



## DrumBeat: February 23, 2009

Posted by [Leanan](#) on February 23, 2009 - 9:38am

Topic: [Miscellaneous](#)

### [Colonial delays pipeline expansion indefinitely](#)

Colonial Pipeline on Monday announced it had indefinitely postponed plans to expand its petroleum pipeline between Gulf Coast refineries and Atlanta.

Demand for gasoline and other petroleum products is down, making it difficult to project future market conditions, the company said in a statement.

### [Lower increases in global temps could lead to greater impacts than previously thought, study finds](#)

Princeton, NJ - A new study by scientists updating some of the findings of the Intergovernmental Panel on Climate Change (IPCC) 2001 Third Assessment Report finds that even a lower level of increase in average global temperatures due to greenhouse gas emissions could cause significant problems in five key areas of global concern.

The study, published in the Proceedings of the National Academy of Sciences, is titled "Assessing Dangerous Climate Change Through an Update of the IPCC 'Reasons for Concern.'"

### [2008 Was Earth's Coolest Year Since 2000](#)

Climatologists at the NASA Goddard Institute for Space Studies (GISS) in New York City have found that 2008 was the coolest year since 2000. The GISS analysis also showed that 2008 is the ninth warmest year since continuous instrumental records were started in 1880.

### [European officials go wild with new car incentives for buyers](#)

European governments are giving price discounts directly to buyers of new cars, hoping to stimulate sales for troubled automakers, fuel national economies and replace older,

more-polluting cars.

The explosion of simultaneous plans has astonished analysts.

"Europe seems to be going quite mad, launching schemes to help," says Nigel Griffiths, chief auto economist in consultant IHS Global Insight's London office. "Very good job; very fast. All done independently in the past six or seven weeks."

#### [4 ways to fix Detroit - but none are easy](#)

Force a merger? Fund a GM bankruptcy? Allow Chrysler to die? There are no good choices for Washington in dealing with the auto crisis.

#### [Oil prices tumble below \\$39 despite OPEC cuts](#)

NEW YORK – Oil prices tumbled below \$39 a barrel Monday as traders shrugged off reports that OPEC had slashed production, focusing instead on falling stock prices.

Light, sweet crude for April delivery for April delivery fell 4 percent, or \$1.59, to settle at \$38.44 a barrel on the New York Mercantile Exchange.

#### [Iraq gives Kuwait \\$13.3 billion in compensation](#)

KUWAIT CITY: Kuwait said on Monday it has received a total of \$13.3 billion in compensation from Iraq for the 1990 invasion and occupation of the oil-rich emirate by Saddam Hussein's forces.

#### [Woman 'fined' for low power use](#)

An energy-conscious pensioner claims she is being "fined" by British Gas for using too little electricity.

Margaret Pracy, from Brighton, who has a pre-payment meter, made her home as energy efficient as possible and uses only about £5 of power a week.

Now British Gas is to charge her 54p extra a week, because her consumption has fallen below the minimum threshold.

#### [Scores of Australians flee new wildfire flare-ups](#)

MELBOURNE, Australia - Scores of people fled their homes in southern Australia on

Monday after strong winds fanned still-burning wildfires, triggering fears of a new wave of destruction after the blazes that killed more than 200 people this month.

### [The best measure of oil price is what you paid today](#)

Market watchers at the International Energy Agency, for example, have continued to refer to a structural tightness in the oil market and the risk of oil shocks even as the world market is absorbing so much surplus crude that traders are buying the stuff just to store it on the high seas in tankers.

As soon as prices collapsed, researchers wasted no time in predicting the next spike. Some even said it could come within a year.

Those with egg on their face include the head of Total, Christophe de Margerie, who embraced the theory of peak oil and insisted that prices had entered a new paradigm.

### [Total Won't Immediately Sign \\$5 Billion Iran Gas Deal](#)

(Bloomberg) -- Total SA, Europe's third-largest oil company, has no immediate plans to sign a delayed \$5 billion deal for development of Iran's South Pars natural-gas field, Chief Executive Officer Christophe de Margerie said.

### [Portugal floats offshore wind farm plan](#)

Portugal has become a prime spot for wave energy farms, given the coastal conditions and the government's support for renewable energy projects. Now Portuguese energy powerhouse Energias de Portugal has signed an agreement with Seattle's Principle Power for a deep-water floating wind farm.

### [Coal-fired utility signs big solar deal](#)

NRG Energy, one of the United States' most coal-dependent utilities, on Monday signed a deal with California startup eSolar to develop solar power plants.

### [Peak Oil: why \\$40 per barrel is no cause for complacency](#)

These days it is comforting to have one thing not to worry about. As the world teeters on the edge of a full-blown depression, and business is crushed between slumping sales and seized-up credit markets, at least the oil price is in retreat. From an historic high of \$147 per barrel last July to around \$40 today, the price of crude has collapsed so quickly it is tempting to believe it means the end of the energy crisis; that the spike was just some speculative aberration; and that all talk of 'peak oil' is so 2008.

It is true that the horizon has been utterly transformed. Last year the big issue keeping many company bosses awake in the small hours was rising energy bills - this year all manner of competing spectres haunt their sleepless nights. But to relegate oil simply because the price has slumped is to misunderstand the causes of the recent spike and collapse, and therefore the future outlook for energy prices and what it means for business and the climate.

### [Which capitalism will it be?](#)

The crisis in global capitalism demands a revolution in spirit - fundamental change in attitudes and behavior. Reform cannot merely rush parents and kids back into the mall; it must encourage them to shop less, to save rather than spend.

Penalize carbon use by taxing gas so that it's \$4 a gallon regardless of market price, curbing gas guzzlers and promoting efficient public transportation.

And how about giving producers incentives to target real needs, even where the needy are short of cash, rather than to manufacture faux needs for the wealthy because they've got the cash?

### [Gulf countries counting on \\$204B in projects](#)

Countries of the Middle East's Gulf Coast will invest \$204 billion in oil and gas projects in 2009, or 11 percent more than in 2008, say organizers of October 2008's OGS 2009 tradeshow and conference.

Some 265 projects are said to be currently underway, either in planning stages or under construction.

### [Oil prices stay low amid slowdown](#)

World oil demand is expected to average 85.10mn bopd in 2009, a decline of 0.6mn bopd YoY. The decline in OECD oil demand is expected to outweigh demand from Non-OECD countries. World oil demand growth will come largely from China, Middle East and other Asia. These countries will make up for 78.0% of Non-OECD growth, according to OPEC. In 2008 high oil prices and removal of subsidies in the first seven months and economic crisis in the second half led to oil demand destruction. The gloomy economic outlook for 2009 with major world economies in recession is expected to lead to a further decline in oil demand. The US unemployment rate has reached 7.6% while major Asian economies are facing a major decline in export revenues.

### [OPEC cutback fends off 20-dollar fall: Kuwaiti official](#)

KUWAIT CITY (Xinhua) -- Recent output cuts of the Organization of Petroleum Exporting Countries (OPEC) have thwarted a looming price slump of 20 dollars per barrel, a Kuwaiti oil official said here on Monday.

"But for OPEC cut decisions, oil prices could have slipped to 20 dollars per barrel," Nawal al-Fezeaa, Assistant Undersecretary of the Kuwaiti Ministry of Oil, told the official Kuwait News Agency (KUNA).

#### [Reform, regulation in focus at Nigeria oil meet](#)

ABUJA (Reuters) - Oil and gas investors are looking for clarity from Nigeria on long-awaited energy sector reforms and reassurance about its regulatory environment at a major industry conference starting in Abuja on Monday.

#### [Treasury mulls options for GM, Chrysler](#)

Obama administration says that all options - including bankruptcy - are being considered for the struggling automakers.

#### [Alaska: Governor backs off renewable energy support](#)

Gov. Sarah Palin has trimmed back her support for renewable energy in the face of declining oil revenues, but the Legislature is still pushing forward with last year's proposed projects.

#### [UK: CPA blasts energy firms on insulation failure](#)

Andrew Warren, director of the Association for the Conservation of Energy, says energy companies have only been insulating 575,000 cavity walls a year, rather than the 950,000 the government had expected.

Instead, many energy companies are meeting emissions targets by other means, such as by sending out low-energy light bulbs.

#### [Slice of Stimulus Package Will Go to Faster Trains](#)

It may be the longest train delay in history: more than 40 years after the first bullet trains zipped through Japan, the United States still lacks true high-speed rail. And despite the record \$8 billion investment in high-speed rail added at the last minute to the new economic stimulus package, that may not change any time soon.

## [Outsmarted by the Smart Grid?](#)

Let's go back and examine these issues one at a time. First, start with the premise that the smart grid will enable us to redistribute energy consumption throughout the day. It's fitting that the girl is standing in front of a clothes dryer because that and washing dishes are the only examples anyone has ever been able to come up with about how residential users are going to "redistribute" their energy consumption.

What else can they do? Are they going to wait until after midnight to watch television? Are they going to heat up dinner at 4 a.m.? Are they going to turn on lights at sunrise instead of when it gets dark? And how about air conditioning, that most voracious consumer of electricity? One suggestion floated by the Electric Power Research Institute (EPRI) in "The Green Grid," a study published last June, is that people might "pre-cool" their homes by running the air conditioning in the morning in anticipation of hot afternoons. This may indeed level peak loads. But it will also consume more energy, since some of the pre-cooling will obviously dissipate.

There's one more thing about drying your clothes at 10 p.m. Have you ever noticed what happens if you leave wet clothes sitting in the washer? They start smelling a little moldy, don't they? Maybe this idea about drying your clothes just after you wash them isn't such a bad idea...

## [Cuts at power companies raise red flags about reliability](#)

Utilities are aggressively cutting spending on new power plants and wires, raising concerns about higher prices or electricity shortages when demand rebounds in a year or two.

Utilities and independent power suppliers plan to shave capital budgets 10% in 2009 and 2010, according to Edison Electric Institute, the industry trade group. The 2009 cuts could total 20% by year's end, says Larry Makovich of Cambridge Energy Research Associates.

"When the economy rebounds, electric power is likely to rebound at the same time and quite strongly," he says. "We have a legitimate concern there's going to be a price to pay."

## [Unitil clients: We've had enough](#) - *Storm response highlights years of anger for some*

It wasn't just the December ice storm.

There were the lofty salaries for executives and the record earnings of \$8.6 million the company reported two years ago while customers were paying the second highest electricity rates in the state.



That, on top of the years of unanswered complaints about broken poles and overgrown tree limbs threatening wires. Residents in Greater Fitchburg still clearly recall the hardships they faced a decade ago when a similar storm left them in the cold and dark, some as long as a week.

### [Oil rises on views US may step up banks rescue](#)

VIENNA – Improved confidence in financial markets, helped by reports the U.S. government may increase its ownership in Citigroup, boosted oil prices above \$40 a barrel Monday despite a steady stream of bleak corporate and economic news.

### [Aramco-Shell Saudi refinery resumes exports](#)

DUBAI (Reuters) - Saudi Aramco and Royal Dutch Shell's joint venture Jubail refinery restarted oil exports on Monday after bad weather interrupted the flow for four to five days, shipping sources said.

Exports across the Gulf had restarted on Monday after bad weather disrupted crude flows from Iran and Kuwait. Refined product exports from Iran, Kuwait and Saudi Arabia were also interrupted.

### [Kuwait restarts oil exports after storm disruption](#)

KUWAIT (Reuters) - Kuwait resumed oil exports on Sunday after a halt caused by adverse weather conditions, which also affected Iran, a spokesman of a Kuwaiti state oil company said on Sunday.

### [Opportunities for Iraq](#)

The recent trip to Iraq by President Nicolas Sarkozy of France was a good omen for Iraq and also for America. Sarkozy was candid about his aims. "I came to show France's willingness to take part in the economic development of Iraq, in the rehabilitation of its infrastructure," he said. Left unsaid was a desire to make sure the French oil company Total - which once held contracts with Saddam Hussein - will be given consideration as Iraq begins writing new contracts with foreign oil companies.

This ulterior commercial motive is precisely what makes Sarkozy's Iraqi sojourn a positive sign. It says that government analysts have begun to see the light at the end of the Iraqi tunnel. Their interest confirms that security has improved markedly and that Iraqis are starting to resolve their differences by political means. Sarkozy's visit means that France sees Iraq as a sound investment opportunity.

### [BP, Shell Net to Fall More Than Peers, Barclays Says](#)

(Bloomberg) -- BP Plc and Royal Dutch Shell Plc, Europe's largest oil companies by market value, will suffer bigger profit declines than peers as crude prices stay near lows, according to analysts at Barclays Plc.

### [What we are not told about oil prices](#)

Gasoline prices keep going up and the price of oil goes down. Obviously this is a sign that big oil companies are gouging us. Ask any Democrat politician, ask President Obama, read any newspaper, watch CNN, NBC, ABC, CBS and MSNBC, they will all say the same thing. In fact, ask your neighbor, he will also tell you the oil companies are fixing oil prices and gouging the public. Why not, no one explains oil prices so what else is one to believe?

### [Forties Crude Declines After BP Sells Total a Second Shipment](#)

(Bloomberg) -- North Sea Forties crude fell after BP Plc, Europe's second biggest oil company, sold Total SA a second shipment in as many days.

A cargo of Forties loading in 10 to 23 days cost 5 cents a barrel less than Dated Brent, according to data compiled by Bloomberg. That compares with a premium of 13 cents on Feb. 20.

### [Saudi to halt fuel oil exports 3 mths ahead: trade](#)

SINGAPORE/DUBAI - Saudi Aramco will halt fuel oil exports three months ahead of the start of summer, due to swelling demand for power generation fuels and tighter gas supplies, industry sources said on Monday.

The world's top oil exporter is also expected to import the residual fuel at the start of the second quarter-between two and four cargoes a month over the summer-as supply of alternative utility fuels tightened, they added.

### [Diesel to Dip Below Gas as Valero Output Rises, Aiding VW Jetta](#)

(Bloomberg) -- Diesel is falling below gasoline after two almost uninterrupted years of selling at a premium as the global recession saps demand for the world's most-consumed transport fuel and inventories rise.



### [China loan turns Russian oil east](#)

For China in the medium to long term, according to one Russian bank, the new deal will "provide an impetus to massive development of Eastern Siberia" from which China is best placed to benefit. "We believe that two options are possible: greater [Chinese] access to the East Siberian fields (currently two upstream projects via a joint venture with Rosneft) and the potential transformation of East Siberian Pacific Ocean pipeline network into a joint stock company, with China getting 49% or 50% control in it."

If the latter materializes, that would give Beijing a control stake in an oil port to be built at Kozmino Bay, near Nakhodka, on the Sea of Japan.

### [China prepares to buy up foreign oil companies](#)

China is preparing to open a new phase in its race for the world's resources by using its huge currency reserves to buy foreign oil and gas companies.

### [BP freezes managers' pay as employers cut budgets](#)

BP has become the latest large UK company to implement a pay freeze, *The Times* has learnt.

The salaries of virtually all the senior and middle managers who work around the world for Britain's largest company by market value will be the same in 2009 as they were in 2008.

### [Pa. may reveal secrets in gas shale rush](#)

HARRISBURG — Three decades ago, environmentalists and public officials rang the alarm when the price of fossil fuels shot up and drilling companies descended on western Pennsylvania's oil and gas fields in search of paydirt.

The state Legislature responded with the 1984 Oil and Gas Act, which forced the companies to comply with strict new environmental standards — but also handed them a cushion that allowed them to keep secret most information about their below-ground discoveries for five years.

Now, with a fresh wave of exploration companies flocking to Pennsylvania in pursuit of natural gas in the sprawling Marcellus Shale rock formation, state legislators are considering peeling back that cloak of secrecy.

### [Kuwait likely to weaken dinar to boost budget](#)

Kuwait is expected to continue to depreciate the dinar against a strengthening dollar to help stimulate the Gulf Arab state's economy by boosting oil revenues, economists said yesterday.

The Opec member has let the dinar fall below the levels of its old peg to the dollar to offset a recent rise in the dollar and support government efforts to shore up the economy.

### [Swans Commentary: Blips #81](#)

WHICH BRINGS ME BACK to the Doomsters. Some welcome the chaos in the making in the name of the famed "socialist revolution," but others, often located in the U.S. -- people who have made a business (often profitable) of predicting doom and gloom -- lend a hand to the repressive times ahead. People like James Howard Kunstler, Jay Hanson of dieoff.org fame, Jan Lunberg of "Cultural Change," Dale Allen Pfeiffer of Surviving Peak Oil, conspiracy theorist Michael Ruppert of From the Wilderness, Matt Savinar of Life After the Oil Crash, are just a small sample of that notorious crowd.

ONE TO PARTICULARLY ENJOY is Dmitry Orlov, who for years predicted the collapse of the former Soviet Union and is now predicting the same outcome for the U.S. Orlov's recent speech given on February 13, 2009, at the Long Now Foundation -- a bunch of new/old-age do-gooders -- in which he claimed "that all the [support] systems and institutions that are keeping us alive [are crashing]." Says Orlov: "Forget 'growth,' forget 'jobs,' forget 'financial stability.' What should their [the policy makers] realistic new objectives be? Well, here they are: food, shelter, transportation, and security." Orlov goes on with a mind-numbing rant that includes getting a tiny chunk of land to grow food and an AK-47 for security. Notice that health care and education are not a part of his program... One should read the entire diatribe, "Social collapse best practices," to get a clear picture of today's face of reaction. Gloom and doom, it actually is -- and utterly socially irresponsible.

### [Economic crisis bodes well for electric cars](#)

ANALYSIS: The next five years is likely to see the rapid development and deployment of new vehicle technology in the context of favourable policies taking shape in the United States, Europe, China and Israel . While the global recession, credit crunch and low oil prices will act to slow investment across the economy, aggressive industry policy to support electrification will help cushion manufacturers of electric and other highly efficient vehicles from the recession's effects.

### [China's Chery Auto unveils electric car: company](#)

SHANGHAI (AFP) – China's largest independent carmaker Chery Automobile rolled off its first plug-in electric car this week, the latest Chinese automotive company to produce

an alternative energy vehicle.

The all-electric car, S18, can go up to 150 kilometres (93 miles) on one charge and has a maximum speed of 120 kilometres (72 miles) an hour, the company said in a statement.

### [Tokyo Electric to build solar plant in California: report](#)

TOKYO (AFP) – Tokyo Electric Power Co. will build a solar power plant in the US state of California through its subsidiary Eurus Energy Holdings Corp., according to a report.

### [Iraq invites France back to build nuclear plant](#)

BAGHDAD, (AFP) – Electricity Minister Karim Wahid on Sunday invited France to help Iraq build a nuclear power plant, three decades after Paris constructed a reactor near Baghdad that was bombed by Israeli warplanes.

### [U.S. Biodiesel Said to Face European Union Tariffs by March 13](#)

(Bloomberg) -- The European Union plans to impose tariffs on U.S. biodiesel to protect EU producers from American subsidies and price undercutting, said two people familiar with a case that threatens to heighten trans-Atlantic trade tensions.

### [Developers say biodiesel project still alive](#)

Although they have not provided regular updates to town of Montezuma officials as once promised, the developers of a proposed biodiesel plant in the town said last week that their project is still on solid ground.

“The news is there is no news,” said David Colegrove, president of the Auburn BioDiesel Corp. “We haven't had any news to release.”

Colegrove's statements followed a town meeting days earlier when residents expressed concern about the viability of the project, given the lack of communication coming from the owners.

### [Can Geothermal Power in Iceland Thaw a Frozen Economy?](#)

Iceland hopes to use its geothermal resources to innovate its way out of the financial crisis.

### [Australia: Tensions boil over on climate change](#)

Tensions over climate change have boiled over, with an angry Nationals senator berating a senior public servant during a parliamentary hearing.

Senator Ron Boswell, concerned that emissions trading will cost jobs, lashed out at the bureaucrat after he tried to say the cement industry would not be decimated by the scheme.

"You are a bureaucrat that's never been in the market in your life," Senator Boswell barked.

### [Ending a climate of inertia](#)

Less than a month into the job, Lisa Jackson, the new administrator of the Environmental Protection Agency, has already engineered an astonishing turnaround. She has pledged to reverse or review Bush administration directives that had slowed the government's response to global warming and has brought a new sense of urgency to an issue that President George W. Bush treated indifferently.

### [Ministers get close look at Antarctic ice threat](#)

TROLL RESEARCH STATION, Antarctica – A parka-clad band of environment ministers landed in this remote corner of the icy continent on Monday, in the final days of an intense season of climate research, to learn more about how a melting Antarctica may endanger the planet.

Representatives from more than a dozen nations, including the U.S., China, Britain and Russia, were to rendezvous at a Norwegian research station with American and Norwegian scientists coming in on the last leg of a 1,400-mile (2,300-kilometer), two-month trek over the ice from the South Pole.

### [U.S. Climate Change Science Program Must Focus on Health, Experts Say](#)

WASHINGTON, Feb. 23 /PRNewswire-USNewswire/ -- The U.S. Climate Change Science Program (CCSP) must make public health a strong focus as it undergoes an internal reorganization under the Obama administration, say leading medical experts, health and environmental groups.

A memorandum signed by 22 medical experts and 10 groups recommends that CCSP correct the program's historic "relative under-emphasis... on human health and human dimensions in general" and instead address "the important and growing gaps in knowledge and practice."

## [US Climate Czar: CO2 Regulation Ruling To Come Soon](#)

WASHINGTON -(Dow Jones)- President Barack Obama's climate czar said Sunday the Environmental Protection Agency will soon issue a rule on the regulation of carbon dioxide, finding that it represents a danger to the public.

The White House is pressing Congress to draft and pass legislation that would cut greenhouse gases by 80% of 1990 levels by 2050, threatening to use authority under the Clean Air Act if legislators don't move fast enough or create strong enough provisions.

## [Simply Hoping That Humanity Will Save The Environment May Do More Harm Than Good, Experts Argue](#)

ScienceDaily — Do you "hope" that everyone will see the light and start living more sustainably to save the environment? If so, you may be doing more harm than good.

So say an environmental scientist and an environmental ethicist in a provocative essay in the journal, *The Ecologist*. John Vucetich, assistant professor of animal ecology at Michigan Technological University, and Michael Nelson, associate professor of environmental ethics at Michigan State University, challenge the widespread belief that hope can motivate people to solve overwhelming social and environmental problems.



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