before a trial this month, analysts said, as U.S. states demand an additional \$34 billion in damages.

Louisiana, Alabama, Mississippi and Florida are suing for economic and property damage under the Oil Pollution Act as a result of the spill, the worst in U.S. history, BP said in an earnings statement yesterday. While Chief Executive Officer Bob Dudley declined to comment on the state of negotiations with the federal government for civil fines, he said there wasn't much time left before the start of the trial on Feb. 25.

[Norway's Premier Rejects Oil Minister Call for Lofoten Drilling](#)

Norwegian Prime Minister Jens Stoltenberg rejected a call by the nation's oil minister to start drilling in restricted areas off the environmentally sensitive Lofoten islands this year.

[Alberta may offer more to smooth way for Keystone: envoy](#)

CALGARY, Alberta (Reuters) - Alberta could offer up new environmental initiatives for oil sands development to show the Obama administration that approving a \$5.3 billion pipeline to U.S. Gulf Coast refineries will not increase pollution, the Canadian province's new envoy in Washington said on Monday.

Alberta, anxious to tap new markets in the United States for its growing volumes of oil,

has already boosted monitoring of the impacts of tar sands projects on northern waterways. It also has established a land-use plan for the region to protect some areas, said David Manning, appointed by Premier Alison Redford last week as the province's envoy in Washington.

[Debunking Nature's arguments for Keystone](#)

There was a bit of buzz last week when the august scientific journal *Nature* endorsed the Keystone XL pipeline (ironically, in the course of pleading with Obama to do something about climate change). Despite the hubbub, it was not the first time the journal had done so. Back in September 2011, it boosted Keystone ... in the context of pleading with Obama to do something about climate change. We have always been at war with Eastasia.

Neither editorial makes a fully fleshed-out case for Keystone, but together they advance three common arguments, all of which I find unconvincing.

[Jeff Rubin - Fracking for Yellowcake: The Next Frontier?](#)

It works for oil and natural gas, so why not frack for uranium too? After all, America relies on foreign uranium just like it depends on foreign oil.

In the U.S. these days, it seems like you can sell almost anything if you spin it as part of the pursuit of energy independence. Enter Uranium Energy Corp. A junior mining company with Canadian roots, UEC is developing the newest uranium mine in the U.S. And it's counting on fracking to do it.

[China to roll out cleaner fuel standards- government](#)

(Reuters) - China will introduce national V standards for automotive diesel fuel by June and similar specifications for gasoline by end-2013, the government said on Wednesday, as it moves to clear up the smoggy air of many Chinese cities.

Ahead of these moves, Beijing will soon launch national IV fuel standards for automotive diesel, similar to Europe's IV quality with a sulphur content of 50 parts per million (ppm), according to a central government post on www.gov.cn, confirming an earlier Reuters report.

[How far can you go in a Tesla?](#)

FORTUNE -- The car is fast and smooth: zero to 60 mph in four seconds with none of the rumble of internal combustion. It demands to be driven at high speed, on hilly, winding roads. We tried to oblige. This was a problem.

The plan -- to drive the all-electric Tesla Model S from Los Angeles to San Francisco -- was simple. Could we (my father and I) travel in an electric automobile that went so far, so fast, without compromise? Could we take a great California road trip over scenic routes so abundant in the Golden State? The answer came 15 hours after we set out, rolling into a mall parking lot in Central California at 11 p.m. The battery was fully drained; the dashboard read charge immediately. After some cursing and desperate scanning we found salvation: a charging station. It would be an hour before we had enough juice to travel the last 20 miles to our hotel. We waited in silence, staring into the glowing screens of our smartphones.

[America is wasting billions sitting in soul-crushing traffic](#)

While you're cursing the traffic you're idling in on your way to work, not only time is being wasted, a new study released Tuesday shows.

An annual study of national driving patterns reveals that Americans spent 5.5 billion additional hours sitting in traffic in 2011.

Traffic jams on the way to or from work ate, on average, 38 hours of commuters' lives that year, up from 34 hours the year before, the study found. That's nearly four hours longer than the average workweek.

[Landscaping in 2013 and beyond: Why it will never be quite the same](#)

What if I told you Climate Change was only one half of the problem we face today? What's the other half, you say? Kim Kardashian? Maybe. But how about Peak Oil? It hasn't been on the radar of the general public since bell bottoms were raging and pandemics of "disco fever" were breaking out all over. Unfortunately for us, Peak Oil hasn't gone into the dusty vintage bins of the local thrift store.

Peak Oil is recognition that the world's supply of oil is limited and that we have reached the zenith of production. In other words, it's halfway gone. Or if you're an optimist, there's still half left!

[United States Department of Energy Geothermal Annual Report \[PDF\]](#)

The Department of Energy's Geothermal Annual Report includes information about: play fairway mapping, geothermal demonstration projects, induced seismic events, the National Geothermal Data System and outreach to educational institutions.

[In revamped cafeterias, USDA gets a taste of its own medicine](#)

The new USDA cafeterias will automatically serve diners 100 percent whole-wheat breads and pastas unless customers specifically ask for white-bread slices or some other

option. One station in the main cafeteria in the South Building will prepare food that conforms to the low-sodium, low-fat, low-cholesterol and low-calorie requirements of the Dietary Guidelines for Americans; the station will also display a daily MyPlate example to model the basics of a proper meal — not that anyone will be required to follow it.

There will even be a full-time dietitian on-site to answer employee questions, which Choi believes is key in the transition to a fryer-less world. After all, USDA workers can easily sidestep the whole healthful-eating program; they could, for example, take a short trip down Independence Avenue to the Energy Department cafeteria, where the deep fryers are still bubbling.

[America Is Doomed Unless Women Start Having More Babies. How Convenient.](#)

What really galls me about Last's piece (and most like it) is the underlying assumption that human beings exist to serve society and not the other way around. Oh, sure, Last mentions a few conservative-friendly policy ideas to help people afford kids — such as reducing the number of kids who go to college, attacking Social Security, and pushing people to move to the suburbs — but if reducing day care costs doesn't do it, there's no reason to think these tweaks will either. The reader is left with the feeling that the only solution to save capitalism is to clip the wings of half of the population so they can spend more time laying eggs.

I'd argue instead that if the system is set up so that it fails if women don't start popping out more kids, then it's a broken system and should be reworked to account for the reality of America today. If women don't want to have more children, then instead of abandoning women's equality as a goal, we should rework our economic system so it doesn't rely on a steadily growing population to function. After all, the point of society is to serve the people in it, not to reduce us to cogs in a machine that serves no one at all.

[Fireworks might be banned on polluted days](#)

Fireworks may be banned on seriously polluted days in Beijing, a move experts said is designed to reduce smog during the Lunar New Year holiday.

The Beijing city government is considering including the ban in its emergency plan for serious air pollution, Kang Jiyong, secretary-general of the Beijing Fireworks Association, told Beijing News.

[After Superstorm Sandy, seniors forced to start over](#)

Campbell's lifestyle is one of the many casualties of Superstorm Sandy, which sent floodwaters surging through homes when it hit Oct. 29, damaging more than 2,000 homes and starting a fire that burned more than 100 houses to the ground. The beachfront village, whose population plummeted from 12,000 in the summer to around 4,000 the rest of the year, provided a way of life not often seen in the sprawling suburbs

of most cities. Generations of the same family jealously guarded their modest homes, and they took care of their own.

Like so many other elderly residents there, Campbell could “age in place”, living alone after her husband died in 2009, despite a heart condition and the onset of what might be dementia. It’s a concept that many communities have embraced, and that groups like the AARP and the National Council of State Legislatures are encouraging. When people age in place, they stay in their homes, perhaps adapting them for more limited mobility, rather than moving to elder care facilities. And it’s a way of life that seems to have just evolved naturally in Breezy Point.

[Greenhouse gas emissions from US power plants down 4.6 pct](#)

(Reuters) - Greenhouse gas emissions from U.S. power plants fell 4.6 percent in 2011 as more generators were switched to cleaner-burning natural gas and renewable sources from coal, according to new data from the Environmental Protection Agency.

The agency's second inventory of greenhouse gas emissions reported by the country's largest industrial polluters showed that power plants - which account for one-third of U.S. emissions - released 2.22 billion metric tons of carbon dioxide equivalent (CO₂e) in 2011.

[Anger as Poland is selected to host next UN climate change summit](#)

Poland will be announced as the host of the next UN climate change summit later today, RTCC understands.

Warsaw will be confirmed at the ongoing talks in Doha and is likely to prove to be an unpopular choice.

[Poland positions itself as energy efficiency champion](#)

Few environmentalists would see Poland as an energy efficiency champion, but noises from Warsaw point towards an unlikely repositioning by the fiercest opponent of the EU's decarbonisation strategy.

[Outgoing EPA chief convinced Obama serious on climate change](#)

(Reuters) - The departing chief of the U.S. Environmental Protection Agency, Lisa P. Jackson, says she cringes whenever she is asked if President Barack Obama is truly serious about confronting climate change.

Of course he is, she tells them. "I don't think you need clues. The president has been really clear ... I'm not sure how much clearer he could be."

[Climate study sees possibly dire future for agriculture](#)

WASHINGTON — Climate change could have a drastic and harmful effect on U.S. agriculture, forcing farmers and ranchers to alter where they grow crops and costing them millions of additional dollars needed to tackle weeds, pests and diseases that threaten their operations, a sweeping government report said Tuesday.

The U.S. Department of Agriculture analysis said that while crops and livestock have been able to adapt to changes in their surroundings for close to 150 years, the accelerating pace and intensity of global warming during the next few decades may soon be too much for the sector to overcome.

[Warm Weather Forces Changes Ahead of Iditarod Race](#)

During last year's snow season, defined as July 1, 2011, to June 30, 2012, Anchorage had 134.5 inches of snow, according to Jake Crouch, a climate scientist with the National Climatic Data Center. This season's tally in Anchorage was 39.2 inches, through Wednesday. North of Fairbanks, another area where mushers train, snowpack is 21 percent of average.

"This is a pretty big deal," said Crouch, who is among the climate experts who attribute the conditions to global warming. He said climate change had resulted in warmer temperatures for Alaska over the last century.

"One of the things we're seeing with climate change is that the high latitudes are experiencing the brunt of it," he said. "They're very vulnerable."

[Increase in Deadly Rains Linked to Climate Change](#)

Don't let the drought in the U.S. fool you, intense rainfall around the world has been causing deadly floods in the past few years. Several have died in the current flooding in Queensland, Australia. In July 2012, the heaviest rain in decades left 37 dead in Beijing, China. More than 400 Pakistanis died in floods in September 2012. The now shriveled Mississippi River was a raging flood in 2011, killing 24 Americans in associated flash floods.

Recent extreme rains may have been intensified by the rising global average temperature, according to a recent study, which examined data from more than 8,000 weather stations around the planet. The study looked for correlations between atmospheric temperature and extreme rainfall between 1900 to 2009.



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