



11.12.2009



## BaskentGaz clears debt to BOTAS

Date : 10.11.2009

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-195132-natural-gas-distributor-baskent-clears-debt-to-botas.html>

Harun Gündüz, general manager of Ankara natural gas distributor BaskentGaz, said that company has repaid all its debts to BOTAS, amounting to TL 440 million in total.

A tender to privatize the remaining 20 percent of BaskentGaz is expected to be undertaken before the end of the year. The Ministry of Energy was planning to utilize part of the revenue earned from the tender to pay off the company's debt to BOTAS and to transfer the remaining funds to the Ankara Metropolitan Municipality. The privatization of 80 percent of BaskentGaz was completed earlier this year.



## Turkey's oil bill down \$12.9 billion in 10 months

Date : 07.11.2009

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-194800-turkeys-oil-bill-down-129-billion-in-10-months-owing-to-falling-prices.html>

Turkey has paid \$12.9 billion less than the same period last year for oil purchases with falling oil prices in international markets and decreasing demand amidst a global economic crisis.

In the first 10 months of last year, Turkey spent \$25,09 billion on oil purchases. This figure, however, decreased by 51,3 percent to \$12,21 billion in the same period of 2009. According to the foreign trade numbers released by the Turkish Statistics Institute (TurkStat) on Friday, Turkey's bill for its natural gas purchases amounted to \$9,3 billion in the same period. This marks a 36,3 percent decline compared to the first 10 months of last year during which it spent \$14,5 billion.



## 'Last chance' climate talks in Copenhagen

Date : 04.12.2009

Source: Hürriyet Daily News

<http://www.hurriyetedailynews.com/n.php?n=historic-climate-conference-opens-to-dire-warnings-2009-12-07>

U.N. climate change conference opened Monday, with organizers warning diplomats from 192 nations that this could be the best, last chance for a deal to protect the world from global warming.

The two-week conference, the climax of two years of contentious negotiations, convened in an upbeat mood after a series of promises by rich and emerging economies to curb their greenhouse gases, but with major issues yet to be resolved.

Conference President Connie Hedegaard said the key to an agreement is finding a way to raise and channel public and private financing to poor countries for years to come to help them fight the effects of climate change. Hedegaard, who is also Denmark's former climate minister, said if governments miss their chance at the Copenhagen summit, a better opportunity might never come.

Denmark's prime minister said 110 heads of state and government will attend the final days of the conference. President Barack Obama's decision to attend the end of the conference, not the middle, was taken as a signal that an agreement was getting closer.

Saudi Arabia's top climate negotiator told the conference that trust in climate science had been 'shaken' by the leaked emails. "The level of trust is definitely shaken, especially now that we are about to conclude an agreement that is going to mean sacrifices for our economies," Mohammed al-Sabban told delegates. Sabban, whose country is oil cartel OPEC's leading producer and exporter, called for an 'independent' international investigation, adding that the U.N. climate science body was unqualified to carry it out. But Rajendra Pachauri, the head of the Intergovernmental Panel on Climate Change, proudly defended the IPCC's reputation as an arena for weighing evidence fairly and said: "Warming of the climate system is unequivocal."

The first week of the conference will focus on refining the complex text of a draft treaty. But major decisions will await the arrival next week of environment ministers and the heads of state in the final days of the conference, which ends Dec. 18.



## Turkey wants to maintain current status even in post-Kyoto period

Date : 07.12.2009

Source: Today's Zaman (Ercan Yavuz)

<http://www.todayszaman.com/tz-web/news-194755-turkey-wants-to-maintain-current-status-even-in-post-kyoto-period.html>

As the UN Climate Change Conference began in Copenhagen, Turkish officials are gearing up for tough negotiations to present the country's climate strategy after the Kyoto Protocol expires in 2012.

Officials from the Ministry of Environment and Forestry said Turkey will express in Copenhagen its intention to maintain its current status of exclusion from Annex B, freeing it from emission reduction commitments. Turkey, as an OECD country, was included in Annex I of the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, and even in Annex II, which is the list of relatively advanced industrialized countries that have committed themselves to financial and technical transfers to developing countries.

After Turkey's objections, it was eventually removed from Annex II but as a non-signatory to the original 1997 protocol, it was also not included in Annex B. So Turkey has been free from emission reduction commitments, even though it ratified the Kyoto Protocol on August 26 of this year, and Turkish officials want to keep it that way unless financial support and technology transfer are offered. Turkish officials noted that per capita annual emissions in Turkey are 4.5 tons compared to 23.5 tons in the United States and 11 tons in Denmark.

But Turkey's emissions have risen quickly, from 170 million tons in 1990 to 372 million tons in 2007 as its annual per capita income rose from \$3,000 in 1990 to \$10,000 in 2007. And Turkish officials say the country will continue to grow.

On the other hand, Turkey is in a region that is quite vulnerable to climate change, and the country is indeed committed to the implementation of policies and measures to reduce greenhouse gas emissions blamed for global warming. Giving examples from all sectors regarding quantitative reduction efforts, Environment and Forestry Minister Veysel Eroglu said recently that as a result of the Energy Efficiency Law, 75 million tons of carbon dioxide emissions will be cut by 2020.

Turkish officials, who will go to Copenhagen to negotiate on behalf of Turkey, said that they will tell the conference about Turkey's unique situation, shared only by two other countries, to keep it free from reduction commitments.

Turkey, South Korea and Mexico are members of the OECD, widely considered to be a group of industrialized nations, but do not have emission reduction commitments under the current Kyoto regime until 2012.

Meanwhile, the latest round of international talks on climate change ended on Nov. 6 without resolving major disputes over a new global climate pact and how to pay for it. UN scientists say rich countries must cut carbon emissions by 25 to 40 percent from 1990 levels by 2020 to prevent the Earth's temperatures from rising by 2 degrees Celsius above its average temperature before the industrial era began 150 years ago.

Developing countries should also limit their emissions and must adapt to the effects of climate change, including floods and drought. But they need money. However, industrialized countries have yet to unveil specific amounts to help poor countries fight global warming. About 29 percent of the greenhouse emissions in world come out of the United States. The share of EU countries is 26.5 percent, while Russia emits about 8 percent and China about 7.6 percent.



## Qatar Emir wants gas and oil prices linked

Date : 10.12.2009

Source: Rigzone

[http://www.rigzone.com/news/article.asp?a\\_id=83895](http://www.rigzone.com/news/article.asp?a_id=83895)

Qatari Emir Sheikh Hamad bin Khalifa al-Thani called Wednesday for the linking of gas prices with those of oil at the opening of a forum bringing together top gas exporting countries.

“In the aftermath of the sharp fall in gas and oil prices at the beginning of this year, the increase in oil prices during the same year has not been matched with a similar increase in gas prices,” Sheikh Hamad was quoted by state-run Qatar News Agency as saying at the opening of the 9th ministerial meeting of the Gas Exporting Countries Forum (GECF) in the Qatari capital of Doha.

“Accordingly, the price of the gas thermal unit has become far less than the price of its oil equivalent,” he told the forum aiming to discuss ways to stabilize global prices of natural gas. The GECF features Algeria, Bolivia, Egypt, Equatorial Guinea, Iran, Libya, Nigeria, Qatar, Russia, Trinidad and Tobago and Venezuela. The 11 countries hold about three quarters of world's gas reserves. In December 2008, the GECF members agreed on a charter, turning the group from a loose consultative body to a formal organization.



## Companies face stiff competition for Iraq's prized oil fields

Date : 10.12.2009

Source: Rigzone (Hassan Hafidh)

[http://www.rigzone.com/news/article.asp?a\\_id=83948](http://www.rigzone.com/news/article.asp?a_id=83948)

Competition is expected to be fierce between international companies for some of Iraq's 10 oil and gas fields at a licensing auction in Baghdad Friday and Saturday, Iraqi oil and company sources said.

International oil majors are being tightlipped about which Iraqi fields they are targeting in this the second bidding round for licenses. Although nothing definitive can be said, France's Total, along with Chevron is understood to be concentrating on Iraq's largest untapped oil field Majnoon in southern Iraq. Total negotiated the field during the rule of Saddam Hussein but no deal was signed at that time. Other rivals for the same field could be Royal Dutch Shell, teaming up with ExxonMobil, China National Petroleum Corp, or China's Sinochem Corp.

Having lost West Qurna Phase 1 to ExxonMobil and Shell in the first bidding round, Russia's Lukoil, with ConocoPhillips, will go all out for West Qurna Phase 2 for which it signed a deal under Saddam that later was annulled. The field has proven oil reserves of nearly 13 billion barrels.

ExxonMobil and Shell, after signing West Qurna Phase 1, might want to build on that success and bid for West Qurna Phase 2. Sinochem which bid for West Qurna Phase 1 in the first bidding round in June could also pitch for the bigger West Qurna Phase 2. Japan Petroleum Exploration Co. Ltd, Japex, and Statoil could also bid for the field.

Shell is believed to be the main bidder for Halfaya oil field, the third largest listed in the second oil and gas contest with estimated proven reserves of more than 4 billion barrels. A consortium comprising India's Oil & Natural Gas Corp., Oil India Ltd. and Turkish Petroleum Corp. is also likely to bid for Halfaya. Japex, CNPC and Statoil could be also runners.

Japex is also expected to be a strong runner for East Baghdad oil field, having studied the field before. The field, located outside the nation's capital, is with proven reserves estimated at 8 billion barrels. Rival companies such as China's CNPC could also submit bids. Not a lot of companies are interested in East Baghdad because of its heavy crude. Italy's Edison, teaming up with Korea Gas Corp., or Kogas, is believed to be interested in the Garraf oil field, which holds around 1 billion crude oil reserves. Japex could also submit a bid for the field in southern Iraq.



## EU summit struggles to raise climate aid cash

Date : 11.12.2009

Source: EurActiv

<http://www.euractiv.com/en/climate-change/eu-summit-struggles-raise-climate-aid-cash/article-188241>

EU is set to pledge around six billion euros to help poor nations tackle global warming, but it will be provided on a voluntary basis as a result of worrying debt problems in countries like Greece.

Fredrik Reinfeldt, the Swedish prime minister and current holder of the EU's six-month rotating residency, said he was confident that the sums would be found. More than half of the EU's 27 member states have already promised so-called 'fast-start' funding for the next three years until 2013, he explained.

But the Swedish premier warned that contributions would only be made on a voluntary basis, as countries are in very different budgetary positions. "We have [EU] member states with [IMF] programmes, with huge budget deficits. This is on a voluntary basis, and already more than half of the states have provided figures," Reinfeldt told a press conference in Brussels.

Britain last month pledged 880 million euros towards that target. Sweden has pledged about 760m euros. The Netherlands has pledged 300m euros. Denmark has set aside 160m euros. France is expected to make a similar pledge at the summit (300m per year). Some countries are a cause for concern with their mounting debt problems. Greece, a member of the 16-country euro zone, was at the centre of concerns yesterday with a debt estimated at 300 billion euros, or 125% of GDP. The Stability and Growth Pact, which governs the euro zone, limits public debt to a maximum of 60% of GDP.

Other eurozone nations such as Ireland have adopted austere budgets to improve their debt problem, while some Eastern European countries outside the euro, such as Hungary, are under life support from the International Monetary Fund (IMF). Meanwhile, Poland and other Eastern states such as Bulgaria have said they would rather receive aid to lower their carbon emissions than make contributions to poorer nations outside Europe.

Germany, the largest contributor to the EU budget, seems to prefer to tactically wait for other rich nations, such as the US, to put money on the table at the UN climate change conference currently taking place in Copenhagen.





## Enel: No climate deal without global carbon market

Date : 11.11.2009

Source: EurActiv

<http://www.euractiv.com/en/climate-change/enel-climate-deal-global-carbon-market/article-188129>

“A global agreement is a pre-requisite for a global carbon market, which is in turn the condition to set a CO<sub>2</sub> price, which is what allows companies to create value by lowering their emissions,” said Giuseppe Montesano, head of environmental policy in Italian Enel.

A failure in Copenhagen, the Enel executive noted, would impact on investments in low-carbon technologies. He also stressed that the conference will not be a failure if key elements are established to make it possible to progressively link regional systems, primarily by using common offsets. “The present policy framework, based on the EU ETS [Emissions Trading Scheme], has the advantage of letting companies choose the most cost-effective ways to reach the targets within available options. This would not happen, for example, with a carbon tax, which would not be capable of guaranteeing compliance with emission targets,” said Montesano.

“What is also not right is that in the shorter term, until a global carbon market is established, policies are dramatically limiting the use of offsets like carbon credits generated by the CDM [Clean Development Mechanism], thus preventing emissions reductions and low-carbon technology transfer to developing and emerging countries,” Montesano added, noting that such conditions would increase compliance costs for companies and ultimately affect consumer prices.

According to Montesano, establishing a level playing field comes with implementing a genuine global approach, which can be achieved by allowing for more flexibility in reaching targets. “Domestic policies should be accompanied by open access to international offsets, like the CDM or a successor mechanism based on sectoral crediting,” he said.

Regarding the EU’s promised target of 30% cuts in CO<sub>2</sub> emissions by 2020 should other developed countries propose comparably ambitious reductions, Montesano stressed that introducing too stringent targets without an adequate offsetting mechanism in the short term might result in solutions that are not optimal both in terms of costs and emission reductions in the long term.



## Ljubljana to house new EU energy body

Date : 07.12.2009

Source: EU Observer

<http://euobserver.com/19/29104>

Slovenia's capital has been selected to house the union's Agency for the Cooperation of Energy Regulators (Acer), designed to boost the idea of a single European market in electricity and gas.

According to EU energy commissioner Andris Piebalgs, the new energy body "is something like the European Central Bank in the area of energy... because it will take very important binding decisions inside the EU." The idea to set up the Agency for the Cooperation of Energy Regulators (Acer) was given the green light in April 2009, together with rules to further liberalise the union's gas and electricity market.

The year-and-a-half-long process leading to the decision saw heated debate over whether to break up EU energy giants into production and supply units as well as wrangling over Acer's future powers. Several EU capitals were quick to make sure that the agency -foreseen to receive up to €7 million from EU coffers each year- would not curtail the powers of national regulators.

In the end, the body secured legally-binding powers over disputes involving cross-border pipelines and networks, should national operators fail to agree on a solution. The agency will prepare technical decisions on helping electricity and gas circulate freely within the 27- nation bloc, commissioner Pieblags said, stressing that there "won't be a Slovenian, Latvian or German market, but only an EU market."



## Sarkozy-Aliyev meeting discusses energy and Nagorno-Karabakh

Date : 10.11.2009

Source: Hürriyet Daily News

<http://www.hurriyetaidailynews.com/n.php?n=french-and-azerbaijani-presidents-meet-2009-12-10>

French President Nicolas Sarkozy met with Azerbaijani President İlham Aliyev in Paris. The French presidency said the leaders had agreed to expand bilateral relations and expressed their wish to develop a 'strategic partnership'.



France said it wants to develop economic relations with Azerbaijan, including those in the field of energy, such as oil and natural gas. The topic of Nagorno-Karabakh was also discussed. The Azerbaijani region has been the cause of deteriorating relations between Armenia and Azerbaijan. Aliyev met with his Armenian counterpart Serge Sarkisian in Germany on November 22 for a sixth round of talks this year on resolving the conflict. The French presidency's statement refrained from giving any details about what Aliyev and Sarkozy discussed on this issue.



## World's first floating power plant destined for Iraq

Date : 11.12.2009

Source: Today's Zaman

<http://www.todayszaman.com/tz-web/news-195188-worlds-first-floating-power-plant-destined-for-iraq.html>

Turkey will soon provide the world's first floating electricity generating power plant, called a 'powership', to Iraq to help the country meet its electricity needs in the Basra region.

Karkey, a subsidiary of Karadeniz Holding, is building the vessel at the Sedef dockyard in Istanbul's Tuzla district. Iraq has also commissioned a barge to be constructed in Singapore for the same purpose. The vessels have the ability to move in the sea while generating electricity and run on dual fuel systems that are able to convert fuel oil into natural gas in just one day.

Iraqi Electricity Minister Kareem Waheed Hassan visited the construction site on Thursday to see one of the ships, named Karadeniz Powership Dogan Bey, and was briefed there by Karadeniz Holding Chairman Osman Murat Karadeniz and the group's energy department president, Nuri Dogan Karadeniz.

Hassan told the press that Iraq has ordered one of the ships from Turkey for electricity generation purposes, with a capacity of 125 megawatts. Construction is in the final phase, and soon the ship will be dispatched to Iraq. "We hope the ships will start helping Iraq meet its electricity needs by the beginning of next year," he said.

The powership, 188 meters in length, will be in the Umm Qasr port in the Persian Gulf to mainly provide energy for the port. The remaining electricity will be diverted to residential areas in Basra. All the personnel aboard the powership and the barge will be Turks. The barge that is being built in Singapore is named KPS-3 and doesn't have an engine. It will be 110 meters long with the same capacity as the Dogan Bey.



## Libya delays plans to boost oil output

Date : 08.12.2009

Source: Oil&Gas Journal

[http://www.ogj.com/index/article-display/9793044003/articles/oil-gas-journal/drilling-production-2/production-operations/regional-production/2009/12/libya-delays\\_plans.html](http://www.ogj.com/index/article-display/9793044003/articles/oil-gas-journal/drilling-production-2/production-operations/regional-production/2009/12/libya-delays_plans.html)

The Libyan government, hit by budget constraints and by current market conditions, has announced a delay of up to 5 years in its previously released plans to raise its oil output capacity.

“Our plan was to reach 3 million b/d by 2012, but because of the market conditions, as well as budget constraints,” we delayed it to 2017, said Shokri Ghanem, chief executive officer of Libya’s state-owned National Oil Corp. Ghanem said Libya’s present production is 2 million b/d and that his country is meeting its OPEC quota of 1,5 million b/d.

Meanwhile, Ghanem confirmed earlier reports that Hess Corp. has discovered ‘quite a big field’ of natural gas in the Gulf of Sirte, where it operates together with NOC. Hess Libya Exploration Ltd. carried out a successful test of its discovery well A1-54/01 in the Mediterranean. It said the A1-54/01 well was originally drilled in the Arous Al-Bahar prospect in 2008 and found hydrocarbons in several intervals with a combined gross section of about 500 ft.

Hess recently reentered and perforated the well over a 300-ft carbonate interval and performed a drill stem test. The well flowed 27 MMscfd of gas and 533 b/d of condensate through a 52/64-in. choke, Hess said, adding that the test was performed using the sixth-generation dynamically positioned Stena Forth drillship. After operations on this well, Hess said the Stena Forth will return to complete the drilling of an appraisal well, A2-54/01, which lies 7 miles northwest of the discovery well.



## ExxonMobil: Global energy demand to rise 35% through 2030

Date : 10.12.2009

Source: Oil&Gas Journal (Nick Snow)

<http://www.ogj.com/index/article-display/2875860147/articles/oil-gas-journal/general-interest-2/economics-markets/2009/12/exxonmobil-global.html>

Global energy demand will be about 35% higher in 2030 than it was in 2005, requiring trillions of dollars of investment, ExxonMobil Corp. said in its latest long-term energy outlook.

ExxonMobil expects demand outside the OECD rapidly to increase during 2005-30. In OECD countries, energy demand will change little despite average economic expansion of 50%. “By 2030, there will be more than 1 billion additional people on the earth—in total, close to 8 billion people all seeking better living standards,” the forecast said. “Economic expansion will be key to reducing poverty and improving health and prosperity, and we expect developing countries to expand their economies to that end.”

The forecast suggested that efficiency gains would accelerate from 2005 to 2030, curbing global energy demand growth by about 65%. “Oil remains the largest energy source through 2030, but natural gas will move into second place ahead of coal,” it said. “In 2030, these three fuels will meet close to 80% of global energy needs.”

Gas will be the fastest growing major fuel. “By 2030, demand for gas will be more than 55% higher than in 2005. Technologies that have unlocked unconventional gas will help satisfy this demand,” the forecast said. The forecast also sees strong growth for nuclear and renewable fuels in generating electricity, with about 40% of the world’s power coming from these sources by 2030. It expects a shift from coal to gas, nuclear, and renewables for producing power. “This will be driven by environmental policies, including ones that seek to reduce emissions by putting a cost on carbon emissions,” it said.

Global carbon dioxide emissions will rise by an average 0.9%/year, “a significant increase but substantially slower than the pace of energy demand growth because of improved efficiency and a shift toward lower-carbon fuels.” Progress on cutting carbon dioxide emissions beyond 2030 will require more aggressive gains in efficiency or the use of less carbon-intensive fuels, the forecast said.

The company believes a revenue-neutral carbon tax would have advantages over a cap-and-trade system in curbing carbon emissions. It said a carbon tax would create “a clear and uniform cost for emissions in all economic decisions.” Such an approach would avoid the costs and complexities of having to build a new emissions allowances market and the need for new regulators and administrators to manage it. It also would not create market manipulation opportunities or require complex and costly enforcement systems.

“Returning the tax revenue to consumers through reductions in other taxes—payroll taxes or a simple dividend—reduces the burden on the economy and ensures that government policy is specifically focused on reducing emissions, not on becoming a revenue stream for other purposes,” the forecast said. “Because global participation is so important to controlling emissions, a carbon tax may be a more viable framework for engaging participation by other nations.”



## Chinese President visits Central Asia with eye on energy

Date : 11.12.2009

Source: Hürriyet Daily News (AFP)

<http://www.hurriyetdailynews.com/n.php?n=chinas-hu-visits-central-asia-with-eye-on-energy-2009-12-11>

Chinese President Hu Jintao was set to visit Kazakhstan and Turkmenistan this weekend, as Beijing continues a push to lock up access to the region's strategic energy resources.

After a one-day visit to Kazakhstan on Saturday, Hu will depart for Turkmenistan, where he will participate on Monday in the opening of a 7,000 kilometer pipeline to export Turkmen natural gas to China. Hu's visit caps a year of major gains for Beijing in Central Asia where it has made significant inroads by spending big in what was once considered Moscow's exclusive geo-strategic domain.

The pipeline, the first major direct route for Central Asian gas to China, is a clear indicator of Beijing's growing regional clout, said Ana Jelenkovic, an analyst with New York-based political risk consultancy firm Eurasia Group. "It's even more significant in that it's gas and not oil because when it comes to gas supplies, those have always been more sensitive for Russia and there's been a greater focus from Moscow on securing gas flows," she said.

Beijing has spent heavily across Central Asia this year, including \$10 billion loan to Astana as part of a deal that saw it take an increasingly prominent stake in Kazakhstan's vital energy sector. Hu is expected to meet with his Kazakh counterpart Nursultan Nazarbayev on Saturday, following an opening ceremony in Astana for a portion of the pipeline which snakes through Kazakhstan and Uzbekistan before entering China.

The heads of Turkmenistan, Uzbekistan and Kazakhstan will all assemble with Hu for the ceremony in Ashgabat, a rare show of unity by the hyper-competitive heads of state in the region and a demonstration of Hu's clout here. "On Dec. 14 the pipeline will begin operations," Turkmen President Gurbanguly Berdymukhamedov said in an interview with Chinese journalists published in state newspaper Neutral Turkmenistan. "From that day forward, in accordance with our agreements, Turkmenistan will furnish China with 40 billion cubic meters of gas annually for 30 years," he said.

A pipeline explosion earlier this year sparked a row with Russian energy giant Gazprom that saw exports of Turkmen natural gas almost completely cut off, prompting Ashgabat to accelerate efforts to secure alternative routes.

❖ EMRA's Resolution on Amendment in the Network Code

Source : Energy Market Regulatory Authority  
Weblink : <http://www.epdk.org.tr/mevzuat/kurul/dogalgaz/2326/2326.doc>

❖ Cities, Towns and Renewable Energy – Yes In My Front Yard

Source : International Energy Agency  
Weblink : <http://www.iea.org/w/bookshop/add.aspx?id=380>

❖ Investment and Market Development in Carbon Capture and Storage:  
Role of the Energy Charter Treaty (2009)

Source : Energy Charter  
Weblink : [http://www.encharter.org/fileadmin/user\\_upload/document/CCS\\_2009\\_ENG.pdf](http://www.encharter.org/fileadmin/user_upload/document/CCS_2009_ENG.pdf)