



## Drumbeat: October 1, 2009

Posted by [Leanan](#) on October 1, 2009 - 9:08am

Topic: [Miscellaneous](#)

### [Refiners May Violate Credit Terms as U.S. Fuel Demand Sputters](#)

(Bloomberg) -- U.S. refiners may fail to meet financial requirements of their credit agreements later this year as slumping fuel demand erodes the profitability of making gasoline and diesel.

Independent refiners, which don't have oil and natural-gas wells to fall back on, are being pushed to the brink of violating performance covenants of their loans, said Scott Van Bergh, energy banking chief for the Americas at Bank of America Merrill Lynch in New York. Bankers and analysts say Western Refining Inc., Tesoro Corp. and Alon USA Energy Inc. are among those fuel makers at risk of failing to meet debt terms.

The Energy Information Administration reported Thursday that underground aquifers and caverns in the lower 48 states stored 3.589 trillion cubic feet of natural gas last week, topping the previous all-time high of 3.545 trillion cubic feet set on Nov. 2, 2007. Government records go back to 1975.

### [NATO chief warns of climate change security risks](#)

LONDON — Climate change has "potentially huge security implications" and NATO countries should use the alliance as a forum to address the challenges it creates, the new NATO chief said Thursday.

Rising sea levels, droughts and falling food production could spark large population movements and conflict, while the melting of Arctic ice risked inflaming tensions in the region, Secretary General Anders Fogh Rasmussen said.

"I think it is within the natural scope of work for NATO to be the forum for consultation and discussion on these issues," he told reporters following a speech at a joint NATO and Lloyds conference in London.

### [Could Food Shortages Bring Down Civilization?](#)

"In early 2008, Saudi Arabia announced that, after being self-sufficient in wheat for

over 20 years, the non-replenishable aquifer it had been pumping for irrigation was largely depleted,” writes Lester R. Brown in his new book, *Plan B 4.0: Mobilizing to Save Civilization* (W.W. Norton & Company).

“In response, officials said they would reduce their wheat harvest by one eighth each year until production would cease entirely in 2016. The Saudis then plan to use their oil wealth to import virtually all the grain consumed by their Canada-sized population of nearly 30 million people,” notes Brown, President and Founder of the Earth Policy Institute, a Washington, D.C.-based independent environmental research organization.

“The Saudis are unique in being so wholly dependent on irrigation,” says Brown in *Plan B 4.0*. But other, far larger, grain producers such as India and China are facing irrigation water losses and could face grain production declines.

### [Ukraine oil import plan hits Russia-owned refinery](#)

MOSCOW/KIEV<sup>1</sup> (Reuters) - Russia's LUKOIL may be forced to halt its Odessa refinery in Ukraine if it is unable to find crude volumes to replace those cut off by Ukraine's plan to import oil through the Black Sea port in October.

Ukraine's plans to ease its dependence on Russian crude oil supplies URL-E may also result in the stoppage of Urals exports from the Odessa port, industry sources said on Thursday.

### [EnCana bets on strong bitumen prices](#)

Canadian giant EnCana which is splitting into two companies, said “strength” in heavy oil prices will continue.

“With the current oil price at \$67 approximately, we’re realizing a bitumen field price in the range of \$52 to \$54 per barrel,” EnCana executive David Goldie said in a presentation on a conference call with investors and analysts today.

### [Dong to double Gazprom flows](#)

Danish utility Dong Energy signed a contract with Russian monopoly Gazprom to double deliveries of natural gas through the Nord Stream pipeline from 2012.

The Danish utility in a statement said it would activate an option in its initial Gazprom contract to double deliveries from the initial 1 billion cubic metres of natural gas through the Nord Stream pipeline.

### [Nigeria oil militant 'ends fight'](#)

One of Nigeria's militant leaders has given up his armed struggle against the government in the oil-rich Niger Delta.

Ateke Tom told a news conference the government had offered him a pardon, and said: "I hereby formally accept the amnesty offer and lay down my arms."

### [Gulf State Gamble](#)

A growing need for high-wage jobs for citizens, as well as a desire to be prepared for the post-carbon economy, has kicked biotech development into high gear.

### [Petrobras, Tenaris Share Forecasts Increased at Deutsche on Oil](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-run oil producer, and Tenaris SA, the world's biggest maker of steel tubes for pipelines, had their share estimates raised at Deutsche Bank AG on higher oil price assumptions.

Petrobras's American depositary receipt forecast was increased to \$48 from \$42 while Tenaris's was raised to \$41 from \$30, analyst Marcus Sequeira wrote in a research note.

### [Venezuela says no new Orinoco areas after Carabobo](#)

CARACAS (Reuters) - Venezuela will not assign any new areas in the Orinoco oil belt after it completes an auction for its Carabobo project, the Venezuelan state-run oil company PDVSA said on Thursday.

### [Florida drilling gets boost from solar](#)

The Florida Solar Energy Industries Association (FSEIA) backs drilling offshore of the Sunshine state, saying that revenues from offshore production should act as a bridge to renewable energy.

"With Florida expected to face billion-dollar budget shortfalls for at least the next three years, revenues from oil and gas drilling could help our state meet its budget needs while providing a permanent, dedicated revenue source for programmes that invest in renewable energy technologies," FSEIA boss Bruce Kershner said.

"We believe the proposal to tap these energy resources, with stringent environmental protections, can help move our state toward renewable energies that will reduce our country's dependence on fossil fuels."

## [Refiners May Violate Credit Terms as U.S. Fuel Demand Sputters](#)

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## [Extra \\$1.4bn for Sakhalin 2](#)

Gazprom-led Sakhalin Energy has lined up \$1.4 billion in new funding for the Sakhalin 2 liquefied natural gas project, according to reports.

The money comes on top of \$5.3 billion provided by the Japan Bank for International Co-operation and a consortium of international commercial banks, Reuters quoted Ian Craig, the head of the project, telling Russian news agency Interfax.

The new funds will be paid in soon, Craig told Interfax.

## [Finnish Foreign Min. Foresees 'Arctic Strategy' to Exploit Reserves](#)

Finland is to get an Arctic strategy to allow it to establish guidelines for Finland's possibilities to exploit the areas. According to Minister for Foreign Affairs Alexander Stubb (Nat. Coalition Party), the strategy is to be ready already next year.

"The Arctic regions have proven invaluable. We need to put effort into it," Stubb said at the 20th anniversary celebrations of the Arctic Centre in Rovaniemi.

## [CNOOC in Talks to Enter \\$5B Uganda Oil Project](#)

China state-owned CNOOC Ltd. has become the latest company to enter talks with Uganda over a large Tullow Oil PLC-led project, people familiar with the matter said this week.

## [Barnett Shale Seen as Model for Drillers Worldwide](#)

The search for unconventional natural gas deposits in areas like the Barnett Shale of North Texas not only is dominating gas drilling in the United States, but it will also become pervasive worldwide.

### [State Issues Rules on Upstate Natural Gas Drilling Near City's Water](#)

After months of deliberations, state environmental regulators on Wednesday released long-awaited rules governing natural gas production in upstate New York, including provisions to oversee drilling operations near New York City's water supplies.

The regulations, in a report requested last year by Gov. David A. Paterson, do not ban drilling near the watersheds, as many environmental advocates had urged. But the report sets strict rules on where wells can be drilled and requires companies to disclose the chemicals they use.

### [Russia's Gazprom starts trading natural gas in U.S.](#)

MOSCOW (Reuters) - A unit of Russia's energy giant Gazprom said on Thursday it had begun trading and marketing of natural gas in North America in a first foray into the United States by a Gazprom Group's company.

### [Pemex to produce less than 1.5Mb/d by 2017 - analyst](#)

It will be very difficult for Mexican state oil company Pemex to produce more than 1.5Mb/d oil by 2017, independent Mexican energy analyst David Shields said in a presentation at the Green Expo in Mexico City.

Production is currently just more than 2.5Mb/d, down from some 3.4Mb/d four years ago.

"Pemex's outlook lacks seriousness in all senses," Shields said, adding that the company has adopted the hoped-for output of 3Mb/d through 2017 and simply summed production sources to reach that total.

### [Venezuela to Set New Conditions for Carabobo Auction](#)

Venezuelan state energy firm Petroleos de Venezuela said after a meeting with top oil companies that it will set new and final conditions on the Carabobo oil drilling auction on Nov. 12.

In a statement late Wednesday, the company also said the auction in which PdVSA will receive oil firms' offers is being pushed back to Jan. 28. The planned bidding has already been delayed several times amid lower global oil prices that have sapped some of the

excitement out of Venezuela's first oil licensing round in years.

### [Pickup Sales Fall in Another Blow to Automakers](#)

PONTIAC, Mich. — The closing of a big General Motors truck plant this week is another sign that America's love affair with pickup trucks is fading fast.

### [Duke opens two wind farms, taps Siemens](#)

NEW YORK (Reuters) - Duke Energy said on Thursday it brought two new wind power projects on line and said it would use Siemens Energy wind turbines as well as General Electric turbines at a planned Wyoming wind farm.

Growth in wind power has slowed this year due to the crisis in credit markets, but the United States is still expected to add about 6,000 MW of wind capacity, equivalent to about six coal-fired power plants.

### [Texas uses wind power to stay world energy capital](#)

For years now, Houston has been known as the energy capital of the world. When renewables started to appear on the horizon, many in the Lone Star State feared Texas's days in that leadership capacity were numbered. People increasingly said they no longer wanted to rely on fossil fuels and particularly oil - the stuff Texas was famous for.

Fast forward a few years and it is clear Texans are much more than just a bunch of oil men, they are entrepreneurs.

### [Report: Chinese Solar Capacity Could Jump to 1GW or More by 2011](#)

As China primes its energy market for explosive growth, the country could see 1 gigawatt of solar power generation capacity by 2011, said a new report by GTM Research.

That would be a big jump from the current 140 megawatts of mostly off-grid solar power generation capacity, assuming that China is on track to deploy the incentives it outlined earlier this year and approve projects without delay, the report said.

### [Solar Panel Tariff May Further Strain U.S.-China Trade](#)

HONG KONG — Companies that import solar panels to the United States are facing up to \$70 million in unexpected tariffs.

The bill comes at a time when the industry is already struggling and could hurt both foreign solar panel makers and foreign and American distributors.

It could also further strain trade relations between the United States and China.

### [John Michael Greer: The Metaphysics of Money](#)

Compare any two energy resources in practical terms and it's clear that in most cases they're not even apples and oranges; they're apples and orangutans. Take petroleum and solar energy as good examples. A highly concentrated form of chemical energy and a rather diffuse form of electromagnetic energy have very little in common, and even when they can do the same things – you can heat a house with passive solar design, for example, or you can heat it with an oil-fired burner – the technologies are totally different. Easy talk about swapping one for the other thus evades the immense challenge and nearly unimaginable cost of scrapping multiple continent-wide infrastructures geared to oil and building new ones suited to solar energy. (There are plenty of other questions that it ducks, too, but this one will do for starters.)

Presumably an economist would notice something odd if he sat down at a lunch counter, ordered the daily special, and was handed instead a box of socket wrenches, even if the price of the wrenches was exactly the same as the daily special. If the economist was starving on a desert island and a crate that washed ashore proved to contain socket wrenches rather than food, the difference would be a matter of life or death. This latter is uncomfortably close to our position just now, as the world's energy companies race each other and the clock to extract fossil fuels in nearly unimaginable volumes from the Earth's dwindling supplies. If we allow ourselves to wait until those supplies start to run short, it will be much too late to start retooling our civilization for some other energy resource, even if one happens to turn up.

### [Can one woman save Africa?](#)

When does planting a tree become a revolutionary act – and unleash an army of gunmen who want to shoot you dead? The answer to this question lies in the unlikely story of Wangari Maathai.

She was born on the floor of a mud hut with no water or electricity in the middle of rural Kenya, in the place where human beings took their first steps. There was no money but there was at least lush green rainforest and cool, clear drinking water. But Maathai watched as the life-preserving landscape of her childhood was hacked down. The forests were felled, the soils dried up, and the rivers died, so a corrupt and distant clique could profit. She started a movement to begin to make the land green again – and in the process she went to prison, nearly died, toppled a dictator, transformed how African women saw themselves, and won a Nobel Prize.

## [Post-human Earth: How the planet will recover from us](#)

WHEN Nobel prize-winning atmospheric chemist Paul Crutzen coined the word Anthropocene around 10 years ago, he gave birth to a powerful idea: that human activity is now affecting the Earth so profoundly that we are entering a new geological epoch.

The Anthropocene has yet to be accepted as a geological time period, but if it is, it may turn out to be the shortest - and the last. It is not hard to imagine the epoch ending just a few hundred years after it started, in an orgy of global warming and overconsumption.

## [Bill McKibben - Earth to Obama: You can't negotiate with the planet](#)

The House has already approved the Waxman-Markey cap-and-trade bill, and a Senate version is expected at month's end. Even if Congress drags its feet, Obama will visit China in mid-November to likely conclude a bilateral pact that will set the stage for the huge Copenhagen climate conference in December. It promises to be one more big fight.

But, throughout the process, as industry and environmentalists, Chinese and Indians, Americans and Europeans push and prod each other, another more important negotiation will be going on behind the scenes. That negotiation features human beings--led more by Obama than anyone else on the planet--against physics and chemistry. It's not going to be enough to strike a deal with Beijing or Delhi, to meet in the middle on some mutually plausible scheme. A deal has to be struck with the climate itself, and the climate is unlikely to haggle.

## [The Australian town that kicked the bottle](#)

Plastic bottles were ceremoniously removed from shelves in the sleepy Australian town of Bundanoon at the weekend as a ban on commercially-bottled water – believed to be a world first – came into force.

The ban, which is supported by local shopkeepers, means bottled water can no longer be bought in the town in the Southern Highlands, two hours from Sydney. Instead, reusable bottles have gone on sale, which can be refilled for free at new drinking fountains.

## [Bill McKibben: A Timely Reminder of the Real Limits to Growth](#)

I thought of *Limits to Growth* last week, when *Nature* published a lead article by a large and illustrious team headed by the Stockholm scientist Johan Rockstrom. Titled “A Safe



Operating Space for Humanity,” it set boundaries for nine interlinked planetary thresholds, arguing that if we crossed them we risked destroying the “unusual stability” that has marked the Holocene, which is the name scientists use for the last 10,000 years, the period when civilization arose.

The almost-good news is, we don’t know enough about two processes that lead to crossing those thresholds — the loading of aerosols and particulates in the atmosphere, and the effects of chemical pollution — to know if we’ve already gone too far.

The bad news is, we’re close to crossing most of the rest of the boundaries. The authors estimate that we currently allow 9.5 million tons of phosphorus to flow annually into our oceans, mostly because of fertilizer use, and that past 11 million tons we may well trigger “large-scale ocean anoxic events.” Ozone concentrations in the atmosphere — 290 Dobson units before the Industrial Revolution and 283 at present — can’t dip below 276 without catastrophe, the authors note.

### [An eco message for the masses](#)

Why am I doling out the Haterade? Here are the scary facts that McKibben & Co. won’t share with the impressionable youth: There have been two, and only two, significant environmental events in the past year and a half. The first was last summer’s run-up in gasoline prices. It was \$4 per gallon gasoline that for the first time in living memory (temporarily) reduced Americans’ automobile use. That meant less pollution, and less carbon released into the atmosphere.

The other significant environmental event was last fall’s near-collapse of the global market economy. Again, consumption declined and manufacturing output fell. People traveled less and bought less. Net result: less carbon released into the atmosphere. Those effects, too, are temporary.

Enviro-score to date: Invisible Hand 2, Human Behavior 0.

### [Trouble for Iraqi elections brewing in oil hub](#)

BAGHDAD — Iraqi lawmakers appear to be snagged again at a familiar impasse: how to settle power-sharing disputes in the oil-rich city of Kirkuk before important national elections.

Parliament officials have scheduled a Thursday session to seek some compromises in the three-way dispute that has held up critical laws on oil investment and increased worries about more ethnic-driven violence. But each side — Kurds, Arabs and Turkomen clans — has shown little sign of giving in as they did in January’s races for provincial councils.

### [Russia, Kazakhstan deals elusive](#)

Russia and Kazakhstan's leadership have reiterated pledges to boost their bilateral economic and energy partnership. However, they remain divided over some divergent interests, notably in gas processing and oil transit.

### [Gas shortage could leave Anchorage in the dark](#)

On a warm and sunny Wednesday afternoon, Anchorage Mayor Dan Sullivan broke the bad news to residents of Alaska's largest city: They better be prepared to shiver in dimly lit houses this winter if they want to avoid freezing to death in dark ones.

### [Lawmakers order audit of state natural gas corporation](#)

JUNEAU -- A legislative committee has ordered an audit of the state-funded Alaska Natural Gas Development Authority.

### [Brunei: Streetlights Off To Conserve Power](#)

Bandar Seri Begawan - With the current unstable electricity supply situation, the Department of Electrical Services (DES) has resorted to switching off street lightings in several areas to compensate the heavy load on the grid.

### [UAE: Learn from the past to ensure energy supply](#)

One consumer doesn't receive a utility bill for six months, another is asked by his landlord to pay the previous tenant's delinquent charges, and another complains about exorbitant rates in a country where price per kilowatt/hour is well below generation costs. Some of those problems come from confusion at the consumer level, but it doesn't take an electrical engineer to conclude that there are glitches in the electricity supply. Nor does it take an expert to shed light on recent blackouts in Sharjah and Ajman and the exclusion of 1,000 buildings in the northern emirates from the federal grid.

### [Energy challenges in Nigeria : The way forward](#)

Nigeria is the sixth largest producer of crude oil in the Organisation of Petroleum Exporting Countries (OPEC) in Africa after Algeria . The current power generation in Nigeria as of today is estimated at less than 6,000 megawatt.

This is a far cry from the projected power requirement that would adequately sustain our industrial and domestic activities in the quest to be among the industrialised nations in the 21st Century. No doubt Nigeria is undergoing an energy crisis. This results in a disparity between the actual energy generated (useful power) and what is available for consumption in the distribution network via the national grid.

### [Pemex Sells 1 Billion Euros of Bonds Due January 2017](#)

(Bloomberg) -- Petroleos Mexicanos, the country's state-owned oil company, sold 1 billion euros (\$1.5 billion) of bonds due in 2017 to help finance a record investment plan aimed at reversing the fastest decline in production in six decades.

### [Saudi and Malaysia plan \\$2.5bn energy, oil invest fund](#)

In a statement the companies said the fund would target the renewable energy sector and "long-term sustainable economic development" projects in Malaysia. It is also aimed at attracting further investment from the oil-rich Middle East region to Malaysia, the statement said.

### [Too Hot Not To Handle](#)

What I liked best about the book was its section on the opportunities presented to us by what Friedman sees as an inter-connected fivefold set of global issues: tightening energy supplies; an intensified extinction of plants and animals; deepening energy poverty in the third-world; a strengthening of petro-dictatorships; the acceleration of climate change. Friedman (although he shies away from giving cost estimates of the proposed shifts) charts the policies we will need to address the energy issues: target mandates for renewable energy sources for all utilities; a price signal on carbon expenditures—either a tax or, preferably, a cap and trade scheme; new regulations fostering greater energy efficiency in building codes; dual use buildings to save on energy; a much expanded research and development program for new, clean energy. Friedman argues that if we are only looking for easy quick-fixes on energy renewal we merely play games. What we need is an energy system.

### [Rebutting Mr. Tamminen's Battery Electric Car 'Myths'](#)

We at The California Cars Initiative (and our colleagues at Plug In America and elsewhere), were surprised to see the strong critique of plug-in vehicles at the website of the influential and usually eminently reasonable New America Foundation. In his posting, "The Myth of Battery Cars" NAF Senior Fellow Terry Tamminen, who serves as its Director of its Climate Policy Program, starts off saying "it's time to dump the battery-powered car in the same policy landfill as corn-based ethanol, and he concludes with "battery cars are no more viable at this time for solving our oil addiction on a large-scale basis than corn-based ethanol."

### [Call for research into pesticides blamed for vanishing bees](#)

A recent review of current research by Buglife suggested that bees eating nectar and pollen containing certain neonicotinoids foraged less and produced fewer offspring. The chemicals are restricted in many European countries including France and Germany following similar research.

The Co-Operative Group, that is campaigning on the issue, has called on the Government to carry out its own research.

### [No rainforest, no monsoon: get ready for a warmer world](#)

What will a 4 °C world look like? Brace yourself: the picture painted by the 130 climate researchers at the Oxford conference is not pretty. An average global increase of 4 °C translates to a rise of up to 15 °C at the North Pole. Summers in parts of the Arctic would be as balmy as California's Napa valley. Sea levels would rise by up to 1.4 metres, according to Stefan Rahmstorf at the Potsdam Institute for Climate Impact Research, Germany. Even the less pessimistic estimate of a 0.65-metre rise by 2100 would put at least 190 million people a year at risk from floods, says Rahmstorf's colleague Jochen Hinkel.

### [Australia's Dust Bowl and Global Warming](#)

A number of prominent scientists around the world said that Australia's recent travails – prolonged drought, devastating fires and now dust storms, which blanketed Sydney last week – are linked to climate change, which is making an arid continent's environment far more disaster prone. Some Australian researchers emphasized historical weather patterns. Conservationists, while calling for global action on climate change, also said that Australia needs to do more in its own backyard to protect land and water resources from agricultural, development and industrial interests.

What is the relationship of climate change to Australia's problems? What is the lesson for the rest of the world?

### ['Planned recession' could avoid catastrophic climate change](#)

Britain will have to stop building airports, switch to electric cars and shut down coal-fired power stations as part of a 'planned recession' to avoid dangerous climate change.

### [At U.S. gas pumps, it's Canada versus the rest of the world. And Canada's winning](#)

Most consumers don't know it, but the oil sands that environmentalists love to hate - including Greenpeace, which sneaked activists into a Suncor Energy Inc. mine yesterday - are helping to steadily decrease U.S. dependence on foreign oil. (Assuming that, like oilman T. Boone Pickens, you don't consider Canada to be "foreign.")

The U.S. Energy Department reported this week that July imports of Canadian oil hit 2.1 million barrels a day, a 5.4-per-cent rise from June numbers. It was the highest on record since the United States began releasing country-specific numbers 36 years ago - and came as Saudi imports reached a 20-year low in June.

### [The power, and threat, of Iran](#)

The Pittsburgh dramatics, in a sense, signal the culmination of three pivotal events that took place in the Middle East 20 years ago. The first was the implosion of the Soviet Union in 1989; the second was the 1991 Persian Gulf War; the third was Yitzhak Rabin's victory in the 1992 Israeli elections. The consequences from these momentous events are coming to a head for Obama now. His course of action may determine whether this region is about to enter a new phase of bitter conflict or a new era of strategic change.

### [GM to shut down Saturn after deal with Penske falls apart](#)

DETROIT — After months of negotiations aimed at saving the Saturn brand, General Motors said Wednesday it will stop making Saturn vehicles this year and wind down the brand by the end of 2010.

### [Windy days lower energy production costs](#)

Windy days lower the production costs of energy in Ireland, the Irish Wind Energy Association (IWEA) said today.

According to analysis revealed by the association at its autumn conference in Galway, strong winds have helped Ireland to save more than €200,000 a day on energy production costs.

### [George F. Will: Cooling Down the Cassandras](#)

America needs a national commission appointed to assess the evidence about climate change. Alarmists will fight this because the first casualty would be the carefully cultivated and media-reinforced myth of consensus -- the bald assertion that no reputable scientist doubts the gravity of the crisis, doubts being conclusive evidence of disreputable motives or intellectual qualifications. The president, however, could support such a commission because he is sure "there's finally widespread recognition of the urgency of the challenge before us." So he announced last week at the U.N. climate change summit, where he said the threat is so "serious" and "urgent" that unless all nations act "boldly, swiftly and together" -- "time . . . is running out" -- we risk "irreversible catastrophe." Prince Charles agrees. In March, seven months ago, he said humanity had 100 months -- until July 2017 -- to prevent "catastrophic climate change

and the unimaginable horrors that this would bring." Evidently humanity will prevent this.

### [What Could 4 Degree Warming Mean For The World?](#)

Speaking at the international conference called '4 degrees and beyond' at Oxford University, Dr Richard Betts, Head of Climate Impacts at the Met Office Hadley Centre, described the possibility of a 4 degree warming happening 'before the end of the century'. He added that a scenario of very intensive fossil fuel burning could bring this forward by 20 years.

### [Foresteing the Sahara](#)

There's ambition, there's drive and then there's hatching a plan to combat climate change by turning the Sahara into a forest. The idea alone is enough to make your head ache. But Leonard Ornstein, a cell biologist at the Mount Sinai School of Medicine in New York, reckons he has worked out the details of how to afforest the world's largest desert - oh, and the Australian Outback as well.

### [Baghdad blacklists Sinopec](#)

Iraq has banned China's Sinopec from the country's second bidding round because the state-run player has yet to ditch a contract in Iraq's northern Kurdistan region inherited when it took over Addax Petroleum, Iraq's Deputy Oil Minister Abdul Kareem al-Leaby said.

"I think yes," Leaby told Dow Jones when asked if his ministry would bar Sinopec from taking part in the country's second licensing auction expected to take place later this year.

Abdul Manhdy al-Ameedi, the deputy head of the ministry's petroleum contracts and licensing directorate, which is in charge of Iraq's bidding rounds, confirmed that the ministry has blacklisted Sinopec.

"Sinopec is blacklisted unless it changes its position and withdraw from these (Kurdish) contracts," he told the news agency.

### [China's birthday present: More resources](#)

China's Communist regime is celebrating its 60th birthday this week with a massive parade in Beijing, and another big play for a greater share of the global resource pie.

## [Oil Falls as Supplies Cast Doubt on Biggest Surge Since April](#)

(Bloomberg) -- Crude fell on speculation that yesterday's 6 percent rally wasn't justified because U.S. oil stockpiles are 10 percent above their five-year average.

Oil surged yesterday the most since April after the U.S. Energy Department reported a surprise decline in inventories of gasoline. Crude supplies climbed by 2.8 million barrels to 338.4 million, the report showed, more than analysts were estimating. Oil prices gained 1 percent between July and September, the third straight quarterly gain.

## [OPEC Oil Output Falls in September, Bloomberg News Survey Shows](#)

(Bloomberg) -- The Organization of Petroleum Exporting Countries trimmed production for a second consecutive month, led by declines in Iraq, Saudi Arabia and Angola, a Bloomberg News survey showed.

Production averaged 28.395 million barrels a day last month, down 50,000 from August, according to the survey of oil companies, producers and analysts.

Excluding Iraq, which doesn't participate in output cuts implemented by the organization last year, the group's production fell 10,000 barrels a day from the previous month to 26.045 million, 1.2 million more than the target.

## [Oilpatch downturn prompts rig project delays](#)

EnCana was expected to provide up to \$1 million per rig, for up to five rigs, as part of offshore energy agreements with the province. However, work was halted on the partially built rigs because of the downturn in Canada's oilpatch.

Estabrooks wouldn't say whether there was any guarantee that the work on the onshore rigs would be done.

"We've got a two-year extension at this stage and I'm satisfied with that ... I guess time will tell and it's something we'll have to address in our ongoing relationship with the company."

## [Ecuador: 1 dead, at least 49 wounded in protest](#)

QUITO, Ecuador — Police on Wednesday battled Amazon Indians protesting laws they believe would encourage oil drilling and mining on their lands, leaving one Indian dead and 40 police and nine Indians wounded, officials said. Indians said two civilians were killed.

"Tremendously violent groups armed with shotguns and rifles waited for police and met

them with gunshots," President Rafael Correa said in a late news conference.

### [Ecuadorean Car Salesman Denies Seeking Bribe in Chevron Case](#)

(Bloomberg) -- Carlos Patricio Garcia, who said he is a member of Ecuador's ruling political party, denied seeking a \$3 million bribe from two businessmen who secretly recorded him and turned over the videos to Chevron Corp.

Chevron alleged the recordings show a bribery scheme implicating Ecuadorean government officials and the judge who was overseeing a \$27 billion environmental lawsuit against it. Garcia, 55, a car salesman in Quito, said he solicited contributions for Ecuador's Alianza Pais ruling party and provided transportation and catering at its events. He claimed the oil company was behind the recordings, which he says were manipulated to discredit the country's court system and to have the case dismissed.

"They made it look like I had all kinds of connections at the top, but I'm just like the baker on the corner: I know a lot of people, I talk to everybody, but I'm just a baker," he said in a Sept. 29 interview in Quito. "These videos are not the original videos. They are edited versions."

### [Rosneft Welcomes Privatization Talk](#)

Rosneft CEO Sergei Bogdanchikov would welcome a move by the state to sell more of its shares, he said Wednesday, after Prime Minister Vladimir Putin promised a new wave of privatizations.

Bogdanchikov said the sale needed to attract new shareholders and investors. "I am aware of such proposals. We have not discussed them but in general, in terms of increasing the free float, attracting new investors, we welcome them," Bogdanchikov told reporters on the sidelines of VTB Capital's investment forum.

### [Why Russia's Oil Market Will Never Look Like America's](#)

In brief, take-or-pay was largely an artifact of the integration of the pipeline transportation and marketing of gas. Once pipelines became open access common carriers, these contracts became unnecessary, and buyers and sellers relied on more market-like arrangements.

Nothing like that is in prospect in contracting for pipeline-transported gas in Eurasia. This is primarily true because the mother of all bundled gas companies—Gazprom—sits at the center of everything. Indeed, Gazprom wants to extend its integrated activities into downstream marketing.



## [Pertamina runs short of patience on Cepu](#)

State-owned Pertamina said ExxonMobil has been given 'enough time' to lift oil flow from Cepu, hinting it may push for changes in a contract to operate the oil and gas block.

## [Iraq and its oil: Deterring foreign investors](#)

SUITORS keep knocking on the door of Iraq's oil ministry but the people inside are still coyly loth to say "come in". Licences to develop oil fields are being awarded at tortoise speed. The ministry has been telling companies looking for exploration and drilling contracts to give unusually large upfront loans before they can be considered for long-term deals. Iraq's parliament, still full of MPs who are wary of foreigners coming to "steal Iraq's oil", have obstructed progress by failing to pass the required laws. Still, Iraq has the fourth-largest oil reserves in the world behind Saudi Arabia, Canada and Iran. With MPs in recess for the summer, technocrats in the ministry have quietly been taking some cautious steps towards turning Iraq into the global hydrocarbon giant it says it wants to be.

## [IMF ups Mideast growth to 4.2 percent in 2010](#)

CAIRO (AP) — The International Monetary Fund on Thursday raised its forecast for economic growth in the Middle East to 4.2 percent next year, citing the rebound in oil prices and stabilization of the global economy.

The increase of half a percentage point from the IMF's earlier estimate largely reflects the overall increase in crude oil prices, the dominant revenue source for many Middle Eastern economies. The IMF kept its 2009 projection for real gross domestic product growth in the region unchanged at 2 percent.

## [EDF, E.ON to Swap Power Assets in France and Germany](#)

(Bloomberg) -- Electricite de France SA, Europe's biggest generator, and E.ON AG, Germany's largest utility, agreed to swap assets to cut debt and meet antitrust regulations.

E.ON will get the 35 percent it doesn't own in French energy supplier SNET and rights to 800 megawatts of nuclear output, in return for giving up 1,215 megawatts of atomic and coal-fired generation in Germany. Each side of the deal may be worth as much as 1.5 billion euros (\$2.2 billion), according to Christian Kleindienst, a credit analyst at UniCredit SpA.

## [Judge dismisses lawsuit over oil pipeline](#)

WASHINGTON — A judge has dismissed a lawsuit brought by an environmental group that claimed a permit that allows the construction of an oil pipeline between the U.S. and Canada violated federal law.

U.S. District Court Judge Richard Leon ruled Tuesday that the Natural Resources Defense Council did not have the authority to challenge the permit issued for the TransCanada Keystone Pipeline by the State Department.

### [Toyota Prius stays on top in mileage](#)

There's a little something extra for car buyers who have their hearts set on top fuel mileage in the Toyota Prius. But they'd better not get tired of the car's wedge shape.

The world's best-selling gasoline-electric hybrid car is out for 2010 with slight increases in length and width, more horsepower, improved steering, upgraded interior and new features but with the same shape as before and pretty much the same exterior styling.

### [NRC finds problems in NJ nuke plant emergency](#)

LACEY TOWNSHIP, N.J. — Federal regulators say the emergency shutdown of the nation's oldest nuclear power plant in July exposed two low-level problems.

The Oyster Creek Nuclear Generating Station in southern New Jersey was shut down after a lightning strike knocked out electricity to the area.

### [EPA to delay 79 coal mining permits in 4 states](#)

CHARLESTON, W.Va. — President Barack Obama's administration put the brakes on 79 applications for surface coal mining permits in four states Wednesday, saying they would violate the Clean Water Act.

The action is the administration's latest attempt to curb environmental damage from a highly efficient but damaging mining practice known as mountaintop removal. Each permit likely would cause significant damage to water quality and the environment, the Environmental Protection Agency said in a statement.

### [Hopi, Navajos say environmentalists not welcome](#)

FLAGSTAFF, Ariz. (AP) -- The leader of the country's largest Indian reservation threw his support behind the neighboring Hopi Tribe, whose lawmakers declared

environmental groups unwelcome on the reservation.

Navajo President Joe Shirley Jr. and Hopi lawmakers say environmentalists' efforts could hurt the tribes' struggling economies by slowing or stopping coal mining.

### [W.Va. meet led to Klamath dam removal, salmon aid](#)

MEDFORD, Ore. — The turning point toward removing four Klamath River dams in Oregon and California to restore struggling salmon runs came in the little Shenandoah Valley town of Shepherdstown, W.Va.

Michael Bogert, an aide to then-Interior Secretary Dirk Kempthorn, summoned representatives of PacifiCorp and the governors of Oregon and California to the U.S. Fish and Wildlife Service National Conservation Training Center there in May 2008. They would find a way to peace in the Klamath after decades of battling over water, fish, power and farming.

### [Green living is the star](#)

On Saturday, Green Everett will host its fourth-annual Everett Renewable Living Fair at the Snohomish County PUD in Everett.

More than 40 specialty vendors will be at the fair, which will also feature speakers, documentary movie screenings, and activities for kids focused on sustainable living and renewable energy.

### [Deloitte: Investors return to 'cleantech' sector](#)

DENVER — A research firm is reporting signs that investors are slowly returning to the clean technology sector by putting money into solar and wind companies, batteries, electric vehicles and green building products.

Deloitte's Cleantech Group said Wednesday that third-quarter investment in the sector totaled \$1.6 billion in 134 companies in North America, Europe, China and India.

### [Cyprus tourism eyes options as climate warms](#)

NICOSIA (Reuters Life!) - Sun and sea tourism to the Mediterranean could feel the brunt of climate change and the industry should start diversifying if it is to survive, say scientists.

The Mediterranean basin attracts about 20 percent of the world's tourists each year,

but its appeal as a sunny holiday destination may diminish as temperatures inch higher.

### [Ancient Forests Reveal Clues How to Endure Weather Extremes](#)

(Bloomberg) -- Fossilized remnants of long-ago rainforests discovered in Illinois coal mines are providing clues about how trees and their ecosystems were able to withstand weather extremes from ice ages to global warming.

Tropical trees were pushed to the brink of extinction during ice ages and then bounced back to help form most of Earth's coal resources 300 million years ago, according to a study published today in the journal *Geology*.

### [California timber firm to market its forests as weapon against global warming](#)

Reporting from Sacramento - The state's largest timber company Wednesday announced a groundbreaking agreement to begin marketing its vast forests as a weapon in the fight against global warming.

Sierra Pacific Industries' announcement comes less than a week after the administration of Gov. Arnold Schwarzenegger pushed through new rules that allow the firm to sell its trees' ability to absorb harmful carbon dioxide from the air.

### [Proposed U.S. Carbon Cuts: All Bark, No Bite?](#)

The unveiling Wednesday morning of the Senate's long-awaited draft legislation to reduce U.S. carbon emissions and shift the country to a clean-energy economy signals that Washington is inching ever closer to addressing global warming. The sweeping bill, sponsored by Democratic Sens. Barbara Boxer and John Kerry, will cut U.S. greenhouse gas emissions 20% below 1990 levels by 2020, and 83% by 2050 — targets that in the short-term are a bit more ambitious than a similar carbon cap and trade bill passed by the House two months ago. "This is the beginning of one of the most important battles we will face, as legislators, as citizens," Kerry said Wednesday, flanked by veterans, local legislators and clean energy entrepreneurs. "It is time to reinvent the way America uses energy."

### [EPA aims to cut emissions at factories, power plants](#)

WASHINGTON — For the first time, the federal government plans to restrict greenhouse-gas emissions from factories, power plants and other industrial facilities under a proposal revealed Wednesday.

The proposed rule requires new facilities and those undergoing major maintenance to

limit their greenhouse-gas emissions using the "best available" technology. That might include energy-efficiency steps or equipment under development to capture greenhouse gases and funnel them into storage.

"We are not going to continue with business as usual any longer. We have the tools and the technology to move forward today, and we are using them," said Lisa Jackson, administrator of the Environmental Protection Agency. The EPA would oversee the rule.



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