



DrumBeat: December 16, 2008

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Topic: [Miscellaneous](#)

[Robert Bryce: OPEC Was Right About Oil Prices. Now What?](#)

Back in June, I wrote a piece for The American in which I argued that oil prices were being driven higher by the immutable law of supply and demand. Today, with prices plunging to near \$40 instead of the \$145 level seen in mid-July, it's abundantly obvious that speculators were a key driver, probably the main driver, of the surge in oil prices that occurred between late 2007 and July.

So, to be clear, I was wrong. The leaders of OPEC were right. So, too, was my pal, Ed Wallace. In May, Wallace, a savvy journalist from Fort Worth who writes for the Fort Worth Star-Telegram and Business Week, published several articles which he showed how the unregulated futures market was being used by speculators to push prices upward.

[Don't be fooled by low gas prices — the crunch is nearly here](#)

In Greek mythology, the enchanting songs of the Sirens lured unwary sailors to shipwreck and death. Today's Sirens are the roadside signs singing sweetly, "Cheap gas! Cheap gas! Drink deeply and be at ease, weary traveller!"

After suffering record-high oil and gas prices earlier this year, it's understandable that we see cheap gas as anything but a danger. We're in a recession. Times are tough. It's a relief that the cost of getting around and heating our homes has plummeted. It's also an economic stimulus at a time when we need all the stimulus we can get.

But before we drink deeply and relax, let's have a good look through the telescope at what lies ahead.

[Panel: Navy will need oil for decades](#)

Bartlett especially is a believer in the "peak oil" concept, O'Rourke said, the idea that the world will pass a point at which oil production declines, with potentially disastrous consequences. Nuclear power frees the Navy from oil's financial and operational puppet strings, Taylor and Bartlett have said, but Navy leaders have resisted because of the

high upfront costs of building nuclear ships. O'Rourke suggested that a new generation of efficient, hybrid electric propulsion plants could let the Navy point to a cheaper alternative to nuclear power.

[Will postponed investment push peak oil forward?](#)

...Mr Chris Skrebowski, a member of The Oil Depletion Analysis Centre (ODAC), a UK charity established to promote the awareness of oil depletion, is one of those who argue that, though there is still sufficient oil in the ground, oil companies will not have the capacity to meet demand and peak oil will occur by 2012, if not before. To arrive at this conclusion, he meticulously looks at all new development projects to which the oil companies are committed, calculates the depletion of current oil provinces, and comes up with a probable net effect on production capacity.

It is true the current postponement and slow-down in projects support Mr Skrebowski's contention and those who think like him, but are they right? I much doubt it because history is not on their side. Back in 1998, the oil companies took their foot off the pedal and changed down a gear, but they soon accelerated when conditions started to change in 2003. I see no reason why they cannot do the same once oil prices pick up again and reach, say, the \$60 a barrel mark. Offshore production in deep waters is costly--some say in pre-salt offshore Brazil it could be as high as \$40 a barrel--and so is production from tar sands, but both should be sufficiently attractive at a price of \$60 a barrel.

[Pirates attacked five Iranian oil tankers this year](#)

LONDON (Reuters) - The chairman of Iran's oil tanker fleet called for tougher action to fight piracy in the Gulf of Aden on Tuesday, saying that five Iranian supertankers laden with oil had been attacked by pirates off Somalia this year.

In a statement Mohammad Souri, chairman of the National Iranian Tanker Company, one of the world's largest, said world oil prices could rise if strategic sealanes went unprotected.

[Turkey: Iran, Iraq could supply gas for Nabucco](#)

ANKARA, Turkey (AP) -- Turkey's president said Tuesday that natural gas from Iran and Iraq could help fill a pipeline that would transport the commodity from the Caucasus, through Turkey, and on to Western markets.

Abdullah Gul said "the most important issue regarding this project is to obtain enough gas." Gul said Turkey could import gas from Iraq through a new pipeline which is yet to reach the Turkish border, and buy more gas from Iran to feed the Nabucco pipeline.

[Basra seeks to flex muscles in Iraq](#)

(CNN) -- A move is afoot to make the oil-rich province of Basra a more potent political and economic power in Iraq.

Lawmakers have started a drive that would give the Shiite-dominated province the status of a federal region -- the same legal power as the multi-province autonomous region of Kurdistan in northern Iraq.

[US takes greater Basra role as British troops prepare for exit](#)

Even before British troops begin their withdrawal from southern Iraq, US forces are already stepping in to finish the job of securing the oil-rich province.

At the dusty British military headquarters at Basra's airport, the Stars and Stripes flies alongside the Union Flag in a symbolic demonstration that after nearly six years in southern Iraq, the British era is coming to an end.

[Lukoil Cuts Spending on Forecast of Cheap Oil to 2010](#)

(Bloomberg) -- OAO Lukoil, Russia's largest non-state oil producer, is cutting production and investment costs on expectations that oil prices won't rebound until the middle of 2010 at the earliest.

"According to the forecasts of Lukoil experts, the period of low prices will continue for a minimum of 1 1/2 to two years," the Moscow-based company said today in an e-mailed statement. "That means the company will have to correct its plans, budget and investment program."

[Algeria's gas fields seek to set eco-example](#)

IN SALAH, Algeria (AP) -- A gas field in the Sahara Desert is seeking to set a global environmental example with a project to bury carbon dioxide instead of spewing it into the atmosphere.

A joint venture of Algerian and international oil firms in In Salah, one of Algeria's largest natural gas fields, has invested \$100 million to capture the greenhouse gas as it's emitted and inject it deep underground.

[Despite economy, 3 companies stay on alternative-energy path](#)

President-elect Barack Obama has made renewable energy a centerpiece of his plan to resuscitate the U.S. economy and fight global warming.

Yet the credit crunch and nose-diving energy prices are prompting companies to scale back or cancel alternative-energy projects. In 2008, total spending on clean-energy projects is expected to fall 4% to \$142 billion from 2007, research firm New Energy Finance says. But venture capital and private-equity firms are still investing in emerging technologies, it says. This year, such investments will increase to \$14.2 billion from \$9.8 billion in 2007.

Here are three companies that are forging ahead...

[Abrupt Climate Change: Will It Happen this Century?](#)

A new report, based on an assessment of published science literature, makes the following conclusions about the potential for abrupt climate changes from global warming during this century.

Climate model simulations and observations suggest that rapid and sustained September arctic sea ice loss is likely in the 21st century.

The southwestern United States may be beginning an abrupt period of increased drought.

It is very likely that the northward flow of warm water in the upper layers of the Atlantic Ocean, which has an important impact on the global climate system, will decrease by approximately 25-30 percent. However, it is very unlikely that this circulation will collapse or that the weakening will occur abruptly during the 21st century and beyond.

An abrupt change in sea level is possible, but predictions are highly uncertain due to shortcomings in existing climate models.

There is unlikely to be an abrupt release of methane, a powerful greenhouse gas, to the atmosphere from deposits in the earth. However, it is very likely that the pace of methane emissions will increase.

[Saudi Arabia Says OPEC Will Cut Output 2 Million Barrels a Day](#)

(Bloomberg) -- Saudi Arabia, the world's largest oil exporter, said OPEC will cut production by about 2 million barrels a day at tomorrow's meeting.

"Supply is somewhat in excess of demand, inventories are also higher than normal," Saudi Arabian Oil Minister Ali al-Naimi told reporters today after arriving in Oran, Algeria. "To bring things in balance there will be a cut in production of about 2 million barrels."

[Obama says drilling must be part of larger plan](#)

WASHINGTON (Reuters) – President-elect Barack Obama said he was not happy that Congress allowed the long-standing moratorium on offshore drill to expire without producing a comprehensive energy plan.

"I'm not thrilled with it simply lapsing as a consequence of inaction without broader thought to how we are going to achieve energy independence and reduce our dependence on foreign oil and fossil fuels," Obama said at a press conference naming key energy nominations for his administration.

[Large gas reserve found in Xinjiang](#)

URUMQI -- China National Mineral Resource Committee disclosed Sunday that it found a major gas field with a proven reserve of 100 billion cubic meters in northern Xinjiang.

It is the first reserve of this size ever discovered around the Junggar basin, according to Chen Xinfu, general manager of Xinjiang Oilfield Company, a subsidiary of China National Petroleum Corporation.

[U.S. company to build biggest wind power park in Bulgaria](#)

SOFIA, Dec. 16 (Xinhua) -- U.S. power giant AES Corporation and the Bulgarian government Tuesday agreed on the building of the biggest wind power park in Bulgaria, which was the largest renewable energy investment in the country, local press reported.

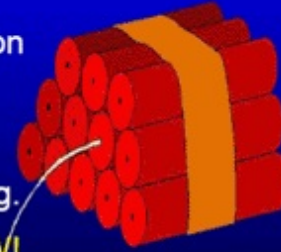
The agreement will allow the AES to build a 270 million euro (363.6 million U.S. dollars) wind power park close to the town of Kavarna in northeast Bulgaria, with 52 wind power generators and a total production capacity of 156 MW.

[New Presentations by Matthew Simmons](#)

In WEO 2008, IEA Delivered An Urgent Message

(November 12, 2008)

- Current energy supply trends are patently unsustainable.
- Future of human prosperity depends on how we tackle our energy issues.
- Consequences of policy/investment inaction are shocking.
- Massive investment required.
- Field-by-field decline rates are accelerating.
- Time is running out and time to act is **NOW!**



SIMMONS & COMPANY
INTERNATIONAL

- *The Risk Of Misjudging Peak Oil: A Real Physical Crisis*
- *Have We Inadvertantly Created Unfriendly NAFTA Energy Neighbors?*
- *Can Colorado Help The World Adjust To Post-Peak Oil?*
- *Can Hawaii Adjust To A Post-Peak Oil World?*
- *The Era Of Cheap Oil Is Over*
- *Oil Services: Riding High On A Wave Of Upstream Activity*

[Chemistry and Morality](#)

Somehow fertilizer seems an unlikely subject for a Faustian tale about pride, vanity and ambition. Yet here it is: Chemists Fritz Haber and Carl Bosch won Nobel Prizes for their contributions to humanity as young men and reached the pinnacle of German science, only to be brought low by their own, very human failings.

Haber and Bosch invented industrially made fertilizer during the first decade of the 20th century, developing a method of synthesizing and mass-producing ammonia from hydrogen and atmospheric nitrogen, hence the title of Thomas Hager's book, *The Alchemy of Air*. The need for such a process was urgent. Agricultural crops required nitrogen, but by the late 19th century the parched flatlands of Chile's Atacama Desert were the world's only major source of nitrates, and supplies were running out. With most arable land already cultivated and populations on the rise, a Malthusian nightmare loomed.

[Eating Isn't Option When Minnesota Corn Burns in Houston Cars](#)

(Bloomberg) -- Mike Vis hooks a pump to a grain silo in Minnesota and siphons out enough of his corn to feed 91 people for a year. This batch will fuel vehicles in Houston for 21 seconds.

American roads, hungry for corn in the form of the motor fuel ethanol, never figured in the livelihoods of earlier generations of Rock County growers. In the 1930s, some considered it a sin to burn corn in home furnaces.

"They felt it was a food, and there's always hungry people in the world," said Andy Steensma, the mayor of Luverne, the county seat.

Today, burning crops like corn, soybeans and sugar cane for fuel is policy in the U.S., Brazil and the European Union -- while almost 1 billion of the world's 6.8 billion people are hungry, the most in a generation. About 95 percent of what Vis grows feeds vehicles in the western U.S. -- the destination for ethanol produced in his local plant -- not people or animals.

[Recession prompts some couples to delay having kids](#)

Many economists fear that the current recession will become one of the worst since the Great Depression. When that hit in the 1930s, the birthrate dropped precipitously, and the effects of having fewer people in the workforce rippled through the economy two decades later.

"If you can't pay your mortgage, the last thing on your mind is to have another child," said Dr. Khalil Tabsh, chief of obstetrics at UCLA, who expects to start seeing a drop in pregnancies.

Baby booms and busts are reliable, if lagging, economic indicators, intertwined with the rise and fall of the nation's fortunes. For three-quarters of a century, economic downturns have triggered declines in the U.S. fertility rate, which, at about two children per woman, is the highest among rich nations. The fertility rate hit its post-World War II low of 1.7 in 1976, after the oil shortage and a severe recession.

[Opec 'has no other option but to cut production'](#)

At this point, Opec really doesn't have any other option but to cut production. No member nations can afford to have crude prices this low.

[Mexico oil output woes, hedges dim OPEC appeal](#)

MEXICO CITY (Reuters) - OPEC's call for Mexico to help shore up oil prices is likely to fall on deaf ears among policymakers already fretting about sliding oil output and as a massive hedge shields 2009 government revenues.

OPEC ministers urged Mexico and other large oil exporters such as Norway and Russia to join in deep production cuts as the cartel struggles to stem a \$100 collapse in oil prices since July.

But while Russia has offered cuts and Norway was quick to reject the request, Mexico has remained silent.

"I don't think Mexico will do anything. Their output is already declining naturally so I can't see them cutting more," said Eurasia Group analyst Enrique Bravo.

[Oil: Setting the floor](#)

Political risk is critical for oil markets once more, and the grave danger is that no one knows where the 'ceiling' might be once the world economy rebounds.

[Ernst & Young: O&G Industry Should Look Forward to Strong Growth, Demand](#)

The credit collapse has created liquidity challenges for O&G companies, however, and impacted the volume of company and asset transactions. Short-term financing is more difficult to obtain, debt rollover is challenging and capital-raising events have been postponed. There's a downward pressure on credit ratings and letters of credit have been challenged. While the first half of 2008 saw only a minor (2 to 5%) decline in transaction activity, the second half witnessed a much more marked 30% decline according to Ernst & Young LLP's Energy Center. This slower pace, however, is not expected to last long.

While the number and dollar value of deals are down, the decline could actually be a signal that a new wave of consolidations is about to begin. The vast majority (more than 70%) of the nearly 600 respondents in a Dec. 9, 2008 Ernst & Young LLP webcast thought it'll be more than 12 months before the O&G mergers and acquisitions market returns.

[Buckling under: As roads and bridges crumble, infrastructure needs grow](#)

A litany of problems is straining the breakbulk and heavy-lift shipping industry, including fuel costs, capacity constraints and a critical shortage of vessels, equipment and skilled labor. In part, the industry is a victim of its own success, riding a worldwide boom in energy, mining and infrastructure projects.

But the infrastructure crisis may pose more formidable challenges. In addition to

physical constraints that are driving up the cost of moving goods, there is widespread concern that shippers and carriers will end up paying more than their fair share of the massive bill for maintaining and improving the nation's road, rail and waterways infrastructure. Add to that an economy in turmoil and the uncertainties of a political transition in Washington, and you have a jittery industry facing an uncertain future.

[Pickens Embraces Obama's Energy Team Appointments](#)

DALLAS, Dec 15, 2008 (BUSINESS WIRE) -- T. Boone Pickens today offered the following statement on President-elect Barack Obama's appointments for his Administration's new energy and environmental team...

[Pakistani trucker strike won't choke Canadians' supplies](#)

KANDAHAR, Afghanistan – A truck drivers' strike that has choked the flow of military supplies to Afghanistan won't affect Canadian troops stationed in the landlocked country, insists the commander of Canada's overseas forces.

Lt.-Gen. Michel Gauthier said the Canadian military does not truck in vital supplies via the treacherous stretch through the Khyber Pass that links Pakistan with Afghanistan.

[Why Toyota wants GM to be saved](#)

A GM failure would cause production problems, crush already weak demand and potentially open the door to low-cost competitors.

[Largest coal-electricity project cluster starts construction](#)

On December 15, construction of the largest scale coal-electricity project cluster in China's energy construction history started on all fronts in northern west China's Yinchuan City.

Reporters learned that eight new coal, power and coal chemical construction projects started simultaneously.

[GE Wins \\$3 Billion Iraq Turbine Order, Largest Ever](#)

(Bloomberg) -- General Electric Co., the world's biggest maker of power-plant turbines, won an order valued at about \$3 billion to provide electricity-generating equipment and services to Iraq.

It is the largest single order in the history of the GE Energy segment, Steve Bolze, who runs the power and water division, said in an interview today. GE, based in Fairfield, Connecticut, will provide 56 of its 9E model turbines capable of supplying 7,000 megawatts of electricity, nearly doubling the country's generating capacity.

[J. Craig Venter: There's no silver bullet to solve energy crisis](#)

The nation appears united toward transitioning to more-fuel-efficient cars. But that transition will require difficult political choices and long-term thinking that are not normally the hallmarks of government. The policy rubber meets the political road.

Our appetite for change should not fluctuate based on the price of oil today or next week or next month. Just as that price has dropped of late, it will surely rise again.

[From prototype to powerhouse](#)

San Diego Gas & Electric is betting that a startup company with an untested technology to generate solar power can provide it with much of the renewable energy it will need to meet a state mandate by 2010.

The plan is at the heart of SDG&E's arguments that the Sunrise Powerlink, a proposed 1,000-megawatt line across the desert and mountains, is needed to bring renewable energy from the Imperial Valley.

[Arctic melt passes the point of no return](#)

Scientists have found the first unequivocal evidence that the Arctic region is warming at a faster rate than the rest of the world at least a decade before it was predicted to happen.

Climate-change researchers have found that air temperatures in the region are higher than would be normally expected during the autumn because the increased melting of the summer Arctic sea ice is accumulating heat in the ocean. The phenomenon, known as Arctic amplification, was not expected to be seen for at least another 10 or 15 years and the findings will further raise concerns that the Arctic has already passed the climatic tipping-point towards ice-free summers, beyond which it may not recover.

[Twelve months to save the world – no, really](#)

People have always told stories about the end of the world. Sometimes these stories have been realised, as war and the other horsemen of the apocalypse – strife, famine

and death – have laid waste to cultures great and small.

Only twice, though, have they had the potential to threaten human civilisation and the planet's biota as a whole.

Once was during the Cold War, with the threat of a global nuclear conflagration.

The other is happening right now. If left unchecked, climate change is likely to make large areas of the planet unsuitable for human and other life by the end of this century. That's not my personal opinion, it's the conclusion of the more than 2,000 climate scientists who contributed to the 2007 report of the Intergovernmental Panel on Climate Change (IPCC).

[Major Oil Projects Come Undone With Price Collapse](#)

The list of projects delayed is growing by the week. Wells are being shut down across the United States; new refineries have been postponed in Saudi Arabia, Kuwait and India; and ambitious plans for drilling off the coast of Africa are being reconsidered.

Investment in alternative energy sources like biofuels that had flourished in recent years could dry up if prices stay low for the next few years, analysts said. Banks have become reluctant lenders, especially to renewable energy projects that may prove unprofitable in an era of low oil and gas prices.

These delays could curb future global fuel supplies by the equivalent of four million barrels a day within the next five years, according to Peter Jackson, an energy analyst at Cambridge Energy Research Associates. That is equal to 5 percent of current oil supplies.

[UK: Slowdown hits energy investment](#)

Vital spending on energy infrastructure such as power stations and gas storage sites is threatened by the financial crisis, which has hit the supply of investment funds, the industry regulator has warned.

Alistair Buchanan, chief executive of Ofgem, told the Financial Times that energy companies were having to manage "some tremendous pressures", including the rising cost of finance.

[Oil Stored at Sea Expands as OPEC Meets on Output Cut](#)

(Bloomberg) -- Oil companies booked 25 supertankers to store crude, enough to supply France for almost a month, as OPEC discusses output cuts to shore up prices that have plunged 69 percent in five months.

The supertankers, equal to about 5 percent of the global fleet, can carry as much as 50 million barrels. The ships may not all be fully loaded, Jens Martin Jensen, interim chief executive officer of Frontline Ltd.'s management unit, said by phone today. The Bermuda-based company is the biggest supertanker owner.

[OPEC Says Oil Demand Will Fall Next Year as Recession Spreads](#)

(Bloomberg) -- The Organization of Petroleum Exporting Countries, supplier of more than 40 percent of the world's oil, said demand will fall next year as the global economy contracts, cutting fuel consumption.

The 13-member group forecasts that world oil demand in 2009 will decline by 150,000 barrels a day, or 0.2 percent, to 85.68 million barrels a day, according to a monthly report released today. That's 1 million barrels a day lower than forecast last month, and the fourth consecutive cut in its estimate.

[OPEC to announce output cut of up to 2 million bpd](#)

LONDON (Reuters) - OPEC oil producers are likely to announce their biggest-ever supply cut this week in a bold attempt to stem a collapse in oil prices, a Reuters poll suggested on Tuesday.

All 14 banks, companies and research groups surveyed on December 15 thought the Organization of the Petroleum Exporting Countries would reduce output by at least 1.5 million barrels per day (bpd) when it meets in the Algerian city of Oran on Wednesday.

The average forecast was for an even bigger cut -- probably around 2 million bpd, which would be the deepest cut in production to be agreed since the group, which pumps more than a third of the world's oil, was established almost 50 years ago.

[OPEC: All Eyes On Russia](#)

As the oil cartel's latest meeting begins, Russia is under pressure to support a deep output cut.

[China's refining losses totalled \\$26 bln in Jan-Oct](#)

BEIJING (Reuters) - China's state-run oil giants Sinopec and PetroChina suffered refining losses of 180.4 billion yuan (\$26.34 billion) from January to October, a senior government official said, according to a statement published on a government website on Tuesday.

[Tapis, Once World's Most Expensive Oil, Loses Benchmark Status](#)

(Bloomberg) -- Malaysia's Tapis crude oil, once the world's most expensive grade, is losing its status as a benchmark for Asian refiners buying grades from Australia, Indonesia and Vietnam because of declining output.

Oil-pricing service Platts, a unit of McGraw-Hill Cos., will today use Dated Brent, a crude produced in the North Sea, to assess the values of Asian grades, the company said in a statement to its users. The change comes as traders raised concern about Tapis's suitability as a marker because of a drop in spot market transactions.

[Latin America Leads in 2008 Crude Oil, Gas Discoveries](#)

Seven of the ten largest oil-and-gas discoveries worldwide this year occurred in Latin America, reaffirming the region's promising potential for hydrocarbon exploration.

[Peak oil warning \(video\)](#)

UK companies warn government against an impending oil supply crisis.

A recent report from the Industry Taskforce on Peak Oil and Energy Security warns that supplies of cheap, easily accessible oil will start to diminish by 2013.

The industry lobby group, which includes Virgin, Yahoo, Solarcentury and transport operator Stagecoach, wants the Government to dramatically increase investment in clean energy and renewables to avoid an energy crisis.

[15 Christmas gifts, 'ghosts' haunting Scrooge](#)

Is this the last Christmas before the Great Depression 2? Or a new bull?

[Have We Peaked Already?](#)

If we can dismiss the human suffering associated with job losses for a moment and instead view "employment" as an "energy consuming activity" – it might help one begin to grasp the true nature of exactly what's confronting the industrializing and industrialized world.

[Global Oil Consumption Drops](#)

In the U.S., about 60 percent of our oil use is related to transportation; about 45 percent of our oil use is in the form of gasoline. Thus it's not a big surprise that Americans drove fewer miles in 2008 than in 2007.

However, in the rest of the world, oil used more often for space heating and power generation than for transportation. Oil accounts for 39 percent of total world energy use; natural gas is 25 percent (ppt).

[UK: Energy groups warned on unfair bills](#)

Energy regulator Ofgem has called for speedier action from suppliers to slash unfair pricing from energy bills.

[Nigeria: Fuel Crisis Looms Over Unpaid N62 Billion Debt](#)

Major oil marketers are warming up to plunge the nation into another round of fuel crisis over N62 billion unpaid claims owed them by the Federal Government through the Petroleum Product Pricing and Regulatory Agency (PPPRA).

[EDF close to buying half of Constellation - report](#)

EDF sees gaining a foothold in the United States, the world's biggest nuclear energy market, as a key element in its global expansion strategy.

[In breezy Britain, wind farm cooperatives take off](#)

LONDON (AFP) – With annual returns of 10 percent coupled with low risk, wind farm cooperatives are drawing growing numbers of investors in Britain -- good news for Europe's hopes to lead the world in renewable energy.

Along with being a safe investment during turbulent economic times, the cooperatives are drawing interest from those concerned not just with global warming and climate change, but also with energy security.

"It's not only a climate issue, but it's also a problem with energy supplies," Clive Burke, a shareholder in the Westmill cooperative near Swindon, southwest England, told AFP.

"We are exceeding the ability of our planet to support our energy needs."

[Three Things Obama Will Do to Advance Alternative Energy](#)

It is clear now that the new administration will do the following three things right after January 20th...

[Don't expect recession to mean lower carbon emissions](#)

Environmentalists who hope a slowing global economy will mean big falls in greenhouse gas emissions are likely to be disappointed,

Because despite a gloomy economic forecast for 2009, the annual growth in emissions of 3% is only likely to slow modestly, and may even rise over the long term because of the downturn's impact on global climate talks and the funding of renewable energy projects.

[Obama unveils climate change team](#)

CHICAGO, (AFP) – President-elect Barack Obama named his energy and environmental chiefs and vowed a new dawn for US leadership on combating climate change after eight years of Republican foot-dragging.

Obama nominated Nobel Prize-winning physicist Steven Chu as his energy secretary, placing the renewable energy expert on the frontlines of climate change policy and ending the nation's "addiction" to foreign oil.

[Protests heat up over Australia's climate plan](#)

SYDNEY (AFP) – Angry protests erupted in Australia on Tuesday as environmentalists accused the government of "surrendering" by pledging to cut greenhouse gas emissions by only five percent by 2020.

As senior scientists called for deeper cuts, hundreds of people attended a wave of rallies around the country to urge stronger action on climate change or risk the loss of natural treasures such as the Great Barrier Reef.

[Australia: Households need pricing buffer](#)

THE Federal Government has defended its decision to give some households more help than they need to meet rising costs incurred by the emissions trading scheme.

Under a \$9.9 billion two-year program some low-income households will receive up to 20 per cent more than the estimated rise in the cost of living.

The Government's white paper says the reason for overcompensation in some cases is because the modelling has been based on a carbon price of \$25. But it says the price of

carbon may rise to \$40, forcing prices up even more, and it wants to ensure that less wealthy households have enough to cover their costs.

[Over 2T tons of ice melted in arctic since '03](#)

WASHINGTON – More than 2 trillion tons of land ice in Greenland, Antarctica and Alaska have melted since 2003, according to new NASA satellite data that show the latest signs of what scientists say is global warming.

More than half of the loss of landlocked ice in the past five years has occurred in Greenland, based on measurements of ice weight by NASA's GRACE satellite, said NASA geophysicist Scott Luthcke. The water melting from Greenland in the past five years would fill up about 11 Chesapeake Bays, he said, and the Greenland melt seems to be accelerating.



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