



DrumBeat: February 18, 2009

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Topic: [Miscellaneous](#)

[Conoco says access to offlimit areas key for economy](#)

NEW YORK, Feb 18 (Reuters) - Governments should allow oil and gas companies greater access to energy sources to help drive economic growth even as states push to expand alternative energy, the head of oil major ConocoPhillips said on Wednesday.

"Our hope is that the resource-rich countries will recognize that the industry needs greater access to low-cost oil and natural gas," Conoco Chief Executive Officer James Mulva said, according to the text of a speech he delivered in London.

Reasonably priced energy is needed for economic growth, he said, which must come from greater access to areas that governments have made off limits to production.

[Chu Retracts Comment That OPEC Isn't His Domain, Cites Naivete](#)

(Bloomberg) -- U.S. Energy Secretary Steven Chu said today that lobbying OPEC on oil production is "not in my domain," only to retract the statement hours later, citing his "naivete."

Chu, asked whether he would press the Organization of Petroleum Exporting Countries to refrain from cutting production, said at a forum in Washington this morning that the issue was "not in my domain."

About three hours later, Chu, a Nobel Prize-winning physicist who was sworn in Jan. 21, said on a conference call with reporters that his comment was a mistake.

"I should be quite candid, it's more my naivete than anything else," Chu said. "Every country would want price stability, and certainly I can do what I can do to encourage OPEC countries to promote price stability."

[Venezuela-China fund reaches \\$12 billion](#)

Venezuela and China agreed on Wednesday to put an additional \$6 billion into a fund used finance joint development projects in areas ranging from oil production to

infrastructure.

[Strike in Guadeloupe escalates into rioting](#)

POINTE-À-PITRE, Guadeloupe: As President Nicolas Sarkozy prepared Tuesday to meet with labor unions and employer representatives to try to head off mounting unrest over France's declining economy, a month-long general strike on the French Caribbean island of Guadeloupe escalated into widespread rioting, raising fears that political violence would spread to other French territories.

Protesters ransacked shops and torched vehicles in Guadeloupe overnight as a strike over the cost of living escalated, and one senior local official said the island was "on the verge of revolt."

[U.S. Oil Fund to Roll WTI Crude Futures Over Four-Day Period](#)

(Bloomberg) -- The United States Oil Fund, an exchange-traded fund betting the price of crude will rise, said it will roll its futures positions into the next month over a four-day period instead of over just one day.

...Olivier Jakob, managing director of Zug, Switzerland-based Petromatrix GmbH, said earlier this month that the fund has "reached a critical mass," and its rolling activities help exacerbate the oil market's contango, where prices are higher for months further into the future.

[Oil Cos' Bet on Swift Price Rebound Has Its Risks](#)

Major oil companies are trying not to repeat the mistakes of the last price slump in the late 1990s, when cutting back on investment left them ill-prepared to meet growing demand in later years. This time they promise to maintain investment through the current price dip, but the risk is growing that a prolonged slump could stymie their plans.

If the years ahead follow the pattern of the last major recession in the early the 1980s, where global oil demand shrank during the downturn and remained well below production capacity for years, even as the recovery accelerated, prices may stay low for much longer than current expectations. Steady as she goes may be their mantra for 2009, but oil chiefs may be on course for some tough choices in 2010.

[Oil Market May Need Boost From OPEC in 2010, Bernstein Says](#)

(Bloomberg) -- OPEC may be called upon to boost output in early 2010 to meet oil

demand after a decline in operating U.S. rigs causes production volumes to fall, according a Sanford C. Bernstein & Co. report today.

Well shut-ins are “expected to grow markedly from March onward” as the cost of producing, transporting and paying taxes on the oil surpasses the price received for it, according to the analysts, led by Neil McMahon at Bernstein Research in London.

[A Fire Sale on Natural Gas Fields](#)

What on earth could prompt an oil patch player to voluntarily hand off an interest in a valuable gas property, *gratis*?

Last week, Parallel Petroleum did just that, in agreeing to transfer half of its 35% interest in a Texas natural gas field to Chesapeake Energy.

[Saying No to a Car Czar: A Smart First Step on Detroit](#)

Times are tough, but imagine how much worse they would be if the United States were dependent on foreign oil or Americans were still using illegal drugs.

Fortunately, our leaders solved those problems long ago, by boldly appointing czars to clean them up. So naturally, now faced with the near death of the U.S. auto industry, the government's impulse was to crown a car czar.

[Canadian protesters urge Obama to shun oil sands](#)

OTTAWA (Reuters) - Greenpeace activists scaled a bridge in the Canadian capital on Wednesday and unfurled two large banners urging U.S. President Barack Obama to take a tough stand on Canada's huge oil sands when he visits on Thursday.

"Climate Leaders Don't Buy Tar Sands" read one of the banners, which faced toward Parliament. The oil sands represent the largest reserves outside the Middle East, but extracting the heavy crude from the sands releases enormous amounts of greenhouse gases, blamed for global warming.

[I Dream of Denver](#)

You may not know it to look at them, but urban planners are human and have dreams. One dream many share is that Americans will give up their love affair with suburban sprawl and will rediscover denser, more environmentally friendly, less auto-dependent ways of living.

Those dreams have been aroused over the past few months. The economic crisis has devastated the fast-growing developments on the far suburban fringe. Americans now taste the bitter fruit of their overconsumption.

The time has finally come, some writers are predicting, when Americans will finally repent. They'll move back to the urban core. They will ride more bicycles, have smaller homes and tinier fridges and rediscover the joys of dense community — and maybe even superior beer.

America will, in short, finally begin to look a little more like Amsterdam.

Well, Amsterdam is a wonderful city, but Americans never seem to want to live there. And even now, in this moment of chastening pain, they don't seem to want the Dutch option.

[H&P and PDVSA still negotiating](#)

Venezuela state-run giant PDVSA and US drilling company Helmerich & Payne continued negotiations to settle PDVSA debts and to reactivate the operations of two rigs located in Monagas state, east Venezuela, which have been halted since late January.

The Tulsa, Oklahoma-based drilling company has accused PDVSA of failing to pay a \$100 million debt.

As a result, H&P halted operations of its rigs, said El Universal newspaper.

[China's Russian Oil Deal Has Plenty Of Skeptics](#)

Beijing may have signed a 20-year agreement with Moscow, but, in light of BP's experience, do not count on it lasting.

[Arctic sovereignty: Sheathe thy sword](#)

Now that global warming is rapidly melting the Arctic ice cap, opening up the possibility of shipping through the Northwest Passage and developing the region's vast oil and gas resources, the five Arctic basin states (Canada, United States, Russia, Denmark/Greenland and Norway) are scrambling to secure their claims to the region.

[Energy Department to Issue Loan Guarantees by May](#)

(Bloomberg) -- The Energy Department plans to use economic stimulus funds to begin issuing new loan guarantees by May for clean-energy projects, accelerating a program

that hasn't supported any projects since it began in 2005.

In a speech in Washington today, Energy Secretary Steven Chu said he wants to use the stimulus funds to "start printing checks in the new loan guarantee programs" by the end of April or the beginning of May, "not three or four years" from now.

[BP Appoints Ousted TNK-BP CEO Robert Dudley to Board](#)

(Bloomberg) -- BP Plc, Europe's second-largest oil company, appointed Robert Dudley, the ousted head of its Russian joint venture, as a director.

Dudley "will assume responsibility for broad oversight of the company's activities in the Americas and Asia," the London-based company said today in an e-mailed statement. The appointment is effective from April 6.

[Indonesia reopens peatland to palm oil plantation](#)

Indonesia today acknowledged it had quietly lifted a year-long freeze on the use of peat land for palm oil plantations, fuelling fears of a rise in greenhouse gas emissions.

[The future is Amish, not Mad Max: interview with Bart Anderson of EB](#)

It could begin like a remake of Mad Max II... "In an indefinite future, oil reserves are exhausted and violence reigns. An ex-highway patrolman goes to the aid of a community under attack by hordes of motorized punks. The battle takes place around the storage tanks of a refinery."

In spite of the expected end of fossil fuels, Bart Anderson of The Energy Bulletin is reassuring. The post-industrial apocalypse will not happen tomorrow. At the risk of disappointing the more hardcore fringe of *La Spirale's* readership, less anxiety-producing outlooks are possible.

[Oil Prices: How Much Is That Barrel Really Worth?](#)

How much does a barrel of oil cost?

No, really. Is crude oil in the mid-\$30s per barrel, or in the low-\$40s? Both, it turns out. Which makes it increasingly difficult to figure out the headline price of crude, the world's heaviest-traded commodity.

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

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.

[Platts Analyst Survey of EIA/API estimates suggests build of 3.5 million barrels in US Oil Stocks](#)

Analysts expect a 3.5 million-barrel build in US commercial crude oil stocks to be reflected in this week's oil inventory data from the US Energy Information Administration (EIA) and the American Petroleum Institute (API), a Platts survey showed Tuesday.

The API is due to release its data at 4:30 pm EST Wednesday, one day later than usual due to Monday's President's Day holiday. The EIA will release its survey at 10:30 am EST Thursday for the week ended February 13.

[Norway's Saga Oil says unable to service debt](#)

OSLO (Reuters) - Norwegian Saga Oil said on Wednesday the future of its operations was uncertain as it was unable to service its debt.

"There are considerable uncertainties with continued operations," Saga Oil's board said in a statement. "This is due to weak earnings, weak liquidity and the fact that the company is unable to service its loan commitments."

[Nigeria Oil Output in Line With OPEC Obligations, Minister Says](#)

(Bloomberg) -- Nigerian oil production is 1.885 million barrels a day, in line with its OPEC obligations, Minister of State for Petroleum Odein Ajumogobia told reporters at a conference in Doha, Qatar, today.

"We are sticking closely to the OPEC prescribed ceiling," he said. Nigeria is entitled to produce more than the 1.675 million barrels a day laid out in a document after the group's Dec. 17 meeting because it produced less than estimated last year, he said.

[Petrobras' Brazilian Oil Production Up 4.8% in January](#)

Petrobras' average oil and gas production in Brazil, in January, topped-out at 2,219,165 barrels of oil equivalent per day (boe), 4.8% more than a year ago and 0.7% more than in December 2008. The exclusive oil production in domestic fields, 1,922,946 barrels/day, set a monthly record, 5.3% above the mark set a year earlier and 2.5% more than the volume lifted in December 2008.

[China to lend Petrobras \\$10 bln for oil - report](#)

SAO PAULO (Reuters) - The China Development Bank and Brazil's state-run oil company Petrobras (PETR4.SA)(PBR.N) are finalizing a deal for the bank to extend a \$10 billion line of credit in exchange for future oil supplies, a Brazilian newspaper said on Wednesday.

Petrobras Chief Executive Jose Sergio Gabrielli said on Monday that the company was seeking financing from foreign governments to bankroll an aggressive investment plan, but he gave no details on the amounts or sources.

[Constellation Has \\$1.41 Billion Loss on Deal Costs](#)

(Bloomberg) -- Constellation Energy Group Inc., the U.S. power marketer that's selling a 50 percent stake in its nuclear plants to Electricite de France SA, reported a fourth-quarter loss as it cut back on trading and canceled the sale of the company to Warren Buffett's Mid-American Energy Holdings Co.

[Chevron Mulls Deepwater Indonesia Gas Project](#)

Indonesia, which has far more gas than oil, has pushed companies to move faster in developing areas as the country badly needs the gas for domestic industries and exports.

Chevron currently produces gas from several other fields in East Kalimantan, but the output is in decline.

[The Canadian Oil Boom](#)

Once considered too expensive, as well as too damaging to the land, exploitation of Alberta's oil sands is now a gamble worth billions.

[Energy Conservation](#)

Not long ago, my wife, PJ, and I tried a new diet—not to lose a little weight but to answer a nagging question about climate change. Scientists have reported recently that the world is heating up even faster than predicted only a few years ago, and that the consequences could be severe if we don't keep reducing emissions of carbon dioxide and other greenhouse gases that are trapping heat in our atmosphere. But what can we do about it as individuals? And as emissions from China, India, and other developing nations skyrocket, will our efforts really make any difference?

[Chu to move quickly on stimulus](#)

WASHINGTON (AP) -- Energy Secretary Steven Chu says he's ready to push out some of the billions of dollars provided by the economic recovery plan within a couple of months.

Chu told reporters there are shovel-ready projects to build and improve power lines that will quickly produce jobs. He said he will speed up processing energy project loan guarantees and expects money to flow quickly to help low-income families improve the energy efficiency of their homes.

[Obama's war on terror may resemble Bush's](#)

WASHINGTON: Even as it pulls back from harsh interrogations and other sharply debated aspects of George W. Bush's "war on terrorism," the Obama administration is quietly signaling continued support for other major elements of its predecessor's approach to fighting Al Qaeda.

In little-noticed confirmation testimony recently, Obama nominees endorsed continuing the CIA's program of transferring prisoners to other countries without legal rights, and indefinitely detaining terrorism suspects without trials even if they were arrested far from a war zone.

[Nuclear Energy May Power the World](#)

While the current global economic recession may have soured investor enthusiasm for the commodities sector, there are signs pointing toward a strong recovery in the uranium mining industry.

[Brands: What stays, what goes](#)

General Motors will make a financial decision about Hummer soon. Either way, it seems it won't be a GM brand anymore. It will be sold, or it will be phased out.

Hummer had the worst sales fall-off of any brand in America last year, dropping by half to 27,485 vehicles.

High gas prices pushed customers away from truck-based SUVs, which are all Hummer sells. And as a love-it-or-loath-it niche product, the brand has always been highly dependent on new model introductions that sell hot for a while before they fizzle.

[ANALYSIS - Asia diesel market seen going from bad to worse](#)

SINGAPORE (Reuters) - After falling to near five-year lows, Asian diesel margins may be in for still deeper losses as a worsening global economy deals a harsh blow to industrial and transport demand for a product that two years ago led the barrel.

The grim signs are everywhere: refineries reining in output; traders seeking to keep the fuel in tankers due to a shortage of onshore storages; new Indian supplies flooding the market, even as major buyers like Vietnam become more self-sufficient and Indonesia halts imports due to brimming inventories.

"It seems we are in for a storm," said a trader in Singapore, who declined to be named due to company policy.

[Aramco, Dow plan to drop troubled RBS](#)

Riyadh: Saudi Aramco and the Dow Chemical Company of the US are seriously considering dropping the cash-strapped Royal Bank of Scotland (RBS) as project financing manager of their joint venture industrial facility in Ras Tanura in eastern Saudi Arabia, according to well-informed sources.

This was after reports appeared showing that the bank is facing acute cash-crunch as an aftermath of the global financial crisis. Saudi Aramco and Dow joined hands in establishing the construction, ownership and operation of a world-scale chemicals and plastics production complex, named the Ras Tanura Integrated Project.

[Saudi Aramco: South Ghawar Producing Sets Green Standard](#)

The FINANCIAL -- Saudi Aramco takes environmental protection seriously. That was the message in the exhibits and brochures at the Jan. 27-28 Environmental Awareness Campaign here organized by the South Ghawar Producing Department (SGPD) of Southern Area Oil Operations (SAOO).

[Saudi Aramco-Sumitomo Chem's JV losses swell in '08](#)

RIYADH (Reuters) - PetroRabigh 2380.SE, a joint venture between Japan's Sumitomo Chemical and Saudi Aramco, said net loss almost tripled in 2008 on a drop in prices of refined products and a delay in the start of some units.

The firm made a net loss of 1.26 billion riyals (\$334.9 million) in 2008 down from 443 million riyals in 2007, the firm, also known as Rabigh Refining and Petrochemical Co, said in a statement posted on the bourse's website.

[The Real Energy Crisis](#)

Gasoline prices are down in Virginia from above \$4.00 to under \$2.00. The energy crisis is over, right?

Wrong.

The real energy crisis is not how much gasoline costs at the pump; it is the danger that heavy reliance on foreign sources of energy poses to our national security.

[Tajikistan offers to export electricity to Pakistan](#)

ISLAMABAD: Tajikistan has offered Pakistan to export electricity according to its needs aimed to meet recent energy crisis in the country effectively.

[Tajikistan is one step to failure](#)

The ICG report about the upcoming failure of Tajikistan was not a surprise for many people, since everybody knows about the recent developments: energy crisis (both electricity and gas), food crisis, crisis in Russia (consequently decrease in remittances from labor migrants), financial crisis (somon loses its positions). This all gives us a clear picture of the whole social and economic situation in Tajikistan and it is far from what is called "stability".

[Burning Questions: What Does Economic "Recovery" Mean?](#)

In our own backyard, much of the state of Texas -- 97.4% to be exact -- is now gripped by drought, and parts of it by the worst drought in almost a century. According to the New York Times, "Winter wheat crops have failed. Ponds have dried up. Ranchers are spending heavily on hay and feed pellets to get their cattle through the winter. Some wonder if they will have to slaughter their herds come summer. Farmers say the soil is too dry for seeds to germinate and are considering not planting." Since 2004, in fact, the state has yoyo-ed between the extremities of flood and drought.

Meanwhile, scientists predict that, as global warming strengthens, the American

southwest, parts of which have struggled with varying levels of drought conditions for years, could fall into "a possibly permanent state of drought." We're talking potential future "dust bowl" here. A December 2008 U.S. Geological Survey report warns: "In the Southwest, for example, the models project a permanent drying by the mid-21st century that reaches the level of aridity seen in historical droughts, and a quarter of the projections may reach this level of aridity much earlier."

[Oil slick](#)

The mood was somber at the Independent Petroleum Association of America's Private Capital Conference at the Houstonian Hotel in Houston in mid-January, where oil and gas executives gathered to discuss the state of the industry. There was a lot of talk of opportunity but not a lot of talk of available financing to expand companies, much less do deals.

"It's not like anything I've ever seen in my career," said Charles Hall, a managing director in the energy section of ING Capital LLC. "Last summer there was too much capital and too little opportunity. But ultimately there was a day of reckoning, and that's what we're going through right now."

The energy industry, like the rest of the economy, is suffering from the double whammy of lower commodity prices and sapped credit. Oil prices have fallen 70% from a record high of \$147 per barrel in July to a four-year low of less than \$33 per barrel in January. Natural gas prices have performed even worse, plummeting from a high of more than \$13 per thousand cubic feet equivalent this past July to less than \$5. By the end of January, rig counts in the U.S. had declined by 25% since their peak in September, to 1,515. At the same time, credit has disappeared from ailing and gun-shy banks, forcing oil and gas companies to cut capital budgets and lay off staff.

[Deffeyes: The Second Great Depression](#)

Now for the hard part: What's your message? "Savior of all mankind" is at the top of the list, but you need some specifics. I can't do your work for you, but here are some examples:

- Don't blame the Jews. It's been done. That was so1930.
- Try blaming geologists this time. Charles Darwin, a geologist, robbed us of our divine origins. Most geologists work for oil companies.
- M. King Hubbert (geologist, Shell Oil) made a self-fulfilling prophesy. Once he convinced the geologists that there was little oil left, they drilled fewer and fewer wells.
- You might also demonize people with French-sounding names. The French made a mess of West Africa.

[Tracking the storms of oil addiction](#)

As the current economic crisis continues to deepen and branches out into additional sectors in more countries around the globe, we should be asking ourselves if the foundation of our economy is able to sustain us through the next several decades. We have built our modern civilization upon the use of fossil fuels, and as resources become more limited and population figures rise over the coming years, there is little doubt that the current crisis is but a precursor to a season of formidable storms.

[Survive by turning back hands of time](#)

If you want to survive the next long slump, become a small farmer -- go back to horses, because the 21st century version of the downturn will also involve an energy crisis, a double one: peak oil and climate change.

[Oil industry locked in boom and bust](#)

LONDON (Reuters) - After oil prices crashed to \$10 a barrel in 1998, they more than tripled two years later as lower investment and higher demand strained supply.

The signs are the industry, now reeling from a \$100 crash, is still locked in a cycle of boom and bust.

A difference this time is high prices have permanently curbed energy use in many developed countries and the question is the extent to which Asia will continue to consume.

[China's financial clout locks in energy supplies](#)

SHANGHAI - Call it planning ahead.

While China's exports plunge and millions of laid-off workers hunt for jobs, the country's big state companies are spending billions of dollars securing access to oil and other scarce resources the country will need in coming decades.

[Total sticks to oil investment strategy](#)

ROME — Total SA, the French oil giant in pursuit of Canada's UTS Energy Corp., thinks the world is closer to peak oil production than most energy companies expect and is maintaining its investment budgets in anticipation of a price rebound.

[Bolivia's Morales calls on Total to up investment](#)

PARIS – Bolivian President Evo Morales called Tuesday on the French energy giant Total to step up investments in his gas-rich Andean country, threatening unspecified action if the company fails to live up to its contractual obligations.

[Russia Opens 'Window to Asia' With First LNG Plant](#)

(Bloomberg) -- OAO Gazprom inaugurated Russia's first liquefied natural gas plant off the country's Pacific coast, opening up new export routes to Asia and the U.S.

Russia is "building a window to Asia," Japanese Prime Minister Taro Aso said at the opening ceremony on Sakhalin Island today. The plant will provide about 7 percent of Japan's LNG demand, he said.

[StatoilHydro Cancels 3.8 Billion-Kroner Troll Project](#)

(Bloomberg) -- StatoilHydro ASA, Norway's biggest oil and gas producer, scrapped a 3.8 billion-kroner (\$540 million) project to upgrade pipes at Troll, the country's largest gas field, citing weaker oil prices and higher costs.

[Nigeria military repel attack on ExxonMobil compound](#)

PORT HARCOURT, Nigeria (Reuters) - Nigerian security forces repelled an attack by gunmen on an Exxon Mobil housing compound in the Niger Delta state of Akwa Ibom, the local unit of the U.S. energy giant said on Wednesday.

The attack on the Mobil Producing Nigeria (MPN) compound in Eket, where security measures were reinforced in December following a rise in violence in Akwa Ibom, took place at around 2200 GMT on Tuesday, security sources said.

[Nigeria's Kidnap Capital Forces Shell, Chevron to Cut Output](#)

Today Port Harcourt ranks with Baghdad as one of the world's most dangerous cities for foreign workers as criminal gangs and guerillas seeking greater control of energy revenue step up attacks, say job-placement firms. More than 300 oil industry employees, or two a week, have been kidnapped in the Niger River Delta since a surge in violence began in 2006, according to Oyibosonline.com, a Web site operated by expatriates.

The attacks have cut exports from Africa's largest producer by more than 20 percent, and last month the Delta's main guerrilla group said it was resuming a campaign against

the industry after a four-month cease-fire. A union representing office workers said it may pull members out of the region after gunmen killed the 11-year-old daughter of a Royal Dutch Shell Plc employee and abducted her 9-year-old brother in Port Harcourt.

[Oil stays near \\$35 after big drop overnight](#)

VIENNA – Benchmark oil prices languished around \$35 a barrel Wednesday as further signs the U.S. recession is deepening spurred market concerns over crude demand.

[Russia's Micex Drops on Ruble, Economy Concern; Sberbank Falls](#)

(Bloomberg) -- Russian stocks dropped, triggering a trading halt in the Micex Stock Exchange for a second straight day, on concern that a weakening ruble and worsening recession will fuel loan losses for banks.

OAQ Sberbank tumbled to the lowest in four years. The nation's biggest bank said bad loans will probably reach 10 percent of overall lending by the end of next year. OAQ Lukoil slumped 8.1 percent as crude traded below \$35 a barrel. OAQ GMK Norilsk Nickel dropped 13 percent as nickel prices neared the level that makes the company unprofitable.

[Obama compares oil sands to coal](#)

OTTAWA – President Barack Obama, in advance of his first foreign trip, said Tuesday that Canada's oil sands operations leave a carbon foot print that adds to climate change concerns.

[Israel engaged in covert war inside Iran: report](#)

LONDON (Reuters) - Israel is involved in a covert war of sabotage inside Iran to try to delay Tehran's alleged attempts to develop a nuclear weapon, a British newspaper said on Tuesday, quoting a former CIA agent and intelligence experts.

An intelligence source in the Middle East told Reuters last year Israel planned to target Iranian nuclear scientists with letter bombs and poisoned packages and had set off explosions in Iran. Analysts offered similar accounts and said such tactics would be credible, but no confirmation has been available.

[U.N. says food production may fall 25 percent by 2050](#)

NAIROBI (Reuters) - Up to a quarter of global food production could be lost by 2050 due to the combined impact of climate change, land degradation and loss, water scarcity and species infestation, the United Nations said on Tuesday.

The fall-off will strike just as 2 billion more people are added to the world's population, according to the U.N. Environment Program (UNEP), which says cereal yields have stagnated worldwide and fish catches are declining.

In a new report, it said a 100-year trend of falling food costs could be at an end and that last year's sharp price rises had driven 110 million people into poverty.

[Alternative Energy Still Facing Headwinds](#)

Obama said U.S. renewable fuel capacity will double in "the next few years." Noting that the electrical grid has changed little since the era of black-and-white TV, he promised a "better, smarter" network that will "ship wind and solar power from one end of this country to the other."

Yet the \$2 billion in the stimulus package devoted to transmission lines is a tiny part of what's needed. "I see it as seed money," said Jon Wellinohoff, acting chairman of the Federal Energy Regulatory Commission. "We need \$100 billion to \$200 billion worth of investment, and I believe we'll see that money coming from the private sector," he said, though current credit conditions make that difficult.

There are other hurdles besides financing, including multiple steps of permitting, as well as logistics and opposition to the transmission lines that would crisscross slabs of unspoiled landscape.

[Turbines on the Tundra](#)

TOKSOOK BAY, Alaska — Beyond the fishing boats, the snug homes and the tanks of diesel fuel marking this Eskimo village on the Bering Sea, three huge wind turbines tower over the tundra. Their blades spin slowly in a breeze cold enough to freeze skin.

One of the nation's harshest landscapes, it turns out, is becoming fertile ground for green power.

[Bringing Wind Turbines to Ordinary Rooftops](#)

WIND turbines typically spin from tall towers on hills and plains. But in these green times, some companies hope smaller turbines will soon rise above a more domestic spot: homes and garages.

[Nuclear firm fined for radioactive waste leak: court](#)

LONDON (AFP) – A court Tuesday ordered a company which managed a nuclear power plant to pay 400,000 pounds after it was convicted of allowing radioactive waste to leak into the ground over a 14-year period.

[Kuwait eyes nuclear power with French help - paper](#)

KUWAIT (Reuters) - Kuwait is considering developing nuclear power with the help of a French firm to meet demand for electricity and water desalination, a Kuwaiti newspaper quoted the country's ruler as saying on Wednesday.

[Renewable Energy Drops on Outlook for Delays, Profit](#)

(Bloomberg) -- Renewable Energy Corp. ASA had the biggest drop in Oslo trading in more than two months after saying delays will hurt earnings at the start of the year.

The shares of the Norwegian maker of solar-energy components fell as much as 9.3 kroner, or 13 percent, to 61 kroner, the biggest intraday loss since Dec. 9. They were at 62.4 kroner as of 11:35 a.m. in Oslo.

[Los Angeles nears water rationing](#)

LOS ANGELES (Reuters) - With a recent flurry of winter storms doing little to dampen California's latest drought, the nation's biggest public utility voted on Tuesday to impose water rationing in Los Angeles for the first time in nearly two decades.

[UN Searches for New Employees as CO2 Projects Swell](#)

(Bloomberg) -- The United Nations is looking for project managers and carbon-market experts to approve a backlog of wind farms, industrial-gas reduction projects and other ventures to cut carbon-dioxide emissions.

[NYC can expect big storms more frequently: study](#)

NEW YORK (Reuters) – New York City's average temperature could rise by as much as 7.5 degrees Fahrenheit this century, and once-in-a-century storms may occur as often as every 15 years, a climate change panel said on Tuesday.

[Andean glaciers 'could disappear': World Bank](#)

LIMA (AFP) – Andean glaciers and the region's permanently snow-covered peaks could disappear in 20 years if no measures are taken to tackle climate change, the World Bank warned Tuesday.

A World Bank-published report said rising temperatures due to global warming could also have a dramatic impact on water management in the Andean region, with serious knock-on effects for agriculture and energy generation.



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