As Poland Exits Coal, a Billionaire Offers First Nuclear Plant

Poland’s second-richest man may beat the government in building the nation’s first nuclear power plant.

Michal Solowow’s Synthos SA, the second-largest European maker of synthetic rubber, signed a memorandum with GE Hitachi Nuclear Energy to build a small 300-megawatt reactor next to the company’s factory in southern Poland, which could be completed as early as 2027. That’s six years earlier than the government expects to build its first plant in a plan to construct at least 6 gigawatts of nuclear and cut the nation’s reliance on coal for electricity generation.

“Small modular reactors can play a significant role in addressing Poland’s energy challenges,” Sololow said Tuesday in a statement. They “will improve our chances to move away from coal and have a positive impact on our industry and nation.”

Poland, which gets about 80% of its electricity from burning coal, is slowly coming to terms with the fact that it has no choice but to shed the dirty fuel to meet European Union climate goals. To do so, it’s energy policy is counting on gas, offshore wind, solar energy and nuclear, which it sees generating about 20% of its needs by 2040.

Solowow hopes that GE’s small modular reactor will be licensed in North America in 2024, which would would allow the company to build the unit in 2027, he said by telephone on Tuesday. Katherine Poseidon, a European policy analyst at BloombergNEF, said she doesn’t expect the first SMR to be online before 2026.

Solowow, whose energy-intensive businesses also produce ceramic tiles and wood flooring, seeks to produce cheaper and cleaner electricity than coal, which is becoming more expensive in power generation as the EU’s climate policy makes carbon-dioxide permits more expensive. The richest Pole, Zygmunt Solorz, earlier this year announced a push to promote green solutions.

The estimated costs of large nuclear projects in France, the U.K. and Finland have repeatedly been increased. Poland’s Energy Ministry in the 2040 policy published last year doubted that small reactors could be used any time soon and said investing in them would be “irrational.”

GE Hitachi says that small reactors are as much as 60% less expensive to build than regular ones and could compete with gas-fired plants and renewable energy.

“Small modular reactor technology is still a long way from commercialization,” BNEF’s Poseidon said. “It is definitely a big step for Poland – it shows they’re serious about developing zero-carbon power generating capacity.”

QP commences supply of very low sulphur fuel oil at RLIC port

Qatar Petroleum (QP) has commenced the supply of Very Low Sulphur Fuel Oil (VLSFO) at Ras Laffan Industrial City (RLIC) Port. The VLSFO marine fuel offering has been initiated in advance of the International Maritime Organisation (IMO) 2020 regulation for a 0.50% global sulphur limit for marine fuels, which will come into effect from January 1, 2020. “We are proud to be one of the first countries to limit the availability of marine fuels to only grades that are compliant with the IMO’s 2020 regulation for a 0.50% global sulphur limit,” said HE Saad bin Sherida al-Kaabi, Minister of State for Energy Affairs as well as QP president and chief executive. QP, in conjunction with Woqod, initiated bunkering services in Qatar in June 2017 with the importation of its maiden HFO cargo (RMG 380 CST 3.5% sulphur) in order to cater to the bunkering needs of both Qatargas' LNG fleet and other vessels calling on Ras Laffan and the region. From June 2017 through August 2019, QP has successfully supplied over 1.5mn tonnes of marine fuel to RLIC Port, which allows the further servicing for marine fuel at both RLIC Port and other ports in Qatar. QP has invited all vessel owners and operators seeking IMO 2020 compliant VLSFO to avail the services available at RLIC Port and other ports in the state whenever their vessels are calling at or passing by any of Qatar's ports. "We hope this (commencement of VLSFO) constitutes a major step towards protecting the regional and global environment in line with environmental objectives of the Qatar National Vision 2030," al-Kaabi said.

Nakilat posts 10.5% surge in nine-month net profit to QR728mn

Nakilat reported a 10.5% year-on-year increase in net profit to QR728mn in the first nine months of this year.

The company's positive financial performance can be primarily attributed to better operational performance in managing its liquefied natural gas (LNG) and liquefied petroleum gas (LPG) vessels.

It also realised higher revenues on additional income from the acquisition of two additional LNG carriers and one floating storage regasification unit (FSRU) in 2018, as well as higher LPG shipping rates worldwide.

Nakilat has also successfully managed to reduce operational expenses through continuous rationalisation of activities, process enhancements, and cost optimisation initiatives to remain efficient, leading to a significant increase in the share price of the company during this period.

“Nakilat’s strong financial performance bears testament to the company’s ongoing emphasis and continuous improvements to remain competitive within the global energy transportation market, sustaining healthy cash flow and generating steady returns for our shareholders,” said Nakilat chief executive Abdullah Fadhalah al-Sulaiti.

In the coming years, Nakilat expects to take on greater ship management responsibilities following the second phase of LNG fleet management transition from Shell and management transition of FSRU, as well as the addition of four new build LNG carriers to its fleet.

Nakilat’s superior operational excellence in energy transportation and maritime services not only supports Qatar’s vision in developing the LNG market, but also contributes towards developing the country’s shipping and maritime industry, al-Sulaiti said.

“With greater demand for clean energy globally, Nakilat is ambitious in expanding our international outreach and diversifying our portfolio to meet the growing energy transportation needs. Together, we will remain focused on achieving our strategic goals while prudently navigating challenges, propelling Nakilat forward as a global leader and provider of choice for energy transportation and maritime services,” he added.

QP joins global energy resources transparency initiative in Mideast first

Qatar Petroleum (QP), the country’s hydrocarbon major, has officially joined the Extractive Industries Transparency Initiative (EITI).

QP joined the EITI as a supporting entity, thus becoming the first national oil company in the Middle East to join this multi-stakeholder organisation that promotes open and accountable management of oil, gas and mineral resources.

“As our operating footprint expands beyond Qatar, it is important that we are known as an open and trustworthy organisation, one that is sought after as a partner of choice within the industry,” said HE Saad bin Sherida al-Kaabi, Minister of State for Energy Affairs as well as QP president and chief executive.

Pledging a leadership role in advocating the EITI principles regionally and internationally, he said QP knows the benefits of conducting business in a professional and transparent manner.

“We are committed to ensuring that this practice is applied, wherever we operate. Together with the EITI, we will continue to proactively promote transparency throughout the petroleum industry,” al- Kaabi said.

Based in Oslo, Norway, and established in 2002, the EITI is guided by the belief that a country’s natural resources belong to its citizens.

As a coalition of governments, companies, investors, civil society groups, financial institutions and partner organisations, the EITI works to build trust between governments, companies and civil society.

Corporate supporters of the EITI include mining firms, international oil companies and other major players in the oil and gas industry.

The initiative is focused on the disclosure of information along the extractive industry value chain-from the point of extraction, to how much revenues go to government treasuries, and to how the resources benefit the economy and society in general.

The EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to promote reforms for greater transparency and accountability within the global extractive sector.

Nebras and Kepco in deal to boost joint energy investments

Nebras Power, a joint venture of Qatar Electricity and Water Company (60%) and Qatar Holding (40%), has entered into an agreement with Korea Electric Power Corporation (Kepco).

Under this agreement, Nebras Power and Kepco will jointly identify and invest in projects that utilise different fuels, including renewable energy.

The memorandum of understanding (MoU) between Nebras Power, the leading Qatar-based power investment company, and Kepco, the largest state-owned utility provider in Korea, is a pioneering agreement that strengthens the strategic co-operation between two international companies in the field of energy investments.

“At Nebras Power we are always endeavouring to strengthen our relationships with prominent international organisations through seminal projects and initiatives. This MoU with Kepco illustrates our promise to broaden our portfolio of investments worldwide,” according to Fahad bin Hamad al-

Mohannadi, Nebras Power, chairman.
Nebras Power is currently focused on building its investment portfolio in a progressive and balanced manner as part of its commitment to the 2030 National Vision.
Further to this mandate, it will continue to hike its generation capacity from electricity and water while taking into account the importance of diversity in fuels.
“This agreement is representative of Nebras Power’s prominent role in the energy sector and its ambition to secure robust investments globally by creating new partnerships and studying investment opportunities with trusted international partners,” said Khalid Mohamed Jolo, chief executive of Nebras Power.

Mining industry seeks to polish tarnished reputation

The global mining industry is increasingly showing a commitment towards greater respect for human rights and the environment, but is accused of wanting to improve its reputation without seeking real progress.

Wildcat miners, including children, are risking their lives daily to unearth metals and minerals they sell to mining companies. In return, they earn a subsistence wage but not the working rights of a legal and salaried mining group employee.

“While industry initiatives on certain minerals and metals are helpful, companies are still responsible for undertaking comprehensive human rights due diligence across all minerals and metals in their supply chains,” Eniko Horvath, senior researcher at the Business and Human Rights Resource Centre (BHRRC), told AFP.

In June, dozens of illegal miners died when part of a copper mine collapsed in southeastern DR Congo. The mine was in the Kolwezi area operated by Kamoto Copper Company, a subsidiary of the Swiss giant Glencore.
Meanwhile at the start of the year, a dam collapse at a mine operated by Brazilian group Vale unleashed a tsunami of mud that killed more than 200 people while around 100 more went missing.

China, also the scene of fatal mining accidents, has additionally been in the spotlight for its dumping of toxic waste in Baotou, Inner Mongolia, as Beijing drives global production of rare earth elements used in key technologies such as smartphones.

Faced with rising criticism, the mining industry says it wants to adopt standards of good governance.

The London Metal Exchange, the global centre for trading in industrial metals, recently adopted new ethical standards to ensure better traceability of raw materials, especially those most at risk such as cobalt used heavily in high-end technology.

“As metals play an increasingly important role in society with increased focus on ethical supply chains, the LME's role and responsibility is vital," the exchange's incoming and first female chair Gay Huey Evans said on her appointment.

Earlier this month, the World Gold Council (WGC) issued "Responsible Gold Mining Principles", although the guidance is non-binding.

The industry body calls upon its members to "respect the human rights" of workers and communities affected by mining activities.

"We will work to ensure that fragile ecosystems, critical habitats and endangered species are protected from damage and we will plan for responsible mine closure," according to another directive.

A spokesman for Barrick Gold, the world's largest producer of the precious metal, told AFP that the group was already meeting or exceeding the new WGC guidance, while Glencore has laid out a similar charter to that provided by the World Gold Council.

Elsewhere, BMW along with German chemical giant BASF and Samsung last week announced a joint project to ensure "responsible" cobalt mining in DR Congo.

"It's great to see these statements of purpose and expressions of a willingness to meet these standards, but they have to be matched with action," Amnesty International official Lucy Graham told AFP.

"What we really want to see is laws that are going to legally require industry to mine minerals responsibly and transparently."

Jamie Kneen, from MiningWatch Canada, said he believed companies and industry bodies were simply providing "yet another effort at PR whitewash".

He added: “The standards that they are incorporating are… self-administered and audited by unaccountable third parties; and they are explicitly focused on providing confidence to investors and buyers with not even a mention of host or affected communities.”

Kneen said there was a need for “enforceable… legal and regulatory standards at all levels”.

To help companies face their responsibilities, human rights group BHRRC has this month launched a dedicated website, the Transition Minerals Tracker.

It “seeks to improve the human rights practices of companies that produce the minerals vital to the renewable energy and electric vehicles sectors, by shedding light on the key human rights risks in the geographies where they operate”, noted Horvath.

US beats Saudi to become top oil exporter on shale boom

The U.S. briefly became the world’s No. 1 oil exporter as record shale production found its way to global customers, and there are prospects for more.

Surging output from shale helped America ship almost 9 million barrels a day of crude and oil products in June, surpassing Saudi Arabia, the International Energy Agency said in a report, citing gross export figures. There’s room to send even more supply overseas as companies add infrastructure to transport the burgeoning production from fields in Texas and New Mexico to the coast.

Gains in U.S. supply are undermining efforts by the Organization of Petroleum Exporting Countries and its allies, whose production cuts are in their third year in a bid to drain stockpiles. The swelling American output, as well as deepening concerns over global demand fueled by a prolonged U.S.-China trade war, have prompted a drop of almost 20% in benchmark Brent crude from an April high.

The expansion in America’s exports in June was helped by a surge in crude-oil shipments to more than 3 million barrels a day, the IEA said. At the time, Saudi Arabia was cutting its exports as part of the OPEC+ agreement, while Russian flows were constrained by the Druzhba pipeline crisis.

The Saudis reclaimed the top exporter’s spot in July and August as hurricanes disrupted U.S. production and the trade dispute “made it more difficult for shale shipments to find markets,” the IEA said.

The tussle for the No. 1 slot could remain tight in the months ahead. As Saudi Arabia continues to curb production, the IEA said America’s crude exports could rise by a further 33% from June levels to as much as 4 million barrels a day as new export infrastructure gets built in the fourth quarter of this year.

Shell enters Australian power industry with ERM Power bid

MELBOURNE (Reuters) – Royal Dutch Shell has made its first foray into Australia’s highly competitive power sector with a A$617 million ($419 million) takeover offer for ERM Power Ltd, the country’s no.2 energy retailer to businesses and industry.

The deal would instantly give Shell a power supplier with almost a quarter share of the commercial and industrial retail market in Australia, second only to Origin Energy in that space. It will also get two gas-fired power stations.

Shell, already one of Australia’s biggest gas producers, wants to use its global scale in oil and gas to build a power business, as the world rapidly shifts toward cleaner energy. It plans to boost annual spending on the strategy to between $2 billion and $3 billion by 2025.

“This acquisition aligns with Shell’s global ambition to expand our integrated power business and builds on Shell Energy Australia’s existing gas marketing and trading capability,” Shell Australia’s Country Chair Zoe Yujnovich said in a statement.

ERM agreed to the offer, pitched at a big 43% premium to its last closing price, and recommended shareholders should accept it in a vote expected in November.

ERM’s founder and top shareholder, Trevor St Baker, who speaks for 27% of the company’s shares, said in a statement he would accept the offer of A$2.465 a share if no higher bid emerges.

Shell, which was advised by UBS, said Australia is one of the core markets for its new ‘Emerging Power’ theme, focused on strong growth in renewables to complement traditional fuels.

The ERM acquisition fits well with Shell’s recent takeover of German solar battery maker sonnen, which has a presence in Australia, giving Shell a small foothold in selling to households alongside ERM’s big business customers.

The power business will also give Shell another product to sell to its long established big fuel customers, like miners.

ERM Chief Executive Jon Stretch said there was little overlap with Shell’s existing business in Australia, so he expected most of ERM’s staff would remain with the business.

“It’s clear that there’s little in the way of overlap and cost synergies and the focus will be on combining for growth opportunities,” he told reporters on a conference call.

ERM’s shares soared to a four and a half-year high of A$2.50 after the bid was announced and last traded at A$2.44, just below the offer price, indicating investors don’t expect a higher offer to emerge.

The company on Thursday reported underlying earnings of $90.5 million for the 2019 financial year, down 7% from a year earlier, as sales fell 8% to 17.7 terrawatt hours (TWh) of power. It forecast sales would grow to 18.5 TWh this year.

Origin Energy, which also reported its results on Thursday, said it was undaunted by the pending entry of Shell in power retailing, saying Origin has managed to grow its share of commercial and industrial customers even with ERM as a strong competitor to date.

“It continues to be a competitive market. It’s hard to anticipate what they may do differently,” Origin Chief Executive Frank Calabria told Reuters in an interview.

https://www.reuters.com/article/us-erm-power-m-a-shellenergyaustralia/shell-enters-australia-power-industry-with-419-million-bid-for-erm-power-idUSKCN1VB2L1

India set to increase energy imports from US: Minister

Bloomberg/New Delhi

India will step up oil and gas imports from the US as the third-biggest oil consumer looks to diversify its supply sources and secure energy for its 1.3bn people.

“When we came to power in 2014, we were not taking any energy from the US and last financial year it was $6bn,” India’s Oil Minister Dharmendra Pradhan said at the Bloomberg NEF Summit in New Delhi. “I’m saying with full responsibility, this is just the beginning and a lot more would be spent in the near future.”

Indian refineries started buying American oil after the US reversed a decades-old law that restricted exports of unrefined crude in late 2015. The processors imported 6.4mn tonnes of crude worth $3.6bn from the US during the financial year 2018-19, according to data from India’s Directorate General of Commercial Intelligence and Statistics. Indian companies also have long-term contracts for purchasing liquefied natural gas from the US.

Some infrastructure constraints in the US Permian Basin are likely to be removed later this year, which will increase supply and may result in India being able to reduce its reliance on the Middle East, the head of Hindustan Petroleum Corp, one of India’s biggest state-run refiners, told Bloomberg last month. Middle Eastern producers supply every two barrels out of three that India imports to meet its crude requirement.

Higher energy purchases from the US will help correct the trade imbalance that President Donald Trump has spoken about. New Delhi’s trade surplus with Washington fell sharply to $17.12bn in the year ended March 31 from $21.26bn a year ago, according to data from India’s trade ministry.

India, which imports 85% of its oil requirements, is also seeking to harness other non-conventional energy sources such as bio-fuels to reduce exposure to oil price volatility, Pradhan said. The goal of becoming a $5tn economy will boost the nation’s energy demand, making it necessary to tap every source, he said. The government has introduced a new policy that encourages bio fuel production from non-food feedstock such as solid and industrial waste and biomass. “Utilising the surplus biomass capacity, India can replace 1% of oil-import dependency,” the minister said.

Sweden’s Biggest Cities Face Power Shortage After Fuel-Tax Hike

Sweden’s introduction on Thursday of a tax aimed at phasing out the nation’s last remaining coal and gas plants to curb global warming comes with an unintended consequence for some of its biggest cities.

Hiking threefold a levy on fossil fuels used at local power plants will make such facilities unprofitable and utilities from Stockholm Exergi AB to EON SE have said they will halt or cut power production.

The move means that grids in the capital and Malmo won’t be able to hook up new facilities including homes, transport links and factories. While Sweden doesn't have a shortage of power, there's not enough cables to ship it to the biggest cities.

"We don't have a problem with generating enough power in Sweden, we have a problem with getting it to where its needed," Magnus Hall, chief executive officer of state-owned utility Vattenfall AB, said in an interview. "This law was added with short notice and I am not sure a proper analysis of it was made."

The tax was introduced in January in a budget deal between the Center Party, Liberals, Social Democrats and the Greens after record long 18 weeks of negotiations. As only one of 73 points hashed out between the political fractions to reach a compromise, time for thorough analysis was probably slim.