

OPEC+ panel revises down oil demand estimate before key meeting



(March 31): A panel of OPEC+ technical experts agreed to revise down oil-demand estimates for 2021, signaling a more negative view of the market just days before the group decides on production policy.

The OPEC+ Joint Technical Committee now estimates that global oil demand will expand by 5.6 million barrels a day this year, down from 5.9 million previously, according to delegates and documents seen by Bloomberg.

The revision, which mainly affects the next few months, follows a recommendation from OPEC Secretary-General Mohammad Barkindo earlier on Tuesday that the coalition should remain very cautious.

At the previous meeting, that sense of caution led to a surprise decision to maintain almost all of the cartel's output curbs, instead of boosting production in anticipation of the economic recovery from the coronavirus pandemic. The Organization of Petroleum Exporting Countries and its allies believe that decision has since been vindicated and the group is widely expected to take a similar stance this week.

The panel "noted with concern that despite the accelerated rate of vaccination roll-outs across the world, there are a rising number of confirmed Covid-19 infections globally, with lockdown measures and travel restrictions being reimposed in many regions," according to the documents.

The reduction is most pronounced from April to June, when on average consumption is now seen 1 million barrels a day lower than prior projections.

That implies that the cartel's primary goal for the coming months – running down excess fuel inventories built up during the pandemic – would only happen slowly unless its production cuts are maintained close to current levels.

While fuel demand in the U.S. has shown strong signs of a rebound, a resurgence of the virus has undermined the recovery elsewhere. That has convinced the cartel it made the right call at its last meeting.

"While last month saw many positive developments, it also witnessed reminders of the ongoing uncertainties and fragility caused by the COVID-19 pandemic," Barkindo said at the start of the videoconference of the OPEC+ Joint Technical Committee on Tuesday, according to a statement from the group.

In the days after the March 4 meeting, when OPEC+ shocked the market by maintaining most of its production cuts, Brent soared to US\$70 a barrel.

Yet the rally soon dissolved as parts of Europe reimposed

lockdowns to contain a virulent strain of the coronavirus, while India and Brazil contended with worsening outbreaks. Crude purchases in Asia slowed as a lackluster tourist season failed to stimulate fuel demand. Meanwhile, oil supplies swelled as Iran ramped up exports to China in defiance of U.S. sanctions.

Within a week of hitting a one-year high, oil futures had surrendered almost US\$10. Brent crude, the international benchmark, closed at US\$64.05 a barrel on Tuesday.

The Oil Industry's Biggest Spending Driller Is Now in China



(Bloomberg) – China's fear of dependence on foreign suppliers means its biggest oil company plans to be the world's top-spending driller this year, even as it says the nation's demand for crude is plateauing.

PetroChina Co. plans 239 billion yuan (\$37 billion) in annual capital expenditure, the company said Thursday in its annual results. That's more than global majors including Saudi Arabian Oil Co., Exxon Mobil Corp. and Royal Dutch Shell Plc, who're trimming spending as they handle the fallout of the coronavirus pandemic on oil prices and fuel demand.

China's quick recovery from Covid-19 means that its demand for oil and gas has fully recovered from the pandemic-induced swoon of early 2020, and President Xi Jinping continues to make energy security a top priority. The government earlier this month called for increased domestic production of coal, oil and gas over the next five years, an effort that's ostensibly at odds with Xi's long-term plan to decarbonize the economy.

The nation's demand for crude oil has already reached a plateau, and refined product consumption will peak and begin to decline in the next decade, Duan Liangwei, PetroChina's outgoing president, said on a conference call Thursday.

Demand for natural gas, one of the cleaner fossil fuels, is still expected to grow, and PetroChina is focusing its upstream operations there.

nooc Ltd., the country's biggest offshore driller, is budgeting 90 billion to 100 billion yuan in spending for this year, compared with a bit less than 80 billion in 2019, although the figure could still be adjusted, Chairman Wang Dongjin said Thursday during the company's annual earnings call.

Still, PetroChina's world-leading capex plan doesn't compare to pre-pandemic levels. The firm had intended to spend 295

billion yuan last year, before lockdowns beginning in January crippled the economy. It ended up shelling out about 246 billion yuan.

PetroChina and Cnooc, along with China's third oil major Sinopec, were forced to cut spending as oil prices cratered on the impact of the pandemic in 2020. Crude has rebounded this year amid production cuts and optimism that vaccines will help revive demand. Sinopec reports its earnings on Sunday.

Green Energy Their focus on fossil fuels aside, China's oil giants are still expected to help the country meet its ambitious goal of reaching net-zero emissions by 2060. PetroChina didn't identify spending targets on green energy on Thursday, although it did say it planned to incrementally increase such spending every year going forward.

The company is looking to peak its carbon emissions by 2025, and achieve "near-zero" emissions by around 2050, although it didn't specify whether that relates only to its own operations, or whether it includes the much vaster challenge of accounting for the emissions from the fuel it sells.

Chairman Dai Houliang said the company plans to utilize wind, solar and geothermal resources and boost industrial use of hydrogen. For its part, Cnooc said it will increase its proportion of natural gas production to 30% by 2025, and expand its offshore wind power business in coming years.

أسعار البنزين.. الهدوء ما قبل

العاصفة



：“كتبت جويل الفغالي في “نداء الوطن

تستمر أسعار المحروقات في لبنان بالإرتفاع بشكل متواصل. حيث سجلت منذ أوائل سنة 2021 حتى اليوم ارتفاعاً بنسبة 40 في المئة لصفحة البنزين الواحدة. ومن المتوقع أن تستمر الأسعار بالإرتفاع مع انهيار العملة الوطنية، والتداول بالدولار في السوق الثانوية على أعتاب 10 آلاف ليرة.

سجل سعر صفحة البنزين بشقيها 95 و98 أوكتان زيادة بقيمة 1000 ليرة، وارتفع المازوت 900 ليرة والغاز 400 ليرة، وأصبحت الأسعار على الشكل الآتي: بنزين 95 أوكتان: 32200 ليرة، بنزين 98 أوكتان: 33200 ليرة، المازوت: 22300 ليرة، والغاز: 24800 ليرة. وكتبرير لهذا الإرتفاع، أوضحت وزارة الطاقة والمياه - المديرية العامة للنفط في بيان، الآلية المعتمدة أسبوعياً لتحديد أسعار مبيع المحروقات، ومنها البنزين والديزل أوئل. وفي التفصيل فان جدول تركيب الأسعار يتكوّن من: المعدل الأسبوعي للأسعار العالمية ؛ وهو عنصر متغير، ويشكل أكثر platts للمشتقات النفطية وفق نشرات من 70% من ثمن البضاعة. من ثم تضاف عناصر تشكل كلفة البضاعة من بلد المنشأ إلى الأراضي اللبنانية من نقل بحري، تأمين، مصاريف مصرفية، ربح وغيرها. وهذه العناصر منها ثابتة، ومنها تحتسب على أساس نسب مئوية ترتبط بحركة الأسعار العالمية للمشتقات النفطية من بعدها تأتي عناصر ثابتة تحتسب بالليرة ومنها الرسوم. platts. والضرائب وهذه العناصر ثابتة ومحددة بالليرة اللبنانية. فيما

يدعم مصرف لبنان ولا يزال حتى تاريخه شراء المشتقات النفطية بنسبة 90 في المئة، فتحتسب هذه النسبة على أساس سعر الصرف الرسمي، في حين يتم احتساب نسبة الـ10 في المئة المتبقية على أساس سعر صرف الدولار في السوق السوداء.

إتجاه النفط عالمياً

الإرتفاعات الأسبوعية الذي شهدتها أسعار المشتقات النفطية في الآونة الأخيرة، "في طريقها إلى التراجع مرحلياً"، بالتزامن مع الإنخفاض المحتمل في سعر برميل النفط عالمياً"، بحسب الخبير النفطي الدولي رودي بارودي. "فمنذ أن بدأت عملية التلقيح ضد فيروس كورونا على المستوى العالمي، بدأت أسعار النفط بالإرتفاع. وهذا يعود لإعادة فتح الأسواق العالمية ومعاودة النشاط الإقتصادي. إلا انه في المقابل شهدت سوق الطيران تراجعاً ملحوظاً. حيث انخفض عدد الرحلات الجوية من حوالى 140 ألف رحلة في شهري آذار ونيسان من العام 2020، إلى حدود 30 ألف رحلة حالياً. وإذا استمر وضع سوق الطيران في الفترة القصيرة المقبلة على ما هو عليه اليوم، واستمر التراجع في الطلب على النفط، من القطاعات التي تعتمد على الطاقة بكثافة، فان سعر برميل النفط عالمياً سيعود وينخفض مرحلياً إلى ما بين 55 و62 دولاراً". وهذا ما سيؤدي، برأي بارودي، "إلى تخفيف الضغط في السوق المحلي من أحد أهم عنصرين يشكلان الأسعار، أي أسعار النفط عالمياً، وسعر صرف الدولار. ومن وجهة نظر بارودي فان "هذه الانخفاضات العالمية في حال حدوثها ستكون موقته. حيث من المنتظر ان تعاود "أسعار النفط ارتفاعها مع استعادة الاقتصادات تدريجياً لعافيتها

دولار لبنان يبقى المعيار

لكن في حال استمر انهيار الليرة مقابل الدولار، فان قيمة الـ10 في المئة التي على المستوردين تأمينها بالعملة الصعبة سترتفع. الأمر الذي سيؤثر سلباً على الأسعار، ويحرم المواطنين من تراجع أسعار النفط عالمياً. هذا طبعاً، من دون أي حديث عن رفع الدعم أو حتى ترشيده. في ما يتعلق بإرتفاع سعر الدولار في السوق السوداء وتأثيره على أسعار المحروقات، فإن دعم مصرف لبنان الذي لا يزال حتى اللحظة يؤمن دولار استيراد المحروقات بنسبة 90 في المئة سيكون قاصراً عن لجم الاسعار. إذ إن الإرتفاع الحتمي للأسعار عالمياً، وانهيار العملة الوطنية محلياً، واستمرار الغموض وعدم الوضوح في ما خص سياسة الدعم عوامل ثلاثة سترفع، بحسب بارودي، "سعر صرف الدولار مقابل الليرة، وتؤدي إلى مزيد من ارتفاع الاسعار في

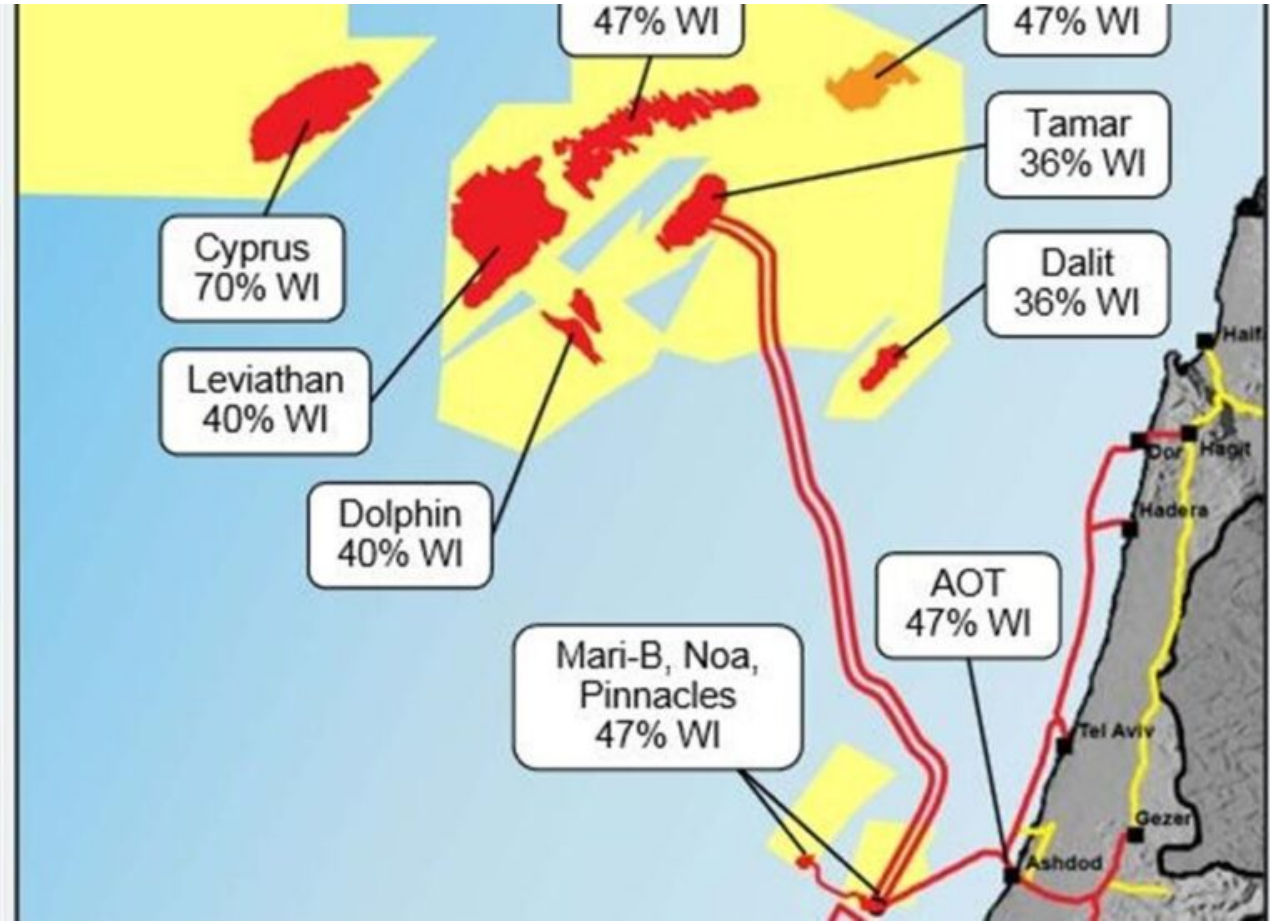
المشتقات النفطية ومختلف السلع والخدمات". ومن هنا لا يستبعد أن يصل سعر صفحة البنزين إلى 50 ألف ليرة أو أكثر، لأن عملية تسعير المحروقات تستند إلى عدة عوامل ومنها سعر النفط العالمي، وطمع وإحتكار المستوردين، وشبهات الفساد في وزارة الطاقة، التي من الصعب حلها في المدى المنظور.

الفقر ثم الفقر

الهمّ النفطي يأتي في الوقت الذي تتفاقم فيه معاناة اللبنانيين يوماً بعد آخر. فالمصير المجهول، وترقب المزيد من الإنهيار والتدهور في القادم من الايام، "يعززهما غياب حكومة تكون بخدمة الشعب"، يقول بارودي. "والبدء بتنفيذ السياسات الإصلاحية المطلوبة، فالمواطنون يقومون بواجباتهم كاملة، سواء بدفع الضرائب والرسوم أو الالتزام بالقوانين. لكن مع الاسف فان الدولة لا تقوم بواجباتها تجاههم. فالموضوع لا يتوقف فقط عند البنزين والمياه والكهرباء، "فهنالك شعب بأكمله يفتقر إلى الحصول على أدنى حقوقه

في المحصلة فان لبنان الغارق في رمال الدولار المتحركة وفساد الطبقة السياسية لن يتأثر ايجاباً من تراجع أسعار النفط عالمياً في الفترة القادمة. حيث من المتوقع الا ينخفض سعر صفحة البنزين عن 30 ألف ليرة. وفي حال صدقت التوقعات بان يكون انخفاض سعر برميل النفط هو الهدوء الذي يسبق "عاصفة" الارتفاع بعد فتح الاسواق، فان سعر جميع المشتقات النفطية سيقفز في السوق الداخلية إلى معدلات قياسية. ذلك بالطبع من دون أن يكون هناك أي رفع أو حتى ترشيد للدعم، حيث إن أي تخفيض في الدعم مع ارتفاع السعر العالمي للنفط، سينتج عنه سعر، لن يكون بمتناول 95 في المئة من الشعب اللبناني.

بالمصور والوثائق... اعتداء إسرائيلي جديد على حقوقنا



في الوقت الذي لا تزال فيه مفاوضات الناقورة بشأن ترسيم الحدود البحرية بين لبنان وإسرائيل متوقفة، وفي الوقت الذي يتردد لبنان في اتخاذ قرار بتعديل حدود هذه المنطقة لصالحه، أقدمت إسرائيل على المزيد من الخطوات العملية التي تسمح لها بالإستيلاء على حقوق لبنان في ثروة النفط والغاز ولا سيما في المنطقة التي تدعي إسرائيل أن لها حقوقا فيها وهي تشكل امتدادا للبلوكات الجنوبية اللبنانية ولا سيما البلوكين ٨ و ٩.

technipFMC ففي رسالة مؤرخة في ٢٣ من الشهر الجاري أشارت شركة اليونانية بأعمال بناء energen الفرنسية إلى أنها مكلفة من شركة المنصة البحرية في حقل كاريش الإسرائيلي الملاصق الحقول اللبنانية، وهو حقل لو عدل لبنان حدود منطقته البحرية ولو استمرت المفاوضات فإن مساحة كبيرة منه ستكون من حق لبنان، وبالتالي فإن هو محاولة لتكريس energen ما أقدمت عليه إسرائيل من خلال شركة أمر واقع يصعب على لبنان تخطيها في مرحلة لاحقة من المفاوضات غير المباشرة إذا لم يسارع لتعديل مرسوم حدود المنطقة الاقتصادية البحرية الخالصة.

وفي هذا الإطار قال الخبير في شؤون النفط والطاقة رودي بارودي اليونانية للنفط التي تعمل في energen إنه “بعدما أعلنت شركة حقل كاريش الواقع على الحدود الجنوبية، أنها لزمّت أعمال بناء الاوفشور بلافورم ومد الانابيب ومضخات استخراج النفط في الحقل الفرنسية، نحذر من التماذي في خرق technipFMC المذكور الى شركة المعاهدات الدولية من قبل الشركة اليونانية ما يعدّ تعدياً واضحاً على المناطق الحدودية البحرية المتنازع عليها بين لبنان وإسرائيل.

وطالب بارودي الدولة اللبنانية بارسال كتاب انذار بهذا الخصوص الى الشركة المعنية للتوقف عن خرق المواثيق الدولية والتوقف عن القيام بأعمال داخل المناطق المتنازع عليها على ان يكون هذا الكتاب بمثابة ربط نزاع مع الشركة للتقدم بشكوى امام المحاكم الدولية المختصة لمنعها من العمل في المنطقة المذكورة وتغريمها في حال عدم توقف الاعمال المخالفة لابطس القواعد القانونية الدولية.

Saudis, Russia Differ Again on Oil Strategy Before OPEC+ Meeting

Saudi Arabia and Russia are once again heading into an OPEC+ meeting on opposite sides of a crucial debate about the oil market.

Riyadh is publicly urging fellow members to be “extremely cautious,” despite prices rebounding to a one-year high. In private, the kingdom has signaled it would prefer that the group broadly holds output steady, delegates said. Moscow, on the other hand, is indicating that it still wants to proceed with a supply increase.

The positions mirror those taken at recent meetings, but this time the Saudis have a new bargaining chip – 1 million barrels a day of voluntary cuts. The kingdom pledged to make these extra curbs only in February and March, but some see signs that could change as the negotiations get underway.

“The key question for me is how they return the Saudi barrels,” said Bill Farren-Price, a director at research firm Enverus and veteran observer of the cartel. The kingdom could potentially use them as “leverage for getting a deal,” he said.

Bargaining Chip

Ten months after slashing crude production when Covid-19 crushed global demand, the Organization of Petroleum Exporting Countries and its allies are still withholding 7 million barrels a day from the market, about 7% of global supply.

It’s been a sacrifice, with members such as Iraq and Nigeria struggling economically as exports dropped. But it has yielded results, reviving prices to above \$65 a barrel in London and shoring up producers’ battered revenues.

By most estimates, the cuts have meant oil demand exceeded production this year by a wide margin. The supply gap grew even wider last week as freezing weather in Texas caused a slump in U.S. output.

When OPEC+ gathers on March 4, it will discuss whether to provide more crude to the market in April. There will be two crucial decisions.

First, the group as a whole must choose whether to restore as much as 500,000 barrels a day, the next step in a gradual revival of production that was agreed on in December, but paused at the January meeting.

Second, Saudi Arabia must determine the fate of the extra 1

million barrels a day of extra voluntary cuts it is making this month and next to help clear surplus inventories even more quickly.

The kingdom initially announced this reduction would be reversed in April, but their latest thinking is fluid and the next move hasn't been finalized, delegates said. Offering to maintain some part of this voluntary cut in April could give Riyadh a useful bargaining chip if it's seeking to limit the group's overall output increase.

"Some easing in production restraint is likely at the March meeting," said Bob McNally, president of consultant Rapidan Energy Group and a former White House official. "The real bargaining has yet to start and no decision has been pre-baked."

Looming Debate

Having differed over the pace of supply increases at the last two ministerial meetings, public comments from Riyadh and Moscow indicate that another debate looms.

Russian Deputy Prime Minister Alexander Novak said on Feb. 14 that "the market is balanced." While he hasn't publicly expressed a policy preference for the March 4 discussions, Novak argued at the last two OPEC+ meetings for production increases.

Novak's Saudi counterpart also appears to be sticking to a familiar position.

Acknowledging his stance might be unpopular, Saudi Energy Minister Prince Abdulaziz bin Salman warned his fellow producers against complacency. The group must recall the "scars" of last year's crisis and be "extremely cautious" in its next move, he said.

"The football match is still being played, and it's too early

to declare any victory against the virus,” the prince said. “The referee is yet to blow the final whistle.”

Saudi Gift

Both arguments have merit.

This year’s 20% rally in crude prices has been sharp enough for major consumers such as India to complain about the squeeze, and for Wall Street banks and trading houses to predict further gains.

Global inventories are falling “very fast” and are set to diminish sharply later this year, according to the International Energy Agency. Demand for petroleum products that cater to societies working and consuming at home is booming.

After freezing storms in Texas shuttered as much as 40% of U.S. crude production in the past week, the clamor for barrels from refiners in some regions has grown stronger. There’s also the risk for OPEC+ that, once the weather-related disruption in the shale heartlands abates, high prices would provoke a new flood of supply.

But at the same time, inventories remain significantly above average levels and the IEA forecasts they could pile up again next quarter. The supply disruption from the U.S. freeze won’t last long enough to cause a shortage, according to OPEC+ delegates, who asked not to be identified because the information isn’t public.

Even after the rally, prices are still below the levels most OPEC members need to cover government spending, giving Riyadh extra leverage.

“The elephant in the room is Saudi Arabia’s gift of 1 million barrels a day in extra cuts,” said Bjornar Tonhuagen, an analyst at consultants Rystad Energy AS. “If the gift is

snatched back, prices cannot do else but decline.”

Restarting Texas's Frozen Energy Heartland Will Be a Climate Mess



Like a cold-blooded animal—a lizard or a snake—the petrochemical hub that is the state of Texas went dormant during the deep freeze. Eventually, it'll wake up again, and when it does the damage will be worse than if it never went to sleep.

Filings submitted in recent days to the Texas Commission on Environmental Quality, or TCEQ, already show significant emissions related to stopping and restarting fossil fuel infrastructure. It's an indication of what's to come in a

state that's home to a quarter of U.S. natural gas production as well as half the oil production.

An Exxon Mobil Corp. ethylene plant in Baytown, one of the world's biggest, reported the release of nearly a ton of the carcinogen benzene and 34 tons of carbon monoxide, which contributes to air pollution. Shutting off Valero Energy Corp.'s Port Arthur Refinery resulted in the release of more than 2 tons of sulfur dioxide, another pollutant. Events at two facilities belonging to Pioneer Natural Resources Co. led to the escape of more than 12 tons of natural gas; methane, main component of natural gas, has many times the global warming potential of carbon dioxide.

"This is an environmental disaster on top of a public safety and human health disaster," said Luke Metzger, executive director of Environment Texas, an advocacy group.

Refineries must flare off or otherwise release trapped pockets of gas when starting up or shutting down. While weather-based shutdowns are often unavoidable and done in the interest of safety, they can result in emissions that go far above allowable levels. "These events are not exempt from pollution laws," Metzger said. "It's likely the events at these facilities could have been avoided."

Exxon spokesman Todd Spitler emphasized that the shutdowns were due to the freezing weather and curtailment of natural gas supplies. "Any units that remain in operation are dedicated to exporting electricity back into the grid," he said. Representatives from Valero didn't respond to a request for comment; a spokesperson for Pioneer declined to comment.

This is the second time in less than six months the Texas oil industry has dealt with mass shutdowns due to extreme weather. The 12 hours after Hurricane Laura hit Port Arthur in August saw the release of more than 2,000 tons of emissions.

"I expect the oil industry is going to have numerous problems

restarting, similar to what they encounter after a hurricane, such as damaged cooling towers and other equipment,” said Andy Lipow, president of Lipow Oil Associates in Houston. “The industry also has to be wary of water freezing and cracking pipes, which could release hydrocarbons into the atmosphere and cause an explosion and fires.”

As of Monday, at least seven Texas refineries were attempting to restart; all of them sustained some weather-related damage, and some still lacked sufficient power to begin the process. More challenges will likely emerge in the coming days, and it may take a few weeks for operations to return to normal.

The heightened risk of explosions are a grim reminder of what followed the onslaught of Hurricane Harvey in 2017. Floods at an Arkema SA chemical plant about 25 miles east of Houston knocked the refrigeration system offline, which imperiled the facility’s store of heat-sensitive organic peroxides. People living within 1.5 miles of the facility evacuated a day before trailers holding the chemicals “spontaneously combusted,” according to a Chemical Safety Board investigation. Arkema did not respond to questions.

The full scope of pollution from restarting petrochemical facilities following the freeze won’t be clear until next month. Companies must file final reports within two weeks, and TCEQ evaluates the disclosures against its rules governing emissions.

TCEQ is responsible for both the state’s air and water, the latter of which is also a concern for leadership. “We’ll examine what worked, what didn’t work so well, and what we can do to make things better next time—or, better yet, prevent it from happening again,” said Toby Baker, the agency’s executive director.

Environmentalists fault the state’s political leadership and oversight agencies with extending the industry too much

leeway, potentially endangering people and property as a result. They're also concerned that this week's failures won't be properly investigated to document their causes.

The state regulatory agencies' approach "means we aren't going to find out because they're aren't going to look," said Sharon Wilson, Texas organizer for Earthworks, an environmental nonprofit. "We have no reason to believe that they're going to try to find the pollution fallout from this extreme weather."

– *With assistance by Kevin Crowley*

US rejoins Paris climate accord with warning: this year's talks are 'last, best hope'



The US has marked its return to the Paris agreement by urging countries to do more to confront the climate crisis, with America's climate envoy, John Kerry, warning that international talks this year are the "last, best hope" of avoiding catastrophic global heating.

On Friday, the US officially returned to the Paris climate accord, 107 days after it left at the behest of former president Donald Trump. Joe Biden moved to reverse this on his first day in office and Kerry conceded that the US is returning "with a lot of humility, for the agony of the last four years".

"This is a significant day, a day that never had to happen," Kerry said to Al Gore, the former US vice-president, in a conversation filmed on the eve of the re-entry. "It's so sad that our previous president without any scientific basis or any legitimate economic rationale decided to pull America out. It hurt us and it hurt the world."

The contrition of the Biden administration is, however, balanced by a desire to resume the mantle of leadership at a time when almost every country is struggling to undertake the swift emissions cuts required to avert disastrous global heating of 1.5C above the pre-industrial era, as outlined in the Paris deal.

Kerry said that none of the world's major emitters, including China, India and the EU, are doing enough and that key UN climate talks later this year in Glasgow, Scotland, provide the "last, best hope we have" to get the world on track to avoid runaway climate change.

"The meeting in Glasgow rises in its importance," said Kerry, a former US secretary of state. "We are at this most critical moment where we have the capacity to define the decade of the 20s which will make or break us to get to net zero carbon in 2050." Kerry said that countries will have to "define in real

terms their roadmap for the next 10 years, the next 30 years. We are talking about a reality we haven't been able to assemble in these meetings so far."

Kerry said that coal use needs to be phased out far more quickly, coupled with a rapid escalation of electric vehicles and renewable energy, and that he hoped to "build some new coalitions and approach this in a new way". The US climate envoy said he had reached out to the pro-fossil fuel leaderships in Brazil and Australia, which have "had some differences with us, we've not been able to get on the same page completely".

"For the last four years there were a lot of times when a lot of us thought the failure of this enterprise may rest on one word: Trump," Kerry said in an event on Friday to mark the Paris re-entry. "But the international climate regime is still standing."

While emissions worldwide from factories, airplanes and cars dipped sharply last year due to pandemic-related lockdowns, there are already signs of a roaring comeback that risks blowing past the agreed temperature limits and unleash worsening heatwaves, flooding, storms and societal unrest. The narrowing window of time to avoid climate breakdown means there is only brief cheering over the return of the US, the world's second largest emitter of greenhouse gases.

"It's good to have the US back in the Paris agreement, but sadly we have no time to celebrate," said Laurence Tubiana, France's climate change ambassador and a key architect of the Paris agreement. "The climate crisis is deepening and this is the year we need all major polluters to step up and deliver stronger plans to deliver a safe, clean and prosperous future for everyone."

The US will release a new emissions cut pledge ahead of a 22 April summit convened by Biden with other major emitting

countries and Tubiana said this goal should be “at least” a 50% reduction in greenhouse gases by 2030, from 2005 levels. The US, under Barack Obama, promised a 26% cut by 2025 and got about halfway to this target before the Covid-19 outbreak.

A coalition of nearly 200 environmental and humanitarian groups have urged the Biden administration to move well beyond the largely symbolic act of rejoining the Paris agreement by contributing billions of dollars to help defend poorer countries vulnerable to climate impacts and “lead with actions rather than just words”.

“The climate crisis is a race against time, and the US is just reaching the starting line after years of inaction,” said Jean Su, energy justice director at the Center for Biological Diversity. “As the world’s largest historical polluter, the United States must take its fair share of robust climate action on both the domestic and global stage.”

Germany’s Empty Pipeline Logic



Although the Nord Stream 2 gas pipeline is only 100 miles from completion, the transformation of world energy markets since construction began implies that the project no longer makes economic sense. So why is German Chancellor Angela Merkel determined to see it through to the end?

HAMBURG – Nord Stream 2, the almost-finished pipeline running directly from Russia to Germany, is not really about securing cheap natural gas. It is about personal gain and these two countries' national interest.

The pipeline across the Baltic has pitted the United States and the European Union against Germany, and a swelling chorus of domestic critics against Chancellor Angela Merkel. If it were just a matter of gas molecules, the project might never have seen the light of day. So, why did it?

Go back to 2005, when Gerhard Schröder and Russian President Vladimir Putin sealed the deal just before Schröder stepped down as chancellor. Shortly after handing power over to Merkel, the Russian energy giant Gazprom, essentially a Kremlin affiliate, named Schröder chairman of Nord Stream AG's

shareholders committee. In 2016, Schröder rose to the top of Nord Stream 2, with Gazprom the only shareholder.

Ever since, Schröder has been Putin's tireless point man. Schröder never tires of repeating that he did it for the good of Germany, because it locked in energy security at decent prices.

In fact, Germany and Western Europe do not need Nord Stream 2. The oil price has more than halved since its 2008 peak. And with ever more new gas fields coming onstream, especially in the Mediterranean, not to mention North America, the price of gas has dropped by almost four-fifths over this period. Nor is the gas glut likely to be temporary, given ever more renewables surging into the market.

There are already 13 pipelines running from Russia to Europe, delivering some 250 billion cubic meters (m³) of gas. Nord Stream 2 will raise dependence on Russia, but much more is at stake, because the pipeline circumvents Ukraine and Poland. For Putin, Ukraine, a former Soviet republic, rightfully belongs to the *rodina*, the Motherland, and he has already grabbed two pieces: Crimea and the Donbas. Likewise, he believes that Poland, a former satrapy, should be part of Russia's sphere of influence.

Nord Stream 2 enables Putin to weaken both countries by depriving them of transit fees and breaking Ukraine's grip on the tap. In 2020, Ukraine earned \$3 billion in fees from transporting some 50 billion m³ of gas. Nord Stream 2 could pump about the same amount of gas – a neat coincidence. Schröder's Gazprom gambit would enable Putin to apply the screws to Ukraine (and Poland), at a time when the government in Kyiv is desperately trying to resist Russian pressure on Ukraine's already-weak economy.

Schröder was not really thinking of Germany or Europe when he got his friend Putin to top up his modest chancellor's pension

of €93,000 (\$113,000) per year. The real puzzle is Merkel. When former US President Donald Trump told her, “You’ve got to stop buying gas from Putin,” she did not budge. An unnamed German official vowed: “We will do anything it takes to complete this pipeline.”

Presumably, energy supplies are not uppermost in Merkel’s mind. This is not about the “low politics” of gas and cash, but the “high politics” of states seeking power and position. Regardless of how often Germans and Russians have been at each other’s throats, the enduring reflex goes back to Bismarck, who famously told the country in the middle: “Never cut the link to St. Petersburg.” In other words, keep the peace with the giant on Germany’s eastern flank.

Though now sheltered by NATO, the Federal Republic has been honoring Bismarck by practicing propitiation, or at least benevolent neutrality. With her fine sense for power, Merkel is not swooning over Russian gas, but sticking to a classic rule of German diplomacy.

Even during the Cold War, West Germany defied three American presidents – Nixon, Carter, and Reagan – by bartering steel pipes for Soviet energy. But what might have made economic sense during the global oil shocks of the 1970s now reflects only Bismarck’s admonition: Don’t rile the Russians.

Today, however, Merkel is acting on a new stage, and not only because of oversupply and dwindling demand as the industrial world shifts to solar, wind, and higher efficiency. Suddenly, Merkel is “home alone.” It is not just the US, Britain, and nervous East Europeans who want to reduce Nord Stream 2 to scrap. Even the French are turning against the deal.

Reliant on nuclear power, France doesn’t need Russian gas. It worries more about Germany’s “special relationship” and Russia’s lengthening shadow over Europe. Just this month, Russian foreign minister Sergey Lavrov threatened to rupture

relations with the EU if it imposed new sanctions.

In addition, Merkel faces unprecedented headwinds on her own turf. Even prominent fellow Christian Democrats and the pacifist-minded Greens have turned against Putin. So have parts of the liberal media, which usually zeroes in on imperial America.

Why? Two words: Alexei Navalny. Facing his most dangerous rival yet, Putin has overplayed his hand. The Kremlin's attempted murder of Navalny, and now the longish prison sentence meted out to him, has rattled Germany's political class. In democracies, moral revulsion beats Merkel-style realpolitik.

Merkel has maneuvered Germany into isolation. But the smart bet is that Nord Stream 2 will be completed. With only 100 miles left to go, it defies the imagination to believe that a €10 billion project would be buried beneath the Baltic sands. In the end, the Germans will not affront the Russians, and US President Joe Biden will go easier on Germany than Trump did. The wheeling and dealing has already begun. Germany is dangling some juicy carrots before Biden, promising to raise subsidies for the construction of German liquefied natural gas terminals that will take in American LNG. Germany also vows to work hard on new rules that would ensure the continued transit of gas through Ukraine. Poland will get funds for LNG terminals. There is talk that Germany would shut off Nord Stream 2 if Russia violated international law and human rights. Please, President Biden, just lift the sanctions.

A deal *will* be struck. But who will "negotiate" with the energy market? The court of supply and demand may issue this definitive verdict: no need for another pipeline. If so, Nord Stream 2 may just rot away underneath the Baltic – a monument to greed and folly.

Texas' Gas-Export Clampdown Shocks Market as Blackouts Ebb

Texas is restricting the flow of natural gas across state lines in an extraordinary move that some are calling a violation of the U.S. Constitution's commerce clause.

Texas Governor Greg Abbott on Wednesday told a media briefing that he was banning gas from leaving the state through Feb. 21 to ensure in-state power generators had ample supplies. Less than 24 hours later, Texas's top energy regulator told gas producers to offer supplies for sale in-state before shipping it elsewhere, citing the governor's mandate.

Under the Constitution's so-called commerce clause, state governments are prohibited from interfering in interstate trade. Abbott said a disaster declaration he issued on Feb. 12 gave him latitude to impose such restrictions.

Abbott said he was forced to act as millions of Texans remain without power. By late Thursday morning, the number of blacked-out customers was down to about 500,000 from more than 4 million two days earlier, according to PowerOutage.us. Meanwhile, gas prices at a key trading hub in Oklahoma slumped 99% in a sign that the worst of the gas squeeze may be over. Still, the timeline to a full restoration of power is unclear.

"Operators should take notice that under this mandate, all 'sourced natural gas' be made available for sale to local power generation opportunities before leaving the state of Texas, effective through February 21, 2021," the railroad

commission said in its directive to drillers.

‘Maximum Withdrawal’

Abbott’s announcement caught some gas traders flatfooted and sowed confusion in a market already dealing with huge upheaval. One West Coast-based trader said he lost \$1 million within minutes. Without being able to read the order, others hurriedly sought answers: Can gas still be exported to Mexico? Is LNG affected?

“This is an authority that is a state authority,” Deputy National Security Advisor Liz Sherwood-Randall said during a media briefing on Thursday. “And we’re in discussion with our Mexican partners as well as with the state officials around the decision that the state officials are taking.”

Benchmark U.S. gas futures fell 3.7% to \$3.101 per million British thermal units at 1:07 p.m. on the New York Mercantile Exchange after rising as much as 2.5% in overnight trading.

Supply for next-day delivery at the Oneok Gas Transportation hub in Oklahoma traded at \$4 per million British thermal units on Thursday, according to traders. That’s down from \$1,250 on the previous day and in line with prices seen just over a week ago. The Oneok hub is a key transit point for gas headed for major population centers such as Chicago.

“This is an abuse of the Texas Disaster Act,” said Jared Woodfill, a prominent Republican attorney who repeatedly challenged Abbott over coronavirus restrictions in 2020. “It’s amazing that there are no limits in Abbott’s mind to what his authority is under the Texas Disaster Act. He’ll take as much power as the courts and the Legislature will let him have.”

The crumbling of the state’s gas supplies as Arctic temperatures took hold at the start of the week has been one of the driving factors behind the cascade of outages.

The calamity unfolding across Texas is somewhat reminiscent of

the California power crisis of 2000-2001 when energy suppliers withheld and redirected electricity and gas out of state even as it faced shortfalls, prompting lawsuits. And yet again, even as Californians endured rolling blackouts amid an extreme heat wave last year, energy suppliers were exporting power to neighboring states. The state's grid operator later blamed market-design flaws.

Dan Woodfin, an executive at Ercot, said in an interview that a lack of gas supply is one of the reasons why it's having trouble getting power plants back online.

Fossil Fuels

One railroad commissioner took an emergency meeting on Wednesday as an opportunity to slam windmills and solar arrays that have become a bigger and bigger part of Texas's energy mix.

"The take away from this storm shouldn't be the future of fossil fuels but rather the danger of subsidizing and mandating unreliable, intermittent resources," Commissioner Wayne Christian said.

The state's gas stockpiles are undergoing "maximum withdrawal," Christi Craddick, the commission's chairman, said at a Wednesday media briefing with the governor and other state officials. She added that some gas plants in South and West Texas are resuming operation amid a thaw.

Top State

Texas produces more gas than any other state, with output at about 23 billion cubic feet a day before the deep freeze, BloombergNEF data show. That's about a quarter of total production from the Lower 48 states. Its two liquefied natural gas export terminals consumed about 4 billion cubic feet a day of gas before the polar blast.

Abbott asked the Freeport LNG export terminal earlier in the

week to dial back its operations. Freeport said it was shutting down two LNG production units in response. Gas flows to all U.S. LNG export terminals fell to a 2-year low on Tuesday.

Texas also exports gas by pipeline to Mexico. Gas is flowing again via the Nueva Era conduit between the two nations after the extreme cold interrupted its operation earlier in the week, according to one of the pipeline's owners.

Abbott also said Wednesday he and other state governors had expressed concern on a conference call with President Joe Biden about the severe spikes in natural gas prices amid the crisis. Spot prices in neighboring Oklahoma rocketed to over \$1,000 per million British thermal units Wednesday, increasing more than 100-fold from a week earlier.

La présidence de Biden offre de « nouvelles opportunités » pour débloquer le gaz de la Méditerranée de l'Est



Athens Energy Dialogues

February
17 & 18
2021

Athènes, Grèce : Le monde post-Covid aura toujours besoin de gaz naturel de la Méditerranée de l'Est et le nouveau président de l'Amérique pourrait avoir les bonnes références pour surmonter les obstacles diplomatiques, c'est ce qu'un vétéran de la scène énergétique régionale a déclaré mercredi lors d'une conférence à Athènes.

Roudi BAROUDI, PDG d'Energy and Environment Holding, un cabinet de conseil indépendant basé au Qatar, a déclaré, le premier jour des Dialogues d'Athènes sur l'énergie, que Biden avait plusieurs qualités qui pourraient lui permettre de briser l'impasse.

Baroudi a déclaré dans les remarques transmises par un lien vidéo que « dans le passé, Biden a démontré une compréhension considérable des problèmes affectant la Méditerranée de l'Est ainsi qu'une perspective qui met en faveur des solutions

juridiques et diplomatiques ».

En outre, il a déclaré à un public comprenant des personnalités clés de l'énergie, des finances et du gouvernement que le nouveau président « a déjà exprimé sa détermination à réaffirmer certaines des prérogatives clés de Washington sur la scène internationale. Il s'agit notamment de son rôle stabilisateur traditionnel en Méditerranée, ainsi que sa défense du NATO, qui se trouve inclure à la fois la Grèce et la Turquie, après quatre ans où Donald Trump a sapé l'alliance à chaque occasion ».

Les récentes découvertes du pétrole et du gaz offshore ont ramené les tensions gréco-turques mijotant depuis longtemps au premier plan, Ankara devenant beaucoup plus affirmée quant à ses revendications maritimes, en particulier lorsque celles-ci se chevauchent avec celles de la Grèce et de Chypre.

BAROUDI, qui pendant des années a défendu la coopération dans le domaine de l'énergie comme un moyen d'apaiser les tensions entre plusieurs pays de la Méditerranée de l'est, a récemment écrit un livre sur la façon de régler les revendications concurrentes dans la région. Plus précisément, les « différends maritimes en Méditerranée de l'Est: la voie à suivre examine les outils et modèles définis dans la Convention des Nations Unies sur le Droit de la Mer (UNCLOS).

Il a déclaré à l'auditoire que l'UNCLOS « fournit tous les outils et bases procédurales pour la résolution pacifique » des revendications rivales.

BAROUDI ajouta : « La résurrection par Biden d'une politique étrangère américaine plus conventionnelle signifie de nouvelles opportunités pour la Grèce, la Turquie et d'autres pays de la région pour tracer un avenir plus coopératif et plus productif ». « Les prix dans cette tentative comprennent non seulement une réduction des tensions et une facilitation de milliards de dollars de ventes et d'économies d'énergie,

mais aussi un élément crucial de la transition de la région vers un avenir à plus faibles émissions de carbone ».



Avec plus de 40 ans d'expérience dans le secteur de l'énergie, BAROUDI a contribué à façonner les choix politiques et d'investissement pour les entreprises, les gouvernements, les investisseurs et les organisations supranationales comme l'ONU et l'Union européenne. Il a expliqué aux journalistes après son discours que cela a également un "rôle clé dans le maintien des tensions ».