



DrumBeat: February 15, 2009

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Topic: [Miscellaneous](#)

[In rural Alaska villages, families struggle to survive](#)

(CNN) -- Thousands of villagers in rural Alaska are struggling to survive, forced to choose between keeping their families warm and keeping their stomachs full, residents say.

Harvested nuts and berries, small game animals, and dried fish are the only things keeping some from starving.

To get to the nearest store, Ann Strongheart and her husband, who live in Nunam Iqua, Alaska, take an hour-and-15-minute snowmobile ride to Emmonak, Alaska. Their town does not have a store of its own.

[Push for renewable energy may destabilise oil market](#)

"The insistence of key consuming countries on supporting renewable energy, mainly biofuels, for purely political reasons that have nothing to do with market factors could adversely affect the oil market stability in the long term," the 10-nation OAPEC said in a study obtained by Emirates Business yesterday. "We believe this will deprive the traditional energy sector, including oil and gas, from funding needed for capacity expansions as massive funds will be channelled into the development of renewable energy sources... this will also increase the uncertainty surrounding demand for OAPEC's oil."

[Stations pumped dry: Struggle grows as oil firms dump pumps](#)

DELRAY BEACH — Shuttered, empty gas stations are becoming more common along the streets of South Florida. Crushed by lack of profits because of last year's high-priced gasoline, credit card fees and fewer snack and beverage sales, many fuel retailers are hurting.

Nationwide, the number of retail gasoline outlets fell by 2,500 in 2008 to 161,768, according to the industry publication *National Petroleum News*.

[Dmitry Orlov: Social collapse best practices](#)

Women seem much more able to cope. Perhaps it is because they have less of their ego invested in the whole dubious enterprise, or perhaps their sense of personal responsibility is tied to those around them and not some nebulous grand enterprise. In any case, the women always seem far more able to just put on their gardening gloves and go do something useful, while the men tend to sit around groaning about the Empire, or the Republic, or whatever it is that they lost. And when they do that, they become very tedious company. And so, without a bit of mental preparation, the men are all liable to end up very lonely and very drunk. So that's my little intervention.

...Here is the key insight: you might think that when collapse happens, nothing works. That's just not the case. The old ways of doing things don't work any more, the old assumptions are all invalidated, conventional goals and measures of success become irrelevant. But a different set of goals, techniques, and measures of success can be brought to bear immediately, and the sooner the better.

[Venezuela says OPEC may need further cuts in March](#)

Venezuela's energy minister says world oil inventories are too high and may require new output cuts from OPEC in March.

Minister Rafael Ramirez warns that past cuts have not balanced supply with demand, which continues to fall amid the world economic crisis.

[Russia to raise oil export duty to \\$115.3 per ton from March 1](#)

MOSCOW (RIA Novosti) - Russia will raise export duty on oil to \$115.3 per metric ton from the current rate of \$100.9 per ton following a stabilization of oil prices on world markets, a Finance Ministry official said Sunday.

[Saudi Arabia seen upholding dollar peg policy](#)

Riyadh: Saudi Arabia's new central bank governor is set to keep the oil exporter's dollar-pegged monetary policy intact amid a harsh global economic crisis, analysts said on Sunday.

The world's top oil exporter named Mohammad Al Jasser governor of the Saudi Arabian Monetary Agency (SAMA) on Saturday.

Hamad Saud Al Sayyari asked to step down after 26 years at the helm of the Gulf's most influential central bank.

[In Deepwater: Pemex Looks for Help from Foreign Oil Companies](#)

Pemex is planning on foreign oil companies to extensively contribute to Mexico's deepwater drilling program, Pemex chief executive Jesus Reyes Heroles told Dow Jones.

Once rigs are secured in 2010, the company plans to drill eight to 10 wells a year in the deep waters of the Gulf of Mexico.

"Our strategy envisions the possibility to have other companies do the exploration," Reyes Heroles said at a recent industry conference. "We'd like to see Pemex's program duplicated with activity starting in 2010."

[Threat of gas price rise as reserves run dry: Pipeline breakdowns and cold weather leave yawning breach in nation's energy security](#)

Britain faces an energy crisis next month as vital gas reserves run dry, top energy analysts warn. The unprecedented emergency, which exposes a gaping hole in the country's energy security, is expected to lead to sharp price increases.

Centrica, which owns British Gas, told *The Independent on Sunday* late last week that, on present trends, its main reserve would be totally depleted in a little over three weeks. And though extra gas can be imported from Norway and the Netherlands to make up any shortfall, serious breakdowns have hit pipelines from both countries in the past week.

The crisis reveals an extraordinary failure to plan for the future as supplies of gas from the North Sea have run down, turning Britain into an importer of the fuel. Though now dependent on overseas supplies, it keeps only about a quarter as much gas in reserves as France, Germany and Italy, making it uniquely vulnerable to shortages and price hikes.

[The Decline of the Petro-Czar](#)

Plunging oil prices have created an unexpected diplomatic bright spot in the global recession by weakening unfriendly regimes.

[Eyes On Saudis As OPEC Weighs Output Cuts](#)

NEW YORK (Dow Jones)--Crude oil prices have plunged to near five-year lows, fueling speculation that OPEC may again slash production levels when it meets in a month.

Saudi Arabia, OPEC's kingpin and the world's biggest oil exporter, already has cut output by up to 2 million barrels a day from a 25-year high hit last summer when crude

prices were soaring to near \$150 a barrel.

But despite the Saudi-led cut backs, global inventories have swelled as the oil demand is shrinking worldwide, battered by the deepening economic crisis. OPEC frets that the growing glut is "likely to continue to disrupt the overall stability of the market," with the impact deepening as demand drops seasonally in the second quarter and refiners slow operations.

[Things Explained: Gasoline Prices](#)

The question I'm most often asked may be, "How is it that the price of oil can fall and yet the price of gasoline rises?" Somewhere along the way, most reporters covering the energy industry have convinced Americans that the price of oil and gasoline pump prices are somehow directly connected. Well, the connection is there, but it is a weak one; and certainly over the past few years, misinformation has confused the effect of oil prices on the price of gasoline and diesel.

[Corn, ethanol industries respond to criticism](#)

WASHINGTON — Comments made last week by the Environmental Working Group and Grocery Manufacturers Association groups are just another attempt to prevent the ethanol industry from decreasing the United States' dependence on foreign oil, according to the National Corn Growers Association.

"These environmental groups are stirring up fear for the American public at a time when Americans are already struggling due to the faltering world economy, job losses and high costs of food brought on by some food companies' record profits and greed," said NCGA President Bob Dickey.

[Coal at centre of fierce new climate battle](#)

The debate over the impact of fossil fuels has been reignited by the imminent approval of a power plant at Kingsnorth, Kent. Could advances in technology provide ways of capturing dangerous emissions and make coal safer?

[Take Peak Oil seriously - it'll be here much sooner than you think: No longer the purview of anti-social types, experts warn we must embrace a massive lifestyle change](#)

While panic is not the prescription, experts are warning that the time to begin taking Peak Oil seriously is past.

"It's not about believing. It's about facts," said Gord Miller, Ontario's environmental commissioner. Miller has been warning about Peak Oil for years. He thinks we hit peak

around early 2007.

"If we're not there, we're awful close," said Dave Hughes, a geoscientist who once ran Canada's national coal inventory.

Peak Oil doesn't mean we have run out of the stuff. It means that we have crested the top of a bell curve of supply. Then it's a roller-coaster ride down. Depending on who you ask, that ride will either be slow and uncomfortable or teeth-rattling and destructive.

"Depletion is taking somewhere between 5 and 6 per cent of (existing) world oil production per year," said Hughes. "The reason that oil price is where it is today is that the economy has reduced demand."

[Meet the doomsayers of our time](#)

For millennia, doomsayers have been predicting the end of the world as we know it. These days, theory dovetails with fact: oil is disappearing. Should we be listening?

[Drilling activity continues to fall](#)

HOUSTON -- The US rig count continued to plummet, down by 60 rotary rigs with 1,339 working this week, the lowest number since the week ended June 10, 2005.

That is down from 1,773 active rigs a year ago at this period, with cuts in every category, Baker Hughes Inc. reported.

[Kuwait official: Oil not likely to pass \\$40 a barrel for now](#)

KUWAIT CITY — A top Kuwaiti oil official says crude oil prices are unlikely to rise above \$40 per barrel, even if OPEC decides to enact a production cut of as much as 2 million barrels per day at its meeting next month.

Moussa Marafi, a member of the Supreme Petroleum Council, the highest oil policy-making body in Kuwait, told Annahar newspaper today that oil prices are being pressured by a surging U.S. crude inventories quota, noncompliance by some OPEC members and continued pumping by non-OPEC producers.

[Chevron close to deal on Turkish oil drilling-report](#)

ISTANBUL (Reuters) - Turkey expects to complete talks with U.S. oil giant Chevron by this summer on a deal that may be worth at least \$500 million to explore for oil in the Black Sea, the state-run Anatolian news agency said on Sunday.

[Mystery deepens around secretive Ukrainian gas firm](#)

KIEV, Ukraine -- When Ukraine and Russia ended their clash over natural gas supplies last month, resuming the flow to more than a dozen European countries, the agreement focused a spotlight on a mysterious firm that suddenly was cut out of the deal.

Over the four-plus years of its existence, Rosukrenergo - short for Russia-Ukraine Energy - had collected billions of dollars, much of it as the sole intermediary for gas pumped to Ukraine from Russia.

[Indonesia outlines plans for new refineries, upgrades](#)

LOS ANGELES -- Indonesia's state-owned PT Pertamina, aiming to reduce fuel imports by boosting domestic supply, plans to construct two new refineries and upgrade an existing facility.

"We still import fuels in a large volume," said Indonesian President Bambang Susilo Yudhoyono, adding that, as a matter of economic efficiency, Pertamina "will build three refineries within 3-5 years."

[Indonesia sees oil prices at \\$40 to \\$60/barrel in '09](#)

JAKARTA (Reuters) - Indonesia's Finance Minister said on Sunday that she estimates oil prices this year would be in the range of \$40 to \$60 per barrrel, and that Indonesia would stick to its 2009 budget assumption of \$45 per barrel.

[Kuwait revenue hit by oil price plunge](#)

KUWAIT CITY (AFP) - OPEC member Kuwait earned 652 million dinars (2.25 billion dollars) in revenues in January, the lowest monthly income this year due to a plunge in oil prices, the finance ministry said on Sunday.

The figure compares to the highest monthly income of 12.9 billion dollars posted in August a month after oil prices peaked at more than 147 dollars before sliding to around 40 dollars.

Oil income makes up more than 90 percent of public revenue in the Gulf state which sits on 10 percent of global crude reserves and pumps around 2.2 million barrels per day.

[Price not only condition for UAE gas deal - Iranian official](#)

A senior Iranian official said UAE firm Crescent Petroleum must agree to a revised price as well as other conditions for a long-delayed gas export deal to go ahead, in comments published on Sunday.

Reza Kasaeizadeh, managing director of the National Iranian Gas Export Company, also reiterated a warning that Iran could use the gas from its offshore Salman field at home if the two sides failed to reach a deal.

[Russia vs the market in battle of the ruble](#)

MOSCOW (AFP) – It's a game requiring nerves of steel, strategic planning and the possession of huge financial reserves.

Poker? Roulette? Backgammon perhaps? No. The months long standoff between the Russian central bank and the foreign exchange markets over the value of the ruble.

[The state of oil prices](#)

According to Bell, there have been 12 recessions in the United States since World War II. Of those, 11 have been preceded by a spike in oil prices. Professor Michael Economides of the Cullen College of Engineering at the University of Houston, said the run up in oil prices was also a factor in the collapse and a lot of it has to do with market psychology.

"There was no rational reason for \$100 oil as there is no rational reason for \$40 oil now," Economides said.

[Is America Ready to Quit Coal?](#)

The coal industry, which powered the industrial revolution and supplied America with much of its electricity for more than 60 years, is in a fight for its survival.

With concerns over climate change intensifying, electricity generation from coal, once reliably cheap, looks increasingly expensive in the face of the all-but-certain prospect of regulations that would impose significant costs on companies that emit large amounts of carbon dioxide and other greenhouse gases.

[Now my farm will help teach the world to live without oil, says woman who banished plastic bags from her town](#)

I was under no illusion that being a farmer would be easy, but last year's fuel crisis, with

oil prices continually rising, was a wake-up call for me.

Our costs went through the roof - animal feed, diesel for the tractors, agricultural contractor bills - but the biggest rise was in the price of fertiliser. We use very little chemical fertiliser, but many farms were driven to bankruptcy.

With this in mind, I decided to make one last BBC documentary to find out if, and how, modern farming could survive the 21st Century.

[More Annals of Global Greed Inc.](#)

Halliburton and its former KBR subsidiary have agreed to pay \$579 million in fines to settle criminal and regulatory charges of having bribed foreign officials to win billions in construction contracts. There may be some taxpayer comfort in the fact that this scandal was rooted in Nigeria, not Iraq, where the Halliburton megacorporation (you know, the one Dick Cheney ran before he became vice president) reaped multibillions as the Bush administration's most favored no-bid contractor.

Still, there are a lot of unanswered questions about Halliburton's practices in Iraq, with numerous complaints of overpricing and ineptitude. Its corporate conduct in the Nigerian scheme is hardly encouraging and should compel tighter scrutiny of its Iraq failures.

[Electric car returns energy to the grid](#)

The battery in this new breed of electric car can both give and receive, taking a charge and then, through the same electrical cord, sending some of its stored energy back to a hungry electricity grid, as needed.

Kempton's is currently the only such two-way electric car in a regional grid that spans Pennsylvania, New Jersey, and some or all of 11 other states, along with the District of Columbia.

But add a few million more _ as Kempton and others predict will happen, perhaps within the decade _ and things begin to look a whole lot different.

[Both sides miss truth of recession](#)

Nevertheless, the Internet is alive with predictions of doom. Check out the Club Orlov blog if you need something to bring you down this afternoon. The high priest of gloom is James Howard Kunstler, who long ago wrote an interesting book called "The Geography of Nowhere," all about the unsustainability of suburbia and car culture and has since been looking for the *deus ex machina* that could make his darkest dreams come true. For a while he said it would be the Y2K computer problem, and when that didn't pan

out, peak oil. Now (without giving up on the end of the oil economy) he's grooving on financial Armageddon.

"What we really face is a comprehensive contraction in our activities, especially the scale of our activities, and the pressing need to readjust the systems of everyday life to a level of decreased complexity," Kunstler wrote recently at his blog, which has a non-newspaper-safe name that means "messed-up nation." He makes some good points about simplicity and sustainability, but they're wrapped up in so much negativity that a lot of people will ignore them.

[Study backs H-power growth](#)

Expansion of the Kapolei H-power plant could reduce city landfill needs and increase energy production with no significant increase in health risks, according to a recently released draft environmental impact study.

However, the addition of a third boiler to the city's garbage-to-power conversion facility won't be operational until 2012, and at a cost to taxpayers that remains undisclosed. The study provides support for a critical piece of Honolulu Mayor Mufi Hannemann's solid waste management plan, which includes expanding H-power, exporting trash and boosting recycling efforts.

[Cycling Enters the Electronic Age With a New Gear-Shifting System](#)

Although the battery-powered derailleur by Shimano promises to bring ease and accuracy to changing gears by enabling riders to shift with a light touch to two electronic switches, traditionalists worry that it may erode the basic tenets of the sport.

"People choose bicycles precisely because a bicycle's motion requires only human effort, and nothing could be more simple, independent and autonomous," Raymond Henry, a cycling historian in St. Etienne, France, wrote in an e-mail message. "Any source of external energy, however weak, runs counter to this philosophy."

[Study: Biofuels May Accelerate, Not Slow, Climate Change](#)

A biofuel boom, which would cause farmers to seek more space to plant crops, can do more harm than good for the environment, says a Stanford University researcher.

"If we run our cars on biofuels produced in the tropics, chances will be good that we are effectively burning rainforests in our gas tanks," warned Holly Gibbs of Stanford's Woods Institute for the Environment.

[Belgium opens new Antarctic polar research station](#)

BRUSSELS (AP) — Belgium opened a new 20 million euro (\$26 million) "zero emissions" polar science station in Antarctica on Sunday, returning to the continent to study climate change 42 years after closing its first base there.

The Princess Elisabeth research hub is totally energy self-sufficient and also aims not to emit any carbon dioxide emissions, according to the Belgian-based International Polar Foundation that runs the base.

[George Will: Global warming in retreat](#)

A corollary of Murphy's Law ("If something can go wrong, it will") is: "Things are worse than they can possibly be." Energy Secretary Steven Chu, an atomic physicist, seems to embrace that corollary but ignores Gregg Easterbrook's "Law of Domsaying": Predict catastrophe no sooner than five years hence but no later than 10 years away, soon enough to terrify but distant enough that people will forget if you are wrong.



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