



DrumBeat: June 19, 2008

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Topic: [Miscellaneous](#)

[The future of energy](#)

A fundamental change is coming sooner than you might think

SINCE the industrial revolution 200 years ago, mankind has depended on fossil fuel. The notion that this might change is hard to contemplate. Greens may hector. Consciences may nag. The central heating's thermostat may turn down a notch or two. A less thirsty car may sit in the drive. But actually stop using the stuff? Impossible to imagine: surely there isn't a serious alternative?

Such a failure of imagination has been at the heart of the debate about climate change. The green message — use less energy — is not going to solve the problem unless economic growth stops at the same time. If it does not (and it won't), any efficiency saving will soon be eaten up by higher consumption per head. Even the hair-shirt option, then, will bring only short-term relief. And when a dire prophecy from environmentalism's jeremiad looks as if it is coming true, as the price of petroleum rises through the roof and the idea that oil might run out is no longer whispered in corners but openly discussed, there is a temptation to believe that the end of the world is, indeed, nigh.

[Ban on hedge fund oil investments considered](#)

The latest plan circulating in Congress would ban large institutional investors from trading commodities altogether. It's a radical idea that might sound appealing to motorists and small business owners, but experts say it would actually do little to lower prices and could have the opposite effect.

[Why is Nigerian oil militant attack significant?](#)

WHY IS THIS ATTACK DIFFERENT?

Militant attacks on oil installations in Nigeria have mostly targeted facilities in the shallow creeks of the Niger Delta, where pipeline bombings and kidnappings of expatriate oil workers have been frequent.

Thursday's attack targeted Shell's Bonga oilfield, which lies some 120 km (75 miles) off the Nigerian coast.

Such offshore facilities have been considered safer and easier to protect and attacks of this kind have been relatively rare. International oil companies have been focusing investment offshore partly because of the perceived lower risk.

[The puzzle of oil production: Why the Saudis are worried about the high price of crude](#)

The Saudis fear that the intensified search by the West for alternative energy will result in the same thing happening again. But the more immediate worry is that high oil prices may slow not just America's but the whole world's economy. That would trigger a sharp fall in demand for Saudi oil. Just as bad, a sharp global slowdown would slash the value of the kingdom's hundreds of billions of dollars in overseas holdings. No wonder Ali al-Nuaimi, like his predecessors as Saudi oil minister, often cites "customer satisfaction" and "market stability".

[Saudi Arabia announces 200,000 bpd output hike](#)

LONDON (AFP) - Saudi Arabia said Thursday it planned to increase daily oil output by 200,000 barrels per day, according to a statement posted on the country's London embassy website.

"Saudi Arabia recently announced a plan to increase oil output by 200,000 barrels per day," the statement said, ahead of a weekend meeting of consumers and producers in Jeddah to discuss sky-high crude prices.

[West Australia gas crisis goes national](#)

The West Australian gas crisis continues to grow in importance with the Federal Government finally recognising its national potential.

Prime Minister Kevin Rudd told federal parliament yesterday that the gas explosion will slow exports and growth and also "flow through" to the national economy.

He said the blast will have a "significant" impact on gas supplies.

[Calls to examine Varanus explosion](#)

A ROYAL commission should be held into a gas plant explosion that led to West Australia's energy crisis, the state Opposition says.

Opposition energy spokesman John Day yesterday said the crisis was having a big impact on the major economy and the public had a right to know how it happened and how it could be prevented from happening again.

[We Are Paying the Price for Emerging Market Subsidies](#)

Yesterday morning during my morning commute, I heard an story on the radio that's a sobering sign of the times. As I was blowing cash out my tail-pipe on my nearly 40-mile drive to the office, a guy on the radio described his own plight. He's in worse shape than me.

At least my 6-cylinder Chrysler Sebring convertible gets decent gas mileage for my long commute. The guy on the radio talked about how he was "stuck" in his Ford Excursion – unable to afford to fuel it up, but unable to trade it in for a reasonable price either.

[Is Gazprom right to forecast \\$250 oil for the next year?](#)

The emerging markets are going to have to become more efficient in their use of energy, just as the industrialised countries did in the 1970s. As the BP Annual Statistical Review of World Energy states high oil prices in 2007 actually led to a one per cent fall in US and EU combined oil consumption of 35.6 million barrels per day, while the thirsty emerging markets demanded four per cent more oil and consumed 36.2 million barrels per day.

If the emerging markets became more thrifty energy consumers that would go along way to solving the demand side of the oil price equation. In fact, high oil prices will force emerging markets to become more efficient in energy use but this will take time; and in the meantime higher oil prices look inevitable, sustained by cheap money from the Federal Reserve.

[Gulf eyes oil-for-food pacts](#)

DUBAI - Recent attempts by Persian Gulf countries to invest in farmlands abroad to counter soaring inflation and guarantee long-term food security could prove to be a win-win situation in the short term for both the oil-rich region and its investment-hungry neighbors, but continued high oil prices may neutralize the gains in the long-run, say experts.

[That '70s feeling](#)

No, the 1970s were not a good decade for Britain. In 1974, Conservative prime minister Edward Heath imposed a three-day workweek to reduce energy use. That didn't stop

inflation hitting 25 per cent by 1975. A year later, James Callaghan, the Labour prime minister, asked the International Monetary Fund for £2.3 billion -- about \$6 billion -- in emergency funds to keep the country afloat.

During the "winter of discontent" in 1978, most everybody -- miners, tanker drivers, gravediggers -- went on strike. Gas stations ran out of fuel. Supermarket shelves were sometimes empty. Bodies went unburied.

[Indonesia: Living with \\$150-\\$200 oil](#)

As oil prices have continued to surge to a new record of more than US\$140 a barrel, the 28 percent increase in domestic fuel prices introduced by the government on May 24 has become less effective in reducing subsidies, consumption and smuggling overseas.

[China's cheap fuel underpins global oil price spike](#)

BEIJING: To find out why global crude prices are at historic highs, look no further than Christina Lu and her silver Honda Odyssey.

A beneficiary of China's artificially cheap gasoline, she drives as though the world's energy resources are limitless.

[Nepal fuel price protesters stone cars](#)

KATHMANDU (Reuters) - Hundreds of Nepali student activists, demanding a roll back of fuel prices and transport fares, stoned or set fire to several vehicles in the capital Kathmandu on Thursday, police said.

State-run Nepal Oil Corporation increased petrol and diesel prices by about 25 percent last week saying the move was needed to cut losses due to a global oil price rise and to meet a domestic fuel shortage.

[Nepal: Industries siphoning off public-use fuel](#)

Staffers of the eastern regional office of the Nepal Oil Corporation, in connivance with the dealers, are supplying petroleum products meant for domestic use to industrial units. As a result, private and public vehicle operators here are facing fuel shortage, despite the price hike.

[Small shortage in Canada as cars shipped to U.S.](#)

TORONTO -- Americans are buying so many smaller vehicles in the wake of higher gasoline prices that they're causing product shortages in Canada.

Dealers "are complaining that they can't get entry level product," Dennis DesRosiers, president of DesRosiers Automotive Consultants, said yesterday in a research note to clients. "Ever since the Americans got religion and started buying smaller vehicles, markets like Canada around the world are having a hard time finding available product in the system."

[Shrinking fuel supplies causing mad scramble: Public bus service may be halted today](#)

TIJUANA – Truck and bus drivers experienced a day of chaos in Tijuana yesterday, as they chased a dwindling supply of diesel fuel. Today was shaping up to be even worse.

For weeks, drivers from the United States have snapped up Mexican diesel, which is selling for about 50 percent less than in California.

That has resulted in a shortage of the fuel, and gas stations nearest the border crossings started halting or limiting sales last weekend.

[U.S. Auto Sales in June May Decline to 15-Year Low](#)

(Bloomberg) -- U.S. vehicle sales may plunge to their lowest in more than 15 years this month as soaring gasoline prices leave dealers with too many big trucks and a shortage of fuel-efficient small cars, analysts said.

[Diesel spike means rough times for seafood sales](#)

Even a decent haul of fish can mean a loss, once fuel is paid for and the crew gets its share. Raising the price of the fish barely softens the blow. Even a 29 percent boost falls short of the spike in fuel prices.

[Kansans adjust to gas prices, make it to games](#)

Other organizers worry that the summer of 2008 isn't the true test of how the sports world — recreational and competitive, youth and adult, Big Seven and Big 12 — will respond to rising costs brought on by gas prices.

How might sportsmen and fans deal with prices at \$4.50, even \$5? The question is never far from anybody's mind.

[Heat and power plants could triple their energy output, report says](#)

The energy produced by power plants that provide both heat and electricity could be almost tripled in the UK, according to an analysis of nine industrial sites. So-called combined heat and power (CHP) plants are far more efficient than conventional power stations because they harness heat that is normally wasted, by piping it to industrial or domestic users.

[A new 'Manhattan Project'](#)

In the early days of World War II, it became entirely apparent that Hitler was working on developing nuclear fission, the end result likely being the catastrophic instrument known as the atomic bomb. Leaders of the United States, Britain and Canada put into motion the Manhattan Project, which was summarily created to understand the scientific ramifications and develop a bomb of our own. The rest is history.

One could easily argue that the threat of Hitler's bomb is not far off from the threat of sky-high fuel. The end result is similar, a complete disintegration of our social structure as we know it.

[Nuclear Dreams: Will the Next Atomic Age Ever Come?](#)

While there are 34 reactors under construction around the world, a dozen of them—including one in the U.S.—have been in the works for 20 years. Projects from Finland to China are routinely delayed and over-budget.

The report, written by a Greenpeace nuclear policy analyst and thus no fan of nuclear power, highlights the usual suspects that have hamstrung the nuclear revival so far: a shortage of construction materials and higher-than-expected costs for construction. That's without mentioning one big bugbear facing nuclear power in the U.S.—what do with all the toxic waste. There's also the question of where to get the fuel from to run the reactors.

[ARB takes to the waves](#)

First the cars and trucks, then the factories, trains and earth movers. Now, the ships at sea: Air Resources Board is entering new waters.

The ARB is going after ocean-going vessels, especially those container ships that ply the coast of California and belch soot from huge engines that burn pollutant-rich form of diesel oil called bunker fuel.

[Sue OPEC](#): *Acting brazenly as a cartel, the organization is breaking U.S. antitrust laws.*

OPEC may call itself an "organization," but everyone knows that it is, pure and simple, a cartel that manipulates markets, restricts output and fixes prices. The United States and the European Union have vigorously prosecuted other multinational cartels for doing the same thing in the vitamin, lysine, computer chip and elevator/escalator markets. Swiss healthcare company F. Hoffmann-La Roche, for instance, paid a \$500-million fine to the U.S. in 1999 for its part in a years-long scheme to raise prices on vitamin products. Just last year, British Airways and Korean Air each paid a \$300-million fine to the U.S. for fixing international cargo rates.

But when it comes to oil, the U.S. gets squeamish. For nearly 50 years, the members of OPEC have openly operated as a cartel. OPEC's statutory provisions even state that its mission is "the coordination and unification of the petroleum policies of member countries and the determination of the best means for safeguarding their interests, individually and collectively."

[Coalminers' slaughter: in US, they blow up mountains for coal](#)

KAYFORD, West Virginia (AFP) - The traditional lifestyle of the Appalachian peaks of West Virginia is under threat from mining companies who blow the summits off mountains to reach the coal deposits that lie beneath the surface.

[The Great Oil Deception: Part Three](#)

"Oil Production in the United States is in a permanent decline."

This is one of the loudest of all claims by oil bulls, and the one stated with the most smug self satisfaction, a seemingly impregnable statement that no one with even half a brain could possibly refute. This claim is usually made in conjunction with some comment about M. King Hubbert, and his prescient statement about the aforementioned peak, complete with the required head bowing and reverence for the so called "messiah" of the peak oil movement.

[Cap-and-Trade Plans Will Require Draconian Lifestyle Restrictions](#)

Imagine every American being given a plastic debit card entitling them to release carbon dioxide (CO₂). Filling the gas tank would debit the card for the CO₂ caused by the amount of gasoline purchased. Lamb chops would debit the card for the greenhouse gases caused by sheep. Buying an airplane ticket would debit the card for the CO₂ released by the jet engines.

Is this a preposterous notion? Hardly. Something quite similar would be necessary to achieve the kinds of emission reductions proposed by Sens. Barak Obama, Hillary

Clinton, and John McCain.

[A Review: *Energy Keepers, Energy Killers* by Roy Innis, Chairman, Congress of Racial Equality \(CORE\)](#)

Innis reveals how devious wealthy elites who control environmental organizations use organization funds (much of which come from government grants and contributions from trust funds controlled by liberals) to find fossil fuel deposits, then use their organization to lobby Congress to put such lands into preservation so that those energy resources cannot be tapped. By abusing federal programs designed to protect environmentally sensitive areas and/or special sites that are unique (e.g., Devil's Tower), these organizations have been instrumental in convincing politicians (usually Democrat) to put massive deposits of fossil fuel energy sources off limits to energy providers.

[What price cotton?](#)

Biofuels are currently being accused of starving the world of food, by taking over badly needed land and water. But the fact is, cotton deprives food growers of much more water and good farming land than biofuels.

If we weren't already doing it, and somebody today came up with the idea of taking over the world's fields to grow clothes, there'd be a huge stink. So is it time for a reassessment of cotton and other non-food crops?

[Suburban fight or flight](#)

Kunstler said people will have a hard time abandoning their suburban real estate because of the money they have tied up in their homes, but remaining in the suburbs "will be a losing proposition, even in the short to medium term."

"The situation in suburbia will become more and more desperate as it hemorrhages value," Kunstler said. "The global oil predicament will reach a critical threshold much quicker than most people realize."

[Oil output outside OPEC at risk of no growth in 2008](#)

LONDON, June 19 (Reuters) - Oil supply from countries outside OPEC, source of three in every five barrels, is stalling this year and may even decline, keeping the heat under record-high oil prices. The International Energy Agency (IEA) and the U.S. government have cut forecasts for supply growth in 2008, in part due to delays at new fields and declining output at existing ones.

"There is a risk of zero non-OPEC growth," said Mike Wittner, oil analyst at Societe Generale, who forecasts non-OPEC supply will expand by 400,000 barrels per day (bpd) this year.

"As far as our forecast is concerned, there is definitely downside to our numbers."

[More consumers, workers shoplift as economy slows](#)

Call it a sign of the times. Steadily and alarmingly, shoplifting seems to be rising at many retail chains, and experts are pointing at a prime cause: the sputtering economy.

"Wages aren't keeping up with inflation, especially the price of food and energy," says Diane Swonk, chief economist at Mesirow Financial. "It just leaves less money for everything else, and that breeds a lot of temptation."

[Pickens: Oil production has peaked](#)

Most analysts agree the slide down the other side of the peak will not be smooth. In 2005, the Department of Energy commissioned a report to examine the impact of peak oil. The Hirsch Report (PDF) named for its lead author, energy adviser Robert Hirsch, puts the problem in stark terms:

The world has never faced a problem like this. Without massive mitigation more than a decade before the fact, the problem will be pervasive and will not be temporary. Previous energy transitions (wood to coal and coal to oil) were gradual and evolutionary; oil peaking will be abrupt and revolutionary.

The report recommended 10 to 20 years of "accelerated effort" to implement alternative fuels would be needed before the oil peak to avoid "major economic upheaval".

[Will More Drilling Mean Cheaper Gas?](#)

Even if tomorrow we opened up every square mile of the outer Continental Shelf to offshore rigs, even if we drilled the entire state of Alaska and pulled new refineries out of thin air, the impact on gas prices would be minimal and delayed at best. A 2004 study by the government's Energy Information Administration (EIA) found that drilling in ANWR would trim the price of gas by 3.5 cents a gallon by 2027.

[The challenge of exploiting Iraq's oil](#)

It's difficult to imagine today, but 50 years ago the Iraqi oil industry was directed from

offices thousands of miles from Baghdad.

In the 1950s, number 214 Oxford Street, London, was the headquarters of the Iraq Petroleum Company.

For three decades, the IPC held a stranglehold over Iraqi oil - a monopoly only broken with nationalisation in the 1960s.

But once again, foreign oil companies are waiting for another opportunity to return to Iraq. With governments eager to see the rocketing price of crude oil kept under control, focus on Iraq is increasing.

[Big Oil Tiptoes Back into Iraq](#)

By all rights, Iraq should be a world-class oil power in the same league as Saudi Arabia in OPEC. That Iraq isn't owes much to political division and security risks that have kept foreign experts and investment out of the nation's critical oil sector. Now, there may be reason for some optimism. A top Iraqi Oil Ministry official, Natiq al-Bayati, head of contracts and licensing, has been meeting executives from foreign oil majors in the Jordanian capital of Amman in recent weeks. He hopes to hammer out so-called technical support agreements that could improve Iraqi oil output over time.

[Libya hires Goldman Sachs for advice on oil production](#)

ATHENS: Libya, the holder of the largest oil reserves in Africa, hired Goldman Sachs Group to provide information on its behalf to credit rating companies, the first contract with a U.S. bank after the removal of sanctions.

[Drivers cut back by 30B miles](#)

The decline in total miles traveled, though only 1%, means that many drivers are cutting back far more because the number of drivers and vehicles grows by 1% to 2% a year. Americans are driving about the same number of miles as in 2005, when the USA had 8 million fewer people, according to a USA TODAY analysis of Federal Highway Administration data. The declines are sharpest on rural roads, indicating that people are cutting back on long-distance and vacation trips.

"It's not a blip," said Marilyn Brown, professor of energy policy at Georgia Tech, citing data showing surging transit ridership, dropping sales of sport-utility vehicles and sharply increased demand for gas-efficient vehicles. "I think the difference between now and 1979, when prices were comparable when you adjust for inflation, is there's a sense of sustained pain. There's a sense that the era of cheap energy is a thing of the past."

[Shell Shuts Nigeria's Bonga Oil Field After Attack](#)

(Bloomberg) -- Royal Dutch Shell Plc said it shut down the Bonga oil field in Nigeria because of a militant attack, the first time the deepwater facility 120 kilometers (75 miles) offshore has come under assault.

``There has been an armed attack on the Bonga field production unit," Shell spokesman Rainer Winzenried said in an interview from The Hague. Bonga crude shipments were scheduled to average 190,000 barrels a day in June, based on loading schedules. Attacks by militants previously focused on onshore and shallow fields in the creeks of the Niger river delta.

[Drilling for Answers - Will we find the oil we need offshore?](#)

Drilling is only the first leg of a three-legged stool. Hofmeister believes that in the next decade, the U.S. can boost production of alternative fuels (mostly cellulosic ethanol) from 500,000 barrels per day today to 2.5 million barrels a day. And a drive for greater efficiency — principally by replacing the gas-guzzling U.S. car fleet with more parsimonious autos — can reduce daily demand by 2.5 million barrels per day. Over time, the combination of significant increases in production and significant demand destruction, "would hit the energy futures on its head," bring down prices, create jobs in the U.S., and decrease reliance on energy imported from tyrants.

[Oil's 'Bull Run' May Be Over on Supply, JPMorgan Says](#)

(Bloomberg) -- Crude oil's ``bull run" may be over as prices become increasingly volatile and Saudi Arabia pledged to boost supplies, according to JPMorgan Chase & Co., the third- largest U.S. bank.

Prices are expected to ``correct" over the next few months, JPMorgan analysts led by Brynjar Eirik Bustnes said in a report today. Spare production capacity may reach 5 million barrels a day by 2010, similar to levels in 2002 to 2003, when oil was \$30 a barrel, the analysts said.

[Japan, China strike landmark gas-sharing deal](#)

TOKYO (AFP) — Japan and China said Wednesday they had struck a deal to jointly develop gas fields in the East China Sea, partly resolving a spat that has been a thorn in ties between the major energy importers.

After four years of on-off talks, Asia's two largest economies agreed to share the potentially lucrative gas resources from an area that lies near islands which remain a focus of bitter dispute.

But the two sides continue to dispute other gas fields in the East China Sea and, in a sign that even the limited deal is controversial, Chinese nationalists protested Wednesday outside the Japanese embassy in Beijing.

[UK: Energy bills could go up by 40%](#)

Household energy bills could increase by as much as 40% this winter, the BBC has learned, as oil and wholesale gas prices hit record highs.

The increases could mean households paying £400 more a year on average for their gas and electricity, senior industry sources have said.

The increase is far more than analysts have predicted in recent months.

[Going for your gold: petrol price records now weekly](#)

SYDNEY petrol prices reached record highs for the sixth week in a row last night, with motorists paying 171.9 cents a litre for unleaded fuel, as Australia ran up its largest monthly bill for imported petroleum.

[Credit card fees: Some gas stations say 'no more'](#)

CHARLESTON, W.Va. - When gas station manager Roger Randolph realized it was costing him money each time someone filled up with \$4-a-gallon gas, he hung a sign on his pumps: "No more credit cards."

He may be the first in West Virginia to ban plastic, but gas station operators nationwide are reporting similar woes as higher prices translate into higher credit card fees the managers must pay, squeezing profits at the pump.

"The more they buy, the more we lose," said Randolph, who manages Mr. Ed's Chevron in St. Albans. "Gas prices go up, and our profits go down."

[Greater access could mean more oil-industry strain](#)

HOUSTON - Lifting the federal ban on offshore and other types of oil and natural gas drilling would likely place greater strains on an industry already struggling with shortages of equipment and workers.

Because of record oil prices, exploration and production companies are trying to find new sources of hydrocarbons at a frenetic pace, pushing the supply of rigs, engineers and other personnel and equipment to the limit.

[Venezuela says will not attend Saudi oil meet](#)

MARACAIBO, Venezuela (Reuters) - Venezuela will not attend a meeting of oil consumers and producers this coming weekend and sees no need to up output, the country's oil minister said on Wednesday.

[States weigh options in offshore drilling fight](#)

PENSACOLA, Fla. - Governors in some coastal states promised to fight attempts to tap offshore petroleum reserves, citing concerns about the environment and tourism. Others agreed with President Bush's call to lift a 27-year-old federal ban on offshore drilling but said states should decide whether to allow it.

[Premium gas sales tank as fuel prices rise](#)

MIAMI BEACH, Fla. - Ernesto Evangelista prefers to pump premium gas into his seven-month-old Nissan Titan, thinking it makes the truck run better. But at a BP station just a few blocks from the sand of Miami Beach, the 33-year-old painter grabbed the handle for the regular, 87-octane gas to fill his tank on a recent Friday.

"Premium is just too expensive," he said. "Nobody can afford to fill up with premium anymore."

[Iraq to contract with four Western oil companies: report](#)

NEW YORK (Reuters) - Four Western oil companies are close to signing oil contracts with the Iraqi government that will return them to the country for the first time in 36 years, the New York Times reported in its online edition.

[Oil Price Realities May Soften Fed Rate Moves](#)

(Bloomberg) -- The Federal Reserve, when considering how much to raise interest rates to keep inflation in check, might call upon the law of gravity: nothing, even the price of oil, goes up forever.

[The Oil Future](#)

Government can't repeal the law of supply and demand, but it could curb speculative excess.

[Fuel Crisis Changes Airlines' Flight Plans](#)

With fuel costs hovering stubbornly at record highs, airlines are abruptly changing course by suspending flights, slapping new luggage fees on travelers, raising fuel surcharges on tickets, switching to smaller planes, grounding older, inefficient aircraft and raising fares.

Industry-watchers say the current, fuel-driven crisis may be worse than the sharp drop in consumer demand that sent four major U.S. carriers into bankruptcy following the Sept. 11, 2001, terrorist attacks. That was one catastrophic event; this is a rolling crisis with no end in sight.

[Can Saudi Pumps Help Ease Prices?](#)

Having spent the better part of a year snubbing pleas from President Bush to pump more oil onto the world market, Saudi Arabia's King Abdullah is suddenly scrambling to ease rocketing oil prices. On Sunday, Abdullah told U.N. Secretary General Ban Ki-Moon that his country would increase its output starting in July, probably by about 500,000 barrels a day. And in a rare move to coordinate with other oil producers, Saudi officials have invited OPEC oil ministers as well as U.S. and European officials to an emergency meeting on oil prices in Jeddah next Sunday.

But while all of that may sound like urgent action to ease the pain of record oil prices, energy analysts are skeptical over how much relief it will offer. The Saudi promise of extra oil, they say, may do more to soothe the jangled nerves of Western politicians than to lower the price of oil.

[High energy prices upset balance in West](#)

BIRNEY, Montana (Reuters) - The log cabins and dirt roads on Jeanie Alderson's isolated ranch suggest little has changed since her great-great aunt and uncle first came to the rolling hills of southeastern Montana 120 years ago.

Yet with energy prices at record highs, she fears that interest in long-dormant rights to develop oil and gas resources underneath her land could badly upset the natural beauty and balance of the rugged American West.

"No one in 1916 or 1909 had any concept of strip mining or coalbed methane pumping out, and the devastation," Alderson said. "When you start pumping out groundwater, we think, 'Uh oh, there goes my livelihood.'"

[Oil group: Offshore drilling no quick fix](#)

WASHINGTON — Opening America's coastal waters to oil drilling, as Sen. John McCain urged in an address Tuesday, is unlikely to provide Americans with more oil for at least seven to 10 years.

That's the estimate from the American Petroleum Institute, the oil-industry trade group. Major environmental groups think the increased supply would be at least that distant before arrival, and say it mostly would benefit Big Oil.

[Goldman raises 2008 oil price forecast to \\$117.40](#)

LONDON (Reuters) - Goldman Sachs (on Thursday raised its 2008 average Brent crude oil price forecast to \$117.40 a barrel from a \$108 due to tight supplies.

"We have increased our price forecasts to reflect a continued tightening of global crude oil supply/demand fundamentals and the resulting higher oil prices," the U.S. investment bank said.

[McCain Plans to Add 100 U.S. Nuclear Reactors, Invest in Coal](#)

(Bloomberg) -- Republican presidential candidate John McCain will push to almost double the number of nuclear reactors in the U.S. as part of a plan to lessen the nation's dependence on foreign oil.

[Shooting the moon on renewables](#)

While McCain wants to drill more oil to fight \$4 gas, Obama calls for an 'Apollo project' aimed at alternative energy. Should the government get involved?

[Congressional stalemate over renewable energy](#)

Even as lawmakers of both parties talk about the need to shift the country toward clean, renewable energy, Congress is in danger of letting key tax credits that have fueled the growth of wind and solar power expire at the end of the year.

The Senate failed for the second time in a week Tuesday to pass a bill to help businesses and homeowners switch to renewable energy. The tax incentives have strong bipartisan support, but they have been caught up in a fight between Democrats and Republicans over how to pay for them.

[Power lines stand in way of huge solar farm](#)

SAN DIEGO - It seems like an idea any environmentalist would embrace: Build one of the world's largest solar power operations in the Southern California desert and surround it with plants that run on wind and underground heat.

Yet San Diego Gas & Electric Co. and its potential partners face fierce opposition because the plan also calls for a 150-mile, high-voltage transmission line that would cut through pristine parkland to reach the nation's eighth-largest city.

[Farming for cellulosic ethanol gets started](#)

GUYMON, Okla. - Work has started on the planting of a 1,000-acre switchgrass field in the Oklahoma Panhandle that researchers plan to use in the production of cellulosic ethanol.

The field is being touted as the world's largest for switchgrass, a drought-resistant perennial plant that grows even on marginal lands. Scientists at the Noble Foundation in Ardmore are overseeing the project and hope that switchgrass proves to be a viable substitute for corn in ethanol production.

['Tipping Point' for Renewable Energy](#)

WASHINGTON, Jun 18 (OneWorld) - Renewable energy is approaching a "tipping point" and should expand dramatically in the next decade, further narrowing the gap between alternative forms of energy and fossil fuel use, said environmental and economic experts at a forum here Monday.

"Increasing market demand, policies, and investment trends are creating a perfect storm for the growth of renewable energy across the world," said Christopher Flavin, moderator of the forum and president of the Worldwatch Institute. "We are at a point where all of these factors will allow renewable energy to move into the mainstream."

[Satellite for tracking sea levels set for launch](#)

WASHINGTON (AFP) - The French-US satellite Jason 2, slated for lift-off Friday from California, will provide precise monitoring of rising sea levels and currents and track the effects of climate change.

[Scientists fighting disease with climate forecasts](#)

WASHINGTON - A cyclone wrecks coastal Myanmar, spawning outbreaks of malaria, cholera and dengue fever. Flooding inundates Iowa, raising an array of public health

concerns. With climate change come new threats to life, and scientists hope to be able to better predict them as they forecast the weather.

"Everything is connected in our earth system," Conrad C. Lautenbacher, head of the National Oceanic and Atmospheric Administration, said at a panel on "Changing Climate: Changing Health Patterns."

[New study to force ministers to review climate change plan](#)

Britain and Europe will be forced to fundamentally rethink a central part of their environment strategy after a government report found that the rush to develop biofuels has played a "significant" role in the dramatic rise in global food prices, which has left 100 million more people without enough to eat.

[Arctic sea ice melt 'even faster'](#)

Arctic sea ice is melting even faster than last year, despite a cold winter.

Data from the US National Snow and Ice Data Center (NSIDC) shows that the year began with ice covering a larger area than at the beginning of 2007.

But now it is down to levels seen last June, at the beginning of a summer that broke records for sea ice loss.

[Oceans warm more quickly than suspected: study](#)

PARIS (AFP) - The world's oceans have warmed 50 percent faster over the last 40 years than previously thought due to climate change, Australian and US climate researchers reported Wednesday.

Higher ocean temperatures expand the volume of water, contributing to a rise in sea levels that is submerging small island nations and threatening to wreak havoc in low-lying, densely-populated delta regions around the globe.

The study, published in the British journal Nature, adds to a growing scientific chorus of warnings about the pace and consequences rising oceans.



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