



## DrumBeat: November 4, 2008

Posted by [Leanan](#) on November 4, 2008 - 9:30am

Topic: [Miscellaneous](#)

### [Nuclear group warns about construction](#)

Columbia — The U.S. Nuclear Regulatory Commission is warning the nuclear industry to be careful in its construction oversight after finding problems earlier this year at the Savannah River Site.

Specifically, the Greenville News reported Sunday, the warning addresses bad concrete and faulty reinforcing steel in the foundation of the Savannah River plant. The site will produce nuclear reactor fuel from weapons-grade plutonium.

In a report filed last week by the NRC, officials said problems discovered during construction of the plant near Aiken, S.C., just north of Augusta, and two nuclear plants in Europe are reminders of problems found during the last wave of American nuclear construction in the 1970s and 1980s.

“Although the technical issues vary, inspections repeatedly identify a lack of contractor oversight and poor quality control in concrete placement,” the NRC concluded in the report.

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### [Estimated gas yield from Marcellus shale goes up](#)

ALBANY, N.Y. - A geologist says the Marcellus shale region of the Appalachians could yield seven times as much natural gas as he earlier estimated, meaning it could meet the entire nation's natural gas needs for at least 14 years.

Penn State University geoscientist Terry Engelder said in a phone interview Monday that he now estimates 363 trillion cubic feet of natural gas could be recovered over the next few decades from the 31-million-acre core area of the Marcellus region, which includes southern New York, Pennsylvania, West Virginia and eastern Ohio.

### [EU nations to consider soft loans for car sector](#)

BRUSSELS, Belgium (AP) - EU nations will consider giving car makers soft loans to help them build more fuel-efficient vehicles as the region tightens standards on greenhouse

gas emissions, French Finance Minister Christine Lagarde said Tuesday.

EU car companies are seeking 40 billion euros (\$52 billion) from governments so they can invest in green technology. They say slumping sales and tight credit markets make it hard for them to fund the switch to less-polluting cars themselves.

### ["Personal Survival Skills: Life At The Twilight Of Empire"](#)

A vast majority of the oil consumed in this country is burned by airplanes, ships, trains and automobiles. You can kiss goodbye groceries at the local big-box grocery store: Our entire system of food production and delivery depends on cheap oil.

If, indeed, we've passed the world oil peak and if, indeed, a miracle does not salvage civilization, it is easy to imagine that anybody who is alive in a decade will have figured out how to forage locally.

The death and suffering will be unimaginable. We have come to depend on cheap oil for the delivery of food, water, shelter, medicine, and community. Most of us are incapable of supplying these key elements of personal survival, so trouble lies ahead when we are forced to develop means of acquiring them that don't involve a quick trip to Wal-Mart.

### [Are we there yet?](#)

When the subject of climate change and environmental regulation came up in our interview with TransCanada Corp. chief executive Hal Kvisle, Canada's Outstanding CEO of the Year for 2008, he was unequivocal: "This is the hardest thing I deal with." Small wonder. For Kvisle, the head of a diversified energy production and transmission company, the environmental issues on his plate run the gamut from defending the reputation of his firm from "dirty oil" attacks (for its planned oil pipeline serving Fort McMurray) to meeting unattainable emissions caps that he says will put TransCanada's coal-fired power plants on the wrong side of the law when they come into force on Jan. 1, 2010.

### [40% drop in EU ETS shortfall predicted](#)

The global recession will bring a 44% drop in EU ETS shortfall, according to a forecast on November 3 by IDEAcarbon, a carbon market and research firm

In December 2007, IDEAcarbon forecasted the shortfalls in EUAs would be 206 million tonnes per year of CO<sub>2</sub> equivalent. The recession has reduced this estimate to 115 million tonnes per year from 2008-2012.

The forecast suggests that EU industrial output will grow at 1% in 2008, and shrink by 0.7% in 2009. "This will reduce the level of emissions from industry across Europe, and therefore cause a drop in the shortfall of credits available," says Alessandro Vitelli,

director of strategy and intelligence for IDEACarbon.

### [Cassandra's lethal paradox](#)

For decades, the mainstream dismissed the environmental movement as a "bunch of Cassandras", unaware that Cassandra's lethal paradox was to be right, but to be cursed to be disbelieved. Now the gods themselves admit that peak oil is imminent. In a report entitled the Medium Term Oil Market, the International Energy Agency - an official adviser to most of the major economic powers - said there will be "a narrowing of spare capacity to minimal levels by 2013". Next week it is expected to announce an even worse prognosis.

The real question for Darling, King and Turner is: how do they re-engineer a wealthy, advanced economy in a few short years, and in the face of an unprecedented triple crunch? The interaction of the credit crisis, the imminent peak and decline of oil production, and a potentially uncontrollable phase of global warming in less than a hundred months represents an unprecedentedly volatile cocktail.

### [Richard Heinberg's MuseLetter: The Food and Farming Transition](#)

The only way to way avert a food crisis resulting from oil and natural gas price hikes and supply disruptions while also reversing agriculture's contribution to climate change is to proactively and methodically remove fossil fuels from the food system.

The removal of fossil fuels from the food system is inevitable: maintenance of the current system is simply not an option over the long term. Only the amount of time available for the transition process, and the strategies for pursuing it, can be matters for controversy.

Given the degree to which the modern food system has become dependent on fossil fuels, many proposals for de-linking food and fuels are likely to appear radical. However, efforts toward this end must be judged not by the degree to which they preserve the status quo, but by their likely ability to solve the fundamental challenge that will face us: the need to feed a global population of 7 billion with a diminishing supply of fuels available to fertilize, plow, and irrigate fields and to harvest and transport crops.

### [UK: Oil shortage 'worst in 20 years'](#)

John Moore, of Moore Fuels, said he had never experienced anything like it. "Last week's the worst I've seen."

"You always get peaks and troughs in the wintertime, especially when the snow comes, but nothing as bad as what we've had recently."

"It just shows you what a fine line we're treading here, especially in the supply chain," he said.

### [Diesel shortage in Western Canada may be easing](#)

CALGARY, Alberta (Reuters) - Refinery restarts in Western Canada should ease a diesel shortage in the region that has left some stations dry and others rationing the fuel.

### [China: Chongqing to boost fuel supplies to appease striking cabbies](#)

CHONGQING Municipality will increase fuel supplies in response to the demands of the city's striking taxi drivers.

The strike, which turned violent at times, started early yesterday and continued today with large quantities of police seen patrolling streets, according to Xinhua news agency.

### [China seeks oil for arms in Latin America](#)

Hong Kong, China — China has been making extensive efforts to penetrate the Middle East and Africa, especially by trading arms for oil. In recent years China has also stepped up its efforts to acquire oil from Central and South America, again offering weapons in exchange, as well as space technology. Its top targets are Venezuela and Brazil.

### [EU energy chief to Turkey, Azerbaijan for talks](#)

BRUSSELS, Belgium (AP) -- The EU's top energy official will travel to Turkey and Azerbaijan Wednesday to show Europe's commitment to a pipeline that would transport natural gas from the Caucasus westward in 2013, keeping it out of Russia's grasp.

### [Ecuador Signs Status-Changing Oil Deal with Petrobras](#)

Ecuador has signed an agreement with Brazil's state-owned oil and gas firm Petrobras to change a valid participation contract into one of service providing, Ecuadorian Mine and Oil Minister Derlis Palacios said Friday.

The amended contract will sharply raise Ecuador's oil royalties from fields that produce 32,000 barrels per day -- from 67 percent to 81 percent.

### [For GM, bad news may be good](#)

A President Obama and a Democratic Congress may be unable to resist bailing out the ailing automaker.

### [Gold unexpectedly not shining as an investment](#)

EW YORK - For years, investors known as gold bugs snapped up the metal and socked it away, betting that a colossal economic crisis would one day slam financial markets and send gold prices through the roof.

For many investors, that grim scenario is in full swing, except for one thing: After briefly hitting \$1,000 an ounce for the first time in March, gold has fallen into a rut and shows no sign of budging anytime soon.

### [Electric truck pays off](#)

Since getting an electric truck several months ago, Lakewood's Chuck Kotlaris said, "One guy flagged me down the road and asked, 'Where did you get an electric vehicle?'

"But no one seems to notice."

With the escalating fuel prices and the gas shortage that hit Middle Tennessee in September, Kotlaris has surely noticed.

The gas prices and gas shortages have only reinforced his decision to purchase a factory-built 2000 Ford Ranger EV (electric vehicle) that was built at the Edison, N.J., plant mostly for testing purposes by California utility companies.

### [Former Aramco exec sees plentiful oil reserves](#)

ABU DHABI (Reuters) - Global oil reserves are plentiful and will last for many years to come, said Nansen Saleri, who until last year oversaw the world's largest reserves in top exporter Saudi Arabia.

Some industry observers have argued that oil supplies were at, or near, their peak and have questioned whether big producers were sitting on as much oil as they claim. But Saleri, who headed reserve management at state oil giant Saudi Aramco from 1998-2007, told Reuters in an interview on Monday that the bigger challenge for the industry was not a shortage of reserves but increasing recovery from those already known.

Saleri was tight-lipped when asked about Saudi oil reserves, which account for over a fifth of the world's discovered oil.

"The world is not close to running out of oil, there are plenty of supplies," Saleri, now

chief executive of U.S.-based Quantum Reservoir Impact, said. "My own estimate of total global recoverable oil reserves is six trillion barrels plus, and we have only produced one trillion barrels."

### [The collapse of the big oil bubble may not last](#)

Arjun Murti must be a very lonely man now. The 39-year old head of energy research at Goldman Sachs was the best known oil analyst until recently. Soothsayer, clairvoyant, Mr Crude Oil monikers for the man who first predicted a 'super-spike' in energy prices and crude oil prices going past \$100 per barrel were many. The world watched in disbelief when his prediction came true, dubbing the Oil Oracle of Goldman Sachs.

When oil prices continued to surge, well past the first target, Murti raised the target to \$200 per barrel. When he made that call in May this year, it seemed only a matter of time before that target was taken out. Oil prices were rising uncontrollably and politicians were scampering to find a way to ease the burden. Most of them blamed speculators and alternate fuel research was all the rage, matching the crazy days of the internet boom.

Then came the crash. After touching an all-time high of \$147 per barrel, oil prices have dropped more than 50 per cent within a few months. Even Murti was forced to retreat. He cut his forecast for 2009 oil prices, first to \$110 per barrel and more recently to \$75 per barrel. His worst-case scenario for next year is just \$50 per barrel, a far cry from his earlier bullish predictions.

### [Pemex Gulf Accident Investigators Blocked From Site](#)

(Bloomberg) -- The Mexican attorney general's office blocked investigators from visiting the site of the Gulf of Mexico's deadliest offshore oil accident for more than two months, limiting the scope of a Petroleos Mexicanos study into the incident, a report says.

By the time the group was allowed to inspect the platform and rig involved in an Oct. 23, 2007, accident that killed 22 workers, the platform had shifted and site conditions had deteriorated, the Battelle Memorial Institute said in an estimated 1,000-page report prepared for Pemex, as the Mexico City-based oil company is known.

### [Pakistan: Public incensed at loadshedding](#)

PESHAWAR: The employees of Pakistan Locomotive Factory have expressed grave concern over continuing load-shedding in the area, despite the announcement by Pakistan Electric Power Supply Company (PEPCO) to end loadshedding throughout the province.

They warned that if the authorities concerned did not ensure a smooth supply of

power, they would hold a protest in factory premises and block the main Mardan road.

### [Running on empty: deserts could solve energy crisis](#)

DESERTS could generate enough renewable energy to power Australia, in the process creating unprecedented opportunities for its remote communities, a leading scientist says.

Dr Barrie Pittock, a lead author with the UN's Intergovernmental Panel on Climate Change and former head of CSIRO's climate impact group, says deserts could also create a substantial clean energy export industry focused on Asia.

### [Aramco on track for output boost](#)

Saudi Aramco expects to boost its output capacity to 12 million barrels per day of crude oil by the end of next year despite slowing global demand for oil, a senior company official said.

"We are backing our bullish outlook on petroleum with substantial investments designed to meet future global demand for crude oil, petroleum products and petrochemicals," Khalid Al-Buainain, Aramco's senior vice president of international refining and marketing, told an energy symposium.

He added that Saudi Arabia will soon bring the Khurais project on stream. Khurais alone accounts for 1.2 million bpd of production capacity.

"By the end of next year, we will have reached our target of 12 million bpd...sustained crude oil production capacity including significant spare capacity that can be used whenever it's needed," Reuters quoted him as saying.

### [Saudi makes significant oil cuts to some buyers](#)

SINGAPORE/LONGON — Top oil exporter Saudi Arabia has already cut significantly crude supplies to some of its customers, industry sources said on Tuesday, quelling doubts OPEC would stick to its latest output deal.

One industry source estimated Saudi Arabia had reduced exports, as opposed to production, by around 900,000 barrels per day (bpd) compared with a peak in August.

### [Norwegian government's oil profits soar on high prices, warns of possible impact of slump](#)

OSLO, Norway (AP) — The Norwegian government's operating profit on its direct

investment in the Nordic countries offshore oil fields rose 27 percent in the third quarter to 35.6 billion kroner (\$5.3 billion) on high crude prices, Petoro AS announced Tuesday.

### [BG says making good progress on Brazil Tupi field](#)

LONDON (Reuters) - BG Group Plc is making rapid progress on the development of its Tupi field in Brazil and could achieve output of 300,000 barrels of oil per day (bpd) in 2012, Chief Executive Frank Chapman said on Tuesday.

### [Iran says to cut crude supplies to IOC - Co source](#)

NEW DELHI: Iran and other OPEC member countries have told state-run Indian Oil Corp they will cut crude supplies to the firm by about 5 per cent from this month, an IOC source said on Monday.

"ADNOC and Kuwait have informed us that they will be supplying 5 per cent less crude this month ... We have received a telephone call from Iran also for a similar cut," the official, who could not be named due to company policy, told Reuters.

### [OPEC oil output falls in Oct: Reuters survey](#)

LONDON: OPEC oil supply fell in October for a second consecutive month as Saudi Arabia and Iran trimmed production and maintenance curbed supply in the United Arab Emirates, a survey showed on Monday.

### [Many Challenges To Cambodia's Oil Upstream Hopes](#)

SINGAPORE -(Dow Jones)- Cambodia is facing a wide range of challenges in developing its oil and gas upstream sector, even as it moves cautiously ahead with an offshore exploration project led by U.S. oil major Chevron Corp., a senior government official said Tuesday.

The Cambodian National Petroleum Authority is also pushing for construction of the country's first oil refinery and mulling the establishment of a national oil company, but global interest in the country's hydrocarbons potential is lacking, progress on a petroleum law has been slow, and a long-running maritime acreage dispute with neighboring Thailand has yet to be settled.

### [Azerbaijan Plays Russia Off Against Europe in Contest Over Gas](#)

(Bloomberg) -- It is boom time in Baku, the capital of Azerbaijan: The skyline is dense

with cranes and high-rise buildings, and the streets of the port city on the Caspian Sea are clogged with luxury shops and traffic.

Oil revenue has fueled the country's growth, and even as prices have plummeted, Azerbaijan's energy resources remain a valuable prize. Evidence of this is the tug-of-war between Russia and Europe over natural gas from the next phase of a project that's expected to at least double current production when it moves from the planning stage to completion.

### [Iran faces big trouble if oil falls below \\$60](#)

Tehran: Iran needs oil to average \$60.60 (Dh223) a barrel until March, the end of the current Iranian year, to avoid "big problems" in its economy, Iranian media reported on Monday.

### [Gulf funds may be reluctant to bail out troubled West](#)

Dubai: Western firms and governments are turning to the world's top oil-exporting region for money as the global crisis bites, but Gulf funds that lost billions in the turmoil may be more choosy with their cash as oil income falls.

With an estimated \$1.6 trillion (Dh5.9 trillion) under management, Gulf Arab sovereign wealth funds (SWFs) are under growing pressure to shore up plummeting stock markets at home as the global financial crisis hits confidence and squeezes liquidity.

### [Low gas prices bring Ohio spot shortages](#)

COLUMBUS, Ohio (AP) - Some Columbus area gas stations have been resupplied after they ran short of fuel over the weekend when consumers rushed to take advantage of prices below \$2 a gallon.

Many motorists say they don't think the low gasoline prices will last. "Not a chance" is how Shane Sutton put it as he paid \$1.98 Monday at a service station in north Columbus that had run out for a brief time the day before.

### [Jim Brown: All Over But The Counting](#)

Neither candidate has expressed a grasp of peak oil. Other than some campaign sound bites neither candidate is paying attention to the greatest problem we have ever faced. The U.S. and the world is running on cheap oil. We consume 87 million barrels per day and increasing by approximately 1.5 mbpd each year. The time is rapidly approaching where we can no longer continue business as usual. Within months of peak oil's arrival

the price of crude will skyrocket again but this time it will be permanent. How is the next president going to deal with a shortfall of 2 mbpd in the USA? That equates to 40 million gallons of gasoline per day that will not be available for consumers. Is that 10 gallons less in your tank or your neighbors tank each week? Everybody always assumes it is the other guys. Unfortunately once the shortage begins after the arrival of peak oil it will NEVER get better. There will be a gasoline shortage for the rest of our lives.

We saw a brief taste of what peak oil will look like when oil spiked to \$147 last summer. Gasoline was \$4.25 per gallon and there was no real shortage. It was simply a price squeeze brought on by hedgers and speculators. The peak oil shortage will be real and speculators will make it even more difficult to live with. It is going to change your life and that is a fact. You don't have to believe me today because it will still happen. You don't have to believe in gravity but knock your laptop off your desk and it will still break.

### [Ukraine to end electricity imports from Russia](#)

KIEV (RIA Novosti) - Ukraine will stop importing electricity from Russia on December 1, the country's Fuel and Energy Ministry said on Tuesday.

Ukraine began importing electricity from Russia on September 15 due to a shortage of coal and unscheduled repairs to the Khmelnytsky nuclear power plant.

### [Dealerships empty as all major automakers see sales plunge](#)

DETROIT — Fearful consumers avoided auto dealerships in October, sending U.S. sales to their lowest levels in more than 25 years.

Industry sales plummeted 31.9% from a year ago, according to industry tracking firm Autodata. Automakers sold just 838,156 new vehicles in October, the second consecutive month below 1 million. Until then, monthly sales had been more than 1 million since February 1993.

General Motors (GM) says that, adjusted for population growth, U.S. sales were as low last month as they were just after World War II. Without government intervention, GM doesn't see a rebound.

### [Neighbors at odds over noise from wind turbines](#)

BROWNSVILLE, Wis. — Not long after the wind turbines began to spin in March near Gerry Meyer's home, his son Robert, 13, and wife, Cheryl, complained of headaches.

They have trouble sleeping, and Cheryl Meyer, 55, sometimes feels a fluttering in her chest. Gerry is sometimes nauseated and hears crackling.

The culprit, they say, is the whooshing sound from the five industrial wind turbines near the 6-acre spread where they have lived for 37 years. "I don't think anyone should have to put up with this," says Gerry Meyer, who compares the sound to a helicopter or a jet taking off.

As more turbines are built, the noise they create is stirring debate. Industry groups such as the American Wind Energy Association say there's no proof they make people sick, but complaints of nausea, insomnia and other problems have surfaced near wind farms across the USA.

### [How Clean Coal Could Power the Future](#)

Coal can, at least in theory, be burned with little or no carbon footprint, but it requires something called carbon capture and storage (CCS), in which CO<sub>2</sub> is separated from the coal (either before or after burning) and buried underground.

The trouble is that CCS has never been tried on a commercial scale, and some environmentalists think that it is only being talked about to provide cover for continued coal use. "'Clean coal' is the industry's attempt to 'clean up' its dirty image - the industry's greenwash buzzword," reads a Greenpeace Web site.

### [Swiss website to plant trees to offset environmental impact](#)

GENEVA (AFP) – A Swiss website on Monday announced that it would plant up to 12,000 trees in the Amazon forest next year to offset the ecological impact brought about by its business.

The website Romandie.com is the first internet site to offset all the environmental impact generated by its servers and connections, according to a statement from the site published Monday.

### [Canada an environmental slouch, study says](#)

TORONTO (Reuters) – Canada's environmental record is among the worst in the industrialized world, due in part to its poor performance fighting global warming, according to a report from the Conference Board of Canada on Monday.

Canada placed 15th among 17 peers, beating only Australia and the United States. Greenhouse gas emissions, high garbage production, and rampant overuse of fresh water were its biggest environmental problems.

"Without serious attention to environmental sustainability, Canada puts its society and its quality of life at risk," the independent research organization said in the report.



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