



Drumbeat: November 21, 2009

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[Permafrost thaw threatens Russia oil and gas complex: study](#)

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According to the report by the environmental watchdog, up to 55 billion roubles (1.9 billion dollars) a year is spent on repairs to infrastructure and pipelines damaged by changes in the permafrost in western Siberia.

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es more oil than was then in the world's proven reserves.

But surely now America can quickly wean itself from hydrocarbons, adopting alternative energies -- wind, solar, nuclear? No.

Keith O. Rattie, CEO of Questar Corporation, a natural gas and pipeline company, says that by 2050 there may be 10 billion people demanding energy -- a daunting prospect, considering that of today's 6.2 billion people, nearly 2 billion "don't even have electricity -- never flipped a light switch." Rattie says energy demand will grow 30 percent to 50 percent in the next 20 years and there are no near-term alternatives to fossil fuels.

[The SEC Surrenders to the Oil Industry](#)

What are the consequences of allowing multi-billion-dollar systemically important multinational corporations to report their assets using proprietary mark-to-model tools involving discredited Monte Carlo simulations? I think we all know the answer to that one. But unbelievably, after such shenanigans contributed enormously to the greatest financial meltdown in living memory, the SEC is now set to allow more or less exactly the same thing in the oil industry.

[Mexico eyes risk contracts to offset Cantarell downturn](#)

LOS ANGELES - Mexico's state-owned Petroleos Mexicanos and the Secretaria de Energia (Sener) are preparing risk contracts that will be offered to oil companies—international and domestic—in order to accelerate the search for oil and gas, according to local media.

Mexico's daily El Universal reports that the contracts are the result of concern over output generally, but especially at Cantarell, which represents a loss of 272.425 billion pesos/year (\$20.859 billion) in tax revenue for the country, or 2% of estimated gross domestic product for 2009, at current oil prices.

[Dark truth about Latin American energy](#)

Several Latin American countries have recently been hit by major power shortages, raising concerns that the region is facing a serious energy crisis.

In some countries, like Venezuela and Ecuador, blackouts have become increasingly regular.

But there have also been other less frequent outages as far afield as Cuba and Brazil.

[What Can the U.S. Learn from China's Energy Policy?](#)

China's economy is growing at a rate of 9 percent per year, and forecasts have its fast pace of economic growth continuing, though at a slightly lower rate. Eager to bring more of its citizens out of poverty, China will not let energy be a bottleneck for such growth. Because it has limited domestic oil and gas resources, China is investing globally to ensure supply. The world's most populous country is also expanding its coal-fired electricity capacity at breakneck speed and making a major commitment to nuclear energy. In smaller quantities, and under international pressure from the environmental community, China is also constructing solar- and wind-powered generating facilities, to the point that 30 percent of its wind capacity cannot be supported by its electric grid. Yet even with all these other technologies, coal will remain China's mainstay for a very long time since coal is its most abundant and least expensive resource.

[Marathon on the Prowl in Poland's 'Unconventional' Gas Fields](#)

Marathon Oil is seeking to exploit "unconventional" gas fields in Poland, the company said Thursday. The Houston-based energy company joins U.S. majors ConocoPhillips and ExxonMobil Corp. in tapping the eastern European oilpatch. The area is one of the few resource-holding regions of the world still open to international oil companies.

Unconventional fields are harder to exploit and more complex than conventional fields. The move also comes at a time when demand for gas produced in Europe is expected to grow vigorously as countries intensify their efforts to reduce their dependence on Russia

as a supplier.

[Ethiopia records deflation of 3.7 percent](#)

Inflation in the vast Horn of Africa nation hit a high of 64.2 percent in July 2008, driven by record high food and fuel prices, but it has fallen every month since.

"The main reason for the decline in General Consumer Price Index in October 2009 is the fall in the prices of food components especially cereal," the Central Statistical Agency said in a statement, adding that prices of non-food items had increased.

[Chickens come home to roost in backyards around the USA](#)

Small Midwestern farmers are increasingly trying to raise a diversity of organic produce beyond corn, oats and soybeans. But that movement faces an uphill battle, Bailey says, when locals who are passionate about high-quality eggs bypass their local farmers.

"We have a lot of small farmers around here making chickens and eggs available for sale," Bailey says. "My fundamental question is: Why aren't we supporting the regional economy?"

[Slow Money: Bringing Money Down to Earth](#)

Three trillion dollars a day zooms around the planet in currency markets alone. Our current financial system has, by cutting money off from people and place, allowed it to start circulating at such crazy speeds and in such complexity that no one can really understand it anymore. Even the experts don't understand the consequences of what's now going on. The derivatives and sub-prime mortgage mess is just one manifestation of that.

The way we slow money down is by bringing it down to Earth: connecting it directly to the land and to places where investors live. As long as how you're investing is completely disconnected from where you live—meaning it's just dictated by distant markets, distant companies, abstract securities—then the money can kind of circulate in this wild, crazy, volatile, and ultimately destructive fashion. If you bring money back down to Earth, connecting it to the place where you live, and all the way to the land itself, then you will be slowing money down and having a healthier outcome for all concerned.

[A Growing Climate Change Movement Emerges](#)

Groups like the anarchist-influenced Camp for Climate Action, known for its weeklong gatherings of mostly young people that end in direct action, and the suffragette-inspired Climate Rush have worked with international fixtures like Greenpeace since 2007 to wage a campaign against E.ON. They've shut down a coal conveyer belt, blockaded company headquarters in Nottingham, occupied the roof of the PR firm it employs and won a major criminal trial using climate change as a legal defense.

Due to such widespread and effective activism, many see Britain as a climate movement leader. British weekly political magazine The New Statesman recently said, "Climate change activism is more developed in this country than anywhere else in the world."

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[Natural gas prices fall 12 percent in November: U.S. natural gas inventories higher than at any point in the nation's history](#)

The recession has kept natural gas demand low most of the year. With manufacturers shuttering factories and closing offices, the country is using less electricity and power plants are burning less natural gas.

Analyst Stephen Schork noted that with industrial production still weak, home heating would be the primary source of natural gas demand for the rest of the year.

"What does that say about the current recovery, or lack thereof?" Schork said in a research note.

[Smaller oil and gas players 'on way to recovery'](#)

The rising oil price has helped the UK's energy industry move towards recovery, a survey of smaller firms in the oil and gas sector suggests.

Ernst & Young's index of activity registered a strong gain of 35% in the third quarter of

this year, and a rise of 114% since the start of this year.

The survey found more than half of oil and gas company bosses said they were looking at acquisitions.

[Irish Government Urged To Resist Fossil Fuel Tax Increase](#)

Many commentators in the Republic of Ireland are forecasting a general tax across all fossil fuels in the country's forthcoming Budget.

Ahead of the Budget, The Oil Firing Technical Association (OFTEC) has pointed out that many Irish consumers are already struggling to pay existing bills. In that context, a new carbon tax on home heating fuel would be most unwelcome, claims the training, standards and registration agency for the oil heating industry throughout the British Isles.

[Next year looks brighter for Mexico's economy](#)

MEXICO CITY — Rising oil prices and increased exports are slowly dragging Mexico's economy out of a severe recession, but the nation's financial system still confronts fundamental challenges, national leaders and experts say.

[Outages dim Chavez popularity](#)

Power failures, unpaid civil servants and falling oil revenue play havoc with support for the Venezuela leader.

[Weak gas demand has refineries closing](#)

WILMINGTON, Del. — Refineries from New Mexico to New Jersey are under severe economic pressure because of falling demand for fuel, with a number of facilities shutting down in recent months.

...Refineries in the Northeast are particularly vulnerable because many are older, operate less efficiently and must compete with gasoline imported from Europe.

[Valero refinery shutdown punches another hole in Delaware's economy](#)

The shutdown of Valero's refinery in Delaware City will have a devastating effect on the state and local economies while leaving a lingering question about whether a buyer could

ever be found for the site, experts say.

While elected leaders clung to hope Friday that the 400-acre facility will not stay shuttered for long, economists offered a far less optimistic view -- at least for the next five to 10 years.

[Delaware drivers to feel effect of Valero refinery closing at the pump](#)

It takes drivers at Hillside Oil in Newark just 12 minutes to roll their 8,000-gallon heating oil trucks to the terminal at Valero's Delaware City refinery. Within a half hour of leaving, they're back.

Hillside gets 90 percent of its product from the refinery. But with it closing down for good, its drivers, and those serving similar area business, are going to have to prepare for a longer haul, said Bill Tuerke, the office manager there.

Will it drive up prices? Tuerke said he doesn't know, but having to send trucks to Philadelphia and back every day is bound to have an impact, he said.

[Delaware environmental advocates saw Valero refinery as nemesis](#)

Just about the time the federal Clean Air Act became law in 1963, Jake Kreshtool started checking up on the companies that spewed pollution in Delaware's air.

His industrial nemesis: the oil refinery at Delaware City.

"Their strategy was always delay, delay, delay," the longtime environmental advocate, former labor lawyer and former gubernatorial candidate said.

[Dimock families say drilling harmed their health and homes](#)

DIMOCK TWP. - In a field between Ronald Carter's trailer and the gas drilling site less than 500 feet from his front porch, a group of neighbors shared nightmarish stories Friday morning about the natural gas extraction they say has changed their lives and homes.

The 15 families were there to announce a lawsuit they filed Thursday against Cabot Oil and Gas Corp., the Texas-based natural gas operator that has drilled 63 wells in a 9-square-mile area around their homes in Susquehanna County, and has permits to drill about 60 more.

[Henri Proglio Should Focus on EDF Rather Than Areva](#)

Proglio called for a “rethink” of France’s nuclear industry, and especially of the shareholdings of reactor builder Areva, Les Echos reported two days ago, citing an interview. Proglio is “disappointed” by delays and safety concerns at two reactors being built by Areva and EDF and said France is “poorly represented” in a bid for a nuclear reactor contract in the Middle East.

[2009 Vehicles sold were a Tad more efficient](#)

U.S. consumers bought a slightly more fuel-efficient fleet of cars and trucks for 2009 than the model year before, but the vehicles Americans chose still burn considerably more fuel per mile and emit more greenhouse gases than the levels the government is targeting for 2016.

[Buffett's advice on life: priceless](#)

Goetgeluk asked what Buffett thought of the peak oil theory — that oil production has peaked and will only decline in the future — and what he believed would replace carbon fuel.

Buffett told him that in 20 years, he believes all the cars on the road will be electric. He's already invested in a Chinese company working on the technology to make it happen.

[The Critical Unraveling of U.S. Society](#)

Regardless of your beliefs, due to climate change, we are on the verge of experiencing major water shortages spreading “across the country. Sooner rather than later...” California has already been hit by extreme drought and water is in very short supply. As the Arctic continues to melt, California will continue to experience extreme drought. A new study revealed: “when Arctic sea ice disappears, the jet stream—high-altitude winds with a profound influence on climate—shifts north, moving precipitation away from California.” A recent “sweeping water-reform bill” in California temporarily eased public outcry, but the problem remains. The U.S. is confronted by a serious water crisis.

[Study sees transit saving Californians' energy, cutting greenhouse gas](#)

A new study says Californians could save billions each year and cut greenhouse gas emissions by developing neighborhoods within easy access of public transportation.

['Carbon tax' is sensible, and perhaps inevitable, advocate says](#)

Dieter Helm of Oxford says climate change policy should focus not on carbon production,

but carbon consumption. A tax on carbon-heavy activities places the emphasis where it belongs, he says.

[Scientific evidence supports carbon storage technique](#)

WHILE full carbon capture and storage systems have yet to be proven on an industrial scale, scientists say all the technology is in place for the technique to become a major player in the battle against climate change.

Dr Richard Pike, chief executive of the Royal Society of Chemists and a former oil industry consultant suggests fears about the "unproven" nature of CCS have been overblown, and the cost of installing the technology is likelier to be a bigger barrier than any risk of it not working.

[Top U.N. Scientist Laments U.S. Pace on Climate Actions](#)

The United Nations' top climate scientist does not expect any major breakthroughs on global warming next week when President Obama hosts Indian Prime Minister Manmohan Singh, because the United States has not acted to curb its greenhouse gas emissions.

[Drowning in the Garden of Eden](#)

In August, Seychelles presented a report about its fate to the United Nations that reads like a script for a science-fiction apocalypse. It says that if nothing is done to correct global warming, rising seas will submerge 60 percent of the country's islands by the end of this century, possibly sooner. Drought, disease and fire will scourge the land. People will fight to the death for water and food. And the inhabitants will find themselves, as the report puts it, "in the unprecedented situation of being citizens of a state that no longer has a territory."

Imagine your country disappearing underwater forever. Where do you belong? Where do you go?

[Bill McKibben: Obama needs to feel the heat](#)

Obama's excuse is that the Senate won't sign tough climate legislation, so there's no use pushing for it. (And he's right -- the Senate is tough. At 350.org, an organization I co-founded that is dedicated to solving the climate crisis, we're working to organize candlelight vigils at senators' offices around the country.) But that's conceding the game without taking a shot -- he hasn't done any of the things Nasheed has tried to rally his nation and other nations.

[The Day Global Warming Stood Still](#)

"I proudly declare 2009 as the 'Year of the Skeptic,' the year in which scientists who question the so-called global warming consensus are being heard," Inhofe said to Boxer in a Senate speech. "Until this year, any scientist, reporter or politician who dared raise even the slightest suspicion about the science behind global warming was dismissed and repeatedly mocked."

Inhofe added: "Today I have been vindicated."

The Ada (Oklahoma) Evening News quotes Inhofe: "So when Barbara Boxer, John Kerry and all the left get up there and say, 'Yes. We're going to pass a global warming bill,' I will be able to stand up and say, 'No, it's over. Get a life. You lost. I won,'" Inhofe said.

[Global Warming Research Exposed After Hack](#)

Judging from the data posted, the hack was done either by an insider or by someone inside the climate community who was familiar with the debate, said Robert Graham, CEO with the consultancy Errata Security. Whenever this type of incident occurs, "80 percent of the time it's an insider," he said.

[Limbaugh distorts apparently stolen emails to falsely claim global warming is "made up"](#)

Rush Limbaugh -- who had previously condemned the "thugs" who hacked then-Gov. Sarah Palin's email account -- joined right-wing bloggers in touting a series of emails that were apparently stolen from the UK's Climate Research Unit [CRU]. Limbaugh proceeded to distort at least one of the emails in order to falsely suggest that it is evidence that global warming is "made up" and that leading climate scientists have been engaged in "substantial fraud."

[Lester R. Brown: A hotter planet means less on our plates](#)

China is the world's leading producer of wheat. India is No. 2. These two countries also dominate the world's rice harvest. But unlike in the United States (the third-largest wheat producer), where wheat is watered largely by rainfall, most crops in China and India are irrigated. The vanishing of mountain glaciers in Asia therefore represents the biggest threat to the world food supply that we have ever seen.

Americans may be tempted to see melting glaciers on the Tibetan plateau as China's problem. And they are. But they are also our problem. We live in an era of fully integrated global food markets; a major harvest shortfall in one corner of the world will drive up prices everywhere.

If China can no longer grow enough wheat and rice to feed its 1.3 billion people and goes shopping for massive quantities of grain, global food costs will rise dramatically. When domestic food prices skyrocketed in the 1970s, the United States restricted exports of grain and soybeans. This time around, with China holding \$800 billion in U.S. Treasury securities, we won't be in any position to limit exports. China is our banker. China's food shortage will be our shortage, too.



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