



DrumBeat: December 26, 2008

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Topic: [Miscellaneous](#)

[Burning Coal at Home Is Making a Comeback](#)

SUGARLOAF, Pa. — Kyle Buck heaved open the door of a makeshift bin abutting his suburban ranch house. Staring at a two-ton pile of coal that was delivered by truck a few weeks ago, Mr. Buck worried aloud that it would not be enough to last the winter.

“I think I’m going through it faster than I thought I would,” he said.

Aptly, perhaps, for an era of hard times, coal is making a comeback as a home heating fuel.

Problematic in some ways and difficult to handle, coal is nonetheless a cheap, plentiful, mined-in-America source of heat. And with the cost of heating oil and natural gas increasingly prone to spikes, some homeowners in the Northeast, pockets of the Midwest and even Alaska are deciding coal is worth the trouble.

[Crude Oil Rises More Than 6 Percent as U.A.E. Reduces Output](#)

Volume in electronic trading on the exchange was 73,221 contracts, as of 3:07 p.m. in New York. Volume totaled 165,884 contracts on Dec. 24, down 66 percent from the average over the past 3 months. No day so far this year has had volume of less than 100,000 contracts.

...A decline in crude oil to \$25 “is in the cards,” Gulf Oil LP Chief Executive Officer Joe Petrowski said today in a CNBC interview. Gulf, a Newton, Massachusetts-based wholesaler, distributes motor fuel to 1,800 branded filling stations in the Northeast. “The downside is well in gear,” he said.

[Pakistan cancels military leave](#)

Pakistan has cancelled leave for members of its military due to fears of a confrontation with India following last month's Mumbai attacks.

The decision on Friday came after Pakistan's armed forces were placed on high alert.

...Saud al-Faisal, the Saudi foreign minister, arrived in New Delhi on Friday for talks with Pranab Mukherjee, his Indian counterpart.

New Delhi said Mukherjee impressed on Saud the need for Riyadh to use its influence on Islamabad to ensure that those behind the Mumbai attacks were brought to justice.

Saudi Arabia has immense leverage with the Pakistani establishment because of the amount of funding it sends, including subsidised amounts of oil.

[Kuwait's crude oil exports to China up 11.5%](#)

(KUNA) -- Kuwait's crude oil exports to China rose 11.5 percent in November from a year earlier to 387,470 tons, equivalent to around 95,000 barrels per day (bpd), the latest government data showed.

Kuwait provided 2.6 percent of China's total crude oil imports, according to the figures released from the Chinese General Administration of Customs. For the first 11 months of 2008, it exported 5.23 million tons, or 114,000 bpd, up 43.9 percent from the same period last year.

[Forest Service revising rules for pipeline](#)

PORTLAND -- The U.S. Forest Service plans to alter its environmental standards to allow a proposed \$800 million natural gas pipeline to run through 47 miles of Mount Hood National Forest.

The proposed Palomar pipeline would require opening a path measuring 120 feet wide. The path would stretch through forest areas that have been protected from clearcutting and other disturbances under the department's management plans.

[More solar panels stolen](#)

Forty solar panels were stolen from the City of Napa's water treatment plant at Lake Hennessey, the Napa County Sheriff's Department reported Dec. 19.

A city representative estimated the loss at \$30,000.

Napa County Sheriff's Capt. John Robertson said the theft occurred between 10:30 p.m. Dec. 18 and 4:30 a.m. Dec. 19. The thieves cut the locks off the fence to gain access to the property on the 900 block of Sage Canyon Road, he said. A staffer discovered the theft.

"We have no suspects," Robertson said. "Nobody was seen or heard on the property."

[Schools increase nuclear-education offerings](#)

Universities and colleges are developing or restarting nuclear-education programs, often working with energy companies to replenish the industry's aging work force in anticipation of new plants going online to meet increasing electricity demand.

[Ethanol Questions Fuel a Pushback Over Regulation Changes](#)

The question of whether cars can safely run on higher blends is a murky one. At the moment, federal law allows gasoline used in regular cars to contain no more than 10 percent ethanol. The ethanol industry says the proportion could go higher—to 15 percent or even 20 percent—without significantly affecting how cars drive or hold up or how their emissions control systems perform. Some industry representatives are asking the Environmental Protection Agency, which has final say in these matters, to quickly approve 12 or 13 percent blends.

But there also is a pushback from several quarters, as reflected in last week's meeting with OMB.

[Gazprom Says Ukraine Talks 'Unconstructive,' Gas May Be Cut Off](#)

Bloomberg) -- OAO Gazprom, Russia's gas-export monopoly, said Ukraine is "extremely unconstructive" in talks over a debt dispute that may lead to the second cutoff of fuel shipments in three years.

"In such a situation there will be no legal grounds" to deliver gas to Ukraine as of Jan. 1, Gazprom Chief Executive Officer Alexei Miller said in a letter to European partners, a copy of which was e-mailed to reporters today.

[Number of active oil rigs drops by 43](#)

HOUSTON — The number of rigs actively exploring for oil and natural gas in the United States dropped by 43 this week to 1,721.

[Biomass plant comes online for Arizona Public Service, Salt River Project](#)

A joint project for a wood-fired biomass power plant went operational Tuesday, becoming the largest renewable energy plant working in Arizona.

The 24-megawatt Snowflake White Mountain Biomass Power Plant will supply power to Arizona Public Service Co. and Salt River Project.

[Coal Ash Spill Is Much Larger Than Initially Estimated](#)

A coal ash spill that blanketed residential neighborhoods and contaminated nearby rivers in Roane County, Tenn., earlier this week is more than three times larger than initially estimated, the Tennessee Valley Authority said on Thursday.

Coal ash, a byproduct of burning coal, contains toxic heavy metals like arsenic, lead and selenium that can cause cancer and neurological problems.

Authority officials initially said that about 1.7 million cubic yards of wet coal ash had spilled when the earthen retaining wall of an ash pond breached, but on Thursday they released the results of an aerial survey that showed the actual amount was 5.4 million cubic yards, or enough to flood more than 3,000 acres one foot deep. The amount now said to have been spilled is larger than the amount the Authority initially said was in the pond, 2.6 million cubic yards.

[Nigeria soldiers kill 3 in attack on oil facility](#)

LAGOS (Reuters) - Three gunmen in Nigeria died and at least four were injured in a gunfight with soldiers guarding an oil flow station in the restive Niger Delta, a military spokesman said on Friday.

[Montana refineries operating after fires](#)

HOUSTON (Reuters) – Montana refineries owned by ConocoPhillips and Cenex were operating Friday morning after fires on Thursday, according to the companies.

A fire broke out Thursday afternoon in a unit "that aids in the production of gasoline" at Conoco's 58,000 barrel per day (bpd) Billings, Montana, refinery, said Conoco spokesman Bill Tanner.

[The nurses' birthed a better place at Stinking Creek](#)

Looking back, Kemner and Gall say it was birth control, as much as anything, that changed the fate of Stinking Creek.

The daughters of women who had 14 or 15 children in the 1950s and 1960s grew up and had three or four. Their daughters and granddaughters now have one or two, or none.

"I saw how my momma lived, and I weren't gonna live like my momma," says Suzi Carnes Brown, who was born with Kemner's help. Her mother had nine children. She had four. Her daughter has one.

..."I'd talk to them when their husbands weren't around," says Kemner. "Men didn't like it at all. Back then, a man's worth was the size of his family."

Shrinking family size meant more money for food, clothing and housing because there were fewer to feed, clothe and house.

..."What's being done in Appalachia is the classic strategy for the developing world," says Greg Bischak, senior economist at the Appalachian Regional Commission. Birth control, education, health care and infrastructure work together to ease poverty, he says.

"It works here, too."

[John Michael Greer: History's arrow](#)

One of the things that has interested me most about the reactions to the ideas about the shape of the future I've presented here on *The Archdruid Report* is the extent to which so many of them presuppose one particular way of thinking about history. Like the character in one of Molière's plays who was astonished to find that he had been speaking prose all his life, a great many people these days have embraced a distinctive philosophy of history, but seem never quite to have noticed that fact.

[Energy crisis too often left to the next generation](#)

Chances are, when you unplug whatever holiday lights you have, you won't be thinking about whether there will be enough electricity to use them again next year - or by the time the kids grow up.

But there are people doing just that, for next year and the next century, and we should all be counting them among our holiday blessings.

[Costa Rica: Recope Hoarding Fuel And Cash To Face Crisis](#)

The Refinadora Costarricense de Petróleo (Recope) is hoarding fuel and money to face an economic crisis in 2009, going into the new year with 3.2 million barrels of fuel, equivalent to the average consumption for two months.

[Canada: Fuel cheap, but storms hit supply at stations](#)

Scores of motorists hoping to fill-up on low gas prices Christmas Day came up dry as

numerous gas stations across the GTA ran out of fuel, the lingering result of a series of snowstorms that walloped the city earlier this week.

[Farmers, state pin hopes on ag secretary](#)

As Iowa governor, Vilsack promoted biotechnology and fostered an agricultural economy that grows food and energy.

"Tom understands that the solution to our energy crisis will be found not in oil fields abroad but in our farm fields here at home," Obama said. "That is the kind of leader I want in my Cabinet."

[China starts filling tanks at largest oil reserve: report](#)

BEIJING (AFP) — China has started filling tanks at its largest oil reserve, taking advantage of tumbling world crude prices, state media reported Thursday.

The facility's 10 tanks, which have a total capacity of 6.3 million barrels, are operated by China National Petroleum Corp., the nation's top oil producer, and are located in the northwest Xinjiang region, the Xinhua news agency said.

This is just the first phase of the reserve, which will eventually have an overall capacity of more than 50 million barrels of crude, mainly produced in Xinjiang or imported from neighbouring Kazakhstan, it said.

[Gas prices fall to 4-1/2 year low](#)

NEW YORK (CNNMoney.com) -- Christmas travelers haven't paid this little for gasoline in nearly five years.

Gas prices declined for the sixth straight day on Thursday, falling below the \$1.65 per gallon, according to a national survey of credit card swipes at gasoline stations.

[Slow Start To OPEC Cuts](#)

The UAE details its agreed curb to production, but the cartel's other members have yet to comply.

[Oil Gains 4% as U.A.E. Reduces Output to Comply With OPEC Cut](#)

Bloomberg) -- Crude oil gained more than 4 percent in New York after the U.A.E. said it

would cut output to comply with OPEC's supply curbs and as traders bought contracts on concern this month's 33 percent decline was excessive.

"The United Arab Emirates' cut is the reason we're strong this morning," Rob Laughlin, senior broker at MF Global Ltd., said by telephone from London today. "Also the market was a little bit oversold at the close on Wednesday."

[Rouble devalued again](#)

MOSCOW (Reuters) - Russia's central bank allowed the eighth mini rouble devaluation of the month on Friday, a day after the price for the country's main export commodity, oil, neared \$30 per barrel, the lowest level since 2004.

The collapse of oil and other commodities prices coupled with the global economic slowdown and a capital flight from emerging markets turned the rouble in a sure-fire depreciation bet from the previous appreciation bet in less than six months.

[Russia to Delay Electricity Price Increase Next Year](#)

(Bloomberg) -- Russia plans to delay raising household electricity prices until at least the second quarter as the state seeks to mitigate the effect of increases amid the global financial turmoil.

[The Real Rationale Behind Current Supply and Demand for Oil and Other Commodities](#)

The market irrationality has reached a new record. Spot price for crude oil free falls to \$31.41 a barrel (WTI Cushing Spot) two days after OPEC cut production by 2.2MB per day and made clear that they wanted to see \$75 oil and will continue to cut if necessary. As OPEC vowed to keep cutting until they see \$75 oil, oil should go up, but it actually went down. What gives?

In search for an answer, people blame it on "the oil demand has collapsed". Global oil demand did NOT suddenly collapse in the two days after the OPEC announcement. Look in a mirror for the answer. Yes that says you! Every one bet on raising oil after OPEC cut. *The market ALWAYS fools most of the people most of the time, logical or not.* Fundamentals work in long terms, not in short term moves. If you bet on short term moves, try to bet against most people, instead of betting on fundamentals.

[Chinese mainland's CNOOC signs oil agreements with Taiwan's CPC Corp.](#)

BEIJING (Xinhua) -- China National Offshore Oil Corp. (CNOOC), mainland's largest offshore explorer, signed four cooperation agreements with Taiwan's CPC Corp Friday.

...The agreements included a letter of intent for closer cooperation, a revised contract on joint exploration in the Tainan Basin of the Taiwan Strait and the Chaozhou Shantou Basin off mainland's Guangdong coast, joint study on the Wuqiuyu Basin off mainland Fujian coast, and transfer of a 30 percent stake of CNOOC's onshore Block 9 in Kenya to CPC.

[China starts running 3rd largest hydropower station](#)

BEIJING (Reuters) - China on Friday began fully operating the first phase of Longtan, its third largest hydropower station, Xinhua reported, a development would consolidate its effort to ship energy from landlocked west China to energy-hungry coastal regions.

Construction of the first phase, consisting of 7 generators with 700 megawatts of generating capacity each, started in 2001 and first generator was put into use in 2007.

[Indonesia says Chevron may invest \\$3 billion there](#)

Chevron Corp.'s Indonesian unit, which accounts for about 42 percent of the nation's oil output this year, may invest \$3 billion to boost production from a Sumatran field, a government official said.

The company will use a new drilling technique to increase its extraction rate to tap 800 million barrels of oil that is currently inaccessible, Eddy Purwanto, deputy of operations at Indonesian oil and gas regulator BPMigas, said in Jakarta today.

[The Correlation Between Crude Oil and the U.S. Dollar](#)

The picture above shows a one year chart for United States Oil fund (USO), PowerShares Bullish US dollar index (UUP) and SPDR Trust (SPY). You can see there is an inverse correlation between the value of the US dollar and crude oil prices. The slide from record crude prices of \$140 triggered the US dollar rebound. In the past few days, the Euro and other currencies are regaining ground against the US dollar, but crude oil is still heading down.

[Oil-Rich Norway Braces For A Slowdown](#)

In an effort to avoid a prolonged recession, the center-left government of Norway has announced that it will dip into its oil fund to allow for an expansionary budget for 2009.

The country has enjoyed a long period of economic growth and benefited from the recent oil spike. But with the risk looming in an election year of a downturn and increasing unemployment, it has decided to be less restrictive in its use of oil revenues.

[Power jobs face big shift](#)

Charlotte's burgeoning power industry, drawn here by Duke Energy Corp.'s big expansion plans, is seeing a sudden shift in fortunes.

With the global recession curbing demand for electricity, the timeline for new power plant development is slowing — at best. Duke has already announced several changes in its portfolio of projects, including a slowdown in planning for an S.C. nuclear plant and delays for other facilities.

And it is far from alone.

[Report: Alberta Mines Imperil Birds](#)

CHICAGO -- About half of America's migratory birds fly from destinations as far-flung as Chile to nest in Canada's boreal forest. In Alberta, that forest lies above tar sands that contain oil reserves second only to Saudi Arabia's.

The excavation of the tar sands -- projected to pump \$2.4 trillion into Canada's economy between 2010 and 2030 -- could reduce the region's migratory-bird population by almost half, according to a peer-reviewed study released Dec. 2 by U.S. and Canadian environmental groups.

[Nicaragua turns to wind power, builds 19 windmills](#)

MANAGUA, Nicaragua – Energy-starved Nicaragua is turning to wind as it tries to reduce its dependence on oil-based power.

In January, the country will begin operating 19 windmills that have the potential to generate 40 megawatts of energy.

[Himalayan villagers on global warming frontline](#)

Temperatures in the Himalayas are rising by around 0.06 degrees Celsius (0.108 Fahrenheit) annually, according to a long-term study by the Nepalese department of hydrology.

The rate is far above the global average given last year by the UN's senior scientists, who said surface temperatures have risen by a total of 0.74 degrees C over the past 100 years.

"I don't really understand why the glacier has gone so far back, but I am told it's due to global warming," said Lama, whose weather-beaten face makes him look older than his 57 years.



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