



## Drumbeat: March 15, 2013

Posted by [Leanan](#) on March 15, 2013 - 9:23am

### [Obama to announce plans to fund alternative fuel research](#)

WASHINGTON — President Obama plans to announce Friday that he will ask Congress to create an energy security trust to fund research into alternatives to gasoline, according to senior White House officials.

The \$2-billion fund to be disbursed over 10 years would come from increased revenue the administration expects from streamlining the permitting process for drilling, and from higher oil and gas production in the Gulf of Mexico, the officials said.

The role of the trust, which will be in the president's budget proposal, would be to support cutting-edge research into fuels that would eventually replace gasoline, a prospect that the officials conceded was years away. They added that no new territory would be added to federal lands already set aside for energy development. Revenue channeled to the trust would be on top of revenue already expected from federal lands, and would not take money out of other government coffers to put to this project, they said.

### [Obama turns focus to research in first energy speech of second term](#)

WASHINGTON (Reuters) - President Barack Obama will try to turn the page on bitterly partisan fights over energy policy on Friday, focusing his first energy speech of his second term on proposing a modest new fund to support research.

Obama will tour the Argonne National Laboratory outside of Chicago known for its groundbreaking research into advanced batteries used in electric cars, and will talk about the need to find more ways to wean cars and trucks off oil, White House officials said.

### [Obama Seeks \\$2 Billion in Research on Cleaner Fuels](#)

WASHINGTON — With few options available for financing his clean-energy ambitions, President Obama on Friday will propose diverting \$2 billion in revenue from federal oil and gas leases over the next decade to pay for research on advanced vehicles, White House officials said.

### [WTI Heads for Weekly Gain to Narrow Discount Versus Brent](#)

West Texas Intermediate crude was poised for a second weekly decline, while Brent headed for a loss, narrowing the discount between the two benchmarks.

The spread between WTI and Brent is set for the biggest weekly drop in 11 months, as the U.S. benchmark advanced 1.4 percent this week and Brent lost 1.1 percent. Prices were supported as the dollar weakened for a second day against the euro. OPEC will boost daily crude exports by 300,000 barrels to 23.75 million in the four weeks to March 30 as refineries return from maintenance, according to Oil Movements.

### [Natural Gas Advances After U.S. Inventories Fall to Two-Year Low](#)

Natural gas rose from the highest settlement in more than three months in New York after a government report showed U.S. stockpiles last week fell to the lowest level in almost two years.

Futures advanced as much as 0.9 percent, gaining for a third day. Prices surged 3.6 percent yesterday, the biggest increase since Feb. 25, after the Energy Information Administration said inventories dropped 145 billion cubic feet last week to 1.938 trillion, the least since May 13, 2011. Analyst estimates compiled by Bloomberg showed an expected decline of 137 billion.

### [Angola Minister Says Oil Will Stay Higher Than \\$100 This Year](#)

The price of oil will remain more than \$100 a barrel for the rest of 2013, Angolan Petroleum Minister Jose Maria Botelho de Vasconcelos said.

“For this year, yes, everything indicates that the price will be maintained, although there are many variables in the market,” Vasconcelos said yesterday in an interview in Luanda, the capital. “The most important thing is that the price is over \$100 a barrel.”

### [Shale gas revolution drains Taqa profits](#)

Profits at Abu Dhabi National Energy Company fell last year as North American gas prices and disrupted oil production in the United Kingdom contrasted with solid results by the company's power and water business.

Net profit dropped 13 per cent to Dh648 million (US\$176.4m), while revenue increased 15 per cent to Dh27.8 billion.

### [Cradle of Mankind Offers Kenyans Three Centuries of Oil](#)

“There was a giant under-explored hole on the map,” Africa Oil Chief Executive Officer Keith Hill said in an interview in Nairobi. “Now the world has woken up to East Africa. I’ve never seen a basin of this magnitude.”

### [Canada Wonders Why Crude Oil Is Coming From Texas](#)

Western Canada is producing more crude oil than it knows what to do with. So guess where Eastern Canada is going to get crude oil from this summer? By ship from Texas.

Thomas Mulcair, the leader of Canada’s official opposition, brought up the coals-to-Newcastle story in a visit to Bloomberg on Thursday. He blamed the government of Conservative Prime Minister Stephen Harper for botching efforts to bring oil across Canada to where it’s needed.

### [Fujairah established as fuel storage fulcrum](#)

China Petroleum & Chemical is leading fuel producers and traders borrowing more than US\$500 million (Dh1.83 billion) to build storage at the biggest oil port in the Arabian Gulf region outside the Strait of Hormuz.

### [Greece Counts on Gas, Gambling to Revive Asset Sales Tied to Aid](#)

Greece is banking on its gas and gambling companies to revive a state-asset sales plan that underpins 240 billion euros (\$310 billion) of foreign aid.

### [Energy Derivatives Overhaul Spurs Nasdaq’s Germany Expansion](#)

The biggest-ever overhaul of European energy derivatives rules is poised to pit Nasdaq OMX Group Inc. against the European Energy Exchange AG in Germany as the share of power handled by bourses increases.

### [UK Forties Pipeline System to shut for 5 days in August](#)

LONDON (Reuters) - The North Sea's Forties Pipeline System is expected to shut for five days from Aug. 1, rather than a full two weeks as originally planned, BP said.

In an update to the FPS maintenance table on its website, BP said it was planning a potential full system shutdown for Cruden Bay integrity pipework repairs for five days, although added that this was still to be confirmed.

### [CNPC to Buy Stake in Eni Mozambique Assets for \\$4.2 Billion](#)

China National Petroleum Corp., the country's largest oil producer, will spend \$4.2 billion for a stake in Eni SpA (ENI)'s African natural-gas assets as China looks to feed energy demand while reducing its reliance on coal.

CNPC will buy a 20 percent stake in Mozambique's Area 4 where 75 trillion cubic feet of gas, or more than Norway's existing reserves, has been found, state-controlled CNPC said in a statement on its website yesterday.

### [Iran Drops Four Places Among Indian Oil Suppliers Amid Sanctions](#)

Iran slid four places to become India's seventh-largest crude supplier from April to December, as the South Asian nation reduced imports from the Persian Gulf state because of global sanctions.

The Middle East producer exported 9.7 million metric tons of crude to India, Asia's second-biggest energy consumer, in the fiscal year that started in April, according to data given to parliament by P. Lakshmi, the Indian junior oil minister. Iran sold 7.2 percent of the Asian nation's imports in that period, down from 10.5 percent in the prior 12 months, the data show.

### [India's Rice Exports to Iran Rise](#)

India has been one of Iran's biggest rice suppliers for many years. But business grew after New Delhi began to pay Tehran for oil partly in its local currency. These rupee resources, which are piling up in an Indian bank, are being used to fund Indian exports to Tehran.

Rice traders say the arrangement has ended the uncertainty over payments that arose due to Western sanctions on Iran.

### [US criticizes Nigeria's pardon of corrupt official](#)

In messages Friday on Twitter, the U.S. Embassy in Nigeria said it was "deeply disappointed" over the pardon issued this week of former Bayelsa state Gov. Diepreye Alamieyeseigha, who was impeached and later convicted in Nigeria. Investigators said he likely stole millions of dollars while in office.

### [UAE's new oil minister brings youthful zeal together with worldly view](#)

Suhail Mohamed Al Mazrouei, the newly named UAE oil minister, will be the youngest among his Opec colleagues - junior by a dozen years to his Qatari colleague and by half a century to his Saudi counterpart.

His youth is just one of the elements that make him an unusual choice for energy ministers in the UAE's short history - a choice that symbolises the new direction Abu Dhabi wants to take in fuelling growth.

### [Prospects for Russia-China gas deal dim during Xi visit](#)

(Reuters) - Prospects are dim for a Russia-China pipeline gas deal next week during a visit to Moscow by China's new president, Xi Jinping, as each side remains unmoved by the other's demand for price concessions, gas industry sources said.

"We expect that our positions will converge on the contract terms," Gazprom spokesman Sergei Kupriyanov told Reuters. "We are not preparing to sign anything."

### [Norway to probe project costs](#)

Norway's oil minister has ordered a probe into major Norwegian field projects currently under development to assess cost and other parameters to avoid a repeat of the Yme debacle.

### [Arctic-Specific Rules Required After Shell's 2012 Mishaps](#)

Royal Dutch Shell Plc (RDSA) was blasted by the U.S. government for the series of mishaps that dogged its attempts to explore for oil in the Arctic, and ordered to file detailed plans before it can resume those efforts.

An Interior Department review of Shell's exploration off the north coast of Alaska in 2012, which was released yesterday, found shortcomings in oversight of its various contractors and said the company started its work "not fully prepared" for the challenges it faced.

### [Chesapeake Loses Bid for Preliminary Injunction](#)

Chesapeake Energy Corp. was denied a request for an emergency court ruling allowing it to start redeeming \$1.3 billion in notes early without automatically incurring the risk of paying about \$400 million in interest sought by Bank of New York Mellon Corp.

### [Enbridge ordered to complete cleanup of massive Michigan oil spill](#)

CALGARY, Alta. -- A Canadian energy giant is being ordered by U.S. authorities to do more to clean up a big oil spill that happened in southwest Michigan more than two and-a-half years ago.

About three million litres of oil leaked from an Enbridge pipeline that ruptured in July, 2010 near Kalamazoo.

### [Japan's Energy Board Meets After Dropping Anti-Nuclear Members](#)

Japan's ruling Liberal Democratic Party has removed most anti-nuclear researchers from a revamped post-Fukushima energy policy advisory board to the government that resumes discussions today.

After a landslide victory in a December election, Prime Minister Shinzo Abe has said the previous administration's policy to abandon atomic power needs to be reviewed to help revive the world's third-biggest economy.

### [US military member to sue over Japan nuke disaster](#)

WASHINGTON: US service members are suing the Tokyo Electric Power Co. for more than \$2 billion on grounds the utility lied about the dangers of helping clean up the nuclear disaster that struck two years ago, a newspaper reported on Thursday.

The case was first filed by nine plaintiffs in December but has now expanded to 26, and another 100 are in the process of joining the suit, said Stars and Stripes newspaper.

### [Flammable ice: last hope or gravest threat?](#)

(Reuters) - There is enough gas locked in ice-like crystals buried beneath the permafrost and trapped under the oceans to guarantee the world will not run out of fossil energy for centuries.

This potential energy source will be irrelevant, however, to almost everyone for many decades to come, except perhaps Japan.

### [Cities Weigh Taking Over From Private Utilities](#)

Across the country, cities are showing a renewed interest in taking over the electricity business from private utilities, reflecting intensifying concerns about climate change, responses to power disruptions and a desire to pump more renewable energy into the grid.

### [Hoping to Save Bees, Europe to Vote on Pesticide Ban](#)

In a case closely watched on both sides of the Atlantic, European officials plan to vote



Friday on a proposal to sharply restrict the use of pesticides that had been implicated in the decline of global bee populations.

The vote in Brussels, by officials from all 27 European Union member states, follows a January report from the European Food Safety Authority recommending that none of the chemicals of a class known as neonicotinoids should be used on crops that are attractive to honeybees, because of the risk the insects would be poisoned.

### [Spring Rain, Then Foul Algae in Ailing Lake Erie](#)

“We’ve seen this lake go from the poster child for pollution problems to the best example in the world of ecosystem recovery. Now it’s headed back again,” said Jeffrey M. Reutter, who directs the Sea Grant College Program at Ohio State University.

The algae problem is hardly isolated. Similar blooms are strangling other lakes in North America and elsewhere, including Lake Winnipeg, one of Canada’s largest, and some bays in Lake Huron.

The algae are fed by phosphorus, the same chemical that American and Canadian authorities spent billions to reduce — for good, they believed — in the 1970s and ‘80s. This time, new farming techniques, climate change and even a change in Lake Erie’s ecosystem make phosphorus pollution more intractable.

### [Human-induced climate change played big role in Somalia’s 2011 famine, new study finds](#)

NAIROBI, Kenya — Human-induced climate change contributed to low rain levels in East Africa in 2011, making global warming one of the causes of Somalia’s famine and the tens of thousands of deaths that followed, a new study has found.

It is the first time climate change was proven to be partially to blame for such a large humanitarian disaster, an aid group said Friday.

### [Fracking: the monster we greens must embrace](#)

The thing is, fossil fuels differ. Coal is uniquely nasty. But burning natural gas produces only half as much carbon dioxide as burning coal. So shale gas could be part of the solution to climate change, rather than part of the problem.

Take the US. From a standing start a decade ago, it now gets more than a quarter of its natural gas from shale. Production is so cheap there that shale gas is replacing coal in power stations; and as a result its carbon dioxide emissions are the lowest since 1992. Low energy prices are even encouraging the manufacturing of some goods to return from China, where they were mostly made using coal-fired energy. What's not to like?

### [Nobel Prize winners urge Obama to back carbon pricing](#)

BRUSSELS (Reuters) - A group of leading economists, including eight Nobel Prize winners, has written to U.S. President Barack Obama urging him to support a carbon price on aviation.

An EU law requiring all aircraft using EU airports to pay for emissions via the bloc's Emissions Trading Scheme (ETS) last year stirred international outcry and threats of a trade war.

### [Obama Will Use Nixon-Era Law to Fight Climate Change](#)

President Barack Obama is preparing to tell all federal agencies for the first time that they have to consider the impact on global warming before approving major projects, from pipelines to highways.

The result could be significant delays for natural gas- export facilities, ports for coal sales to Asia, and even new forest roads, industry lobbyists warn.

### [Rebuild vs. retreat: Christie and Cuomo offer contrasting plans in wake of Sandy](#)

In New Jersey, owners of damaged coastal homes would get cash to stay put and rebuild. In New York, those on the water's edge would get generous incentives to walk away.

It's a difference that could mean divergent futures for both states' shorelines. And the calculus that goes into the two approaches — by Governor Christie in New Jersey and Gov. Andrew Cuomo in New York — has set off a complex debate among environmentalists, planners, economists and government officials about which is a bigger threat: rising sea levels that could pose a future risk to rebuilt communities, or the economic and emotional impact of peeling back development from the coast.

### [U.S. carbon emissions to fall significantly by 2040, Exxon Mobil report says](#)

Carbon dioxide emissions in the U.S. will fall by 2040 to levels last seen in the 1970s as the use of natural gas and renewables increases and efficiency measures cut demand, Exxon Mobil Corp. says in a new energy outlook report.

Energy-related emissions will fall 25 percent in part because of a "pronounced shift away from coal in favor of less carbon-intensive fuels such as natural gas," the Irving, Texas- based company said in the report, issued Wednesday.

U.S. coal consumption will plummet more than 65 percent by 2040 and a 5 percent reduction in energy demand will also help cut emissions, the report predicted.





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