



## Drumbeat: September 12, 2009

Posted by [Leanan](#) on September 12, 2009 - 9:45am

Topic: [Miscellaneous](#)

### [German Geothermal Project Leads to Second Thoughts After the Earth Rumbles](#)

LANDAU IN DER PFALZ, Germany — Government officials here are reviewing the safety of a geothermal energy project that scientists say set off an earthquake in mid-August, shaking buildings and frightening many residents of this small city.

The geothermal plant, built by Geox, a German energy company, extracts heat by drilling deep into the earth. Advocates of the method say that it could greatly reduce the world's dependence on fossil fuels by providing a vast supply of renewable energy.

But in recent months, two similar projects have stirred concerns about their safety and their propensity to cause earthquakes. In the United States, the Energy Department is scrutinizing a project in Northern California run by AltaRock Energy to determine if it is safe. (The project was shut down by the company last month because of crippling technical problems.) Another project, in Basel, Switzerland, was shut down after it generated earthquakes in 2006 and 2007 and is awaiting the decision of a panel of experts about whether it can resume.

e state produces about 22 per cent of India's wheat (and, along with Haryana state, supplies more than 88 per cent of the country's emergency grain stocks). He toes a clump of dry, crumbly dirt. "We are running out of it, and crops are going to slow. We will see more hunger, more disputes and clashes. More theft."

Already, farmers are desperate.

And from desperation, it's a small step to violence.

### [New York City Braces for Risk of Higher Seas](#)

NEW YORK -- When major ice sheets thaw, they release enough fresh water to disrupt ocean currents world-wide and make the planet wobble with the uneven weight of so much meltwater on the move. Studying these effects more closely, scientists are discovering local variations in rising sea levels -- and some signs pointing to higher seas around metropolitan New York.

Sea level may rise faster near New York than at most other densely populated ports due

to local effects of gravity, water density and ocean currents, according to four new forecasts of melting ice sheets. The forecasts are the work of international research teams that included the University of Toronto, the National Center for Atmospheric Research in Boulder, Colo., Florida State University and the University of Bristol in the U.K., among others.

### [China threatens to default on oil derivatives trades](#)

About one year after the Lehman bankruptcy, we are getting rumors of more impending bankruptcies, this time from China.

The problem started last year when the price of oil dropped from \$147 to \$32 per barrel. Many companies use the futures markets to hedge their buying of oil. When prices skyrocket, they get scared and buy futures contracts for future delivery to lock in a price and to be assured of getting the product. So, some companies were buying oil at the height of the market last year. Companies that place hedges usually leave them on until delivery. What happened was that when the price of oil collapsed, these companies were still holding high-priced contracts. They saw the price plummet and took horrendous losses.

### [Ecuador says had no role in alleged bribery case](#)

QUITO (Reuters) - Ecuadorean President Rafael Correa said on Saturday his government had no involvement in an alleged bribery scheme linked to a \$27 billion environmental damages lawsuit against U.S. oil company Chevron Corp.

The judge hearing the case, Juan Nunez, recused himself days after Chevron handed Ecuadorean and U.S. authorities a secretly recorded video of the magistrate talking of ruling against Chevron later this year.

"They've come up with some videos, but we are not going to fall into the trap," Correa said in a public address.

### [Iraq moves ahead on foreign oil tax](#)

Iraq's parliament held an initial discussion yesterday of a bill that would impose a 35 per cent income tax on foreign oil and gas firms working in Iraq, lawmakers said.

### [Reliance's \\$5.7 Billion Debt Cost Rising on Gas Delay](#)

(Bloomberg) -- Reliance Industries Ltd. said its cost of paying about 280 billion rupees (\$5.7 billion) of debt raised to develop India's biggest gas field is increasing after it

capped output waiting for the government to find new buyers.

### [Champagne and slums: In West Africa's oil giant, the rich-poor gap is a chasm](#)

At the Megaplaza mall, a flat-screen TV taller than a man sells for \$53,000, a crystal chandelier for \$10,000. A 2009 survey by U.S. consulting firm Mercer finds Lagos pricier for expatriates than Berlin or Madrid.

Meanwhile, four-fifths of Nigerians live on less than \$2 a day.

In this city of over 17 million, power shortages caused by neglect and mismanagement mean even rich areas only get a couple of hours of electricity a day. A fleet of diesel generators keeps the Megaplaza lights burning.

The wealthy import everything from refined gasoline for their Mercedes-Benzes to their children's favorite foods.

### [Algeria is developing oil sector to maintain level of output](#)

Algerian authorities have begun a wide-scale operation for oil exploration and drilling in several regions in northern Algeria, Oil Minister Chekib Khalil said on Saturday.

### [China's August crude oil imports up 18 pct](#)

TOKYO (KUNA) -- China's crude oil imports rose 18.0 percent in August from a year earlier to 18.47 million tons, or 4.37 million barrels a day (bpd), the Chinese government said Friday.

Imports fell 5.9 percent from July's 19.63 million tons (4.64 million bpd), according to data released by the General Administration of Customs on its Website.

### [Robert Bryce: Bird Kills? What Bird Kills?](#)

But the ExxonMobil and PacifiCorp prosecutions bring up an obvious question: why aren't wind power companies being prosecuted for their bird kills? A July 2008 study of the wind farm at Altamont Pass, California, estimated the farm's turbines were killing 80 golden eagles *per year*. Those birds are protected by the Bald Eagle and Golden Eagle Protection Act, which was enacted in 1940. In addition to the eagles, the study, funded by the Alameda County Community Development Agency, estimated that about 10,000 other birds -- nearly all of which are protected under the MBTA -- are being whacked every year at Altamont.

To recap: ExxonMobil was prosecuted for killing 85 birds over a five-year period. The

wind turbines at Altamont, located about 30 miles east of Oakland, are killing more than 100 times as many birds as were Exxon's tanks, and they are doing it every year. Furthermore, the bird kill problems at Altamont have been repeatedly documented by biologists since at least 1994.

### [Study Finds Risk to Some Birds Nesting Near Oil Fields in Alaska](#)

As oil and gas companies press to tap new deposits in remote places, scientists are trying to gauge and limit the ecological impact of pipes and other structures in otherwise wild lands.

### [British environmentalists link with natives to fight oil sands](#)

An anti-oil-sands partnership between a bank in Manchester, England, and a small Alberta First Nation may seem unlikely, but it's part of an increasing alliance between international environmental crusaders and Canadian aboriginals.

### [Environmental Ideas Put in Print With Select Audiences in Mind](#)

Some might argue that Mr. Savitt's original aim — "capturing knowledge" that would otherwise languish unshared — is obsolete in the Internet age, in which a vast quantity of information is available online.

But others say the proliferation of material online has made credible sources of environmental guidance all the more important.

### [Efforts to turn empty lots to a glass half full](#)

Even as San Francisco's development scene continues to languish, city officials and at least one private landowner are exploring how to fill empty sites in creative ways - including art installations and a working farm.

"If you leave a blank landscape, that's an invitation to blight," said Matt Jacobs of Turnberry Lansing, the owner of 45 Lansing St., a Rincon Hill lot that also fronts Harrison Street. "It's better to do something that's interesting and that the neighbors like."

### [A Wooded Prairie Springs From a Site Once Piled High With Garbage](#)

The site is not yet open to the public. Indeed, it is still listed by the state as a toxic waste

site. But the air is clear and fresh.

“You can probably compare it with a day in the Alps,” Mr. Shelley said during a tour given to local residents by the city this summer. “We had hoped we would have a park. It’s turned out to be better than a park.”

### [Find Local Rideshares Quickly Via Mobile Phone](#)

ScienceDaily — In spite of rising energy prices, many car drivers in large cities still ride alone. The OpenRide mobile ridesharing service aims to save them money while reducing the amount of traffic and thus the burden on the environment. At the IFA international consumer electronics exhibition in Berlin (September 4 to 9), Fraunhofer researchers presented a prototype of their open infrastructure for organizing spontaneous ridesharing opportunities.

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### [Foreign ships in North underline sovereignty issues for Canada](#)

A historic voyage this week by two German cargo ships across the Northern Sea Route above Russia highlights the challenges — and potential missed opportunities — confronting Canada in the Arctic, says a leading expert on polar issues.

UBC professor Michael Byers, whose book *Who Owns the Arctic?* is being launched this month, says the transit of the German vessels in the company of Russian icebreakers — widely reported Friday as a landmark commercial passage from East Asia to Western Europe via Arctic waters — underscores Canada's current inability in the Northwest Passage to match Russia's readiness to exploit economic opportunities and assert sovereignty in the melting polar realm.

### [CEO: Eskom aware of coal weakness](#)

Johannesburg - Eskom was aware of weaknesses in its coal contracts before it received a report warning about its stockpiles, the parastatal's CEO said in Johannesburg on Friday evening.

### [Thailand: Power producers call for deeper cut in reliance on natural gas](#)

Energy business operators say the use of natural gas for electricity generation should be cut even lower than the 60% planned under the revised power development plan (PDP), saying the risk of dependence on gas is still too high.

### [Documentary on electricity and coal-fired power plants will be shown Sept. 16](#)

“The Electricity Fairy” examines America’s national addiction to fossil fuels through the lens of electricity. Hansell follows the story of a proposed coal-fired power plant in the mountains of southwest Virginia, connecting the local controversy to the national debate over energy policy.

Present-day documentary footage is remixed with old educational films, connecting past policy to America’s current energy crisis.

### [Behemoths to the fore in Frankfurt as sales window threatens to shut](#)

Children and grandchildren will one day hear barely believable tales of long extinct, gas guzzling 150 mph beasts like Rolls-Royces, Bentleys, Ferraris, Aston Martins, Jaguars and Porsches which were on show at the 2009 Frankfurt Car Show. Anybody could buy them, as long as they had the money.

The global car industry is on the verge of revolutionary change. New laws are about to kick in forcing manufacturers to produce more fuel-efficient cars, from governments convinced that global warming is caused by humans burning fossil fuels. This urge to fight climate change, which a vociferous and growing minority of scientists say has no basis in science and is therefore impossible, will lead to more laws forcing cars to become slower, smaller, and restrict driving in city centers.

### [The Food Wars](#)

Neither the recent global food shortages nor the impending world energy crisis will be

unfamiliar to readers, yet the link between the two has only recently been discussed.

Walden Bello, renowned activist, academic and voice of the global South, situates the origins of the current food crisis within the neo-liberal reforms occurring on a global scale, describing the marginalization of the peasantry by global systems of production and distribution that service mainly the world's middle class and elite.

### [From Deep Pacific, Ugly and Tasty, With a Catch](#)

“Most Americans have no clue that hoki is often what they're eating in fried-fish sandwiches,” SeaFood Business, an industry magazine, reported in April 2001. It said chain restaurants using hoki included McDonald's, Denny's and Long John Silver's.

Ominous signs of overfishing — mainly drops in hoki spawns — came soon thereafter. Criticism from ecological groups soared. The stewardship council promotes hoki as sustainable “in spite of falling fish stocks and the annual killing of hundreds of protected seals, albatross and petrels,” the Royal Forest and Bird Protection Society of New Zealand said in May 2004.

### [Environmental Groups Spar Over Certifications of Wood and Paper Products](#)

For more than a decade, the nonprofit Forest Stewardship Council generally has been viewed as the premier judge of whether a wood or paper product should be labeled as environmentally friendly.

But to the dismay of major environmental groups, that label, known as F.S.C., is facing a stiff challenge from a rival certification system supported by the paper and timber industry. At stake is the trust of consumers in the ever-expanding market for “green” products.

### [Lush Land Dries Up, Withering Kenya's Hopes](#)

A devastating drought is sweeping across Kenya, killing livestock, crops and children. It is stirring up tensions in the ramshackle slums where the water taps have run dry, and spawning ethnic conflict in the hinterland as communities fight over the last remaining pieces of fertile grazing land.

The twin hearts of Kenya's economy, agriculture and tourism, are especially imperiled. The fabled game animals that safari-goers fly thousands of miles to see are keeling over from hunger and the picturesque savanna is now littered with an unusually large number of sun-bleached bones.

*Slideshow [here](#).*

## [Activist and author campaigns around the globe for climate action](#)

The problem is, our political and economic system would like slow, cheap solutions that cause as little disruption as possible. Physics and chemistry, on the other hand, have already laid out their bottom line--above 350 ppm CO<sub>2</sub>, the world won't work right. That's why, at 390 ppm, the Arctic is melting. And since physics and chemistry are unlikely to negotiate, we have to meet their demands, hard as it may be. I'm not at all certain the U.S. will act decisively. Obama is clearly doing far more than President Bush; unfortunately, that's not the bar he has to clear. China and India profess themselves willing to take action if we do, and it's clearly up to us to lead. But it's going to be difficult for everyone, especially the poor countries--burning their coal is the easiest way forward, and giving up that option will mean we need to transfer serious resources north to south to compensate them.

## [Human-made Crises 'Outrunning Our Ability To Deal With Them,' Scientists Warn](#)

ScienceDaily — The world faces a compounding series of crises driven by human activity, which existing governments and institutions are increasingly powerless to cope with, a group of eminent environmental scientists and economists has warned.

Writing in the journal *Science*, the researchers say that nations alone are unable to resolve the sorts of planet-wide challenges now arising.

## [Endless oil](#)

Today, Russians laugh at our peak oil theories as they explore, and find, the bounty in the bowels of the Earth. Russia's reserves have been climbing steadily — according to BP's annual survey, they stood at 45 billion barrels in 2001, 69 billion barrels in 2004, and 80 billion barrels of late, making Russia an oil superpower that this year produced more oil than Saudi Arabia. Some oil auditing firms estimate Russia's reserves at up to 200 billion barrels. Despite Russia's success in exploration, most of those in the west who have known about the Russian-Ukrainian theories have dismissed them as beyond the Pale. This week, the Russian Pale can be found awfully close to home.

## [Oil Pushes Up Manufacturers' Costs](#)

LONDON (Reuters) - Manufacturers' raw material costs rose at their fastest monthly rate in more than a year in August, driven up by oil costs and resulting in the smallest year-on-year rate of decline since April.

But faced with ongoing recession, manufacturers were slower to pass on August's 2.2 percent monthly rise in input costs and only raised factory gate prices by 0.2 percent in the month, the same as July's pace of increase.



### [Drilling for Oil & Gas in the Arctic](#)

For years it remained economically unviable to extract oil and natural gas in the Arctic, but the situation is now changing: Interim price drops notwithstanding, prices on commodity exchanges will rise again in the near future.

"We must not let us ourselves be swayed by low oil prices," says Fatih Birol, chief economist of the International Energy Agency in Paris. "Raw materials extraction problems are not out of this world -- to the contrary. Our figures leaves no doubt about that."

### [Summit may reshape Caspian bloc](#)

A summit of Caspian states this weekend could foreshadow the emergence of a new regional economic grouping, according to Central Asia commentators.

### [Venezuela bought Russian arms, Chavez says as trip concludes](#)

(CNN) -- Venezuelan President Hugo Chavez returned home Friday after a sometimes controversial nine-country tour and said he had purchased weapons from Russia.

### [Shell CEO says reorganization to mean job cuts](#)

CALGARY, Alberta (Reuters) - A planned reorganization of Royal Dutch Shell Plc's worldwide exploration and production operations will mean job cuts, its chief executive said Friday, but he declined to say how many.

Shell, Europe's largest oil company by market value, aims to boost the efficiency of its oil and gas production business as it tries to meet energy needs for the next decade or more, CEO Peter Voser said.

### [Gazprom sees Ukraine gas 'risk' next year: Miller](#)

Ukraine is ensuring smooth transit of Russian gas supplies to Europe but there is a risk of disruption next year due to uncertainty on payments, the head of Russian gas giant Gazprom said Saturday.

### [Number of active rigs drops by 10](#)

The number of rigs actively exploring for oil and natural gas in the U.S. fell by 10 this week to 999.

Houston-based Baker Hughes Inc. reported Friday that 699 of the rigs were exploring for natural gas and 288 for oil. Twelve were listed as miscellaneous. A year ago this week, the rig count stood at 2,031.

### [Saudi offers more fuel oil on refinery glitch](#)

SINGAPORE: Saudi Aramco's fluid catalytic cracking (FCC) unit in its Rabigh refinery experienced an outage last week, and was re-started this week, but was still not running at full capacity, industry sources said yesterday.

This has led to Aramco offering unusually high volumes of A962 cracked fuel oil in the last two weeks. Three cargoes scheduled to load on Sept. 14-15, 17-19, and 24-25 have already been sold, traders said.

### [Chris Jylkka: Rough Times Ahead For Natural Gas](#)

We've asked it before and we'll ask it again: What is up with natural gas these days? Stockpiles are at all-time highs and prices near their lowest point in years, and yet natural gas ETFs like the U.S. Natural Gas Fund (NYSE Arca: UNG)—which has traded with as much as a 20% premium—just keep climbing. What gives?

It comes back to demand—or the lack thereof, says Christopher Jylkka, principal and manager of Boston Energy Trading, LLC and regional director of energy market intelligence firm Enva. With over 12 years' experience in the energy industry, Jylkka is an expert in the trends and fundamentals currently shaping the natural gas markets.

### [Top US hedge fund eyes big business in Gulf](#)

With some of world's biggest financial institutions caught in the global financial crisis, forcing them to deleverage and reduce international operations, a raft of international funds, private equity firms and investment banks are positioning themselves to access liquidity in the region.

### [Slicing & Dicing Sectors Into Themes](#)

Specialty-sector ETFs—also called “thematic” ETFs—have emerged as a major force in the ETF industry.

These ETFs run the gamut of investment possibilities, but have one thing in common:

They look past traditional size and sector designations to carve out new investment areas, often driven by a single investment thesis.

Clean energy, infrastructure, nuclear power—by our count, there are now more than 40 of these unique ETFs on the market, with more than \$10 billion in assets under management.

### [China, U.S. to dominate solar market](#)

LOS ANGELES (Reuters) - The United States and China are in a head-to-head race to become the world's top market for solar power, and panel makers are wasting no time making plans to cash in on the growth promise of both markets despite the global recession.

### [Low Crop Costs To Boost Ethanol Producers](#)

With huge harvests expected, meat and ethanol producers should get a break on input costs.

### [Navy to fly jets fueled by algae, oilseed crop](#)

The U.S. Navy plans to fly fighter jets and run ship engines powered by "biofuels" made from algae and oilseeds—part of a fledgling effort to reduce the military's dependence on imported fossil fuels.

### [2 German cargo ships pass through 'Arctic Passage'](#)

FRANKFURT — Two German merchant ships have traversed the fabled Northeast Passage after global warming and melting ice opened a route from South Korea along Russia's Arctic coast to Siberia.

Now the German-owned ships are poised to complete their journey through the cold waters where icebergs abound, heading for Rotterdam in the Netherlands with 3,500 tons of construction parts.

### [What will it take to produce 'A Sea Change' in public opinion on ocean acidification?](#)

Sven Huseby and wife Barbara Ettinger have made a new documentary about ocean acidification, the other offspring (along with global warming) of the rising concentration of carbon dioxide in our atmosphere (and the one that can't be covered up with a good batch of geo-engineering.) As a staffer at the marine environmental group Oceana once

told me: "If the ocean goes, we're all toast."

### [UN climate chief sees 'significant' Copenhagen deal](#)

DALIAN, China (AFP) – UN climate chief Yvo de Boer said on Friday he believed nations would sign a "significant" deal on how to reduce the effects of global warming at a conference in Copenhagen in December.

"I am confident we can reach a significant agreement," De Boer told AFP on the sidelines of the World Economic Forum's Annual Meeting of the New Champions, known as the "Summer Davos in Asia", in the Chinese port city of Dalian.



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