



NEWSLETTER

Monitoring the latest news

Welcome

Welcome to the November 2016 edition of MEC's Windsor Energy Group newsletter in which we address the latest developments of issues regarding energy in the global sphere.

The energy world is fast changing and the pace is set to continue in 2017. Around the world energy exporting countries are struggling with failing revenues. Energy companies have tightened their belts as their income has dropped. With predictions of peak oil coming down the track there are fears over stranded assets.

US shale exports are now being landed around the world. Climate change policies are starting to bite. With an Exxon man as Secretary of State we wait to see what a Trump administration will do. For the moment Russia and OPEC seem willing to cooperate on keeping production under control. Finding finance for big ticket carbon projects remains a challenge. At the same time Britain is going ahead with big nuclear at a time when the world is thinking small may be the best option.

The Middle East political outlook looks as uncertain today as it did a year ago. China is not energy hungry as it was while Russia seeks to consolidate its role as a key energy provider. Green energy is continuing to increase its share as effectiveness improves. The big stumbling block remains how to store off-peak with electric cars offering one potential form of storage.

We will be addressing all of these issues at our next annual residential meeting at Windsor Castle from March 3-5 under the chairmanship of Lord Howell. The theme of the weekend discussion will be "Finding a new balance – financing energy in for the future".

If you are interested in joining our meeting on where global energy markets are heading then please contact the WEG secretariat on projects@meconsult.co.uk

Who are the Windsor Energy Group and MEC?

The Windsor Energy Group is a non-profit working group chaired by Lord Howell, and is part of Middle East Consultants International (MEC). MEC has been promoting international business for more than thirty years offering expert advice from a pool of former ambassadors, bankers and business people with experience built up over a lifetime. Our services range from political risk and due diligence to market research and government relations. Further details and our active program can be found on our website <https://mecint.wordpress.com/>. If you think we might be able to help and would like a free quote, then please contact **Ian Walker** on the following email address: queries@meconsult.co.uk.



Oil drop as higher output stokes concern over supply glut

16/11/2016 | NPR - The U.S. Geological Survey says a deposit in West Texas is the largest continuous oil and gas deposit ever discovered in the United States. On Tuesday, the USGS announced that an area known as the Wolfcamp shale contains 20 billion barrels of oil and 16 trillion cubic feet of natural gas. That is nearly three times more petroleum than the agency found in North Dakota's Bakken shale in 2013.

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French nuclear power in 'worst situation ever'

29/11/2016 | The Guardian - The French nuclear industry is in its "worst situation ever" because of a spate of plant closures in France and the complexities it faces with the UK's Hinkley Point C power station. Gérard Magnin, who called Hinkley "very risky" when he resigned as a board member over the project in July, told the Guardian that with more than a dozen French reactors closed over safety checks and routine maintenance, circumstances for the state-owned EDF had deteriorated since he stepped down.

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China emerges as global climate leader in wake of Trump's triumph

22/11/2016 | The Guardian - China has vested interests that resist its energy transformation: the giant traditional energy companies defend their interests in China as elsewhere. But the environmental effects of three decades of high-carbon growth — the choking smog that blights China's major cities, the water crisis and soil pollution, the mounting health and social impacts that threatened the standing of the Communist Party — also created a political space for action. [Read More](#)



Rachel Kyte on the global energy access challenge

15/11/2016 | Devex - The world can't tackle climate change without also addressing the fact that 1.1 billion people still lack access to energy. Much of the discussion at the Marrakech climate talks has focused on building the energy systems of the future. If those systems are to meet both goals — connecting everyone in the world to energy and also preventing runaway climate change — it will take rigor and discipline to see them realized. [Read More](#)



Saudi Arabia Issues Warning To Trump: Don't Stop Saudi Oil Imports

15/11/2016 | Oil Price - President-elect Donald Trump jeopardizes the global economy through his promises to block Middle East oil imports for the purpose of creating an energy independent United States, according to petro state Saudi Arabia. Saudi Arabia is the U.S.' largest Middle Eastern oil supplier, though the North American country gets most of its energy from domestic and Canadian sources. [Read More](#)



France, U.N. tell Trump action on climate change unstoppable

15/11/2016 | Reuters - France and the United Nations on Tuesday stepped up warnings to U.S. President-elect Donald Trump about the risks of quitting a 2015 global plan to combat climate change, saying a historic shift from fossil fuels is unstoppable. French President Francois Hollande, addressing almost 200 nations meeting in Morocco on ways to slow global warming, said that inaction would be "disastrous for future generations and it would be dangerous for peace". [Read More](#)



Iran joins World Energy Charter

26/11/2016 | Mehr - The Islamic Republic of Iran officially signed up to World Energy Charter on Friday during the visit of Energy Minister Hamid Chitchian to Japan. The main objective of the World Energy Charter is to better reflect the new realities in the energy sector, especially the energy growth in developing countries and cooperation of the participating nations for development, as well as countering common challenges in the energy sector. [Read More](#)



What will happen if America's president- elect follows through on pledges to tear up environmental laws

26/11/2016 | The Economist - On the campaign trail he said he would abolish America's Environmental Protection Agency (EPA) and "cancel" the UN agreement to curb greenhouse-gas emissions adopted by 190-odd countries in Paris last year. Public concern about global warming is rising in America; 64% of Americans say they are worried "a great deal" or "a fair amount" about it, and 71% say America should not withdraw from the Paris accord—including a majority of Republicans. [Read More](#)



The U.S. Just Became a Net Exporter of Natural Gas

16/11/2016 | Oil Price - America's energy scene has been in massive flux since the "shale miracle" broke in 2010. Platts reported Monday that its proprietary data showed U.S. natgas exports exceeding imports in early November. With the country's gas balance netting an outflow of 1 billion cubic feet per day. That's the first time ever that American producers have shipped out more gas than the country takes in. And that historic event illustrates a number of critical changes happening right now in the U.S. energy scene. [Read More](#)



OPEC Meeting Preview: New Drama Unfolds

27/11/2016 | Forbes - As late as Thanksgiving morning there was significant hope that the coming week's OPEC meeting and negotiations with non-OPEC countries would lead to a widely accepted oil output freeze or maybe even a reduction in oil output. All countries, including Russia and Saudi Arabia, were thought to be on the verge of an agreement. Such an agreement would likely have sent oil prices to 24 month highs, providing great relief to struggling OPEC countries and leveraged producers globally. Since Friday, however, negotiations have blown up. [Read More](#)



One crisis, two futures: How Denmark and Texas answered an energy challenge

21/11/2016 | The Texas Tribune - Two cases: A wind farm generates electricity off the coast of Copenhagen. Wind energy accounted for 42 percent of Denmark's generation last year. Four decades ago, the country depended almost entirely on imported oil. In today's Texas, it might be tough to imagine snaking lines at the gas pump and talk of energy conservation. Thanks to technology like hydraulic fracturing, the state is flush with oil and natural gas — so much that low prices have slowed the state's fossil-fueled economic growth. [Read More](#)



Africa's biggest windfarm sparks controversy in the desert

22/11/2016 | The Guardian - Last week's Marrakech climate summit shone a light on Morocco's clean energy plans, which have drawn praise from around the world. At the heart of King Mohammed VI's ambitions is a windfarm in the country's south-west region, which, due to an expansion over the summer, has seen off an array of challengers for the title of Africa's biggest. But the renewable energy project is also controversial with some Sahrawi who complain that it will deepen what they say is the occupation of their land. [Read More](#)



Sweden Increasingly Reliant on Russian Oil Despite Anti-Moscow Rhetoric

29/11/2016 | Sputnik - Due to the absence of sizable fossil fuel deposits of its own, Sweden has to rely on imports of oil and gas from overseas. Remarkably, the percentage of Russian oil imports has been rising steadily, despite Sweden's sometimes overtly anti-Russian rhetoric. Over the past decade, however, Russia has taken over as the single largest exporter of crude oil to Sweden. In 2015, over 44 percent of Sweden's total oil imports of 23 million cubic meters came from Russia. [Read More](#)



Oil production cut and 'Opexit' threats

26/11/2016 | Vanguard - As the Organisation of Petroleum Exporting Countries, OPEC holds the 171st Ordinary meeting in its Vienna, Austria headquarters on 30th November 2016; it may be producers' reprieve from the lingering production freeze discourses. The battle for production cap and market share has been fierce in the last thirty months triggered by the U.S. shale oil technology. Saudi Arabia's response in a price war led to crude oil glut and price collapse in July 2014. [Read More](#)



China's Approach to the Middle East Looks Familiar

29/11/2016 | The Diplomat - Over the past few decades of China's rise, Beijing's soft power pitch to the developing east has been an indictment of Ugly Americanism. China had fallen victim to Western and Japanese imperialism, and as a result pledged to act not as a patron but a partner in decolonialism and development. In practice that meant that where U.S. diplomacy had traditionally dealt in toxic aid, contingent on political cooperation, China had typically offered infrastructure-for-energy and other business deals. [Read More](#)



EU targets energy waste and coal subsidies in new climate package

30/11/2016 | The Guardian - Europe will begin phasing out coal subsidies and cut its energy use by 30% before the end of the next decade, under a major clean energy package announced in Brussels on Wednesday. The EU's climate commissioner Miguel Arias Cañete said that the new energy efficiency target was a centrepiece of the package, and would curb energy imports, create jobs and bring down emissions. [Read More](#)



North Sea decommissioning will cost taxpayers billions – here's a better idea

29/11/2016 | The Conversation - Over the next couple of decades, the UK is set to spend billions dismantling and removing the infrastructure used to extract North Sea petroleum. This state support will work through a system of tax breaks that will cover either 50% or 75% of decommissioning costs depending on the field. With the total cost of dismantling the UK North Sea estimated at about £40 billion, the taxpayer will hand over about £1,000 per head. And should decommissioning costs rise, as many suspect they will, the risk to the taxpayer is obvious. [Read More](#)



Business as usual at Australia's coal, oil and gas companies

25/11/2016 | Renew Economy - The deepest denial about climate change rests within Australia's coal, oil and gas companies; which is ironic given that is where some of the impacts will be most keenly felt. The most striking thing about the meetings held thus far – AWE, Beach Energy, Caltex, Origin Energy, Senex Energy, Whitehaven Coal and WorleyParsons – is how few of the companies acknowledge and are planning for the impacts of the Paris Climate Agreement. This matters because Australian companies are obliged to identify those risks likely to have a material impact on their financial performance. [Read More](#)



GB Energy Supply ceases trading after wholesale price rises

27/11/2016 | BBC - An energy firm with 160,000 customers has ceased trading, blaming recent rises in energy prices. In a statement, GB Energy Supply said that as a "small supplier" business had "become untenable", but assured people their supply would not be affected. The energy regulator advised customers to take a meter reading and wait until their new supplier contacted them. [Read More](#)



OPEC oil deal dominates market tone for the week

29/11/2016 | Financial Times - All eyes are on Vienna and Opec's annual gathering with a keenly awaited decision on production levels. An Opec deal on Wednesday that delivers a concrete supply reduction of at least 1m barrels a day, with non-members such as Russia on board could boost oil beyond its recent \$40-\$50 range. [Read More](#)