



## Drumbeat: October 10, 2009

Posted by [Leanan](#) on October 10, 2009 - 9:45am

Topic: [Miscellaneous](#)

### [ANALYSIS - Natural gas giants still reeling from U.S. shale shock](#)

(Reuters) - The world's energy titans are only starting to get a grip on the surge in the unconventional production of shale gas that has postponed for years the United States' expected emergence as major natural gas importer.

The prediction that the United States would soon become a big buyer of ship-borne liquefied natural gas was a key theme of the last World Gas Conference in 2006.

This year's event was dominated by the grim realization that many companies were completely wrong-footed by the unconventional gas revolution and that spot gas prices could remain weak for years.

### ◆ [Rice Riots' May Return to Asia in 2010, CWA's McGuire Says](#)

(Bloomberg) -- Protests over high food prices, which swept the world from Haiti to Bangladesh last year, may return to Asia in 2010 as drought in India and crop losses in the Philippines may cause price spikes, CWA Global Markets Pty said.

"We wouldn't be surprised to see a return to the rice riots across Asia sometime in 2010," Peter McGuire, managing director at CWA Global Markets Pty., said today.

### [Prepare now for next decade's megatrends](#)

Most of the major petroleum fields of the world have passed their peak production and are rapidly depleting, which is why oil prices spiked last year just before the recession. Although oil prices have been sharply lower since then, some economists and peak-oil theorists agree that as post-recession oil demand rises, reserve capacity will be stretched thin, and barrel prices will be briskly leveraged back upward into triple digits, snuffing out the nascent global economic recovery.

### [George Soros to Invest \\$1 Billion in Clean-Energy Technology](#)

(Bloomberg) -- Billionaire George Soros will invest \$1 billion in clean-energy technology and create an organization that will advise policy makers as they address climate change, which he called a “political problem.”

“I want to apply rather stringent criteria to the investments,” said Soros in an e-mailed message. “They should be profitable but should also actually make a contribution to solving the problem.”

### [Airlines set own emission targets](#)

MONTREAL (AFP) – Members of the airline industry group IATA pledged Saturday to improve fuel efficiency by 1.5 percent a year until 2020, and called on governments worldwide to provide incentives to speed biofuel development.

Representatives from the International Air Transport Association, which represents the world's largest airlines, also agreed to reduce carbon emissions by 50 percent from 2005 levels by 2050 during a meeting on climate change in Montreal.

### [The facts about wind turbine sound](#)

Wind turbine sounds are no different from other sounds present in a suburban or urban environment. The sound of a turbine is mainly due to the aerodynamic swish of the blades rotating in the air.

Turbines can also emit some low-frequency sound. Acoustical experts agree there is no evidence that such sounds, which are emitted by a variety of sources, could be harmful to health -- indeed, if these levels were so harmful, urban dwelling would be impossible.

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### [Confusion in Mexico rattles Calgary-based drillers](#)

CALGARY - The seemingly safe harbour Calgary drilling firms have found in the Chicontepec oilfield in Mexico has been rocked by political strife as production from the hundreds of wells drilled so far fail to measure up to forecasts by Pemex, the national oil company.

On Thursday, Juan Carlos Zepeda, president of Mexico's recently formed National Hydrocarbons Commission, reportedly said that development of the field in east-central Mexico should be halted "until Pemex has a proper development plan," but adding that Petroleos Mexicanos should honour its eight existing contracts worth a total of \$2 billion US.

### [China cuts aviation fuel prices](#)

BEIJING (Reuters) - China will cut the price of aviation fuels by about 4 percent from Sunday, reflecting recent falls in international crude oil prices, according to an announcement from the National Development and Reform Commission.

The Commission announced the reductions on its website ([www.ndrc.gov.cn](http://www.ndrc.gov.cn)) on Saturday. An accompanying table showed the ex-factory price of aviation fuels, including types 1 to 4 jet fuel, will fall by 200 yuan (\$29.3) per tonne.

### [Ecuador Oil Pollution Case Only Grows Murkier](#)

In recent days the plot has thickened further. The Ecuadorean political go-between whose taped remarks about apportioning bribes put him in the middle of the scandal, Patricio García, said he was entrapped in a dirty-tricks campaign by Chevron.

In an interview, he claimed that Chevron had masterminded an industrial espionage project, with digitally manipulated videos and gangsters disguised as entrepreneurs on the prowl for contracts, intended to smear him and Ecuador's legal system.

### [Russia: Protest in St. Petersburg over skyscraper](#)

ST. PETERSBURG, Russia — About 3,000 protesters rallied in Russia's former czarist capital on Saturday to protest a plan to build a hulking skyscraper for state energy giant Gazprom.

The protesters urged Russian President Dmitry Medvedev to ban the construction of the 77-story glass tower in the historic city center.

### [Texan pleads guilty in stolen Pemex oil case](#)

SAN ANTONIO — The president of a San Antonio company pleaded guilty Friday to charges that he conspired to receive and sell petroleum stolen from Mexican oil giant Pemex.

### [Quiet hybrid cars pose threat to blind pedestrians](#)

Hybrid cars provide benefits for the environment, but their silent approach could be dangerous for blind pedestrians crossing local streets.

A hybrid runs quietly at lower speeds when it is powered by electricity, making it difficult for the visually impaired who rely on sound to judge whether it's safe to cross the street. At higher speeds, such as on a highway, the cars rely on a noisier combustion engine.

### [Hummer sale: GM closer to deal with China company](#)

NEW YORK (CNNMoney.com) -- General Motors moved a step closer to selling its Hummer brand Friday when it announced that it had signed a definitive agreement with a Chinese manufacturer.

### [How Taxes Pervert our Energy Choices](#)

For wind farms, the current code allows the write-offs over 3.5 years, a real boon for investors in wind mill projects. In fact, many such projects depend on this tax advantage to secure financing, especially since the right to take these deductions can be allocated with some freedom amongst the project's investors and the developers.

Alas, for nuclear power plants, the tax picture is not so rosy. They have to take their write-offs over 20.5 years, a significant disadvantage over a comparable investment in a wind project.

### [Solar Pro, Oct./Nov. Issue](#)

>*SolarPro* is a high-quality technical publication available by free subscription to qualifying solar industry professionals. These are the people who are making solar happen — and no other publication gives them the nuts-and-bolts information they need.

That need is significant. The solar industry is growing fast, and dedicated professionals are entering the field in record numbers. Engineers, designers, integrators and installers are clamoring for technical information that helps them design and install photovoltaic and solar thermal systems for optimal performance.

In response, the industry veterans behind *Home Power* magazine have drawn on their more than 20 years' experience in solar technology publishing to create *SolarPro*.

SolarPro writers are industry veterans who bring their expertise, insights and experienced perspective to every page. Readers won't find this level of information in any other resource — our unparalleled coverage will keep both seasoned pros and newcomers reading issue after issue.

### [Commercial green fuel from algae still years away](#)

SAN DIEGO (Reuters) - Filling your vehicle's tank with fuel made from algae is still as much as a decade away, as the emerging industry faces a series of hurdles to find an economical way to make the biofuel commercially.

Estimates on a timeline for a commercial product, and profits, vary from two to 10 years or more.

### [ENERGY: Crisis Has Hurt Investment in Renewables](#)

According to the "Renewables 2007 Global Status Report", renewable energy sources accounted for 18 percent of the world's total energy consumption in 2006, including traditional biomass, large hydropower, and "new" renewables: small hydro, modern biomass, wind, solar, geothermal, and biofuels.

But new renewables represented just 2.4 percent, while 13 percent came from traditional biomass — wood-burning, primarily for cooking and heating.

### [Climate protectionism on the rise](#)

A new and dangerous form of trade and technology protectionism is fast emerging in the name of climate change, and it is poisoning North-South relations in the two negotiating arenas on climate change and on trade.

There are clear signs that some developed countries, especially the United States, are preparing to use unilateral trade measures, such as imposing tariffs, taxes or charges on the products of developing countries, on the grounds of combating climate change.

### [New Way to Tap Gas May Expand Global Supplies](#)

OKLAHOMA CITY — A new technique that tapped previously inaccessible supplies of natural gas in the United States is spreading to the rest of the world, raising hopes of a

huge expansion in global reserves of the cleanest fossil fuel.

Italian and Norwegian oil engineers and geologists have arrived in Texas, Oklahoma and Pennsylvania to learn how to extract gas from layers of a black rock called shale. Companies are leasing huge tracts of land across Europe for exploration. And oil executives are gathering rocks and scrutinizing Asian and North African geological maps in search of other fields.

The global drilling rush is still in its early stages. But energy analysts are already predicting that shale could reduce Europe's dependence on Russian natural gas. They said they believed that gas reserves in many countries could increase over the next two decades, comparable with the 40 percent increase in the United States in recent years.

"It's a breakout play that is going to identify gigantic resources around the world," said Amy Myers Jaffe, an energy expert at Rice University. "That will change the geopolitics of natural gas."

### [Conoco-Origin Venture May Be 'Vulnerable,' Morgan Stanley Says](#)

(Bloomberg) -- The A\$35 billion (\$31.7 billion) gas project ConocoPhillips and Australia's Origin Energy Ltd. propose in Queensland state may be "vulnerable" as the U.S. oil company moves to cut spending, Morgan Stanley said.

ConocoPhillips' plans may have an impact on the progress of its Australian exploration and production, Melbourne-based analyst Stuart Baker wrote in a research report today. ConocoPhillips and Origin said they remain committed to their venture.

### [BP sees possibility of 100 more years of natural gas](#)

BP Plc, Europe's second-largest oil company, forecasts that gas resources may rise 60 percent to 100 years of global use at current rates, helped by unconventional sources that are undeveloped or unidentified.

New discoveries could contribute 4,000 trillion cubic feet of gas resources "over the next few years," BP Chief Executive Officer Tony Hayward said yesterday. BP estimates that global proven natural-gas reserves totaled 6,500 trillion cubic feet, or 1.2 trillion barrels of oil equivalent, at the end of 2008, enough for 60 years.

### [Natural Gas: The Russians Are Coming!](#)

HOUSTON -- The new trading desk in North America for Gazprom, the largest producer of natural gas in the world, sits halfway up the 56-story Bank of America tower in the heart of the America's energy capital. So far, the office, which started trading contracts last week for the first time, is quiet. That won't last.

"Our target for volume growth is pretty strong," says John Hattenberger, president of Gazprom Marketing & Trading USA, an arm of the Russian behemoth that claims 17% of the world's natural gas reserves. "If we could hit 5% [of the U.S. market] in the next five years, that would be about right. In 10 years, I think we could get to 10%." U.S. demand for natural gas is about 60 billion cubic feet a day.

### [Energy Future Bondholders Said to Oppose \\$6 Billion Debt Swap](#)

(Bloomberg) -- Energy Future Holdings Corp. bondholders are forming a group to block the electricity provider's offer to swap \$6 billion of debt for \$4 billion of new secured notes with less protection for investors, according to two people familiar with the matter.

Lenders owning as much as 50 percent of Energy Future's bonds maturing in 2017 oppose the terms of the exchange, said an attorney familiar with the matter who declined to be identified because the discussions are private.

### [Meme Watch: Peak Demand](#)

To whatever degree the oil price spike of 2007-8 was driven by speculation, the latter was riding on a wave of concern about Peak Oil, which anticipates an imminent decline in maximum global oil production. For the moment, the weak global economy has eased such worries, though they have hardly vanished, as I noted two months ago. Lately, however, conventional notions of Peak Oil are increasingly being challenged by a new meme, or contagious idea, called Peak Demand, which suggests that oil consumption is reaching a plateau from which it will soon decline, mitigating the worst consequences of Peak Oil. Neither of these memes would attract much interest if they weren't supported by a welter of statistics, however selective those might seem to their critics. And just as Peak Oil was much less credible and worrisome before we saw super-giant oil fields like Mexico's Cantarell go into precipitous decline, the logic of Peak Demand would have been much less compelling before US oil demand dropped by nearly 6% last year.

### [Southern Co. Plans to Build Biomass Plant in Texas](#)

(Bloomberg) -- Southern Co., the largest U.S. electricity producer, plans to build a 100-megawatt biomass power plant in Sacul, Texas, after it bought the project's owner, Nacogdoches Power LLC, from American Renewables LLC.

The station, which will be fueled by wood waste, will cost about \$475 million to \$500 million, Atlanta-based Southern said in a statement today. The plant's power will be sold to Austin Energy under an agreement expiring in 2032. The purchase price for Nacogdoches wasn't disclosed.

## [Japanese bike makers pin their hopes on wheezy riders as sales plummet](#)

From the mountain trails of Hokkaido to the six-lane expressways of Shikoku, a fearsome clique of tearaways has emerged to terrorise Japan's roads: leather-clad, rebellious and with a touch of lumbago.

These are the country's "mature riders"; the creaking ex-salarymen — and their molls — who built the Japanese economic miracle. Retired, bored, pushing 70 and with a hankering for the wayward youth they probably never had, they are the last hope for Japan's motorcycle market.

## [U.S. eyes finishing decades-old nuclear reactor](#)

SWEETWATER, Tenn. - The Nuclear Regulatory Commission is weighing the arguments for and against finishing a long-idled nuclear reactor at the Tennessee Valley Authority's Watts Bar site.

The Sierra Club, the Tennessee Environmental Council and others told the commission at a hearing Tuesday that they worry the only commercial reactor now under construction in the United States will harm the Tennessee River and endanger surrounding communities.

## [Indian Minister Rejects Carbon Cuts, Says Deal May Be Delayed](#)

(Bloomberg) -- India's environment minister said the country won't accept legally binding carbon dioxide emission cuts and suggested a comprehensive global treaty to limit greenhouse gases may need to wait until the middle of next year.

"We are not obligated to take on legally binding emission reduction targets," Jairam Ramesh said at a conference in Copenhagen today. "That is not on the table as far as India is concerned."

## [China says rich countries undercut climate talks](#)

BEIJING (Reuters) – China accused rich countries of undermining key elements of an international climate change agreement that nations hope to agree by the end of 2009, adding to a chorus of discord over the negotiations.

Su Wei, who led Beijing's delegation to climate treaty talks in Bangkok that ended on Friday, said splits over the framework for a new pact to fight global warming remained "quite large," just two months before negotiations culminate in Copenhagen.



## [Nuclear Power, Hydro Excluded From UN Climate Draft](#)

(Bloomberg) -- Nuclear power and “large-scale” hydroelectric plants were excluded from a list of sources that a new climate treaty may recommend developing countries such as China use in efforts to curb greenhouse-gas emissions.

Splitting atoms and damming rivers “have adverse impacts on the environment,” according to a draft approved by a United Nations working group at international climate talks among about 180 nations in Bangkok. The document was published on a UN Web site and dated Oct. 8.



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