

Drumbeat: December 20, 2009

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Energy scarcity and not peak oil needs global focus

As I write these lines on the train from Amersfoot to Frankfurt, with white, fluffy snow as far as the eye can see, the world seems engrossed with the deliberations in Copenhagen, with focus on global warming and carbon emission.

However, in the hullaballoo of this entire debate, the very issue of energy poverty appears to have been sidelined. After all it affects the daily lives of billions — and not millions — of people. 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, says Keith O. Rattie, the CEO of Questar Corporation. Rattie projects the global energy demand will in fact grow 30 to 50 percent over the next 20 years and there are no near-term alternatives to fossil fuels.

ase and suppliers work to meet them, unconventional sources of oil, such as natural gas liquids, heavy oils and oils located in difficult environments, will need to be tapped, he said. "There is no shortage of oil potential but the complexity of bringing oil online increases significantly as we tap into more difficult conventional and nonconventional oil resources," he said. This - along with the fluctuating oil price - means that developing energy projects will take more time and more money.

Moody's Warns of 'Social Unrest'

Again, the power elite of any society survives by clever manipulation of the law, it seems to us. So long as society at large believes in these laws, the power elite is safe to rule, and even to use force. But if people don't believe their underlying mythos anymore, if they don't believe what they are being told and what their educational and religious establishments are telling them, then the ruling class that has created and promoted these themes is in trouble.

This is what is going on now, we believe. That is in fact the purpose of the Bell, to document and report on the ebb and flow of these themes and their success or degeneration in a time of informational challenges. We believe thanks to the Internet, that this is a very special time. So many of the West's dominant social themes are under attack. Everything from central banking, to the war on terror, to peak oil and even the legitimacy of the democratic state as it is currently constituted is under some level of

assault. There are many that might put this down to coincidence, bad economic times, etc.

Stimulus funds drill wells as Calif water vanishes

DOS PALOS, Calif. — The government is spending \$40 million in federal stimulus funds to pull water from underground aquifers in drought-stricken California, even as evidence is growing that the well-drilling boom could degrade the quality of water delivered to millions of residents.

Farmers, conservationists and engineers are criticizing the Interior Department's plan to spend taxpayer money on digging more wells, saying the approach risks marring the environment. Canals buckle, aquifers collapse and drinking water turns saltier due to so much pumping, and studies show that the state's water supplies are dwindling.

"We don't need any more straws going down there 'cause we're already doing a pretty good job of sucking it dry," said farmer Dan Errotabere, who has dug three wells as deep as 1,200 feet to irrigate his tomatoes, almonds and garlic in recent years. "We're using this water as a last resort, but pretty soon we're going to need a policy to protect ourselves from ourselves."

Poor rains worsen east Africa famine

A lack of rainfall has contributed to the ongoing food crisis in East Africa, Oxfam said on Thursday.

It was hoped that rains expected in November would provide relief for those struck by famine in this region.

However, areas including Ogaden in Ethiopia and Turkana in Kenya received below five per cent of normal rainfall in November. Meanwhile, Somalia is experiencing its most severe drought of the last 20 years.

Kenya's food stocks to run out in April

Kenya's food stocks will run out in April, resulting in more people going hungry, a new study warns.

The Kenya Food Security report blames the failed or poor rains, high food prices and environmental degradation for the crisis.

The report also warns of increased inter-ethnic conflict over land and water.

Bill McKibben: An unwelcome lesson in power politics

COPENHAGEN—Late last night, after the word had come down that the climate talks had ended in a four-way, non-binding, unfair, and breathtakingly unambitious agreement between the United States, China, India, and South Africa, a crowd of young demonstrators from around the world gathered at the Metro station outside the Bella Center. It was 1 a.m., and it was bitter cold, in several ways.

These were not angry anarchists. These were young people who had spent the last few years of their lives working hard to make this process work. They came from groups like Greenpeace and Avaaz and Energy Action and 350.org. They all had credentials to the conference, but almost none had been inside for days, ever since the U.N. decided to stop letting more than a token few NGOs into the hall. They had written position papers, advised small nations, organized email blasts, and now—at least for the moment—it had all come to an end, an end far worse than most had imagined.

Copenhagen: A lesson in geopolitics

After two weeks of international deadlock and an all-night marathon negotiating session that produced a thin and toothless accord, the biggest climate talks in history devolved from "Hopenhagen" to "Nopenhagen".

The Copenhagen Accord - brokered at the last minute by Barack Obama, the US president, with China, India, Brazil and South Africa - did not receive universal support from the 193 countries participating in the climate summit.

The accord, which gutted a comprehensive agreement to pay poor countries to protect their forests, since the mass cutting of trees accounts for 20 per cent of global emissions, is not binding and does not have a set date for capping carbon emissions.

It provoked reactions from fury to despair.

Suzlon head sees wind turbine shortfall under pact

COPENHAGEN (Reuters) - Demand for new wind power could far outstrip supply under a new global climate deal, the founder of Asia's largest wind turbine maker said this week, calling for new manufacturers to help industry to fill orders. Tulsi Tanti, also chairman of India's Suzlon Energy, said due to the size of the 36.5 billion euro (\$53.5 billion) wind turbine market, he does not consider existing manufacturers as competition.

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Iran troops 'leave oil well, still in Iraq'

Iranian troops who for three days controversially occupied a disputed border oil well left the facility during the night but remain on Iraqi soil, Iraq's government spokesman said Sunday.

"The Iranian forces have pulled back 50 metres from the well and have taken their flag but we now demand they return to where they have come from and that negotiations begin on the demarcation of the border," said government spokesman Ali al-Dabbagh.

Iran, Iraq Discuss Oil Field 'Misunderstanding,' IRNA Says

(Bloomberg) -- Iranian and Iraqi foreign ministers discussed a "misunderstanding" that led to the two countries' troops facing off over an oil well in East Maysan, Iran's staterun Islamic Republic News Agency reported.

Manouchehr Mottaki agreed with Iraq's Hoshyar Zebari to hold a technical committee meeting on border issues during a phone conversion yesterday, IRNA said, citing the foreign ministry.

Pipeline sabotage halts oil exports from northern Iraq

BAGHDAD - Oil exports from northern Iraq have been halted by a sabotage attack on the pipeline to the Turkish port of Ceyhan, oil ministry spokesman Assem Jihad said on Sunday.

"A 55 kilometre (34 mile) section of the pipeline was damaged in the attack, causing a large oil spillage. Exports have stopped and technicians from the northern oil company (NOC) have gone to the site to survey the damage," Jihad told AFP.

Four months ago, with little fanfare, the State Department sent a full-time senior diplomat, Alan Misenheimer, to live in Iraq's disputed oil-rich city Kirkuk. For the Obama administration, which had been hoping to back out of its day-to-day involvement in Iraq's fractious politics, it was a smart, if belated, call.

It was a recognition that the bitter discord between Iraq's Kurdish regional government and the Shiite-Arab- dominated central government — over land, oil and the power of the central government — is the most dangerous fault line in Iraq today. It was also an acknowledgment that if these conflicts are to be settled, or at least kept from igniting a new civil war, there must be deft and sustained American involvement.

OPEC to keep oil supply unchanged: Algeria

ALGIERS (Reuters) – OPEC will keep supply unchanged when it meets on Tuesday in Angola, Algeria's Energy Minister Chakib Khelil said on Sunday.

"There will be no change in OPEC supply of crude oil. OPEC will not reduce supply and it will not increase supply," Khelil told reporters.

Iraq, Shell ink deal on supergiant Majnoon field

BAGHDAD (Reuters) - A group led by Royal Dutch Shell, Europe's largest oil company, signed a deal to develop Iraq's Majnoon supergiant oilfield, pledging to spend tens of billions of dollars on the project over the next two decades.

Shell, along with Malaysia's state-run Petronas, won the rights to Majnoon, a major prize near Iraq's southern oil hub of Basra, in an energy auction earlier this month.

Shell plans £3bn sale in Nigeria

Royal Dutch Shell, the oil giant, has launched a shake-up of its controversial operations in Nigeria by offering oilfields valued at up to \$5 billion (£3.1 billion) for sale.

The auction comes as Nigeria prepares to impose harsher terms on foreign operators next month and hand greater control to domestic firms.

PetroChina's Changqing to Boost 2009 Output 24%, Xinhua Says

(Bloomberg) -- PetroChina Co.'s Changqing field will probably increase oil and gas

Output by 24 percent this year to become the nation's second-biggest producer, the official Xinhua News Agency said vesterday.

CNOOC, Total, Repsol win Algeria permits

ALGIERS (Reuters) - Algeria's Energy Ministry on Sunday awarded three exploration licenses out of 10 permits on offer, the head of its licensing committee Diilali Takherst said.

Mexico reopens oil exporting ports

MEXICO CITY (Reuters) - Mexico reopened its Dos Bocas and Cayo Arcas oil ports on Saturday following closures toward the end of the week due to bad weather, the government said.

Tax laws chasing companies away

It's easier than ever for corporations to move operations overseas. And if the federal government doesn't realize this soon, more and more companies may follow the example of Dallas-based Ensco International and reincorporate overseas. Ensco's decision, announced last month, subject to approval by the majority of its shareholders, is the latest in a series of moves by energy companies to leave the U.S. and relocate in Europe.

In the age of the Internet, with technology converging around the globe and engineering talent abundant in many nations, multinationals and even smaller companies can readily shift research and development, product-development, manufacturing and overall management out of the United States. Increasingly, executives are finding it tough to justify keeping major parts of their business here — and being incorporated in America is looking more and more like a bad bet.

A shocking thought for sure. A shrinking corporate tax base couldn't be happening at a worse time with the widening U.S. deficit and the difficulty of floating more debt. Recently, our largest creditors, notably China and the OPEC countries, signaled reluctance to add to their U.S. dollar holdings.

Betting Against Shale Natural Gas Plays Using Puts

Controversy continues to grow about the economic viability of shale gas. Investors who doubt the companies' claims should consider buying puts.

90,000 more rural people get access to electricity in Tibet

LHASA (Xinhua) -- Another 90,000 people have bidden farewell to a life without electricity in the rural areas of southwest China's Tibet Autonomous Region this year, local authorities said Sunday.

The regional government plans to invest 2.5 billion yuan (367.6million U.S. dollars) to help 510,000 rural people gain access to electricity during the 2008-2011 period, said Gao Yingyun, vice general manager of the Tibet Electric Power Co. Ltd..

City task force explores greener alternatives to oil

Oh, the life of a member of the city's Peak Oil Task Force. There's so much to think about — everything from hybrid cars to manure.

City commissioners late last year appointed a Lawrence Peak Oil Task Force that is supposed to come up with recommendations on how the community could protect itself against a significant supply disruption or major spike in the price of oil.

Ethanol blend increase delay questioned

A bipartisan coalition of members of Congress, including U.S. Rep. Aaron Schock, is questioning the Environmental Protection Agency's recent decision to delay increasing the ethanol blend wall in gasoline from 10 percent to 15 percent.

What Scientists Really Think About Global Warming: The answers won't entirely please either side

As with all polls, the answers you get depend on the questions you ask. We found that almost all climate scientists believe that the world has been warming: 97% agree that "global average temperatures have increased" during the past century. But not everyone attributes that rise to human activity. A slight majority (52%) believe this warming was human-induced, 30% see it as the result of natural temperature fluctuations and the rest are unsure.

When it comes to current conditions, however, the consensus in favor of human warming reemerges: 84% believe "human-induced greenhouse warming" is now occurring, compared with only 5% who reject this conclusion. And 74% say the "currently available scientific evidence substantiates" its occurrence, while only 9% disagree. So global warming doubter are a genuinely small minority among American climate scientists; it is difficult to believe that any transgressions against scientific procedures or the scientific ethos uncovered by Climategate are going to change that.

Fraud in Europe's Cap and Trade System a 'Red Flag,' Critics Say

The top cops in Europe say carbon-trading is an organized crime scheme that has robbed the continent of \$7.4 billion -- a massive fraud that lawmakers and energy experts say should send a "red flag" to the U.S., which approved cap-and-trade legislation over the summer amid stiff opposition.

Jim Inhofe gets cool reception in Denmark

A reporter asked: "If there's a hoax, then who's putting on this hoax, and what's the motive?"

"It started in the United Nations," Inhofe said, "and the ones in the United States who really grab ahold of this is the Hollywood elite."

One reporter asked Inhofe if he was referring to California Gov. Arnold Schwarzenegger. Another reporter — this one from Der Spiegel — told the senator: "You're ridiculous."

The day the Earth stood still

IN a faltering step that nearly all concede is too little to avert a climate crisis, the majority of world leaders will adopt the first international agreement that recognises global warming must stay below two degrees to avoid dangerous climate change.

Despite the deep disappointment of many who helped create it, the Copenhagen accord will stand as a first attempt to bring the biggest greenhouse gas polluting nations, the United States and China, into a political deal to curb soaring global emissions.

Copenhagen fails to encourage business

Business has given the thumbs-down to the outcome of the Copenhagen summit, saying political leaders fluffed a chance to get billions of pounds of investment flowing into green technology.

Richard Lambert, director-general of the CBI, said the climate-change meeting was a "missed opportunity, and a disappointing conclusion to two years of negotiations".

China's climate stonewall

THERE were 45,000 people at the Copenhagen summit and more than 100 world leaders, but in the end it came down to an extraordinary personal showdown between the leaders of the world's two superpowers and biggest greenhouse gas emitting countries, China and the US.

The deal itself was anything but historic. But the implications of how the Chinese handled this negotiation well might be.

World leaders hammered over climate accord

COPENHAGEN (AFP) – World leaders on Sunday insisted that the climate deal clinched in desperation at the UN summit was the best that can be done as they returned home to a lashing from critics.

Newspapers widely called the summit accord a failure and experts such as the head of a Nobel Peace prize winning climate panel said "urgent" action was now needed.

Top UN scientist urges binding climate pact

NEW DELHI (AFP) – The head of the Nobel-winning UN panel of climate scientists has said the outcome of the Copenhagen summit was a start but urged countries to work quickly towards a legally binding pact.

Rajendra Pachauri, chairman of the Intergovernmental Panel on Climate Change (IPCC), described the Copenhagen Accord, passed Saturday after two weeks of frantic talks as "an agreement that will really not be the final word.

Climate scientists underwhelmed by Copenhagen Accord

COPENHAGEN (AFP) – Top climate scientists said Saturday that the eleventh-hour political deal hammered out at UN talks in Copenhagen falls perilously short of what is needed to stave off catastrophic global warming.

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