



## DrumBeat: July 6, 2009

Posted by [Leanan](#) on July 6, 2009 - 10:00am

Topic: [Miscellaneous](#)

### [Peter Tertzakian: The Wealthy World at its 'oil break point'](#)

Recovering-economy-equals-higher-oil-prices is a mostly valid notion in a “peak oil” world; however, everyone in the oil business should be aware that the relationship between economy and demand for petroleum products is changing significantly in mature western countries -- a block of nations that I call the “Wealthy World.” In these 30 or so rich countries, where 46 million of the world’s 84 million barrels a day of petroleum are consumed, positive economic activity no longer has much if any impact on demand growth. Put another way, don’t assume that more oil will be guzzled in Wealthy World when the big economies of the United States, Japan and European Union break out of their six-quarter blue funk.

First, let’s be clear that we are not in a recession, but a contraction. Recession means a slowdown in growth, contraction means outright shrinkage. The wealth of Wealthy World economies, of which the United States is the largest, kept shrinking through the second quarter, making them poorer on a year-over-year basis for the first time since the Second World War. Consensus estimates suggest that when the second-quarter numbers get reported, U.S. shrinkage will be around two and three per cent, a major bout of wallet tightening that, not surprisingly, has led to unemployment of 9.5 per cent (as reported last week).

For oil demand, the distinction between recession and contraction is important, because GDP growth and oil consumption typically move in tandem, especially in industrializing nations. So an economic contraction translates into a fall in absolute oil consumption, not just a stunting of growth.

### [Misreading the economy, then and now](#)

While speculation in the markets may have some role in the price swings, they are mostly a result of the new energy paradigm. Call it peak oil if you wish, but it's another reality of discontinuity that puzzles the conventional wisdom. Thus we have the yo-yo effect (exaggerated by speculation and unwinding of leveraged contracts). Oil prices rise as there's a chance the world economy is reviving, and with it demand again outstripping production; they drop back as that hope is dashed, as happened with Friday's unemployment report.

## [Lisa Margonelli: "Free" vs. Peak Oil](#)

The low cost of energy has underwritten much of what we accept as reality. Free shipping for buying an extra book on Amazon is a case in point. But so is the bargain price of goods made in China with subsidized fuel and cheap container transport. And so are suburban McMansions, enabled by mortgages that didn't take the cost of power into account. Long commutes in big cars were enabled by cheap gas, which seemed inconsequential until it topped \$2 a gallon (and then \$3 and then \$4.) In the US, energy is a "right" as much as an expense, which changes its psychological price, at least.

## [Raymond J. Learsy - Biden: "We Misread How Bad The Economy Was." A Comment Scripted By The American Petroleum Institute?](#)

The nation consumes some 20 million barrels of oil daily. A doubling of price to the current circa \$66/bbl dollars means a daily additional "tax" on American consumers and industry of some \$660 million. Simple arithmetic: 20 million barrels by \$33 (the difference in today's \$66/bbl price to February's \$33/bbl) totaling \$660 a day. In rough numbers, making allowances for variations from these benchmarks both up and down, the massive total cost to the economy impacted by the doubling of oil prices from the end of February through the first days of July was near \$70 billion. This realtime sum virtually neutralizes in large measure that portion of government's stimulus package that has been spent to date.

## [What Oil Price can America Really Afford?](#)

Saudi Oil Minister, al-Naimi, has warned that under-investment in oil capacity may lead to a return to \$150/barrel oil, "or even worse." The Paris-based IEA has also warned of price shocks due to resurgent demand and restricted investment. Will a high price environment truly emerge, or are price spikes followed by brutal recessions more likely, as experienced in the last year? And what is more important, the absolute price of oil or the rapidity of the price increases? A tour through the historical record may provide some insight.

## [Shell Downgraded by HSBC on Refining, Investment Plan](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's largest oil company, was downgraded by HSBC Holdings Plc on costs for unconventional crude projects such as oil sands in Canada and possible weak refining margins.

## [Battle looms in Brazil offshore oil push](#)

Brazil's plan to overhaul laws governing massive offshore oil reserves faces an uphill battle for approval in a potentially hostile Congress, slowing Brazil's drive to become a

major energy exporter.

### [California's green dream](#)

America is waking up to the reality of peak oil and climate change. In California there are very different responses to the crisis: some pin their hopes on new technology, while others advocate a radical change of lifestyle.

### [Technology can help Saudi tap 'real' oil wealth](#)

Saudi Arabia controls nearly \$16.9 trillion (Dh62trn) worth of oil reserves under its arid sands but the wealth could sharply rise with the advent of more advanced production technology, a key Saudi bank said yesterday.

The National Commercial Bank (NCB) said the kingdom's oil resources that can be recovered by present technology are estimated at around 260 billion barrels but they account for just a fraction of the real oil deposits.

### [Gazprom spending spree troublesome](#)

MOSCOW (UPI) -- Excessive spending on reserves and acquisitions in a poor economic climate could overextend Russian energy giant Gazprom beyond profitability, trends suggest.

### [Alaska: The Final Frontier for Natural Gas](#)

Alaskan natural gas has been touted as the next big think for years. Build-up in Alaska, especially in the resource-rich North Slope, has been talked up as natural gas prices have risen only to get pushed aside when prices retreated and the projects are no longer viewed as profitable.

### [Alberta premier Stelmach vows to ensure security at oil and gas sites after B.C. bombings](#)

CALGARY - Premier Ed Stelmach says the province is working with oil and gas companies to ensure their worksites are properly protected as attacks escalate against EnCana pipelines in northeastern British Columbia.

### [Serbia's Largest Petrochemicals Co May Halt Production Over Crude Oil Shortage - Media](#)

BELGRADE (Serbia) (SeeNews) – Serbia's largest petrochemicals producer, HIP

Petrohemija, may halt production due to a crude oil shortage, local broadcaster b92 reported on Wednesday.

### [Death sentence declared for insurgents](#)

Nigeria's oil rich Delta State has enacted the Death Sentence Bill for kidnappers caught with arms and a life imprisonment for unarmed kidnapers.

### [Bond issuances to double Venezuela's domestic debt](#)

Although the price of the Venezuelan oil basket, which is the source that provides USD 95 out of each USD 100 that enter the country, has risen and it has currently reached USD 60, more than twofold the price of Venezuelan crude oil last December, President Hugo Chávez's Administration has implemented an extensive borrowing plan to expand government funds and increase expenditures.

### [Russia's LUKOIL to invest in new US refinery](#)

MOSCOW (Reuters) - Russia's LUKOIL will invest in a new refinery on U.S. eastern coast together with its partner ConocoPhillips, the Kremlin said in documents on Monday prepared for the visit of U.S. President Barack Obama.

### [The Problem with Biokinetic Sequestration](#)

Writing in the current (6 July 2009) edition of Peak Oil Review, James W. Bunger, PhD asserts, "Peak Oil May Solve the Climate Change Problem without Regulation."

He contends that there is no need to regulate carbon dioxide emissions using cap and trade schemes like those found in the Waxman-Markey Bill (HR 2454) because two natural force are at work: rapidly approaching limitations on fossil fuel availability and natural (biokinetic) sequestration.

### [Russia bank may help Ukraine with \\$4 bln gas loan](#)

KIEV (Reuters) - Ukraine's state firm Naftogaz could secure up to \$4 billion in financing with the help of Russian investment bank Troika to ensure payment for gas imports from Moscow, the Internet site Ukrainska Pravda reported on Monday.

A banking source later told Reuters that Troika is only large enough to serve as a conduit for the funds, which could ultimately come from Russian gas export monopoly Gazprom.

## [Kunstler: The Free and the Dead](#)

I was out on a big Adirondack lake in a canoe this weekend while the American economy was dying -- but you wouldn't have known it for the fleets of giant power boats dragging children back and forth across the water on rubber tubes, and the giant camping vehicles crammed into every bare spot. How do people pay for these things, I wondered. For not a few, installment loans, no doubt -- though that still begs the question. The sheer programming of American life runs wide and deep. We are, apparently, a people born to drag children behind hundred-and-fifty horsepower two-stroke engines, so that's what we do, no matter what is really going on in the world. Alas, mindless programming is the sort of thing that kills societies.

## [RCMP urge patience in B.C. pipeline bomb probe](#)

RCMP are asking residents in northeastern B.C. to be patient as they investigate the sixth bombing of an EnCana Corp. natural gas pipeline, attacks they are now labelling "domestic terrorism."

## [Petrobras says halts Tupi well on equipment snag](#)

RIO DE JANEIRO (Reuters) - Brazilian state oil company Petrobras PBR.SA said Monday it suspended test production at a well in the offshore Tupi field due to an equipment problem.

The massive Tupi field forms part of a cluster of offshore oil fields buried beneath a layer of salt far below the ocean's surface that hold the potential of turning Brazil into a major energy exporter.

## ['New oil laws wont affect Petrobras'](#)

The Brazilian government's plans to change the nation's oil law will not turn state-controlled oil company Petrobras into an outsourcing producer of crude nor hinder its ability to bid for exploration permits, a local newspaper said today.

Petrobras boss Jose Sergio Gabrielli told Valor that the implementation of production-sharing agreements in the so-called pre-salt deepwater oil reserves will favor the company.

## [German Minister Gabriel Seeks Earlier Reactor Closure](#)

(Bloomberg) -- Germany must speed up the closure of aging nuclear power stations

following an automatic shutdown at Vattenfall AB's Kruemmel reactor over the weekend, Environment Minister Sigmar Gabriel said.

"We must pull these older nuclear plants from the grid," Gabriel said on Germany's ARD television today. "That means tightening up the legislation we have."

### [Report warns reliance on wind will drive power price volatility](#)

The expansion in wind energy capacity across the British Isles will result in huge electricity price volatility unless major reforms are undertaken to grid management in the UK and Ireland.

That is the conclusion of a study released last week by research firm Pöyry Energy Consulting, which warns that significant investment in grid technologies will be required to ensure that the intermittent nature of wind energy does not undermine the reliability of electricity supplies.

### [Wind-Turbine Orders Fell 50% in First Half of 2009, MAKE Says](#)

(Bloomberg) -- Wind turbine makers around the world reported 50 percent fewer orders in the first half of 2009 than a year earlier and the market won't improve until the last three months of the year, an industry consultant said.

Manufacturers have made "widespread" job cuts and prices for turbines in Europe and the U.S. have fallen 5 to 25 percent in the same period, according to a research-note excerpt posted today on the Web site of MAKE Consulting.

### [China Wind Companies Poised For Green Policy Boost](#)

HONG KONG/BEIJING - China's ambitious plan to increase wind power capacity could attract up to \$150 billion in investment, but Beijing will have to get serious about revamping regulations and building much needed infrastructure.

### [Corn ethanol has little effect on food prices](#)

WASHINGTON — A new report from the Congressional Budget Office confirms what hundreds of economists and industry experts have stated for months: Using corn for ethanol has little impact on the price of food. Rather, the main culprits driving the higher cost of food are energy costs, excessive unregulated speculation in the commodities future market and a weak dollar.

The CBO analysis says ethanol was only responsible for 0.5 percent to 0.8 percent of the

rise in food prices.

### [States seek tests for older drivers](#)

Driving is often vitally important for seniors. Several studies have shown that taking the keys from elderly drivers who have no other transportation can cause them to become depressed or inactive, lose access to health care and die sooner.

### [Hybrids help Toyota, Honda dominate Japan car sales](#)

TOKYO (Reuters) - Toyota Motor Corp's Prius hybrid was Japan's best-selling car in June while Honda Motor Co's rival Insight ranked fourth, helping the two hybrid leaders dominate the list of top-selling models.

Sales of the Prius, which was remodelled in mid-May, jumped 258 percent to 22,292 units from the year-earlier month, data from the Japan Automobile Dealers Association showed.

### [Cash squeeze may put United Airlines in a bind](#)

Rather than banking cash from peak-season flying this summer as they normally do, United and its peers are paying a king's ransom to borrow money to get them through the winter months, when demand for air travel usually chills.

But after leveraging everything from frequent-flier miles to spare jet engines, United is running low on assets that it can use as collateral for debt or sell to raise cash. That limits the Chicago carrier's options as it faces new requirements by its credit card processors to keep unrestricted cash near the present level of \$2.5 billion, analysts said.

### [Global Warming May Sap Productivity for Those With Outdoor Jobs](#)

(Bloomberg) -- Tea pickers in India, coffee-bean harvesters in Vietnam and millions of outdoor workers will be less productive because of rising temperatures from global warming, according to a study.

### [Volatile Swings in Price of Oil Stir Fears on Recovery](#)

The extreme volatility that has gripped oil markets for the last 18 months has shown no signs of slowing down, with oil prices more than doubling since the beginning of the year despite an exceptionally weak economy.

The instability of oil and gas prices is puzzling government officials and policy analysts, who fear it could jeopardize a global recovery. It is also hobbling businesses and consumers, who are already facing the effects of a stinging recession, as they try in vain to guess where prices will be a year from now — or even next month.

### [Oil hits 5-week low](#)

LONDON (Reuters) -- Oil fell to around \$64 a barrel on Monday and touched a five-week low, pressured by doubts over the prospects for a global economic recovery.

The U.S. jobless rate reached a 26-year high and Euro zone unemployment is at the highest in a decade, reports showed last week. Oil fell even after militants attacked oil installations in major African exporter Nigeria.

### [UK and France target less oil volatility](#)

France and Britain called today called for discussions between oil producers and consumers to curtail oil price volatility.

### [Crude oil's rally built on house of cards](#)

The recent rally in crude oil prices may have come to an end, having been built on a house of cards.

### [Oil on the boil, again](#)

We know that hydrocarbons are finite and that oil can only be burnt once. But the oil supply curve is more elastic than peak oil theorists maintain.

The world as a whole does not peak and decline like individual fields: we face a long undulating plateau in supply as technology and oil price squeeze more oil out of reservoirs.

### [Iran Is Poised to Increase Price of Light Crude Oil](#)

(Bloomberg) -- National Iranian Oil Co. is poised to increase the official selling price for its main Iranian Light crude oil to Asia in August to the highest in 13 months after Saudi Arabia raised prices yesterday.



## [Saudi slashes July gasoline imports by 40pc](#)

Saudi Arabia, the world's top oil exporter, will slash gasoline imports by 40 percent in July as new domestic production capacity comes online, traders said on Monday.

The world's top oil exporter is expected to import around 34,100 barrels per day (bpd) of the motor fuel in July, because of the start-up of a gasoline production unit at its \$10.3 billion Rabigh Refining and Petrochemical Company.

## [Oil prices moving us further into the forest](#)

Last week Goldman Sachs' Energy Watch led with the headline: "As the financial crisis eases, an energy shortage lies ahead."

For Goldman, the energy shortage will include a four-stage oil price.

This is further evidence of the sentiment now spreading through investment banks - global recovery will stimulate asset prices.

## [On Oil's Sesquicentennial, The Dream Becomes a Nightmare](#)

On August 27th, we'll celebrate the 150th anniversary of Colonel Edwin Drake's completion of the world's first successful oil well near Titusville, Pennsylvania. That discovery and the many that followed planted the seeds of an industrial, economic and cultural revolution that transformed America from an agrarian backwater into a global superpower. For the next 114 years, oil was cheap, plentiful and the solid bedrock of the American Dream. Since the early '70s, however, the dream has gradually become a nightmare as domestic and global oil production began an irreversible decline.

## [Gasoline Peaking as Refinery Output Nears Record, Demand Slows](#)

(Bloomberg) -- Gasoline, the best-performing commodity investment this year, may be peaking as refiners make fuel at near-record rates and demand slows with rising unemployment and the global recession.

## [Russian 2009 Oil Output May Fall 0.9%, Bernstein Says](#)

(Bloomberg) -- Russian oil production is likely to fall 0.9 percent this year from last year's average of 9.78 million barrels a day amid declining drilling, Sanford C. Bernstein analyst Oswald Clint said in a research note.

While second-quarter production showed unexpected strength, the performance of individual companies, fields and assets "does not provide enough evidence to suggest

that this strength is permanent,” the report said.

### [Oil Price Shocks and Market Fundamentals](#)

Capital expenditure (capex) in the oil and gas sector has reportedly been declining since the precipitous fall of crude oil prices from the peak of about US\$147 per barrel in July 2008. Speculation has inevitably been rife about a price shock occasioned by the inability of supply facilities to meet demand requirements (due to withdrawal of the enabling investment) when the global economy begins to rebound. The International Energy Agency has projected a price crunch by the year 2012, just 3 years away.

Such concerns may be unrealistic and for three reasons.

### [FSA drug query on rogue trader Steve Perkins](#)

The Financial Services Authority is to examine whether Steve Perkins, the rogue oil broker who caused a worldwide spike in Brent crude oil prices last week, was under the influence of drugs or alcohol when he embarked on his dealing spree.

Perkins, a senior broker at PVM Oil, bought crude futures equal to about 9m barrels from his home in the early hours of Tuesday morning. He used a home computer with remote access to the oil futures trading exchange, for a spree that started at about 2am and lasted for eight hours. By the time he was finished, the price of Brent crude had shot up by more than \$1.50 a barrel to \$73.5, the highest level so far this year.

### [Oil reserves ‘sufficient for 42 years’](#)

The proven global oil reserves of 1,258bn barrels, excluding Canadian oil sands, are enough for 42 years at the 2008 production rates, a BP review said.

On the same basis, global gas reserves are sufficient for 60 years and coal 122 years, the 2009 BP Statistical Review of World Energy said.

Reflecting the extremes of the world economy in 2008, strong growth followed by sharp decline, the review shows that overall primary energy consumption nudged up just 1.4% – the smallest rise since 2001.

### [Russia plays chequebook diplomacy](#)

Russia is using its energy wealth to shore up influence abroad, pouring billions of dollars in loans and grants into former Soviet states and long-standing allies - even as it faces its

own severe economic downturn. Faced with its own economic crisis, the Kremlin could have downplayed its drive to reclaim its former status as a "great power" and fight fires at home. Instead, armed with cash hoarded during years of high oil prices, Russia has gone on a cash offensive - pledging loans and aid to Belarus, Kyrgyzstan, Moldova and Armenia. It has tied in its neighbors to crucial energy deals, and has talked about lending billions of dollars to Ukraine and Serbia.

### [Violent street battles kill dozens in China](#)

Many Uighurs yearn for independence for Xinjiang, a sprawling region rich in minerals and oil that borders eight Central Asian nations. Critics say the millions of Han Chinese who have settled here in recent years are gradually squeezing the Turkic people out of their homeland.

### [China's overseas investments surge](#)

China, sitting on the world's largest foreign exchange reserves of about \$2 trillion earned from burgeoning trade surpluses, has been on a spree to invest its money overseas while attracting inward foreign direct investments.

As China's overseas direct investments skyrocket, some estimates say they could soon overtake China's FDIs.

### [Kuwait refineries well-protected - official](#)

(KUNA) -- Kuwait's oil refineries are well-protected by 700 cameras of various types and 32 kilometers of electric wires, the country's Oil Sector Services Company (OSSC) chairman said here Sunday.

### [Iraq could bring second oil auction date forward](#)

After last week's auction for Iraq's oil and gas fields resulted in only one contract being awarded, a senior official has said that the country will bring forward the date for the second round of bidding and may allow foreign oil companies another opportunity to bid.

### [Iraq looks to cut Kuwait payments](#)

It appears that Iraq is hoping to cut by half the amount of money it is required to pay Kuwait annually for damages inflicted during the first Gulf War, according to an aide to Prime Minister Nouri Al-Maliki. Currently, Iraq turns over 5 percent of its oil revenue to a United Nations war reparations fund created after the 1990 invasion of Kuwait. Kuwait is the fund's primary beneficiary.

Iraqi officials say the financial obligation is a heavy burden as Iraq attempts to rebuild; some say that their country should no longer be required to pay reparations. So far, Kuwait is insisting that Iraq continue its reparation payments. The issue is raising tensions between the two neighbors.

### [Nigeria Rebels Attack Oil Facility, Hijack Tanker](#)

Nigerian militants said Monday they destroyed a Chevron oil pipeline junction and seized six crew from a ship in the latest attacks on Nigeria's key money earner since the government offered an amnesty.

### [Nigeria's Oil Communities Blame Oil Industry for Misery](#)

Barely a week after Amnesty International released a report condemning oil companies for widespread environmental damages and abuse of impoverished communities in the Niger Delta, some of the communities are talking about the hardships they face.

Oil has generated an estimated \$600 billion since the 1960s in Nigeria. But most inhabitants of the country's main producing region have seen few benefits from five decades of oil extraction that has damaged their environment.

### [House: Nigeria May Face Hard Times By 2014](#)

The House of Representatives has warned that the Nigerian economy which largely depend on crude oil exports may witness a major shrink in five years time unless the Federal Government aggressively pursue a policy of diversification of its source of revenue.

### [Yemen Will Be Self-sufficient Of Domestic Gas By 2010](#)

SANA'A (Bernama) -- Yemen will get self-sufficiency of domestic gas by 2010 after setting up a new plant in Safer, Marib province, to produce Liquefied Petroleum Gas (LPG), Minister of Oil and Minerals Amir al-Aydarus has said, reported the Yemen news agency (Saba).

Al-Aydarus said the capacity of the new plant ranges from 700 to 1000 metric tons a day which will achieve the self-sufficiency of domestic gas and will cover the increasing demands of local market in a convenient way.

### [China and Latin America](#)

China's links to the region are deepening fast. Indeed, if the mooted \$15bn bid for Repsol YPF's Argentine oil unit by China's state-owned energy companies CNOOC and CNPC comes off, South America will also be the recipient of China's largest outward investment to date. Bilateral trade with the region has risen 10-fold since 2000, reaching \$143bn last year. China is now Brazil's largest trade partner. It takes almost three-quarters of the iron ore produced by Vale, the world's largest iron ore company. It has been a bigger buyer of Chilean copper than the US, and it is already a major investor in Venezuelan oil – even as Caracas has nationalised several western concerns.

### [Do Peru's uncontacted Amazon tribes even exist?](#)

The existence of uncontacted tribes in Brazil and Ecuador is accepted, but Peru's government has ridiculed the notion of such communities in its part of the Amazon. President Alan Garcia says the "figure of the jungle native" is a ruse to prevent oil exploration. Daniel Saba, former head of the state oil company, is even more scornful. "It's absurd to say there are uncontacted peoples when no one has seen them. So, who are these uncontacted tribes people are talking about?"

### [Seoul gets tough on fuel economy](#)

The government yesterday announced a national program to reduce carbon emissions and raise fuel-economy of new cars starting in 2012 in an effort to combat global warming and energy shortage problems.

The plan will require passenger cars and mini vans with less than 10 passenger seats to run an average of 17 kilometers per liter by 2015 and produce less than 140 grams per kilometer of carbon emissions, officials said. The requirement will be enforced gradually, starting with 2012 vehicle models.

### [Don't be swayed by oil exploration rhetoric](#)

As Sen. Bill Nelson toured Florida threatening his filibuster to stop a federal energy bill, he regretfully demagogued on the "evils" of domestic oil and gas exploration off Florida's coasts and predicted the demise of our state's tourism industry and military bases should this occur. Scare tactics and outrageous claims will not fix our nation's energy crisis. Sen. Nelson's unwavering resistance to domestic exploration of oil and natural gas is stubborn and incongruent with the majority of Floridians who support it.

### [Byron King: Iran Suffering from Own Version of Peak Oil](#)

Iran is suffering from its own version of Peak Oil. Iranian net exports of oil are falling. Iran's oil infrastructure is aging. According to the U.S. National Academy of Sciences, the trend is that Iran will be exporting ZERO oil by 2014, which is a mere five years from

now. That means almost no serious money will be coming in for the Iranian leadership and government.

### [Iran clerics declare election invalid and condemn crackdown](#)

Iran's biggest group of clerics has declared President Mahmoud Ahmadinejad's re-election to be illegitimate and condemned the subsequent crackdown.

The statement by the Association of Researchers and Teachers of Qom is an act of defiance against the Supreme Leader, Ayatollah Ali Khamenei, who has made clear he will tolerate no further challenges to Mr Ahmadinejad's "victory" over Mir Hossein Mousavi.

### [Saudis give nod to Israeli raid on Iran](#)

The head of Mossad, Israel's overseas intelligence service, has assured Benjamin Netanyahu, its prime minister, that Saudi Arabia would turn a blind eye to Israeli jets flying over the kingdom during any future raid on Iran's nuclear sites.

### [Why Jimmy Carter's Malaise Speech Is More Relevant than Ever](#)

Why does the speech matter today and warrant revisiting? Well first off, and strange as it might sound, the speech was a glowing success for the president. Many would think that being tough on the American people would have resulted in bad stuff for the president. But that's not the case. Carter's poll numbers shot up 11% in the wake of the speech, something that rarely happened during his presidency. Americans wrote him letters in copious amounts, almost all of them positive. Many pledged that they would join him in fighting the energy crisis facing America (for instance, walking or biking to work). And somehow, just somehow, the American people appeared fine with hearing that the country – *meaning: themselves* – had grown selfish, corrupt, and soft. They wanted a leader who confronted truths about the country's state of being and who tried to confront the energy crisis as a deeper moral and civic crisis.

### [Cowboys Stadium likely off-limits for drilling](#)

ARLINGTON, Texas - The Dallas Cowboys' new \$1.15 billion stadium would probably be off-limits for underground drilling under the team's contract with the city of Arlington.

City Attorney Jay Doegey said there are concerns about the possible risks of drilling under such an expensive and huge structure, The Dallas Morning News reported Sunday. The stadium weighs more than 805 million pounds.

## [Street Farmer](#)

Like others in the so-called good-food movement, Allen, who is 60, asserts that our industrial food system is depleting soil, poisoning water, gobbling fossil fuels and stuffing us with bad calories. Like others, he advocates eating locally grown food. But to Allen, local doesn't mean a rolling pasture or even a suburban garden: it means 14 greenhouses crammed onto two acres in a working-class neighborhood on Milwaukee's northwest side, less than half a mile from the city's largest public-housing project.

## [Food Wars](#)

In 2006–08, food shortages became a global reality, with the prices of commodities spiraling beyond the reach of vast numbers of people. International agencies were caught flatfooted, with the World Food Program warning that its rapidly diminishing food stocks might not be able to deal with the emergency.

## [Bumper harvest eases Zimbabwe food shortage](#)

BULAWAYO, Zimbabwe // After two consecutive droughts that left them hungry, Douglas Mpofu, a peasant farmer, and his family have harvested enough corn for the next six years.

## [World at Gunpoint, Or, what's wrong with the simplicity movement](#)

So, part of the problem is that “looking down the barrel of environmental catastrophe” makes it seem as though environmental catastrophe is the problem. But it's not. It's a symptom—an effect, not a cause. Think about global warming and attempts to “solve” or “stop” or “mitigate” it. Global warming (or global climate catastrophe, as some rightly call it), as terrifying as it is, isn't first and foremost a threat. It's a consequence. I'm not saying pikas aren't going extinct, or the ice caps aren't melting, or weather patterns aren't changing, but to blame global warming for those disasters is like blaming the lead projectile for the death of someone who got shot. I'm also not saying we shouldn't work to solve, stop, or mitigate global climate catastrophe; I'm merely saying we'll have a better chance of succeeding if we recognize it as a predictable (at this point) result of burning oil and gas, of deforestation, of dam construction, of industrial agriculture, and so on. The real threat is all of these.

## [GM bankruptcy plan approved](#)

NEW YORK (CNNMoney.com) -- General Motors' plan to emerge from bankruptcy, with a lot of help from the federal government, has been approved by a federal judge.

Judge Robert Gerber gave his approval late Sunday after three days of hearings last

week, saying it "is the only available means to preserve the continuation of GM's business."

### [If nuclear power is so great, why aren't we doing it?](#)

The last word on building of nuclear power plants is that even the traditional models are not being built at such a lick. Somewhere, somehow, investors aren't keen, and my suspicion is that expense is at the heart of their concerns, and not waste (environmental) or accident (social) issues.

### [Renewables alone are not the answer](#)

The evaluation clearly indicates that if the Code for Sustainable Homes is to be met on a mass market basis, there is a need to concentrate on low energy homes before zero carbon. Add-ons, in the form of micro renewable technology such as wind turbines, photovoltaic panels and solar thermal, do not consistently deliver the required performance levels and the cost savings that would make them viable. Equally, in order to achieve the ultimate aim of a low energy use society, consumers themselves need to change their behaviours in terms of how they use their homes to make a positive impact on reducing their energy consumption.

### [Wisconsin wind power progress stalls because of outdated transmission system](#)

As support builds for wind and other renewable options, one major question remains: how to move electricity from the wind-swept prairies where it's generated to the big cities where it's needed.

Experts agree the network of wires moving electricity from power plants to end-users is old and unreliable. Adding renewable energy to the load would likely be too much for the system to handle.

### [California solar-power subsidy program approaches its limit](#)

The state's \$3.3-billion solar subsidy program has become so popular that the state utilities are approaching the legal limit for how much power they can buy from customers.

### [Putting the Wind \(Back\) to Work](#)

Wind power is in front of national discussions on energy, the environment and national security, moving from side show to the center ring in the national energy mix. President



Obama gave his Earth Day address at a wind turbine tower manufacturing plant and touted the possibility that the United States could get 20 percent of its energy from wind by 2030. Yet, the wind industry is facing a tough 2009, with prospects for new wind capacity installations at least in the short term seeming to decline.

How can the prospects for this industry be so high while it is experiencing such challenges? A review of the recent history of commercial wind power in the United States shows the industry reaching its fullest potential when at least three variables work together, in addition to the obvious requirements of having suitable technology and an abundance of windy sites to build on.

### [Energy descent and transition in Mexico, part 1](#)

In the last few months, amongst every day's news about the unfolding financial meltdown, the dramatic decline of Mexican oil extraction was about to be forgotten. When recent propoganda about the so-called "swine flu"-outbreak is combined with the fact that the central government is about to lose any capacity to control the mighty drug cartels (a situation that has already reached crisis proportions), the decline seems to be just another serious issue among many. But the more you investigate the current situation, energy descent turns out to be the underlying cause of the Mexican crisis, which is only destined to get worse in the near future.

### [Blair Says Saving Energy Is Faster Fix Than Co2 Trade](#)

(Bloomberg) -- Former U.K. Prime Minister Tony Blair said saving energy and forests will yield faster reductions in greenhouse gases than trading carbon-dioxide allowances.

### [Make state-run banks invest in renewable energy, urges ex-BP chief Lord Browne](#)

State-controlled banks such as Royal Bank of Scotland and Lloyds Banking Group should be forced to invest in renewable energy schemes, helping to kickstart a transition to a lower-carbon economy, Lord Browne of Madingley writes today.

### [Spanish winemakers look to higher ground](#)

MADRID (AFP) – Climate change, which could transform the Iberian peninsula into a semi-desert, is forcing winemakers in Spain to consider moving their vines to higher ground to escape the blistering heat.

Spain, which has more hectares (acres) of vineyard than any other country in the world, "is in the frontline of climate change," said Juan Francisco Cacho, a wine expert at the University of Zaragoza.

### [Tropical zone expanding due to climate change: study](#)

Climate change is rapidly expanding the size of the world's tropical zone, threatening to bring disease and drought to heavily populated areas, an Australian study has found.

Researchers at James Cook University concluded the tropics had widened by up to 500 kilometres (310 miles) in the past 25 years after examining 70 peer-reviewed scientific articles.

### [Leading International Climate Scientists Call on World Leaders for Global Emissions Peak by 2020](#)

L'AQUILA, Italy /PRNewswire/ -- A group of the world's top climate scientists today called on the leaders of the world's major economies to adopt strong measures to address climate change, including a peak in global emissions before 2020.

In a letter addressed to Ministers and Heads of State attending this week's G8 summit and Major Economies Forum on Energy and Climate in Italy, the climate scientists, including several senior government climate science advisors, make specific requests for policy action and warn that failure to reduce emissions presents "unacceptable risks."



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