



## Drumbeat: August 19, 2009

Posted by [Leanan](#) on August 19, 2009 - 10:18am

Topic: [Miscellaneous](#)

### [Opec's greed will herald the end of the oil age](#)

Proclamations of economic recovery in the past week in Japan, France and Germany, and soon in Britain and America too, may signal the end of the Great Recession of 2007-09, albeit bumpily. As things stand, though, this month may also signal the beginning of the end of something far more historic and significant: the age of oil.

Given how bleak the world looked as this year began, it feels remarkable to be seeing growth again so soon. But it is even more remarkable that the world is emerging from such a severe financial shock and slump with its most basic fuel, crude oil, priced at close to \$70 a barrel, seven times its price of a little over a decade ago and double the level it was as recently as March.

So this must mean the rebound is even stronger than we think, with demand for oil soaring again? Not at all. Admittedly, this is a pretty opaque market, with many countries treating oil stocks as an official secret. Still, analysts at Banc of America Securities-Merrill Lynch reckon that global oil demand has been three million barrels a day lower in the second quarter of this year than in early 2008. They don't expect it to get back above that until 2011 at the earliest.

No, the explanation for this potentially recovery-sapping (and certainly wallet-threatening) resurgence in the price of oil, and thus petrol at the pump, lies on the supply side. So, too, does the prospect of prices rising higher still, towards the extraordinary \$147 a barrel reached in July 2008, or even beyond.

This point in the analysis is where the planetary gloomsters start citing a concept called "peak oil" (or, to the real oil nerds, "Hubbert's peak"). This is the idea that the planet's oil reserves are nearing (or, in some eyes, are past) a time at which the output from oilfields starts to decline. Don't pay them any attention. The world is not running out of oil. What it is short of has been investment in oilfields and production. And the reason for that can be found in a different four-letter word: Opec.

### [Oil Surges to 2-Month High as Supply Drops Most in 15 Months](#)

(Bloomberg) -- Crude oil rose more than \$3 a barrel after a government report showed that U.S. inventories declined the most in 15 months as imports tumbled and refineries increased operating rates.

Stockpiles dropped 8.4 million barrels last week, the most since the week ended May 23, 2008, the Energy Department report showed. Imports slipped 1.41 million barrels a day to 8.11 million, the biggest drop and lowest rate since September when hurricanes struck the Gulf of Mexico coast.

“Refiners were probably nervous about rising stockpiles and the outlook for lower gasoline demand in the months ahead, so they reduced purchases,” said Rick Mueller, a director of oil markets at Energy Security Analysis Inc. in Wakefield, Massachusetts. “You can’t help but pay attention to the massive drop in imports.”

### [Crude Oil Market Disconnect: A Problem Emerging](#)

Last week crude oil prices bounced back above \$70 a barrel before closing at \$67.51, down \$3.01 on Friday. As the chart of oil prices for the past six months shows, there has been a strong recovery this year, especially following the correction in July. Last week, oil prices closed above \$70 on three of the five days, and on Friday the week before, they nearly reached \$73 a barrel. This price action came in the face of continued government reports of crude oil inventories building and Frontline (FRO-NYSE), a large oil tanker operator, saying that the volume of crude oil in ships being used as storage had increased from 80 million to 100 million barrels.

### [Pemex plans to drill 200 oil wells](#)

Pemex is looking for contractors to drill 200 oil wells in the southern district as the state oil company struggles to stabilise plummeting oil production.

Drilling is scheduled to start in early October and last for three years, according to documents on Compranet, the government procurement website.

Pemex has ramped up investments despite the oil price crash late last year and early this year, providing opportunities for oil services companies such as Halliburton and Schlumberger at a time when activity has slowed in major markets such as the US and Canada, reported Dow Jones.

### [U.S. Gets \\$115 Million for Offshore Oil, Gas Leases](#)

(Bloomberg) -- BP Plc, ConocoPhillips and Petroleo Brasileiro SA were the three highest bidders in a \$115 million sale of new leases to drill for oil and natural gas in parts of the western Gulf of Mexico.

“We are demonstrating our continuing commitment to domestic energy production,” Liz Birnbaum, director of the department’s Minerals Management Service, said today in New Orleans, where the sealed bids were opened.

### [Canada, ultradeep water assure US Gulf oil supply](#)

HOUSTON (Reuters) - Growing volumes of crude oil from Canada and the Gulf of Mexico should assure U.S. Gulf Coast refiners adequate supplies for years to come despite fast-declining imports from Mexico and Venezuela.

Imports from the two major Latin American suppliers have dwindled by 24 percent in the past four years, but the huge refining region they serve is unlikely to run short due to billions of dollars planned for new pipelines from Canada and exploration in the deepwater Gulf, analysts said.

Canadian oil sands production alone could make up for both losses, said analyst Martin King of Calgary-based FirstEnergy Capital Corp. "You're essentially switching to Canadian crude from Mexican and Venezuelan," King said.

### [Why oil won't return to triple-digits](#)

NEW YORK (CNNMoney.com) -- Oil prices have surged nearly 50% from the start of the year, but don't expect a return to triple digits anytime soon as worries about the pace of an economic recovery will continue to drive near-term volatility.

"The market is manic right now," said Phil Flynn, analyst at PFG Best. "This is more uncertainty than I've seen in a very long time: big rallies followed by big breaks, and that's reflective of feelings about the overall economy."

### [ANALYSIS - Angola's excess oil implies OPEC to hold steady](#)

LONDON (Reuters) - Increased oil output to a year-high from OPEC's president Angola, flouting agreed limits, has helped stack the odds against any formal change when the producer group meets in September.

### [Dam Disaster May Push Up Electricity Prices](#)

Energy Minister Sergei Shmatko said Wednesday that electricity prices will have to increase after a disaster at the Sayano-Shushenskaya hydroelectric plant knocked out a quarter of RusHydro's power production.

### [Germany wants a million electric cars by 2020](#)

BERLIN — The German government unveiled plans Wednesday to get one million electric cars zipping around the country by 2020, offering sweeteners to jump-start

national giants like BMW and Volkswagen into action.

"It is the federal government's aim that by 2020, there will be a million electric cars on Germany's streets," said Berlin's "national electro-mobility plan" which was approved by the cabinet.

"In 2030, this could be over five million. By 2050, traffic in towns and cities could be predominantly without fossil fuels," the proposals added.

## [Laughs from the Energy Market](#)

### EXHIBIT 29. PEAK OIL FAVORITE SHOWS OPTIMISM OR FUTILITY

SOURCE: ASPO

ED STEIN ON ENERGY



Oil and gas explorationists in the U.S. energy business have come from a long line of optimists that have populated the country. Give them more resources and they'll find more oil and gas.

## [95 killed on Iraq's deadliest day since U.S. handover](#)

BAGHDAD, Iraq (CNN) -- A series of bombings rocked Iraq's capital within one hour Wednesday, killing at least 95 people and wounding 563 others, an Iraqi Interior Ministry official said.

## [Ahmadinejad may face tough fight over oil minister](#)

TEHRAN (Reuters) - Iranian President Mahmoud Ahmadinejad will on Wednesday nominate a relative novice as oil minister and seek to bring women into the cabinet for

the first time -- but he may face a hard fight to win approval from the conservative parliament.

The outcome will be a further signal as to how secure Ahmadinejad's grip is on power after political setbacks following his contested re-election in June that led to street protests and political turmoil.

### [West Australia Becoming the Saudi Arabia of Natural Gas](#)

Western Australia is set to become the "Saudi Arabia of natural gas" as other deals follow the signing of a A\$50 billion (US\$41.315 billion) agreement to supply liquefied natural gas to China, Premier Colin Barnett says.

### [Petrobras pumps up home production](#)

Brazil's state-run oil company Petrobras said today domestic oil production rose in July to 1.938 million barrels a day compared to 1.927 million barrels per day in June.

Production was up 3.8%, when compared to July 2008, the company said in a statement.

### [Kuwait oil min says unaware of U.S. refinery plan](#)

KUWAIT (Reuters) - Kuwait's oil minister said on Wednesday he was unaware of any plans to revive a refinery project in the U.S. state of Louisiana.

"I'm not aware of such a project," Sheikh Ahmad al-Abdullah al-Sabah told reporters at Kuwait's parliament.

Kuwait's Arabic language daily, Al Watan, citing unidentified sources familiar with the matter, reported on Wednesday the Louisiana refinery would be considered compensation for Washington after Kuwait cancelled a multi-billion petrochemical project with Dow Chemicals Co. (DOW.N) last year.

Kuwait scrapped the deal after some lawmakers voiced opposition.

### [UK Etrick oilfield starts, to pump 20,000 bpd - Dana](#)

"Over the next few months the field is expected to produce at rates of up to 20,000 bpd as the wells are tied into production," Dana Petroleum said in a statement.

The field will add to supplies from the UK North Sea, which have fallen to about 1.3 million bpd since peaking in 1999. The quality of Etrick oil is similar to that of Brent,



one of the benchmark UK crudes, Dana said.

### [Mexico's Fiscal Crisis Demands Action](#)

Mexico's public finances have been heavily oil dependent since the late 1970s. Deep recession has caused non-oil revenues to plunge as oil production falls steeply. Urgent measures are required to address a fiscal crisis that erupted practically overnight. It is unclear whether Congress will agree to necessary tax increases and budget cuts.

**Revenue shortfall.** The combined fall in oil and non-oil revenues has proved lethal for public finances. The total, 480 billion pesos, is equivalent to 4.2% of gross domestic product. The amount partially is offset because fiscal transfers to states and municipal governments are tied to revenue, and have fallen. However, the fiscal gap still totals 421 billion pesos.

### ['Commodities super-cycle to last for 20 years'](#)

In 2007, she claimed the current commodities super-cycle would last another 20 years. But given the economic implosion since that time, could it still be true? "Absolutely," says Carmel Daniele, founder, CEO and CIO of CD Capital. "The crisis that occurred last year after Lehman's collapse just interrupted the cycle," she explains, adding that it "is actually going to seal the next stage of the super-cycle. . .it will make it stronger and last even longer."

### [Recession Robs Spain's Youth of Jobs and Hope](#)

Take Eva Reina López, for example. She's 20; her father's an electrician and a widower. Reina did everything right. After getting her secondary school degree, she no longer wanted to be a burden on her father, who had raised her alone since she was six. So, instead of enrolling at one of Madrid's universities -- which had been her father's dream for her -- Reina followed her boyfriend to a small city in León Province nestled in the mountains of northwestern Spain. And there -- in her mother's hometown and where Spain's socialist Prime Minister José Luis Rodríguez Zapatero began his political career -- Reina learned how to weld. After six months of training at a company called Coiper, which manufactures towers for wind turbines, she secured an employment contract for six more months. The government in Madrid is promoting wind power as Spain's great industry of the future.

In January, it was all over. Coiper can no longer find buyers for its products. The government froze subsidies for sustainable-energy ventures after the economic crisis hit, which has caused wind-farm construction to stagnate. As a new employee, Reina wasn't entitled to claim unemployment benefits, and she only received welfare payments of €400 a month through June. Her boyfriend and other permanent employees have had their working hours reduced. Now they sweep the empty

production rooms, waiting for the news that the company is shutting down for good. "There aren't a lot of choices here in Ponferrada," Reina says. "What will we do if everything here closes?"

### [More Coloradans Losing Utilities For Unpaid Bills](#)

DENVER -- Xcel Energy cut off gas or electricity to nearly 30,000 delinquent customers in Colorado in the first five months of the year, 15 percent more than during the same period a year ago.

### [Tips for a lower power bill, from the source](#)

This could be a great day to wait until tonight to turn the dishwasher on, or hold off on laundry until the later evening hours. Also turning off unnecessary appliances, like idle computers or TV chargers, and turning up the air conditioner by a few degrees, consistent with health and safety.

### [Turkey wants lower price on nuclear project](#)

ANKARA (Reuters) - Ankara wants a lower price from a Russian-led consortium aiming to build Turkey's first nuclear power plant as the government prepares to finalise its decision on the project, Energy Minister Taner Yildiz said on Wednesday.

Yildiz said talks over electricity prices from the planned nuclear power station were ongoing after a tender last year, in which a Russian-led consortium of Inter RAO, Atomstroieksport and Turkey's Park Teknik submitted the sole bid.

### [Thailand: New push for coal and nuclear](#)

The government will put more effort into educating the public about the essential need for clean coal technology and nuclear power in order to balance fuel usage, says Energy Minister Wannarat Channukul.

Energy policymakers are again revising the 15-year power development plan (PDP) to place greater emphasis on coal, nuclear and renewable fuels and less emphasis on natural gas.

"Coal-fired power and nuclear power are the most preferred fuels, considering their low costs and emissions," Mr Wannarat said on Wednesday.

### [Thailand: Pipeline incidents a policy wake-up call](#)

Thailand's power system is at risk of blackouts as policymakers have failed to manage the fuel balance, especially gas supplies, energy experts admit.

### [Russia tackles Siberia oil slick](#)

Chemical pollution from Monday's explosion at Russia's largest hydro-electric power station has killed fish and spread down a major Siberian river.

### [Empty car parks to sprout vegetable plots](#)

A London council is converting its disused spaces into areas for local people to grow produce in an attempt to make its food supply sustainable by 2050.

Hundreds of unused and abandoned spaces in Enfield are to be converted into fruit and vegetable plots in the hope of the area becoming "London's breadbasket".

Informal growing spaces around the borough, such as car parks, disused garages and empty spaces around blocks of flats, are to be converted into vegetable plots, while two of its rundown parks will become community orchards. The scheme is part of a borough-wide strategy announced today with the aim of reinvigorating food networks and improving sustainability.

"The potential Enfield has for helping to feed itself and London is huge," said council leader Mike Rye. "We have a great agricultural and market garden heritage to build on - in years to come Enfield could become known as the capital's breadbasket."

### [Powers line up to stir Afghanistan's pot](#)

In his distinguished diplomatic career spanning four decades, there is not a trace of record to show that Richard Holbrooke, United States special representative for Afghanistan and Pakistan, dabbled in energy security issues. His current visit to Pakistan - en route to Afghanistan - has been officially projected as aimed at helping his host country find a way to overcome its electricity shortage.

...Holbrooke's "cover" has been blown and his real brief is exposed - evolving a joint approach with Pakistan apropos the next moves to be made on the Afghan political chessboard. Indeed, regional capitals are watching the next US-Pakistani move.

### [Heating Oil to Approach \\$2 by End of August: Technical Analysis](#)

(Bloomberg) -- Heating oil for October delivery is poised to approach \$2 a gallon by the end of August after surging past a key resistance level yesterday, according to a



technical analysis by Lind-Waldock & Co. in Chicago.

### [What Would High-Speed Rail Do to Suburban Sprawl?](#)

Any transportation investment can create large economic ripples only if it significantly increases the speed at which an area with cheap real-estate gains access to a booming place that doesn't have any comparable, closer available land area. For example, in Spain, the city of Ciudad Real seems to have gotten a big lift thanks to high-speed rail because people can now live in Ciudad Real, where housing is cheaper, and commute into Madrid.

This logic has led some to think that high-speed rail will do wonders transforming Buffalo into a back office for Manhattan. Buffalo is 376 miles from Manhattan, so a 150-mile-an-hour rail line will take two and a half hours, which is not going to be significantly faster than air. Moreover, vast amounts of low-cost space are closer to Manhattan than the shores of Lake Erie. Faster connections between Buffalo and Toronto might do more, but in that case speed is hampered by the burdens of border crossing.

### [Refreshing talk on rail](#)

Thank goodness someone is crunching numbers on the Ottawa light-rail project. That person is Municipal Affairs Minister Jim Watson and his elves at Queen's Park who are putting some sanity into this rush for expensive rapid transit.

Watson, a former mayor, says there were public concerns about costs in the first cancelled light-rail plan, which weighed in at \$884 million. He's right.

### [Report of Toyota Battery Deal Sends Sanyo Shares Up](#)

TOKYO — Toyota Motor will buy batteries for hybrid cars from Sanyo Electric to keep pace with growing demand for cleaner vehicles, a person with knowledge of the matter said Wednesday. The news sent Sanyo shares up 17 percent at one point.

### [Nissan, Showa Shell to Develop Electric-Car Battery Chargers](#)

(Bloomberg) -- Nissan Motor Co., Japan's third-largest automaker, plans to develop an electric-car battery charging system with Showa Shell Sekiyu KK, a Japanese refining unit of Royal Dutch Shell Plc, the companies said in a joint statement today.

### [Green power safer for workers than fossil fuels](#)

As if helping to save the world from the worst effects of climate change were not enough, renewable energy may also curb workplace injuries and deaths.

That's because fossil fuels – as the term suggests – have to be dug or drained from underground, and mining is one of the deadliest of industries. Oil and gas extraction account for 100 deaths each year in the US alone, coal another 30, not to mention many more non-fatal injuries.

### [Economic Climate Opens Door for Small Wind Energy Projects](#)

Very few large-scale wind projects are able to obtain financing under the current economic climate. But falling turbine, steel and labor prices have created the perfect environment for mid-scale wind energy projects to thrive. Although total new installed capacity in 2009 may not rival the impressive 8,900 MW installed in North America in 2008, a golden opportunity exists for smaller wind development.

### [A radically different greenhouse gas strategy](#)

Go with the technologies that could enable a few advanced and wealthy countries to regulate the amount of solar radiation that reaches Earth.

### [Get The Colbert Nation behind 350](#)

One of my biggest enviro-heroes was on The Colbert Report on Monday. Bill McKibben, author of *Deep Economy* — a book I LOVE — talked with Colbert about WTF the number 350 stands for exactly, and what's going down Oct. 24.

Honestly, as much as I heart Bill, I really came to appreciate, through this clip, how skillful hosts like Colbert really have to be to keep things funny and engaging when talking about doom and gloom subjects like the potential for climate catastrophe.

### [Smart Grids May Help U.S. Boost Power Capacity by 13%](#)

(Bloomberg) -- The U.S. may be able to increase power capacity by about 13 percent without adding plants by adopting “smart grids,” or energy networks that manage demand more efficiently, an engineering academic said.

The U.S. may need to build 250 power plants of 1,000 megawatts each, about 25 percent of the current capacity, to meet electricity demand by 2030, Saifur Rahman, a professor at Virginia Tech College of Engineering, said in an interview today. Electricity networks equipped with so-called intelligent meters may help to cut energy use and halve that need, he said.

“Power plants need water, land and access and the target cannot be achieved, and there’s pressure on utilities to keep capacity flat,” Rahman said. “Half of the new capacity can be achieved with energy efficiencies and managing demand.”

### [Oil prices sink, trailing global stock markets](#)

Oil prices fell below \$69 a barrel Wednesday after a selloff in world stock markets cast doubts on the speed with which global demand for energy might recover.

Comments by Kuwait's oil minister expressing satisfaction with present prices also appeared to keep the market in check. With an OPEC meeting coming up next month, the comments strengthened expectations that the Organization of the Petroleum Exporting Countries would not cut output.

### [Kuwait says OPEC should maintain output levels](#)

KUWAIT CITY (AFP) – The Organisation of Petroleum Exporting Countries should maintain output at its meeting next month because oil prices are satisfactory, the Kuwaiti oil minister said on Wednesday.

Asked if OPEC needs to increase or cut output, Sheikh Ahmad Abdullah al-Sabah said the cartel "should maintain output," adding that he hoped prices would remain between 70 and 80 dollars a barrel.

"Current oil prices are not bad at all," he told reporters, adding that he was optimistic that demand will pick up in the near future.

### [Oil firm says no Iraq payment yet](#)

Norwegian oil company DNO, the first to drill in post-war Iraq, has said it has yet to receive payment for its oil exports from the country.

The payments have stalled as DNO's partner, the Kurdistan Regional Government, and Baghdad argue over how to share the oil revenue.

### [Russia eases back on Ukraine flow](#)

Russian gas exports to Europe via Ukraine fell by 36.9%, year-on-year, in the January to July period, according to data released by Ukraine's Energy Ministry.

## [South America: U.S. Military Bases in Colombia and the Dispute over Resources](#)

The imminent agreement between the United States and Colombia over the use of seven military bases by the Southern Command (SOUTHCOM) forms part of the major dispute over commonly held resources throughout the South American region.

First, a few recent updates:

- Venezuela has become the number one country in the world in potential oil reserves, following the announcement by the Venezuelan state-owned petroleum company PDVSA that locates an estimated 314 billion barrels in the Orinoco Heavy Oil belt. According to PDVSA, the findings show Venezuela knocking Saudi Arabia down to number two in the world with 264 billion barrels.<sup>1</sup>
- Fatih Birol, chief economist of the International Energy Agency (IEA), affirms that the oil crisis will hit much sooner than previously expected. "The world is heading for a catastrophic energy crunch that could cripple a global economic recovery, as most of the world's major oil fields have passed their peak production." Birol maintains that the figures the IEA had previously used were incorrect and he predicts that peak oil production will be reached in 10 years (2020 rather than 2030).

## [Iran commerce minister may move to oil](#)

TEHRAN - An Iranian government newspaper said that current Commerce Minister Massoud Mirkazemi may be nominated as the new oil minister replacing Gholamhossein Nozari.

Mirkazemi, an industrial engineer who has little known experience of the oil sector, would be a surprise choice for one of the cabinet's most high-profile positions.

## [Yemen output takes a dip](#)

Yemen is producing 287,000 barrels of oil per day, down from an average of about 300,000 bpd last year, Oil Minister Amir Aidarous said today.

## [Canada inflation rate hits 56-year-low](#)

OTTAWA (Reuters) – Canada's annual inflation rate hit a 56-year-low in July, when prices fell by 0.9 percent from a year earlier on sharply lower energy prices, Statistics Canada said on Wednesday.

Analysts had on average expected an annual decline of 0.8 percent. July's figure -- the lowest since the 1.4 percent drop recorded in July 1953 -- is far weaker than the Bank of Canada's target range of around 2 percent annual inflation.

### [Venture Expects North Sea Field Sales to Accelerate](#)

(Bloomberg) -- Venture Production Plc, the Scottish oil and natural-gas explorer fighting a takeover bid by Centrica Plc, is considering buying North Sea fields on expectations disposals will accelerate.

“There is certainly evidence at the moment that there is going to be more activity, mostly oil assets to date rather than gas,” Chief Executive Officer Mike Wagstaff said today by telephone. “It’s always an important part of our business.”

### [Japan's Chubu seeks 2-3 spot LNG cargoes for Sept](#)

SINGAPORE/TOKYO (Reuters) - Japan's third-largest utility, Chubu Electric Power Co, is seeking two to three spot cargoes of liquefied natural gas for September, in the aftermath of a strong earthquake last week, traders said on Wednesday.

### [Liberian oil tanker, British ship collide](#)

KUALA LUMPUR - Malaysian rescuers scrambled on Wednesday to search for survivors and contain a major oil spill after a Liberian oil tanker burst into flames in the Malacca Strait, officials said.

The tanker collided with a British bulk carrier late Tuesday, resulting in a massive explosion and flames visible from the beach town of Port Dickson in the southern state of Negeri Sembilan.

### [13 dead, 61 missing in Siberia plant explosion](#)

MOSCOW – Rescue workers found a body Wednesday in the destroyed engine room of Russia's largest hydroelectric plant, raising the accident's death toll to 13, an emergency official said.

Sixty-one other workers are still missing at the massive Sayano-Shushenskaya power station in southern Siberia after an explosion Monday blew out walls and caused the turbine room to flood.

Three of the plant's 10 turbines were destroyed, and three were damaged, the plant's owner said. The giant plant has been idle since.

### [Stray voltage drains Hydro budget](#)



Toronto Hydro revealed yesterday that its stray-voltage scare last winter cost it \$14.3-million, and said two trucks have begun patrolling the city's streets each night as the utility shifts its attitude to its aging infrastructure.

### [Woodside Values Its PetroChina Accord at A\\$45 Billion](#)

(Bloomberg) -- Woodside Petroleum Ltd., operator of the Browse liquefied natural gas export project in Australia, said an initial agreement to sell the fuel to PetroChina Co. from the venture is valued at about A\$45 billion (\$37 billion).

PetroChina will buy as much as 3 million metric tons of LNG annually over 20 years under an agreement struck in 2007, Chief Executive Officer Don Voelte said today. The deal size rivals the \$41 billion PetroChina will pay Exxon Mobil Corp. over two decades for gas from the Chevron Corp.-led Gorgon project under a contract signed in Beijing yesterday.

### [Record \\$50bn gas deal was our work - Coalition](#)

Australian Greens Senator Christine Milne criticised the Government for selling the gas from Gorgon too cheaply.

"These deals have been shown time and time again to have been done in a way that is very cheap and in the long term not in the best interests of the country," she said in Canberra on Wednesday.

Resources Minister Martin Ferguson needed to tell Australia what his plan for peak oil was, given that gas was needed as a transition fuel to cleaner energy, she said.

"We need to have gas.

"If Martin Ferguson thinks we're going to liquefy coal to run our transport fleet while selling gas to China then clearly he doesn't understand climate change."

### [Act Now on the Right FIT for California](#)

California is on the brink of passing into law a game-changing Feed-In Tariff (FIT) policy that will unleash the tremendous potential of renewable energy and provide a massive economic boost in the state.

### [FCJ Interview with CA-10 Candidate Anthony Woods](#)

CA-10 is a vast geographical District that encompasses Contra Costa, Solano, Alameda and Sacramento counties. It is currently serviced by BART, which connects three lines

to San Francisco. However, interconnectability within the District via light rail systems does not exist, a typical problem that American suburbs must address to avoid a mass exodus from the hinterlands to urban areas when oil prices return to unaffordable levels.

He said there's a very real need to expand regional light rail and high-speed rail to help deal with the onset of peak oil, the point in time when the maximum rate of global petroleum extraction is reached, after which the rate of production enters terminal decline.

Woods said building more freeways is not forward thinking and would create "a bigger parking lot."

"We need to get out of the mindset of our transportation issues being solved just by laying more pavement," he said.

### [Going green helps Letchworth GC become a Transition Town](#)

THE green, green grass of home is flourishing in one North Herts town.

Letchworth GC has now qualified as an official Transition Town and joined over 200 other like-minded communities in their quest to live greener lives and be recognised as part of the Transition Network.

Transition Town Letchworth (TTL) are a group of volunteers who are keen to work with individuals and local organisations to inspire and encourage changes in attitudes to food, transport, and waste and energy consumption.

### [The Unstoppable Delusion Train](#)

Imagine you are riding comfortably on a sleek train. You look out the window and see that the tracks end abruptly not too far ahead ... The train will derail if it continues. You suggest the train stop immediately and the passengers go forward on foot. This will require a major shift in everyone's way of traveling, of course, but you see it as the only realistic option.

To continue barreling forward is to court catastrophic consequences. But when you propose this course of action, others – who have grown comfortable riding on the train – say, "We like the train, and arguing that we should get off is not realistic."

In the contemporary United States, we are trapped in a similar delusion. We are told that it is "realistic" to yield to the absurd idea that the systems we live in are the only systems possible or acceptable based on the fact that some people like them and wish them to continue. But what if our current level of first world consumption is exhausting the ecological basis for life? Too bad. The only "realistic" options are those that view this lifestyle as nonnegotiable. What if real democracy is not possible in a nation-state with 300 million people? Too bad. The only "realistic" options are those that view this way of

organizing a polity as immutable. What if the hierarchies our lives are based on are producing extreme material deprivation for the oppressed and dull misery among the privileged? Too bad. The only "realistic" options are those that view hierarchy as inevitable.

### [Tesla Roadster turns 12.64 sec. at Pacific Raceways dragstrip](#)

A Tesla Roadster Sport turned in a 12.64 1/4 mile time at Pacific Raceway near Seattle; that's 102 mph at the far end! James Morrison's Roadster was one of four on the track at Pacific Raceways, Friday night, August 7th; here's the action on YouTube.

### [Ruling leaves North Georgia with water crisis](#)

Georgia Gov. Sonny Perdue calls the ruling "a game changer." Says his spokesman, Bert Brantley: "It was unexpected. The fact he (the judge) would set the level back to a specific date was certainly very surprising."

Charles Bannister, county commission chairman in Gwinnett, a growth powerhouse that gets all of its drinking water from Lake Lanier, says: "It's devastating, or could be," he says. "Gwinnett would become a desert, perhaps."

If U.S. District Judge Paul Magnuson's July 17 ruling set off trepidation here, it ignited celebrations downstream in Alabama and Florida. Those states have long eyed Atlanta's unchecked growth with concern, alleging that Georgia had no right to take unlimited drinking water from Lake Lanier.

### [Seattle voters reject 20-cent grocery bag fee](#)

City leaders had passed an ordinance to charge the bag fee, which was to start in January. But the plastics industry bankrolled a referendum to put the question to voters in Tuesday's election.

Plastic bag makers have lobbied hard to defeat the fee, outspending opponents about 15 to 1.

### [Coca-Cola, Pepsi on Beijing's worst polluter list: govt](#)

BEIJING (AFP) – The Beijing plants of US soft drink giants Coca-Cola and PepsiCo have been listed as among the top 12 factories causing major water pollution in China's capital, the city government has announced.

## [Are Chinese Citizens Ready for A Green Revolution?](#)

For China, a country with plenty of environmental laws but far too little enforcement, the news was a minor revelation. Two chemical factory officials convicted of releasing carbolic acid into a river - tainting a water source for 200,000 residents of coastal Jiangsu province - were sentenced on Aug. 14 to prison terms of 6 and 11 years. In the past such acts might result in little more than a fine. The state-run Xinhua news service noted it was the first time defendants who "caused environmental pollution were jailed on charges of spreading poison."

## [Climate plan calls for forest expansion](#)

WASHINGTON — New forests would spread across the American landscape, replacing both pasture and farm fields, under a congressional plan to confront climate change, an Environmental Protection Agency analysis shows.

About 18 million acres of new trees — roughly the size of West Virginia — would be planted by 2020, according to an EPA analysis of a climate bill passed by the House of Representatives in June.

That's because the House bill gives financial incentives to farmers and ranchers to plant trees, which suck in large amounts of the key global-warming gas: carbon dioxide.

## [US unions, green groups to stump for climate change bill](#)

WASHINGTON (AFP) — US labor unions and environmental groups on Tuesday announced plans for a nationwide campaign to boost support for legislation to promote "clean energy" and battle climate change.

## [To truly help the environment, try 'cash for cluckers'](#)

If we are serious about wanting to put the brakes on climate change, we should be offering "cash for cluckers." Encouraging meat-eaters to trade in their chicken for chickpeas and their pork chops for "fib ribs" is the best way to help the environment.

## [Study: Global warming sparked by ancient farming methods](#)

(CNN) -- Ancient man may have started global warming through massive deforestation and burning that could have permanently altered the Earth's climate, according to a new study by researchers at the University of Virginia and the University of Maryland-Baltimore County.

The study, published in the scientific journal *Quaternary Science Reviews* and reported

on the University of Virginia's Web site, says over thousands of years, farmers burned down so many forests on such a large scale that huge amounts of carbon dioxide were pumped into the atmosphere. That possibly caused the Earth to warm up and forever changed the climate.

### [Deserts Expand Faster as Earth Brightens](#)

As the world warms over the next century, global deserts could expand by as much as 34 percent, according to a new study, swallowing an area roughly the size of the United States.

### [Oil Industry Backs Protests of Emissions Bill](#)

HOUSTON — Hard on the heels of the health care protests, another citizen movement seems to have sprung up, this one to oppose Washington's attempts to tackle climate change. But behind the scenes, an industry with much at stake — Big Oil — is pulling the strings.

Hundreds of people packed a downtown theater here on Tuesday for a lunchtime rally that was as much a celebration of oil's traditional role in the Texas way of life as it was a political protest against Washington's energy policies, which many here fear will raise energy prices.



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