



Drumbeat: May 3, 2013

Posted by [Leanan](#) on May 3, 2013 - 8:15am

[JPMorgan Caught in Swirl of Regulatory Woes](#)

Government investigators have found that JPMorgan Chase devised “manipulative schemes” that transformed “money-losing power plants into powerful profit centers,” and that one of its most senior executives gave “false and misleading statements” under oath.

The findings appear in a confidential government document, reviewed by The New York Times, that was sent to the bank in March, warning of a potential crackdown by the regulator of the nation’s energy markets.

...The JPMorgan case arose, according to the document, after the bank’s 2008 takeover of Bear Stearns gave the bank the rights to sell electricity from power plants in California and Michigan. It was a losing business that relied on “inefficient” and outdated technology, or as JPMorgan called it, “an unprofitable asset.”

Yet under “pressure to generate large profits,” the agency’s investigators said, traders in Houston devised a workaround. Adopting eight different “schemes” between September 2010 and June 2011, the traders offered the energy at prices “calculated to falsely appear attractive” to state energy authorities. The effort prompted authorities in California and Michigan to dole out about \$83 million in “excessive” payments to JPMorgan, the investigators said. The behavior had “harmful effects” on the markets, according to the document.

[Russia’s April Oil Output Near Post-Soviet Record, Ministry Says](#)

Russia, the world’s biggest oil producer, boosted crude and condensate production 1.5 percent in April from a year earlier to 10.47 million barrels a day, close to a post-Soviet era record.

Daily output grew 0.2 percent from March, according to preliminary data sent by e-mail today from the Energy Ministry’s CDU-TEK unit. The record of 10.49 million barrels was reached in November. Soviet-era production in Russia peaked at 11.48 million barrels a day in 1987.

[Brent Advances a Second Day Before U.S. Employment Data](#)

Brent crude rose for a second day, extending its biggest rally in six months, before a report that may show U.S. employers hired more staff in April.

Brent futures climbed as much as 0.8 percent, reversing an earlier decline of the same magnitude. U.S. payrolls increased by 140,000 workers following a gain of 88,000 in March, according to the median estimate in a Bloomberg survey of 90 economists. The jobless rate stayed at 7.6 percent, matching the lowest since December 2008, the survey showed.

[European Sour Crude to Stay Tight on Iran, Fuel Oil: JBC](#)

Supplies of sour, or high sulfur, crude oil in Europe will continue to be tight because of the loss of Iranian and Syrian exports and “strong” refining margins for fuel oil, according to JBC Energy GmbH.

“Fuel oil is finding support in arbitrage to Asia,” and while exports of Urals crude from Russia may increase in June, “the continued loss of the bulk of Iranian and Syrian crude will keep the sour crude market tight in the region,” a JBC Energy team of analysts led by David Wech in Vienna said in a report today.

[US oil supplies reach new peak amid shale boom](#)

US oil stocks reached a new three-decade high and pressed crude prices lower Wednesday, as US oil production continued to surge while domestic demand remained anemic.

...“It's just indicative of these shale plays ramping up,” said Matt Smith, an analyst at Schneider Electric, an energy management firm. “It tells us we're in the middle of an oil boom.”

[Alaska North Slope Oil Output Fell 5.8% in April, State Reports](#)

Alaska's North Slope has been yielding less oil every year since 2002 as output from wells naturally declines and isn't replaced. March output decreased 4.9 percent from the year before. The shrinking supply has boosted foreign crude imports to the U.S. West Coast and prompted Flint Hills Resources LLC to shut a crude unit at the North Pole refinery last year because of rising oil prices.

[OPEC Exports Seen Stable Amid 'Glum' Demand, Oil Movements Says](#)

The Organization of Petroleum Exporting Countries will keep shipments little changed this month as “glum” demand in the U.S. and Europe counters rising consumption in Asia, tanker tracker Oil Movements said.

The group that supplies about 40 percent of the world's oil will ship 23.67 million barrels a day in the four weeks to May 18, stable from 23.68 million in the previous period, the researcher said today in an e-mailed report. The figures exclude Angola and Ecuador. U.S. crude imports by tanker have fallen about 13 percent this year, the consultant said.

[Nigeria's oil exports to crash to lowest level in June](#)

Crude oil exports from Nigeria will by June crash to lowest in nearly four years, shipping lists have shown, highlighting how badly theft from pipelines is affecting Africa's largest economy.

[Ethanol's Discount to Gasoline Widens as Production Rates Climb](#)

Ethanol's discount to gasoline widened after a government report showed production of the biofuel climbed to the highest level in 10 months.

[Petro-Canada stations running dry across Prairies](#)

Some Petro-Canada stations in the Prairies are running out of gasoline because of some unexpected repairs that have to be done at an Edmonton refinery.

[U.S. West Gasoline Strengthens as Supplies Fall to Seasonal Low](#)

Spot gasoline on the U.S. West Coast surged against futures after the Energy Information Administration said regional stockpiles of the motor fuel dropped to a record low for this time of year.

[What determines energy abundance? Flow.](#)

Okay, I'm going to give you the shortest course ever in energy abundance: Energy abundance depends entirely on the RATE of energy flow. Let me say it again: Energy abundance depends entirely on the RATE of energy flow.

Now, here is what it does NOT depend on: supposed, but often unverified, fossil fuel reserves in the ground; hypothetical, sketchy, guesstimated, undeveloped, undiscovered resources imagined to be in the ground by governments or by energy companies and often deceptively referred to as "reserves"*; claims about future technological breakthroughs; mere public relations puffery about abundance in the face of record high average oil prices.

[Statoil Profit Slides More Than Estimated as Production Declines](#)

Statoil ASA, Norway's biggest energy company, said profits fell by 29 percent in the first quarter on lower oil and gas output in Norway, Brazil and as a terrorist attack shut a facility in Algeria.

[Angola Plans to Simplify Tax Codes to Boost Non-Oil Revenue](#)

Angola, Africa's second-biggest oil producer, plans to simplify taxation and more than double revenue from sources other than petroleum to curb the government's reliance on crude.

The target is to pass three tax codes this year that will cut fees and modernize laws, some which date from 1948, Gilberto Luther, director of the reform project, said in an interview on April 29 in Luanda, the capital. The changes will increase receipts from industries including manufacturing and retail to about 20 percent of gross domestic product by 2017 from 8 percent in 2011, he said. In Nigeria, Africa's largest crude producer, non-oil tax was 6.3 percent of GDP in 2011.

[Japan spots three Chinese government ships near disputed islets](#)

TOKYO (KUNA) -- Three Chinese government surveillance ships were spotted near Japanese territorial waters off the disputed islands in the East China Sea on Friday, the Japan Coast Guard said.

[Billionaire Kaiser Exploiting Charity Loophole With Boats](#)

When Oklahoma energy billionaire George Kaiser opened the Northeast Gateway liquid natural gas terminal in 2008, the floating depot's first delivery was shipped on the Excellence, a 909-foot supertanker that holds 138,000 cubic meters of LNG -- enough gas to meet more than 4 percent of daily U.S. demand.

The Excellence is owned by the George Kaiser Family Foundation, a charitable organization that also owned a 36 percent stake in Solyndra LLC, the Fremont, California-based solar system maker that went bankrupt in 2011 after receiving a \$535 million U.S. Energy Department loan.

[Duke Earnings Rise as Cool Temperatures Boost Heat Demand](#)

Duke Energy Corp., the largest U.S. utility owner, said first-quarter profit rose as cooler temperatures than a year earlier boosted demand for power.

Net income increased to \$634 million million, or 89 cents a share, from \$295 million, or 66 cents, a year earlier, Charlotte, North Carolina-based Duke said in a statement today on PR Newswire. Excluding one-time items, per-share profit was \$1.02, one cent less than the average of 13 analysts' estimates compiled by Bloomberg.

[Rocks in India Coal Supply Means More Power Blackouts: Energy](#)

Dharmendra Kumar owes his job to rocks masquerading as coal.

He drives a payloader at NTPC Ltd., the country's largest electricity producer, scooping out boulders from mountains of coal disgorged from open-topped railway cars. He drops the rocks, some as large as a bathtub, into a pile forming its own mountain at NTPC's Dadri power plant in north India.

The pile of rubble represents a brewing conflict between state-owned Coal India Ltd (NTPC). and NTPC that's threatening to cut electricity supplies in 20 states across India, Asia's third- biggest economy. The country already has a 9 percent shortage of power at peak demand, shaving about 1.2 percentage points from gross domestic product, according to government estimates.

[PetroChina's Sichuan refinery has no clear start date after quake](#)

(Reuters) - PetroChina has yet to decide when it will start up its new \$6 billion refinery complex in China's landlocked southwest, after local residents expressed safety concerns following an earthquake two weeks ago, according to a company statement.

The company would go through "stringent check and approval procedures according to national standards," before deciding on a start-up schedule, it said in a statement published on Friday on sina.com and cited by a PetroChina media official.

[Gazprom Granted Four Arctic Gas Fields](#)

MOSCOW (RIA Novosti) – The Russian government bypassed a state tender to grant Gazprom on Friday the right to explore four gas fields in the northern Barents Sea.

The four offshore fields hold an estimated 1.8 trillion cubic meters of natural gas, according to figures provided in the decree of Prime Minister Dmitry Medvedev. Russia produced 655 billion cubic meters of natural gas in 2012, according to official statistics.

[Spread of Hydrofracking Could Strain Water Resources in West, Study Finds](#)

The rapid expansion of hydraulic fracturing to retrieve once-inaccessible reservoirs of oil and gas could put pressure on already-stressed water resources from the suburbs of Fort Worth to western Colorado, according to a new report from a nonprofit group that advises investors about companies' environmental risks.

“Given projected sharp increases” in the production of oil and gas by the technique commonly known as fracking, the report from the group Ceres said, “and the intense

nature of local water demands, competition and conflicts over water should be a growing concern for companies, policy makers and investors.”

[Could fracking solve China's energy problems?](#)

The U.S. Energy Information Administration estimates that China may have as much as 1,275 trillion cubic feet of shale gas reserves — 50 percent more than the U.S., which has already extracted enough natural gas from shale to put it on a path to energy independence. Unlocking those resources would help China meet its enormous energy demands, while allowing it to cut down on coal — one of the main causes of the deadly, off-the-charts pollution clogging up the country.

But progress toward natural gas production has barely budged. So far only 60 shale exploration wells have been set up, compared to about 200,000 in the U.S. And production remains at zero.

[Enbridge Expansion Could Turn Into Keystone-Like Fight](#)

A new front may soon open in the battle over pipelines that transport Canadian oil to the U.S.

And this one involves a line that would carry even more oil derived from Alberta's tar sands than TransCanada Corp.'s proposed Keystone XL, a project that has inflamed environmentalists who say it would exacerbate climate change.

[Japanese-French consortium to build Turkish nuclear plant](#)

ANKARA — A Japanese-French consortium has won a \$22 billion dollar contract to build a nuclear power plant on Turkey's Black Sea coast, a senior energy ministry official said on Thursday.

“An inter-governmental agreement is expected to be signed between the prime ministers of both countries (Turkey and Japan) on Friday,” the official told AFP on condition of anonymity.

[Duke suspends COL application for new Harris nuclear plant reactors](#)

Boston (Platts) - Duke Energy told the US Nuclear Regulatory Commission Thursday that it plans to "suspend" its application for a combined construction and operating license for two new nuclear units at Duke Energy Progress's Harris nuclear station in Wake County, North Carolina.

['A very fragile situation': Leaks from Japan's wrecked nuke plant raise fears](#)

TOKYO — Like the persistent tapping of a desperate SOS message, the updates keep coming. Day after day, the operators of the wrecked Fukushima Dai-ichi nuclear power plant have been detailing their struggles to contain leaks of radioactive water.

The leaks, power outages and other glitches have raised fears that the plant — devastated by a tsunami in March 2011 — could even start to break apart during a cleanup process expected to take years.

[Fusion Scientists See Progress as Obama Shows No Ardor](#)

Bishop is a fusion evangelist. He has devoted six years to this corner of the Lawrence Livermore National Laboratory, wielding a laser that delivers 1,000 times more energy than the U.S. electrical grid at any instant in time. If the laser can spark atoms to fuse in a self-sustaining reaction known as ignition -- the equivalent of a laboratory-scale microbomb -- scientists may be on their way to rewarding the planet with unlimited and nonpolluting energy, Bishop says.

“Fusion is a rich source of power,” he says.

[Cross-Country Solar Plane Expedition Set for Takeoff](#)

Conceived of as a grand demonstration of what can be done with clean technologies — a Jules Verne-style adventure with a dash of P. T. Barnum thrown in — the project has more practical implications. While it could be decades, at least, before ordinary travelers line up to board solar electric planes, the technology is under consideration for drones, which risk damage each time they land to refuel.

[Renewable energy firms accuse activists of scaremongering over biomass](#)

A major row has broken out between green campaigners and companies using wood, straw, waste and other "biomass" fuels to run power stations over how environmentally friendly such fuels are.

[Water Conservation Becomes a Higher Priority in U.A.E.](#)

DUBAI — Running a farm is not easy in the Middle East, part of a region, along with North Africa, defined by the World Bank as the most water-scarce in the world.

[Russia set for its biggest ever wind farm](#)

RUSSIA: Russia's largest wind power plant is expected to be built in the southern

Stavropol region by 2015.

[Kazakhstan to launch biggest solar power station](#)

According to the press-service, the power station with an average annual generation capacity of 65 million kWh will become the biggest solar plant in Kazakhstan. The project is estimated at \$93.1 million.

[Indonesia Aims To Build 36 Solar Power Plants In 2013](#)

The Indonesian government has allocated a higher budget for solar development this year. The government is planning to build 36 new solar power plants especially in isolated and border areas.

[Peaks islanders fight peak oil with weatherization effort](#)

Helping people tighten up their island homes against the sometimes brutal Maine winters, exacerbated by winds off Casco Bay, is an easy sell, especially as the realization settles in that cheap fuel is a thing of the past.

And it's a relatively inexpensive investment with a quick and long-term return.

[The giants of the green world that profit from the planet's destruction](#)

Now it turns out that some of these groups are literally part-owners of the industry causing the crisis they are purportedly trying to solve. And the money the green groups have to play with is serious. The Nature Conservancy, for instance, has \$1.4bn (£900m) in publicly traded securities, and boasts that its piggybank is "among the 100 largest endowments in the country". The Wildlife Conservation Society has a \$377m endowment, while the endowment of the World Wildlife Fund-US is worth \$195m.

Let me be absolutely clear: plenty of green groups have managed to avoid this mess. Greenpeace, 350.org, Friends of the Earth, Rainforest Action Network, and a host of smaller organisations such as Oil Change International and the Climate Reality Project don't have endowments and don't invest in the stock market. They also either don't take corporate donations or place such onerous restrictions on them that extractive industries are easily ruled out. Some of these groups own a few fossil fuel stocks, but only so that they can make trouble at shareholder meetings.

[Study Finds No Single Cause of Honeybee Deaths](#)

WASHINGTON — The devastation of American honeybee colonies is the result of a complex stew of factors, including pesticides, parasites, poor nutrition and a lack of

genetic diversity, according to a comprehensive federal study published on Thursday. The problems affect pollination of American agricultural products worth tens of billions of dollars a year.

[The most insane roommate ads ever posted on Craigslist](#)

I would like to assemble a house full of people who, like me, are preparing for the fast-approaching zombie apocalypse, also known as peak oil, economic collapse, peak water, and so on. My patience with head-in-the-sand, "optimistic" people is wearing thin and, while I can't do much about my co-workers, I would prefer to live among people who are a bit more courageous.

I work. I drive. I shop. I do these things as little as possible, though, and usually only in the service of my dream: complete withdrawal from the capitalist system. I don't want to play this game any more and I hope to find people who feel the same.

As much as possible, this house will function as a tiny transition town. We will build a community strong enough to survive collapse and wise enough to shape the life that follows. Extra points will go to runners, practicing meditators, gardeners & farmers, urban foragers, WWOOFers, and fans of the following: The Extraenvironmentalist, the C-Realm, Radio EcoShock, Chris Hedges, Gar Alperovitz, Michael Parenti, Steve Keen, Dimitry Orlov, Daniel Suelo, and Michael Ruppert.

[This is the end: Team of experts say humanity faces extinction](#)

A team of mathematicians, philosophers and scientists at Oxford University's Future of Humanity Institute say there is ever-increasing evidence that the human race's reliance on technology could, in fact, lead to its demise.

The group has a forthcoming paper entitled "Existential Risk Prevention as Global Priority," arguing that we face a real risk to our own existence. And not a slow demise in some distant, theoretical future. The end could come as soon as the next century.

[EU Factories Double Use of UN Carbon Credits Last Year in Survey](#)

Power stations and factories in the European Union's emissions market probably doubled their use of United Nations carbon offsets to meet their pollution limits last year, according to a survey of analysts.

[EU Factories Used Fewer Carbon Offsets Than Expected in 2012](#)

Factories and power stations in the European Union surrendered 500 million carbon offsets to cover emissions last year, 20 percent less than analysts estimated.

[Keystone Foes Seek Climate Measures in Case They Lose](#)

President Barack Obama is being pressed by opponents of the Keystone XL pipeline to tie any approval to measures that would curb climate change, reflecting mounting pressure on the administration to mitigate the project's impact if it goes forward.

[Energy secretary urges Michael Gove to reinstate climate change on curriculum](#)

Ed Davey, the energy secretary, has written a private letter to Michael Gove, the education secretary, urging him to rethink his plans to downgrade climate change in the new national curriculum.

Amid protests from environmentalists and some students, Gove has removed debate about climate change from the draft geography curriculum.

[Is the federal government turning Canadian science into for-profit only?](#)

Science is under attack in Canada.

It's hard to have to write that, given that Canada has some of the leading scientists and research facilities in the world, but it's also hard to draw any other conclusion, based on what the federal government has been up to for the past 7 years.

[Midwest 'Weather Whiplash' Sign of Climate Change](#)

The term "weather whiplash" is being invoked to describe the drought-flood cycles beginning to take over the Mississippi and Missouri rivers.

The cause of the maddening weather extremes and their huge and varied consequences is none other than climate change, according to a new report by the climate science communication organization Climate Nexus, and backed by climate researchers.

[Six months after Sandy, N.J. is still not building smarter](#)

As we move forward in the aftermath of the storm, we are not doing so in a way that will better protect our communities and environment. Instead, the governor is taking away transparency and oversight, ignoring climate change and allowing rebuilding to move forward in the same places that were just destroyed.

[Australia joins climate displacement group](#)

Australia is being urged to take a leading role in the protection of people forced to leave

their homeland because of climate change.

[Would we give up burgers to stop climate change?](#)

If you find it demoralizing that we are incinerating the planet and dooming future generations simply because too many of us like to eat cheeseburgers, here's that good news I promised: In their report, Goodland and Anhang found that most of what we need to do to mitigate the climate crisis can be achieved "by replacing just one quarter of today's least eco-friendly food products" — read: animal products — "with better alternatives." That's right; essentially, if every fourth time someone craved, say, beef, chicken or cow milk they instead opted for a veggie burger, a bean burrito or water, we have a chance to halt the emergency.

[What would 'wartime mobilization' to fight climate change look like?](#)

There's no libertarian choice here. A huge, global challenge like climate change is inevitably going to mean more government action and intrusion. The choice is, do you want *managed* big government, with a bounded set of plans and some amount of oversight built in, or do you want *panicked* big government, responding to migrations, famines, and conflict? I'm not exactly excited about either choice, but the former definitely strikes me as the lesser of two evils.

[With Arctic sea ice vulnerable, summer melt season begins briskly](#)

The Arctic saw a record loss of summer sea ice in 2012, and the 2013 melt is off to a faster start than a year ago. Another record is uncertain, but warming has sapped the ice's staying power.

[White House warned on imminent Arctic ice death spiral](#)

National security officials worried by rapid loss of Arctic summer sea ice overlook threat of permanent global food shortages.

[UN says 2012 was 9th-hottest year since 1850](#)

GENEVA (AP) -- The World Meteorological Organization says last year was the ninth-warmest since record-keeping began in 1850, despite the cooling effect of the weather pattern called La Nina.

The U.N.'s weather agency says this marks the 27th year in a row the global average temperature — 58 degrees Fahrenheit (14.45 degrees Celsius) in 2012 — surpassed the 1961-1990 average.



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