



Drumbeat: June 1, 2013

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[Thomas Homer-Dixon: How the oil sands industry is distorting Canada's economy](#)

By 2030, Canada's output from the oil sands will reach about five million barrels a day, more than twice today's output. Yet, by 2030, chances are also good that the world will have placed a price on carbon emissions to spur energy innovation and wean humanity off carbon-based fuels. By then, climate change's impact on global food security will have become starkly obvious. Already, heat waves and droughts in major grain-producing regions have caused food-price shocks and political unrest around the world.

[Why Canada needs to develop the oil sands](#)

While the oil sands will likely account for a greater share of Canada's economy in the future, they are unlikely to expand at the furious pace their critics fear. (Indeed, they have rarely matched growth projections in the past.) Rising costs, a stubborn price discount on Alberta crude and fast-rising U.S. shale oil production are likely to temper the rate of oil sands development for the foreseeable future.

[OPEC to Study U.S. Shale Oil Bonanza as Export Concern Grows](#)

OPEC signaled growing unease with the U.S. oil boom by starting a study into shale at its meeting in Vienna, where the group kept supply targets unchanged as \$100 crude dulls the need to address excess production.

"It is a concern," Nigerian Petroleum Minister Diezani Alison-Madueke said yesterday after the session of the Organization of Petroleum Exporting Countries. The committee will consider the effect of shale oil on the global market for OPEC crude "in the not-too-distant future," she said.

[UAE not threatened by shale revolution, says energy minister](#)

VIENNA // The rise of North American shale hydrocarbons does not threaten the UAE or Opec, said the Minister of Energy.

"Of course we can't ignore it, but I doubt it will be a huge impact if there is a demand on the Opec," Suhail Al Mazrouei told *The National* as Opec began its meeting in Vienna today. "And as the UAE, our target is the East, and I don't think this will hugely impact

that. We can take a longer time to debate what is the impact and what is the production, but I don't see any immediate impact."

[Gulf Rigs Stand Ready as Hurricane Season Arrives](#)

At a distance from a helicopter hovering over the Gulf of Mexico, Chevron's South Timbalier 52 production platform seems like a speck, and it is easy to see how vulnerable it would be to a ferocious hurricane. Then you land and step out into a giant facility buzzing with activity from dozens of workers, That's when you begin to get a sense of what is at stake.

With the start of the 2013 Atlantic hurricane season kicking off officially on Saturday, Chevron and all the other companies operating in the Gulf are finalizing their hurricane response plans. Those plans could get a lot of use if forecasts for an active season prove accurate.

[Oil Drops to One-Month Low as OPEC Keeps Output Target](#)

West Texas Intermediate crude fell to a one-month low as OPEC kept its output target unchanged for a third consecutive time and U.S. inventories climbed to the highest level in 82 years.

Futures dropped 1.8 percent after the Organization of Petroleum Exporting Countries maintained its objective of 30 million barrels a day at a meeting in today in Vienna. Ministers from the 12-member group will next gather on Dec. 4. U.S. crude supplies increased 3 million barrels to 397.6 million last week, the most since 1931, a government report showed yesterday. The decline in prices accelerated in the last hour of floor trading as equities moved lower.

[Opec oil output falls closer to target in May](#)

Opec crude output has fallen in May due to lower exports from Iraq and disruptions in some African producers, a Reuters survey found, improving compliance with an Opec output ceiling expected to be maintained at a meeting this week.

Supply from Opec members is set to average 30.33 million barrels per day (bpd), down from 30.46 million bpd in April, the survey of shipping data and sources at oil firms, Opec and consultants found.

[Tanker Rates Have Year's Biggest Weekly Gain as OPEC Cargo Gains](#)

Rates for the largest oil tankers had the biggest weekly gain this year amid speculation OPEC is expanding shipments to meet rising demand as refineries return from

maintenance.

[Gasoline prices in Tulsa keep falling after spike in May](#)

Industry observers had blamed refinery shutdowns and low inventories for the jump in prices, which reached the highest level seen since Tulsa's record of \$3.93 per gallon in July 2008.

"The recent price drop is not unexpected," said Chuck Mai, a spokesman for travel club AAA-Oklahoma. "I thought once we got the production issues sorted out, the price would come down to a realistic level - if, of course, you can call \$3.58 realistic."

[Ethanol's Discount to Gasoline Lowest Since 2011 on Higher Use](#)

Ethanol's discount to gasoline dwindled to the lowest level since December 2011 on concern inventories won't be able to meet rising demand.

The spread, or price difference, narrowed 7.96 cents to 3.49 cents a gallon. Yesterday the Energy Information Administration reported that ethanol-blended gasoline made up 96 percent of the U.S. total last week and stockpiles of the biofuel slumped to 16 million barrels, the lowest level since October 2010.

[Deflation, A Symptom Of Economic Illness](#)

Prices can drop for various reasons, and this latest decline probably had something to do with food or energy. That's because when we exclude food and energy price change from the measure, the Core PCE Price Index was unchanged in April. So obviously we have isolated the issue. Food and energy prices can be afflicted by many factors, which all fit somehow within the supply/demand economic equation.

[Moily launches LPG subsidy transfer scheme](#)

Tumkur (Karnataka) (IANS) The central government's scheme to provide direct cash benefit to the poor for cooking gas got off in 18 districts across the country Saturday with its formal launch by Petroleum and Natural Gas Minister M. Veerappa Moily here.

Called the Direct Benefit Transfers for LPG (liquefied petroleum gas), the scheme would benefit over 6.7 million LPG Consumers in these districts. The subsidy on LPG cylinders would be provided directly to consumers in their Aadhaar-linked or Unique Identification Number (UID) bank accounts.

[Deregulate coal sector, adopt competitive resource allocation policy: CII](#)

New Delhi (ANI): The Confederation of Indian Industry (CII) has recommended that the coal sector be deregulated for competitive resource allocation. Private participation in the mining sector, particularly coal, is urgently needed, it said.

[Kuwait oil revenues to hit KD 27bln FY 2013/14 - Al Shall forecasts](#)

KUWAIT (KUNA) -- Kuwait oil revenues are expected to reach KD 27 billion in the fiscal year 2013/2014, Al Shall Economic Consultants Company's Economic Research Unit said in a report released Saturday.

"Kuwait is supposed to have achieved oil revenues during the past two months of the new fiscal year in the amount of about KD 4.5 billion," reads the report. "Assuming production levels and prices would continue at their present level, an assumption which is unrealistic on the price side at least, and perhaps the current production, too, projected oil revenues would score about KD 27 billion for the entire current fiscal year, which is KD 10.1 billion above the budget estimate."

[Abu Dhabi-based global energy company Taqa completes acquisition of UK North Sea Assets from BP](#)

Abu Dhabi: Taqa, the Abu Dhabi-based global energy company, said on Saturday it has completed the acquisition of UK North Sea oil and gas assets from BP.

In a statement, Taqa said it has taken over as "operator of the Harding field and production platform in the Central North Sea, complementing the company's existing assets in the Northern North Sea. The acquisition is expected to add 20,000 barrels of oil equivalent per day of production."

[EU's oil-indexed, long-term gas contracts with Russia drop below 20%: Lowe](#)

Brussels (Platts) - The EU's oil-indexed long-term gas supply contracts with Russia have dropped below 20%, Philip Lowe, director general of the European Commission's energy department said at a conference held by European gas association Eurogas on Thursday.

"82% of European gas volumes in the first 10 months of 2012 were delivered through the hubs, compared to 74 per cent for the full year 2011,' Lowe said.

[Chile wants Canada's natural gas](#)

Chile wants to buy Canadian liquefied natural gas to feed its energy-hungry mining industry as it bolsters its efforts to transform into a developed industrial nation and drag its citizens out of poverty.

[ANALYSIS-Syrian war seen dragging on for years](#)

BEIRUT (Reuters) - Syrian President Bashar al-Assad cannot regain full control of his battered country and his rebel foes are not strong enough to overthrow him, dooming Syria to months or even years of sectarian civil war.

Bolstered by his Iranian and Russian backers, Assad has chalked up some military successes in recent weeks, defying his many critics, who have been confidently predicting his imminent downfall since the start of the uprising in March 2011.

But any suggestion his government might secure the total defeat of its disparate opponents shows little understanding of the nature of the war or the multitude of forces involved.

[Iran Petrochemical Industry Targeted for U.S. Sanctions](#)

The U.S. announced sanctions today aimed at Iran's petrochemical industry, targeting the Persian Gulf nation's second-largest source of foreign revenue in an effort further isolate it from the international financial system.

The Treasury Department also cited companies in Kyrgyzstan, Ukraine and the United Arab Emirates, saying they leased aircraft that two Iranian carriers used to move "illicit cargo" to help the Syrian regime fight its opposition.

[Iran Seen Storing Crude Oil at Sea as Sanctions Disrupt Sales](#)

Iran is storing 30 million barrels of crude at sea as sanctions hinder exports and projects that would allow it to build onshore facilities to hold oil, according to E.A. Gibson Shipbrokers Ltd.

Fourteen very large crude carriers are storing Iranian oil, the London-based shipbroker said in an e-mailed report today. Sanctions are hindering exports and preventing the Persian Gulf country from importing the steel it needs to build storage plants on land, according to the report.

[Kinder Morgan shelves Texas-California pipeline](#)

Kinder Morgan Energy Partners LP said Friday that it has shelved plans for a pipeline carrying crude oil from Texas to California because refineries weren't interested enough.

At an estimated cost of \$2 billion, the Freedom pipeline would have been a mix of converted natural gas pipelines and new construction. The company said it could have carried up to 277,000 barrels of oil per day.

But key refiners such as Valero Energy Corp. and Tesoro Corp. preferred to continue

getting crude delivered by railcar. The refiners feared being locked into long-term commitments to take pipeline oil from West Texas. Taking deliveries by rail gives them the flexibility to shop among crude oil supplies from different places including the Bakken oil field in North Dakota.

[British Columbia Opposes Planned Oil Sands Pipeline](#)

OTTAWA — A pipeline for exporting oil sands bitumen to Asia-bound tankers was dealt a severe blow on Friday when the province of British Columbia urged a federal review panel to reject the \$6 billion plan.

[Beetle-Bedeviled Keystone XL Needs Dead Rats to Let It Be](#)

The U.S. Fish & Wildlife Service this month said that Keystone's proposed route across Nebraska put the endangered American burying beetle at risk. The agency said the black and orange-spotted insect could be spared, and the project move forward, if proper procedure is followed.

That means pipeline builder TransCanada Corp. (TRP) will have to trap and relocate the one-inch beetles, using frozen rats that have thawed for at least three days for maximum pungency, according to detailed protocols U.S. authorities have drawn up to protect the burrowing bug.

[Exposed: Canadian Oil and Gas Workers, Many Unions, Now Oppose Keystone XL Pipeline](#)

Amidst the ongoing jobs-vs-environment debate, however, one voice is noticeably absent: the bitumen workers in Canada who are largely against long-term tar sands extraction and the building of the pipeline.

"We're diametrically opposed to the construction of it," said David Coles, president of the Communications, Energy and Paperworkers Union of Canada (CEP), which represents 35,000 Canadian oil and gas workers, including thousands laboring in the country's tar sands. "The Keystone XL is not good for the economy, it's not good for the environment, it violates all kinds of First Nations rights."

[David Black's grand vision: Can newspaper publisher from Victoria beat the oil industry to Asia?](#)

VICTORIA, B.C. • It has been two years since West Coast newspaper mogul David Black started travelling to Alberta, arguing with the oil community that its plans to put bitumen in tankers would never be accepted in British Columbia, pining for support for his alternative plan to build a giant heavy oil refinery in Kitimat, B.C. to export fuels that are less environmentally harmful and enhance the Canadian economy.

[Less Growth = More Happiness](#)

The question about alternatives to the dominant western model of life and growth becomes increasingly urgent together with the looming-or already occurred-surpassing of Peak Oil.

New measurements of prosperity are improvements over the gross domestic product since they include life satisfaction, access to health care and education and environmental damage.

[USA not one of 10 happiest countries in world](#)

The residents of Switzerland are the most satisfied with their lives, according to the latest Better Life Index report, released this week by the Organization for Economic Cooperation and Development (OECD). Switzerland has moved up to the top spot, bumping Denmark to fifth. For the third year, the United States failed to make the top 10, while countries like Canada, Mexico and all the Scandinavian nations did.

[Detroit Citizens Protect Themselves After Police Force Decimated](#)

As crime hobbles Detroit's attempts to revive itself, the city is bolstering its police department by having unarmed citizens patrol the streets in a program that costs less than annual salaries and benefits for three officers.

Volunteers given radios and matching T-shirts help officers protect neighborhoods where burglaries, thefts and thugs drive away people who can't rely on a police force that lost a quarter of its strength since 2009. With 25 patrols on the streets, the city hopes to add three each year. Meanwhile, the homicide rate continues rising.

[Oklahoma City group trying to turn U.S. Postal Service on to natural gas](#)

An idea launched on the Internet is becoming closer to reality, thanks to the timely intervention of a former U.S. Air Force pilot.

Oilman Ron Mercer and adman Bob Hammack hatched their plan almost two years ago: Save the U.S. Postal Service from going broke by switching from gasoline to cheaper natural gas.

[Futuristic High-Speed Tube Travel Could Take You From New York to Los Angeles in 45 Minutes](#)

A company called ET3 has plans in the works for the Evacuated Tube Transport, a high-speed transportation tube that uses magnetic levitation. The ETT can travel at speeds of up to 4,000 miles per hour, and each tube seats a maximum of six people and comes

with a baggage compartment. How does it go so fast? It's airless and frictionless and could have you from New York to Los Angeles in 45 minutes, as opposed to the nearly five hours a direct flight would take. It could even have you depart from New York and be in Beijing in two hours.

[A Floating Wind Tower Is Launched in Maine](#)

One reason that offshore wind has not caught on in the United States is the steep cost of erecting a tower in the water, but researchers at the University of Maine tried another approach on Friday by launching a floating wind machine. It is the first offshore wind installation in United States waters, according to the Energy Department, which helped pay for it.

[U.K. Plans to Boost Renewable Heat Tariff, Cut Some for Biomass](#)

The U.K. government proposed increasing payments made to commercial premises that generate heat from renewable sources, while cutting tariffs for medium-sized biomass boilers.

[Peak Water, Peak Oil??Now, Peak Soil?](#)

REYKJAVÍK, Iceland (IPS) - Soil is becoming endangered. This reality needs to be part of our collective awareness in order to feed nine billion people by 2050, say experts meeting here in Reykjavík.

And a big part of reversing soil decline is carbon, the same element that is overheating the planet.³

[Environmentalists' Complaint Exposes Rift Between 'Green' Certification Groups](#)

WASHINGTON — The legal watchdogs at the Federal Trade Commission have been trying to police the proliferating — and often false — claims in recent years that products are “green” or “environmentally friendly.”

The agency recently brought cases against Amazon.com, Macy's and Sears, Roebuck & Company for selling clothing purportedly made of bamboo fiber that was really fashioned from rayon, a decidedly ungreen material. It cracked down on the paint manufacturers Sherwin-Williams and PPG Industries for saying that some of their products did not produce hazardous fumes. It shut down an online firm selling “tested green” certifications for products that were neither tested nor green.

['After Earth' ponders world without humanity](#)

A world empty of other people might sound pleasant in our over-connected, over-sharing, Internet age. No more marketing calls on the cellphone, traffic jams or radio call-in show blather.

But in *After Earth*, which stars Will Smith, the adventure-flick vision of the future without other people looks less ideal. Hidden deep in the "muscular" science-fiction film, says director M. Night Shyamalan, are the lessons of environmental scientists on the impact of people on our planet.

[Are Republicans Warming to Climate Change?](#)

Maybe a little bit, according a recent Gallup Poll showing increased concern over global warming among Republicans, many of whom have in the past considered climate change a false threat.

[This giant chart shows where all our greenhouse gases come from](#)

Where do the greenhouse gases that are now heating up the planet come from? Ecofys has a massive new flowchart breaking down man-made emissions by source and sector worldwide:

[If This GIF of 10,000 Years of Sea Level Rise Doesn't Freak You Out, Nothing Will](#)

Fossilized sediment from New Jersey's salt marshes contains evidence of a migrating coast line. For some 2,000 years, up until the dawn of our modern warming era around 1900, the sea level off of what's now New Jersey was rising by about one to two millimeters a year, with the coast itself imperceptibly creeping inland. Today, the sea level is rising by three to five millimeters a year.

Perhaps that still doesn't sound like much. But this is the point of taking a *very* long view of history.

[Picturing possible Hudson River drowning of land](#)

Albany = It is one thing to hear how rising seas fueled by global climate change might affect the Hudson River. It is another to see that future on a map, showing which particular streets might be flooded, what homes could be lost, and which sewage treatment plants might be ruined.

[When Winter Came for Kings](#)

In his epic "Global Crisis," Geoffrey Parker addresses the question of why long-oppressed populations during the 17th century—across Europe and elsewhere as well—

rebelled in unprecedented numbers.

...At the heart of "Global Crisis" is an emphasis on climate change. Using a range of new methods and evidence concerning past meteorological shifts—a "natural" and human archive that includes dendrochronology (the science of dating from tree rings) and archaeology, as well as written records—Mr. Parker demonstrates that the 17th century experienced a period of sustained cooling, with prolonged freezing winters and colder and damper summers in much of Europe and China. Iran was scourged by more than its usual share of "droughts, high winds, violent hailstorms and earthquakes" in the second half of the century. There were four monsoon failures in India. Climatologists speak of a "little ice age."

The effects for 17th-century populations were often catastrophic. In some cases, whole societies were on the move to escape the weather or climate-related shortages. Across the globe, the crisis destroyed wealth, and the vulnerable starved. "The rich," as one contemporary Chinese aphorism had it, "become poor; the poor die." Disease, especially smallpox, the plague, typhus, measles and various fevers, carried off many who had been weakened by starvation. War, which both caused and aggravated many of these afflictions, did the rest. Mr. Parker reckons that the population of the world was reduced in this period by as much as a third.



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