



## DrumBeat: January 15, 2009

Posted by [Leanan](#) on January 15, 2009 - 9:35am

Topic: [Miscellaneous](#)

### [Top 7 alternative energies listed](#)

The US could replace all its cars and trucks with electric cars powered by wind turbines taking up less than 3 square kilometres - in theory, at least. That's the conclusion of a detailed study ranking 11 types of non-fossil fuels according to their total ecological footprint and their benefit to human health.

The study, carried out by Mark Jacobson of the atmosphere and energy programme at Stanford University, found wind power to be by far the most desirable source of energy. Biofuels from corn and plant waste came right at the bottom of the list, along with nuclear power and "clean" coal.

The energy sources that Jacobson found most promising were, in descending order:

- Wind
- Concentrated solar power (mirrors heating a tower of water)
- Geothermal energy
- Tidal energy
- Solar panels
- Wave energy
- Hydroelectric dams

### [Bear market intensifies for crude; prices tumble](#)

NEW YORK – Oil prices flirted with five-year lows Thursday as unemployment benefit claims rose and OPEC cut demand expectations for 2009.

Any belief that energy prices had bottomed out were wiped away early in the day as crude plumbed new depths for the year and more government data suggested the economy may be worsening.

"The bull oil era is officially over," said Phil Flynn, an analyst at Alaron Trading Corp.

Light, sweet crude for February delivery fell 5 percent, or \$1.88, to settle at \$35.40 a barrel Thursday on the New York Mercantile Exchange. Prices fell as low as \$33.20 Thursday and only gave up steep losses when the Dow Jones industrial average rebounded.

### [Venezuela's PDVSA Falls Behind on Payments to Oil Service Firms](#)

Venezuela's state-owned energy company is struggling to pay its bills as cash flow dries up due to rock-bottom oil prices.

Petroleos de Venezuela SA has fallen several months behind on payments to oil service companies and other suppliers that keep its oil business running, a source of concern for many in the industry.

### [State reaches biodiesel milestone](#)

HARRISBURG -- A law enacted last year to reduce Pennsylvania's dependence on foreign oil is starting to pay dividends, Gov. Ed Rendell said today.

Seven Pennsylvania companies that manufacture biodiesel fuel have passed an important milestone -- they can now make at least 40 million gallons of such fuel each year, he said.

### [Scorpion Scraps Plan to Build \\$700 Million Rig for Petrobras](#)

(Bloomberg) -- Scorpion Offshore Ltd., a drilling service company, canceled plans to build a \$700 million rig that is to be leased for \$485,000 a day by Brazil's state oil company, Petroleo Brasileiro SA, after it was unable to secure financing.

The financing failure forced Scorpion to pull the contract to build the ship at Singapore's Keppel FELS Ltd. Shipyard to transport the rig, Scorpion's Chief Executive Officer Jon Cole said in a Jan. 13 interview. Petrobras, as the oil producer is known, agreed in July to lease the rig from Scorpion.

A worldwide credit crunch and a 62 percent plunge in oil prices since a record \$147.27 a barrel in July is making it tough for oil service companies to secure loans, Cole said. Transocean Inc., the world's largest offshore oil driller, disclosed on Jan. 12 the cancellation of a \$550,000-a-day rig lease and said a second vessel was idled after the client ran out of cash.

### [Oil Falls Below \\$34 After OPEC Reduces 2009 Demand Forecast](#)

(Bloomberg) -- Crude oil fell below \$34 a barrel to a four-week low after OPEC said that demand for its crude will decline 4.2 percent this year as the recession curbs fuel use.

### [EU impotence seen in continuing gas crisis](#)

BRUSSELS: More than a week after the European Union put its credibility on the line by intervening in an energy dispute between Russia and Ukraine, the diplomatic gamble has failed to get the gas flowing - damaging the prestige of the 27-nation bloc in the process.

But after eight days of hectic negotiating, exasperated Europeans now are resting their hopes for a breakthrough on a meeting Friday between Angela Merkel, the German chancellor, and the Russian prime minister, Vladimir Putin, in his first visit to Berlin since he stepped down as president last March.

Were this breakthrough to happen, though, it would only underline Russia's preference for dealing with big European nations individually rather than the EU, further undermining the tattered image of Brussels and the institutional machinery that relies on the rotating presidency, now held by the Czech Republic, to lead Europe's dealings with the rest of the world.

### [Bulgaria asks neighbors for help in gas shortage](#)

SOFIA, Bulgaria (AP) -- Bulgaria's economy minister says he's seeking emergency assistance from neighbors Greece and Turkey amid the European energy crisis caused by the cutoff of natural gas supplies from Russia.

### [Putin suggests Europe pays to pump needed gas west](#)

MOSCOW (AP) -- European nations shivering amid a cutoff of Russian natural gas should form a consortium to purchase from Russia the fuel that is needed to pump the gas west though Ukraine's pipelines, Prime Minister Vladimir Putin suggested Thursday.

The proposal was a unique suggestion for solving the nine-day crisis that has cut off nearly all gas to some countries and sparked anger in European capitals and homes. But it addresses only one of the many complex and contentious issues dividing Russia, the gas supplier, and Ukraine, the pipeline owner.

### [Obama's green energy push spotlights Ohio biz](#)

Obama's stimulus sales trip this week will feature Cardinal Fastner, a manufacturing

company that has reinvented itself for the alternative-energy future.

### [A sticky ending for the tar sands](#)

Alberta, which produces two-thirds of Canada's oil and gas, has been here before. The wrenching oil slump of the 1980s still looms large in the public consciousness. Companies fled the province and thousands abandoned homes they could no longer afford. "The situation is much different this time," insists the energy minister, Mel Knight, whose Progressive Conservative Party has ruled the province since 1971. Not all of the differences, however, are positive ones.

Mr Knight thinks continuing demand from places like China and India will mean that oil, and thus his province's economy, will recover faster this time. However, two decades ago there was nothing like the current global credit crunch. Also, Alberta now extracts 60% of its crude from its tar sands (those in the business think "oil sands" sounds nicer), a much bigger proportion than in the 1980s, and concern about the environment and carbon-based fuels is far stronger now.

### [America's lost manufacturing jobs](#)

Some say tax credits for makers of solar panels and wind turbines could revive the country's industrial sector. Others see it as dangerous market engineering.

### [Scottish and Southern Energy gets approval for 260MW wind farm off the Dutch coast](#)

LONDON (AP) — The Netherlands government has approved Scottish and Southern Energy's plans to build a 260 megawatt wind farm in the North Sea, the company said Thursday.

The "West Rijn" wind farm, the largest approved in the Netherlands, would consist of 72 turbines moored about 40 kilometers (25 miles) off of the Dutch coast, Scottish and Southern Energy PLC said. The company said its focus was now on getting funding from the Dutch government for the plan.

### [Gasping for gas](#)

TALK emptily of diversifying supplies while doing little and relying instead on cosy ties with the Russian gas business. That has been the common energy policy in much of eastern Europe in recent years. The row between Ukraine and Russia that has cut off gas to the region now makes it look a huge mistake.

[Back on Tracks](#)

Thanks to the collapsing economy, a powerful new consensus has developed in Washington behind a once-in-a-generation investment in infrastructure. The incoming administration is talking of spending as much as \$1 trillion to jump-start growth and make up for past neglect, an outlay that Obama himself characterizes as "the single largest new investment in our national infrastructure since the creation of the federal highway system in the 1950s." We'll soon be moving earth again like it's 1959.

By all rights, America's dilapidated rail lines ought to be a prime candidate for some of that spending. All over the country there are opportunities like the I-81/Crescent Corridor deal, in which relatively modest amounts of capital could unclog massive traffic bottlenecks, revving up the economy while saving energy and lives. Many of these projects have already begun, like Virginia's, or are sitting on planners' shelves and could be up and running quickly. And if we're willing to think bigger and more long term—and we should be—the potential of a twenty-first-century rail system is truly astonishing. In a study recently presented to the National Academy of Engineering, the Millennium Institute, a nonprofit known for its expertise in energy and environmental modeling, calculated the likely benefits of an expenditure of \$250 billion to \$500 billion on improved rail infrastructure. It found that such an investment would get 83 percent of all long-haul trucks off the nation's highways by 2030, while also delivering ample capacity for high-speed passenger rail. If high-traffic rail lines were also electrified and powered in part by renewable energy sources, that investment would reduce the nation's carbon emission by 39 percent and oil consumption by 15 percent. By moderating the growing cost of logistics, it would also leave the nation's economy 10 percent larger by 2030 than it would otherwise be.

[U.S. crude oil demand, production down in 2008](#)

The American Petroleum Institute reported Thursday that America's demand for crude oil fell last year to its lowest level since 2003.

For 2008, U.S. petroleum deliveries decreased by 6 percent, to 19.4 million barrels a day.

[Getting real: The high cost of electric cars](#)

NEW YORK (CNNMoney.com) -- Electric cars have a big role to play in reducing the world's greenhouse gas emissions, but it's going to cost a lot, according to a new report. It could even push automakers into further trouble.

For electric and hybrid vehicles to achieve their environmental potential, the world's governments will need to step in with high levels of financial support for consumers and industry, according to a report by the Boston Consulting Group, a management consulting firm. And the cost savings in fuel won't be nearly enough to provide the incentive without that government cash.

## [Efficiency vs. Economics](#)

Will the recession prevent hybrid and electric cars from going mainstream?

## [Automakers all charged up over electric cars](#)

Just a few years ago, the world's automakers took a scattershot approach to the growing need for alternative-fuel technologies, pursuing strategies for everything from hydrogen fuel cells to ethanol, biodiesel and natural gas.

Now a more well-defined strategy is taking shape. Almost every automaker at this year's Detroit auto show — from General Motors and Ford to China-based BYD — unveiled plans to create a mass-produced electric car within two or three years. The race to go electric is truly on. The biggest question is, who will be first to the finish line?

## [Biofuels: The New Alchemy](#)

Paul Woods didn't blindfold me as we drove through the overgrown plantations outside West Palm Beach, Fla., but he looked as if he was considering it. Woods is the brash 46-year-old CEO of biofuels start-up Algenol — and he takes his company's secrecy seriously. Aside from officials from the U.S. Department of Energy, I was the first outsider ever to visit Algenol's modest testing facility. We turned off a country road opposite a llama ranch, and stopped at an unmarked circle of trailers in the middle of a clearing in the palm trees. There, sitting on a section of concrete half the size of a basketball court, was what Woods has been hiding from the world: several rows of long white tubs fitted with plastic windows that let in sunlight, each filled with a liquid the dark green of moss. The mixture was water and algae — microscopic plantlike organisms that feed off sunlight and carbon dioxide. With the proprietary algae happily multiplying, Woods explained that he and his partners intend to produce a biofuel greener and cheaper than oil or corn-fed ethanol: "We want to do 20 billion gallons eventually, and we will compete on price. We're a year away from sales."

## [Republicans Vow to 'Battle' Emission Limits Backed by GE, Duke](#)

(Bloomberg) -- House Republicans vowed today to fight a pollution-reduction plan endorsed by the chief executive officers of General Electric Co., Duke Energy Corp., as well as environmental groups.

"Be prepared for a battle," Illinois Republican John Shimkus told the Democrats on the House Energy and Commerce Committee. Shimkus called the cap-and-trade plan backed by GE's Jeffrey Immelt and Jim Rogers of Duke Energy "a shell game to hide the cost from the ultimate person who is going to pay."



### [House Dems offer \\$825B stimulus bill](#)

Obama is scheduled to promote the bill on Friday in Ohio, where he'll speak with workers at a wind turbine factory. The package calls for \$54 billion to double production of alternative energy.

The House proposal -- the American Recovery and Reinvestment bill -- is likely the most expensive spending plan Congress has ever proposed. Obama, who takes office on Tuesday, has called it central to stemming what has become the worst economic crisis in decades.

### [Bush urges US to stake claim to Arctic territory in last-gasp energy grab](#)

The United States has declared its intention to exploit the vast oil and mineral wealth hidden below the Arctic circle by extending its "sovereign rights" over the seabed.

### [Road Worriers](#)

These are hopeful times for mass-transit boosters. Public concern over gas prices and exurban home values has prompted voters in Los Angeles and Seattle, for example, to approve half-percent sales-tax hikes for new bus and rail lines. Not only is the federal transportation spending bill up for reauthorization in 2009, but Barack Obama (whose hometown of Honolulu just voted for its own local rail project) has explicitly supported smart-growth agendas, and plans to create a White House Office on Urban Policy.

How might the future look if the New Urbanists have their way? Like an idealized past, according to the suggested reforms they laid out in Charlotte, which they planned to present to Representative James Oberstar of Minnesota, the chairman of the House Transportation and Infrastructure Committee. John Norquist, the congress's president, spoke of replacing elevated freeways through cities with boulevards for driving, biking, walking, and shopping. Geoff Anderson, the president of Smart Growth America, said it was time to build more rail—"the second half of our transportation system," he called it.

### [Rouble at record low as Russia faces up to cheap oil](#)

MOSCOW (Reuters) - Russia's rouble hit historic lows versus the dollar and the euro on Thursday as the authorities speed ahead with a devaluation of the currency to adjust to lower oil prices and the worst economic outlook in a decade.

The once-buoyant Russian economy is teetering towards recession because of a slump in demand for its energy and commodity exports and flight from emerging markets.

### [Greece Buys Two LNG Cargoes to Replace Lost Russia, Caspian Gas](#)

(Bloomberg) -- Greece bought two liquefied natural gas cargoes from the spot market as Russia's price dispute with Ukraine halted pipeline deliveries for a tenth day, according to three people familiar with the matter.

Greece is now completely relying on ships carrying LNG for its gas needs, said three people on condition of anonymity, citing company policy. Greece's supply from Azerbaijan through a pipeline across Turkey stopped about a week ago as Turkey is also short of Russian gas, they said.

### [Iran backs oil bar on Israel supporters](#)

Iran's President Mahmoud Ahmadinejad said today that imposing an oil embargo on backers of Israel over its attack on Gaza was a "good proposal" but said such an idea was not on the agenda yet.

### [Iraq and Syria map out new pipe](#)

Iraq is planning to build a new pipeline to pump natural gas to Syria, part of its efforts to develop new oil and gas export routes, the Iraqi Oil Ministry Hussain al-Shahristani said today.

Shahristani met Syrian ambassador Nawaf Aboud al-Sheikh Faris in Baghdad to discuss co-operation in oil and gas between countries that have restored diplomatic ties in recent years after a decades-long freeze.

### [Solar Manufacturing: Not So Sunny](#)

"From the manufacturers' standpoint, it's pretty serious," said Bill Stewart, president of SolarCraft, a California installer, in a conversation with Green Inc. Until last summer there were still shortages of solar modules (which in turn were due to shortages of the polysilicon material they are made from), so installers like SolarCraft sometimes had to badger manufacturers to make sure they would get enough panels.

Now, said Mr. Stewart, the situation is reversed, and manufacturers are calling installers to say, "Hey, do you need any product this month? Can I sell you a bit more?"

### [Phosphorus matters: soil erosion & contamination](#)



Each year some 13.5 million tons of bananas alone are exported around the world, containing 4,000,000 kg of elemental phosphorus up taken by the plants from tropical soils. And most of this phosphorus never comes back to the soil it was removed from. Yes, but can't the farmers replace the nutrients lost using fertilizers? That's what the fertilizers are used for, are they not? Sure they can. Farmers can buy a bag of ground phosphate rocks or guano (bird or bat droppings) or even a bag of artificial fertilizer such as superphosphate if they don't farm organically. No problem. They can replace every kilogram of phosphorus taken from the soil by plants and sent overseas with their produce.

### [Where Is Oil Going Next?](#)

HOUSTON — From the Indian Ocean to the South Atlantic to the Gulf of Mexico, giant supertankers brimming with oil are resting at anchor or slowly tracing racetrack patterns through the sea, heading nowhere.

The ships are marking time, serving as floating oil-storage tanks. The companies and countries leasing them for that purpose have made a simple calculation: the price of oil has fallen so far that it is due for a rise.

Some producing countries are trying to force that rise by using the tankers to withhold oil from the market, while traders are trying to profit by buying cheap oil now to store and sell at a higher price later. Oil storage has become so popular that onshore tank capacity is becoming scarce.

### [34 Offshore Platforms in GOM Still Shut-In after Hurricanes Gustav and Ike](#)

From the operators' reports, it is estimated that approximately 11.0% of the oil production in the Gulf is shut-in. As of June 2008, estimated oil production from the Gulf of Mexico is 1.3 million barrels of oil per day. It is also estimated that approximately 15.0% of the natural gas production in the Gulf is shut-in. As of June 2008, estimated natural gas production from the Gulf of Mexico was 7.0 billion cubic feet of gas per day. Since that time, gas production from the Independence Hub facility has increased and current gas production from the Gulf is estimated at 7.4 billion cubic feet of gas per day.

### [Oil's Range](#)

The oil market is caught in a crosscurrent between fears of declining demand and the potential for global supply to come down sharply in the first few months of 2009. For at least the next two to three months, I suspect these opposing forces will keep oil locked in a range between roughly \$30 a barrel on the downside and around \$50 to \$55 on the upside.

## [A Worst-Case Commodity Scenario](#)

Even though commodity prices are already down by large amounts, we now have the possibility of an ugly earnings shock for Aussie resource producers in the first and second quarters of this year. Whether this is already priced into resource shares is a question we'll deal with in a moment.

But it would be wise to not underestimate the possibility of a massive, earnings-crushing double whammy for resources. First, is rapidly contracting global industrial production. This could lead to an unpleasant (and not priced-in) decline in Australia's export earnings. Financial earnings have already been decimated by the credit crisis. Now that the crisis is storming into the real economy, are resource earnings next?

## [Europe energy crisis pushes LNG to the fore](#)

NEW YORK (Reuters) - The disruption of gas supplies from Russia to Europe since Jan. 1 will bolster calls for more liquefied natural gas (LNG) terminals to diversify supply of the key heating and industrial fuel to the region.

## [Electricity restrictions looming?](#)

BELGRADE -- Serbia's electricity sector is entering 2009 suffering from the same problems that have blighted it for the last 20 years.

The countries in the region, which have previously suffered from a chronic lack of electrical energy, suddenly find themselves with a surplus.

However this surplus is only of a temporary nature, brought about by the global recession and a fall in output. A drop in demand has led to falling electricity prices.

## [US Government Opens More Land for Oil Shale Research](#)

The federal government opened Wednesday the second round of land leases for oil shale research in the western United States.

The Bureau of Land Management is soliciting nominations for parcels to be leased in Colorado, Utah and Wyoming, according to the agency's news release.

## [Mexico to Seek Talks with Obama Admin on Border Oil Fields](#)

Mexico expects to hold talks with the incoming Obama administration concerning the "fair" development of oil fields that sit on both sides of the maritime border, Energy

Minister Georgina Kessel said Wednesday.

"We expect that, as soon as officials from the new administration are in office, these conversations will advance," Kessel told lawmakers at a hearing.

### [Sirius en route to a 'safe point'](#)

DAMMAM – The Sirius Star, Saudi Aramco's very large crude carrier, is now en route to a safe point after its release by Somali pirates, a company spokesman said.

He did not confirm whether the oil supertanker will berth in Dubai, where the base operation of Vela International Marine Ltd., owner of the ship and a subsidiary of Saudi Aramco, is headquartered.

### [Company silent over crew's salaries after pirate attack](#)

The shipping company at the centre of the latest pirate hijacking in the Gulf of Aden has refused to comment on whether it will start paying its crews extra danger money.

### [Forget climate change: a fossil fuel future is a fantasy](#)

The latest annual figures available from BP's authoritative Statistical Review of World Energy 2008 (PDF 6.32MB) show that energy use grew 2.4 per cent from 2006 to 2007. If we use this number as escalation against 200 years at current usage, we actually only have 75 years of fossil fuels left. Allow a more aggressive growth rate of 5 per cent to factor in industrialisation of currently less developed countries, and fossil fuels will be gone in 50 years.

### [John Michael Greer: The future that wasn't](#)

Despite the claims of importance noted above, serious literature rarely has a major impact on society. Its readership is too small and too well educated to slip into the uncritical enthusiasm that shapes the imagination of an age. Most often it turns out to be the popular literature, the reading material of housewives, factory workers, and schoolchildren, that reaches into the crawlspaces of culture where the future takes shape. By shedding literary credentials and wrapping itself in the gaudy finery of the pulp magazines, science fiction worked its way into the collective imagination of the modern world.

In this way, drawing on the passionate modern belief in the goodness and necessity of progress, science fiction in its pulp days transformed itself from a somewhat esoteric literary genre to a folk mythology that still shapes most of our thinking about the future today. Onto the blank screen of infinite space, as a result, the modern imagination

projects all the dreams, fantasies and fears other cultures assign to more obviously metaphysical realms. Many of the essays I've posted on this blog have focused on disputing assumptions about the future that root straight back into the science fiction of the pulp era.

### [Pickens spreads oil dependency message](#)

SAN ANTONIO — T. Boone Pickens included a stop in San Antonio Wednesday in his ongoing campaign to lessen the United States' dependence on foreign oil.

The famed oil magnate has toured the country for the last year, preaching the seriousness of an impending energy crisis, as well as pushing his plan to use natural gas and other means to move the country toward energy independence.

### [2009 Chevrolet Tahoe 4WD Hybrid](#)

Some people may be wondering why Chevrolet is building a 6.0-liter V8 Tahoe with hybrid technology that costs over \$56,000 and gets only a small increase in fuel economy (EPA ratings of 20 miles per gallon city and 20 mpg highway), and the answer is that a lot of people want a full-size truck that can tow over 6,000 pounds.

Chevrolet (and General Motors as a whole, with the GMC Yukon Hybrid) have thrown just about every fuel-economy trick in the tech manual at the Tahoe and Yukon hybrids, including regenerative braking to recharge the battery pack, dual-mode technology that allows the Yukon to run on four cylinders in cruise mode, and even a full assortment of aerodynamic trucks at what are actually huge boxes on wheels.

### [Morgan Stanley Said to Seek Supertanker to Store Crude Oil](#)

(Bloomberg) -- Morgan Stanley is seeking a supertanker to store crude oil, joining Citigroup Inc. and Royal Dutch Shell Plc in trying to profit from higher prices later in the year, four shipbrokers said.

The bank, the second-biggest U.S. securities firm until becoming a bank-holding company in September, has yet to find a suitable vessel, said one of the brokers. The shipbrokers asked not to be identified because the information is private. Carlos Melville, a spokesman for Morgan Stanley in London, declined to comment, in an e-mail today.

"There's a lot of people looking for storage," Denis Petropoulos, London-based head of tankers at Braemar Shipping Services Plc, the world's second-largest publicly traded shipbroker, said by phone.

## [Chávez Allows West to Make Oil Bids as Prices Plunge](#)

CARACAS, Venezuela — President Hugo Chávez, buffeted by falling oil prices that threaten to damage his efforts to establish a Socialist-inspired state, is quietly courting Western oil companies once again.

Until recently, Mr. Chávez had pushed foreign oil companies here into a corner by nationalizing their oil fields, raiding their offices with tax authorities and imposing a series of royalties increases.

But faced with the plunge in prices and a decline in domestic production, senior officials have begun soliciting bids from some of the largest Western oil companies in recent weeks — including Chevron, Royal Dutch/Shell and Total of France — promising them access to some of the world's largest petroleum reserves, according to energy executives and industry consultants here.

Their willingness to even consider investing in Venezuela reflects the scarcity of projects open to foreign companies in other top oil nations, particularly in the Middle East.

But the shift also shows how the global financial crisis is hampering Mr. Chávez's ideological agenda and demanding his pragmatic side. At stake are no less than Venezuela's economic stability and the sustainability of his rule. With oil prices so low, the longstanding problems plaguing Petróleos de Venezuela, the national oil company that helps keep the country afloat, have become much harder to ignore.

## [Cheap oil not here to stay: Ex-Talisman CEO](#)

HALIFAX — Consumers shouldn't get too comfortable with cheap gasoline, because the planet is running out of oil and prices will go "sky high" — as high as \$20 per litre — as petroleum reserves dwindle in the coming years.

That's the view of Jim Buckee, the British oilman who was CEO of Calgary-based Talisman Energy Inc., one of Canada's largest energy producers, from 1993 to 2007.

## [Mexico sees daily oil at 3 million barrels by 2015](#)

MEXICO CITY (AP) — Mexico will develop new oil fields to boost sagging output to 3 million barrels a day by 2015, while asking the U.S. to cooperate in tapping deep water deposits along the maritime border, a top energy official said Wednesday.

New wells, gas injections and increased deep water exploration will help revive oil production, which fell 10 percent in 2008, Energy Secretary Georgina Kessel told Congress.

Output will hover at 2.7 to 2.8 million barrels a day through 2010, and start increasing in 2011 to reach 3 million barrels a day in 2015, Kessel said.

### [OPEC Jan Report: Revises Down Slightly 2009 World Oil Demand](#)

LONDON -(Dow Jones)- The Organization of Petroleum Exporting Countries on Thursday made additional downward revisions to global oil demand in 2009 and hinted it may still have to cut even more production if economic activity and crude prices continue to stumble.

"The considerable uncertainty about the course of the (economic) recovery implies the potential for further deterioration in world oil demand growth this year," OPEC said in its monthly oil market report for January.

### [Ukraine rejects Russia's latest gas request](#)

KIEV, Ukraine – Ukraine rejected Russia's latest request to pipe natural gas westward to increasingly frustrated EU consumers on Thursday, deepening the bitter economic and political dispute that has paralyzed energy shipments to Europe.

Desperate to restore supplies, the European Union said it was ready to join a weekend meeting between Russia and Ukraine to seek a solution to the crisis that has left eastern Europe frantically scrambling for heat, light and power.

### [Russia no longer reliable gas supplier-IEA](#)

MADRID (Reuters) - Russia has lost its status as a reliable gas supplier to Europe after European Union states were cut off for days from Russian gas, the International Energy Agency (IEA), said on Thursday.

The agency advises top industrialised countries on energy policy.

"Russia has cut off its status as being a reliable gas supplier to Europe," IEA Chief Economist Fatih Birol told a conference in Madrid.

### [Brazil Industrial Electricity Consumption Falls 18%, Folha Says](#)

The plastic and rubber, iron-mining and steel industries consumed 45 percent less power, while usage by automakers fell 37 percent, the newspaper said. Electricity consumption fell 1 percent compared with the year-earlier month, Folha said.

### [Gulf Arab sovereign funds lost big on investment bets despite record oil gain, research shows](#)



DUBAI, United Arab Emirates (AP) — Gulf Arab governments' funds are billions of dollars poorer despite record oil prices because of losses in stocks and other investments, a report due out Wednesday said.

### [Oil Price Lower on Inventory Numbers, But It Can't Go Much Lower](#)

For sure we could see a further drop in oil prices, but to what point? Could we once again see \$10 oil? Not likely, even with the fantasy idea that the so-called evil speculators are and will continue to be driving the price of oil down.

Even with a drastic drop in the price, it would be short lived unless some game changing technology displaces oil as the leading source of gas and diesel. Short of a game changer, it's hard to picture a world that will see sub \$20 oil again.

### [European Inflation Slows to Two-Year Low on Energy](#)

(Bloomberg) -- Europe's inflation rate dropped to the lowest in more than two years in December as energy prices fell and consumers cut spending, giving the European Central Bank scope to lower interest rates to tackle the deepening recession.

### [Analysis: There'll be no more cheap energy](#)

History will tell us that, however unbelievable this 'super-spike' had become, it was inevitable.

And just as inevitable was the crash that followed, taking the oil price all the way back down to below \$40 in just six months.

The super-spike, it is now clear, was fuelled by an extraordinary combination of circumstances.

### [Sakhalin Energy launches gas production on Far East platform](#)

MOSCOW (RIA Novosti) - Sakhalin Energy has launched gas production for the first time from the Lunkoye-A (LUN-A) platform 15 km (9 miles) northeast off Sakhalin, in Russia's Far East, the company said in a statement on Thursday.

### [Qatar liquid gas plant shut down; probe under way](#)

DUBAI, United Arab Emirates (AP) -- A Qatar official says investigators are trying to determine what caused a breakdown that has halted about a third of the country's

liquefied natural gas output.

The Qatargas official says the country's Qatargas I plant has been shut since January 8, because of a "mechanical failure."

He says the plant's customers in Japan and Spain are "aware of what's going on."

### [Peak oil, energy depletion and Lompoc's future](#)

The new year is starting off with a thud — 2009 has brought us an economy in the midst of a major downturn, job losses by the millions, and rising prices in food, fuels and electricity. Looking around Lompoc, it seems one business after another is closing its doors or reducing its size.

If you're like me, you're spending time rethinking your personal expenses and cutting back to only what is necessary. The extras are getting fewer and farther between for many of us.

Hidden beneath these issues is something you likely haven't heard much about on most radio stations, in newspapers, or on your evening news. It is, however, very real and is a growing threat. I'm talking about peak oil production.

### [Placing a gigantic one-way bet against the planet](#)

In thrall to the dominant myths spun by economic theorists, "capitalist societies are locked into their own self-reverential, self-validating beliefs — a situation that makes them less flexible and more vulnerable to breakdown", wrote Homer-Dixon.

In adopting high-growth globalisation, humanity has in effect placed a gigantic one-way bet against the planet. The tab for this financial psychosis runs into billions, but a more enduring legacy has been the prodigal spending down of natural capital which, had economists bothered to value it, would be tallied in trillions.

### [Groups sue BLM over oil and gas leases](#)

A coalition of environmental groups is suing the Bureau of Land Management, claiming the agency violated several federal laws and policies in granting oil and gas leases on more than 68,000 acres of public land in New Mexico.

The lawsuit, filed Wednesday in federal court by the Western Environmental Law Center, accuses the agency of not addressing global warming by failing to quantify or reduce greenhouse gas emissions that result from oil and gas operations. The suit also says the BLM has not adopted policies aimed at making drilling more efficient.

## [Leading the way to sustainability on the South Coast](#)

Global warming concerns, a year-long debate over a wind farm on Buzzards Bay, grass-roots opposition to a local LNG facility in Fall River, this summer's stunning spike in gas prices, the president-elect's fervent promise to make renewable energy development a cornerstone of his economic stimulus package... the list of 2008 headlines related to sustainability issues could go on and on.

Looking back and looking ahead, you can see that slowly but surely, a green revolution is coming to America, to our small towns and struggling cities. The farmer's markets, the backyard windmills, the hybrid cars in local driveways, the community garden planners scouting city-owned lots for plots to farm— all are signs of a blossoming South Coast sustainability effort that should continue to flourish in 2009.

## [How will our town cope when the oil begins to run out?](#)

Transitions Towns is an international movement gaining more and more support, as the realisation begins to dawn that the world has reached the top of what is called the 'peak oil' curve which will create the need for communities to become less reliant on oil and able to depend on its own resources to as great an extent as possible. For example, growing more food locally will lessen the reliance on imports. Other initiatives could include a garden share scheme, re-skilling courses e.g. painting, knitting, planting nut or fruit trees, how to repair things and herbal medicine.

## [Solar energy's darker side stirs concern](#)

Everybody loves solar, the shiny superstar of renewable energy.

But scratch the surface of the manufacturing process and the green sheen disappears. Vast amounts of fossil fuels are used to produce and transport panels. Solar cells contain toxic materials. Some components can't be easily recycled.

## [As fed steps up, states step back on solar funding](#)

NEW YORK (AP) — Homeowners who waited until this year to install rooftop solar panels and take advantage of a hefty new government subsidy might not get the payback they anticipated.

As federal subsidies are rolled out, states under severe economic strain and utilities have slashed their own solar incentives, and as a result, cut the expected discount by thousands of dollars in some cases.

### [Biofuels ad banned by ASA after George Monbiot complaint](#)

A complaint to the advertising watchdog by Guardian columnist and environmental campaigner George Monbiot has caused a national press ad claiming biofuels offer a sustainable alternative to oil to be banned.

### [Growth in Energy Use Could Drop 22 Percent by 2030 Under Right Conditions: Report](#)

PALO ALTO, Calif. -- With the help from efficiency programs, energy users in the U.S. could reduce the growth rate of consumption by 22 percent in the next 20 years -- a reduction equivalent to 14 times the electricity used annually in New York City, according to a new report.

### [Saving the Economy, One Furnace at a Time](#)

Let's look at what my \$5,000 purchased. It supported Trane's factory workers in New Jersey and in their main plant in Tyler, Texas, supported local Seattle installers, and supported beleaguered New Jersey, Texas, and Washington state and city governments through the sales tax I paid and the taxes paid by the companies involved. In my personal economy, it meant I'll save more than a third of my yearly gas bill and a commensurate amount of my CO2 emissions.

...So how do we make similar choices affordable for everyone, whether or not they have the savings to do this on their own? Imagine if the pending stimulus package helped people make such investments nationwide, combining direct incentives with low or no-interest loans, along the lines of those long advocated by Al Gore. Imagine if it prioritized energy efficiency and investment in renewables, particularly those that are American-made.

### [Australians 'in denial over rising population'](#)

The United Nation's Population Fund is concerned that population growth in Asia averages 1.1 per cent a year. Australia, as a First World country, should have a much lower growth rate. It does not. By the end of the Howard era, our annual population growth had risen to a stunning 1.5 per cent: almost off the First World scale and high even for Third World countries. (Indonesia's, by contrast, was then 1.3 per cent, but has recently come down, with much effort, to 1.2 per cent.)

Under the Prime Minister, Kevin Rudd, our rate has increased. According to Bureau of Statistics figures, it is now 1.7 per cent. Both natural increase and net migration continue to rise. At this rate, one which many are determined to maintain or increase, our population will reach 42 million by 2051. By the end of the century, it will pass 100 million.

This is far above any credible estimate of the population Australia could hope to feed.

### [Peak Phosphorus - Commence Urine Recycling on Space Station Earth](#)

First there was "Peak Oil", then there was talk of 'Peak Water', but 'Peak Phosphorus', may trump them all as a sustainability issue without rival.

Fact: Phosphorus is a non-renewable resource for which there is no substitute.

### [Schwarzenegger plans upset environmental groups](#)

As Schwarzenegger and lawmakers struggle to contain a ballooning deficit, he has insisted that any budget deal include a provision suspending state environmental review for certain public works projects.

The governor said that would fast-track infrastructure projects and put Californians back to work quickly. He said his proposal would accelerate construction on 10 road projects around the state, noting at a recent news conference: "It's about jobs, jobs, jobs."

### [Obama EPA pick aims to revisit California car rules](#)

Automakers could quickly face tough new rules limiting global warming pollution from new models in more than a dozen states after President-elect Barack Obama's nominee to run the U.S. Environmental Protection Agency said Wednesday she would tackle the debate soon.

### [Transport can help propel world to greener future: UN](#)

TOKYO (Reuters) - Shipping, airlines and road transport need to clean up their emissions and help drive governments towards policies to fight global warming, a top U.N. official said on Thursday.

The transport sector accounts for more than 20 percent of mankind's carbon dioxide emissions, and further growth is likely given rising demand for cars, goods and travel in developing countries.



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