



DrumBeat: October 3, 2008

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Topic: [Miscellaneous](#)

[Commodities Head for Biggest Weekly Decline in Over 50 Years](#)

(Bloomberg) -- Oil, copper, and corn drove commodities toward their biggest weekly decline in more than 50 years on concern that the worst financial crisis since the Great Depression will push the U.S. into recession.

Commodities, as measured by the Reuters/Jefferies CRB Index of 19 raw materials, have tumbled 9.9 percent this week, the most since at least 1956. Manufacturing declined to a 7-year low in the U.S. and contracted at the fastest pace in 16 years in the U.K. last month. Initial jobless claims rose to the highest since 2001, the U.S. Labor Department said yesterday.

``Panic, risk aversion and liquidation of contracts are characterizing the oil market as well as many other markets at the moment," said Thina Saltvedt, a Nordea Bank AB analyst in Oslo. ``Prices are not only being set by fundamentals, but fears of how crises in the financial sector may spread to other parts of the economy."

[Huge Offshore Wind Farm Wins Approval](#)

Regulators in New Jersey on Friday awarded rights to build a huge offshore wind farm in the southern part of the state to Garden State Offshore Energy, a joint venture that includes P.S.E.G. Renewable Generation, a subsidiary of P.S.E.G. Global, a sister company of the state's largest utility.

The selection, which includes access of up to \$19 million in state grants, is part of New Jersey's Energy Master Plan, which calls for 20 percent of the state's energy to come from renewable sources by 2020. It also comes on the heels of decisions by Delaware and Rhode Island to let energy companies install offshore wind farms.

[Do You Have A Peak Oil Plan?](#) (with video)

An American financial crisis threatening the Canadian economy and fluctuating gas prices may have spurred you to take action to save energy and cash, but do you have a plan in place if the situation gradually gets worse?

There are many Torontonians concerned about how the city and its citizens will fare in a peak oil world when our demand for energy outweighs supply, resulting in big price increases and possibly other consequences.

Randy Park chairs the group Post Carbon Toronto, whose goal is to spread the word and raise awareness about peak oil, a problem it claims the world will start to experience in the next few years.

"Every oil producing region and every oil producing country ... they see their production rise initially ... then it reaches the peak or plateau and then it starts to decrease as the oil fields get older," Park, a professional public speaker with a background in physics, told CityNews.ca.

"Peak oil doesn't really mean that once we hit peak oil it's all gone. It means that each and every next day we won't be able to have as much oil as we did the day before."

[BP gas line blows at Prudhoe Bay](#)

Steve Rinehart, a BP spokesman, says the pipeline rupture has resulted in oil wells being shut down as a precaution at two Prudhoe production pads, curtailing daily oil production by 3,000 to 7,000 barrels a day. BP operates the oil field.

[Enbridge says Saskatchewan blockades to be lifted](#)

CALGARY, Alberta (Reuters) - Enbridge Inc is optimistic that the blockades by First Nations groups in Saskatchewan that have halted construction on its C\$3 billion (\$2.76 billion) Alberta Clipper oil pipeline to the United States could be lifted later on Friday, a spokesman said.

Glenn Herchak, a spokesman for Canada's No. 2 pipeline company, said Enbridge has agreed to boost training and jobs for the two Saskatchewan native groups that put blockades in place on Sunday and Monday.

[Pressure groups laud new climate change ministry](#)

LONDON (Reuters) - The new minister for energy and climate change must balance efforts to combat global warming against the country's energy security needs, environment and business groups said on Friday.

They cautiously welcomed Prime Minister Gordon Brown's move to create the ministry under one of his staunchest allies.

[Richard Heinberg: Bursting Bubbles](#)

Now the energy bubble is bursting. Not only is global oil production peaking, but resource quality is declining (we are turning from conventional natural gas to shale gas and coal bed methane; from anthracite to bituminous to sub-bituminous coal), and net energy is plummeting (for example, making oil from tar sands has a net energy yield perhaps one-tenth or less that of crude oil from a good reservoir).

The problem with bubbles is that they create euphoria. Everyone forgets that the source of their new-found abundance is temporary, and starts thinking that somehow the rules of existence have changed: from now on, it's nothing but good times. Champagne for everyone! It's on the house!

But while unheeded warning signs are there to be detected by those few who are alert to such things, bubbles burst quickly and surprise nearly everyone.

[Russian shares plunge on redemptions, crude](#)

MOSCOW (Reuters) - Russia's benchmark index fell within sight of three year lows on Friday as foreign funds took more money out of emerging markets and Moscow indexes underperformed on weaker oil prices and liquidity fears.

Trading was halted three times on the dollar denominated RTS exchange, which said that the 9:30 a.m. EDT stoppage would last for the rest of Friday's session.

[Peak Moment: Middle Class Lifeboat: Careers and Life Choices for Staying Afloat](#)

Paul and Sarah Edwards are authors of a timely book "Middle-Class Lifeboat: Careers and Life Choices for Navigating a Changing Economy." In a world of decreasing resources, they ask, how do we financially support ourselves while moving towards sustainable lives? Emphasizing independent income sources, they consider dozens of possible careers from basic services to local-scale technologies. Life choices include lowering costs through simplifying, getting out of debt, and demonetizing (e.g., bartering). Or one can consider an "off-the-map" lifestyle like living abroad, off-grid, or an intentional community. This downturn is not just a cycle, they emphasize: it heralds a sea change.

[Crossing Paths In The Walkable City](#)

In her ambitious new book, *The Walkable City* (Véhicule Press, 2008), Mary Soderstrom writes: "The walkable city, the oldest kind of city is going to be the key to whatever success we have in meeting the challenges of the future."

After all, until the early nineteenth-century people moved only as fast and as far as their

feet could carry them. Urban centres had to mirror this fact, whether they developed organically, like in Europe, or according to self-conscious plans, like in North America. Residents lived close to their work until the rise of the suburbs, expressways, and shopping malls separated residential from commercial districts. In many cities since that time, there's been a distinct lack of streets that invite walking. Soderstrom sets off to examine the planning policies and circumstances that have made cities the way they are; to find out what makes neighbourhoods walkable; and to assess how cities can achieve a more walkable, more livable, and greener future.

[A Sympathetic Critique of Localisation by Peter North](#)

The paper concludes that to reduce emissions the global economy needs to go through a process of localisation where many currently globalised links are unbundled; but this does not mean a return to a preglobalised past or to an autarkic society. While it is possible to peak oil leading to a move of economic activities incurring high transport costs closer to their markets, with the result that the global economy becomes less integrated but more regional ('weak' localisation), it is difficult to see what is progressive about such a new regime of accumulation (welcome associated carbon emissions reduction aside). On the other hand, the extent that the emerging social movement around peak oil and climate change has the capacity to enact its vision of a more localised, steady state and convivial economy ('strong' localisation) is currently doubtful. The need would be to build such a movement out of the existing ecological and anti-globalisation social movements.

[Power shortage haunts India as nuclear deal cleared](#)

Power outages that stretch hours are a regular event in Shaila Kapoor's life in a smart suburb of energy-hungry India's national capital.

"It's a nightmare," said Kapoor, a teacher. "We've power back-up (from a battery) but it doesn't last long and then we either literally drip from the heat or drive to a mall."

India's massive electricity crunch is a key reason why the government said it was determined to go ahead with a controversial civilian nuclear technology pact with Washington that was cleared by the US Congress and Senate this week.

[India: Diesel use in power sector worries ministry](#)

The petroleum ministry has expressed serious concern over an increase in usage of diesel in power generation due to the peaking shortage of 14% and energy shortage 10%. The burgeoning use of diesel is also a matter of worry when the Centre bears Rs 14 per litre on diesel amounting to under recovery of Rs 1 lakh crore.

[UK: Customers spurn gas and oil for solid fuel](#)

BIG increases in the price of gas and oil have led to solid fuel making a comeback in the region's kitchens and living rooms.

Sales in wood and multifuel stoves have gone up by more than 40 per cent in the last year, industry experts say.

Demand is so high stockists are reporting a shortage in some types of stove.

[Strong interest in Norwegian offshore oil licenses](#)

A record 47 companies applied for offshore oil exploration licenses for blocks near existing finds off Norway in the North Sea, the Norwegian Sea and the Barents Sea as a deadline ran out Friday, the Norwegian oil minister said.

Norway, a major oil and gas exporter, began offering unexplored blocks near existing finds in 2003 in what it calls Awards in Predefined Areas. The Nordic country hopes small finds near already operating fields will shore up declining offshore production.

[US interested in exploiting Brazilian pre-salt layer oil fields](#)

The United States is interested in cooperating with Brazil to finance projects for exploiting the country's pre-salt layer oil fields, U.S. ambassador to Brazil Clifford Sobel said on Wednesday.

The top U.S. diplomat in Brazil told the press that his country, as well as other nations, are very interested in the new oil discoveries in Brazil

"Our interest is not only limited to the pre-salt discoveries, but also extended to other land and offshore opportunities. The Brazilian oil industry brings us quite a few opportunities," he said when he attended the Rio Oil and Gas Conference,

Sobel said that, with the pre-salt reserves, Brazil may become one of the main oil suppliers to the U.S. in the future.

[Mexico senators to tackle oil incentive contracts](#)

MEXICO CITY (Reuters) - Mexican lawmakers plan to tackle next week the thorny issue of incentive contracts that could increase the role of private firms in Mexico's oil sector, a leading opposition lawmaker said.

Nowadays oil production is on the decline on key oilfields. The Mexican Cantarell field, which alone produces as much oil as the United States and extracts in the Gulf of Mexico, saw production fall by one third over the past year, putting Mexico's self sufficiency in oil in jeopardy. Russia, the world's second largest oil producer, saw declines in oil production by 0.8 percent and oil exports by 5.2 percent year-on-year in the first half of 2008.

"There is less oil in the world and production is becoming more expensive," said Kochetkov, adding that a good share of the world's oilfields would lose profitability if oil plunged below \$75, which, he says, is likely the lowest possible point for oil prices. This matches the low number suggested by Goldman Sachs in September in case of a global recession.

"Volatility will slow down and there won't be any sharp changes when oil could rise or fall by \$15 in one session," said Kochetkov. "Consumption won't stop altogether and as the peak of the crisis passes, we'll see more predictable prices; there is a balance in the market," he added.

[Nigeria Says Pipeline 'Breach' Hasn't Disrupted Refinery](#)

(Bloomberg) -- State-run Nigerian National Petroleum Corp. said a "breach" in a crude oil pipeline hasn't disrupted a nearby refinery.

The fault at the pipeline at Chanomi Creek, which supplies crude to the Warri refinery, wasn't caused by sabotage, company spokesman Levi Ajuonuma said by phone from the capital, Abuja, today. He said the refinery is "working," without giving further details.

[Shell Says Nigerian Oil Spills From Sabotage Rose 47% in 2007](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's biggest oil company, said oil spills in Nigeria caused by sabotage jumped 47 percent last year.

A total of 18,500 barrels of crude were spilled into the environment in 2007 in "221 incidents of sabotage and vandalism to pipelines, flow lines and manifolds," Shell said on its Web site. That compared with 12,600 barrels of crude spilled in similar incidents the previous year.

[Premier, Circle announce Egypt oil discovery](#)

Independent oil and gas producers Circle Oil and Premier Oil announced Friday they had struck oil in their onshore North West Gemsa Concession in Egypt, with initial sustained production at over 3,000 barrels per day of crude and 4 million standard cubic feet per day of natural gas.

[EPA: BP violated Clean Air Act in Whiting](#)

Federal regulators say BP PLC violated the Clean Air Act by beginning to make modifications at its Indiana oil refinery along Lake Michigan to process Canadian crude before it received the proper permit.

The allegation announced Thursday is included in an amended complaint by the U.S. Environmental Protection Agency. The complaint alleges BP violated the law by making several unapproved changes in 2005 when it altered a unit at the Whiting refinery that converts heavy oils into lighter products such as gasoline.

[N.C. ports help reduce gas crunch, Easley says](#)

RALEIGH (AP) - Gov. Mike Easley says gasoline distributors in Charlotte can get more fuel for stations they serve if they haul their trucks to the coast.

Easley said Monday gas at port terminals in Wilmington and two other states should help reduce supply problems in North Carolina - particularly in Charlotte. Some outlets have been empty for days.

[Charities run on empty: Lack of gas strands some volunteers who deliver meals, discourages others](#)

Doris Turner had five more meals to deliver when she heard the dreaded ding-ding-ding: the chiming signal from her 1997 Buick Park Avenue that she was perilously low on gas. She knew she had maybe 20 miles' worth left in the tank, not enough to deliver meals to the five remaining senior citizens who were counting on her.

She started looking for a station with gas on Cascade Road near I-285, "but every station I went to had those bags on the pumps." She started calling friends on her cellphone; one said there was gas at Northside Drive and I-75.

She headed north. But she never made it.

[Winter is coming, officials help residents prepare](#)

Representatives from the Maine Housing Authority, Efficiency Maine, the People's Regional Opportunity Program (PROP), Scarborough Fire Department and Downeast Energy joined Maine State Sen. Philip Bartlett (D-Cumberland County) in a workshop geared towards showing Scarborough residents how to conserve energy in their home while heating them for the winter. The workshop, hosted in the cafeteria at Scarborough

High School Monday, drew an audience of six people.

[Road funding options discussed in South Dakota](#)

Data made available to the lawmakers showed that 36 percent of possible fuel tax revenues are diverted for such uses as Highway Patrol operations, snowmobile trails, the State Radio system and aeronautics projects, The Associated Press reported. The road fund could have had an additional \$49 million a year ago.

Among the options brought up for consideration to increase funds is applying a sales tax on fuel, in addition to the per-gallon tax. Also a possibility is increasing a 3 percent excise tax on new and used vehicle purchases.

[Plentiful natural gas supply good news for La. users](#)

News that this winter won't bring a natural gas shortage and price spike is music to the ears of Public Service Commission Secretary Lawrence St. Blanc.

"That's exactly what we're seeing, surprisingly," he said Thursday afternoon. "This is good news for us."

[After war, Russia's influence expands](#)

Though Moscow threw relations with the West into crisis by striking with massive force when Georgia attempted to seize breakaway South Ossetia in August, the impact in Russia's turbulent, multiethnic northern Caucasus appears to be in the Kremlin's favor – at least for now.

Many experts in North Ossetia, the most important of the seven ethnic republics in this troubled region because of its historic and current loyalty to Moscow, say Russia would have risked disaffection if it hadn't acted to protect South Ossetia.

[Palin to play ball with Big Oil](#)

The Alaska governor may have raised taxes on the oil industry and scrapped a questionable pipeline deal, but in Washington she'll toe the party line.

[Former Virginia politician Allen offers insight on energy crisis](#)

Al Gore's We Can Solve It campaign advocates for a complete overhaul of the current

American system of energy production, calling for 100% clean energy within the next 10 years. Do you see this as a realistic goal? What role do you see renewable energy sources playing in ending our dependence on foreign oil?

To think that we will be completely free of it in ten years is blissfully absurd. I mean what would he be using for electricity generation, these are just basic questions. If we're not going to be using clean coal, and we're not going to be using nuclear, I don't know what he thinks about natural gas. To think that we are going to get all our energy from solar and wind is just oblivious of reality and to do what he's suggesting, would mean that our electricity rates would be skyrocketing in this country, which would put a lot of people out of work and our country would be less competitive for investment in jobs. The key base load for electricity clearly needs to be clean coal technology, and advanced nuclear which is safer and more efficient than the way we're doing it presently.

[Falling Oil Price Is a Positive Note Amid Turmoil](#)

For the last year, rising oil prices have taken a toll on the economy, driving up gasoline and food costs, punishing airlines and automakers, and ripping a large hole in people's pockets.

But lately, nearly lost amid the chaos in the markets, oil prices have been dropping sharply from July's triple-digit peak. If that trend continues, as many analysts expect, it will put billions of dollars back into consumers' wallets and provide badly needed support for a battered economy.

While consumers welcome the decline, which will reduce the nation's \$1.3 billion daily oil import bill, oil producers are wary. Mexico said it might have to cut its budget next year as petroleum revenue dropped. Countries like Russia and Venezuela, which have been riding a wave of energy-fueled nationalism, could be forced to scale back their ambitions and energy projects that require enormous financing could be delayed.

These difficulties could prompt the Organization of the Petroleum Exporting Countries to step in forcefully to stem the slide in prices, analysts said. Saudi Arabia, the oil cartel's most powerful member, has signaled it wants to see oil fall below \$100 to bolster the world economy, but it is unclear how low the Saudis and other producers will let prices fall.

[Tupi Field Development May Cost \\$50 Billion, Deloitte Estimates](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-controlled oil company, and its partners in the Tupi field may spend as much as \$50 billion to develop what is the biggest discovery in the Americas since 1976, according to Deloitte.

``It will be a challenge to finance these massive fields," Mauro Andrade, a Rio de Janeiro-based senior manager of Deloitte's Petroleum Services Group, said in an interview in London today. ``We are talking about ultra deepwater engineering. There is still a bit of a development risk involved, although the findings are really quite

massive."

[Discontent grows in Kyrgyzstan as election chief flees](#)

Soaring food prices and power cuts, which were endurable in summer, will really start to bite once the cold weather arrives. "A major energy crisis, triggered by domestic factors, not world prices, is looming. Government handling of these issues has not been impressive," warns a report from Crisis Group. "Even more disturbing for the regime, perhaps, is growing speculation within society that it is not just mishandling the economy, but that corrupt members of the Bakiyev administration themselves contributed to the energy crisis."

[Energy fears unfounded says National Grid](#)

Fears of power cuts this winter are completely unfounded, according to a report by National Grid, the company which owns Britain's electricity and gas transmission operations.

[Scrap exports affect pump supply](#)

Wehmeyer proposes that keeping scrap material in the country will have a positive effect on South Africa's energy crisis. Iron-ore requires a substantial amount of energy to be turned into steel and there are great costs involved. Wehmeyer says scrap material is a resource that should be kept in the country and its exportation should be controlled. He says that by exporting scrap material, scrap dealers are doing the country a disservice and are giving foreign manufacturers a price advantage as the cost of refining iron-ore into steel is less of a factor in their pricing structure.

[Datacentres face energy crisis](#)

An IDC report claims that power use by datacentres in Europe is growing, while the price of energy continues to rise.

European datacentres are facing an energy crisis, it said. Energy use by datacentres grew by more than 13 percent between 2006 and 2007.

[Shorter school week a possibility for parish](#)

Bastrop, La. - Around the country businesses and schools have felt the pressure of energy and fuel costs, work and school days are reducing from five to four days. Morehouse Parish schools may join that trend within the next year.

“Because of the energy crisis and fuel costs, Morehouse Parish is considering” a four-day school week, Superintendent Tom Thrower said.

[Physicist seeks to resolve energy crisis, will lead team of ‘rising star’ researchers](#)

A new faculty team led by a professor LSU calls a superstar in the field of material sciences plans to tackle the world’s sustainable energy challenges.

[Houston with oil at \\$70 or \\$300](#)

Houston investment banker Matt Simmons, whose Simmons & Co. survived the 1980s oil patch depression and is thriving as Wall Street investment banks implode, says the economy here is "stronger than horseradish."

Yeah, but are we on the edge of a precipice? Not unless Washington totally blows it, he says.

"Not unless they say, 'Let the fire burn itself out,' " he says. "Look how effortlessly we did away with Washington Mutual and Wachovia. It was done gracefully."

That doesn't mean there won't be hitches with tight credit for a while, but Simmons is convinced such "paper" problems will be worked out.

"I lived through the most terrifying decade of my life when we saw 95 percent of participants in the oil service industry disappear," said Simmons, 65, referring to the 1980s.

"I feel sorry for some of my friends at Lehman Brothers," he said, referring to the 158-year-old Wall Street firm that dropped off the face of the earth two weeks ago. "But that institution basically wrecked itself. They took the wildest risks. They kind of needed an enema."

He's focused on what he considers a much bigger crisis, albeit one that for some time to come will keep Houston humming.

As profiled in the current issue of Fortune magazine, Simmons is the high priest of "peak oil." His thesis is that Saudi Arabia and the world have less oil than is claimed, and that we either are now at or have already passed peak production of oil.

[Oil near \\$94 as market awaits US bailout vote](#)

Oil prices were erratic near \$94 a barrel Friday as investors waited to see if a reworked \$700 billion bailout package would pass the U.S. Congress and help stabilize the economy of the world's biggest crude consumer.

A short slide by the U.S. dollar against other major currencies was seen as helping boost oil prices, but expectations that U.S. jobless data to be released later Friday would show growing stress in the labor market kept a ceiling on gains.

[Australia: Fears petrol prices could double](#)

Petrol prices could double within six years as demand for oil soars but supply barely grows, warns a former chief engineer for petroleum giant BP.

Speaking ahead of a conference in Perth today which will focus on the growing global food and fuel price crisis, Jeremy Gilbert said the world had almost reached peak oil production while demand was tipped to grow by 50 per cent over the next two decades.

Improved extraction techniques meant oil fields were running down faster than expected while discovery rates for new fields had declined steadily since the late 1970s.

[Oil and Gas - The Next Meltdown?](#)

Drawing parallels with the current financial meltdown, Matthew Simmons expresses his alarm about gasoline stocks being the lowest in several decades and refinery production down following recent hurricanes. He warns that if there were a run on the "energy bank" by everyone topping off their gasoline tanks, the U.S. would be out of fuel in three days, and grocery shelves largely emptied in a week. In an interview plus excerpts from his presentation at the Association for the Study of Peak Oil (ASPO-USA) conference on September 22, 2008, Matt highlights the risks and vulnerabilities in the finished oil products system, and answers questions from the audience.

[OPEC oil output falls in Sept-Reuters survey](#)

LONDON (Reuters) - OPEC oil supply in September fell, the first monthly decline since April, as violence in Nigeria cut output and top exporter Saudi Arabia trimmed production, a Reuters survey showed on Friday.

The survey indicates that output from the Organization of the Petroleum Exporting Countries, source of two in every five barrels of oil, was falling even before it agreed at a meeting in September to trim output and prop up prices.

[Iran's Natural Gas Conference Raises Concerns Over Western Sponsors](#)

Iran is hosting a international conference on its natural gas exports Saturday and Sunday in Tehran. Organizers say the meeting is aimed at developing Iran's rich natural gas sector. Iran is under international sanctions over its nuclear program and the

participation of major international energy firms in the conference is drawing criticism.

[Sentiment of oil markets is shifting from bullish to bearish](#)

Fears of a global economic meltdown have overtaken the oil markets. Further contraction is a reality — now looming large on the horizon — and the crude markets could not be far behind in taking the cue.

Prices continued to fall on concerns that even a US bailout of its ailing financial sector would not be enough to restore the declining oil demand. Markets lost nearly 10 percent in New York in response to the dramatic rejection of the \$700-billion bailout plan by US legislators last Monday, dropping more than \$10 a barrel to slip below \$100, and they appear poised to keep falling.

[Fear comes to a full boil](#)

Just when you thought we were going to sneak past the raging wildfire that has been consuming equities on North American markets this week without getting too badly burned, along come the experts at Merrill Lynch to toss a lit match right into the heart of the oilpatch.

That's more or less what happened Thursday when Merrill's energy analysts put out a research note warning that oil could fall to \$50 should the financial crisis unfolding in the United States prove unmanageable and drag the global economy into a deep and prolonged recession.

Unfortunately, it appears that all investors heard was OIL IS GOING TO \$50. YIKES!

[Russia delays south Europe gas pipeline: report](#)

(MOSCOW) - Russian gas giant Gazprom has delayed by at least two years the launch of the South Stream pipeline linking Russia to southern Europe, a newspaper reported Friday, citing a company document.

The pipeline would be operational by 2015, the document said, two years later than a launch date Gazprom chief executive Alexei Miller gave in January, said the Vedomosti daily.

[China oil refiners may return to profit in October: association](#)

BEIJING -- China's oil refiners may return to profit this month after benefiting from the recent falling global crude prices, according to an industry association.

The country's oil refining industry would probably shake off heavy losses caused by previous crude price increases and state-imposed caps on refined oil prices if international prices continued to drop, the China Petroleum and Chemical Industry Association said in a report.

[Gas shortages ease up in Southeast](#)

Gas lines here were shorter and less common Thursday than last week. All 111 QuikTrip stations in metropolitan Atlanta had gas Thursday — up from just 25%-50% a week ago, company spokesman Mike Thornbrugh says.

"We're not going to be running out of gas, not even spot shortages," he says. "There may be some stations that are running short on premium only. That will be corrected by the weekend. We are at the point now where we're not just playing catch-up. We think that ... (now) we're going to have the luxury of building inventory."

[As international airfares soar, Americans stay in USA](#)

Travelers feel the pain of high domestic airfares, which rose this summer more than any year in the past quarter century. Meanwhile, many international tickets have risen to levels too steep for the budgets of many American vacationers and companies. That's translating into softer demand.

[Kenya: Kenya Airways May Cut Routes Due to Costs](#)

Kenya Airways may abandon some of its routes due to high fuel prices and reduced air traffic.

[Toyota resorts to 0% financing to draw buyers in slow times](#)

Toyota announced Thursday what it calls its most sweeping credit incentive-discount program ever. It came a day after the Japanese auto giant, which so far had escaped much of the auto industry's woes this year, reported a 32.3% sales falloff for September compared with the month a year ago.

In a bid to revive traffic in showrooms, Toyota will offer 0% financing on 11 models through Nov. 3. The deal covers most of the Toyota brand except hybrids and the Yaris subcompact. The company's Scion and Lexus brands are not included.

[Carmakers sound alarm at Paris show](#)

PARIS (Reuters) - Top automakers including General Motors and Ford warned of tough times as the Paris Auto Show opened on Thursday amid concerns that slowing demand could force production cuts and job losses.

[Financial crisis could dent nuclear plant growth](#)

PARIS - Growth in the construction of new nuclear plants worldwide is at risk because of the global financial crisis, U.S. Energy Secretary Samuel Bodman said Wednesday, adding that short-term projects like oil drilling are more likely to go ahead.

During a visit to Paris, Bodman said the crisis could have an impact on the "nuclear renaissance" that is sweeping the industry as countries around the globe search for alternatives to fossil fuels.

[Green Energy Boom In Bailout Bill](#)

Houston - Renewable energy providers will reap an immediate benefit from the raft of new incentives in Washington's financial rescue package. Better late than never.

John Berger, chief executive of Standard Renewable Energy, was holding his breath this week. "If it passes, this would complete the mainstreaming of solar energy in the U.S.," says Berger, who generates 85% of Standard's \$20 million in annual revenues from solar installations. He figures the new tax credits could quintuple his solar business in a year.

[Poet say removing cobs for fuel helps corn grow](#)

NEW YORK (Reuters) - Removing cobs from fields may help corn plants grow better and provide a feedstock for next-generation cellulosic ethanol, said a fuel expert at private company Poet, the top U.S. maker of ethanol.

[U.S. needs environmental standards for biofuels](#)

The U.S. lacks criteria to ensure that cellulosic ethanol production will not harm the environment, warn scientists writing in the journal *Science*. The researchers say that with proper safeguards, cellulosic ethanol can help the U.S. meet its energy needs sustainably.

"Environmental standards are needed now, before the industry moves out of its research and development phase," said Phil Robertson, Michigan State University professor of crop and soil sciences and lead author of the paper. "With production standards and incentive programs, cellulosic biofuel cropping systems could provide significant environmental benefits."

[What Clean Tech Is, And Isn't](#)

Three months ago, everyone wanted to know if renewable energy could save America from the escalating costs of fossil fuels. Now, everyone wants to know if renewable energy can save itself.

In the past six months, biofuels have been bruised, battered and beaten as the surge in food prices triggered a public backlash against diversion of corn to energy. Oil and gas prices have plunged and could fall further still if the economy comes crashing to a halt. Meanwhile, the environmental benefits of many purported clean energy projects have been subject to increasing scrutiny.

[Using Plants Instead of Petroleum to Make Jet Fuel](#)

Chemical engineers in North Dakota have successfully turned oil from plants—canola (rapeseed), coconuts and soybeans—into jet fuel indistinguishable from the conventional kind, according to U.S. government tests. Working with the U.S. Department of Defense's Defense Advanced Research Projects Agency (DARPA), scientists at the Energy & Environmental Research Center (EERC) at the University of North Dakota turned these plant oils into fuel that had a similar density, energy content and even freezing point.

[South Africa: Country to Unveil Africa's First Electric Car in Paris](#)

Science and Technology Minister, Mosibudi Mangena, will on Thursday preside over the unveiling of Africa's first locally developed electric car at the Paris Motor Show in France.

Named "Joule", the ultra sleek zero-emission car is Africa's answer to climate change.

[Tiny Smart car evolves into all-electric version](#)

PARIS - Get ready for a new sound — not look — to the tiny Smart cars produced by Daimler. On Thursday at the Paris Motor Show, the company introduced its Smart ED — an all-electric vehicle that makes barely a peep.

The Smart ED — the ED stands for electric drive — can cover about 90 miles without recharging, Daimler said, adding that limited production would start by the end of 2009.

[Report: Solar market to reach \\$100 billion in 2013](#)

Despite projected oversupply in early 2009, leading to significantly lower average selling prices (ASPs), the global solar market will reach \$100.4 billion in 2013, up from \$33.4 billion in 2008, according to the latest report from Lux Research.

[The 'Clean Coal' Myth](#)

The phrase "clean coal" is polluting the energy debate. The phrase is an oxymoron. We can come up with ways to clean up after coal - many of them very expensive and, in the case of coal's greenhouse gas emissions, untried. And we can use coal more efficiently than in the past. But coal itself is not clean and never will be. That is a matter of chemistry and geology.

[Join the transition from fear to hope](#)

Do you live in a transition town? And if not, why not? Transition towns are the hottest new trend in urbanism. Or rather in post-urbanism, since their guiding principle is to find ways of living in the cities we've already built as the oil that feeds them runs out, and inconveniently heats up the planet in the process. Transition towns aim to keep communities functioning in the face of peak oil and climate change.

[Hundreds of plant species are in danger as Kew seed bank faces £100m shortfall](#)

The Millennium Seed Bank is facing a funding shortfall that could force it to halt operations.

Scientists at the seed bank need to raise more than £100 million in little more than a year to safeguard the facility's future. Failure to secure the money would put the survival of hundreds of species of plant at risk and damage Britain's credibility as a centre of scientific excellence.

[Climate change may be sparking new and bigger "dead zones"](#)

Dead zones are not new; they form seasonally in economically vital ecosystems worldwide, including the Gulf of Mexico and Chesapeake Bay. Agricultural runoff sparks many of these die-offs; increased use of nitrogen fertilizers has doubled the number of lifeless pockets every decade since the 1960s, resulting in 405 dead zones now dotting coastlines globally.

But lesser-known wastelands are also emerging—without nutrient input from farms. Alarms about such dead zones first sounded in Oregon during the summer of 2002. Usually “we see many schools of fish and lots of different species,” says David Fox of the Oregon Department of Fish and Wildlife, but surveys revealed dead fish and invertebrates littering the seafloor. The culprit was hypoxia—low-oxygen conditions,

which can occur after the decomposition of organic matter in areas where deep waters well up to the surface.



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