



DrumBeat: December 24, 2008

Posted by [Leanan](#) on December 24, 2008 - 9:46am

Topic: [Miscellaneous](#)

['Green' jobs compete for stimulus aid](#)

In one of the first internal struggles of the incoming Obama administration, environmentalists and smart-growth advocates are trying to shift the priorities of the economic stimulus plan that will be introduced in Congress next month away from allocating tens of billions of dollars to highways, bridges and other traditional infrastructure spending to more projects that create "green-collar" jobs.

The debate has centered on two competing principles in the evolving plan: the desire to spend money on what President-elect Barack Obama calls "shovel-ready projects," such as highway and bridge construction, vs. spending on more environmentally conscious projects, such as grids for wind and solar power.

Lawmakers opposed to the emerging-technology projects accuse their colleagues of using the financial crisis to push through pricey policy proposals that they say would do little to boost the economy in the immediate future.

[Oil prices near \\$35 on more dour economic news](#)

HOUSTON – Crude prices tumbled Wednesday following a raft of economic news that painted an ugly picture of the nation's economy, suggesting demand for energy will continue to erode.

Light, sweet crude for February delivery fell \$3.63 to settle at \$35.35 in a shortened day of trading. Prices fell as low as \$35.13 just before the market closed for the holiday.

Investors expecting more evidence of slowing U.S. energy demand got a bit of a surprise as the Energy Department reported crude inventories dropped last week.

But Americans continue to cut back on driving amid the worst recession in a generation, leading to growing stockpiles of gasoline and eroding demand for motor fuel.

Gasoline futures plummeted below 80 cents a gallon.

[Gazprom eyes Iran's oil, gas fields](#)

MOSCOW (RIA Novosti) - Gazprom is interested in developing Iran's oil and gas deposits, the Russian energy giant said on Wednesday.

Earlier in the day, Gazprom CEO Alexei Miller had a meeting with Iran's Petroleum Minister Gholam Hossein Nozari, to discuss in particular cooperation between Gazprom and Iranian oil and gas companies.

"Prospecting, development and operation of Iranian oil and gas deposits was cited among the main lines of cooperation. The parties reiterated their interest in strengthening mutually beneficial long-term partnerships in the energy sphere," the Russian company said in a statement.

[Medvedev Threatens Sanctions If Ukraine Fails to Pay Gas Debt](#)

(Bloomberg) -- Ukraine will face sanctions from Russia if it fails to pay off its \$2 billion natural gas supply debt, President Dmitry Medvedev said.

"They have to pay to the last ruble if they don't want their economy to eventually face sanctions and demands from the Russian Federation," Medvedev said today in an interview with state-controlled television channels. "We do not have it as a goal to cut off" supplies, he said, adding that Russia will use the "whole range" of possibilities to retaliate.

[Russia devalues again as economic concerns mount](#)

MOSCOW - Russia staged the seventh mini rouble devaluation of the month on Wednesday, as the price of oil plunged to four-year lows, heralding woes for the resource-focused economy and increased social pressure.

A sure-fire appreciation bet at the start of this year, the rouble has fallen victim to the collapse in the price of oil and other Russian exports, the global and domestic economic slowdown and the broad-based capital flight from emerging markets.

[World's biggest refinery poised to start in India](#)

NEW DELHI (Reuters) - Reliance Industries is set to double its capacity by starting up its new 580,000 barrels per day plant (bpd) this weekend, creating the world's biggest refinery just as global oil demand collapses.

The \$6 billion project will make the oil complex in Jamnagar in Gujarat the world's single biggest supplier of fuels to the global market, pumping out 1.24 million bpd of ultra-clean fuels to Europe, Africa and the United States.

[News Analysis: Will GECF become an emerging gas OPEC?](#)

MOSCOW (Xinhua) -- With its charter adopted and headquarters located during Tuesday's high-level meeting in Moscow, the Gas Exporting Countries Forum (GECF) is apparently evolving towards a formal organization that Russian leadership has proposed but some others worried.

[Tenn. Ash Pond Flood Sparks Toxic Scare](#)

(AP) The Tennessee Valley Authority is working to contain the release of potentially toxic pollutants from the coal-fired Kingston power plant after a breach in an earthen dike released 2.6 million cubic yards of ash from a holding pond.

"I would say we are trying to contain first and recover second," TVA President and Chief Executive Tom Kilgore said Tuesday.

[Save energy, save the economy: The country may spend \\$30 billion on conservation in the coming year, but will that put people back to work?](#)

NEW YORK (CNNMoney.com) -- It looks like America may be getting a whole lot more energy efficient as part of any new stimulus plan.

But how exactly will that happen? While new light bulbs, insulation and air conditioners may play well with homeowners, will they actually put enough people to work to jumpstart the economy?

The energy-saving plan is expected as part of a stimulus package from lawmakers set for early January that could top \$800 billion and include everything from tax breaks to road repairs.

Conservation is thought to be the first big energy component of President-elect Barack Obama's long-term energy plan, for a couple of reasons.

[America's stop-and-go energy plan](#)

"In the past, when the prices of oil and gas have dropped, it has caused us to lose our focus. I don't think that'll happen this time," said Sen. Jeff Bingaman (D-N.M.), chairman of the Senate Energy and Natural Resources Committee.

Perhaps nothing illustrates the change in attitude better than a recent survey of 52 oil and gas executives.

Only about a dozen executives expected oil and gas to be America's cheapest energy

source in 25 years, and three-quarters considered it a good idea for the U.S. to phase out fossil fuels for transportation.

[Kurt Cobb: Energy and money](#)

Is energy merely another commodity among many in the modern industrial economy? Or is it the very basis of our financial and material life?

[Shia Islam and oil geopolitics](#)

This has huge implications for access to reliable oil supplies at “favored” prices. It may even be that eventually those states without good relations with OPEC (a largely Islamic nations’ cartel), will not readily find reliable supplies of oil at any price, as OPEC uses oil as a devastating economic weapon, at least until their own supplies are critically low in another couple of decades. And as non-OPEC nations have rapidly falling oil supplies to export, OPEC is heading to be the world’s primary supplier – that is of much more than half the worlds dwindling oil in the imminent few years ahead. It could also be anticipated that OPEC will enjoy great civilizational power to wield its oil weapon for its own political agenda.

[Aviation fuels and peak oil \(thesis\)](#)

The industry has put up ambitious goals to increase fuel efficiency of the aviation fleet through better engines, better flying routes and better aerodynamics, but still the demand for aviation fuel would grow. Traffic is predicted to grow by 5 per cent per year to 2026, fuel demand by about 3 per cent per year. At the same time aviation fuel production is predicted to decrease by several per cent a year after the crude oil production peak is reached. This scenario envisages a substantial lack of jet fuel by the year 2026. The aviation industry will have a hard time replacing this with fuel from other sources even if air traffic remains at today's level.

[Want green jobs? Watch California.](#)

Stinson Beach, Calif. - The last time the federal government tried to play a large role in stimulating the development of renewable-energy projects, it failed miserably. Instead, states such as California were the ones that ended up jump-starting today's wind, solar, geothermal, and biomass industries. As President-elect Barack Obama and Congress craft a federal stimulus program package designed to add 2.5 million jobs, many of them green, across the country, they should remember some important lessons from the past.

Federal investments in wind power after the energy crisis of 1973 failed to produce a single commercial wind turbine. It took the political leadership of people such as California Gov. Jerry Brown to put in place state incentives to grow the wind industry

from the ground up, instead of from the top down.

[Kunstler: Legitimacy Dwindles](#)

When legitimacy erodes, anything goes. Nothing is respected including rules and personalities. The center doesn't hold and the new vacuum there is a tumultuous place. The same crisis of authority and legitimacy is spreading from nation to nation now. Soon, China will contend with a discontented army of the unemployed. Greece has been in an uproar for two weeks. Belgium's government just collapsed. Trade barriers are going up. Exports are falling away. The world's energy markets are not immune to these disorders. I would expect problems with the currently seamless supply lines that bring America two-thirds of the oil we use. Even a mild disruption of oil supplies could attach an anvil to the ankle of an economy already falling off a cliff.

[Australia Braces for Tropical Cyclone Billy](#)

Residents onshore Western Australia aren't the only ones bracing for a Christmas-time impact from Tropical Cyclone Billy. Petroleum companies are making arrangements to ensure safety offshore at oil and gas fields in the path of the storm.

['Active' Atlantic Hurricane Season on Tap for 2009](#)

The Atlantic hurricane season will be unusually active in 2009 amid warm ocean temperatures and wind conditions that are conducive to storm development, private forecaster WSI Corp. predicted Tuesday.

WSI, based in Andover, Mass., is forecasting 13 named storms, seven hurricanes and three hurricanes of Category 3 or higher in 2009, surpassing the 1950-2008 average of 9.8 named storms, six hurricanes and 2.5 intense hurricanes.

[What does it mean when oil is being quiet?](#)

...No one is talking about oil now. Its drastic decline of over 70 per cent since its record HI in mid-July has left the market speechless. But is this steep fall in prices that surprising? Not really. History has proven to be the most accurate fortune teller. The energy crisis in the early '70s and '80s is a clear indication of where oil is heading now, and investors should start taking positions cautiously.

[Toronto gas stations left on empty](#)

The snow was not the only thing to blame for unpleasant driving conditions last night.

About 30 gas stations throughout the city ran out of fuel at one point or another yesterday, after Friday's snowstorm, combined with a mechanical failure at the gas distribution depot near Keele St. and Finch Ave. W., snarled delivery efforts throughout much of the city.

[NRZ cancels commuter trains](#)

THE National Railways of Zimbabwe (NRZ) is struggling to get adequate fuel supplies to run its fleet and has as a result cancelled commuter trains, the parastatal's general manager, Retired Air Commodore Mike Karakadzai announced yesterday.

The move is meant to save fuel while also boosting coaches for the inter-city trains during the festive season.

[Kenya: PS blames fuel shortage on massive panic buying](#)

The fuel shortage is as a result of panic from motorists ahead of the festive season, Energy PS Patrick Nyoike has claimed.

Nyoike said yesterday the shortage was caused by motorists and transporters buying the commodity in bulk for fear it will run out during Christmas.

"There is panic among motorists and transporters, ahead of the festive season," Mr Nyoike told journalists.

[First Floating LNG Plant Wins Approval, Awaits Final Investment Decision](#)

FLEX LNG and Mitsubishi Corp. have since June 2008 worked closely to develop the Progress LNG project together with Peak Petroleum Industries LTD of Nigeria and have during the month of November received approval from the Nigerian Department of Petroleum Resources for a floating LNG plant.

[Fuel price cuts, economy crimp Honda](#)

LOS ANGELES -- Not long ago, John Hawkins sold every Fit small car he could get his hands on. Now he doesn't want them.

"We are turning down everything" Honda wants to ship, says Hawkins, president of Great Metro Autogroup in suburban Los Angeles, which includes one Honda dealership.

[Grant: Project 540 - Low-cost Low-emission Biochar Kiln for small farms](#)

The project is to run for 8 months, and will produce Public Domain / Creative Commons working designs, and support material, including a low cost biochar kiln wiki in 2009. Contemporaneously it will construct, and extensively test and refine at least one full-size ~1m³ prototype best-practice kiln, including monitoring and control systems. The constraints will be construction at the village-tech level of skills, in light steel, firebrick and concrete.

[Science Adviser's Unsustainable Bet \(and Mine\)](#)

My post on John P. Holdren's appointment as presidential science advisor prompted complaints that I was making too much of Dr. Holdren's loss of a bet to the economist Julian Simon about the price of some metals. But that bet wasn't just about metals. It was about a fundamental view of how adaptable and innovative humans are, and whether a rich modern society is "sustainable." Dr. Holdren and his collaborator, Paul Ehrlich, were the pessimists.

...In 2005, I found a more adventurous prophet willing to bet on resource scarcity. Matthew Simmons, an expert on the oil industry and the author of "Twilight in the Desert," bet \$5,000 against me and Rita Simon, Julian's widow, that the average price of oil, in 2005 dollars, would exceed \$200 per barrel in 2010. (Here's [my column on the bet](#); here's the [Wikipedia entry on it](#); here's an analysis of where we stood earlier this year by [Stuart Staniford in the Oil Drum](#).)

[Oil Falls Below \\$37 on Forecasts U.S. Supply Rose a Third Week](#)

(Bloomberg) -- Crude oil fell below \$37 a barrel in New York before a report forecast to show that U.S. inventories rose for a third week as demand ebbs.

[Russia expects first deficit in a decade](#)

Russia will run a budget deficit in 2009 for the first time in a decade as low oil prices take their toll on government revenue, a Kremlin official said Wednesday, the state RIA-Novosti news agency reported.

Arkady Dvorkovich, the president's economic adviser, said the size of the deficit was not yet clear but it would be covered by the reserve fund - money put away for a rainy day when oil prices were soaring.

[Russia, China warn of dire economic straits in 2009](#)

In Moscow, a top Kremlin economic aide said there would be a budget deficit in 2009 for the first time for a decade as Russia -- the world's second-biggest producer of crude oil after Saudi Arabia -- reels from the global crisis.

"The deficit is caused by the fall in oil prices, above all," Arkady Dvorkovich was quoted as saying in reference to the plunge in prices from record highs of above 147 dollars per barrel in July to under 40 dollars now.

With oil prices heading towards the year end at their lowest level for four years, the price of Brent North Sea crude for February sank to 38.63 dollars per barrel on London's InterContinental Exchange (ICE) amid weakening demand.

Commenting on the worsening situation, Deputy Interior Minister Mikhail Sukhodolsky, warned that unpaid wages, the threat of layoffs and unpopular government anti-crisis measures "may aggravate the protest mood."

[Kiev: gas transit to EU not to be interrupted whatever the relations with Gazprom will be](#)

Ukraine has given guarantees to the European Commission leadership that no matter how its relations develop with Russia's gas giant Gazprom next year, this will not affect the transit of Russian gas via Ukraine, an official representative of the European Commission told Tass on Wednesday.

[Volatile energy prices strain ties in Northeast](#)

HARRISBURG, Pa. (AP) — A growing number of the heating oil customers who signed fixed-price contracts as costs spiked over the summer are now attempting to back out of those deals as the price of oil collapses.

Some of the customers who have read through the fine print are finding buyout clauses that can cost hundreds of dollars, but that provide a relatively cheap escape from contracts signed at the peak of an energy crisis.

Heating oil dealers, many of them mom-and-pop operations, never imagined the price of oil could drop so steeply and stand to lose a lot of money — perhaps even entire businesses.

As a result, relationships between dealers and customers has grown strained across the Northeast, where nearly two out of five households heat with oil. There are even newspaper advertisements from competitors encouraging consumers to buy out their contracts in exchange for new, less expensive offers.

[Oil Services in the Trash Bin?](#)

Life and its perverse twists, you just never know what you will run into, and perhaps

nowhere is that more accurate than in the markets. Take the thriving sector for Oil Services, which over the last few days has checked in at the bottom of the Investors Business Daily Group rankings. That's right, scanning the bottom few entries on the table from IBD, we see "Oil & Gas Machinery Equipment" at #195, "Oil and Gas Drilling" at #193, and "Oil & Gas Exploration" at #190. Now, keep in mind there are only 197 groups in the table! Thus, at #195, #193, and #190, the energy "finding" business would appear to be rock bottom. Of course, this implies that we have enough energy to meet future needs as a global economy, when nothing in fact could be further from the truth.

[Oil-rich Amara left high and dry](#)

With its vast oil resources, Maysan should be one of the richest provinces in Iraq. But it is actually one of the poorest, as the profits simply aren't filtering down to the people.

[Russia watchdog sets fines on Rosneft, LUKOIL](#)

MOSCOW (Reuters) - Russia's anti-monopoly service fined the country's top oil companies Rosneft and LUKOIL a total of more than \$100 million for fixing prices of refined products, the watchdog said on Wednesday.

The Federal Anti-Monopoly Service (FAS) said last month Rosneft and LUKOIL had used their dominant market positions to set and maintain high prices for jet fuel, gasoil and gasoline.

[Oman says Gulf rulers to discuss oil's fall: paper](#)

MUSCAT- Gulf Arab leaders will discuss the collapse in oil prices and their affect on the region's economies at their annual summit next week, Oman's foreign affairs minister said in remarks published on Wednesday.

"Since the declining oil prices are a concern for the GCC economies, it will be very much on the agenda for discussion," Youssef bin Alawi bin Abdullah was quoted as telling the Arabic language daily Oman.

[Toyota's global sales mark worst drop in 8 years](#)

TOKYO (AP) — In more bad news for Japan's auto industry, Toyota said Wednesday its global vehicle sales plunged 21.8% in November, the biggest drop in eight years.

Rival Nissan said its worldwide sales sank 19.8% and global production nose-dived a record 33.7% on depressed sales in the United States.

The dismal data comes two days after Toyota, Japan's biggest automaker, predicted that this fiscal year it would report its first operating loss in 70 years.

[Blackouts could hit Britain by 2015, says National Grid chief](#)

Steve Holliday, the company's chief executive, said that Britain faces a severe shortage in power generation due to crumbling coal and nuclear plants being taken out of service.

He said that unless the Government intervenes to ensure £100 billion investment in new stations, there will not be enough generation to meet demand by 2015, meaning power outages would result.

[Russian firms to help build up Nicaragua's electricity sector](#)

MEXICO (RIA Novosti) - Russian companies will assist Nicaragua in building hydroelectric and geothermal plants in the Central American country, the president of the Nicaraguan Electricity Company (ENEL) has said.

Ernesto Tiffer said on Tuesday that at least two power generating plants, with capacities of 150 MW and 100 MW, were under consideration for the volcanically active part of the country.

[Japan's Kyushu Electric seeks new nuclear unit](#)

TOKYO (Reuters) - Japanese utility Kyushu Electric Power Co (9508.T) said on Wednesday it wants to build a third nuclear unit at one of its two plants to cope with a projected rise in power demand, and is preparing to ask local governments for permission.

[Japan to bring back solar power subsidy for homes](#)

TOKYO (Reuters) - Japan plans to bring back subsidies for solar panel equipment from January, the Ministry of Economy, Trade and Industry said on Wednesday, as the world's fifth-biggest emitter struggles to cut its greenhouse gas emissions.

METI said the government would offer 9 billion yen (\$99.6 million) in the first quarter of 2009 and possibly more in the fiscal year starting next April to foster use of solar panel equipment in homes.

[Climate change opens northeast route to foreign ships - Ivanov](#)

MOSCOW (RIA Novosti) - Russian Deputy Prime Minister Sergei Ivanov said Wednesday that he is concerned that global warming is opening up the Northern Sea Route for the uncontrolled movement of foreign ships.

[Why We're Already Beginning To Solve Global Warming](#)

The world just got a wonderful winter solstice present: the Energy Information Agency (EIA), the official U.S. government scorekeeper on where our energy sector is headed, has dramatically lowered its "business as usual" projections for how much CO₂ the US will emit in 2030. As the Sierra Club has been saying for some time, America is already beginning to move to a lower carbon future.

[Sea change: rising sea levels in Bangladesh](#)

It's worth thinking about just why the delaying tactics of some countries at the UN climate change conference in early December is so damaging. Their inability to move discussions on is going to cost lives - it's as simple as that.

[Arctic Peoples Claim Their Right to Cold Temperatures](#)

QUEBEC CITY (Tierramérica) - "Terrifying" is the word that best describes the situation of a hunter who is lost on shifting ice, or of the homeowner whose house splits in two when its foundation sinks, says Canadian indigenous leader Mary Simon when asked about the effects of global warming on the Inuit people.

Climate change is rapidly changing the ecology of the Arctic and creating a crisis for the 160,000 indigenous people in the region, collectively known as Inuit, who are thinly spread along the edges of the Arctic Ocean in Canada, Greenland, Norway, Russia and the U.S. state of Alaska.

[Reindeer Could Remain on the Run](#)

Caribou, aka reindeer in North America, could soon become endangered by threats such as oil exploration and climate change, according to a new book.

[Ancient water source vital for Australia](#)

SYDNEY (Reuters) – An ancient underground water basin the size of Libya holds the key to Australia avoiding a water crisis as climate change bites the drought-hit nation.

Australia's Great Artesian Basin is one of the largest artesian groundwater basins in the

world, covering 1.7 million sq kms (656,370 sq miles) and lying beneath one-fifth of Australia.

...Since it was first tapped in 1878, an estimated 87 million megaliters has been extracted and up to 90 percent of it wasted.

As a result of falling water pressure, more than 1,000 natural springs have been lost and one-third of the original artesian bores have ceased flowing.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/).