



## Drumbeat: September 1, 2009

Posted by [Leanan](#) on September 1, 2009 - 9:55am

Topic: [Miscellaneous](#)

### [North Sea oil exploration suffering as banks refuse to lend](#)

Recession may push North Sea oil and gas production into a much steeper decline than previously forecast due to the difficulties faced by smaller oil companies in getting finance to pay for exploration and oilfield development.

Industry leaders warned in Aberdeen yesterday at a media briefing that up to a quarter of the 20 billion barrels of oil known to be still recoverable from the North Sea may stay in the ground because of the contraction in the lending capacity of the banks and other financial institutions.

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### [David J.C. MacKay: Illuminating the Future of Energy](#)

CAMBRIDGE, England — A few centuries ago, the developing world got most of its energy from windmills, from water mills, from whales and from plants. Plants contributed both wood for making heat and biofuels to power the labor of humans and other animals.

Nowadays, the “developed” world gets most of its energy from fossil fuels — coal, oil and natural gas — along with nuclear power and hydroelectric dams.

But this era of easily accessible fossil fuels is likely to be but a brief blip in the history of humanity. The peaks of oil and gas production are expected to be reached within the next 50 years, and coal production is likely to peak about the end of this century, if business continues as usual.

### [Michael Lynch - Response to 'Peak Oil' Critics \(the hydrocarbon age is still young: plan accordingly\)](#)

The publication of my op-ed on peak oil in the New York Times brought forth the usual tidal wave of criticism. The Oil Drum went so far as to put up a separate page for comments, and Joseph Romm issued a ‘challenge’ to me to wager on oil prices. (For an executed bet coming due next year, see the appendix below.)

Responding to each and every comment, or even the main ones, would be a Herculean (and Sisyphean) task, so I will (here) make some hopefully useful observations.

### [The Bankruptcy of American - End of the Petrodollar System](#)

In 1971 a deal was struck between OPEC and the United States in which every barrel of oil purchased in the global marketplace would be bought with U.S. dollars. Any country, therefore, wanting to buy oil must have first exchanged its currency for U.S. currency. This “petrodollar” system has created an artificial demand for the dollar as global oil demand has increased.

Today several countries are moving their oil purchases into other currencies, in spite of this agreement. When OPEC officially decides to denominate oil sales in other currencies, the value of the U.S. dollar will decrease rapidly, leading to massive inflationary pressures on the U.S. economy.

### [Black gold or green disaster?](#)

Everybody believes that the moment oil sands proponents have been waiting for is nearly upon us. The reasons?: the rapid depletion of easier-to-get-at oil from cheaper and more conventional sources (seven of the world’s top 10 oil fields are past peak, and 400 conventional wells become extinct every day); the United States’ objective to wean itself from politically troublesome Middle East oil; and the burgeoning markets for oil in places like India and China.

Together, these forces are bringing us rapidly closer to what experts refer to as “peak oil,” the point at which we will have used up half of the Earth’s known supplies of oil and will face a future of increasing scarcity. Alberta oil sands and their potential 173 billion barrels of recoverable oil are poised to become a major supplier in the world market.

### [Future of energy debate – Groningen](#)

On the subject of peak oil and alternative energy, Mr Corson agrees that “oil and gas are limited reserves and other energy will play a growing role.”

“But for the foreseeable future, oil and gas will play a big role. There are substantial resources left to be recovered,” he said.

### [Blowpipes thwart Borneo’s biofuel kings](#)

HUNDREDS of Borneo tribes men armed with blowpipes are blockading roads in protest

against companies they accuse of destroying their rainforests to grow oil palms for "green" biofuel, cooking oil, soap and margarine.

### [Burma refugees carry lesson in imperialism to China](#)

For China, the cost of oil and gas has just doubled. You will not find this new oil price quoted anywhere, but its burden will weigh heavily on the leadership in Beijing.

It is not an oil price that can be measured in dollars per barrel on the New York Mercantile Exchange. There has been no cutback by Opec, nor has a hurricane toppled offshore platforms in the Gulf of Mexico. It is China's oil price; the cost of oil for the People's Republic is now measured in refugees, in tens of thousands of people fleeing Burma into China.

### [Mexico Needs to Find New Revenue Sources, S&P Says](#)

(Bloomberg) -- Mexican President Felipe Calderon must create new sources of revenue to offset declining oil income if the country is to avoid a downgrade of its debt rating, Standard & Poor's analyst Lisa Schineller said.

S&P may cut Mexico's BBB+ status before the end of the year, depending on how Calderon and legislators address ways to boost tax collection when they discuss the 2010 budget next week, Schineller said in an interview.

### [FACTBOX - Asset sales by Venezuela's Citgo](#)

CARACAS (Reuters) - Venezuela's state oil company PDVSA has been progressively selling off "nonessential" assets belonging to its U.S. refining unit Citgo.

A draft of Citgo's 2008 audited financial results, which have not been released to the public but were seen by Reuters, lists the value of the assets the company has sold in recent years.

### [Opec August oil output rises for fourth month](#)

Opec oil supply rose in August for a fourth consecutive month due to higher output from top exporter Saudi Arabia, Nigeria and Venezuela, a Reuters survey showed yesterday. Supply from the 11 members of the Organisation of the Petroleum Exporting Countries with output targets rose to 26.20mn barrels per day (bpd) from 26.11mn bpd in July, the survey of oil firms, Opec officials and analysts found.

### [Surviving Recession: Some Sacramentans ditch the AC](#)

In this age of economic uncertainty, some people have found that cutting back on air conditioning, especially during a relatively mild summer, makes good financial sense. Others do it because it's the environmentally conscious thing to do.

### [Gulf Arab funds loosen purse strings](#)

DUBAI, United Arab Emirates—Government-backed investors bankrolled by Persian Gulf oil wealth are back on the prowl for deals in the West after mostly sitting out the past year's turbulence.

### [Clashes Erupt Over Gazprom Skyscraper](#)

Public hearings on Gazprom Neft's controversial Okhta Center in St. Petersburg became heated Tuesday, with several opposition activists detained and advocates of the project insisting that the tower needed to be 400 meters high to protect against suicide bombers.

### [The Respect conference, the crisis, and the general election](#)

Global warming is expanding the deserts, melting the icecaps, drying up rivers, and destroying water reserves. It is reducing agricultural productivity and crop yields. Alongside this there is the approach of peak oil. The effects of this on any process of 'recovery' are already clear. As soon as governments start to talk up so-called 'green shoots' the price of oil starts to rise.

### [Global Economic Recession And Low Carbon : A Complex Mixture](#)

Even if they don't know what is happening to their real economies, G20 leaders and their science advisers are sure and certain that world climate is changing for the worse, remedial action is urgent, and spending must be large. The closely linked stalking horse of Peak Oil does not openly figure in the rationale and reasoning offered for ever-rising, increasingly massive spending, and muscular legislation to force energy transition away from the fossil fuels, but surely adds yet more impetus to what will be huge long-term intervention in the economy.

### [Rome Falls While The Sun Shines](#)

Discussing the end of population growth is as politically incorrect as saying the simplest solution to peak oil and climate change is to use less fossil energy, starting with the most oil and fossil energy intense economies and societies.

### [Climate-Summit Agreement Still Far Off](#)

If you happened to walk into the Temple of Earth in Beijing — the nearly 500-year-old monument where Chinese emperors once prayed for good harvests — on Aug. 28, you would have noticed a steady drip. The environmental group Greenpeace placed ice sculptures of 100 children — made of the glacial meltwater that feeds China's great rivers — inside the temple to symbolize the risk that climate change and disappearing ice poses to the 1 billion-plus people in Asia who are threatened by water shortages.

### [Report maps out solutions to child obesity](#)

To make it easier for children to eat healthfully and move more, local governments in towns and cities across the country need to help create a better environment, a new report says.

Children and their families should have access to grocery stores that offer plenty of healthful food such as fruits and vegetables, and schools shouldn't be surrounded by fast-food restaurants. Children should be able to ride their bikes or walk safely to school, and they should have safe places to play afterward, says the report out today from the Institute of Medicine (IOM) and National Research Council.

### [Increasing residential and employment density could mean reductions in vehicle travel, fuel use and CO2 emissions](#)

WASHINGTON -- Increasing population and employment density in metropolitan areas could reduce vehicle travel, energy use, and CO2 emissions from less than 1 percent up to 11 percent by 2050 compared to a base case for household vehicle usage, says a new congressionally mandated report from the National Research Council, although committee members disagreed about the plausibility of achieving the higher estimate. Assuming compact development is focused on new and replacement housing -- as converting existing housing to higher densities could be prohibitively difficult -- significant increases in density would result in modest short-term reductions in personal travel, energy use, and CO2 emissions. However, these reductions will grow over time.

### ['Clunkers' boosts Ford, not Chrysler and GM](#)

DETROIT - The Cash for Clunkers program boosted sales at Ford, Toyota and Honda in August as consumers snapped up their fuel-efficient offerings, but rivals Chrysler Group LLC and General Motors Co. withstood another month of falling sales.

### [Colorado commission considers Denver-Vail rail line](#)

FRISCO, Colo. (AP) — A draft report estimates it would cost about \$15 billion to build a passenger rail route from Denver into the heart of Colorado ski country.

The Summit Daily News reported Tuesday the Rocky Mountain Rail Authority developed the cost estimate for a line connecting Denver International Airport with the Eagle County Airport west of Vail.

### [Noam Chomsky: Crisis and Hope](#)

In a narrow sense, it may be true enough that the food crisis results from Western lack of concern: a pittance could overcome its worst immediate effects. But more fundamentally it results from dedication to the basic principles of business-run state policy, the Adam Smith generalization. These are all matters that we too easily evade — along with the fact that bailing out banks is not uppermost in the minds of the billion people now facing starvation, not forgetting the tens of millions enduring hunger in the richest country in the world.

Also sidelined is a possible way to make a significant dent in the financial and food crises. It is suggested by the recent publication of the authoritative annual report on military spending by SIPRI, the Swedish peace research institute. The scale of military spending is phenomenal, regularly increasing. The United States is responsible for almost as much as the rest of the world combined, seven times as much as its nearest rival, China. There is no need to waste time commenting.

The distribution of concerns illustrates another crisis, a cultural crisis: the tendency to focus on short-term parochial gains, a core element of our socioeconomic institutions and their ideological support system. One illustration is the array of perverse incentives devised for corporate managers to enrich themselves, however grievous the impact on others — for example, the “too big to fail” insurance policies provided by the unwitting public.

### [FACTBOX - How countries have coped with the oil "curse"](#)

(Reuters) - Brazil's government proposed a major oil reform law on Monday, setting out its plans for managing huge recent offshore oil finds.

Oil riches in other countries have more often caused economic damage than benefit, a phenomenon known as the oil or resource "curse."

Following are brief descriptions of how other countries have dealt with their oil wealth.

### [ANALYSIS - Brazil needs to beat corruption to enjoy oil bonanza](#)

RIO DE JANEIRO (Reuters) - Brazil needs to stamp out the dangers of free-spending



and corruption if a proposed national oil fund is to help fuel economic growth and avoid the "resource curse" that has soured oil bonanzas in other countries.

### [Push Is On to Allow Drilling Off Florida](#)

A powerful alliance of business interests says they're confident they'll soon overturn Florida's 20-year-old moratorium on offshore oil drilling.

Barney Bishop, president of Associated Industries of Florida, said that unlike this year when a measure to end the moratorium died in the Florida Senate, next year will find success for the efforts in the state Legislature, the St. Petersburg (Fla.) Times reported Sunday.

"I predict we'll pass the bill and the governor will sign it," Bishop said.

### [Petrobras Loses \\$7 Billion Value as Lula Seeks Stake](#)

(Bloomberg) -- Brazilian President Luiz Inacio Lula da Silva's plans for the development of the country's offshore oil fields stripped Petroleo Brasileiro SA investors of \$7 billion in a day.

The proposal, announced yesterday, may allow the state to boost its stake in the company and ensure most income from oil exploration "stays in the hands of our people," Lula said at a press conference in Brasilia. Petrobras, as the Rio de Janeiro-based company is known, led the Bovespa stock index to the biggest drop in the Americas yesterday after the announcement.

### [Commentary: Michael Lynch, Daniel Yergin--The Denizens of Peak Oil Denial](#)

Last week Michael Lynch and Daniel Yergin pummeled the concept of peak oil in two mainstream media outlets. Lynch's feisty but nearly fact-free op-ed for the New York Times and Yergin's more scholarly reflection in Foreign Policy whipped up further discussion in the blogosphere. Although the majority of on-line responses to Lynch's piece were negative, peak oil advocates were put on the defensive.

The two critics employ distinctly different separate styles — Yergin is a Pulitzer Prize-winning historian and suave, savvy corporate schmoozer, while Lynch resembles the kind of pit bull that enjoys attacking bicyclists from behind. Both have been pounding away at peak oil since its "modern renaissance" began with the March 1998 article in Scientific American, "The End of Cheap Oil." These two masters of denial enjoy flogging peak oil. It's clearly what their paying clients in Big Oil want to hear, and sometimes the peak oil community inadvertently hands them ammo that is too good to pass up.

## [Oil production nears terrifying drop-off](#)

Energy consultant Michael Lynch argued last week in an op-ed in The New York Times that better extraction methods will postpone the production peak, which is significant since the economy runs on oil.

If he's correct, it means something more alarming: the drop-off in production after the peak will be that much steeper because there will be less oil left.

Google "net energy the oil drum" for a look at the terrifying cliff over which oil production may soon plunge.

## [Saudis decry anti-Arab tilt in US oil posturing](#)

By specifically criticising Mr Obama for saying foreign oil “bankrolls dictators, pays for nuclear proliferation and funds both sides of our struggle against terrorism”, the Saudi prince has served notice that Riyadh is running out of patience with Washington’s disrespectful attitude.

The row has been brewing at least since March, when the Saudi oil minister, Ali al Naimi, asked western energy consumers not to give up on oil. But this is the first time a Saudi royal has voiced the kingdom’s discomfort with the wave of anti-Arab rhetoric emanating from the US. The spectacle of the first African-American US president promoting his energy policy on such rhetoric is ugly, but Mr Obama is not the only mainstream US politician to discriminate against “Arab oil”. The views of his chief Republican party opponents are even harsher.

## [A Tale of Two Pakistans](#)

The country’s energy crisis is a prime example of this societal contrast. Because of poor infrastructural planning, the government has been caught off-guard by the spike in demand for energy accompanying increased population growth. To conserve energy in the summer months, when temperatures regularly exceed 100 degrees Fahrenheit, it has instituted load-shedding, or nationwide rolling blackouts. I was told to prepare for the worst load-shedding to date, with blackouts nearly every other hour. I heard about struggling families relying solely on candlelight to run their households. This is no way to live, but in theory, every Pakistani would bear the brunt of the government’s lack of foresight.

But that’s theory, and little goes according to plan in Pakistan. Like always, there are work-arounds—the upper class, unlike the majority of people, can afford diesel-powered personal generators. Their most pressing concern is flickering lights when the generator is activated.



### [China Raises Fuel Prices as Crude Oil Advances](#)

(Bloomberg) -- China will raise fuel prices by 300 yuan (\$44) a ton, or as much as 6.3 percent, tomorrow to reflect gains in crude oil and help China Petroleum & Chemical Corp., the nation's biggest refiner, offset higher raw material costs.

Gasoline prices will increase by 4.6 percent to 6,810 yuan a ton and diesel prices will rise by 5.2 percent to 6,070 yuan a ton from midnight, the National Development and Reform Commission, the nation's top economic planning body, said on its Web site today. Jet fuel prices will go up by 6.3 percent to 5,070 yuan per ton.

### [Saudi seen raising all crude prices to Asia for Oct](#)

SINGAPORE - Top oil exporter Saudi Arabia is expected to raise the price of all its crudes heading to Asia for October on healthy fuel cracks and improving refining margins, after deep cuts last month, traders said on Tuesday.

A poll of six refiners and traders said differentials for fuel oil-rich Arab Medium and Arab Heavy grades would likely rise more than lighter grades, as Asian fuel oil cracks improved sharply over the past month, while gas oil made small gains.

### [Kiev says Russia gas row 'sorted'](#)

Russia and Ukraine have resolved all of the outstanding issues related to natural gas supplies, Ukrainian Prime Minister Yulia Tymoshenko told local media.

Rows over gas supplies have dominated Russia's relations with Ukraine over recent years, leading last winter to the longest interruption to European Union supplies for decades.

"We have removed all of the gas problems," Tymoshenko told Russian news agency Interfax after talks with Russian Prime Minister Vladimir Putin in Sopot, a resort on the Baltic coast in northern Poland.

"We feel that all the crisis-like occurrences in this sphere have gone."

### [Rosneft Net Falls 63% on Oil Price, Beats Estimates](#)

(Bloomberg) -- OAO Rosneft said second-quarter profit fell 63 percent after crude prices tumbled and Russia's biggest oil producer had a foreign currency loss.

Net income dropped to \$1.61 billion from \$4.31 billion in the year-earlier period, the Moscow-based company said in an e-mailed statement today. That beat the \$1.49 billion median estimate of five analysts surveyed by Bloomberg.

### [Saudi Aramco to Award Deals on \\$6.9B Gas Devt Projects](#)

Saudi Arabian Oil Co. may award two contracts this month to help implement gas projects worth up to \$6.9 billion to meet soaring demand for gas in the Middle East's largest economy, people familiar with the plans said.

### [Two key Nigerian rebels in peace talks with gov't](#)

ABUJA (Reuters) - Two key militant leaders in Nigeria's oil-producing Niger Delta have started informal talks with the government about surrendering their weapons in return for clemency, an amnesty committee spokeswoman said on Tuesday.

Representatives of Ateke Tom and Government Tompolo, the leaders of factions of the Movement for the Emancipation of the Niger Delta (MEND), have spoken with government officials about accepting an amnesty offer, said Timiebi Koripamo-Agary, spokeswoman for the presidential panel on amnesty.

### [Chevron Accuses Ecuadorean Judge of Bribery, Seeks His Removal](#)

(Bloomberg) -- Chevron Corp. said it will seek to replace an Ecuadorean judge overseeing a \$27 billion environmental lawsuit against the company, claiming videotapes show him saying he would rule against Chevron in meetings with businessmen seeking pollution cleanup work.

### [Theolia Questions 'Right to Exist' Amid Lack of Funds for Bond](#)

(Bloomberg) -- Theolia SA, a French wind-power producer, said it probably wouldn't have enough cash to meet an early redemption of convertible bonds in January 2012, jeopardizing its ability to operate.

"The bond puts a question mark on whether the company has the right to exist," Chief Executive Officer Marc van't Noordende said today at a briefing in Paris. "We are undercapitalized and absolutely need to do something about it."

The global financial crisis has made it harder for wind- power developers to get funding for projects. Van't Noordende acknowledged in April there was a risk of bankruptcy and said the company would sell assets, save costs and halt operations in some countries to regain investor confidence.

### [ZPG2: zero population and zero oil growth](#)

One "emerging consensus view", even among politicians who continue rooting for economic growth if only to claw tax receipts for paying off swollen national debt, is that world oil demand will ceiling if not crater. Peak Oil has won converts, some of them even able to openly admit it is real, but mostly selling oil saving and oil substitution to consumers as part and parcel of the hunting down of the Evil Molecule called CO<sub>2</sub>. A new accessory to the claimed climate change mitigation imperative for eschewing oil is that Global Green Energy will generate jobs and profits.

In reality, geological depletion of global oil reserves sets a hard limit on flights of fantasy as to why we suddenly have to go green and hunt down GHG. As anybody able to read a few charts on world oil discoveries, reserves, incremental capacity costs and net capacity gains will agree, increasing net total supply is more than difficult. By 2025-2030 world oil supply could be down 25% or more from today's output, and export supply or "offer" will shrink even faster.

Talk of ZPG for Zero Population Growth may be on a lot shakier ground for media and political opinion manipulators, but like Zero Oil Growth has some very powerful logic behind it.

### [Congress Hears Alaskan Views on Arctic Ocean Issues](#)

As oil and gas exploration and commercial shipping increases in Arctic regions, the U.S. Coast Guard is working to strengthen its presence in the U.S. Arctic, testing equipment and operating strategies to ensure safety, U.S. Coast Guard Commandant Adm. Thad Allen told a U.S. Senate subcommittee Aug. 20.

In his presentation to the subcommittee, Alaska Gov. Sean Parnell called for a greater Coast Guard presence in the region, including a new duty station or port on Alaska's western or northern coast.

"Diminished sea ice and increased military and commercial activity require a greater presence. They (the Coast Guard) need to move north and improve their capability. To provide homeland security, the Coast Guard must have new Arctic-class ice breakers," Parnell said.

### [US agriculture interests split over energy bill](#)

OMAHA, Neb. – Legislation to confront climate change could be an economic godsend to farmers and ranchers. Or it could be an enormous financial burden.

It depends on whom you ask, and not even farmers and ranchers agree on the matter.

Those who are against the bill say it would lead to skyrocketing fuel and fertilizer costs, cutting into farmers' and ranchers' already unpredictable profits. Those who support it contend any losses would be more than made up for through a provision that would allow companies to meet their pollution targets by investing in offset projects, such as

farms that capture methane or plant trees.

### [U.S. ethanol group wants origin labeling for oil](#)

NEW YORK (Reuters) – A U.S. ethanol industry group is pushing lawmakers to craft legislation requiring gasoline filling stations to inform customers what country their fuel came from in hopes of increasing awareness about money spent on oil imported from overseas.

"Most Americans don't want their paychecks going to Venezuela and other regimes that don't agree with and support the U.S," said retired U.S. Army General Wesley Clark, who co-chairs Growth Energy, the industry group behind the push.

### [Sugar cane to return to Angola in biofuel move](#)

LUANDA (AFP) – Angola will begin planting sugar cane for the first time in more than 30 years this month as the oil-rich country takes its first step toward biofuels.

### [Norwegian oil output to fall more than expected](#)

OSLO — Norway says its offshore oil production will fall 10 percent more through 2013 than predicted a year ago, but will be partly offset by an increase in natural gas exports.

A Norwegian Petroleum Directorate report said Tuesday that oil production is expected to average 1.91 million barrels per day this year, and dwindle to 1.62 million barrels per day in 2013, a 10 percent larger decline than projected last year.

Production was about 2.2 million barrels per day at the end of 2008, after falling from a peak average of 3.1 million barrels per day in 2000.

### [Brazil: Policy Changes Signaling New Era of Oil Production Underway](#)

Harold Hotelling was an economist in the 1930's who wrote on a number of topics, but is known for his work in resource economics, and the eponymous Hotelling Rule. Writing in the Journal of Political Economy in 1931, Hotelling theorized that a rational producer of resources, say oil, would only be inclined to extract and sell that resource if the investment opportunities available with the capital proceeds were greater than simply leaving that resource to appreciate in the ground. Sounds reasonable, yes? But it's not clear that the world—at least in the case of oil producers—has operated this way.

### [Brazil May Allow Workers to Buy Petrobras Shares, Official Says](#)

(Bloomberg) -- The Brazilian government is considering a plan to allow workers to tap a fund known as FGTS to buy Petroleo Brasileiro SA shares and help finance the company's plan to develop deepwater, offshore oil fields, a government official familiar with the plan said.

### [EPA drafts fuel economy rules](#)

WASHINGTON -- The Environmental Protection Agency has drafted its version of fuel economy rules setting a 35.5-m.p.g. standard for vehicles by 2016, the first move by the Obama administration to regulate greenhouse gas emissions, EPA Administrator Lisa Jackson said Monday.

The proposed rules under review by the White House would spell out the details of a compromise among automakers, state governments and the Obama administration to regulate greenhouse-gas emissions from cars and trucks. The administration is expected to make the rules public next month.

### [EU to begin phasing out standard lightbulbs](#)

BRUSSELS — The EU will start making the transition from power-draining lightbulbs to more energy efficient ones Tuesday, the European Commission said.

Several nations including Australia, New Zealand, Canada and the Philippines have already announced they will phase out or restrict sales of traditional bulbs as well. In 2007, President George W. Bush signed a bill that calls for the bulb to be phased out in the U.S. beginning in 2012.

### [Palo Alto plans for electric car boom](#)

When it comes to energy policy, electric cars may be best known for the impacts they don't have. They don't require foreign oil, and they don't spew greenhouse gases.

That's one reason green-conscious Palo Alto officials are abuzz over electric automaker Tesla's plans for a new powertrain plant in the Stanford Research Park. The move has the city poised to be a hub for an environmentally friendly industry that some believe will take off in the next decade.

### [Eco-Cities: Building a Comeback?](#)

The global recession put a damper on what are known as eco-cities, or big real estate developments that dramatically cut carbon emissions. The most notable delay has

affected a major project planned for Dongtan, outside Shanghai. But with the recession easing and oil prices rising, plans to build such ultragreen model cities seem to be reviving.

### [Sustainable use of resources not an alternative](#)

The world population doubled between 1650 and 1850 and has doubled again in the last 45 years. In the 20th century, global population explosion and our lifestyle of limitless energy fueled the exponential use of natural resources and resulting pollution.

By the mid-20th century, disturbing the ecological balance carried much greater consequences. With the prosperity of post WWII came the rapid growth of our material needs and vast use of plastics and fossil fuels. Not until the oil crises in the '70s did we see limits of the supply of this easy energy, and the term "peak oil" became popular to describe the expected upper limit of our supply.

### [Chicken-keeping finds its place in our front yards](#)

PORTLAND, Ore. — North Williams Avenue is a street with a soundtrack like most any other in the neighborhoods of Portland. There's the swishing of bikes, the rustling of leaves, the whirring of motors.

But then there's something else under those familiar notes: a tiny warble of clucks coming from a chicken coop set in a front yard.

Newspapers across the country have been splashing urban and suburban chicken-keeping across their front pages. It's the latest thing, they said. But in Portland, it's old hat. For the past few years, chicken keeping has found its place here.

### [Air pollution reducing 'good' rains in China: study](#)

STOCKHOLM (AFP) – Air pollution has over the past 50 years led to a reduction of the light rainfall in China essential for the country's agriculture and water resources, a Chinese researcher said Monday.

A recent study conducted in Sweden, the United States and China showed that the number of days with light rainfall (less than 0.1 millimetre per day) dropped by 23 percent in China from 1956 to 2005.

That was because of air pollution particles that reduced the formation of rain clouds, researcher Deliang Chen of Gothenburg University told AFP.

### [Coal Plant Buries U.S. Taxpayers' \\$1.5 Billion Along With CO<sub>2</sub>](#)



(Bloomberg) -- Interior Secretary Ken Salazar sang the praises of a North Dakota coal plant he visited in May. The Great Plains facility is the world's largest that captures and buries carbon dioxide emissions.

"We need to figure out a way we can do it in other parts of the country," Salazar said in a speech in Washington.

Great Plains may be an environmental success and a showcase for technology central to President Barack Obama's plans to curb global warming. It was also a financial flop, defaulting on \$1.5 billion in federal loan guarantees before being sold for 4 percent of its construction cost.

The "clean-coal" plant's travails should be a warning to Obama and environmentalists eager to use still-developing technologies on a commercial scale to curb emissions, said William Hederman, a Washington energy analyst.

### [Catastrophe bonds: a financial symptom of climate change?](#)

Catastrophe bonds are, depending on who you talk to, either a smart way to spread the insurance risk around to ensure the market doesn't buckle under another Katrina, or a way of making money by trading on others' misfortune. Swiss Re, the world's second-biggest reinsurer, describes them saying: 'Cat bonds offer investors an attractive risk/return profile and serve to diversify portfolio risk'.

Essentially, rather than taking out reinsurance, an insurer offers to sell a specific catastrophe bond. The buyer (say, a trader at an investment bank) puts down his money on the understanding that he will get it all back over time, plus a high rate of interest. The only catch is that he will lose it all if some specified bad thing happens within a specified number of years (say, Bermuda being wiped out by a hurricane). If it does, the insurer keeps the lot.

### [Global warming and the sun](#)

Recent studies seem to show that there's more to climate change than we know.

### [Our best guess about global warming may be wrong](#)

They know that a dramatic spike in carbon dioxide associated with rapid climate change kicked off the epoch – called the "Paleocene-Eocene Thermal Maximum" (PETM). But what scientists don't understand about the PETM may hold the most relevant lessons for where the world's climate is headed today.

So far, scientists have been unable to reproduce the PETM in a climate model. In order to get the climate they suspect existed, they have to crank up carbon dioxide far beyond

what they think was actually the case.

They're missing something – and that something may be key to understanding what happens after atmospheric CO<sub>2</sub> increases beyond an unknown threshold. At some point, rising CO<sub>2</sub> may trigger something else that further warms the climate. In other words, we may have significantly underestimated the effects of the CO<sub>2</sub> now being released into the atmosphere. If the Eocene is any indication, the world is probably in for more warming than suspected.

### [UN chief sees climate change first-hand in Arctic](#)

NY-AALESUND, Norway (AFP) – UN Secretary General Ban Ki-moon on Tuesday visited a research community in Ny-Aalesund in the Arctic's Svalbard archipelago to see the effects of climate change first-hand, officials said.

### [Space Mirrors, Reactive Rocks May Be Needed in Climate Plan 'B'](#)

(Bloomberg) -- Sending giant mirrors into orbit and speeding up natural reactions between rocks and the atmosphere may be needed as a Plan 'B' to fight global warming, the Royal Society, the U.K.'s national science academy, said.

Ensuring a safe future for the Earth may rest on “potentially dangerous and unproven” geo-engineering techniques unless new efforts to cut heat-trapping carbon dioxide emissions are more successful than those to date, the society said today as it released a report on the technologies.

### [Oceans Could Absorb Much More CO<sub>2</sub>](#)

Earth's oceans are vast reservoirs of carbon dioxide (CO<sub>2</sub>) with the potential to control the pace of global warming.

It all hinges on the fate of marine "snow" -- a constant sprinkle of carbon-rich bits that flutter down from the sea surface to the cold depths below. And according to a new study, the flurries could suck much more of the greenhouse gas out of the atmosphere than previously thought.

### [EU presses US on climate change](#)

BRUSSELS – The European Union is urging U.S. lawmakers to ensure the United States makes deep cuts in carbon emissions.

Sweden's Environment Minister Andreas Calgren says the 27-nation bloc, as well as the

United States and other developed countries, "should deliver" on promises to cut emissions by 80 percent from 1990 levels by 2050.

#### [Recession helps cut EU greenhouse gas levels: agency](#)

BRUSSELS (AFP) – Greenhouse gas emissions in the European Union fell for the fourth year running in 2008, thanks to the economic recession, the European Environment Agency (EEA) said Monday.

The official EEA estimates showed a 1.5 percent drop in emissions from the 27-nation European Union as a whole and a 1.3 percent drop from its 15 older and richer members.



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