



Drumbeat: December 5, 2009

Posted by Leanan on December 5, 2009 - 9:40am Topic: <u>Miscellaneous</u>

The energy space-time continuum, a big picture-portrait. Not a pretty one.

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The International Energy Agency sees world energy demand rising 50% between now and 2050, with oil, coal and gas still being used as primary feedstock, in that order. That's sobering when you consider that most of the easy oil has already been found, and according to the University of Cape Town's Association for the Study of Peak Oil SA (Aspo), gas production is only a generation (say 20 years) behind.

ideo features Sadad al-Husseini, Jeremy Gilbert, Jeremy Leggett, and Chris Skrebowski.

OPEC unlikely to change supply on Dec 22 - Gulf delegate

CAIRO (Reuters) - OPEC is unlikely to change its official supply target at a meeting later this month as oil prices are at a level reasonable for producers and consumers, a senior Gulf OPEC delegate said on Saturday.

Mexico shuts Gulf oil ports due to bad weather

MEXICO CITY (Reuters) - Mexico closed its three main oil ports on Saturday as a cold front in the Gulf of Mexico brought high winds and waves, the government said.

Europe better prepared for Russian gas crisis

Europe's new liquefied natural gas import terminals, greater grid flexibility, low demand and a boom in gas trade should help Europe cope better this winter if Russia cuts supplies to its biggest customer again.

Europe's largest LNG terminal, South Hook, and a smaller nearby facility in Wales have helped keep Britain well supplied enough to send large quantities of gas to continental Europe since they opened, while the Adriatic LNG facility should calm Italian jitters.

INTERVIEW - Algeria, Egypt to form Selena energy joint venture

CAIRO (Reuters) - Algeria's state-owned energy firm Sonatrach is setting up an oil and gas joint venture with two Egyptian national companies, its chief executive officer told Reuters on Saturday.

"We could invest around maybe \$15 billion but it is not settled yet," Sonatrach CEO Mohamed Meziane said in an interview.

Canada says China to increase canola oil imports

TORONTO (Reuters) - China's state-owned Sinograin plans to increase Canadian canola oil imports to 350,000 tonnes in 2010, an increase of 200,000 tonnes, the Canadian government said in a statement on Saturday.

China is the top export market for Canadian canola and shifts in demand are closely watched by traders of the oilseed.

The Hostage Business

TWO CARLOADS OF gunmen wearing ski masks parked outside Goodfellas, a popular karaoke bar in the Nigerian city of Port Harcourt, on a damp August night in 2006. When the first militant barged through the front door, he was holding an automatic rifle and yelling, "Everybody down!" John, a gregarious Scottish oilman, was sitting at a round table near the entrance, watching one of the owners, another Scot, impersonate Mick Jagger while singing "Satisfaction" at the karaoke machine. He and the other 50 or so bar patrons dove for cover. John lay motionless on the ground as the intruders scanned the floor, randomly picking hostages.

Analysis: Chevron Steadily Grows Profits

As one of six supermajors, Chevron Corp. is the second-largest US oil company by market value, the largest private producer of oil in Kazakhstan and the top oil and natural gas producer in Thailand. The company produces nearly half of Indonesia's crude oil and is the top leaseholder in the US Gulf of Mexico.

In 2008, Chevron added approximately 1.34 Bboe to its proved reserves to its portfolio. During the year, the company produced on average 2.53 MMboe/d from more than 20 different countries around the world.

Could Los Angeles eclipse Detroit?

Detroit's January auto show may soon be eclipsed by the Los Angeles Auto Show. Now that would be something.

For almost two decades, Detroit has been one of a handful of must-see auto shows in the world. But like the Tokyo motor show, Detroit is in decline. As Detroit slips in importance, Los Angeles is working hard to take its place as America's premier auto show.

Pakistan: Clean environment must for survival

KARACHI (APP) - Advisor to Chief Minister, Sharmila Farooqui has said that although Pakistan is the home of most beautiful and varied topography, yet the eco system is under threat.

She said the situation was aggravating due to water scarcity, energy crisis, illegal cutting of trees, air, water and noise pollution, improper solid waste management and lacking conservation techniques.

Todmorden's Good life: Introducing Britain's greenest town

It's an ordinary small town in England, but its residents claim they've discovered the secret that could save the planet. And with world leaders preparing to gather in Copenhagen in just over a week's time to debate how to do just that, the people of Todmorden in the Pennines this week issued an invitation: come to our town and see what we've done.

Shopping local is a healthy habit

What would a Zero Waste Christmas look like? Would it still be Christmas? Is it even possible?

It's hard to say. It is even harder to imagine most of us getting on that particular bandwagon.

We tell pollsters that we long for a less commercialized Christmas. At the same time, we tell them that we expect to spend as much or more than last year during the holidays.

A history of climate change

1894-95

Attempting to explain the ice ages, Swedish scientist Svante Arrhenius theorizes that changes in carbon-dioxide levels in the atmosphere may alter our climate. "It is unbelievable," Arrhenius notes, "that so trifling a matter has cost me a full year."

Americans Toss Out 40 Percent of All Food

Addressing the oversupply of food in the United States "could help curb to the obesity epidemic as well as reduce food waste, which would have profound consequences for the environment and natural resources," the scientists write. "For example, food waste is now estimated to account for more than one quarter of the total freshwater consumption and more than 300 million barrels of oil per year representing about 4 percent of the total U.S. oil consumption."

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Crude oil prices tumble to a seven-week low

Oil prices ended the week tumbling to a seven-week low as massive crude supplies and a surging dollar overshadowed encouraging job numbers.

The U.S. dollar, which is used to price crude contracts, has had an especially heavy influence on oil trading this year. It's helped oil double in price from \$40 to more than \$80 a barrel in the past several months despite weak consumer demand and bloated supplies.

But as the greenback rallied Friday, oil prices started to fall.

Phil Flynn: The Energy Report for Friday, December 4, 2009

That Ol' Supply Side Glut Rut.

In a day of economic mixed signals and shifting emotions, at the end of the day oil got weighed down by the old supply side glut. Oil probed the lower end of the trading range, which excluding the Dubai drop aberration, is in the\$75 handle. Ok I know that to a market purest there is no such thing as an aberration and oil has already broken down and will resume the trend downward. While I agree they are right the truth is I think that the Dubai drop was a glimpse of our future but the market is not ready to accept that reality yet.

Orders to US factories unexpectedly rise in October as demand surges for aircraft, petroleum

WASHINGTON (AP) — Orders to U.S. factories unexpectedly rose in October, the sixth gain in the past seven months. It was further evidence that the manufacturing sector is beginning to recover, which will help support the overall economy.

Orders rose 0.6 percent in October, the Commerce Department said Friday, much better than the flat reading that economists had expected. A jump in demand for commercial aircraft and petroleum products led the gain.

Saudi Arabia's Al-Naimi Says Oil Price Is 'Perfect'

(Bloomberg) -- Crude oil prices are in "the right range" and there is no need to reduce inventories, Saudi Arabian Oil Minister Ali al-Naimi said ahead of an OPEC meeting scheduled for later this month.

"Inventories are coming down, the price is perfect, and all investors, consumers, producers -- they're all very happy," Al-Naimi said today in Cairo, where Arab oil ministers are holding an annual meeting.

Iraq to decide on Qurna, Zubair before year end

CAIRO (Reuters) - Iraq's government is expected to decide on deals with oil majors to develop the West Qurna and Zubair oilfields before the end of 2009, a deputy of the oil minister said on Saturday.

Kurdistan: A lot of oil, a lot of risk

These days, Kurdish leaders and international investors assembling here speak a common language: oil. Kurdistan sits on plenty of it, and the region's current peace is a welcome feature for oil companies looking to explore here.

But Kurdistan's oil fields pale in comparison with the mega oil fields to the south. The Kurds are staking a potentially explosive claim on the area around Kirkuk, which holds vastly more rewarding, but risky opportunities.

Ukraine Says Paid for Russian Gas Supplies in Full

(Bloomberg) -- Ukraine paid Russia for November natural-gas supplies after the government converted the International Monetary Fund's special drawing rights into dollars, the country's state energy company said.

The Only Way to Play Energy Now

Because, let's face it, over the long haul, demand for oil and gas will drastically outstrip supply. And the majority of that supply is controlled by a handful of obscenely wealthy foreign businessmen who, as old T. Boone Pickens points out, don't like us very much.

Point being, oil and gas prices will *eventually* recover -- and then soar to new highs. When they do, everyone's going to get pinched at the pump -- yet only a few will get rich.

Talking Energy: gas power

The UK is facing wholesale transformation of its energy generating system. The closure of end-of-life nuclear and coal power stations is coinciding with ambitious commitments to reduce carbon emissions and the demise of North Sea gas. Whatever we replace our current generating capacity with has to provide affordable, reliable and low-carbon energy – an energy trilemma.

Repsol Argentine Workers May Hold National Strike

(Bloomberg) -- Repsol YPF SA's Argentine supervisor- level workers may hold protests

nationwide and strike on claims the oil producer didn't honor salary agreements.

Chevron Sells LNG, Stake to Tokyo Electric in \$82 Billion Deal

(Bloomberg) -- Chevron Corp. signed an \$82 billion contract, Australia's biggest energy deal, to supply liquefied natural gas to Tokyo Electric Power Co. and sell the Japanese utility a stake in its Wheatstone project.

U.S. Naval Intelligence Views Iran's Naval Forces

A new <u>report</u> (pdf) from the U.S. Office of Naval Intelligence describes Iran's naval order of battle, as well as the Iranian Navy's history, strategic options, and favored tactics.

"Today, Iran's naval forces protect Iranian waters and natural resources, especially Iran's petroleum-related assets and industries. Iranian maritime security operations guard against the smuggling of illegal goods (especially drugs) and immigrants, and protect against the poaching and stealing of fish in territorial waters."

Chávez Seizes Three More Banks, Stoking Fears

Venezuela's government took over three more banks Friday, adding to a growing list of smaller banks in the oil-rich country that have been seized by the government this week on charges that its owners illegally used deposits for their own enrichment.

The growing scandal has unnerved depositors about which banks are safe, posing a threat to the broader banking system. It has also become a potential political liability for President Hugo Chávez, because the owners of the seized banks were seen as close to top officials.

Israel closes sole oil and gas terminal on Gaza border

Gaza City - The population of the Gaza Strip is facing an acute cooking gas shortage this winter, after a unilateral Israeli decision in October to permanently close the sole oil and gas terminal between the coastal Palestinian territory and the Jewish state.

Ecuador sues Chevron in US over arbitration claim

NEW YORK (Reuters) - The government of Ecuador has asked a U.S. judge to stop Chevron Corp from pursuing an international arbitration claim in response to allegations of environmental pollution in Ecuador. The lawsuit, filed in Manhattan federal court in New York on Thursday, follows a Sept. 23 arbitration claim by the second-largest U.S. oil company, Chevron, which opened a new front in its defense of a \$27 billion lawsuit over accusations of Amazon rain forest and river pollution.

Richard Heinberg - Energy transition: one chance to get it right

The ongoing, relentless depletion of our nation's—and the world's—coal, oil and natural gas resources will eventually force us to depend increasingly on renewable energy. By the end of this century, America will have an essentially all-renewable economy, whether or not we have planned for it.

Apocalypse or Not: 5 Tips for Prepairing for Peak Oil: Preparing for peak oil is just common sense.

Whether peak oil means, as many people argue, the end of civilization as we know it, or simply a painful and challenging reordering of the status quo, remains a matter of debate. But either way, it makes sense to prepare yourself. Even if peak oil remains decades away, many of the things you should do to prepare for peak oil and other calamities are also simply prudent common sense, not to mention a great way of cutting your carbon emissions. So here's a list of 5 ideas to get you started preparing for peak oil —apocalypse or not.

A Tale of Two Cities: City of the Past, City of the Future

Looking at the world through the lens of energy investing and peak oil, it's hard to imagine a starker contrast than Dubai World and Masdar City.

Both will rise out of a barren wasteland of sand in less than three decades, but only one was designed to survive the future.

Gordon Brown on Building a Global Community to Fight Climate Change (Video)

Some in the United States shiver when they hear the words 'global citizen'--many Americans unfortunately (and nonsensically) feel they have communistic connotations. But if we're going to solve the pressing problems confronting the world--climate change, hunger, poverty, peak oil, the water crisis, etc--we're going to have to start acting like global citizens sooner rather than later. And as British Prime Minister Gordon Brown explains in this great TED talk, building a stronger global ethic doesn't mean one-world governments or adopting a single currency--it means becoming increasingly cognizant of the international community and acting in tandem to make progress. Video after the jump.

The sixth extinction

There is a holocaust happening. Right now. And it's not confined to one nation or even one region. It is a global crisis.

Species are going extinct en masse.

Every 20 minutes we lose an animal species. If this rate continues, by century's end, 50% of all living species will be gone. It is a phenomenon known as the sixth extinction. The fifth extinction took place 65 million years ago when a meteor smashed into the Earth, killing off the dinosaurs and many other species and opening the door for the rise of mammals. Currently, the sixth extinction is on track to dwarf the fifth.

What -- or more correctly -- who is to blame this time? As Pogo said, "We have met the enemy, and he is us."

The truth about lithium: abundant and recyclable

We can understand the tendency to draw an analogy between lithium and oil: they're both finite natural resources found in concentrated deposits, and they both can be processed and used to power electric cars. However, beyond these superficial similarities, the analogy is running on empty.

Oil is a non-renewable resource that can release energy through a combustion engine. When it burns to power a car, it's gone forever. Lithium, on the other hand, is integrated into an energy storage device. It doesn't inherently contain energy – it just holds it until you need it. When a lithium-ion battery discharges energy to power a electric car, it is the stored energy – not the lithium – that is depleted.

Pilot Projects Aim to Integrate Solar Into Fossil Plants

A pair of new projects will test the integration of large-scale solar fields into coal- and natural gas-fired power plants, an industry research group announced yesterday.

Taiwan plans massive growth in solar energy

TAIPEI — Taiwan plans to boost its use of solar panels by a factor of 200 over the next decade and a half in an effort to increase clean energy, a ranking official said Friday.

Solar panels across the island currently have a capacity of five megawatts, enough to power 500 buildings, but by 2025 that figure is targeted to rise to 1,000 megawatts, said Wang Yunn-ming, deputy head of the Bureau of Energy.

Wind turbines don't lower home property values

Good news for homeowners tilting at windmills! Installing wind turbines or living near wind farms won't noticeably lower their property values, according to a government-funded study released this week.

Global biodiesel demand to double in 5 years

The driver for biofuels usage is not limited to the United States and Europe, but is also growing in the Asia-Pacific and Latin American regions, according to Tammy Klein, executive director of global biofuels services for Hart Energy Consulting. She spoke about the global biofuels outlook on the opening day of the Canadian Renewable Fuels Summit held Dec. 1 and 2 at Vancouver, British Columbia.

Govt: Some \$600M to go to energy plants

TOLEDO, Ohio (AP) -- The federal government is speeding up plans to produce more renewable fuels, announcing Friday it will spend nearly \$600 million to help build plants that turn wood chips, cornstalks and algae into fuel.

The government will team up with private companies to create 19 biorefinery projects in 15 states. The government's \$564 million share will come from stimulus funds and will be combined with \$700 million in private investments.

Feds give clean coal projects \$979M

CHARLESTON, W.Va. — Multibillion-dollar clean coal projects in West Virginia, Texas and Alabama are getting \$979 million in federal stimulus funding, Energy Secretary Steven Chu said Friday.

The money will go toward retrofitting existing coal-fired power plants owned by American Electric Power, Southern C.o. and Summit Texas Clean Energy to capture and store carbon dioxide, the chief greenhouse gas linked to climate change. The Energy Department is aiming to have the technology available commercially — and to share with other big coal-using countries — in eight to 10 years

Oil Industry Isn't Liable for Polar Bear Deaths

(CN) - Oil and gas drilling is not responsible for declining polar bear numbers in the Beaufort Sea along the northern coast of Alaska, the 9th Circuit ruled, saying the local energy industry is in compliance with federal environmental laws.

Denbury to Use Man-Made Carbon Dioxide to Coax Oil From Wells

(Bloomberg) -- Denbury Resources Inc., the oil producer that last month announced the industry's largest U.S. acquisition of this year, plans to use carbon dioxide captured from factories to boost crude output from decades-old fields.

Oldest U.S. Oil Fund Targets Solar Stocks as Crude Outlook Dims

(Bloomberg) -- Petroleum & Resources Corp., the oldest U.S. oil fund, plans to invest in solar- and wind-power production for the first time since its founding in 1929 as governments crack down on fuels linked to greenhouse gases.

The carbon-cutting crew's faulty logic

Globalisation, whether we go for capitalism or caring and sharing, gives us fewer, richer people with less damage to the environment as a result of having fewer emissions, than not globalisation. So those telling us that localism, regionalisation, are a cure for climate change are clearly ignoring, ignorant of or lying about the scientific consensus.

In e-mails, science of warming is hot debate

Leaked just before international climate talks begin in Copenhagen -- the culmination of years of work by scientists to raise alarms about greenhouse-gas emissions -- the e-mails have cast those scientists in a political light and given new energy to others who think the issue of climate change is all overblown.

The e-mails don't say that: They don't provide proof that human-caused climate change is a lie or a swindle.

But they do raise hard questions. In an effort to control what the public hears, did prominent scientists who link climate change to human behavior try to squelch a backand-forth that is central to the scientific method? Is the science of global warming messier than they have admitted?

Britain lashes out at climate sceptics

BRITISH Prime Minister Gordon Brown has led a chorus of condemnation against "flatearth" climate change sceptics who have tried to derail the Copenhagen summit by casting doubt on the evidence for global warming. Hacked climate e-mail rebutted by scientists

The scientists from two major research centers, a national think tank and NASA, claimed during a telephone news conference that the e-mail exchanges were taken out of context in an attempt to influence pending greenhouse gas emissions policies.

It is, they said, a cynical, blatantly dishonest effort to cloud the fact that the world is now confronting a huge, potentially disastrous climactic shift.

"There is so much information that tells us the planet has been warming," said Gavin Schmidt, a climate modeler at NASA's Goddard Institute for Space Studies. "No independent study is going to come up with anything other than what we've already concluded."

Why there's no sign of a climate conspiracy in hacked emails

Some of the contents of the hacked email material, such as the "Harry_read_me.txt" file, might appear shocking, with its talk of manipulation and "tricks". But raw data almost always has to be "fixed".

Obama shifts Copenhagen visit to boost deal

WASHINGTON – President Barack Obama on Friday abruptly altered the timing of his upcoming appearance at an international climate summit in Copenhagen, hoping to capitalize on steps by India and China and build a more meaningful political accord, the White House said.

Study: Slowdown in warming last year not permanent

North America wasn't as warm as expected because of cooler water in the North Pacific - a condition called La Nina - but the rest of the world continued to warm, researchers said Friday. The overall warming trend is expected to continue worldwide.

Glacier threat to Bolivia capital

Fears are growing for the future of water supplies in one of Latin America's fastestgrowing urban areas - Bolivia's sprawling city of La Paz and its neighbour El Alto.

Scientists monitoring the glaciers high in the Andes mountains - a key source of water - say the ice is showing signs of shrinking faster than previously forecast.

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