



Drumbeat: June 10, 2013

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[Peak oil: preparing for the extinction of 'petroleum man' \(interview with Kjell Aleklett\)](#)

At the turn of the century, certain sections of the scientific community noticed a small but ominous speck on the horizon. Over the years, this speck has advanced, revealing itself as a hulking great obstacle that casts a shadow of uncertainty over our collective energy future. The speck has been replaced by something nearer and altogether more tangible. We now have an elephant in the room, and its name is peak oil.

So, what is peak oil? In short, peak oil will occur when the extraction rate of this resource ceases to rise. Typically, this point is reached when half or less of a natural commodity has been removed. It is the peak of the bell curve; the point at which the tail is longer than the rise to the top.

[Peak Oil - A Simple, Perfect Lie for Politicians](#)

Porter Stansberry writes: Peak Oil was a fantastic lie.

The idea was that our ability to discover and produce higher amounts of hydrocarbon-based energy had peaked and would be forever in decline. This "inevitable" decline in energy production would destroy the modern world, as all the luxuries and technologies that we enjoy today (such as cheap electricity and automobiles) rely on these fuels.

I believe historians will look back and marvel over how we could imagine the world would run out of oil... and the incredible mania that thinking produced in the oil markets in the mid-2000s.

[Groups ask "what will come after 'peak oil'?"](#)

Whether it's challenging each other to see "how low you can go" with the home thermostat in February, or looking at swaths of public turf grass for their potential to hold community vegetable gardens, sustainability and Transition Town groups are popping up all over.

Jon Freise, a national trainer on the subject, told a recent gathering that the Transition Towns movement came out of concerns about three things: Climate change—temperature extremes brought on by pollution, "peak oil"—fossil fuels running out, and economic instability.

[The 'Mad Men' of fossil fuels](#)

The name of the popular American television series "Mad Men" comes from the nickname given to those who worked in New York City's advertising agencies in the 1950s. The nickname came from the advertising profession itself whose members felt that one had to be a little mad to work on Madison Avenue, the center of the advertising business.

But, there is nothing particularly mad about the role of advertising in society, and it should really be looked upon as the logical conclusion of the long process of rationalizing modern economic life--a type of economic life which arose simultaneously with the widespread use of fossil fuels.

[FSU crude oil exports declined by 5.5 % in last 2 years](#)

Former Soviet Union (FSU) crude oil exports declined from 6.76 mb/d in 2010 to 6.39 mb/d in 2012 (-370 kb/d), or 5.5%, mainly due to a 13% decrease in Black Sea shipments.

[WTI Trades Near Two-Week High on Economy; Sudan Threat](#)

West Texas Intermediate declined from the highest closing price in more than two weeks as Chinese economic data trailed estimates and the North Sea Buzzard oil field resumed.

WTI dropped as much as 0.7 percent, halting a three-day advance. China's industrial output rose a less-than-forecast 9.2 percent last month, while export gains were at a 10-month low and imports dropped, weekend data show. Production at the Buzzard field, the largest contributor to the benchmark Forties crude grade, returned to approximately full pumping rates over the past two days, according to two people with knowledge of the matter who asked not to be identified.

[U.S. Gasoline Falls to \\$3.6385 a Gallon in Lundberg Survey](#)

"Regions continue to sort out their refinery issues and refinery comebacks," Trilby Lundberg, president of Lundberg Survey, said in a telephone interview yesterday. "Generally, prices continued to edge up in the Midwest and certain other parts of the country, and declined dramatically in the West and to a lesser degree in the Gulf Coast."

[Importers Try to Limit Rupee Impact](#)

India's fuel retailers, who already make losses on sales of fuel like diesel, cooking gas and

kerosene at subsidized rates, expect their losses to widen.

“A one rupee depreciation against the dollar increases under recoveries by 90 billion rupees for the state-run fuel retailers,” said P.K. Goyal, finance director of Indian Oil Corp., the country’s largest fuel retailer by sales and refiner by capacity.

[Petroleum minister, Morsi's adviser travel to Qatar to discuss gas needs](#)

An Egyptian delegation arrived in Doha yesterday to secure a natural gas deal, as Egypt continues to suffer from fuel bottlenecks leading to frequent power cuts.

[Iraq police avert bomb attack on north oilfield](#)

KIRKUK, Iraq (Reuters) - Iraqi police defused bombs planted at two oil wells near the northern city of Kirkuk on Monday, according to security and oil sources, who said exports to the Ceyhan port in Turkey were not affected.

The bombs were discovered near two wells producing crude from the Bai Hassan oilfield, which is currently pumping around 150,000 barrels per day (bpd), officials at state-run North Oil Company (NOC) said.

[Sudan Threatens to Shut South Sudan Oil Over Rebel Support](#)

Sudan threatened to halt South Sudanese oil exports within 60 days unless the neighboring state ends support for rebel groups opposed to President Umar al-Bashir’s rule.

Sudanese Information Minister Ahmed Bilal Osman said his government has evidence that South Sudan is backing renegade fighters in the western region of Darfur and the southern states of Southern Kordofan and Blue Nile. That undermines cooperation accords signed between the two nations last year and for which a timeframe was agreed in March, he said.

[Yemen c.bank exceeds legal cap on govt loans by \\$1.6 bln](#)

DUBAI (Reuters) - Yemen's central bank exceeded the legal limit on how much it may lend to the government by 347.9 billion rials (\$1.6 billion) last year, its annual financial statement showed.

The disclosure underlines the severe financial pressures faced by Yemen as it struggles to rebuild its economy after years of war and political unrest.

[Privatisation of Greek gas firm DEPA fails - sources](#)

ATHENS (Reuters) - Greece failed to attract any binding bids for natural gas company DEPA, two Greek officials close to the sale said on Monday, making it unlikely the country will meet privatisation targets under its international bailout.

Athens, which has a binding goal to raise 1.8 billion euros (1.53 billion pounds) from asset sales by the end of September, got just one bid - from Azerbaijan's SOCAR - for natural gas grid operator DESFA, a DEPA unit that it wanted to sell separately.

[Gazprom's Demise Could Topple Putin](#)

No large company in the world has been so spectacularly mismanaged as Russia's state-dominated natural-gas corporation Gazprom OAO. In the last decade, its management has made every conceivable mistake.

Even so, Russian President Vladimir Putin denies the very existence of a crisis and maintains his support for Alexei Miller, the chief executive officer since 2001. Gazprom's situation is serious not only because it is Russia's biggest company by market value, but because Putin is its real chairman. Where Gazprom goes, so does Russia and the Putin government.

[More anti-shale gas protesters arrested in Kent County](#)

Anti-shale gas protesters were arrested on Sunday after equipment owned by SWN Resources Canada was damaged, according to a government official.

The reasons for the arrests on Sunday are conflicting, however.

While a government official says the arrests were prompted after protesters damaged equipment, demonstrators say three people were arrested because they were not keeping far enough away from the equipment.

[Abandoned Oil Wells Raise Fears of Pollution](#)

LULING, Tex. — Amid the dry weeds on a 470-acre ranch here, a rusted head of steel pokes up, a vestige of an oil well abandoned decades ago. Across the field stand two huge, old wooden oil tanks, one of them tilting like a smokestack on the Titanic.

"Basically I get 61 acres here I can't do anything with," said Stuart Carter, the landowner, who is in a legal dispute with the oil producer operating on part of his ranch over who should clean up the site. Mr. Carter fears that the oil well, probably dating to the 1930s, could create a pathway for saltwater or oil to contaminate the groundwater.

[Utility economics and the San Onofre fiasco: Further thoughts](#)

A reader, taking issue with my recent post arguing that Edison International's shareholders should bear the cost of the utility's enormous San Onofre debacle, suggests that "basic economics" dictates that all businesses invariably pass the costs of their mistakes on to consumers — so why should Edison be any different?

It's a familiar point, worth splitting into two questions for examination. First, is it true? Second, how does it apply to Edison, which spent roughly \$700 million installing faulty steam generators in its San Onofre nuclear plant, resulting in the plant's permanent shutdown?

The answer to the first question is: No, it's not true. Businesses will try to pass on to customers as much of their costs as they can, but competitive forces and legal obligations commonly prevent that.

[San Onofre Seen as Latest Setback for U.S. Nuclear Power](#)

Edison International's decision to abandon its San Onofre nuclear plant in California is the latest blow for an industry already facing questions about its long-term survival.

Edison announced June 7 that it will permanently shut the plant's two reactors, trimming total U.S. operating units to 100 from 104 at the beginning of the year and 110 at the peak in 1996. The announcement brings to four the number of units permanently removed from service this year, the most for any year since the nation embraced nuclear power.

[Ethanol lobby sees red over a yellow gas hose in Kansas](#)

Oil producers say they are just doing the responsible thing - holding firm to a 10 percent maximum blend of ethanol in gasoline, or E10 - because anything more than that can cause engine damage in many vehicles on the road today.

"We are not about to put something out there that we don't think is safe or reliable for the consumer," said Charles Drevna, president of American Fuel and Petrochemical Manufacturers, which represents refiners like Phillips 66.

The EPA has approved E15 for cars made after the 2000 model year. But automakers have not extended their warranties to cover E15 use on pre-2013 models. That leaves only about 12 million of 240 million cars on the road, or about 5 percent, with warranties to use E15, according to a November survey conducted by the American Automobile Association.

"Every automaker with the exception of Porsche said that E15 could void your warranty unless it was a very new car," said AAA spokesman Michael Green.

[Will Plug-In Vehicles Win the Long Game?](#)

If there are two major obstacles to an electric vehicle boom, they would have to be cost and style. Plug-in car makers appear dead-set on changing the industry on both counts, as attractive automobiles are being backed up by affordable electric vehicles whose incentives are too good to ignore. It is lending hope to the possibility that electric cars could win the long game.

[Scaling Up Solar Power May Demand Updated Electric Grid](#)

(ISNS) -- One hour's worth of global sunlight would be enough to power the world's energy requirements for an entire year. But even if humankind can someday harness solar power to meet global energy needs, there is another problem engineers will have to tackle: integrating solar power with existing electrical networks.

In a new review of existing research, published online in the Journal of Renewable and Sustainable Energy, scientists warn that this latter challenge will not be easy because solar cells – also known as photovoltaic, or PV, cells – have numerous negative impacts on current systems used to distribute electrical power.

[U.K. \\$39 Billion Tidal Barrage Plan Not Economic: Report](#)

A plan to build a 25 billion-pound (\$39 billion) tidal dam-like structure to generate as much as 5 percent of the U.K.'s power doesn't provide value for money and may pose a risk to the environment, a government report found.

Hafren Power Ltd. failed to show the economic, environmental and technological credentials of the proposed 18-kilometer (11-mile) barrage across the Severn estuary, Tim Yeo, chairman of Parliament's Energy and Climate Change Committee, said today in an e-mailed statement. The committee "cannot recommend" the project as it stands, he said.

[Ocean Thermal Energy Plans \\$12 Million Share Sale on AIM](#)

Ocean Thermal Energy Plc, a renewable energy company that can produce power from the sea, plans to raise as much as 8 million pounds (\$12.4 million) by selling shares on London's Alternative Investment Market.

[In nation's breadbasket, Latinos stuck in poverty](#)

California's San Joaquin Valley is one of the richest agricultural regions in the world, with Fresno County farmers receiving a record \$6.8 billion in revenues last year. But the region also consistently ranks among the nation's most impoverished. Sometimes called

"Appalachia of the West," it's where families, especially Hispanic immigrants and their children, live year after year in destitution.

This divide causes concern because of what it may foretell as the nation's Hispanic population explodes and the U.S. moves toward becoming a majority minority nation. Census data show that non-Hispanic whites will cease to be a majority somewhere about the year 2043. The shift is largely driven by high birth rates among Hispanics as well as by declines in the aging white population.

[Witch hunts in Papua New Guinea linked to jealousy](#)

There is no clear explanation for the apparent uptick in killings in parts of the South Pacific nation, and even government officials seem at a loss to say why this is happening. Some are arguing the recent violence is fueled not by the nation's widespread belief in black magic but instead by economic jealousy born of a mining boom that has widened the country's economic divide and pitted the haves against the have-nots.

"Jealousy is causing a lot of hatred," said Helen Hakena, chairwoman of the North Bougainville Human Rights Committee, which is based in the area Rumbali was killed. "People who are so jealous of those who are doing well in life, they resort to what our people believe in, sorcery, to kill them, to stop them continuing their own development."

[Colorado secede? Counties weigh exit plan to form state of 'North Colorado'](#)

In a Thursday news article, the Coloradan website said the state's Democrat-controlled Legislature has recently passed laws for stricter gun control, greater reliance on renewable energy in rural areas, and restraints on what was perceived as cruel treatment of livestock.

"Our vision and our morals are no longer represented by the state [Legislature] and the current [governor's] administration, and we think it's time that we do take seriously what our options are," said Douglas Rademacher, a Weld County Commissioner. "This is just one of our options, but we will be moving forward with it."

[Good Science, or Bad Sense?](#)

This Retro Report video revisits Biosphere 2, whose goal was to see if humans could sustain themselves in a sealed environment. What was deemed a fiasco had a surprising afterlife.

[Police say men came from Virginia to loot in tornado-ravaged Moore](#)

MOORE — Arrested with a truck full of copper wire, scrap metal and other items from homes destroyed by the May 20 tornado in Moore, three men told police they came

hundreds of miles — all the way from Virginia — for the sole purpose of looting in the disaster area.

Another resident reported that a \$50,000 watch was stolen from his home in Moore.

Nearly three weeks since a monster tornado tore through the city, killing more than 20 and wiping entire homes from existence, Moore police continue to investigate looting in the massive disaster area.

[Danube Crests Near Record Level in Budapest](#)

BUDAPEST — The Danube, which normally bisects Budapest as a gently rolling swath of silver, hovered at historic levels Monday, as the Hungarian capital struggled as record floods battered Central and Eastern Europe.

An unusually wet spring has swollen the Danube, the Elbe and several of their tributaries across Austria, the Czech Republic, Germany and Hungary, forcing the evacuation of tens of thousands of people, disrupting rail and road traffic, and causing damage that some preliminary estimates have put at several billion dollars.

[Experts Urge Focus on Aquifers in Push for Water From Mexico](#)

As Texas lawmakers say farmers in the Rio Grande Valley are hurting because Mexico is not honoring a treaty on surface water delivery, experts caution that greater attention should be paid to water deep below the surface.

At least 20 aquifers stretch across the United States-Mexico border, said Gabriel Eckstein, a professor at the Texas Wesleyan University School of Law and the director of the International Water Law Project. Some are being mined at a record pace, he said.

"I know you have a lot of agricultural interests in the Valley yelling and screaming about water in the Rio Grande; that is going to continue," he said. But of the 14 million people living within 50 miles of the border, "80 or 90 percent of them get their water from aquifers."

[No Nile, no Egypt', Cairo warns over Ethiopia dam](#)

(Reuters) - Egypt's foreign minister, vowing not to give up "a single drop of water from the Nile", said on Sunday he would go to Addis Ababa to discuss a giant dam that Ethiopia has begun building in defiance of Cairo's objections.

Speaking to Egypt's state news agency MENA two days after the Ethiopian government flatly rejected a request from Cairo to halt the project, Mohamed Kamel Amr said Egyptians view any obstacle to the river's flow as a threat to national survival.

"No Nile - no Egypt," he said, highlighting the pressure on the Egyptian government,

whose popularity is wilting in the face of economic troubles, to prevent the hydro power plant cutting already stretched water supplies for its 84 million people.

[Chemical Companies Seek to Limit Federal Green Building](#)

Chemical companies are lobbying the U.S. Congress to limit government use of proposed, tougher green-building codes in the hope that alternative standards may be adopted.

The U.S. Green Building Council, which received \$3 million from Google, Inc. (GOOG) last year to promote non-toxic materials, has proposed updating its voluntary but widely used Leadership in Energy and Environmental Design, or LEED, standards to give credit to builders that avoid chemicals that pose health risks. Members of the Washington-based council are voting this month on the updated protocols known as LEED 4.

[Invasion of the Beetles, and a Rancher's Revenge](#)

"Having a resort in Montana with no trees is a big problem," Mr. Lipson says. So rather than watch the bugs turn the land into a tinderbox for wildfires, the Lipsons decided to take steps to stop the beetles in their tracks. In the process, they found a way to turn their ravaged wood into something useful: a material for making accessories for Apple products. Their story offers lessons in adapting when an environmental crisis hits and, more broadly, how to be resilient in the face of adversity.

The mountain pine beetles that descended on the Lipsons' ranch have coexisted with pine trees for millennia, but as temperatures have risen in recent years, the insect's range, population and winter survival rate have grown. The beetles now inhabit trees from Southern California all the way up to the Northwest Territories of Canada and as far east as South Dakota.

[Potentially 'catastrophic' changes underway in Canada's northern Mackenzie River Basin: report](#)

Canada's Mackenzie River basin -- among the world's most important major ecosystems -- is poorly studied, inadequately monitored, and at serious risk due to climate change and resource exploitation, a panel of international scientists warn today.

In a report, nine Canadian, US and UK scientists convened by the US-based Rosenberg International Forum on Water Policy, say effective governance of the massive Basin, comprising an area three times larger than France -- holds enormous national and global importance due to the watershed's biodiversity and its role in hemispheric bird migrations, stabilizing climate and the health of the Arctic Ocean.

The panel agreed the largest single threat to the Basin is a potential breach in the tailings ponds at one of the large oil sands sites mining surface bitumen. A breach in winter sending tailings liquid under the ice of the tributary Athabasca River, "would be

virtually impossible to remediate or clean-up," says the report.

[Australians are waking up to why coal matters - US environmentalist](#)

Bill McKibben, the US environmentalist, has insisted that a looming election defeat for Labor will do little to alter growing activist pressure on Australian superannuation funds and businesses to withdraw funding from fossil fuel companies.

McKibben, whose Do the Maths lecture tour of Australia concluded with an appearance in Brisbane on Sunday, told Guardian Australia there was increasing momentum behind the anti-coal movement, despite a clear polling lead for opposition leader Tony Abbott, who has pledged a "blood oath" to repeal the carbon pricing scheme and scrap various clean energy initiatives.

[Hurricane Risks Rise as Coastal Populations Grow](#)

Populations along the coasts are growing exponentially, which could mean problems when it comes to hurricane season.

According to 2012 United States Census Bureau data, the nine states with the highest population density are all located along the East Coast. NOAA's State of the Coast research indicates that coastal populations will continue to grow at a faster rate than the rest of the country, with an expected increase of 37 people per square mile for shoreline counties and only an 11 person per square mile increase for the United States as a whole. From 1970 until 2010, coastal populations have risen by 39 percent.

[Ganges, Nile and Amazon seen suffering more floods from climate change](#)

OSLO (Reuters) – Climate change is likely to worsen floods on rivers such as the Ganges, the Nile and the Amazon this century while a few, including the now-inundated Danube, may become less prone, a Japanese-led scientific study said on Sunday.

The findings will go some way to help countries prepare for deluges that have killed thousands of people worldwide and caused tens of billions of dollars in damage every year in the past decade, experts wrote in the journal *Nature Climate Change*.

[Amazon forest fire risk to increase in 2013](#)

(Phys.org) — University and NASA researchers predict that the severity of the 2013 fire season will be considerably higher than in 2011 and 2012 for many Amazon forests in the Southern Hemisphere. The outlook is based on a fire severity model that produced a successful first forecast in 2012.

[Energy Agency Makes Case for Climate-Wise Energy Steps](#)

The International Energy Agency today released a helpful report that charts four climate-wise (if fairly familiar) actions countries can pursue to make a difference in greenhouse-gas emissions by 2020. There's a low bar to entry, the agency noted, saying these steps "can deliver significant emissions reductions by 2020, rely only on existing technologies and have already been adopted successfully in several countries."

[Hike in inflation ignites food insecurity](#)

KARACHI - High inflation, skyrocketing transportation fares, climate change and bad governance are causing food insecurity in Pakistan, according to a latest study.

[How do you feed 9 billion people?](#)

An international team of scientists has developed crop models to better forecast food production to feed a growing population – projected to reach 9 billion by mid-century – in the face of climate change.

Pakistan is an agriculture country, where farmers grow enough food but due to bad governance, those people who grow food are food insecure. Uncontrolled high inflation and transportation rates have caused an alarming rise in food items' prices, while climate change has been hitting Pakistan, causing droughts and floods. The floods had destroyed crops standing on lacks of acres within last decade in Pakistan while droughts have reduced crop productions in rain-irrigated lands.

[IEA: Carbon emissions from fuel usage hit new global record](#)

The International Energy Agency (IEA) says the world's carbon dioxide emissions from fuel consumption have risen to a record level. It warns that despite increased renewables usage climate change will "not go away."

Global carbon dioxide emissions hit a new record in 2012, standing at 31.6 billion tons, the IEA reported Monday.

The agency said the energy sector accounts for about two-thirds of global emissions of CO₂ and other greenhouse gases, which scientists say are fueling climate change.

[IEA warns global temperature rise set to double target](#)

The IEA warned that delaying efforts to limit climate change "would result in substantial additional costs to the energy sector and increase the risk of assets needing to be retired early."

It also warned “the energy sector is not immune from the physical impacts of climate change”, signalling threats from extreme weather, as well as more gradual changes such as rising sea levels.



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