



DrumBeat: March 10, 2009

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Topic: [Miscellaneous](#)

[T. Boone's Beautiful Wind](#)

A bad bet on oil prices caused the 80-year-old tycoon to lose about \$2 billion last year, and investors fled his hedge fund. His wife, Madeleine, had to rethink her plans to rescue thousands of wild horses from slaughter; she's now asking for federal funds. And Pickens's prize initiative -- a huge investment in wind power -- has been scaled back by 75 percent.

Now, Pickens is relying on the kindness of strangers. "I need you, all of you: Help me on this," the billionaire told the participants in the EnergyBiz magazine conference yesterday. Before leaving, he repeated: "Join with me on this. I need you. I seriously need you."

What he needs, specifically, is for the government to back a national energy grid and an expansion of natural gas vehicles -- policies that would dramatically increase the value of Pickens's holdings in wind, water and gas. That obvious self-interest, and Pickens's role in conservative causes such as the Swift boat veterans' assault on John Kerry, has made would-be allies on the political left suspicious of his motives.

[Iran's First Nuclear Plant to Begin Generating Power by Aug. 22](#)

(Bloomberg) -- Iran's first nuclear power plant, in the southern city of Bushehr, will begin generating electricity by Aug. 22, the Energy Ministry said.

The 1,000-megawatt power plant, where test operations were started last month, will produce some 500 megawatts by that date, Energy Minister Parviz Fattah said, according to a report today on state television's Web site.

[Russia and Hungary sign gas pipeline deals](#)

Hungary and Russia signed deals Tuesday spelling out their cooperation in building a new natural gas pipeline that strengthens Russia's domination of European energy supplies.

Russia's state-controlled gas supplier Gazprom and Hungary's development bank agreed to set up a joint venture on building the Hungarian leg of the South Stream pipeline that would bring gas from the Caspian Sea region to Europe.

[Wondering if Crude Could Fall Even More](#)

In recent weeks, as oil traded around \$40 a barrel, the conventional wisdom among specialists was that the price decline that began last summer was largely over. Amid production cuts by the OPEC cartel, oil had apparently found a floor that would last until the global economy rebounded.

But a growing chorus of analysts and economists is questioning that notion. While theirs is a minority view, they see troubling conditions in the oil market that could still push prices down sharply — and a global economy that is getting worse, not better. Some are predicting that oil could fall to \$20 a barrel and stay low for years.

Petroleum executives generally do not regard this prospect as likely. But in a year when dire predictions about the economy keep coming true, they fear it is a possibility. Another big drop could lead to a sustained period of low investments, and many executives say that would set the stage for prices to soar once the global economy finally starts to recover.

“The industry needs reasonable prices,” Zhou Jiping, the vice president of the China National Petroleum Corporation, said at a conference last month in Houston held by Cambridge Energy Research Associates. “If prices stay below \$40 a barrel, a large number of wells have to be shut down.”

[Chevron Drills 43 Prospects to Stem Slide in Output](#)

(Bloomberg) -- Chevron Corp., the second-biggest U.S. oil company, is drilling 43 major prospects from Australia to Canada after posting its biggest drop in output since 2003.

[BP reports reserve replacement ratio of 121% in 2008](#)

UK-based integrated oil and gas company BP has added 1.7 billion barrels of new oil and gas to its reserves base in 2008, a replacement ratio of 121%, excluding acquisitions and divestments.

[Economic mess hitting offshore rig market](#)

The decline in oil prices and the global economic crisis are having a negative effect on exploration and production (E&P) activities worldwide, a trend that will likely continue for some time. Jackup markets in particular show signs of softening due to rising supply

and declining demand as operators scale back operations to ride out the current financial mess.

[Qatar to Ship Liquefied Gas to Dubai, Starting 2011](#)

(Bloomberg) -- Qatar will deliver liquefied natural gas to Dubai through a Royal Dutch Shell Plc offshore import terminal a year later than previously planned, Qatar's oil minister said.

[Kremlin may sack head of Russia oil region - paper](#)

MOSCOW (Reuters) - The long-serving head of Russia's oil producing Bashkortostan region may leave his post within weeks, a newspaper reported on Tuesday, but his administration said he had no plans to step down.

If Murtaza Rakhimov is removed, he would be the most powerful casualty yet in a clear-out of regional leaders that analysts have linked to concern in the Kremlin that the economic slump is fuelling social unrest.

[Gulf countries pursue gas projects despite credit crunch](#)

Gulf oil producers are pushing ahead with costly gas projects despite a sharp decline in their crude export earnings and tough global credit markets.

Experts said the global financial crisis could even prompt regional countries to intensify their gas projects on the grounds they ensure a stable income in the long term and a diversified economy.

[Total to Cut 500 Refining, Chemical Jobs, Unions Say](#)

(Bloomberg) -- Total SA, Europe's third-largest oil company, plans to cut at least 500 jobs at its French refining and petrochemical operations to counter falling demand for gasoline exports, according to labor unions.

[Reliance resolves issues, to sign pact with fertiliser units](#)

New Delhi (PTI): Reliance Industries has resolved almost all issues with fertiliser firms, who are first in line to receive natural gas supplies from the Mukesh Ambani-run company's prolific KG-D6 fields, and is likely to sign gas supply agreements this month.

[We need protection now against home heating emergencies - say authors of new reports](#)

Halifax, N.S. - Our safety is at risk when governments fail to respond effectively to changing heat supplies and prices, according to Larry Hughes, the lead author of two new reports released today by the Canadian Centre for Policy Alternatives in Nova Scotia.

The reports: Energy security in the residential sector: Rapid responses to heating emergencies, Part 1: The Fundamentals by Larry Hughes and Part 2: Nova Scotia, by Larry Hughes and Dave Ron, shed light on the serious financial and health problems people have when they cannot access energy to heat their homes because of energy costs or supply shortages, or both—called heating emergencies.

[Modern problems need new, extreme solutions](#)

With climate change, unprecedented demographic changes, looming energy shortages and a suffering economy all converging, today is one of the scariest and most exciting times in human history.

How we fare and how we deal with change will mostly fall on the shoulders of students in the university ranks and during the 51st annual conference of the Western Division of the Canadian Association of Geographers, keynote speaker Thomas Homer-Dixon let students from across Canada, Oregon and Washington State know of their responsibility.

[A report from the M.I.T. Energy Conference: The future of clean energy is... coal?](#)

CAMBRIDGE, MASS.—You could be forgiven for showing up to the M.I.T. Energy Conference here this past weekend looking forward to hearing how clean energy was going to take the world by storm. After all, Friday night, the exhibition hall was full of solar, small wind and cellulosic biofuel projects, sandwiched in between better batteries, fuel cells, nukes and algae. And the agenda was full of sessions on bioenergy, wind power, energy storage and smart grids.

But for a conference billed as "accelerating change in global energy," there was a consistent theme: Today's main sources of electricity—fossil fuels, particularly coal—are not going to stand aside for renewable sources without a significant shift in policy.

[100 million new farmers? North Carolina writer calls for agricultural revolution](#)

Newton and New York writer Sharon Astyk call for a grassroots-led agricultural revolution that would result in 100 million people becoming farmers and millions more becoming home cooks.

It sounds like a radical idea. At first. But reading their book, one comes away with the

feeling that this makes plenty sense; without a credible alternative, more Americans will grow food in order to tackle various food-related challenges, including the desire to move away from agriculture's dependence on fossil fuels.

[A Call to Go \(Nearly\) Paperless](#)

It's not just TP that we're addicted to. Paper products make up the largest portion of our waste stream and cutting back has never been easier.

[Top 10 Myths about Sustainability](#)

Even advocates for more responsible, environmentally benign ways of life harbor misunderstandings of what "sustainability" is all about.

[Nine meals from anarchy? - Patrick Holden is the Al Gore of food security](#)

"Think of the global credit crises," he says. "Well, in 10 to 15 years we could see something similar happen with food, a sort of global food crunch. This would have far worse consequences than this financial crises ... In just a few generations we have burned almost all our reserves of fossil fuel and pumped the gas into the atmosphere."

Holden refers to the fact that almost all the food in the Western world is grown using oil. Tractors and harvesters run on diesel, chemical pesticides are made from oil; fertilisers are either made directly from oil or mined from rapidly diminishing mineral reserves.

He also describes a global food production and distribution system that uses oil to transport food not only around the world but within national borders.

"We rely so much on oil for our food that if something were to disrupt that supply, such as a political incident like we saw recently when Russia cut off gas supplies to Europe this winter, terrorism or war, then our food stocks would run out.

"We must also consider that we have reached peak oil production and it's just going to get more expensive from now on."

[Oil rises to near \\$48 as OPEC signals supply cuts](#)

Oil rose to near \$48 a barrel Tuesday after OPEC signaled it will likely announce another production cut within days, adding to large supply reductions the cartel has already implemented.

[OPEC Requires 100% Quota Compliance Before More Cuts](#)

(Bloomberg) -- OPEC, supplier of about 40 percent of the world's oil, needs full compliance with production quotas before discussing a further reduction in output, Qatar's oil minister said.

"We cannot discuss another cut until we see the compliance at 100 percent," Qatar's Oil Minister Abdullah bin Hamad al- Attiyah said in an interview in the capital Doha today. "The first step is to make sure we see full compliance."

[Crude Oil Prices May Rally to \\$64 a Barrel: Technical Analysis](#)

(Bloomberg) -- Crude oil may climb to as high as \$64 a barrel if the price closes above \$46.40 a barrel this week, according to technical analysis by National Australia Bank Ltd.

"Oil is looking more convincing by the day with the moving average formation just turning positive," said NAB Capital charting consultant Gordon Manning in a research report today. "This note will dip its toes into the water and suggest a rally back to \$64 is under way."

[Russia to cut oil export duty to \\$108 from April 1 - ministry](#)

MOSCOW, March 10 (RIA Novosti) - Russia will cut its oil export duty from the current \$115.3 to \$108-\$112 per metric ton from April 1, a Finance Ministry official said on Tuesday.

[Woodside 'Remains Dismayed' at Australia Carbon Plan](#)

(Bloomberg) -- Woodside Petroleum Ltd., operator of Australia's biggest liquefied natural gas project, said it remains "dismayed" that the country's carbon trading plan fails to recognize the contribution of gas to cutting emissions.

[China May Start Receiving Myanmar Gas Through Pipeline in 2013](#)

(Bloomberg) -- China, the world's second-biggest energy consumer, may start receiving natural gas from Myanmar's Shwe project through a cross-border pipeline in April 2013.

China will import 400 million cubic feet of gas a day from Myanmar's offshore fields, U Aung Htoo, director of planning at state-run Myanmar Oil and Gas Enterprise, said in an interview in Seoul today.

[Saudi Aramco Maintains Japan Oil Supply Reductions](#)

(Bloomberg) -- Saudi Aramco maintained cuts in contracted supplies of oil to Japan in April, refinery officials said, fueling speculation OPEC's largest producer may not urge a further reduction in crude output when the group meets March 15.

[Crisis will not delay Kashagan oil project - Shell](#)

ALMATY (Reuters) - The global economic crisis will not hinder the development of the giant Kashagan oilfield in Kazakhstan by a consortium of global oil firms and may even help reduce its costs, a Shell executive said on Tuesday.

[Total, ConocoPhillips Discuss Lowering Canada Costs, Echos Says](#)

(Bloomberg) -- Total SA is in talks with ConocoPhillips on sharing the cost of building infrastructure to develop Alberta's oilsands, Les Echos reported, without saying where it got the information.

[Kuwait Resumes Oil Exports as Weather Improves](#)

(Bloomberg) -- Kuwait resumed oil exports less than two hours after a heavy sand storm and strong winds forced the country to suspend operations, a Kuwait National Petroleum Co. spokesman said.

[China Splurges on Foreign Oil](#)

China appears to be banking on its nearly \$2 trillion in foreign currency reserves to deal with its growing reliance on foreign oil.

[China govt oil reserve full - shipper](#)

BEIJING, March 9 (Reuters) - China has filled all four of its state-owned emergency oil reserve tanks to the brim and should now invest in oil tankers to add more to inventories while oil prices are low, a senior industry executive said on Monday in a rare acknowledgement of Beijing's secretive oil inventories.

Coupled with data last week showing a one-third rise in commercial crude oil stockpiles last year, the admission suggests that a large share of of China's oil import growth last year was pumped directly into storage, and could be relied upon quickly to soften any demand recovery or if prices should rise.

[Why Is China Stockpiling Oil?](#)

One thing you cannot say about the Chinese government is that they don't have a very long-term vision. This is an interesting article on Reuters about how the country has fully loaded its oil reserves and now is looking to load up ships for even more. I wonder what we are doing... ah yes, that whole bank thing. One good thing about a near dictatorship is if you have the right people in charge at least you don't have to do this whole consensus building stuff.

[Canada: Words and intent Versus funding and planning](#)

Rising energy costs will become the largest transportation issue of a generation. As part of its self-sufficiency agenda, the province recently released it's vision of transportation entitled N.B. at the Center. The report outlines a plan for an integrated transportation system to support economic and social development, enabling the province to be self-sufficient by 2026. If that is the goal, this is a disappointing document.

In fact, some argue it perpetuates a vision that is glued to the rear-view mirror. Someone in the department should have breathed the term "peak oil" to the plan's authors.

[Energy policy: Down to business](#)

The global energy challenge is a mass of inconvenient truths, which many of our detractors have only a vague awareness of or choose to selectively ignore. But what can you draw from these facts presented? The most important is that the private oil and gas companies are not in control of the global energy system: governments are, directly and through the ownership of NOCs such as Gazprom. All serious commentators recognise this – even Monbiot, who writes: “on this issue Jeroen van der Veer and I agree; oil companies should not seek to determine a country’s energy mix, that is for the government to decide.”

[Smart meters could help minimize energy consumption](#)

Smart meters are digital meters that look much like traditional meters, said OG&E spokesman Gil Broyals. But the outdoor meters feed information to a wireless device inside the home that lets homeowners know how much energy they’re using.

The device plugs into electrical outlets and displays data on energy use. That data, which shows consumers how much energy they’re using at different times of day, helps make customers aware of when they are wasting energy or could afford to cut back, said Broyals.

The first test run of the Positive Energy Community project was conducted in northwest

Oklahoma City last summer. During the test run, homes that had smart meters installed used about 15 percent less energy than they did before the new meters were installed.

[Interior secretary has wind power on agenda](#)

WASHINGTON - Interior Secretary Ken Salazar said Monday that the waters off the Atlantic coast hold some of the country's greatest wind energy potential, and he promised to move aggressively to develop plans to exploit the resource.

[How Ethanol Makers Hope to Prevent Collapse](#)

Even before the recession took hold, the ethanol industry was suffering. Recent months haven't been any kinder. So industry representatives are urgently turning to the Obama administration, asking it to do something they say is critical for their survival: change the federal limit on how much ethanol can be blended into gasoline.

[Agriculture secretary wants more ethanol in gas](#)

WASHINGTON - Agriculture Secretary Tom Vilsack says the government should move quickly to increase the amount of ethanol allowed in gasoline.

[Pelosi backs higher U.S. ethanol-to-gasoline blend](#)

WASHINGTON (Reuters) - House Speaker Nancy Pelosi said on Monday that she supported a higher ethanol-to-gasoline blend rate as a way to reduce reliance on petroleum imports.

[ANALYSIS - Biofuels for airlines promising, but hurdles remain](#)

LONDON (Reuters) - Biofuels could be used to fly commercial airlines within the next decade as a viable alternative to kerosene, although costs and concerns over environmental impact remain big barriers.

[A Sober Look at Biofuels From Algae](#)

First-generation biofuels are based on commonly available agricultural commodities such as wheat or corn. Second-generation biofuels process lignocellulosic biomass, such as corn stover, straw or wood. There is now a lot of talk about third-generation biofuels, which include algae-based biodiesel or ethanol. Seed Science Ltd. spent several months examining the technical and economic feasibility of algae-to-biofuels in British Columbia.

As a result, skepticism has surfaced as to whether algae will be part of the biofuels future, whether in British Columbia or elsewhere.

[Scientists on the streets](#)

It is tempting to try and capture people's attention with apocalyptic messages, with the media egging us on. But it's a dangerous game. Prosaically, at this week's conference every contrarian will be looking to seize on a seemingly crazy comment from a scientist to allow them to dismiss the whole conference as alarmist. Those of us concerned about climate change need to be more sophisticated in choosing how we communicate about the issue.

[Obama's shaky trust in science](#)

In stem cell research, President Obama plans to keep the politics out of the science. But not so for global warming. He's ignoring key advice from most climate scientists that developed countries must act quickly to reduce carbon emissions. To Mr. Obama, the politics of avoiding a public backlash against tough curbs on CO₂ trumps the science.

[EU Carbon Dioxide Permits Jump to Six-Week High as Oil Rises](#)

(Bloomberg) -- European Union emission permits jumped to their highest in six weeks as crude oil advanced, potentially boosting the price of cleaner-burning natural gas.

[Climate change accelerates water hunt in U.S. West](#)

SAN FRANCISCO (Reuters) – It's hard to visualize a water crisis while driving the lush boulevards of Los Angeles, golfing Arizona's green fairways or watching dancing Las Vegas fountains leap more than 20 stories high.

So look Down Under. A decade into its worst drought in a hundred years Australia is a lesson of what the American West could become.

[Stern: Climate change deniers are 'flat-earthers'](#)

Climate change deniers are "ridiculous" and akin to "flat-earthers", according to Sir Nicholas Stern, who advised the government about the economic threat posed by global warming. The respected economist compared climate naysayers to those who deny the link between smoking and cancer or HIV and Aids in the face of mounting scientific evidence.

[World carbon emissions, by country](#)

The US is no longer number one emitter of carbon dioxide, having been overtaken by China in these latest figures.

[Climate scientists gather, and the news is not good](#)

COPENHAGEN (AFP) – Only months before make-or-break UN climate talks in Copenhagen, an extraordinary conclave of climate scientists gathered here Tuesday to warn that global warming is accelerating more quickly than forecast by a key UN report for policymakers.

The UN Intergovernmental Panel on Climate Change (IPCC) concluded in early 2007 that global warming, if unchecked, would unleash a devastating amalgam of floods, drought, disease and extreme weather by century's end.

But a welter of new research suggests the impact could be even worse, and will arrive sooner rather than later.



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