

WEEKLY GLOBAL ENERGY Markets SNAPSHOT

February 2, 2015 – February 6, 2015

News you missed during the week...



Climate Change is the Biggest Risk

The head of the Philippines Climate Change Commission says extreme weather events that have devastated the country are validating what science has long warned and that climate change remains the biggest risk for governments and businesses.

(Source: <http://www.cipore.org/climate-change-is-the-biggest-risk-lucille-sering/>)

Abu Dhabi Cuts Oil Prices to Six-Year Lows Amid Global Rout

Abu Dhabi, the desert emirate holding about 6% of the world's oil, cut export prices for its crude for the seventh consecutive month and to the lowest since 2009 amid a global price slump. Murban crude, its main grade, sold in January for \$46.40/bbl, or 23% below December's level. Murban hasn't sold for less since February 2009 based on Bloomberg data. Oil has fallen 46% in the last six months as swelling supply, mainly from North American shale deposits, has outpaced demand. OPEC decided to maintain its output target on Nov. 27, fanning speculation that Saudi Arabia and other group members are seeking to preserve market share and make non-OPEC producers bear some of the burden of reducing the supply glut.

(Source: <http://www.worldoil.com/news/2015/2/4/abu-dhabi-cuts-oil-prices-to-six-year-lows-amid-global-rout>)



India Plans 4.2-Gigawatt Wind and Solar Energy Park

India's SJVN Ltd. will hire a consultant for setting up a 4.2 gigawatt clean energy park in Gujarat, the home state of Prime Minister Narendra Modi. The state-owned power utility will call for tenders in the next two months and expects to begin work on the hybrid clean energy park by the end of 2015. The company plans to set up 1 gigawatt of solar and wind power in the next three years as part of the project's first phase at a cost of \$1.05 billion – 75% will be funded through debt. In the second phase, the company may invite private developers to participate. India plans to more than double the share of renewables in its energy mix by the end of this decade from 6 percent at present.

(Source: <http://www.renewableenergyworld.com/rea/news/article/2015/02/india-plans-4-2-gigawatt-wind-and-solar-energy-park>)



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Arctic Oil On Life Support

Oil companies have eyed the Arctic for years. With an estimated 90 billion barrels of oil lying north of the Arctic Circle, the circumpolar north is arguably the last corner of the globe that is still almost entirely unexplored. As drilling technology advances, conventional oil reserves become harder to find, and climate change contributes to melting sea ice, the Arctic has moved up on the list of priorities in oil company board rooms. However, the first month of 2015 has darkened Arctic dreams even further. Oil companies are scratching their heads trying to figure out how to deal with a collapse in oil prices, now below \$50 per barrel.

(Source: <http://www.europeanenergyreview.eu/site/pagina.php?id=4337>)



Obama Pulls Plug On \$1.65 Billion Carbon-Capture Project



The U.S. Department of Energy announced that it would not be contributing more funds to FutureGen Alliance, a large-scale carbon-capture demonstration project in Illinois. The alliance was funded by a mix of state, private and federal government money. Cost was estimated at \$1.65 billion, with the federal government paying the one billion out of federal stimulus funding. Without the DOE funding, the project is suspended. The 12-year-old project was kicked off by George W. Bush. The project had several incarnations. The most recent plan was to retrofit a shuttered coal-fired power plant in Meredosia, Illinois, with oxy-combustion generators. Carbon dioxide would then be captured and piped 48KM to underground saline formations. About \$116 million has been sunk in the project to date. The DOE says there was some benefit.

(Source: <http://www.mining.com/obama-pulls-plug-on-1-billion-carbon-capture-project-48853/>)