



DrumBeat: May 31, 2009

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Topic: [Miscellaneous](#)

[Deffeyes Update: May 29th, 2009](#)

My apologies for not posting a Current Events item earlier; I'm in the late stages of writing a third book on oil.

Bloomberg News reports that a high-level commission may be appointed to explore the roots of the present economic crisis. Bloomberg quotes Charles Geisst, a professor of finance at Manhattan College, who says that the commission would have to "dig way below the surface and get to the bottom of what caused all of the problems." It seems blatantly obvious that the crisis was caused by the end of growth in the world oil supply. Suggested people for the panel are Sandra Day O'Connor, Paul Volker, and Arthur Levitt. None of them could find peak oil using both hands and a flashlight. How about appointing a geologist like T. Boone Pickens to the commission? O'Connor, Volker, and Levitt will come out with recommendations for armor-plating the banking system, but the crisis could have had different effects from the same cause. Other countries could have stopped reinvesting our trade deficit back in the USA, or oil could have switched from pricing in dollars to pricing in Euros.

[Ecuador Saves \\$252 Mln Swapping Oil for Products With Venezuela](#)

(Bloomberg) -- Ecuador has saved about \$252 million by swapping crude oil for refined products with Venezuela, President Rafael Correa said.

"That alone justifies all the agreements with this country," Correa said on his weekly radio-and-television address, according to a statement on his Web site.

[Not Mixing With Rest of Economy, Oil Floats Higher](#)

Edward Morse, chief economist of LCM Commodities, said: "The main determinant of oil prices over the past two months have been expectations. We are in an 'expeculation' frenzy."

He said that investors were looking to oil as a way to protect themselves from inflation and predicted that a sluggish economy, a weak driving season and contained inflation

would bump oil prices back down again in the coming weeks.

Other analysts said there were signs that U.S. motorists and truck drivers, who consume more than one in every eight barrels of oil produced worldwide, were not reverting to earlier driving habits even though U.S. pump prices for regular gasoline average \$2.45 a gallon, a full \$1.50 lower than they were last year at this time, according to the auto club AAA.

[Abundant Energy Supplies Ease Hurricane Season Concerns](#)

Hurricane season isn't as threatening as it used to be, at least for energy markets mired in a recession.

The 2009 Atlantic Hurricane season, which officially starts on June 1 and lasts through Nov. 30, comes amid a global slump in oil and gas demand. Although well-aimed storms -- should they hit major refining center -- could still cause gasoline prices to spike, analysts say the threat to natural gas prices has softened, and crude oil prices are unlikely to move much on storm-related outages.

That's because the U.S. has come to rely less on the Gulf of Mexico's natural gas production, and crude output from the region is just a small piece of a relatively depressed global market -- representing less than 2% of worldwide demand.

[Shell to Cut 350 - 450 Senior Managers](#)

LONDON (Reuters) - Royal Dutch Shell plans to cut 350-450 senior management roles as it restructures to cut costs and improve operational performance, according to a website to which Shell employees post internal information.

The cuts represent almost 30 percent of Shell's "Senior Executive Group" layer of management, John Donovan, the operator of the Royaldutchshellplc.com website said. Earlier this week Shell announced a major restructuring but gave no targets for job or cost cuts.

[Horizontal Drilling Raises Questions about Changes to State Regulations](#)

The Oklahoma Corporation Commission has called a special meeting for June 30 to discuss whether regulatory changes are needed to accommodate increased horizontal drilling in the state.

Among the issues likely to be discussed is whether spacing and unitization regulations that govern the drilling of oil and natural gas wells need to be changed, Corporation Commissioner Dana Murphy said. "With all the technological advances on horizontal drilling and conventional and unconventional units, we just want to make sure our staff

is keeping up with technology and see if there are rules and processes that we need to change, modify or improve," she said.

[Western world is faced with the crude reality of rising oil prices](#)

Cheaper crude has delivered the world's oil-importers – not least the major Western economies – an annualised windfall saving of \$1,600bn (£1,000bn). That's more than all the heralded fiscal stimulus packages announced by the US, UK and eurozone for both this year and next.

The current situation is bad, but how bad would it be if Western firms and consumers faced rocketing energy prices?

[Pipelineistan goes Iran-Pak](#)

The earth has been shaking for a few days now all across Pipelineistan - with massive repercussions for all the big players in the New Great Game in Eurasia. United States President Barack Obama's AfPak strategists didn't even see it coming.

A silent, reptilian war had been going on for years between the US-favored Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline and its rival, the Iran-Pakistan-India (IPI) pipeline, also known as the "peace pipeline". This past weekend, a winner emerged. And it's none of the above: instead, it's the 2,100-kilometer, US\$7.5 billion IP (the Iran-Pakistan pipeline), with no India attached.

['Gas imported from Iran to generate 5000MW'](#)

ISLAMABAD—Pakistan will use gas imported from Iran to generate 5,000 mega watts of electricity, the Pakistani prime minister's advisor on petroleum and natural resources said.

Asim Hussain said that natural gas imported from Iran will be exclusively used to generate 5,000 megawatts of electricity, ISNA wrote.

He said that Pakistan needs 8 to 10 billion cubic feet of gas while the supply is only four billion cubic feet. To a question, he said that Iranian gas is not expensive in comparison with natural gas, which is going to be even costlier than petrol due to high caloric value and environment-friendly nature.

[Aramco renegotiates contracts on US\\$12bn refinery](#)

State-owned hydrocarbons giant Saudi Aramco is looking to renegotiate a number of contracts for the construction of the Saudi Aramco Total Refining Co (Satorp) refinery in Jubail, Saudi Arabia.

News agency Reuters reported that six out of the 13 contracts for the 400,000 barrels per day (bpd) refinery, a joint venture with French oil company Total, are up for renegotiation as Aramco look to take advantage of the sharp drop in prices for raw materials that has occurred in the last few months.

[Shell execs accused of 'collaboration' over hanging of Nigerian activist Ken Saro-Wiwa](#)

"If you call off the campaign, maybe we can do something for your brother." A New York court will claim this week that Brian Anderson, Shell's former top official in Nigeria, used those words when asked to intercede with the country's military regime to save activist and writer Ken Saro-Wiwa from being executed.

[No respite to power cut](#)

HYDERABAD: With the monsoons round the corner and no end to power cuts, Transco officials said despite improved generation, there will be no respite to power cuts as the faulty distribution system is leading to frequent tripping all across the state.

Till Saturday, the Greater Hyderabad region was experiencing power cuts of about two to three hours per day which is even more in the rural areas. And farmers, for whom the kharif season begins as soon as the monsoon sets in, are a worried lot in view of the erratic free power supply.

[Oil contracts still a hot topic](#)

June lies at our doorstep, and the promise of summer helps diminish memories of ice storms, shoveling the steps and cranking up the thermostat.

But oil heat retailers say now is the time to start shopping around for a heating oil plan, and while some consumers who locked into fixed price contracts last summer felt betrayed by prices that dropped steeply during the heating season, some companies said they will continue to offer them as a hedge against rising prices.

[Worried book industry gathers for convention](#)

Except for e-books, sales are down throughout the publishing industry and the numbers have looked even steeper for audio. The Association of American Publishers has seen a 47 percent drop in audio revenue this year: Just 14 publishers reported, but they

include Simon & Schuster, HarperCollins and virtually all the major New York companies.

...The shrinking economy has had a very direct impact. The fewer people who work, the fewer people who drive to work. And many audio customers listen in their cars, more than half, according to Chris Lynch, executive vice president and publisher of Simon & Schuster Audio, which just released "America's March to Socialism," an audio-only book by Glenn Beck.

"We got hit pretty badly last summer when gasoline prices were so high," Lynch says. "And then the stock market crashed in the fall and we got hit again."

[How To Send Energy Across a Continent](#)

Remember the Woodstock of physics? Probably not. Back in the spring of 1987, though, headlines were trumpeting it as the most exciting scientific meeting in history. Three thousand physicists crammed into a ballroom at the New York Hilton to talk about superconductivity—the transmission of electricity with literally zero resistance. The technology was suddenly within reach of being economical. So it appeared, anyway, and that could mean anything from superfast computers to tiny, powerful electric motors to power lines that could carry current with no loss of energy.

In the more than two decades since, superconductors haven't grabbed many headlines. That's partly because the new materials discovered in the late '80s proved to be a lot harder to work with than anyone expected, and partly because their energy-saving wizardry wasn't in high demand during most of the 1990s. But nowadays, using less energy is a key strategy in the fight against climate change—and a lot of the technical problems that have dogged superconductor technology have been solved. "Five years ago, I'd have been skeptical," says Robert Cava, a Princeton materials scientist who was in on the original Woodstock of Physics. "But after years and years and years of people beating their heads against the wall, they've finally got it."

[UK won't hit its target for renewables](#)

BRITAIN is failing to green its economy, according to previously unpublished reports from the Department of Energy and Climate Change (DECC).

The internal forecasts show that by 2020 the UK will be sourcing only 5% of its energy from renewables, far short of the 15% target we signed up to with the European Commission.

[Is the Nuclear Renaissance Fizzling?](#)

Nuclear power may be making a comeback, but long-standing problems with the

technology still could lead to canceled orders and renewed public opposition.

[Tidal Power Keeps on Truckin'](#)

Ocean power has suffered some setbacks recently, such as Pelamis' bellyflop in Portugal and the UK's WaveHub losing a developer, but the industry isn't slowing down — in fact, it's been a busy month for tidal technology. While there are only a small number of wave or tidal power projects in oceans and rivers right now, and large-scale projects remain a few years away, the race is on for companies hoping to get a first-mover's advantage.

['Smart Turbine Blades' To Improve Wind Power](#)

Researchers have developed a technique that uses sensors and computational software to constantly monitor forces exerted on wind turbine blades, a step toward improving efficiency by adjusting for rapidly changing wind conditions.

The research by engineers at Purdue University and Sandia National Laboratories is part of an effort to develop a smarter wind turbine structure

[The Ethanol Lobby: Profits vs. Food](#)

If you had two customers for the same product and one paid more than the other, which customer would you choose? That's the situation in which ethanol producers in the U.S. find themselves. They could grow corn and other crops for food and get one price, or produce the same crops for biofuel and get a higher price and tax credits. The problem is that by focusing on more profitable biofuels, farmers not only deplete the food supply, they are also producing an alternative fuel whose usefulness is still hotly debated.

[Landfill methane gas now powering UNH](#)

At the Waste Management facility, there are two power generating plants that take the landfill gas and convert it into 9 megawatts of power, used to power the whole facility with some left over that is sold to the New England power grid.

But according to Davis, "we still had extra gas" being harvested from some 300 wells over 200 acres of landfill. And 40 more acres are permitted and ready to go into use.

"We started looking for someone who might want to take it," Davis said. The excess gas would otherwise be burned, a "waste of a usable energy source," he said.

Meanwhile, UNH had built a co-generation plant in 2006, which produces both heat and electricity for the campus. Recognized nationwide for its sustainability work, the university was intrigued when Davis approached officials with his idea of using landfill gas to power its buildings.

[Electric Motorcycles Gain Traction](#)

Get ready for an American motorcycle revolution. That deep Harley rumble and the siren call of the Suzuki whine will soon be sharing the road with silent bikes. A slew of sleek, lightweight machines, either fully electric or hybrid, is making its debut and signaling a paradigm shift in both motorcycle culture and green transportation.

['Earth 2100': the Final Century of Civilization? - Planet at Risk: Experts Warn Population Growth, Resource Depletion, Climate Change Could Bring Catastrophe in Next Century](#)

It's an idea that most of us would rather not face -- that within the next century, life as we know it could come to an end. Our civilization could crumble, leaving only traces of modern human existence behind.

It seems outlandish, extreme -- even impossible. But according to cutting edge scientific research, it is a very real possibility. And unless we make drastic changes now, it could very well happen.

Experts have a stark warning: that unless we change course, the "perfect storm" of population growth, dwindling resources and climate change has the potential to converge in the next century with catastrophic results.

[The Context of 'Low Product': How designers can help articulate a new social language](#)

Will "no product" become the new brand? John Hockenberry provocatively suggests that given the global economic crisis, "no product" is now plausible. But how plausible given our society organized around economic growth? I'm talking here about consumerism as both the primary purpose of growth, and its principal driver—the high product context.

[How Obama Made Energy Platform 'Pop': President Has Gained Support by Framing Issues in Terms of Jobs, Security](#)

Now, four months into his presidency, Obama has elevated energy and climate issues to near the top of his agenda; he has made them pop by packaging them as ways to create "green" jobs and reduce U.S. dependence on imports of foreign oil. Favoring pragmatism over moral suasion, the president is attempting to make a sharp shift in national policy on an issue that many voters have yet to embrace as a priority, advisers and lawmakers say.

His efforts, combined with those of congressional Democrats, have already pushed forward groundbreaking initiatives. February's stimulus act lavished money on projects

for renewable energy, energy efficiency and energy research. This month, the White House announced that it had negotiated corporate, state and environmentalist support for higher fuel-efficiency and tailpipe-emissions standards that would clamp the first nationwide limits on greenhouse gases.

[Climate change bill still in doubt](#)

WASHINGTON -- Environmentalists celebrated earlier this month when a key House committee approved a contentious proposal to combat climate change after months of often-bitter public deliberations and intense closed-door negotiations.

But for congressional supporters of the bill, the really hard part is just beginning.

[Ten reasons why population control can't stop climate change](#)

In Australia, a discussion has surfaced about whether population control measures should be a key plank in the climate action movement's campaign arsenal. Here are 10 reasons why such a decision would hinder, rather than help, the necessary task of building a movement that can win.

[Climate Change Now 'Biggest Global Health Threat'](#)

WASHINGTON (OneWorld.net) - Climate change is currently the biggest global health threat, a leading medical journal has said, noting that water scarcity, shifting food resources, and extreme weather will drastically affect the world's poor unless development efforts are stepped up.

[New Solar Cycle Prediction](#)

Right now, the solar cycle is in a valley - the deepest of the past century. In 2008 and 2009, the sun set Space Age records for low sunspot counts, weak solar wind, and low solar irradiance. The sun has gone more than two years without a significant solar flare.

"In our professional careers, we've never seen anything quite like it," says Pesnell. "Solar minimum has lasted far beyond the date we predicted in 2007."

In recent months, however, the sun has begun to show timorous signs of life. Small sunspots and "proto-sunspots" are popping up with increasing frequency. Enormous currents of plasma on the sun's surface ("zonal flows") are gaining strength and slowly drifting toward the sun's equator. Radio astronomers have detected a tiny but significant uptick in solar radio emissions. All these things are precursors of an awakening Solar Cycle 24 and form the basis for the panel's new, almost unanimous forecast.



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