



Drumbeat: August 9, 2009

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Topic: [Miscellaneous](#)

[Do not discount the threat of peak oil](#)

Last week, the government published a review of the UK's energy security situation. In a report commissioned by the prime minister, Malcolm Wicks, the former energy minister, pronounced that "there is no crisis".

His findings were in marked contrast to those of the UK Industry Taskforce on Peak Oil and Energy Security, which concluded last year that the economy faces a clear and present energy-security threat. The taskforce, a group that includes Virgin, Scottish and Southern Energy, Arup, Stagecoach and Solarcentury, was set up in 2007 on the basis of our shared opinion that peak oil merited serious study as a business risk. Some began with the assumption that the issue was low-risk but high-consequence. Sadly, we are now of the collective view that peak oil is a high-risk, high-consequence issue.

['Enough oil to keep the crude culture going': Peak oil is nowhere in sight, if current inventories and reserves are any guide](#)

RIYADH: The global oil scene is not bleak as pundits are now coming round the assertion that there is enough oil beneath the surface to keep this crude civilisation moving.

[Wish you weren't here: The devastating effects of the new colonialists](#)

A new breed of colonialism is rampaging across the world, with rich nations buying up the natural resources of developing countries that can ill afford to sell. Some staggering deals have already been done, but angry locals are now trying to stop the landgrabs.

[China: Where Poisoning People Is Almost Free](#)

HONG KONG -- In addition to its cheap labor costs, China has another comparative advantage as the world's factory: Companies often pay almost nothing to pollute China's air, water and soil and to poison its people.

Need pliant workers to handle toxic chemicals? Wages are just \$2.60 a day. What if the chemicals contaminate a town? Compensating a family of five costs just \$732. Local water supply contamination makes 4,000 people vomit? That's just \$7 per household. Cost of bribing local Chinese officials to look the other way rather than adhering to safety standards? Well, that's unknown, but given the frequency of China's pollution atrocities, apparently it is cost-effective.

[Are the Generating Alternatives to Coal-Fired Electricity Ready for Waxman-Markey Targets?](#)

Just over a month ago, the U.S. House of Representatives passed the Waxman-Markey energy tax. Much of the debate focused on how much the bill will cost Americans. For example, the Congressional Budget office claimed the cap and trade section of the bill would only cost \$175 a year in 2020, but this claim has been thoroughly debunked. The real question is how much confidence should we have in the modeling assumptions that the CBO and other modelers rely upon?

[Can we really replace coal?](#)

Cheap coal allowed us to build our modern society. Our wealth, health, standard of living, education and longevity we owe to coal through mechanisation and abundant, round-the-clock electricity. These are now essential components of our modern society and energy security is high on any government's agenda. Some may rue the day the steam engine was invented but not many of us.

But could we replace coal and keep our modern society?

[Why commodity inflation won't go away in a hurry](#)

We are staring at Hubberts Peak (declining oil prices) here onwards. The Society of Petroleum Engineers (www.spe.org) endorses that view. So does the Association for study of peak oil (www.peakoil.net) and these are men and women who brave the elements to hunt for oil. Many myths have been floated by investment analysts -- primary one being technology making it cheaper to drill for black gold. Schlumberger (global leader in drilling equipment manufacturer) doesn't seem to endorse that view. Drilling equipment and other costs continue to zoom.

[Nigerian Army Rejects Calls to Withdraw from the Niger Delta](#)

The Nigerian army says it would continue to fight criminal gangs in the oil-producing Niger Delta while observing the terms of a government offer. The main militant group, which wants the military-led security task force to withdraw from the delta, has shunned the amnesty offer.

[Kenya: The energy crisis is of our own making](#)

The impact of power rationing in Kenya began to sink in at the weekend when many parts of the country went without electricity.

But it is too early to count the losses, which are going to manifest themselves pretty soon in terms of reduced production and job cuts.

Power rationing was inevitable following drastic drop of water due to prolonged drought.

[Kurt Cobb: A thing of beauty](#)

I frequently walk by a nearby lot on which a modest one-story home sits amid a vast sea of the greenest grass you will encounter outside a golf course. The man who lives there with his wife is often tending his lawn: removing weeds, watering, riding his lawnmower. There are a couple of small flower gardens. But mostly it is grass.

The man told me last summer that one month he paid \$230 for water. For him the enormous resources in water, fertilizer, and gasoline seem well worth it; his lawn is a work of art. Possibly he learned his aesthetics from a lawn fertilizer commercial or possibly from wealthier neighbors who live not too far from him--neighbors who mostly hire other people to get the same effects. But the origins of these aesthetics do not matter to him. His lawn is a flawless piece of monoculture rivaling the best lawns to be found anywhere in the city.

[Clinton on oil mission to Angola](#)

LUANDA (AFP) – US Secretary of State Hillary Clinton on Sunday shifts the focus of her Africa trip to business as she works to ensure a steady oil supply from key producer Angola and counter China's growing influence.

The top US diplomat was due to make a one-day visit to the southern African nation, which vies with Nigeria as the continent's biggest oil producer but where two-thirds of the population lives on less than two dollars a day.

[Peak Oil for Dummies](#)

Over the past decade, a fierce debate has emerged amongst energy experts about whether global oil production was about to reach a peak, followed by an irreversible decline.

This event, commonly known as “Peak Oil” far outreaches the sole discipline of geology.

From transportation to modern agriculture, petrochemicals and even the pharmaceutical industry all of them rely on one commodity: cheap and abundant oil. In order to sustain the needs of an ever globalized world, oil demand should double by 2050.

Nonetheless, geological limitations will disrupt this improbable scenario. In fact, a growing proportion of energy experts argue that Peak Oil is impending and warn about the extraordinary scale of the crisis.

[Scottish Agenda: North Sea oil still has a platform for success](#)

Drilling activity in the North Sea has slowed considerably, with a recent Deloitte report showing just 15 exploration and appraisal wells “spudded” between April and June, a 57% fall on the same period last year.

This is making life much tougher than expected in Aberdeen’s oil services sector, and there have been increasingly desperate calls for a more favourable tax regime.

Now the fallout is being felt. Last week, 36 people were laid off by Stable Holdings after the once rapidly expanding Aberdeen-based drill-bit provider failed to secure further working capital from Royal Bank of Scotland and went into administration.

[Oh Canada: Top 15 Oil Exporting Countries to the U.S.](#)

The Top 15 crude oil exporters to the U.S. for the month of May has been published by the Energy Information Administration, Department of Energy. The following table shows the list of these countries.

[Chevron Reports Oil, Gas Discovery Off Angola’s Coast](#)

(Bloomberg) -- Chevron Corp., the second-largest U.S. oil company, announced a crude and natural-gas discovery off the coast of Angola’s Cabinda province.

[Why Nigeria Earns Less from Oil](#)

Despite rising oil prices, Nigeria, a major oil producing country, is not reaping its due. But in addition to the often cited reasons is the issue of Production Sharing Contract (PSC) that has been fuelling controversy between the Federal Government and oil producing companies over the Petroleum Industry Bill.

[Fresh Radical Group Emerges In Niger Delta](#)

A SEEMING new left wing socio-cultural and political movement has emerged in the volatile Niger Delta, Nigeria's main oil and gas region. The new group which calls itself Niger Delta Patriotic Front (NDPF) says it is determined to purge the oil region of criminal elements who are giving the struggle for justice a bad name.

[Saudi Arabia to Post 'Small' Fiscal Surplus on Oil](#)

(Bloomberg) -- Saudi Arabia, the Arab world's biggest economy, will post a "small" fiscal surplus this year compared with an earlier forecast for a deficit, EFG-Hermes Holding SAE said as it raised its estimate for oil prices.

"The strengthening in oil price will be extremely positive for the hydrocarbon-dependant GCC countries, which will see high oil revenues," the Cairo, Egypt-based investment bank said in a research report. "We have revised upward our GCC macro forecasts inline with the changes in our oil price forecasts."

[Some fear hydraulic fracturing will harm the drinking water](#)

GLENWOOD SPRINGS — A Halliburton Energy Services representative defended hydraulic fracturing Saturday as a practice needing no more regulation, while a researcher said analysis of health concerns is hampered by a lack of disclosure of some chemicals used in the drilling process.

"Without data we feel like our hands are tied," Dr. Roxana Witter said during a forum in Glenwood Springs about the process.

[No black gold rush](#)

Last month saw a live auction of contracts to develop six of Iraq's giant oil fields become the latest offering to the reality TV generation.

The uncharacteristically public process was driven by the underlying sentiment in Iraq that oil companies are out to pillage the nation's resources. As misunderstandings of a critical issue go, it's a big one and it required an elaborate, but ultimately unfulfilling day of television.

Foreign, particularly Western, involvement in Iraq's oil fields is contentious to say the least, and dangerously divisive amongst an already fractured population.

[Citigroup Said to Weigh Giving Up Control of Phibro](#)

(Bloomberg) -- Citigroup Inc. may give up control of its Phibro LLC energy-trading

business to outside investors, a person familiar with the matter said, as the bank faces what may be a \$100 million payday for the unit's chief, Andrew Hall.

[Oregon: Blurring the urban-rural line in Damascus](#)

The region's growth regulators seeded the new city of Damascus on Thompson's 77-acre farm. In Thompson's vision, the city can be a place where urban development and agriculture entwine like his graceful marionberry canes.

Part of the farm could be developed for housing, he suggests, while he continues to farm the better soil. The farm's crops could supply an "eco-restaurant" at the top slope of the property. Along the road below could be a fruit and produce stand. Next to it could be a community kitchen and education center where customers could preserve the berries they just bought or learn how to improve their home gardens.

[You Say Tomato, I Say Agricultural Disaster](#)

Here's the unhappy twist: the explosion of home gardeners — the very people most conscious of buying local food and opting out of the conventional food chain — has paradoxically set the stage for the worst local tomato harvest in memory.

[Clubs Celebrate the Flashy S.U.V., and Adopt a Purpose: Doing Good](#)

A few of the Trucked Out Divas — Strawberry, Carmel and Black Beauty — were waiting in front of their clubhouse, a former strip club in Brownsville across from a weedy lot and a Family Dollar store. They wore sleeveless leather jackets, some with Velcro side closures like those on bulletproof vests, and they had the name of their club printed in hot pink on the back, like a girlish version of the Hell's Angels.

Nearby, parked on every available inch of sidewalk and curbside at this Brooklyn crossroads, gleamed immaculate Ford Expeditions, Lincoln Navigators, Cadillac Escalades and other behemoths of the American automobile industry. The Divas and their male counterparts, Trucked Out SUV Club, ride city streets in vehicles often linked in the popular imagination with gas-guzzling suburbanites, soccer moms, or money-flashing drug dealers — but more on that later.

[Tourists, faithful fans keep RV business from screeching to halt](#)

Sales of recreational vehicles continue to skid -- an expected 40 percent this year, according to the Recreational Vehicle Industry Association. And that's after a 33 percent decline from 2007. A perfect storm of tight credit, high unemployment and still-pricey gasoline is to blame.

So why do we still see so many RVs on Las Vegas roadways? The answer seems to lie in a strong rental market.

[China Starts Building Nation's Biggest Wind Farm, Xinhua Says](#)

(Bloomberg) -- China started construction of the country's biggest wind farm, a "Three Gorges in the Air," Xinhua News Agency reported, quoting Zhang Guobao, head of the National Energy Administration.

The 120 billion yuan (\$17.6 billion) station in Jiuquan, northwestern Gansu Province, will have installed capacity of 5.16 gigawatts by the end of next year and reach 12.71 gigawatts by 2015, it said.

[So where's the nuclear power?](#)

America is paying a hefty price for more than a generation of "no nukes," not the least of which is a painful attempt to wean itself from the dirtier energy sources that contribute to climate change, threaten economic growth and sometimes dangerously influence foreign policy.

[New era may end need for fossil fuel](#)

While utilities are forced to reduce the amount of power they sell, they also are under mounting pressure to provide more energy from clean sources. Delaware has required that 20 percent of energy sold in the state must come from renewable sources -- wind, solar, biofuels and hydro-electric -- by 2019.

Those forces weigh heavily against the likelihood of greater use of coal, oil or natural gas to generate power for state residents.

[100-year-old woman recalls state's homesteading days](#)

Daisy married Myron Swenson, a homesteader from Wisconsin, in 1929. They moved into a one-room shack on a farm in Turner, where they farmed the land and split the crops with the landowner. The shack was 12 feet by 15 feet, with no insulation, no electricity and no running water. It is here where she raised her first two children.

Money was tight, and food was hard to come by.

Because of the lack of trees in the area, they had no wood to burn in their stoves, so the only thing they could burn was cow chips sprinkled with coal dust. The couple felt blessed to even own their cow, which was given to them by their parents.

To keep milk and butter cool in the summer, they had to lower the food into their well in a bucket.

[Climate change: is population the problem?](#)

Concrete examples disprove the assumed connection between population and environment destruction. For example, Japan's population peaked at the end of 2004 at about 127.8 million and is now in decline.

According to the January 2 British *Guardian*: "Health ministry records estimated the population fell by 51,000 in 2008. The number of deaths hit a record of 1.14 million ... and the number of births totalled 1.09 million."

However, ABC Online said on November 12 last year the Japanese government had announced that Japan's greenhouse gas emissions hit a record high in the year ending March 2008.

[Political climate for energy policies cools](#)

Recent surveys show Americans cooling to global warming, and they're even less keen on environmental policies they believe might raise power bills or imperil jobs. Those sentiments could mean a tougher road ahead for elected officials looking to fund investments in renewable power or install a carbon cap-and-trade system.

[Profile: Bjorn Lomborg](#)

Single-handedly, Bjorn Lomborg caused global warming pundits to overheat beyond safety levels. The Danish heretic has been called a Nazi for his denial of the pundits' cherished beliefs and his life has been threatened. But his latest crusade could make his own supporters explode.

[Gas levels to explode by 2020 Federal prediction](#)

THE Federal Government is putting more pressure on the Coalition to support its emissions trading legislation, releasing a report estimating Australia's output of greenhouse gases would be 20 per cent above 2000 levels by 2020 if the scheme is rejected.

The report, by the Department of Climate Change, concluded Australia would need to avoid the creation of the equivalent of 138 million tonnes of carbon dioxide by 2020 to achieve a 5 per cent reduction target on 2000 levels.

The upper range of the Government's target – a 25 per cent cut – would require

Australia to avoid the creation of 249 million tonnes of emissions.



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