



Drumbeat: December 10, 2009

Posted by [Leanan](#) on December 10, 2009 - 8:53am

Topic: [Miscellaneous](#)

[John Michael Greer: The Human Ecology of Collapse, Part One: Failure is the Only Option](#)

The old legend of the Holy Grail has a plot twist that's oddly relevant to the predicament of industrial civilization. A knight who went searching for the Grail, so the story has it, if he was brave and pure, would sooner or later reach an isolated castle in the midst of the desolate Waste Land. There the Grail could be found and the Waste Land made green again, but only if the knight asked the right question. Failing that, he would wake the next morning in a deserted castle, which would vanish behind him as soon as he left, and it might take years of searching to find the castle again.

As we approach the twilight of the age of cheap energy, we're arguably in a similar situation. It seems to me that a great deal of the confusion that grips the peak oil scene, and even more of the blind commitment to catastrophically misguided policies that reigns outside peak-aware circles, comes from a failure to ask the right questions. A great many people aware of the limits to fossil fuels, for example, have assumed that the question that needs answering is how to sustain a modern industrial society on alternative energy.

k oil" debate. This debate is not about whether the supply of oil, a finite resource, could some day stop growing. Rather, it hinges on the timing of an end to increases in global oil production, and on what happens next. The most pessimistic peak-oil proponents think that global oil supply has peaked or is about to do so. Given projections of demand increasing well into the future, they fear economic disaster.

[Bad timing](#)

It seems the evil empire will keep chugging along, despite my wishes to the contrary. How long is anybody's guess. And, despite my record of bad guessing, I'll toss out some more guesses here.

When forecasting light's out in the empire by the end of this year, I clearly put too much stock in the International Energy Agency's forecast of a 9.1% annual decline in crude oil availability. The IEA is notorious for lying, but they've always lied *in the other direction*. Under pressure from imperialists such as Barack Obomber, they routinely claim there's plenty of oil available. So when they forecast a 9.1% annual decline, beginning in 2009, they suckered me. As most energy-literate folks are aware, there is no way demand

could fall at a pace approaching 9% without a complete collapse of the industrial economy. So far, year-over-year decline has been about 3%, and the Great Depression 2.0 is destroying demand even faster than world supply is falling. If we believed in the “laws” of supply and demand, oil should be priced at about ten bucks a barrel. If, on the other hand, we believed in pricing oil at what it does for us, oil should be priced at about a thousand bucks a barrel.

[FACTBOX - China's investments in Central Asian energy](#)

(Reuters) - Chinese leader Hu Jintao will visit Central Asia to launch a new gas pipeline from Turkmenistan, a new milestone in China's quest for control over the region's abundant energy resources.

Beijing has stepped up its presence in ex-Soviet Central Asia within the last few years by handing out billions of dollars in loans, snapping up energy assets and building an oil pipeline from Kazakhstan.

Below is the list of recent Chinese investments in Central Asia's energy sector.

[Turkmenistan's plight: Burning sands and pipe-dreams](#)

It has the world's fourth-largest gas deposits and its proud and poor population is ruled by one of the most oppressive and corrupt regimes in the world. A few kilometres south of the gas crater people sleep in yurts and drink rainwater. Scrawny children run about half-naked. Turkmenistan sells billions of dollars worth of gas each year. Yet the average income of its 5m people is under \$300 a month.

[Solar power coming to a store near you](#)

NEW YORK - Solar technology is going where it has never gone before: onto the shelves at retail stores where do-it-yourselfers can now plunk a panel into a shopping cart and bring it home to install.

Lowe's has begun stocking solar panels at its California stores and plans to roll them out across the country next year.

[Asia Can Help Lead Climate-Change Fight](#)

The region's scientists and researchers have the expertise to help the world eliminate our reliance on fossil fuels in 20 years.

[Fewer travelers seen taking flight over holidays](#)

WASHINGTON - Air travel over the holidays will fall 2.5 percent from last year, a trade group for the nation's major carriers predicted Thursday.

The Air Transport Association of America said it expects 41 million passengers to fly on U.S. airlines over a 21-day period from Dec. 17 through Jan. 6.

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[Energy Deflation Cometh: Plentiful Shale Gas, LNG, Ethanol, Nuclear, Geothermal](#)

Consumers rejoice. Investors beware. Environmentalists lament.

Fossil fuel prices are just about to nose dive. Massive new supplies of energy are coming on stream worldwide. Shale gas has flipped the United States from gas importer to gas surplus. Liquid natural gas (LNG) supplies from Qatar, Algeria and Russia are flooding European and Asian markets. Ethanol production in the US is outstripping demands.

Huge new oil fields in Iraq, Saudi Arabia, Brazil and Ghana will cause an intermediate-term surge in crude oil production. Iraq alone will be producing 5 million more barrels of oil per day within just five years; Brazil will become an oil exporting nation.

[Pemex Cantarell Oil Output to Drop Least in 5 Years](#)

(Bloomberg) -- Petroleos Mexicanos, the state oil producer, said output at its Cantarell field will fall by about 5.2 percent next year, the slowest drop in five years.

Production at Cantarell will fall to about 550,000 barrels a day next year from an average 579,990 barrels through the first 10 months of this year, Jesus Puente Trevino, adviser to Chief Executive Officer Juan Jose Suarez Coppel, said in an interview in Houston today.

The company's natural-gas production will drop to 6.2 billion cubic feet a day in 2010, he said. That represents a 12 percent drop from the average 7.05 billion cubic feet a day this year through October, according to data compiled by Bloomberg.

[Pemex sets goals for next year](#)

State-run Pemex has set its production goal of 2.5 million barrels per day for next year, down from 2.7 million bpd this year, said an advisor to the company.

[China struggles to fuel its nuclear energy boom](#)

BEIJING (Reuters) - China is driving ahead with an ambitious programme to expand its atomic energy capacity over the next decade, raising questions about its ability to find the uranium it will need, at home or abroad.

[Kenya: Raila blames oil players for energy crisis](#)

Prime Minister Raila Odinga has blamed rich merchants of petroleum products and lack of political will among leaders for the failure by the world to develop alternative sources of energy, especially bio-fuels.

[New hope for coal future as new mining method announced](#)

A NEW method of mining coal which could open the door to a billion-pound boost for the region looks set to be pioneered off the North East coast.

A firm has been given permission to investigate using underground gasification to harness energy from coal without removing it from the ground.

[We can't afford to ignore our coal resources](#)

AS world leaders gather in Copenhagen for the climate change summit, the UK delegation should remember this: Britain is facing an energy crisis of untold proportions.

[Sasha and Barack Debate the Merits of Peak Oil Preparation](#)

Industrial civilization is rapidly running out of net fossil-fuel energy -- and alternative energy sources won't be able to make up the difference. As we begin the slide down the steep backside of our civilization's net energy curve, lower standards of living are in everybody's future. Obama knows this, but is unable to say it publicly. But if we don't start making some basic preparations for our non-optional, lower-energy future right now, we'll likely end up with a much lower standard of living than if we did prepare. The basic, precautionary, low-energy backup-systems we need -- food, water, transportation, manufacturing -- are straightforward and relatively cheap...but they will take awhile to develop fully. We need to start preparing right now, at all levels: individual, community, regional, and national. -- Heck, even an intelligent child could do a better job planning for energy descent than we're doing now! Sasha in 2012!

[Analyst Sees Stable Oil Prices for 20 Years, More SUVs and Big Cars Ahead](#)

Americans may not be moving to small cars, hybrids and battery electrics quite as fast as environmentalists have hoped, says the forecaster CSM Worldwide.

As the climate talks get underway in Denmark, all eyes are focused on how to reduce greenhouse gas emissions. The EPA says cars and trucks are more than 23 percent of U.S. climate emissions, so that's a major focus. But to get Americans out of big gas guzzlers, CSM says, fuel prices would have to rise significantly (as they did last year, to \$4 a gallon).

"But we don't expect to see \$140 a barrel oil again for another 20 years," said George Augustaitis, CSM market analyst for North American vehicle sales. He said that when the price reaches \$110 to \$120, it becomes economical to start drilling again, and to invest in alternative sources such as oil shale and tar sands.

[Soon oil prices will soar again](#)

Many National Post readers are committed to the free-market system. They'll be surprised then, to learn then that oil and gas is subsidized by taxpayers to the tune of \$250-billion a year worldwide.

Doug Koplow, an expert who studies oil and gas subsidies, points out that financial support comes in many forms: consumption subsidies, tax breaks, loans and loan guarantees, required purchase of particular energy commodities, funding research and development, and reducing risk by government assuming liability or providing insurance.

[Oil Rebounds From 2-Month Low on Speculation Drop Was Too Fast](#)

(Bloomberg) -- Crude oil rose, rebounding from a two month-low near \$70 a barrel on speculation that this week's decline took place too rapidly.

Oil had lost almost 10 percent in six days as a stronger dollar dampened investor appetite for commodities to hedge against inflation and climbing U.S. fuel inventories undermined confidence demand is recovering. Gasoline stockpiles jumped 2.25 million barrels last week, the Energy Department said yesterday.

“The low \$70s is definitely seen as a buying region for a lot of investors,” Ben Westmore, a minerals and energy economist at National Australia Bank Ltd. in Melbourne, said by telephone. “If you’ve got any faith in the medium-term demand outlook, then it’s probably not a bad time to buy.”

[Inflation Returns to China](#)

BEIJING – China is moving out of deflation after nearly a year of falling consumer prices, a turnaround driven in part by the government's success in changing long-criticized policies that kept costs for oil, water and electricity artificially low.

[China major fuel stocks up 5.3 pct in Nov - source](#)

BEIJING (Reuters) - Combined stocks of gasoline, diesel and kerosene held by China's top two oil companies rose by 5.3 percent in November from October as domestic sales dropped 2.6 percent, an industry official with knowledge of the data told Reuters on Thursday.

[Saudi boosts crude supply to some Asia buyers](#)

TOKYO/SINGAPORE - Saudi Arabia is restoring full term crude supplies to at least two Asian buyers for January and keeping contracted volumes to six others, as the top oil exporter prepares for domestic refinery maintenance this month, industry sources said on Thursday.

The two Asian customers will receive their full contracted volumes in January after supplies were cut by 5 to 7 percent for December, industry sources at the term customers said.

[Turkmen-China gas pipeline nearly operational](#)

BEIJING – A natural gas pipeline linking Turkmenistan and China is nearly operational and President Hu Jintao will attend an inauguration ceremony during a visit to the central Asian nation this weekend, a senior Chinese diplomat said Thursday.

The 1,833-kilometer (1,139-mile) Turkmenistan-China pipeline cuts through Uzbekistan and Kazakhstan into China's far western Xinjiang region.

It will eventually be able to bring 30 billion cubic meters of gas annually from gas-rich Turkmenistan, undercutting Russia's near-lock on gas supplies in that former Soviet region.

[Obama taps ex-Palin aide to oversee natgas project](#)

Alaska (Reuters) - U.S. President Barack Obama on Wednesday nominated Larry Persily, a veteran Alaska policy maker and former aide to former Governor Sarah Palin, to oversee plans for a massive, long-desired Alaska natural gas pipeline.

[ANALYSIS - Now or never for Big Oil in Iraq](#)

"For the companies involved, this is it," said Alex Munton, analyst at consultancy Wood Mackenzie. "Rounds 1 and 2 to a large extent covers all of Iraq's biggest fields. There is no round three."

Firms that failed to win contracts in the first round were likely to push hardest. Among the empty-handed so far are U.S. major Chevron and France's Total. The two have paired up and Total has said it would bid for Majnoon, one of the supergiant fields on offer.

[U-Ming Marine to Add 20 Ships to Fleet in Five Years, Hsu Says](#)

(Bloomberg) -- U-Ming Marine Transport Corp., the bulk shipping unit of Taiwan's Far Eastern Group, plans to add at least 20 ships in the next five years as it expands into the crude carrier business, Chairman Douglas Hsu said.

"We are one of the partners to upgrade the second-generation double-hull oil tankers" for CPC Corp., Hsu, 67, said in an interview at his Taipei office yesterday. U-Ming also plans to buy at least 10 dry bulk carriers to boost its own fleet, he said.

[BP Says Australian Oil Refinery Unaffected By Strike](#)

(Bloomberg) -- BP Plc, which operates two refineries in Australia, said its Bulwer Island plant in Queensland state is running normally as maintenance workers strike after rejecting a new labor contract.

"Operations at the refinery are not affected," Jamie Jardine, Melbourne-based spokesman for BP, said by phone today. Workers continue to reject an agreement and have chosen to take industrial action, he said.

[Exxon's New Jersey Franchisees Sue Over Fuel Prices, Rent](#)

(Bloomberg) -- Exxon Mobil Corp., the biggest U.S. oil company, was sued by operators of more than 100 of its New Jersey gas stations claiming they are being forced to overpay for wholesale gasoline and rent.

[J-Power May Buy U.S. Coal to Cut Reliance on Australia](#)

(Bloomberg) -- J-Power, Japan's biggest coal importer, bought 60,000 metric tons of the fuel from Alaska and is evaluating reviving purchases from the U.S. after a six-year gap to reduce dependence on supplies from Australia.

Electric Power Development Co., as J-Power is officially known, is considering a supply contract with an Alaskan producer after the trial, Executive Vice President Yoshihiko Sakanashi said. "Alaskan coal could increasingly be coming into Japan as long as it has price competitiveness."

[Foreign Policy: The World Bank Is Banking On Coal](#)

With the U.N. climate change conference in Copenhagen getting under way this week, the pressure's on for world leaders to come up with some sort of climate agreement. Despite the appearance of a unified plea for action, however, not everyone is playing ball. And one of the shirkers is especially surprising: Even as governments are weighing tough choices to bring down emissions and cope with rising temperatures, the World Bank is financing — and plans to continue financing — coal projects to the detriment of renewable energy. In effect, the World Bank is sending the message that coal is not just an acceptable fuel, but also a resource that should be developed with international funding. It's a betrayal of everything the World Bank's member countries are supposed to be working for.

[Natural gas returning to favor, according to survey, whitepaper](#)

Green is gone and gas is good, according to early word trickling out of Deloitte LLP's oil and gas conference in The Woodlands on Wednesday.

A survey of 200 oil and gas professionals conducted in early November and released this week shows that most industry insiders expect climate change legislation to pass within two years, furthering the United States' entry into a golden age for natural gas.

[Clean old energy, new energy both needed - analyst](#)

HOUSTON (Reuters) - Policymakers should promote clean uses of old forms of energy as well as new pollution-free forms of energy to advance the world toward a low-carbon future, an analyst said Wednesday.

Oil, gas and coal have to be part of the solution because solar and wind power cannot solve the problem alone, consultant Joe Stanislaw said in a paper issued at the 2009 Deloitte Oil & Gas Conference and in remarks at a news conference.

[Rare Earth Interview with Analyst John Kaiser](#)

Here's a brief backgrounder on why the fundamentals for rare earths are what they are today: red hot. Every good story has an ample source of tension. The rare earths story abounds with the stuff.

To wit: Gasoline is quickly becoming passe. Within a few decades, most new vehicles will not be run directly from greenhouse gas emitting substances like petroleum-based fuels but rather a combination of fuel and electricity or something else entirely. There are simply too many reasons why this is so: Peak oil, global warming and oil-fueled wars being the three most obvious causes of triple digit oil costs.

[GE Wins \\$1.4 Billion Turbine Order for Biggest Wind Farm So Far](#)

(Bloomberg) -- General Electric Co. won a \$1.4 billion contract to supply turbines and services for an Oregon wind farm that would be bigger than any completed so far and supply a tenth of Southern California Edison's renewable energy.

GE, whose equipment generates one-third of the world's electricity, will supply 338 of its 2.5-megawatt turbines to Caithness Energy LLC to be installed in 2011 and 2012 and will hold a 10-year service contract, the companies said in a statement. About 400 people will be needed during construction of the wind farm and 35 to run the plant, GE said.

[UN Rejection of China's Windfarms Is 'Unfair,' Xinhua Reports](#)

(Bloomberg) -- The United Nations emissions regulator's decision to reject certification to some windfarms in China is "unfair," the official Xinhua News Agency reported, citing a government official.

The development of Clean Development Mechanism projects in specific areas was confronted by "unprecedented difficulties and barriers, part of which are caused by the irrational, non-transparent and unfair decisions" of the system's executive board, Li Gao, an official with the Chinese delegation at the Copenhagen climate change conference, was quoted as saying.

[China's Wind Power Plans Turn On Coal](#)

Nature is unpredictable: Sometimes there is no wind; other times, it's so strong the turbines have to be shut down. Because China's transmission power grid can't cope with the intermittent nature of wind, the government is adding back-up coal-fired power plants along with wind power to level out those peaks and troughs.

In Jiuquan, new coal-fired power plants with 13.6 million kilowatts of installed capacity — the same amount of energy generated by Chile in 2009 — will be added by 2020. The need to add baseload coal-fired power plants has the effect of reducing the clean benefits of wind power.

[Taiwan chip giant TSMC to enter solar energy](#)

TAIPEI (AFP) — Chip giant Taiwan Semiconductor Manufacturing Co. is planning its first foray into solar energy with an investment in the island's largest producer of solar cells, a spokesman said Thursday.

[World Bank musters \\$5.5 billion for solar projects](#)

WASHINGTON — The World Bank announced Wednesday 5.5 billion dollars would be invested in solar energy projects in five countries of the Middle East and North Africa in a bid to combat climate change.

[U.S. military sees surge to solar power](#)

LOS ANGELES (Reuters) - The United States is calling out the military to help it win the global war for clean energy, building solar farms at bases and funding research.

U.S. military leaders hope the surge will help secure energy security at home and abroad, but the strategy could also boost the solar industry and soothe critics who fear the United States is lagging China and other nations in clean technology.

[First fuel cell boat cruises Amsterdam's canals](#)

AMSTERDAM (Reuters) — Emitting only water vapour and gliding silently through Amsterdam's centuries-old canals, a canal boat -- a popular tourist attraction -- powered by fuel cells made its debut cruise on Wednesday.

The "Nemo H2," which can carry about 87 people, is the first of its kind designed specifically to run on a fuel cell engine, in which hydrogen and oxygen are mixed to

create electricity and water, without producing air-polluting gases.

[Energy efficiency technologies offer major savings](#)

WASHINGTON -- Energy efficiency technologies that exist today or that are likely to be developed in the near future could save considerable money as well as energy, says a new report from the National Research Council. Fully adopting these technologies could lower projected U.S. energy use 17 percent to 20 percent by 2020, and 25 percent to 31 percent by 2030.

Achieving full deployment of these efficiency technologies will depend in part on pressures driving adoption, such as high energy prices or public policies designed to increase energy efficiency. Nearly 70 percent of electricity consumption in the United States occurs in buildings. The energy savings from attaining full deployment of cost-effective, energy-efficient technologies in buildings alone could eliminate the need to add new electricity generation capacity through 2030, the report says. New power generation facilities would be needed only to address imbalances in regional energy supplies, replace obsolete facilities, or to introduce more environmentally friendly sources of electricity.

[Peak Oil Coffee Table](#)

“Since the human race is soon going to see the end of the ‘oil age’ as we know it, and it is not going to take long, it would only be fitting to produce an iconic and sickly reminder of those times to pass,” explains the artist of his design. “The table takes its basic form from the trunk of a mahogany tree which has been rendered with the glossy black plastic surface, a synthetic tomb stone if you like.”

[Soros Seeks \\$100 Billion in IMF Funds for Green Plan](#)

(Bloomberg) -- Billionaire George Soros asked the richest nations to use \$100 billion of foreign-exchange reserves to finance emissions-reducing projects in poor countries.

The reserves, from the International Monetary Fund, would go into a green fund to “jump start” investments in rain forests, agriculture and land use that would lower carbon-dioxide emissions, the financier said today at climate negotiations involving more than 190 nations in Copenhagen.

[Increasing resilience of poorest people first](#)

The most vulnerable people in Africa, Asia and Latin America are hardest hit by climate change. Therefore they need to be the first to increase their resilience to global

warming. Not by imposing measures from above, but by supporting communities to reflect on their problems and act themselves. This sounds logical, but turns out to be rather innovative.

"Solutions are only sustainable if you support pastoralists in Ethiopia or small farmers in Bangladesh to analyse their disaster risk and the possible solutions", says Marije Broekhuijsen of Cordaid. "As an NGO we can contribute by adding knowledge, contacts and resources, but the responsibility of taking action lies within the communities."

[UK Met Office warns carbon emissions must peak by 2020](#)

Even if emissions peaked in 2020, there would be a 50% chance of temperatures rising by more than 2C, the target adopted by the G8 at its July summit.

Meeting the lower target of 1.5C favoured by some developing countries is virtually impossible, the UKMO says.

[Emissions 'higher than reported'](#)

Emissions of some greenhouse gases are substantially higher than companies and countries report, say scientists.

The gases in question are much more powerful warming agents than CO₂, but make a small contribution to climate change as concentrations are low.



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