



Drumbeat: December 18, 2009

Posted by [Leanan](#) on December 18, 2009 - 9:15am

Topic: [Miscellaneous](#)

[OPEC Nations Brace for 2010 Price Shift](#)

The Organization of Petroleum Exporting Countries is expected to keep production steady when it meets Tuesday, but members are bracing for a potentially challenging year that could see oil prices weaken at a time when some OPEC nations are in need of price increases.

Oil prices have risen nearly 60% this year, thanks in part to OPEC production cuts. But the cartel faces problems heading into 2010. Some members, such as Iraq and Venezuela, are increasing output even as OPEC tries to purge a huge buildup of oil. And waning stimulus efforts could pinch consumer demand for oil in industrialized nations.

The equation may add up to downward pressure on prices. "The problem (for OPEC) could be the second half of 2010" as those issues take hold, said Deutsche Bank chief economist Adam Sieminski.

[Iraq and Iran Trade Accusations Over Oil Field](#)

BAGHDAD — The Iraqi government said Friday that Iranian troops had crossed the border and occupied a portion of an oil field situated on disputed land between the two countries, but Iranian officials immediately and vehemently disputed the account.

[Iraq official confirms Iran incursion in oil area](#)

BAGHDAD: Iranian soldiers have crossed into Iraqi territory and taken up position at a southern oilfield whose ownership is disputed by Iran, an Iraqi official said on Friday.

Deputy Interior Minister Ahmed Ali al-Khafaji, reversing statements made earlier in the day, said the incursion on Friday was the latest in a series this week.

[Iraq demands withdrawal of Iranian troops](#)

BAGHDAD (Reuters) - The Iraqi government demanded the immediate withdrawal on Friday of Iranian troops who have taken control of a disputed oilfield in southern Iraq.

[Russia launches icebreaker to boost Arctic oilfield](#)

MOSCOW (Reuters) - Prime Minister Vladimir Putin launched an oil tanker on Friday capable of slicing through over a metre of ice, bringing Russia a step toward its decade-long ambition to launch its first offshore oilfield in the Arctic.

State-run Gazprom has delayed the launch of its Prirazlomnoye oilfield for nearly 10 years as it persists with domestic firms to equip the project, helping Russia develop the technical know-how to conquer other Arctic mineral riches.

[How Iraq Is Punishing Big Oil](#)

In recent auctions, US oil companies and other international majors were all but shut out. This continues a shocking shift in global oil power—and investors should pay attention.

All that blood and no oil?

Even if you don't believe the Iraq war was all about oil, the country's recent auctions for the right to explore and develop its huge oil reserves was shocking: US companies were just about shut out.

[Can Obama Stop America's Gas-Guzzling Ways?](#)

Never before has a US government been as serious in its warnings against the dangers of climate change as the Obama administration. But Americans are divided: Half of them regard climate protection policies as socialist, and half want to save the world. Can Obama make America go green?

[Final leg of SCE renewable energy project gets OK](#)

Southern California Edison got the green light Thursday to build the final segments of a nearly \$2-billion transmission line that will connect customers with renewable energy produced by windmills.

[Sask. gov't committed to uranium mining](#)

REGINA — While rejecting a power-generating nuclear reactor, the Saskatchewan

Party government remains committed to a strategy of “adding value” to the province’s world-leading production of uranium, Energy and Resources Minister Bill Boyd said Thursday.

That means a commitment to maintaining the competitiveness of uranium mining and exploration in the province through steps such as a royalty review and a strong push for a medical isotope-producing research reactor that would accompany an Institute for Nuclear Studies at the University of Saskatchewan.

[How Effective Are Renewables, Really?](#)

Coal and nuclear power still dominate the market, as do oil and gas. But the tectonic shift has begun: Each year, the share of renewables rises. Indeed, electricity from renewable energy sources already supplies 15 percent of Germany's electricity needs. In some German states, wind power supplies more than 35 percent.

Yet, far from all questions surrounding renewables have been answered. When, for example, will renewable energy sources be able to survive without subsidies? Will they continue to grow? Will we be able to develop a way to store energy generated from the wind and sun? It seems clear that, whereas some energy sources will prosper, others are destined for failure.

[Surprise! Smart Fortwo among '10 Worst Cars of the Decade'](#)

"If a 1960s Mini can be fun to drive and deliver killer mileage, why can't a Smart? Why is its combined fuel economy only slightly better than that of the much larger — and way more comfortable — Honda Fit? And why is the convertible almost \$17,000?

"As a science experiment, it's a success. As a real car, it resembles a science experiment".

[Bill McKibben: Scandal Under Our Noses](#)

This afternoon at Copenhagen a document was mysteriously leaked from the UN Secretariat. It was first reported by the Guardian, and by the time it was posted online it oddly had my name scrawled all across the top. I don't know why, because I didn't leak it.

My suspicion, though, is that my name was there because it confirms something I've been writing for weeks: The cuts in emissions that countries are proposing here are nowhere near good enough to meet even their remarkably weak target of limiting temperature rise to two degrees Celsius. In fact, says the UN in this leaked report, the cuts on offer now produce a rise of at least three degrees, and a CO2 concentration of at least 550 ppm, not the 350 scientists say we need, or even the weak 450 that the U.S.

supposedly supports.

[Climate 'scepticism' and questions about sex](#)

Why are virtually all climate "sceptics" men?

[Global warming's biggest jerks](#)

In Copenhagen, rich nations want to force the developing world to cut greenhouse gases. Poor countries want money from the rich to do it. Who pollutes the most?

[Shell's promise of a bright future turns out to be yet another false dawn](#)

Shell's new chief executive Peter Voser last week made one statistical claim for his company's progress to date. Its chemical plants were, he said, 8% more energy efficient than in 2001.

Good for them. But most other companies are doing better. The M&E study found Shell next to bottom on energy savings.

Shell failed to make the grade in other areas, too. It may spend millions promoting its expertise in alternative energy technologies, but Shell came in the bottom half here, too, with only half the scores of BP, Chevron and the Brazilian oil giant, Petrobras. Once, BP and Shell were bracketed together as companies taking the lead in expanding into renewables. But the report says that among the top 10 today "only BP seems to have a real business in alternative energies".

[Greenland Glaciers: Water Flowing Beneath Ice Plays More Complex Role](#)

ScienceDaily — Scientists who study the melting of Greenland's glaciers are discovering that water flowing beneath the ice plays a much more complex role than they previously imagined.

Researchers previously thought that meltwater simply lubricated ice against the bedrock, speeding the flow of glaciers out to sea.

Now, new studies have revealed that the effect of meltwater on acceleration and ice loss -- through fast-moving outlet glaciers that connect the inland ice sheet to the ocean -- is much more complex. This is because a kind of plumbing system evolves over time at the base of the ice, expanding and shrinking with the volume of meltwater.

[Copenhagen 'must consider oil producers' interests'](#)

AFP - Saudi Arabia's oil minister called on Friday for any resolution taken at the climate summit in Copenhagen that could affect oil demand to include measures that "reduce the effects" on oil producers.

"Any measures that might affect oil demand should be accompanied by a counter-measure that minimises their effects on oil producing countries," Ali al-Naimi said in comments published by the Saudi-owned newspaper Al-Hayat.

"Our objective ... is to protect our interests," he added.

[Brazil Nears Top Spot in Latin Oil Output](#)

RIO DE JANEIRO -- Brazil is poised to overtake longtime energy powerhouses Mexico and Venezuela as Latin America's biggest oil producer, a result of both political flexibility and natural resources.

Trends suggest Brazil could rise to the top of the heap by 2011, as its ultra-deep offshore fields start producing in the months ahead.

Meanwhile, Mexico and Venezuela have seen crude-oil output drop dramatically in recent years. Traditionally high oil production in those countries made state-owned oil companies complacent, said David Shields, an independent energy analyst in Mexico City.

[Naomi Klein: The Courage to Say No](#)

On the ninth day of the Copenhagen climate summit, Africa was sacrificed. The position of the G-77 negotiating bloc, including African states, had been clear: a 2 degree Celsius increase in average global temperatures translates into a 3-3.5 degree increase in Africa.

That means, according to the Pan African Climate Justice Alliance, "an additional 55 million people could be at risk from hunger" and "water stress could affect between 350 and 600 million more people." Archbishop Desmond Tutu puts the stakes like this: "We are facing impending disaster on a monstrous scale.... A global goal of about 2 degrees C is to condemn Africa to incineration and no modern development."

[Capitalism the 'real culprit behind climate change'](#)

Kovel was involved in green politics in the US for years – at one point he ran for senate as a member of the Green Party of the US – but he believes such parties have failed to make an impact and become stagnant. He says there's a sense that green parties are a function of the privileged classes -- people who don't have to worry about a roof over

their head, or having access to water and electricity.

“It has too much of a petit bourgeoisie quality ... They’re missing the big problem, which is capitalism. Capitalism is what configures the state and forms of thought. Marx and Engels put it very directly; they said in every epoch the ideas of the ruling class are the ruling ideas. Well, what’s the ruling class? Is it the meat-eaters? No. The ruling class is capitalist. Look what happened to South Africa. You swear off the apartheid gangsters and you have the capitalists coming in. You have Trevor Manuel. That’s the ruling class.”

[World 'heading for three degree rise'](#)

A leaked document from the UN climate secretariat suggests that the world is heading for a rise of three degrees in average global temperatures, based on the target cuts in greenhouse gas emissions tabled by countries represented here.

“This is the single most important piece of paper in the world today,” said Kumi Naidoo, executive director of Greenpeace International. “It shows in stark terms that the climate deal on the table in Copenhagen would put at risk the very viability of our civilisation on earth.”

[As Patent Ends, a Seed’s Use Will Survive](#)

Facing antitrust scrutiny over its practices in the biotechnology seed business, Monsanto has said it will not stand in the way of farmers eventually using lower cost alternatives to its genetically modified soybeans.

In letters to seed companies and farm groups this week, Monsanto said that it would allow farmers to continue to grow its hugely popular Roundup Ready 1 soybeans even after the patent protecting the technology expires in 2014.

[Iran Forces Occupy Iraqi Oil Well, Border Guard Says](#)

(Bloomberg) -- Iranian forces yesterday entered Iraqi territory at dawn, and occupied well number 4 in the East Maysan field in al-Fakah region, 450 kilometers (280 miles) south of Baghdad, Border Guard General Zaser Nazmi said. The Iranian forces positioned tanks around the well.

The border guard’s comments couldn’t be immediately verified independently.

“They positioned tanks around it and dug trenches,” Nazmi said by phone from Basra. “They are still there, they raised the flag.”

East Maysan in southern Iraq is an old oil field that is no longer in production, according

to Nazmi. Iraq is the third largest oil producer in the Middle East after Saudi Arabia and Iran.

[Iraq minister denies Iranian oilfield incursion](#)

BAGHDAD (Reuters) - Iraq's deputy interior minister denied on Friday reports that Iranian troops had crossed into Iraqi territory and briefly occupied an oilfield.

...Iraq's Deputy Interior Minister Ahmed Ali al-Khafaji said no incursion took place.

"This news is not true. This field is disputed and now it is neglected by both sides. There was no storming of the field, it's empty, it's abandoned, it is exactly on the border between Iraq and Iran," he told Reuters.

[Venezuela's Chavez accuses Dutch of aggression](#)

CARACAS (Reuters) – President Hugo Chavez on Thursday accused the Netherlands of planning "aggression" against Venezuela by allowing U.S. troops access to Dutch islands off the Caribbean coast of the OPEC nation.

[Oil rises to near \\$74 as traders eye OPEC demand](#)

Oil prices rose to near \$74 a barrel Friday amid expectations OPEC plans to leave production levels unchanged at its meeting next week. A slightly weaker dollar and cold weather on the U.S. East coast also helped support prices.

< By early afternoon in Europe, benchmark crude for January delivery was up \$1.22 to \$73.87 in electronic trading on the New York Mercantile Exchange. On Wednesday, the contract fell 1 cent to settle at \$72.65.

[OPEC to Hold Quota With Prices Near \\$75, Survey Shows](#)

(Bloomberg) -- OPEC, the producer of 40 percent of the world's oil, will probably maintain its output quotas at next week's meeting as prices trade close to members' \$75-a-barrel target, a Bloomberg News survey showed.

All 36 analysts surveyed said the Organization of Petroleum Exporting Countries will decide for a fourth time this year to maintain its formal limit of 24.845 million barrels a day. The 12-member group meets Dec. 22.

[OPEC to leave output targets unchanged - president](#)

LUANDA (Reuters) - The Organization of the Petroleum Exporting Countries will keep production targets unchanged at a meeting next week, the group's president Jose Botelho de Vasconcelos told Angolan Radio Ecclesia.

With oil around \$75 a barrel, several other OPEC oil ministers have said there was no need for the group to change its output targets at the Dec 22 meeting in Angola.

[Petrobras oil output falls slightly in November](#)

RIO DE JANEIRO (Reuters) - Brazilian state-run oil company Petrobras (PETR4.SA)(PBR.N) said on Thursday domestic oil output in October fell slightly in November to 2.141 million barrels of oil per day after offshore production in the Campos Basin dropped.

Production in Brazil fell 0.5 percent to 1.991 million bpd last month after output fell in the basin by about 20,000 bpd, according to data distributed by the company by e-mail.

Output outside Brazil fell to 150,900 bpd last month from 153,400 bpd in October. Average output this year stood at 2.11 million bpd during the first 11 months of the year.

[PetroChina's Gas Output at Oldest Oilfield Rose 24% This Year](#)

(Bloomberg) -- PetroChina Co.'s oldest oilfield produced 24 percent more natural gas so far this year than in the same period a year earlier, parent China National Petroleum Corp. said on its Web site today.

Gas production at the Daqing field in the northeastern Heilongjiang province reached more than 600 million cubic meters as at Dec. 14, 116 million cubic meters more than a year earlier, CNPC said. Daqing is the country's biggest and oldest oilfield.

[Russia hikes 2010 gas tariff for industry by 15 pct](#)

MOSCOW (Reuters) - Russia's federal tariffs service (FST) on Friday said it has approved a 15 percent increase of the gas tariff for industrial consumers in 2010.

[German Power, Gas Demand Seen -5% On Year In '09-Industry Group](#)

FRANKFURT -(Dow Jones)- German demand for electricity and natural gas likely dropped around 5% on the year in 2009, the country's top energy lobby group BDEW

said in a written statement Friday.

The BDEW said that based on preliminary estimates electricity consumption declined to around 519 billion kilowatt-hours in 2009 from around 548 billion kWh a year earlier.

Consumption of natural gas decreased to around 890 billion kWh, down around 5.5% from 942 billion kWh, it added.

[California Gasoline Production Drops to Lowest Since January](#)

(Bloomberg) -- California gasoline production dropped last week to its lowest level since January as some refiners in the state curbed production, a local government report yesterday showed.

Refiners in California produced 6.39 million barrels of gasoline in the week ended Dec. 11, down 8.5 percent from the previous week, according to the California Energy Commission.

In January this year, gasoline output in the state fell to the lowest point since October 2004.

[Cosmo Oil Weighs Mothballing One Refinery on Weak Japan Demand](#)

(Bloomberg) -- Cosmo Oil Co., a Japanese refiner partly owned by the government of Abu Dhabi, is considering shutting one of its four domestic refineries to tackle oversupply that has sapped profitability.

The Tokyo-based company may close the plant within three to five years, Chairman Keiichiro Okabe said in an interview yesterday, without saying which refinery is being considered. Cosmo's four plants can process about 635,000 barrels a day.

Japan's surplus capacity has grown to about 30 percent of the total as fuel demand slumps because consumers have switched to cleaner alternatives and factories have reduced output amid the global recession. Idemitsu Kosan Co. said yesterday it is weighing measures to trim capacity, while Nippon Oil Corp., Japan's biggest refiner, is merging with Nippon Mining Holdings Inc. to shed a third of capacity by March 2015.

[Prosperity lies in the huge oil and gas deposits](#)

WASHINGTON - The United States relies on foreign oil for nearly 65 percent of the oil we use - and the level of imports is rising. Energy independence, it is not.

Americans spend \$400,000 every minute for imported oil. The cost of importing more than 8 million barrels of oil a day becomes even greater when we consider the military

cost of protecting oil transported by tanker from the Middle East and other volatile regions.

Nonetheless, the demand for oil is projected to grow as the United States emerges from recession. The government projects that even accounting for gains in efficiency and an increase in the use of alternative fuels, the United States will require 2 million barrels more of oil per day in 2030, and 1 trillion cubic feet more natural gas every year.

For an economy that depends on energy reliability and wants greater energy independence, there's only one realistic solution: adopting government policies to boost production of America's oil and natural gas resources.

[Keith Schaefer: Oil and Gas in 2010](#)

TER: Do you see it going much above \$75 in the first quarter?

KS: There can be lots of spikes. There is a lot of oil in the world available to us right now. It's a question of production bottlenecks. In some cases, there really is peak oil-whether it's Mexico, the U.S., or other places. But for the most part, bottlenecks are production constraints. So in those types of situations, absolutely, you can see some spikes above \$80. In the near term, is that going to happen? I would suggest that's not likely.

[Hedging gold, peak oil and more](#)

Q: Are you a believer in Peak Oil, Mr. Hui? What are your thoughts and predictions regarding the energy sector going forward?

A: People like Robert Hirsch, who co-authored the *Peaking of World Oil Production: Impacts, Mitigation and Risk Management* in 2005 for the US Department of Energy, and Matt Simmons, author of *Twilight in the Desert*, are compelling in their analysis.

What's more, standard micro-economic theory holds that higher prices means high supply. Blogger Gregor Macdonald shows that non-OPEC production has been flat to down for the last several years.

Oil prices have been rising, so where's the new supply? This chart signals to me that we may be supply constrained on oil production in some way.

[Woodside Expects 'Short-Term Impact' on Pluto LNG From Strike](#)

(Bloomberg) -- Woodside Petroleum Ltd., Australia's second-largest oil and gas producer, said a four-day strike by union members working on its \$13 billion (\$11.7 billion) Pluto venture will have a "short-term impact" on the project.

[Natural gas plant fire in Alaska destroys building](#)

ANCHORAGE, Alaska — Two large explosions and a fire leveled a maintenance building Thursday morning adjacent to a natural gas plant north of Anchorage.

Matanuska-Susitna Borough officials said no one was injured the Fairbanks Natural Gas-operated facility at Point MacKenzie. The cause of the explosions was not immediately known.

[Wen: China sets pace in new energy, afforestation](#)

COPENHAGEN (Xinhua) -- Chinese Premier Wen Jiabao said on Friday China had recorded the world's fastest growth in the adoption of new energy and renewable energy and the largest area of man-made forests.

[Energy-thrifty White House turns deeper shade of green](#)

As President Obama meets with world leaders at the United Nations climate conference in Copenhagen today, the government he runs at home is quietly engaged in an unprecedented effort to reduce its carbon footprint, increase energy efficiency, conserve water, cut waste and more.

..."This is a big leap forward for the federal government," says Nancy Sutley, chairwoman of Obama's White House Council on Environmental Quality. And the effort will be "sustainable itself beyond this president."

Sutley says the federal government is the country's single largest energy consumer, using 1.6% of all the power used nationwide, so reducing energy consumption will mean big savings.

[Make your voice heard on transit](#)

It calls for parking structures costing \$200 million at two of the six proposed gateways. Yet providing parking only encourages continued driving. If we had this \$200 million to spend, why not spend it on the transit technologies that replace driving?

Does this LRTP effectively address the global challenges of peak oil (much higher travel fuel prices) and climate change (the need to restrict burning of fossil fuels)? Do the data used and the outcomes imagined accurately anticipate the choices people will be making in the face of the emerging global context, about how they travel and where they live? For the year 2035, the plan forecasts 744,300 daily auto person trips in the high-investment scenario that has only 56,300 people riding transit. Will so many of us still be driving if gas is selling for, say, \$8 a gallon in 2035?

[Many Americans scale back seasonal trips or stay put](#)

More than half of U.S. residents who wanted to travel during the holidays have significantly cut back their plans or canceled trips altogether because of the fragile economy, a USA TODAY/Gallup Poll shows.

Americans are suffering from high unemployment, income reductions and financial insecurity that continue to undermine the travel business, even as the economy shows tepid signs of recovery, according to economists and poll respondents.

[The transition to a greener future](#)

Coined in 1998 by Colin Campbell, 'Peak Oil' asserts that oil is finite, and supply will therefore peak at the highest level possible, before eventually, irreversibly, declining. Arguments oscillate around the timing, with many predicting that we have hit peak already, while others see it in the not too distant future. Famed environmental journalist George Monbiot includes himself in the latter group, as he made clear in a Klimaforum lecture this week. What is undeniable by even the most fervent 'denier' is that it will happen. When it does, demand for oil will outstrip supply in a way unprecedented in history, and as basic economics dictates, prices will rise and rise, and then oil will run out.

['Collapse' may leave you overly paranoid](#)

"Collapse" goes into Ruppert's visions of the future, which are grim. He begins with the "peak oil" notion, which posits that the world's supply of fossil fuels is now in the declining phase of its exploitation, and that no future oil deposits could possibly be large enough to reverse this inevitable decline.

Because oil products make up so much of what we use every day, the results will be catastrophic, Ruppert says. Bottom line: You should probably plan to get a small plot of land and some seeds.

[ResilientCity network aims to address environmental challenges](#)

Architects and urban planners need to radically rethink how they design and build cities, says Toronto architect Craig Applegath, a founding member of ResilientCity.org, a non-profit network of planning and design professionals.

The organization's focus is on developing "creative, practical and implementable" urban planning and building design strategies that address challenges posed by the combination of global warming, peak oil costs and anticipated explosive population

growth.

[Buying local can take some pressure off the planet](#)

One way that we can all cut down on our carbon dioxide emissions this holiday season is through buying local foods for holiday celebrations. A study done by the Region of Waterloo Public Health Department found that, of 58 commonly imported foods, the average distance they had traveled was 4,497 kilometers. The emissions for these imports are approximately 51,709 tonnes of carbon dioxide per year. Aside from produce, our commercial meat industry accounts for approximately half of all greenhouse gas emissions in our food system, according to Pat Murphy, author of Plan C: Community Survival Strategies for Peak Oil and Climate Change. This is because of the high input of energy necessary to maintain grain-fed, factory-raised livestock. Free range, pastured animals are not only treated more humanely, but have access to low impact sources of foods: insects, grass and grubs.

[GE-Mitsubishi Wind-Turbine Fight Threatens Arkansas Jobs Plan](#)

(Bloomberg) -- General Electric Co.'s effort to keep wind turbines made by Mitsubishi Heavy Industries Ltd. out of the U.S. may hinder Arkansas's plan to become the "Silicon Valley of wind manufacturing."

[China says may exceed 2020 greenhouse goal](#)

COPENHAGEN (Reuters) - Chinese Premier Wen Jiabao said on Friday that China was committed to meeting and "even exceeding" a goal to rein in the growth of its greenhouse gas emissions by 2020.

"We will honour our word with real action," Wen said in a speech to a U.N. climate summit in Copenhagen. "Whatever outcome this conference may produce, w

[Obama Snubbed by Chinese Premier at Copenhagen Climate Meeting](#)

(Bloomberg) -- President Barack Obama's first closed-door meeting with world leaders in Copenhagen to discuss a new climate change treaty had a notable absentee: Chinese Premier Wen Jiabao.

On the last scheduled day of negotiations for a global climate-change accord, tensions between the U.S. and China are on the rise. The world's two largest greenhouse-gas emitters are at an impasse over finance for developing countries, pollution- reduction goals and verification of emissions cuts.

[Obama, other leaders in last-minute climate talks](#)

COPENHAGEN (AP) — The U.N. climate talks were in serious disarray Friday, prompting President Obama to upend his schedule and hold closed-door talks with 19 other world leaders to work out a last-minute agreement on fighting global warming.

Delegates earlier were blaming both the U.S. and China for the lack of a political agreement that Obama, Chinese Premier Wen Jiabao and more than 110 other world leaders are supposed to sign within hours.



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