DrumBeat: February 17, 2009

Posted by Leanan on February 17, 2009 - 9:50am
Topic: Miscellaneous

Patrick Deneen: Growth

> As a consequence of living in a dynamic economic order, even the poorest person is wealthy to the most prominent member of a static economic order. Anticipating in theory, if not explicit words, Reagan's adage that "a rising tide raises all boats," the poorest person in a wealthy society is to allow potential resentments to be replaced by the creature comforts and the prospect for more, whether or not he is personally successful. Growth replaces virtue; material comfort stands in for solidarity.
>
> This has worked well in theory, but it has of late confronted a great material fact: there is no infinite growth within a closed system. Lately we have accumulated growing evidence of the rising costs of our pursuit of limitless growth, whether most evidently in resource depletion, devastation of plant and animal life, growing mountains and oceans of waste, the race to pursue growth through increased borrowing from the future, and even less measurable but no less evident features of our age that doubtlessly result from excessive vice (a.k.a. prosperity), such as rampant irresponsibility and immorality in nearly every facet of life.
>
> If economic growth is most fundamentally the capacity to use and harness energy in more "productive" or "efficient" ways, then the accelerated use of energy must occur in spite of the fact that there is no actual increase in the overall daily input of energy from the sun.

The Oil Glut of 2009...and Why it Won't Last

> The current oil price contains absolutely no risk premium. $35 crude price simply does not reflect how rapidly the oil market could tighten in 2009...or how rapidly prices could rise.
>
> Western nations are now experiencing the bow wave of a profound change in the current and future availability of oil. Oil output from all major Western oil companies is on an ominous decline trend. Exxon Mobil, for example, announced that its average oil output has fallen by 614,000 barrels per day in 2008.
>
> Western oil majors like Exxon are finding it harder than ever to identify new prospects and successfully complete new oil projects. BP's Thunder Horse project in the Gulf of Mexico, for example, is finally coming online in 2008, with an anticipated output of

nearly 250,000 barrels per day. But this one project has taken almost 20 years to complete, at a cost in excess of $6 billion.

And Chevron's recent success with its Jack 2 project in the Gulf came at a cost of over $240 million for just one test well. And this prospect is still years away from being a successful oil-producing prospect.

These sorts of developments have implications far beyond the Peak Oil argument, as valid as that thesis may be.

[Obama OKs more Afghan troops, sources say]

WASHINGTON - President Barack Obama has signed off on an increase in U.S. forces for the flagging war in Afghanistan, defense and congressional officials said Tuesday.

[Chrysler asks for $5 billion more in loans]

AUBURN HILLS, Mich. - Chrysler LLC says it needs another $5 billion to survive, and it will cut 3,000 jobs and three vehicle models as part of the restructuring plan it submitted to the U.S. government.

[Fear factor: Oil tumbles, gold soars]

NEW YORK (CNNMoney.com) -- Oil prices fell below $35 a barrel Tuesday, while gold prices jumped to a fresh seven-month high, amid concerns about weak demand for energy and increased safe-haven buying of hard assets.

Light, sweet crude for March delivery fell $2.58, or 6.8%, to settle at $34.93 a barrel on the New York Mercantile Exchange. Oil for April delivery, which becomes the front-month contract when March expires Friday, tumbled $3.40 to $38.58 a barrel.

"Various concerns about the economy are weighing on the energy market," said John Kilduff, energy analyst at MF Global in New York. "The unsettling mood in the economy goes right to energy sector and concerns about demand," he said.

[Kazakhstan Needs More Export Outlets, Chevron Official Says]

LONDON -- The oil-rich Central Asian nation of Kazakhstan urgently needs more export capacity if it hopes to meet its ambitious plans for increasing oil production in the coming years, a senior Chevron executive said Tuesday.

A rare bright spot in the global energy industry, Kazakhstan is expected to nearly double oil output by 2020, becoming one of the world's top 10 crude producers. But the landlocked country has few viable export outlets, with the bulk of its oil passing through Russia.

[Norway's church says no new offshore]

Norway's state church proposed a five-year moratorium on new offshore oil and gas licences for environmental reasons, joining a debate about opening more waters for exploration to sustain oil production.

The moratorium proposal triggered an angry response by Norway's main labour union, LO, which fears that such a move would hurt the offshore services sector and spark mass layoffs at a time when Norway's economy already faces recession.

[Ethanol plants no panacea for local economies, study finds]

“Our research found lots of storm clouds that posed risks for ethanol plants, even though the industry was go-go-go at the time,” said Andrew Isserman, a professor of agriculture economics and of urban and regional planning. “The last 15 months have proven just how risky it is.”

[Honeybees under attack on all fronts]

THE world's honeybees appear to be dying off in horrifying numbers, and now consensus is starting to emerge on the reason why: it seems there is no one cause. Infections, lack of food, pesticides and breeding - none catastrophic on their own - are having a synergistic effect, pushing bee survival to a lethal tipping point. A somewhat anti-climactic conclusion it may be, but appreciating this complexity - and realising there will be no magic bullet - may be the key to saving the insects.

[Less is more approach to fertiliser could boost farmers]

Chinese farmers could cut their synthetic fertiliser use – and their bills – by up to 60% without harming their yields and profits, research shows.

Using less fertiliser would also improve drinking water, soil and ocean pollution, and human health. Although nitrogen fertilisers often bring improved yields of crops, they can leach into drinking water, evaporate into the air, and trigger damaging blooms of problematic algae or phytoplankton in rivers, lakes and seas. On top of all that, nitrogen oxides are powerful greenhouse gases.

[Parched China to slash water consumption by 60%]

> As rivers run dry and fields turn to dust, China has announced dramatic plans to cut water use by industry and agriculture.
>
> Water resources minister Chen Lei said it would cut the amount of water needed to produce each dollar of GDP by 60% by 2020. With the economy on course to grow by 60% by then, that effectively means it wants to consume no more water then than today.

Tampa Bay area's water supply is in 'severe' shortage

> As the traditionally dry spring approaches, regional water managers are asking the state to impose the toughest watering restrictions in history.
>
> The reservoir that helps supply water to the Tampa Bay area is about a month from being drained, a sign of how dire the problem has become, officials with Tampa Bay Water said Monday.

Five places to go before global warming messes them up

> - Global warming may ruin many of nature's wonders
> - Rising sea levels could make visiting New Orleans difficult in the future
> - Glaciers in the Alps may melt by the middle of the century
> - Encouraged by warmer winters, pine beetles are ruining forests in Colorado

Does America Still Have a Nuclear Industry?

> The nuclear industry was born in America. But today while it's booming in the rest of world, it seems to be dying here.
>
> In the halcyon days of the '60s and '70s, the three largest builders of reactors were all U.S. companies. Today, there is only GE and it is starting to lag far behind foreign rivals. Since last November, Exelon, the nation's largest nuclear fleet owner, and Dominion, one of the most ambitious utilities in applying for new reactors, both announced they will drop plans to build GE reactors. Around the same time, Entergy, the nation's second largest fleet owner, said it will "explore alternatives" to building with GE.
>
> This means that GE, which was already running in third place behind Westinghouse, now a Japanese company, and Areva, the French giant, is down to one planned reactor.
>
> How did we fall so far so fast? It's actually been decades in the making.

GM, Chrysler to get $7 billion in bailout cash

> DETROIT - The U.S. government will release $4 billion in additional aid to General Motors Corp. and $3 billion to Chrysler LLC on Tuesday as planned, a White House official said, ahead of the deadline for the automakers to submit new survival plans.
>
> GM was making progress Monday in concession talks with debtholders and its main union, but deals may not come until after the deadline passes, people briefed on the situation told The Associated Press.

Petrobras may cut financing below $4bn

> Brazilian state-run Petrobras could reduce its 2010 financing needs to less than $4 billion on cost cuts, the company's chief financial officer, Almir Barbassa said.
>
> Petrobras could cut its remaining projected 2010 financing needs by more than half if the company can reduce costs by 15% Barbassa told the local Estado news agency.

EPA to review Bush rule on warming emissions

> The Obama administration on Tuesday agreed to review whether it should regulate carbon dioxide emissions from coal-fired power plants, portending a major reversal of the Bush administration's policy on global warming.

Hurricane Gustav/Hurricane Ike activity statistics final update

> Offshore oil and gas operators in the Gulf of Mexico continue to restore shut-in oil and natural gas production resulting from Hurricane Gustav and Hurricane Ike. This report will be the final one issued concerning shut-in production from these two storms.
>
> From the operators' reports, it is estimated that approximately 9.2% 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 12.8 % 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.

Saudi Arabia sees no need to borrow to cover deficit

> RIYADH - Top oil exporter Saudi Arabia sees no need to borrow to cover a projected budget deficit this year or any shortfall next year, Finance Minister Ibrahim al-Assaf said on Tuesday.
>
> He told Reuters in an interview the kingdom's vast financial reserves would be its "first line of defence" to meet any deficits, adding public debt had fallen to below 12 percent of gross domestic product from over 100 percent a few years ago.

Huge oil slick from Russian ship heads for British coastline

> Coastguards in Britain and Ireland were on red alert today after a Russian aircraft carrier spilt an estimated 1,000 tonnes of oil off the southern Irish coast.
>
> The spill, which happened as the *Admiral Kuznetsov* aircraft carrier was refuelling at sea, caused a slick that is now more than three miles long and almost as wide.

Corn Ethanol: A Health Warning

> Switching from gasoline or corn-based biofuels to cellulosic ethanol--made from the stalks and stems of plants--could have more health and environmental benefits than previously recognized, according to a study of different types of transportation fuels.
>
> The environmental and health costs associated with cellulosic ethanol are less than half those of gasoline and of corn ethanol, the study found.

Algae oil developer OriginOil signs pact with US DOE

> LOS ANGELES (Reuters) - Algae-to-energy developer OriginOil has signed an agreement with the U.S. Department of Energy to cooperate in research, the company said on Tuesday.
>
> Los Angeles-based OriginOil and the DOE's Idaho National Laboratory will work to validate the company's technology of growing algae for fuel in a "photobioreactor."

What will (and won't) save Detroit

> Washington wants answers, but there are no simple solutions to what's ailing the nation's automakers.

[Robert Hirsch: Peak oil - what do we do now?]

> The world is now in a period of epic economic chaos. People are disoriented and unsure of what it will take to restore their economies. Many serious economists, financiers, and executives are loath to even forecast when an economic recovery might begin. It's easier for me now to understand how my parents and grandparents must have felt during the 1930s.
>
> But the peak oil problem has not gone away. World liquid fuels production reached a plateau in mid-2004 and has fluctuated within a relatively narrow range in spite of mighty efforts to increase world production. In mid-2008, benefitting from the work of Campbell, Laherrere, Skrebowski, Aleklett, Simmons, Robelius, Gilbert, Bentley, Al Husseini, Deffeyes, Koppelaar, Birol, and others, I came to believe that world liquids production might stay on the existing plateau for the next 2-5 years and then go into a 3-5% per year decline
>
> Recently, OPEC cut back oil production in an attempt to stem the oil price decline. How much might their cutbacks delay the onset of world liquid fuels production decline? Assuming the plateau model and five years to the onset of decline, each million barrels per day of oil production withholding buys roughly three weeks delay, so a steady, continuing reduction of say four million barrels per day over five years might result in a delay in the onset of world oil production decline by maybe three months. That's not very much.

[IEA Chief Urges OPEC Against More Output Cuts]

> The International Energy Agency on Monday urged OPEC nations against cutting oil production further when they meet next month.
>
> "If OPEC is aiming at rapid increases by cutting supply maybe it would not be good for economic recovery. We think OPEC countries should take a closer look at the market and make a flexible decision," IEA chief Nobuo Tanaka told reporters here on the sidelines of an energy conference.

[Expert: Energy crisis will lead to conflicts in the coming days]

> PUNE: In the coming days, energy would be the single focal point for conflicts as compared to air, water and food, said Maharashtra Energy Development Agency (MEDA), director general Mahesh Zagade.
>
> Zagade was speaking as the chief guest at the opening ceremony of the three-day symposium of the first international conference on 'Energy Engineering and Eco-balance,' organised by the Mulshi Institute of Technology and Research (MITR), Pune here on Monday.

[Peak Oil and Health]

> This conference, sponsored by the Johns Hopkins Bloomberg School of Public Health Center for Public Health Preparedness, will address the linkages between peak oil, climate change, our built environment, and the public's health. Special focus will be paid to identifying the consequences as well as envisioning solutions and building resistance to what will be a great threat to public health.

[Australian Energy Sector's Profits to Soar But 2009 Tougher]

> Australian oil and gas producers are expected to stand out from the crowd this reporting season, bucking the trend of falling profits thanks to record average oil prices in the second half of last year.
>
> A few companies, like Santos Ltd. and integrated energy company Origin Energy Ltd. will book healthy one-time gains after cashing in on the flurry of foreign investment activity in Australia's coal seam gas sector.
>
> But, as Merrill Lynch said in a recent client note, 2008 will be "as good as it gets for the foreseeable future" for the likes of Santos, Origin, Woodside Petroleum Ltd., and Oil Search Ltd.

[Transocean Net Falls After Oil Slump Cuts Rig Values]

> (Bloomberg) -- Transocean Ltd., the world's largest offshore oil driller, said quarterly profit fell for the first time in more than two years after tumbling energy prices cut the value of some rigs and well-management services.

[Bolivia pays a high price for nationalisation]

> Bolivia, the linchpin of gas supplies to the southern half of Latin America, is struggling to secure long-term investment for its hydrocarbons sector amid questions over its reliability as a supplier and uncertainty over demand from export markets.

[Kazakhstan pays for devaluation]

> Minister for Industry and Trade Vladimir Shkolnik told a cabinet meeting on February 9 that the prices of basic foodstuffs had rocketed in the first week following devaluation. He attributed this sudden inflation to imported items, products made locally out of raw materials from abroad, and those whose production was funded by loans denominated in dollars.

At the same meeting, the chairman of Kazakhstan's Anti-competition Agency, Majit Esenbaev, predicted further price rises for wheat products, sugar, cooking oil, fruit and vegetables, and for fuel. Esenbaev warned that some businesses might engage in profiteering and thereby "create an artificial shortage on the food market".

Russia investigates 4 major oil firms over prices

MOSCOW (Reuters) - Russia's anti-monopoly watchdog (FAS) said on Tuesday it had started investigations into four major oil firms -- Rosneft, LUKOIL, Gazpromneft and TNK-BP over high prices.

"Today we began four investigations," FAS head Igor Artemyev told a briefing, noting that the companies did not cut retail sales during the fourth quarter of 2008 despite falling world oil prices, and actually raised retail prices early this year.

"The companies simply threw a challenge to the Russian government by raising wholesale prices...against a backdrop of tax cuts," he said.

Exxon Consortium Suspends Future Sakhalin-1 Phases

An ExxonMobil-led consortium has started to suspend future phases of Russian Sakhalin-1 oil and gas production project, citing Russia's failure to give timely approval for its plans and budgets.

Exxon spokeswoman Dilyara Sydykova told Reuters late on Friday that the Authorized State Body (ASB) had not given approval for 2009 plans and budgets, as well as for additions to 2008 plans for the future phase of Odoptu and Arkutun-Dagi developments.

Oil Export to Japan Increases

Iran's crude exports to Japan in December reached 505,000 bpd, showing a 79,000 bpd increase over the previous month.

According to a report by Japan's Economy and Commerce Ministry, the country's total crude imports in December reached 4.166 million bpd, showing an 8.3 growth over November.

Industry insider: China's petrochemical stimulus plan to focus on refining and chemicals

BEIJING (Xinhua) -- China's upcoming stimulus package for the petrochemical sector will likely focus on oil refining and chemical industries, while oil and gas exploration will not be touched upon, petrochemical experts said Tuesday.

[Russia to Launch First Sakhalin LNG to Japanese Relief]

Russian and Japanese leaders will jet to the Pacific island of Sakhalin this week for the debut of Russia's first LNG plant, a project the Japanese hope will advance their energy security despite its controversial history.

Russian President Dmitry Medvedev and Japanese Prime Minister Taro Aso, with a delegation of senior energy officials and executives, will watch one of the world's largest liquefied natural gas (LNG) plants come on stream on Feb. 18.

[Winter Wheat Worries]

Fuel and fertilizer prices also hit farmers hard in 2008.

"Most of our fertilizer nitrogen, which affects our farmers, is imported, so it's a world market we're in now, instead of based on natural gas like it has been in the past," said WW Farmers Coop Branch Manager Joe Haverkamp.a

Haverkamp attributes last year's exponential rise in fertilizer prices to the import costs. He says most of the chemicals in fertilizer are made in countries with more lax environmental regulations.

[Venezuela Plans Big Boost in Oil Sales to China]

Venezuela will be exporting as much as 1 million barrels per day of oil to China by the early part of the next decade, the Andean nation's foreign minister said.

"We have a long-term energy alliance for the next 100 years covering joint oil production, oil refining and the provision of a million barrels a day," Nicolas Maduro said in a statement Sunday.

[Gazprom's gas production insufficient]

Sofia - Gazprom has published reports on its production volumes, described by the media in the country as 'contradictory'. The Russian energy monopolist has been trying to conceal a failure to cover the projected production volumes of natural gas, Nezavisimaya Gazeta reads. The published report has shown 11.3 bcm shortfall of what had been initially planned.

[Italy Suspends Total's Gorgoglione Development]

> Italian authorities have suspended Total Italia's license to develop its Gorgoglione field in the southern region of Basilicata, police said on Monday, the latest development in an ongoing corruption probe.
>
> A statement from the police said that the suspension of the license to develop liquid and gas hydrocarbons at the field, authorized by a judge, would last for one year.

[Companies Halt Plans For Plants]

> TURNING THE SCREWS harder to cut costs and limit production, Dow Chemical and Huntsman Corp. are following Lanxess in deciding to delay the construction of big new chemical plants.
>
> Dow will push back construction of a chlor-alkali facility in Freeport, Texas. The company had wanted to replace nearly obsolescent equipment by 2011 with more energy-efficient units.

[Shake-up hints at wider reform plan]

> JEDDAH // King Abdullah bin Abdulaziz's shake-up of government on Saturday, widely lauded by reform-minded Saudis, relied for the first time on non-state and non-religious actors, seen as a precursor to a wider reform plan that aims to turn Saudi Arabia into a knowledge-based society, analysts said yesterday.
>
> "Although I think that there will be more changes in the pipeline, I believe that we are witnessing the rise of the fourth Saudi state," said Saudi journalist Samir Al Saadi.

[How to build a star on Earth]

> Physicist Professor Brian Cox has looked at the different strategies now being pursued to make nuclear fusion a reality. His personal assessment is presented on the BBC's Horizon programme.

[Scotland's future energy needs]

> The SNP has slammed the door on nuclear power north of the border while Labour in London has finally embraced it as the only credible option despite its obvious drawbacks and dangers.

The Scottish Government, meanwhile, has planted its flag firmly in the green, renewable energy camp.

Scotland gives the appearance of being well placed to make the most from this, given the wealth of sea and wind power at its disposal. A boom in jobs and enough energy to fulfil the country's needs have been the subject of bold predictions.

Green burials: A dying wish to be 'home for fish'

(CNN) -- Carole Dunham, 69, loved the ocean. Last July, she was diagnosed with cancer and had only a few months to live. Dunham knew her last footprint had to be a green one, and she started looking into eco-friendly alternatives to traditional burial.

Getting your hands on some green...stimulus

At least $8 billion is designed to help homeowners add insulation, replace windows and get better appliances. Here's how to get your share.

We need to start emissions debate

THE Australian Government commissioned, reviewed and reported on an emissions trading system four times in the past year, but it wasn't until now that it finally asked the fundamental question of whether we should have a trading scheme at all.

This may sound like a Monty Python joke but it's exactly what the Government has done.

Oil exploration cuts may trigger fuel price surge when economies revive

PARIS: The combination of the plunge in oil prices since July and the global credit crunch has dealt a one-two punch to energy investments, setting the stage for tight fuel supplies and a renewed surge in prices when energy demand recovers, industry specialists warn.

The investment slowdown "will most definitely" affect supplies because of the time needed to develop new sources, said Brian Puffer, a partner at PricewaterhouseCoopers who deals with the energy sector.

"In two or three years, if the economy comes on strong, you'll have a huge shortage, and that would create a spike in prices," he said.

Finding and exploiting oil and natural gas fields today requires more costly technology than in the past, and major projects often run into billions of dollars. They can take years to complete, and those that fall victim to investment cuts may not be ready when more oil and natural gas is needed.

Crude Oil Trades Near $37 on Slowing Global Demand for Fuels

The U.K. may face an economic contraction in the first quarter equal to last quarter's 1.5 percent decline, the Bank of England said yesterday. Industrial energy consumption in Germany, Europe's largest economy, grew less than expected last year. Japan, the world's third-largest oil user, yesterday said its economy shrank the most since 1974 in the fourth quarter.

"The oil price is reacting to the doom-and-gloom," said John Hall, managing director of U.K.-based consultant John Hall Associates Ltd. "The U.K., U.S., Asia and the Eurozone are all contracting at a faster rate than oil is being produced, and the world is in a strong place in terms of oil stocks."

Gunmen attack oil facilities in southern Nigeria

LAGOS, Nigeria – A private security official says gunmen have attacked two oil facilities operated by Royal Dutch Shell in Nigeria's restive south.

It is not known if anyone was injured in the attack early Tuesday, nor if oil production was affected. Military and Shell officials were not immediately available for comment.

OPEC should cut oil supply: Iraq

DOHA — OPEC should look to reduce oil supply further if demand is insufficient to absorb supplies, Iraq's oil minister said on Tuesday.

"If there is not sufficient demand for OPEC crude we will have to consider a reduction," Oil Minister Hussain al-Shahristani told reporters on the sidelines of a conference.

Russia, China sign US$25B oil loan deal: Reuters

MOSCOW - Russia signed its biggest ever energy deal with China on Tuesday, under which its oil companies will receive US$25-billion in loans in exchange for long-term crude supplies, a source close to the talks told Reuters.

The source said state oil champion Rosneft and pipeline monopoly Transneft signed a long-delayed deal to borrow the money from China Development Bank.

"The credit was provided by the Development Bank," the source said on condition of anonymity.

Kuwait Petroleum Puts Out Fire at Rotterdam Refinery

(Bloomberg) -- Kuwait Petroleum Corp., the state- owned oil producer and refiner, put out a fire at it's Rotterdam refinery in the Netherlands, the second in less than a week.

The fire broke out in one of two crude units at the site, Ian McConnell, a manager at the refinery, said today by telephone. The unit has been closed while an investigation is carried out, he said, without estimating how long it may be shut.

China aims to up oil output 1.2 pct in '09 - paper

BEIJING (Reuters) - China aims to produce 192 million tonnes of crude oil and 86 billion cubic metres of natural gas in 2009, up 1.2 percent and 13 percent, respectively from last year, an industry newspaper said on Monday.

The China Petroleum Daily, run by state oil heavyweight CNPC, the parent of PetroChina, said that in addition to the 2009 crude production goal, equivalent to 3.84 million barrels per day, Beijing had set 2010 and 2011 targets of 196 million tonnes and 198 million tonnes, respectively.

Does the International Energy Agency Want Oil to Go Higher?

So, what exactly is the IEA advocating? On the one hand, he says we need to continue to produce more oil so that when growth resumes prices will not skyrocket. However, if oil producers continue to produce more than is necessary, price will stay low, and may go significantly lower. Many oil companies are struggling at current prices and it is necessary for supply to constrict when the price is this low. It would seem reasonable that the IEA would rather see OPEC cut production in an effort to raise oil prices again. If a short term cut in production from OPEC did in fact raise the price for crude, then more private and corporate producers would be enticed into the market. If they were successful in raising prices, then more investment dollars would be put towards exploration and when the economy does truly recover - there would be more supply to meet the growing demand. As many oil producing projects take time before they begin to actually produce, a higher price of oil now would likely make the spike in 2010 less intense.

Why we need higher oil prices

While not overtly anti-Muslim, there will at least be an undercurrent in some of the American commentary about sneaky Arabs, evil cartels and national security. On Fox

News, it probably will be overt. They might even go right over the top and ask the Alaskan Governor for her opinion.

Yet we need higher oil prices. At $US40 a barrel in a world already capital constrained, it's not possible to attract the investment necessary for the exploration and development to fuel the global economy when the financial crisis passes.

[Depressed Oil Prices Approaching Speculation of a Lifetime]

> Oil prices now trade at a five-year low.
>
> If oil prices overshot on the way up to $147, then the opposite is certainly true today with prices at $36 a barrel. At some point, crude oil will bottom; the odds of a spectacular bounce occurring is highly likely as global governments spend trillions of dollars at the same time to desperately boost economic growth in 2009-2010.

[Fallen oil prices a chink in Sarah Palin's armor]

> ANCHORAGE, Alaska – Alaska Gov. Sarah Palin's first two years in office have been called a time of milk and honey, when the resource-rich state was flush with wealth from record oil prices.
>
> The second half of her term isn't looking so rosy as Palin faces her first major financial challenge as governor.

[Chávez Looks Beyond 2013 as He Faces Serious Challenges]

> CARACAS, Venezuela — When voters abolished term limits for President Hugo Chávez over the weekend, they handed him a long-sought victory, one that could easily embolden him to step up his socialist-inspired visions for his country.
>
> And yet, major obstacles to that revolutionary dream lie ahead, in the form of sagging prices for the country’s oil and a sizable opposition whose strength is not eroding. Mr. Chávez, a consummate political survivor, even reflected this in his victory speech, focusing on more mundane tasks like improving government efficiency and combating violent crime, as if acknowledging the criticism leveled at him during the campaign and the limitations likely to be imposed on any grand plans for the time being.

[Let's explore what defines the American car]

> To admirers, the American car is the ultimate expression of freedom, a terrestrial comet

skimming across a barren highway.

To detractors, the American car is a fuel-gulping beast, a steel behemoth that symbolizes industrial decline.

Love it or hate it, no other consumer product ignites as much passion or has had such a profound impact on every aspect of American life.

Yet the fate of the American car is unsettled. The nation's three homegrown automakers — Ford Motor, General Motors and Chrysler — are running on fumes, victims of a miserable economy, changing consumer tastes, a few painful mistakes and the pressure of foreign competition. Now Toyota, not GM, is the world's largest automaker. And the Obama administration is set to name a team to oversee the industry.

Kunstler: President's Day

The reality we can't face is that one way of life is over and a new one is waiting to be born. It's been waiting, really, since the early 1970s, when God whacked the USA upside its head to announce that we'd outgrown our once-stupendous domestic supply of oil. I remember those fervid months following the OPEC oil embargo of 1973 (I covered the story as a young newspaper reporter.) The basic message was this: from now on we'll be running this show on other people's oil so we better start doing things differently. Back then, the not-yet-lost-in-a-fog-of-greed Baby Boom generation rolled up its tie-dyed sleeves and got to work doing a lot of forward-looking things: micro hydro-electric, passive solar houses, rural homesteading, the next generation of public transit (BART, the D.C. Metro), the first wave of urban gentrification....

Then, in 1979, the Ayatollah tossed out the Shah of Iran, we got another dose of oil problems, and a year later, President Jimmy Carter's clear-eyed view of the oil situation as "the moral equivalent of war" got overturned in favor of Ronald Reagan's dreadful Hollywood nostalgia projector. As usual in times of severe social stress, the public got delusional. Mr. Reagan was very lucky. During his tenure, two of the last great non-OPEC oil discoveries came into full production -- Prudhoe Bay, Alaska and the North Sea -- and took the leverage away from the Islamic oil nations who had been making us miserable with their threats, embargos, price-jackings, and hostage-takings.

King coal losing his power in electricity industry

China is likely to continue cutting investment in coal-fired power plants as the lackluster economy may result in a power glut this year, but it will increase its efforts to build more nuclear reactors and wind farms to improve its energy mix, according to Zhang Guobao, head of the National Energy Administration (NEA).

Waterworld Dreams Realized: Oil Rigs Become Luxury Hotels

Morris Architects, a worldwide architectural firm with offices in Los Angeles (Morris is behind the under-construction Anaheim GardenWalk Hotel) recently won the top prize in a hospitality design design contest for their award-winning "Oil Rig Resort, Spa, and Aquatic Adventure," a design concept that transforms your standard Gulf Coast oil rig into an sustainable resort. Brilliant.

Region needs bus service, not convention center

Looking even a short 10 years into the future, it is easy to guess that we'll be in a lower-energy world with tighter resources and more people. The current economic crisis should tell us to stop trying to sustain the unsustainable. James Howard Kunstler, author of "The Long Emergency," says the post-"peak oil" future will be rough. Thriftiness of resources, natural and human, is what will move Northwest Indiana ahead. Switching over early to sustainability is the key to regional well-being.

Stimulus expected to add jobs to build new energy system

WASHINGTON — Many of the jobs that the economic stimulus would create are generated by the parts of the plan that also are intended to help combat global warming and reduce the nation's dependence on fossil fuels.

The $787.2 billion stimulus plan that President Barack Obama will sign Tuesday includes the nation's largest investment to date in cleaner energy. More than $80 billion in spending and tax cuts will go toward renewable domestic energy, a better grid to transmit electricity, energy research and programs to reduce the use of fossil fuels, such as weatherizing homes and federal buildings.

Energy firms get go-ahead for UK wind farms

LONDON (Reuters) - Britain on Monday approved bids by energy firms to boost the number of offshore wind farms, potentially helping the UK to move closer to hitting tough renewable energy targets.

The Crown Estate, an independent body which owns all the seabed within 12 nautical miles of the UK coast, said it was awarding exclusivity agreements to companies and consortia to develop wind farms on 10 sites in the sea around Scotland.

The ‘holy grail’ of biofuels now in sight

Scotland, S.D. - With one foot planted in a pile of corn cobs, Mark Stowers explains how agricultural waste, transformed into ethanol, will turbocharge the US economy, boost its energy security, and help save the planet, too.

> This holy grail of biofuels, called cellulosic ethanol, has been "five years from commercialization" for so long that even Dr. Stowers admits it's become a joke.
>
> But now the research director for POET, the nation's largest ethanol maker, based in Sioux Falls, S.D., says that despite bad economic news and major obstacles, cellulosic's time is near. Other scientists agree.

Ocean Less Effective At Absorbing Carbon Dioxide Emitted By Human Activity

> ScienceDaily — In the Southern Indian Ocean, climate change is leading to stronger winds, which mix waters, bringing CO_2 up from the ocean depths to the surface. This is the conclusion of researchers who have studied the latest field measurements carried out by CNRS's INSU, IPEV and IPSL. As a result, the Southern Ocean can no longer absorb as much atmospheric CO_2 as before. Its role as a 'carbon sink' has been weakened, and it may now be ten times less efficient than previously estimated. The same trend can be observed at high latitudes in the North Atlantic.

Can geo-engineering rebuild the planet?

> As global warming worsens, the idea of vast projects to alter the Earth's environment is moving from fantasy to necessity.

Tree rings tell of killer droughts

> Along the mountainous spine of Vietnam grow ancient conifers whose tree rings tell of droughts lasting more than a generation that helped push civilizations toward collapse.

South Asia's largest rivers threatened, warns UN

> [NEW DELHI] Water resources in three of South Asia's largest river basins are highly vulnerable, with millions of people at risk of increasing water scarcity, a new report has found.
>
> The report — jointly released by the UN Environment Programme and the Asian Institute of Technology — studied the Ganges-Brahmaputra-Meghna (GBM), Indus and Helmand river basins, all of which span multiple countries within the region.

North Atlantic is world's 'climate superpower'

> IF EVER there was a superpower of the oceans, the North Atlantic, with its ability to control global weather systems, is it. The bad news is that this region also happens to be

> especially sensitive to the effects of climate change, so what is happening there could affect the world.

Climate change outlook: mild

> Tales of our environmental demise are greatly exaggerated – coal reserves are dwindling, and lower emissions will follow.

Biochar for Climate Change Mitigation: Fact or Fiction (PDF)

> Soils are extremely diverse and dynamic, playing a fundamental role in supporting communities of plants, detritivores (which break down organic matter) and microbial communities, interacting with the atmosphere, regulating water cycles and much more. As we face the catastrophic impacts of climate change, efforts to "engineer" the climate are proliferating. Among these is a proposal to use soils as a medium for addressing climate change by scaling up the use of biochar. Unfortunately, like other such schemes to engineer biological systems, it is based on a dangerously reductionist view of the natural world, which fails to recognize and accommodate ecological complexity and variation.
>
> Research on biochar is clearly indicating that there simply is no "one-size-fits-all" biochar solution, that many critically important issues remain poorly understood, and that there are likely to be serious and unpredictable negative impacts if this technology is adopted on a large scale. Yet proponents still do not hesitate to make unsubstantiated claims and to lobby for very significant supports to scale up their technology.