



## Drumbeat: April 12, 2013

Posted by [Leanan](#) on April 12, 2013 - 9:24am

### [Fossil fuel subsidies dwarf green investment – report](#)

Developing nations are spending \$396 bn on fossil fuel subsidies a year while receiving \$5 bn in support to tackle climate change, according to a new study by the Overseas Development Institute (ODI).

The UN climate negotiations agreed to find \$100 bn of climate finance a year from 2020 onwards with a meeting in Washington DC this week exploring ways to source this from the private sector.

The ODI's [At Cross Purposes](#) report warns that far greater action will be required from politicians to address what it calls skewed policies that support high emitting fossil fuels in large numbers while struggling to help nations to adapt to the impacts of climate change.

### [Egypt debts to oil firms highlight subsidies struggle](#)

LONDON (Reuters) - Egypt owes at least \$5 billion to oil companies, half of it overdue, corporate reports have revealed, in a development highlighting the country's struggle to meet soaring energy bills while subsidising prices to avoid public unrest.

Egypt has been delaying payments to firms producing oil and gas on its territory as it has struggled with dwindling currency reserves, rising food bills and sliding tourism revenues since the 2011 revolution that overthrew Hosni Mubarak.

Most oil firms hope to recoup the debts in full, but they acknowledge it could take years. While they are still planning to invest in new projects in Egypt that will help it avoid an energy meltdown, the debt situation remains a challenge.

### [ConocoPhillips Suspends 2014 Alaska Drilling Plans, Cites Regulatory Uncertainty](#)

ConocoPhillips suspended plans Wednesday to drill for oil in the waters off of Alaska's Northern Coast in 2014, blaming unclear federal regulations for Arctic Ocean drilling.

The announcement is another setback for the energy industry's plans to explore the U.S. Arctic ocean, thought to contain huge amounts of oil. Royal Dutch Shell PLC called off its 2013 Alaskan drilling program after two of its Arctic Ocean rigs were damaged,

one after running aground an island off the Alaskan coast earlier this year.

### [IEA Cuts Oil-Demand Forecast Because of European Demand](#)

The International Energy Agency reduced its forecasts for global oil demand in 2013 for a third consecutive month, predicting the weakest consumption in Europe in almost three decades.

The IEA cut its estimate by 45,000 barrels a day, predicting that world consumption will increase by a “subdued” 795,000 barrels a day, or 0.9 percent, to 90.58 million barrels a day this year. European demand will slump by 330,000 barrels a day. Still, an imminent recovery in refinery operations after maintenance and political threats to supply mean “it may be too early to call a bear market,” the IEA said.

### [WTI Crude Drops a Second Day, Erasing Its Weekly Advance](#)

West Texas Intermediate crude fell for a second day, erasing its advance this week. The U.S. benchmark’s discount to London-traded Brent neared its narrowest in more than 14 months.

Futures dropped as much 1.4 percent in New York as Cyprus said it will ask the euro area for further financial aid, while investors awaited a report forecast to show U.S. retail sales stagnated in March. Oil prices may rebound next week, according to a Bloomberg News survey of analysts. WTI’s discount to Brent shrank to as little as \$10.40 a barrel today, the smallest gap on an intraday basis since Jan. 26, 2012.

### [Australia’s Woodside shelves US\\$45B Browse LNG project](#)

PERTH — Woodside Petroleum has shelved plans for its US\$45-billion Browse liquefied natural gas project in Western Australia, saying it will consider a floating LNG plant after deciding the onshore development did not make economic sense.

Global energy firms have invested US\$140-billion into six LNG plants in just two and half years as Australia ramps up production on its way to becoming the world’s largest exporter of the clean burning energy source.

But Australia’s LNG sector has seen investor interest cool due to huge costs overruns and with competition from North America where new supplies of gas have been exploited from shale.

### [ANALYSIS: Gazprom's Yamal-2 pipeline plan -- where's the logic?](#)

London (Platts) - The decision by Russia's Gazprom in early April to revive the idea of a

second line of the Yamal-Europe natural gas pipeline took some industry observers by surprise -- and it's not hard to see why.

According to Gazprom, the first line, which can already carry up to 33 billion cubic meters/year of Russian gas via Belarus and Poland to Germany, would be accompanied by a 15 Bcm/year capacity Yamal-2 pipeline up to the Belarus-Poland border, from where it would divide to carry gas to Slovakia and Hungary.

### [Mexican Constitutional Oil Change Achievable, PAN Senator Says](#)

Mexico's National Action Party supports a possible constitutional change to open the state- controlled oil industry to more private investment and will work with other parties to pass such legislation, according to the PAN's top senator on the energy commission.

The PAN, as the party is known, wants to allow private companies to invest in oil and natural gas production and development, an area the nation's charter now limits to state- owned Petroleos Mexicanos, Salvador Vega said. The party would stop short of allowing companies to own Mexico's oil, as they did before the late President Lazaro Cardenas nationalized them in 1938, he said.

### [Noble Energy CEO Cautions Israel on Reopening Gas Tax Issue](#)

Noble Energy Inc.'s Chief Executive Officer Charles Davidson would reconsider the U.S. company's investments in Israel if the government raises the issue of tax rates on natural resources.

Houston, Texas-based Noble and Israeli gas exploration companies have discovered enough gas under the Mediterranean Sea over the past three years to supply the country's needs for 150 years, giving Israel the opportunity to become a gas exporter.

### [Xstrata Said to Agree to 2013 Coal Contract at Lowest Since 2009](#)

Xstrata Plc was said to sell a year's supply of thermal coal to Tohoku Electric Power Co Inc. at the lowest settlement price since 2009.

The miner will supply the fuel starting this month at \$95 a metric ton, said two people with knowledge of the deal who asked not to be identified because the information is confidential. That's down from its April 2012 settlement of \$115 and the lowest since deals at \$70 to \$72 in 2009. The price Japanese utilities agree with Xstrata is typically used as a benchmark for contracts around the region.

### [Genel Energy Makes Oil Find in Kurdistan](#)

LONDON — Genel Energy, the oil exploration company headed by Tony Hayward, the former chief executive of BP, announced Wednesday that it had made a significant oil find in Kurdistan.

### [India to Continue Oil Imports from Iran Irrespective of Western Sanctions](#)

TEHRAN (FNA)- India will continue crude imports from Iran despite the harsh western sanctions imposed against the oil-rich country, a senior Indian official announced.

India will continue to buy oil from "vital supplier" Iran, Foreign Secretary Ranjan Mathai said on Thursday in Berlin.

### [Bottlenecks put brakes on Iraq's oil export growth](#)

LONDON (Reuters) - Pipeline bottlenecks at Iraq's southern ports are preventing OPEC's second-biggest producer from increasing oil exports, even while it offers competitive pricing that is attracting rising demand.

Regional rivals including OPEC heavyweight Saudi Arabia were unnerved in December when Baghdad announced a 2013 export target of 2.9 million barrels per day (bpd), up 500,000 bpd from last year.

But the gains have yet to materialise.

### [Stuart Standiford: Seven Years More Data in the Hubbert Model](#)

The estimated URR is now at 2500gb, right at the upper end of the 95% confidence interval of my 2006 analysis. So in seven years of additional data, during which time we used 210gb of oil, the estimate of total ultimate usage has increased by 250gb - more than we used in the meantime. Again, this should give you serious pause in thinking that we know the peak with much precision.

The peak date is now in mid 2010 - ie it has moved later by about three years. It is not out of the 95% confidence interval from my 2006 analysis, but I wouldn't now bet on it not moving out of it over the next seven years.

### [Peak Oil as seen through the eyes of Arab oil producers](#)

The going-in assumption was that "peak oil" will occur in the near future. The timing of the impending onset of world oil decline was not an issue at the conference, rather the main focus was what the GCC countries should do soon to ensure a prosperous, long-term future. To many of us who have long suffered the vociferous denial of PO by Gulf Cooperation Council (GCC) and OPEC countries, this conference represented a major change. In the words of Kjell Aleklett (Professor of Physics at Uppsala University,

Sweden), who summarized highlights of the conference, the meeting was “an historic event.”

While many PO aficionados have been focused on the impacts and the mitigation of “peak oil” in the importing countries, most attendees at this conference were concerned with the impact that finite oil and gas reserves will have on the long-term future of their own exporting countries. They see the depletion of their large-but-limited reserves as affording their countries a period of time in which they either develop their countries into sustainable entities able to continue into the long term future or they lapse back into the poor, nomadic circumstances that existed prior to the discovery of oil/gas. Accordingly, much of the conference focus was on how the GCC countries might use their current and near-term largesse to build sustainable economic and government futures.

### [Petroleum industry conference attracts international speakers](#)

According to Dr Jeremy Wakeford, a renowned energy and sustainability economist and one of the main speakers, falling oil production around the world and the gradual decline in the global peak oil flow rate will negatively impact South Africa, which imports 70% of its fuel needs.

### [Alternatives Drive the Peak of Oil Demand](#)

Peak oil was supposed to be about oil's scarcity and its devastating economic impact as prices shot through the roof. But oil demand has been falling in developed countries, for over a decade in some cases, and Fool.com contributor Travis Hoium thinks that a peak in global demand is around the corner. Erin Miller sat down with Travis to see what's driving the change.

### [Peak Oil Flip-Flop](#)

Ever since M. King Hubbert advanced the theory of peak oil in 1956, experts and non-experts alike have been debating about timing and relevance. (See [here](#), [here](#), [here](#) and [here](#).) Hubbert's argument seems like a no-brainer. Oil is a finite natural resource, so there must come a time when oil production peaks and begins to decline. The question is, when? And for a world economy that is largely fueled by oil, that “when” question is quite germane. If peak oil hits while oil demand is rising, it could spell worldwide economic disaster.

### [Obama Budget Ponders Sale of Tennessee Valley Authority](#)

President Barack Obama is considering the sale of all or part of the Tennessee Valley Authority, the largest publicly owned U.S. power company, in a deal that may raise as much as \$35 billion as the administration seeks to reduce the national debt.

A potential sale is part of a “strategic review” of the Knoxville, Tennessee-based

nonprofit, which faces increasing capital costs, according to the administration's fiscal 2014 budget proposal released yesterday. A sale may yield \$30 billion to \$35 billion in cash and reduced government debt obligations, said Travis Miller, a Chicago-based analyst for Morningstar Inc.

### [Are U.S. Pipelines Too Old for Oil?](#)

The majority of America's pipelines were built decades ago. About 60% of pipes were laid before 1970, and close to 40% were built in 1950 or earlier. There is increasing concern that these old pipes are a major liability, and accidents like ExxonMobil's oil spill in Arkansas two weeks ago will happen more frequently. In this video, Fool.com contributor Aimee Duffy talks to fellow contributor Tyler Crowe about two other factors that could affect the integrity of our aging pipes.

### [North Dakota, a Portrait of an Oil Boom](#)

North Dakota's oil boom has been called everything from the region's equivalent of a gold rush, to its version of Silicon Valley. And it's all thanks to a the Bakken formation, a 360 million year old shale tectonic plate sitting underneath much of the northwestern part of the state, which is thought to hold around 18 billion barrels of oil.

But the good times have not come without a price: The state has run up against a serious shortage of housing for the thousands who have poured in looking for work. The method of extracting the oil is controversial, too. Hydraulic Fracturing, more commonly known as fracking, is the bête noire of many environmentalists nationwide. The process sees workers inject pressurized fluid into the ground in order to release natural gas from the shale.

### [Shale Gas Isn't a Low-Emissions Fuel -- Yet](#)

Without methane leakage, natural gas would create only about half the greenhouse gases per unit of energy as coal. Yet, methane is 72 times more potent than CO<sub>2</sub> measured over 20 years, which is particularly important given that climate change is happening even more quickly than many models have predicted. (Methane has around 25 times more warming potential than CO<sub>2</sub> over a 100 year timeframe.) At around three percent leakage, natural gas becomes more harmful than coal in the near term.

### [Russia Skips Hybrids in Push for Cars Using Natural Gas](#)

MOSCOW — Igor A. Samarsky of the southern Russian city of Krasnodar gets fuel economy on his 1998 Lada sedan that would make a Prius owner green with environmental envy.

For all of 120 rubles — about \$3.80, or a little more than a gallon of regular unleaded fuel in the United States — he can drive 140 miles. The Toyota hybrid would need three

gallons of gas to drive that distance.

The only drawback in Mr. Samarsky's mind is his wife's lingering fear that the car, which runs on methane gas, will explode on the way to the grocery store.

### [New Solar Process Gets More Out of Natural Gas](#)

WASHINGTON — The Energy Department is preparing to test a new way for solar power to make electricity: using the sun's heat to increase the energy content of natural gas.

Researchers at the Pacific Northwest National Laboratory in Richland, Wash., hope by this summer to carry out the test, which entails a process that could cut the amount of natural gas used — and the greenhouse gasses emitted — by 20 percent.

### [Libya aims to get about fifth of power from solar by 2020](#)

BRUSSELS (Reuters) - Libya is nearly ready to issue tenders for two new solar plants and aims to get a fifth of its power from renewable sources by 2020, while its sunshine could one day supply all of Europe, its electricity minister said.

Until now, the member country of the Organization of the Petroleum Exporting Countries (OPEC) has relied almost entirely on its oil and gas reserves for its energy needs.

### [Climate change did not cause 2012 US drought, says government report](#)

The summer of 2012 was the driest since record-keeping began more than a century ago, as well as one of the hottest, producing drought conditions across two-thirds of the continental United States.

Barack Obama and other prominent figures have repeatedly cited the drought as evidence of climate change. But the report released on Thursday by scientists at five different government agencies said that was not the case. The drought was "a sequence of unfortunate events" that occurred suddenly, the report said. The circumstances were so unusual the drought could never have been predicted.

### [How can we get more children cycling on the school run?](#)

Ahead of one Red Nose day during my school years, some friends and I were thinking of ways to raise money when someone suggested we all cycle to school. Aged around 12, we were young enough to still love bikes over boys, and we were familiar with the route. For originality, which would surely help with sponsorship, we didn't know anyone else

who cycled to school. We went home thinking it was the best plan ever, but when we reconvened the next morning every single parent had said no on the grounds of safety. They were happy for us to cycle quiet roads and paths at weekends but busy roads at rush hour were a non-starter.

### [A Green Forest Grows In The Desert](#)

The Sahara Forest Project is a new environmental solution to create re-vegetation and green jobs through profitable production of food, water, clean electricity and biomass in desert areas. Supported by the UN, a pilot facility has been established in Qatar. Now, a documentary about the people and progress of the Sahara Forest Project is in the making, and gathering funds on Kickstarter.

### [Throw Seeds at Your Garden](#)

At the core of my low-effort, high-return gardening style is a practice I call *throwing seeds at the garden*. This technique is exactly what it sounds like: After preparing the soil and deciding what I'm going to plant in a given plot, I blanket the area with seeds cast by the handful. These aren't seeds for the plot's designated crops, but seeds for a supplementary blanket of leafy plants to cover the space between the crop plants.

The seeds, usually a mixture of greens and carrots, grow into an edible, living mulch. I look at it as a bonus crop, as it grows in space that isn't normally planted. And, like nonedible mulch—e.g., straw, leaves, or grass clippings—my green carpet carries out an important function in the garden as a ground cover.

### [Martyl Langsdorf, Doomsday Clock Designer, Dies at 96](#)

In 1953, with the United States and the Soviet Union testing hydrogen bombs and the cold war increasingly frigid, that ominous minute hand of hers stood just two ticks from the symbolically catastrophic 12. By 1991, after the signing of the Strategic Arms Reduction Treaty, it retreated to a relatively reassuring 11:43 p.m.

But the Doomsday Clock, which Mrs. Langsdorf drew for the June 1947 cover of the Bulletin of the Atomic Scientists as a way to evoke the potential devastation of nuclear weapons, did not stay in reverse. Before Mrs. Langsdorf died on March 26, at 96, the board of the Bulletin, which adjusts the minute hand according to its annual assessments of threats to humanity, had set the clock to 11:55 p.m.

### [Virtual Bitcoin Mining Is a Real-World Environmental Disaster](#)

Here's a puzzle: How can a virtual currency, existing in digital form on computer hard drives, demand real power and real fuel, and have real-world environmental costs? If you're struggling to think of an answer, welcome to the world of "Bitcoin mining."



## [Let's stop hiding behind recycling and be honest about consumption](#)

As so many in her position do, she was using population as a means of disavowing her own impacts. The issue allowed her to transfer responsibility to others: people at the opposite end of the economic spectrum. It allowed her to pretend that her shopping and flying and endless refurbishments of multiple homes are not a problem. Recycling and population: these are the amulets people clasp in order not to see the clash between protecting the environment and rising consumption.

In a similar way, we have managed, with the help of a misleading global accounting system, to overlook one of the gravest impacts of our consumption. This too has allowed us to blame foreigners – particularly poorer foreigners – for the problem.

## [Europe: Back to the dark ages](#)

Coal's golden renaissance ... While coal use in electricity generation has dwindled in the United States, it has been staging a quiet comeback in Europe. Coal-fired power generation is growing at an annual rate of 5% and 22% in Germany and Spain, while gas-fired generation is falling by 15% and 23% respectively.

## [Coal to stay important in U.S. energy mix - environment agency pick](#)

WASHINGTON (Reuters) - President Barack Obama's pick to lead the U.S. Environmental Protection Agency told a Senate panel on Thursday that coal will remain important in the U.S. energy mix and that the EPA will be flexible in applying new pollution rules for coal-fired power plants.

Gina McCarthy, EPA's assistant administrator for air and radiation, was questioned by Republicans on the Senate Environment and Public Works Committee on the agency's plans to roll out regulations soon to curb carbon emissions from power plants, blamed for contributing to global warming.

## [Coal fights to keep power in US energy mix](#)

Four months after pledging to lead the United States on a path to sustainable energy, President Barack Obama faces a turning point on electricity generated from coal, one of the dirtiest of fuels.

## [Republicans Seize What They See as Keystone Momentum](#)

House Republicans said President Barack Obama is taking too long to decide on the Keystone XL pipeline as they defended a bill that again seeks to force a decision on one of the nation's most-political energy debates.

The House Energy and Commerce Committee's panel on energy and power held a hearing yesterday on legislation that would allow the pipeline to be built without Obama's approval. The committee may vote on the bill next week. The Senate isn't considering a similar measure.

### [Alberta Looks at Renewable Energy Amid Push for Keystone](#)

Alberta may boost the use of renewable energy to cut carbon dioxide emissions as the province lobbies U.S. officials to approve TransCanada Corp.'s Keystone XL pipeline.

Officials are in talks with companies that produce power from wind and water turbines about the best way to spur more development, Energy Minister Ken Hughes said yesterday in an interview from his Edmonton office. Options include importing hydroelectric power from Manitoba as well as changing policy to increase hydro and wind-power development, he said.

### [Canadian Nobel Laureate Testifies Keystone XL Pipeline Refusal an Important Step in Addressing Climate Change](#)

VANCOUVER, BRITISH COLUMBIA--(Marketwired) - Dr. Mark Jaccard of British Columbia's Simon Fraser University will testify in front of the U.S. Congress Subcommittee on Energy and Power today that President Obama must reject TransCanada's Keystone XL pipeline if meaningful action is to be taken to prevent a 2 degree Celsius increase in global temperature.

A rejection of the proposed Keystone XL pipeline will slow development in the Alberta oil sands, according to Jaccard, and better position the U.S. for a transition to a low-carbon economy. The oil sands, along with other polluting fossil fuels, are not a viable fuel source if a 2 degree temperature increase is to be avoided.

### [The Fossil Fuel Resistance](#)

It got so hot in Australia in January that the weather service had to add two new colors to its charts. A few weeks later, at the other end of the planet, new data from the CryoSat-2 satellite showed 80 percent of Arctic sea ice has disappeared. We're not breaking records anymore; we're breaking the planet. In 50 years, no one will care about the fiscal cliff or the Euro crisis. They'll just ask, "So the Arctic melted, and then what did you do?"

Here's the good news: We'll at least be able to say we fought.

### [Obama Budget Would Help Prepare for Climate Impacts](#)

President Obama's proposed fiscal year 2014 budget includes funding to help U.S. communities increase their resilience to extreme weather and other climate change impacts.

The budget proposal also includes nearly \$1 billion to address climate change on a global scale by reducing deforestation and promoting low-carbon growth in developing countries.

### [Experts say rapidly melting glaciers are raising the UK flood risk](#)

A top EU environment official has warned that adapting to rising sea levels could cost Britain billions of pounds.

Jacqueline McGlade, who leads the European Environment Agency, said it would be a "significant problem" for coastal areas of the UK and urged the government to act now.

### [Cubans on Alert for Rising Sea Levels](#)

TEHRAN (FNA)- Cuba's coastal communities are vulnerable to the gradual rise of sea levels as a result of global warming, an official said.

Director of the National Environmental Agency (AMA) Tomas Escobar warned that the rise in sea levels will affect agriculture and forestry, leaving severe consequences for a country that is struggling to wean itself off food imports.

### [Better rankings of climate vulnerability needed - experts](#)

Which fares worse in a world of climate shifts, drought-ridden Burundi or flood-prone Bangladesh?

As poorer countries are hit by the effects of climate change and their resources to respond remain inadequate, richer nations have promised \$100 billion a year by 2020 to help them adapt to the impacts and try to curb their own climate-changing emissions. But experts say dividing up the money requires answering one very tough question: Who is the most vulnerable to climate change?



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