



## Drumbeat: September 11, 2009

Posted by [Leanan](#) on September 11, 2009 - 9:08am

Topic: [Miscellaneous](#)

### [Obama Administration: US Has Overinvested In Oil, Gas](#)

The Obama administration opened a new front in its effort to impose \$31.5 billion in taxes on oil and gas companies, saying that the nation puts too much emphasis on oil and gas at the expense of other industries.

The chief economist in the Obama administration's Treasury Department testified before a Senate panel that current subsidies "lead to overinvestment" in the oil and gas industry. That went beyond previous statements about the need to protect taxpayers and was the clearest signal yet that the federal government hopes to end its role in nurturing domestic oil and gas production.

"To the extent that current subsidies for the oil and gas industry encourage the overproduction of oil and natural gas, they divert resources from other, potentially more efficient investments, and they are inconsistent with the Obama administration's goals to reduce greenhouse-gas emissions and build a new, clean energy economy," Alan Krueger, the Treasury's chief economist, told the panel.

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n next year's budget, lawmaker Oscar Levin said.

### [U.S., Canada to conclude joint survey of extended continental shelf in Arctic](#)

SAN FRANCISCO (Xinhua) The United States and Canada will conclude a joint 41-day exploration of the continental shelf and ocean basins in the Arctic, which may find evidence to support the two countries' claims to the rich oil resources sleeping under the sea floor.

According to the U.S. State Department, two ice breakers, the U.S. coast Guard Cutter Healy and the Canadian Coast Guard Ship Louis S. St-Laurent launched the joint mission on Aug. 7. The two ships were scheduled to cross the icy areas from the north of Alaska to Alpha-Mendeleev Ridge and eastwards toward the Canada Archipelago. The mission will conclude next Wednesday.

### [Shell CEO says price hike](#)

CALGARY, Alberta (Reuters) - Another round of significant oil price increases could come within four to five years because oil companies slashed investments to cope with last year's plunge in oil prices, Peter Voser, Royal Dutch Shell Plc's (RDSA.L) chief executive, said on Friday.

### [Shell Sees Time, Not Technology, as Renewable-Energy Challenge](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's biggest oil company, said large-scale deployment is a bigger challenge than technological advances in replacing fossil fuels with renewable energy sources.

It typically takes 25 years for new energy sources to build their share of global energy supplies to 1 percent, Shell Chief Executive Officer Peter Voser said today at a conference in Calgary. The Swiss-born Voser, 51, succeeded Jeroen van der Veer as CEO at Shell, based in The Hague, in July.

### [Repsol Says It Makes Venezuela's Biggest Gas Find](#)

(Bloomberg) -- Repsol YPF SA, Spain's biggest oil company, discovered a Venezuelan gas field containing as much as 8 trillion cubic feet of fuel, one of the world's largest finds.

The field's potential gas resources would be enough to supply Spain for more than five years, the company said today in an e-mailed statement. Venezuelan President Hugo Chavez and Repsol Chief Executive Officer Antonio Brufau discussed the find in Madrid today, the company said.

### [ExxonMobil has trouble hawking fields](#)

US supermajor ExxonMobil has been unable to sell four Canadian fields as low natural-gas prices discourage potential buyers.

The properties, which include ExxonMobil's stake in the Yukon Territory's only producing gas field, have not attracted any suitors since they were put up for sale on 4 May, Bruce Rauch, an ExxonMobil asset-enhancement manager based in Calgary, said.

### [Shell's Renumeration Chief, Attacked Over Pay Awards, to Retire](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's biggest oil company, said the chairman of its remuneration committee, who came under attack from shareholders over executive pay awards earlier this year, is standing down.

## [Oil-Rich Caspian Neighbors Say They Didn't Mean to Snub Iran](#)

(Bloomberg) -- Iran's northern neighbors agreed to discuss the boundaries of the energy-rich Caspian Sea with President Mahmoud Ahmadinejad after his government protested its exclusion from a regional meeting.

## [Storm little threat to Gulf flows](#)

US oil producers and refiners said operations were normal on Friday morning as they monitored a storm system in the western Gulf of Mexico that has a low chance of becoming a tropical cyclone.

## [Environmental Groups Wait to See Definitive Action From Obama](#)

The White House's main effort has been to undo several Bush-era policies on climate control, air pollution and the regulation of roadless forests. Those actions, combined with court decisions that have struck down other rules, have given President Obama a relatively blank canvas on which to redraw U.S. environmental policy. But the administration has been cautious, leaving key issues in limbo and questions unanswered about the way it would balance environmentalism and the economy.

## [The electric-fuel-trade acid test](#)

IN 1995 Joseph Bower and Clayton Christensen, two researchers at the Harvard Business School, invented a new term: "disruptive technology". This is an innovation that fulfils the requirements of some, but not most, consumers better than the incumbent does. That gives it a toehold, which allows room for improvement and, eventually, dominance. The risk for incumbent firms is that of the proverbial boiling frog. They may not know when to switch from old to new until it is too late.

## [The Problem With 'Eat Local'](#)

HOUSTON -- With the world population headed toward 9 billion by 2050, Texas author James McWilliams wants more genetically modified organisms and more subsidies to feed people, not cattle.

His new book, *Just Food: Where Locavores Get it Wrong and How We Can Truly Eat Responsibly*, is sure to irritate organic food fundamentalists. He recently talked to Forbes.

[Michael Pollan: Big Food vs. Big Insurance](#)

No one disputes that the \$2.3 trillion we devote to the health care industry is often spent unwisely, but the fact that the United States spends twice as much per person as most European countries on health care can be substantially explained, as a study released last month says, by our being fatter. Even the most efficient health care system that the administration could hope to devise would still confront a rising tide of chronic disease linked to diet.

That's why our success in bringing health care costs under control ultimately depends on whether Washington can summon the political will to take on and reform a second, even more powerful industry: the food industry.

[Climate Bill Will Save Each US Household \\$5,600 Due to Reduced Oil Imports: EIA](#)

According to the EIA, oil imports would drop by 590,000 barrels per day by 2020 under ACES. Currently the US imports about 9.8 million barrels of crude oil per day.

So in terms of actually reducing US dependence on foreign oil that's not really that much, but it does add up in terms of money saved. Cumulatively though 2030 the US would save \$658 billion -- or \$5,600 per household. Or, using the same cumulative math, \$466 per household per year through 2030 just from reduced oil imports. That's in constant 2007 dollars, by the way

[8 signs you're an energy-hogging jerk](#)

Following the advice may not make you any less of a jerk, but at least it will make you a more energy-efficient jerk, noted John Rogers, a senior energy analyst with the Union of Concerned Scientists in Cambridge, Mass., who helped compile the list.

[Obama Administration: US Has Overinvested In Oil, Gas](#)

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"To the extent that current subsidies for the oil and gas industry encourage the overproduction of oil and natural gas, they divert resources from other, potentially more

efficient investments, and they are inconsistent with the Obama administration's goals to reduce greenhouse-gas emissions and build a new, clean energy economy," Alan Krueger, the Treasury's chief economist, told the panel.

### [Import prices spike as oil rises](#)

WASHINGTON (Reuters) -- U.S. import prices spiked 2% in August as the cost of oil rose, the Labor Department said on Friday.

The increase, twice what analysts polled by Reuters had expected, was the fifth rise in the last six months. It followed a July drop of 0.7%.

Excluding petroleum, import prices increased a much milder 0.4% in August after falling 0.3% in July. Petroleum prices were up 10.5% and fuel import costs were up 9.8% -- both the sixth increases in the past seven months.

### [The Biggest Threat to the U.S. Oil Supply](#)

My colleague David Lee Smith detailed the matter of Cantarell's dangerous decline curve in a seminal piece back in 2007. At that time, production had slipped by 20% in a little more than one year, from 2 million to 1.6 million barrels per day. The declines have only gotten more dramatic.

Last summer, Cantarell dropped below the 1 million barrels a day. This July, output registered a 40% year-on-year decline, to a little more than half a million barrels per day. That's a 72% decline from peak production rates in 2005.

### [Pemex Sells \\$1.5 Billion of 5.5-Year Bonds in Overseas Markets](#)

(Bloomberg) -- Petroleos Mexicanos, the largest oil producer in Latin America, sold \$1.5 billion of 5.5-year bonds to help finance a record investment plan, according to a person familiar with the transaction.

Pemex, as the Mexico City-based company is known, sold the bonds to yield 2.75 percentage points above U.S. Treasuries, said the person, who declined to be identified because he's not allowed to speak publicly.

### [Mexico's Fading Oil Output Squeezes Exports, Spending](#)

Mexico's oil output is falling faster than expected, increasing the chance that the country will lose its status as a major oil exporter in coming years and face a worsening budget

shortfall.

Output at state-owned oil monopoly Petroleos Mexicanos's offshore field Cantarell, once the world's second-largest oil field, has plunged to 500,000 barrels a day from its peak of 2.1 million in 2005.

"I don't recall seeing anything in the industry as dramatic as Cantarell," says Mark Thurber, assistant director for research at the Program on Energy and Sustainable Development at Stanford University.

### [Pemex Sees "Doubts" About Chicontepec Profitability](#)

(Bloomberg) -- Petroleos Mexicanos, the state-owned oil company, needs to find a profitable way to develop its Chicontepec field, Chief Executive Officer Juan Jose Suarez Coppel said.

There are "certainly doubts" about the field's profitability and the technology that should be used, said Suarez Coppel, who took the helm of Latin America's largest oil producer on Sept. 8. "Chicontepec has a great potential, and we have to keep investing to find a way to exploit it in a profitable manner," he said today in a Radio Formula interview.

### [Sinopec to double oil refining size](#)

CHINA Petroleum and Chemical Corp, commonly known as Sinopec, plans to spend 24 billion yuan (US\$3.5 billion) to double capacity of a refining project in Fujian Province.

Asia's biggest oil refiner will expand the refinery - part of China's first Sino-foreign integrated refining and petrochemical project - in the southeast China's province to 24 million tons a year, or about 480,000 barrels per day, according to a newsletter issued by its parent company yesterday.

### [Crude Reality – A Closer Look at the Almost Perfect Crime](#)

Interestingly, the U.S. government chose not to publicly disclose that they were involved in crude oil swaps – because their intention was to stall manically rising prices, creating a temporary "physical glut" in the market place - and to DRIVE CRUDE OIL PRICES DOWN. Their actions were only recorded "buried" in foot notes of the Department of Energy's Annual Report where, I'm certain, they assumed no one would ever look.

### [Did S.C.'s gouging law worsen gas shortage?](#)



The S.C. law that prevents price rip-offs might have prevented something else during the monthlong statewide gas shortage that started a year ago today.

Some gas stations refused refills because of skyrocketing prices, an industry official said.

“That law and threat from the (state) attorney general kept plastic bags on the pumps,” said Michael Fields, executive director of the S.C. Petroleum Marketers Association. “If they knew their next load would cost \$5.50 (a gallon), they knew they would be accused of gouging. ... They knew no one would believe, ‘I gotta charge this because this is what it costs.’”

### [ExxonMobil, Qatar Gas put more downward pressure on LNG prices](#)

Last week, the Henry Hub spot price for natural gas touched \$1.83/million btu. On August 28, the Purvin & Gertz LNG netback at the Isle of Grain was \$2.13/million btu for Algerian LNG. At Lake Charles the netback price touched \$0.44 for Nigerian LNG and close study of all sources reveals that the potential for prices to go lower is real. While ExxonMobil is in a leadership position, they are joined by many others including Royal Dutch Shell, Total GDF-Suez, BG, Chevron plus national oil companies that include Saudi Aramco, Sonatrach, Sonangol and Gazprom among others. Even with a strong growth in demand for all categories of natural gas, it is now reaching the point where LNG has a commanding lead by virtue of its low and falling extraction cost. One possible consequence of this in Europe is that Gazprom's North Stream and South Stream pipelines no longer make economic sense.

### [Split on the atom](#)

When Vladimir Putin visited Ankara last month, one of the Russian prime minister's main objectives was to breathe new life into Turkey's long-held dream of developing civil nuclear power. The planned reactor at Akkuyu on Turkey's south-east coast, conceived in the 1970s and now being developed by a Russian-Turkish consortium, is still delayed by haggling over the price. But Turkey has made clear it is firmly committed to acquiring nuclear generation capacity.

Shelving the project back in 2000, Bulent Ecevit, then the country's prime minister, said the world had turned against nuclear power. Now, as Tony Blair, the former UK prime minister, once said, it is back “with a vengeance”. If the world is to meet its demand for energy and address the threat of climate change, then plenty of other countries will, like Turkey, have to acquire civil nuclear technology for the first time.

### [San Francisco gets smart with green technology](#)

San Francisco is using advanced technology – and the strong arm of government – to turn the city into one of America's greenest.

## [Darpa Seeks to Tap Water's Power Potential](#)

The quest for limitless energy has preoccupied military researchers for years, and Darpa, the Pentagon's far-out science arm, has often led the way. Now the agency is looking for yet another method to harness cheap and environmentally friendly energy that would be as simple as turning on the tap.

Well, sort of. Darpa is soliciting proposals for using seawater to create liquid fuel. Their hope is to harvest the abundance of carbon and hydrogen in ocean water, and somehow convert the molecules, via chemical reaction, into usable energy. Since fuel is mostly made up of hydrocarbons, the right interplay between water molecules and the carbon dioxide lurking among them would — in theory — yield fuel compounds.

## [350 and counting](#)

For a growing number of people in the world, 350 is no longer just a number. In the past year several nations have waged a campaign to reduce the presence of carbon dioxide in the earth's atmosphere to 350 parts per million. Scientists say this level is the safe limit for humanity due to the effects of this greenhouse gas.

Journalist Bill McKibben took this apocalyptic piece of scientific data and used it to launch a worldwide campaign to fight global warming. The founder and director of 350.org, McKibben visited Israel this week as a guest of a coalition of local environmental organizations.

## [People, Let's Get Our Carbon Down](#)

But this environmentalism can't just be about the dangers we'll face if we don't take action--Green the Block means embracing the changes we must make as a way to build inclusive, thriving local economies. We need to put people to work swinging hammers--not building luxury condos for people with easy credit but installing insulation in old homes and solar hot-water heaters on roofs. We need urban farming and strong local businesses standing up to the big boxes that suck the life and money from communities.

## [Russia tells OPEC: We never promised you anything](#)

Russia will make no apologies to OPEC for boosting oil CL-FT production to record monthly highs and can invest in new fields while crude trades at current levels around \$70 (U.S.) per barrel, the country's energy minister said.

Sergei Shmatko told reporters the world's No. 2 oil exporter would apply zero export duties for East Siberian oilfields from the end of September, although it would step in to regulate the oil sector should world prices plunge again.



“We never had any obligations (to OPEC). When we were communicating, we never promised anything,” Mr. Shmatko said late on Thursday, after OPEC members decided to retain output cuts.

### [Shtokman timing 'down to demand'](#)

Gazprom may delay the launch of the giant Shtokman gas field beyond 2013 should demand in Europe not recover fast enough, the Russian company's export chief said today.

Deputy chief executive Alexander Medvedev also told Reuters Gazprom was considering partnering with South Korean state-owned company Koren Gas Corporation (Kogas) at a liquefied natural gas project in Russia's Far East.

### [U.S. Energy Department Inventory Data Signals Good News for Oil Producers](#)

The price of crude oil wasn't exactly surging on Thursday – but apart from that, there was no end to the good news for oil producers.

The U.S. Energy Department noted in its weekly inventory data that crude oil stockpiles fell 5.9 million barrels, well above estimates for a decline of just 1.6 million barrels. This suggests, for the time being at least, that energy consumption is on the rise.

### [Halliburton betting on deepwater projects](#)

Halliburton Co., the world's second-largest oil field-services provider, is betting on deepwater oil and gas drilling in the Gulf of Mexico, Brazil and West Africa to bolster earnings.

Explorers have contracted 16 new deepwater rigs, which are expected to arrive in the second half, Tim Probert, president of Halliburton's drilling division, said in an interview. Some 30 more rigs will be delivered in 2010 and early 2011, he estimated.

### [ArcelorMittal to Complete Saudi Arabia Oil Pipe Mill in 2011](#)

(Bloomberg) -- ArcelorMittal, the world's largest steelmaker, said it will complete a mill in Saudi Arabia to make pipes for the oil industry in 2011, at least two years later than scheduled, to tap a revival in demand.

[Analyst: Shell could be first to liquefy gas offshore](#)

Royal Dutch Shell Plc, Europe's largest oil company, may be the first company to develop a floating liquefied natural gas project with the location likely to be off northern Australia, an energy consultant said.

“The pioneering floating LNG project is likely to occur somewhere where you have got benign sea conditions and where you have got a stable fiscal and political environment,” Daryl Houghton, senior LNG consultant at Poten & Partners, said at a conference in Darwin today. “That sort of sounds like northern Australia to me.”

[Energy Information Administration Alludes to Speculative Money Affecting Oil Prices](#)

In response to Congressional pressure for greater energy market transparency, new EIA director Richard Newell said his agency will now harvest more information about the energy markets and conduct deeper assessments of price factors.

[Shell's Hamburg Refinery in No Danger of Closure, Minister Says](#)

(Bloomberg) -- Hamburg's economy minister said he's "less worried" that the city's refinery could be closed down following its proposed sale by Royal Dutch Shell Plc after holding talks with the oil producer.

Shell, which is reviewing the future of its refineries worldwide, offered reassurance that the sale of the plant won't lead to production moving elsewhere, Axel Gedaschko, State Minister of Economic and Labour Affairs, said by phone from Hamburg.

[Breakup shows credit markets are back](#)

EnCana wants to break up.

That is as clear a signal as you'll ever get that credit markets are back.

EnCana's strategically sound but poorly-timed decision to split its U.S. natural gas division away from its Canadian oil sands, gas and refining assets last year was delayed for one reason: Cenovus Energy, the new company which would be home to the heavy oil properties, was having trouble borrowing at competitive interest rates.

[Valero's Klesse Bets All on Beating Waxman-Markey Climate Bill](#)

(Bloomberg) -- Valero Energy Corp. Chief Executive Officer Bill Klesse is so sure the Waxman-Markey climate bill will fail to become law that he's making no strategic

adjustments to cope with the legislation.

“We are not altering our business model based on this legislation because we think the legislation is so poor for all the constituents, the consumers, everybody,” Klesse, 63, said in an interview at the company’s headquarters in San Antonio.

As head of the biggest U.S. refiner, Klesse may have little choice but to bet on failure of the bill, which passed the U.S. House in June. Valero said it stands to lose more than any other company and can’t turn on a dime to blunt the impact.

### [UK climate scepticism more common](#)

The British public has become more sceptical about climate change over the last five years, according to a survey.

Twice as many people now agree that "claims that human activities are changing the climate are exaggerated".

Four in 10 believe that many leading experts still question the evidence. One in five are "hard-line sceptics".

The survey, by Cardiff University, shows there is still some way to go before the public's perception matches that of their elected leaders.

### [Australia overtakes US as biggest polluter: report](#)

SYDNEY (AFP) – Australians have overtaken Americans as the world's biggest individual producers of carbon dioxide, which is blamed for global warming, a risk consultancy says.

British firm Maplecroft placed Australia's per capita output at 20.58 tons a year, some four percent higher than the United States and top of a list of 185 countries.

### [Warming turns global poor's staple into poison](#)

SYDNEY: Cassava - the staple of 750 million impoverished people in Africa, Asia and Latin America - is turning more toxic with much smaller yields, thanks to global warming and carbon levels.

### [World must help China shift to clean growth: Stern](#)

BEIJING (Reuters) - China will have to retool its engines of economic growth to help the world avoid increasingly dangerous levels of greenhouse gas emissions in coming

decades, a leading expert on the economic impact of climate change said.

Nicholas Stern, formerly a British Treasury official and World Bank chief economist, told a meeting in Beijing on Friday that transformation would rest on rich countries leading the way by cutting their own emissions and helping poor nations, including China, now the world's biggest emitter.

### [Total CEO Expects Higher Crude Prices, Supply Squeeze in 2014](#)

(Bloomberg) -- Total SA Chief Executive Officer Christophe de Margerie said oil will probably rise to more than \$145 a barrel on concern supplies may fall short as soon as 2014.

“We are running the risk of another oil crisis when demand outstrips supply around 2014 or 2015,” de Margerie told Le Parisien newspaper, according to spokesman Paul Floren. “There won’t be enough oil and gas by the middle of the next decade.”

Crude futures peaked at \$147.27 a barrel in New York in July 2008 and tumbled almost 70 percent in the second half of the year as the global recession eroded demand. Prices have since climbed 62 percent.

Oil producers must invest in new capacity to avoid a jump in prices, de Margerie said. The slump in crude futures and tightening credit markets have forced explorers to scale back spending plans and scrap expansion projects.

“It is worrying and we must take this into account now and not wait for 2014,” the CEO said.

### [Crude Oil May Decline as Fuel Supplies Rise, Survey Shows](#)

(Bloomberg) -- Crude oil futures may fall as fuel stockpiles increase and refineries prepare to idle units for seasonal maintenance.

Fourteen of 31 analysts surveyed by Bloomberg News, or 45 percent, said futures will drop through Sept. 18. Ten respondents, or 32 percent, forecast that the market will rise and seven said prices will be little changed. Last week, 50 percent of analysts said oil would fall.

### [Natural Gas Poised for Biggest Weekly Gain Since May on Economy](#)

(Bloomberg) -- Natural gas futures in New York are poised for their biggest weekly gain since May on speculation a recovery in the U.S. economy is gaining momentum, spurring demand for industrial fuels.

Natural gas soared 15 percent yesterday, the biggest one- day gain in almost five years, sparked by Energy Department data that showed a smaller-than-forecast increase in U.S. stockpiles. Confidence among U.S. consumers probably increased in September for the first time in three months as the pace of job losses slowed and the economy showed signs of pulling out of the recession, according to survey of analysts by Bloomberg News.

### [Commodity Inflows Reach August Record, Barclays Says](#)

(Bloomberg) -- Investments in commodity products advanced to \$2.63 billion last month, at least double the amount recorded for any August, with investors favoring Europe over the U.S., Barclays Capital said.

Exchange-traded products got \$1.74 billion and commodity- linked mutual funds took in \$472 million, the bank said in a report late yesterday. The monthly figure includes structured products. European ETPs got more than their U.S. equivalents, the second time that's ever happened, Barclays said.

### [Exxon Mobil Says Landowner Protests Won't Stall PNG LNG Project](#)

(Bloomberg) -- Exxon Mobil Corp., operator of a proposed \$12.5 billion liquefied natural gas project in Papua New Guinea, says landowner protests won't jeopardize a development decision for the venture.

"It's not causing us delays," Decie Autin, upstream project manager for Exxon in Papua New Guinea, told reporters at the South East Asia Australia Offshore Conference in Darwin today. A final investment decision is on schedule for the end of the year, she said during a presentation.

### [Oil majors propping up Myanmar regime: rights group](#)

BANGKOK (AFP) – Energy giants Total and Chevron are propping up Myanmar's junta with a gas project that has allowed the regime to stash nearly five billion dollars in Singaporean banks, a rights group said Thursday.

France's Total and US-based Chevron have also tried to whitewash alleged rights abuses by Myanmar troops guarding the pipeline, including forced labour and killings, two reports by US-based EarthRights International said.

### [Norway Election Loss May Spark Arctic Victory for Shell, Exxon](#)

(Bloomberg) -- A defeat for Norway's Labor-led coalition in next week's election may

pave the way for oil companies such as Royal Dutch Shell Plc, Exxon Mobil Corp. and StatoilHydro ASA to explore more of the country's Arctic waters.

The Labor Party, split between promoting jobs and protecting the environment, is undecided on opening more areas, while its partners oppose new drilling. The coalition trails in polls, suggesting the next government may be a more exploration- friendly, center-right group or a Labor minority administration.

### [Norway Aug oil output falls to 1.91 mln bpd](#)

OSLO (Reuters) - Norway's oil production fell to a preliminary 1.91 million barrels per day on average in August from 2.07 million in July, the Norwegian Petroleum Directorate said on Friday.

### [China's August Power Generation Rises to a Record](#)

(Bloomberg) -- China's power generation rose to a record in August after the domestic economic recovery spurred demand from businesses and factories.

Power output increased for a third month, gaining 9.3 percent to 344.3 million megawatt-hours, the National Bureau of Statistics said in Beijing today. Power generation had climbed 4.8 percent in July and 5 percent in June after contracting for three straight months.

### [Hugo Chávez deepens petroleum and military ties with Russia](#)

Moscow – Eight visits in eight years. Venezuelan leader Hugo Chávez has been here so often that the Moscow media calls him "Russia's comrade-in-arms-and-oil," a phrase that neatly summarizes the growing politicization of a relationship whose profitable core is trade in weapons and energy.

### [Hugo Chavez wraps up 9-country tour in Spain](#)

MADRID – Venezuelan President Hugo Chavez will focus on energy and oil agreements during a visit Friday to Madrid, the last stop of a nine-country tour.

Chavez will hold brief talks with Prime Minister Jose Luis Rodriguez Zapatero and King Juan Carlos during his half-day stopover.

"We come here to continue working with the Spanish government, to revise agreements, energy, oil and cultural projects," Chavez said in comments broadcast by Venezuelan state television.



### [Australia in \\$60 bln Japan, S.Korea gas deals](#)

CANBERRA (AFP) – Australia on Thursday announced liquefied natural gas (LNG) deals worth up to 60 billion US dollars with Japan and South Korea, raising its status as a major energy supplier.

Prime Minister Kevin Rudd said Chevron Australia would supply three firms from the planned Gorgon field off the country's west, just weeks after joint venture partner ExxonMobil's record 41 billion US dollar deal with PetroChina.

### [Mexico's rapid decline in oil production is proving peak oil proponents right](#)

The proponents of peak oil—the theory that the world is no longer finding enough new oil from conventional sources to keep up with increases in oil consumption—can rightfully point to Cantarell as confirmation for one part of their theory. Once a field goes into decline, peak oil proponents have argued, the decline in production is shockingly rapid.

Cantarell is now Exhibit #1.

### [UK 'could face blackouts by 2016'](#)

The government's new energy adviser says the UK could face blackouts by 2016 because green energy is not coming on stream fast enough.

Ministers have previously denied that the UK is heading for an energy gap.

But David MacKay, who takes up his post at the Department of Energy on 1 October, says that the public keep objecting to energy projects.

This, he says, is creating a huge problem, which could turn out the lights.

### [How Wishful Thinkers Are Forced To Reconnect With Energy Reality](#)

One day Energy Secretary Ed Milliband sets out his proposed expansion of the U.K.'s wind power-led alternative energy revolution; the next day, Vestas, the U.K.'s largest wind turbine manufacturer, shuts down a big part of its British operations citing "low demand" and public opposition to onshore wind farms.

Just bad luck or bad PR? Not quite. Simply another blatant example of the ongoing "disconnect" over energy between those suffering from WTS (Wishful Thinker Syndrome) and the hydrocarbon-fueled present and future energy realities.

### [Peak Moment Television: The Waking-up Syndrome](#) (video)

Ecopsychologist Sarah Edwards, PhD, explains stages people often go through when facing the implications of climate change and resource depletion. She outlines various aspects of Denial, Anxiety, Awakening, Despair, Powerlessness and eventual Acceptance. Differentiating these from the normal grief process, Sarah emphasizes how we can face inevitable feelings of grief and free our energy for positive, practical action in our personal and community lives. (<http://eco-anxiety.blogspot.com>)

### [Q&A: Examining the No-Impact Life](#)

New York City-based writer Colin Beavan was casting around for a new book idea a few years ago - and fretting over the state of the planet - when he had an epiphany. He and his family - wife Michelle and baby daughter Isabella - would live for an entire year while making as little impact on the environment as possible. That meant no motorized transportation, no elevators, no nonlocal food, no caffeine and (eventually) no electricity. TIME talked to Colin and Michelle about the new book and documentary on their green year, *No Impact Man*, and why pulling the plug on modern life was the best thing that ever happened to their family.

### [Calif. lawmakers weigh rules on renewable energy](#)

SACRAMENTO, Calif. – Increasing California's use of renewable energy would seem like a relatively simple goal, but it has become one of the hottest legislative debates as lawmakers rush to finish their business for the year.

### [Car dealers appeal ruling on California emissions](#)

WASHINGTON – Auto dealers and business leaders on Thursday appealed a decision by the Environmental Protection Agency that allowed California to establish the nation's first greenhouse gas standards for cars and trucks, setting the stage for a potential attempt to block the global warming rules.

### [Mountaintop Coal Mines Face New Scrutiny Under Obama](#)

(Bloomberg) -- President Barack Obama is starting to dismantle Bush-era environmental rules that have let mining companies like Massey Energy Co. dig coal more cheaply by removing mountain tops and dumping the debris in nearby streams.

Government agencies are reviewing regulations by former President George W. Bush to ensure they haven't jeopardized water quality around mines, Michael Shapiro, the Environmental Protection Agency's deputy administrator, said in an interview.

### [GM rolls past 1 million miles in fuel cell demo](#)

BUFFALO, N.Y. – General Motors Co. is now 1 million miles into its fuel cell experiment and company officials say having everyday people drive a test fleet of pollution-free cars has convinced them they are on the right track.

The automaker on Friday said it passed the 1 million-miles-driven mark in its fuel cell Chevrolet Equinox vehicles, with about 5,000 people rotating in and out of more than 100 cars over the past 25 months.

### [Regenerative Agriculture: The Transition.](#)

In the face of peak oil and in order to curb carbon emissions, methods of farming that depend less on oil and natural gas, respectively to run machinery and to make synthetic fertilizers, must be sought. Such options are to be found within the framework of regenerative agriculture, but the transition from current industrialised agriculture to these alternative strategies will prove testing.

### [Can he fix it? Sarkozy's carbon-tax plan derided by environmentalists](#)

A "carbon" tax on transport, homes and factories, intended to make France a "green" model for other large economies, was unveiled yesterday by President Nicolas Sarkozy.

But the convoluted proposals, including mechanisms to refund most of the new energy levies through tax breaks and "green cheques", were condemned by critics as half-hearted and a bureaucratic nightmare.

### [UN climate chief: Big greenhouse gas cuts needed](#)

DALIAN, China – Rich countries must commit to deeper cuts in greenhouse gas emissions if they want China and India to sign onto an accord to curb global warming, the top U.N. climate official said Friday.

"We need to see that leadership from rich countries," said Yvo de Boer, executive secretary of the U.N. Climate Change Secretariat, at the World Economic Forum. "Without rich country leadership, we will not get developing country engagement."

### [Climate clean-up not up to developing states only: OPEC](#)

VIENNA (AFP) – Oil-producing and developing countries should not bear the brunt of efforts to clean up the environment, the OPEC crude producers' cartel insisted on Thursday, ahead of a major climate conference in December.

Developed countries "cannot shift the responsibility of cleaning the world or cleaning the environment on developing countries," OPEC secretary-general Abdullah El-Badri told a press conference following a late-night meeting of the cartel at its Vienna headquarters.

### [S.Africa must lead efforts to avert climate change: EU](#)

KLEINMOND, South Africa (AFP) – The EU on Friday urged South Africa to lead emerging powers such as China and India to commit to cutting carbon emissions, as world leaders grapple ambitious targets on global warming.

### [As Hill Debate on Climate Flounders, EPA Plows Ahead on Emission Rules](#)

The Obama administration is finalizing rules to control industrial greenhouse gas emissions amid growing skepticism about the prospects of Congress passing a comprehensive climate change bill this year.

### [Effects of Arctic warming seen as widespread](#)

WASHINGTON – Arctic warming is affecting plants, birds, animals and insects as ice melts and the growing season changes, scientists report in a new review of the many impacts climate change is having on the far north.

### [Greenland's melt mystery unfolds, at glacial pace](#)

The dynamics of the ice sheet on Greenland – and the much larger ones on Antarctica – were not included in sea level rise projections by the U.N. expert panel on climate change in 2007 because the phenomenon was poorly mapped at the time.

The picture of what happened in Greenland is just starting to come together, and scientists are still in the dark about how the underlying causes were set in motion, how much was owed to natural variances and how much to man's tinkering with the global climate system.



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