



Drumbeat: August 2, 2009

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[Warning: Oil supplies are running out fast](#)

The world is heading for a catastrophic energy crunch that could cripple a global economic recovery because most of the major oil fields in the world have passed their peak production, a leading energy economist has warned.

Higher oil prices brought on by a rapid increase in demand and a stagnation, or even decline, in supply could blow any recovery off course, said Dr Fatih Birol, the chief economist at the respected International Energy Agency (IEA) in Paris, which is charged with the task of assessing future energy supplies by OECD countries.

In an interview with The Independent, Dr Birol said that the public and many governments appeared to be oblivious to the fact that the oil on which modern civilisation depends is running out far faster than previously predicted and that global production is likely to peak in about 10 years – at least a decade earlier than most governments had estimated.

But the first detailed assessment of more than 800 oil fields in the world, covering three quarters of global reserves, has found that most of the biggest fields have already peaked and that the rate of decline in oil production is now running at nearly twice the pace as calculated just two years ago. On top of this, there is a problem of chronic under-investment by oil-producing countries, a feature that is set to result in an "oil crunch" within the next five years which will jeopardise any hope of a recovery from the present global economic recession, he said.

[Jeremy Leggett: Another crunch is coming – but will the world act?](#)

There is one major similarity between the energy crisis and the financial crisis and one main difference. These two things tell us a lot about the role of cultures in how our modern version of capitalism plays out.

The similarity is that we are dealing with two massive global industries who have their asset assessment systemically, and roundly, wrong. The difference is that few people and organisations warned about the credit crunch as it approached, where as with the oil crunch, a host of people – many in and around the oil industry – are shouting a warning, and so to are a few good organisations concerned companies span British industry.

[U.S. petroleum growth to be uneven in better economy](#)

WASHINGTON (Reuters) - Fuel demand growth will be uneven as the U.S. economy recovers, with immediate strength in diesel usage from more business activity than gasoline demand, as the hard-hit American consumer will be slower to get back behind the wheel.

[US Energy Consumption - What Does It All Mean?](#)

If the US had not out-sourced a big chunk of its manufacturing base to Asia over the last 30 years, industry sector energy consumption history - indicated by the green line presently hovering around the 30 Quadrillion Btu's per-year mark - would be tracking, now, closer to 40. How will industrial energy consumption shift between Asia and North America if climate action is taken?

[U.S. Rules May Affect Russia's Cash Cow](#)

As regulators in the United States consider limiting speculative trading on oil exchanges, market players are engaged in their own speculation, wondering how the new rules will affect the country's most important export.

[Iraq oil sector sees militant attacks fall](#)

BAGHDAD (Reuters) - Attacks on Iraqi pipelines and other oil facilities have dropped sharply, a top security official said, boding well for the safety of foreign firms wading into Iraq's rich but risky oil sector.

The Iraqi oil sector has fallen prey to repeated attack over six years of chaos and insurgency since U.S.-led soldiers ousted Saddam Hussein in 2003.

[A Quest for Batteries to Alter the Energy Equation](#)

ALLENTOWN, Pa. — In a gleaming white factory here, Bob Peters was gently feeding sheets of chemical-coated foil one afternoon recently into a whirring machine that cut them into precise rectangles. It was an early step in building a new kind of battery, one smaller than a cereal box but with almost as much energy as the kind in a conventional automobile.

The goal of Mr. Peters, 51, and his co-workers at International Battery, a high-tech start-up, is industrial revolution. Racing against other companies around the globe, they are on the front lines of an effort to build smaller, lighter, more powerful batteries that

could help transform the American energy economy by replacing gasoline in cars and making windmills and solar cells easier to integrate into the power grid.

[Questar President: Natural Gas is Abundant](#)

KAYSVILLE -- During the height of the energy crisis in the 1970s, then-President Jimmy Carter projected the United States would exhaust its natural gas supply by 1991.

What Carter did not take into account is the advancement in technology that would be made in directional drilling in drawing those natural resources from the earth, said Ron Jibson, Questar Gas president and CEO.

[Florida: Drilling could top the Capitol agenda in 2010](#)

Congress is offering Florida potentially billions of dollars in royalties if the state bows to the growing clamor to expand oil and natural gas exploration in the Gulf of Mexico. The new guard of leadership in the Legislature is more than willing to play.

[UAE halts crude exports from Jebel Ali](#)

Dubai - The United Arab Emirates halted crude exports from its Jebel Dhanna oil terminal late on Friday, and from its Jebel Ali facility on Sunday, due to a sand storm, a shipping source said.

[Sustainability: utopian and scientific](#)

To make the move to a sustainable future where people are no longer threatened by an ecological catastrophe will require a number of things – above all a strong and broad movement with effective and intelligent leadership and an accurate understanding of the current problems and how they can be overcome. Sadly, only some parts of this constellation of forces are in place today.

In particular the green movement is not an effective political and social movement and the left is still in disarray, largely concerned with defensive politics and harking back to a world long gone.

[For Community Colleges, Wind Technician Training Is a Growth Business](#)

Wind turbine technicians are strongly in demand – and community colleges are moving quickly to fill the need.

[US Immigration Policy Likely to Boost Population: Growth-driven immigration policy risks bringing unfavorable socio-economic and environmental consequences](#)

Contrary to popular thought, the dominant force fueling America's demographic growth is not natural increase, but immigration. This is because immigrants not only add their own numbers to the nation's overall population, but also contribute a disproportionate number of births whose effects are compounded over time. A couple of examples help to illustrate this important point.

[Hydrocarbons in Deep Earth?](#)

The oil and gas that fuels our homes and cars started out as living organisms that died, were compressed, and heated under heavy layers of sediments in the Earth's crust. Scientists have debated for years whether some of these hydrocarbons could also have been created deeper in the Earth and formed without organic matter. Now for the first time, scientists have found that ethane and heavier hydrocarbons can be synthesized under the pressure-temperature conditions of the upper mantle —the layer of Earth under the crust and on top of the core. The research was conducted by scientists at the Carnegie Institution's Geophysical Laboratory, with colleagues from Russia and Sweden, and is published in the July 26, advanced on-line issue of *Nature Geoscience*.

[Political fracture over oil extraction affects Colorado](#)

The battle is now focused on a bill in Congress — co-sponsored by two Colorado Democrats, Reps. Diana DeGette and Jared Polis — to put the process under the federal Safe Drinking Water Act.

Hydrofracturing pumps millions of gallons of fluids into wells under high pressure to crack deep rock strata and release natural gas.

For industry, fracking is the key to unlocking vast reserves, while environmental groups say it is a pollution threat to groundwater.

[Big oil reviewing 'spending' plans as demand wanes, profits slashed](#)

NEW YORK (AP): Oil companies are taking a hard look at their finances following a woeful six months in which slumping energy demand slashed profits for every international integrated crude producer. Oil majors, including Exxon Mobil, French petroleum giant Total SA saw crude production fall during the second quarter. To cope with low energy prices, Royal Dutch Shell said it will cut jobs and capital spending, and Chevron Corp said it will stop natural gas drilling operations in North America. Chevron and Total on Friday were the latest oil majors to report that profits had tumbled by more than 50 percent, though neither said they would cut capital expenditures. The

decision to cut spending, or even consider it several months ago would certainly have raised concerns about a price spike should the global economy rebound. In the current environment, cutting capital spending may be inevitable.

[Gas shortages grow at Calgary stations](#)

A number of Calgary motorists trying to fuel up found themselves running on fumes as temporary shortages continued to plague gas stations across the city Saturday.

Filling up the tank became a game of chance for many drivers.

Several stations were completely out of fuel, while others were out of certain grades of gas. Lineups plagued gas bars running at full capacity.

[Utility Raises Cleanup Cost in Tennessee](#)

KNOXVILLE, Tenn. (AP) — The Tennessee Valley Authority has raised its estimate for cleaning up a huge coal ash spill to \$1.2 billion and partly blamed the cleanup for its third-quarter loss of \$167 million.

[Insurers blame rising home & car premiums on the weather](#)

The cost of insuring your houses and your cars is going up. This shouldn't be much of a surprise, considering the billions of investment losses insurance companies have taken since the market cratered last year. After all, insurers' profitability depends on the returns they expect from investing your premium dollars.

Except, in the case of property insurers, investment losses aren't really the problem. Nope, it's the weather.

[China energy efficiency 'improves in first half](#)

BEIJING (AFP) — China cut its average energy consumption by 3.53 percent in the first half of 2009 from a year ago, helped by massive stimulus spending on green projects, the government said Sunday.

[The Food, Energy and Environment 'Trilemma'](#)

At the 2009 Bio World Congress on Industrial Biotechnology, held in Montreal last week, industry players and scientists found themselves pondering two seemingly contradictory concerns.

One focused on how rapid advances in genetic engineering and biotechnology can expand the market for cellulosic ethanol and other “second-generation biofuels,” which are touted as low-emission substitutes for corn ethanol (itself a partial substitute for gasoline).

The other involved the problem of ensuring that exponential growth in the global biofuel market — which is projected to grow 12.3 percent a year through 2017, according to one recent study of the industry — will not hurt the environment and divert vast tracks of arable land needed for food or grain production.

[The 'vegan before dinner time' diet](#)

New York Times columnist and bestselling author Mark Bittman has written Food Matters, in which he introduces a “vegan before dinner time” plan that is causing a stir across the Atlantic. “You don’t eat any, or much, in the way of animal products or processed food during the day. At night you eat what you want,” he explains. “In some ways it’s stricter than veganism in that there’s no junk allowed. In others it’s easier — milk in coffee is acceptable, and breaking the rules occasionally is okay. The basic line is this: no matter how you do it, you [and the planet] will benefit if you eat a higher proportion of plants and a lower proportion of everything else.”

[Making world cities sustainable](#)

The global economy means growth, but economic growth itself is now an endangered species, simply because of its previous excess, rather than success. Being an endangered species is however nothing special in an era of mass extinctions, like today, an era many scientists call the 6th Mass Extinction. This is unlike previous mass extinctions in geological history because it is man made and because species are being lost, that is wiped out by human beings at the fantastic rate of about 30 000 per year. Back of envelope calculations on a long, and increasing list of critical basic resources, from energy, water and food through to lithium metal and soil resources, show that conventional or 'classic' economic growth is for the least fragile and unsustainable. In other words conventional economic growth does not and cannot last a long time, and does harm the environment.

One particularly easy back-of-envelope calculation is what oil supply would be needed for China and India to achieve or attain average OECD oil consumption rates, of about 14 barrels per person per year in 2008. In China's case its present oil demand would need to expand more than 5 times, and India's current oil demand would increase by 9 times. This is entirely impossible.

[Shell takes to high seas to escape oil gloom](#)

It was a week of unrelenting gloom for the oil industry. As one boss after another

revealed unprecedented plunges in profits, tens of billions of dollars were wiped off company values. They warned of savage jobs cuts to come and none ventured a guess as to when the recession might end. All is not well in oil-land.

Yet it was a largely ignored announcement by Shell that illustrates the depth of the problems facing the industry. The company approved a plan to build a fleet of floating natural gas plants. Each will be twice the length of a Royal Navy aircraft carrier and weigh 200,000 tons. They will sail to gas fields located either so far out to sea or in such environmentally sensitive areas that the pipelines and surface infrastructure required make them unviable. Until recently, the idea was dismissed.

...Shell, like its rivals, is facing a harsh reality. A combination of the recession, last year's drop in the oil price, weak gas prices in America, high costs and dwindling natural resources could lead, say insiders, to a reshaping of the sector as profound as the 1990s merger frenzy in which several big names disappeared.

[Iran says oil prices expected to rise by Jan](#)

TEHRAN: Iran's OPEC governor said crude prices were expected to reach \$80 a barrel by January, the oil ministry website, SHANA, reported on Sunday.

"Because of encouraging developments in the oil market, the oil prices will reach \$80 per barrel by the end of this year," Mohammad Ali Khatibi said.

[Ukraine May Get \\$1.7 Billion From International Lenders for Gas](#)

(Bloomberg) -- International lenders will consider offering Ukraine as much as \$1.7 billion in loans to support its overhaul of the natural-gas industry and increase the security of gas supplies from Russia to the European Union.

[Official: Iran to Become Exporter of Petrol](#)

LONDON (IranMania) - Despite a US Senate bill to put pressure on companies selling gasoline to Iran, a senior Iranian official announced on Saturday that the country will be a gasoline exporter within the next 2 years IRNA News Agency reported.

Managing Director of the National Iranian Oil Company Seyfollah Jashnsaz said that the Islamic Republic already has 9 refinery development plans underway and major advances of between 80 and 90 percent have been made in this respect.

[Pakistan: Operations at Badin oil field halted](#)

BADIN: All the operations of Badin Petroleum Field have been temporarily stanchied in the wake of a strike call by a local organization, a report said on Saturday.

According to sources privy to British Petroleum, the work at the field is being affected owing to the strike announced by a local organization 'Jaag Zamindar Jaag'.

[Are wind farms a health risk? US scientist identifies 'wind turbine syndrome'](#)

Living too close to wind turbines can cause heart disease, tinnitus, vertigo, panic attacks, migraines and sleep deprivation, according to groundbreaking research to be published later this year by an American doctor.

[Love Earth, hate turbines](#)

These aren't your grandmother's little Dutch windmills harnessing the air to grind grain and allow people to live below sea level.

Wind turbines are huge structures made of steel that can easily soar 40-storeys, towering over homes, farms and communities.

Those who tend to sing their praises loudest are people living far away from them, along with local landowners and politicians cashing in on the leasing fees and taxes the industry is happy to pay, given the huge financial subsidies governments are earmarking for wind power.

[If Nuclear Power Has a More Promising Future ... Seth Grae Wants to Be the One Leading the Charge](#)

The president of Northern Virginia-based Thorium Power Ltd. says he has a way to make nuclear energy safer, less expensive and more effective. So why isn't he getting more reaction?

[GERMANY: Nuclear Power Fails, And Nobody Notices](#)

BERLIN (IPS) - Seven German nuclear plants have failed to generate any electricity this month due to technical breakdowns. They have about half the production capacity of Germany's 17 nuclear reactors, but Germany did not suffer any power shortages.

The plants have between them a 9,000 megawatt (MW) capacity, but Germany generates more electricity than it consumes, and has been exporting some of the surplus to France, which is heavily dependent on nuclear power.

[Soviet-Era Uranium Waste Sites Now Threaten Central Asia](#)

Storage sites for uranium tailings that were built in Soviet times in Tajikistan are now leaking radiation into the surrounding atmosphere and ground water supplies, undermining the health and well-being of the people of a republic and a broader region that lack the resources to clean up a problem that it did nothing to create.

[Exxon Expected to Face Tough Talks on Sakhalin](#)

The government will step up pressure on U.S. major Exxon Mobil to sell cheap gas from Sakhalin, analysts said Thursday, a day before construction begins on a new gas link to the Pacific.

[Nissan unveils zero-emission hatchback "Leaf"](#)

YOKOHAMA, Japan (Reuters) - Nissan Motor Co took the wraps off its much-awaited electric car on Sunday, naming the hatchback "Leaf" and taking a step toward its goal of leading the industry in the zero-emissions field.

[Scientists Untangle Multiple Causes of Bee Colony Disorder](#)

"One of the first things we looked at was the pesticide levels in the wax of older honeycombs," Sheppard said. Using combs contributed by U.S. Department of Agriculture, Sheppard found "fairly high levels of pesticide residue."

Bees raised in those hives "had significantly reduced longevity," he said.

One easy solution is for beekeepers to change honeycombs more often. In Europe, for example, apiarists change combs every three years.

"In the U.S., we haven't emphasized this practice and there's no real consensus about how often beekeepers should make the change," said Sheppard. "Now we know that it needs to be more often."

[Family planning a major environmental impact](#)

CORVALLIS, Ore. – Some people who are serious about wanting to reduce their "carbon footprint" on the Earth have one choice available to them that may yield a large long-term benefit – have one less child.

A study by statisticians at Oregon State University concluded that in the United States, the carbon legacy and greenhouse gas impact of an extra child is almost 20 times more important than some of the other environmentally sensitive practices people might

employ their entire lives – things like driving a high mileage car, recycling, or using energy-efficient appliances and light bulbs.

The research also makes it clear that potential carbon impacts vary dramatically across countries. The average long-term carbon impact of a child born in the U.S. – along with all of its descendants – is more than 160 times the impact of a child born in Bangladesh.

[Lobbyist Dick Arme y's Pollution Gospel: 'As An Article Of Faith,' It Is 'Pretentious' To Believe In Global Warming](#)

As the hearing progressed, most of the witnesses spent their time recycling months-old debunked studies. But Arme y distinguished himself by invoking a religious argument to back up his smears against what he called “environmental hypochondriacs” filled with “eco-evangelical hysteria.” Arme y claimed that in his world view, because God created the heavens and the Earth, it would be “quite pretentious” for people to believe God would permit global warming to even occur.

[Sandia: Climate-Derived Tensions in Arctic Security](#) (PDF)

With its mission of national security, research at Sandia National Laboratories is evaluating the impact of climate change within the Arctic. A sister study addresses the physical impacts of uncertainty on the timing and extent of climate change on Arctic security priorities. This report presents the implications for the underlying drivers of security within the changing Arctic.

[Sandia: Arctic Climate and National Security](#) (PDF)

The Arctic region is rapidly changing in a way that will affect the rest of the world. Parts of Alaska, western Canada, and Siberia are currently warming at twice the global rate. This warming trend is accelerating permafrost deterioration, coastal erosion, snow and ice loss, and other changes that are a direct consequence of climate change. Climatologists have long understood that changes in the Arctic would be faster and more intense than elsewhere on the planet, but the degree and speed of the changes were underestimated compared to recent observations. Policy makers have not yet had time to examine the latest evidence or appreciate the nature of the consequences. Thus, the abruptness and severity of an unfolding Arctic climate crisis has not been incorporated into long-range planning.

[US Dept of Defense - Navy Task Force Assesses Changing Climate](#)

Rapidly diminishing sea ice, melting glaciers, rising sea levels, increased storm severity - all are possible consequences of a climate that mounting evidence suggests is changing significantly.

As the scientific community works to understand the changing climate, the chief of naval operations has created a task force, headed by Rear Adm. David Titley, the Navy's senior oceanographer, to better understand and evaluate its implications for maritime security.

[Scientists claim planet is heading for 'irreversible' climate change by 2040](#)

CARBON dioxide levels are rising at a faster rate than the worst-case scenario envisaged by United Nations experts, with the planet heading for "catastrophic" and "irreversible" climate change by 2040, a new report claims.

The rise of greenhouse gases will trigger an unprecedented rate of global warming that will result in the loss of the ice-covered polar seas by 2020, much of our coral reefs by 2040 and see a 1.4-metre rise in the sea level by 2100.



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