



## Drumbeat: January 9, 2010

Posted by [Leanan](#) on January 9, 2010 - 9:38am

Topic: [Miscellaneous](#)

### [Bentek Sees U.S. Gas-Productivity Gain Displacing Imports, Coal](#)

(Bloomberg) -- Surging productivity from U.S. fields will end the need for natural-gas imports and provide enough additional fuel to run vehicle fleets and reduce coal-fired power generation, said consulting firm Bentek Energy LLC.

“We may very well be on the cusp of a completely different energy era than we’ve had for the last 30 or 40 years,” Bentek Chief Executive Officer Porter Bennett said yesterday in an interview in Bloomberg’s Houston bureau.

Bentek, which tracks gas flows across the nation, predicted in 2008 that output gains could push Canadian imports and liquefied-gas cargoes sent by tanker ships out of the U.S. market by 2020. That was before advances in technology that proved last year to invalidate old formulas for predicting gas output based on the number of active drilling rigs, he said.

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stment in the West African country’s electricity and oil industries.

### [ExxonMobil May Strike Deal for \\$1B Arctic Rig](#)

Exxon Mobil Corp. is reportedly mulling over a deal with leading offshore rig contractor Transocean to construct a drilling rig capable of operating in extreme Arctic conditions for as much as \$1 billion, according to Reuters.

### [Analysis: Nearly 60 New Rigs Scheduled to Hit the Waters in 2010](#)

With utilization rates in the mid 70th percentile worldwide, offshore rig demand is not as tight as it was a couple years ago, but nevertheless the worldwide rig fleet is expanding to meet the continuously growing demand for oil and gas exploration and production. Rig orders placed in 2006-2008, near the top of the offshore rig demand cycle, are poised to bear fruit in the form of rig deliveries over the next several years.

Likely having peaked in 2009, the current rig construction cycle is one of the largest in the offshore rig industry’s history. However, with only a handful of orders placed since

the credit crunch, the offshore rig order book is likely to continue to wind down as the offshore rig market digests the supply that is already poised to come online over the next couple of years.

### [Venezuela's Energy Crisis Hinges on a Single Dam](#)

CARACAS, Venezuela (AP) -- Venezuela is at risk of a devastating power collapse that could also pose a serious political threat to President Hugo Chavez.

The South American country relies on a single hydroelectric dam for most of its electricity and drought has swiftly brought the dam's levels to dangerous lows.

### [Fuel efficient cars blamed for fuel tax shortage](#)

Your wallet and the environment may be celebrating if you drive a hybrid, but the Texas Department of Transportation isn't.

"It already has begun to be a crisis," State Representative Joe Pickett, R-El Paso, said.

The problem is that the state depends on the fuel tax to fund most transportation projects. Drivers, however, are buying less gas these days as cars have become more fuel efficient.

### [Dar turns to generators](#)

DAR ES SALAAM, TANZANIA - Finally, the power rationing that had threatened to leave dozens of employees jobless due to low production in factories will end this week following governments order to have Independent Power Tanzania Limited (IPTL) switch on its generators.

### [ICCI resents withdrawal of electricity subsidies](#)

ISLAMABAD — Expressing resentment over government's decision to withdraw electricity subsidies including those meant for lifeline consumers and the agriculture sector, Islamabad Chamber of Commerce & Industry (ICCI) called upon the government to reverse its decision as it will make life tougher for the consumers and farmers.

### [Belarus says fails to agree Russian oil supply deal](#)

MINSK (Reuters) - Russia and Belarus have failed to agree an oil supply deal for 2010, the Belarussian government said on Saturday, adding its delegation had left Moscow.

### [Obama's Yemeni odyssey targets China](#)

Many accounts say that Obama, who is widely regarded as a gifted and intelligent politician, is blundering into a catastrophic mistake by starting another war that could turn out to be as bloody and chaotic and unwinnable as Iraq and Afghanistan. Yes, on the face of it, Obama does seem erratic. The parallels with Afghanistan are striking. There has been an attempt to destroy a US plane by a Nigerian student who says he received training in Yemen. And America wants to go to war.

### [Oilpatch activist released without charges in EnCana bombings](#)

GRANDE PRAIRIE -- Wiebo Ludwig was released without charges Saturday following his arrest a day earlier in connection with a series of pipeline bombings in northeastern British Columbia.

### [Obama unveils \\$2.3 billion for clean energy jobs](#)

NEW YORK (CNNMoney.com) -- President Obama unveiled a program Friday that will provide \$2.3 billion in tax credits for the clean energy manufacturing sector, a move aimed at creating 17,000 jobs.

The funding, which comes from the \$787 billion American Reinvestment and Recovery Act, has been awarded to 183 projects in 43 states, the White House announced.

### [Canada to study biofuel's environmental impact](#)

WINNIPEG, Manitoba (Reuters) - The Canadian government has ordered a study of the environmental impact of making ethanol and biodiesel just as a government regulation mandating fuel blending is set to take effect.

The study, ordered on Wednesday, comes after evidence of harmful environmental effects from ethanol plants and amid growing criticism of biofuel technology, according to a government document from the environment ministry, Environment Canada.

"Experiences in the U.S. and Brazil now suggest that existing biofuels production facilities are responsible for the generation of a range of new air- and water-related problems as well as recent concerns over human health," the document states.

### [When Will Renewable Energy Companies Overtake Traditional Energy Companies?](#)

Renewable energy has got buzz, growth and growing government support. But it's no secret that it still makes up a small portion of the overall energy mix. As interest in renewables increases, the question has begun coming up more and more often: When will renewable energy companies catch up to conventional energy companies? That is, when will we see an Exxon Mobil Corp., Chevron Corp. or ConocoPhillips of renewables?

### [Military To Rely On Solar Power To Decrease Vulnerability](#)

On January 5, members of Ohio's Air National Guard's 180th Fighter Wing joined Representative Marcy Kaptur (D., Toledo) to dedicate Phase IV of the unit's massive, ground-mounted solar array currently rated at 1.2 megawatts.

The solar farm, which will provide 37 percent of the electric needs of the base, is the largest of its kind at any Air National Guard station in the United States, and also the largest installed or projected solar installation in the state. The next largest is Dayton Power and Light's proposed 1.1-megawatt array near its Yankee substation in Washington Township.

### [Hydro Green Energy fish survival study could spur future projects](#)

A fish survival study has found that very few fish are injured by a slow-spinning electricity turbine installed in Hastings by Houston-based Hydro Green Energy LLC.

Just one of 402 fish allowed to swim through the 12-foot diameter turbine installed in the tailrace of a hydro-power dam showed evidence of damage from the blades – a 0.002 percent damage rate that thrilled Hydro Green Power executives.

Why? The study, paid for by the hydrokinetic power developer, could speed development of other so-called “run-of-river” energy developments by Hydro Green, which wants to install nearly 500 megawatts of environmentally friendly units in 12 states.

That's because the turbines that line the Hastings unit spin just 21 times a minute, significantly lessening chances that environmentalists will complain about a development because it endangers fish.

### [£100bn wind farm plan heralds green energy era](#)

Revolutionary plans for a massive expansion of offshore wind farms have been unveiled in a £100bn project designed to usher in a new era of green energy for Britain.

A quarter of the country's electricity needs would be met through wind power by 2020 under the strategy, with the construction of 6,400 turbines within nine sites dotted around the coast. The programme amounts to the biggest energy supply shake-up since

the discovery of the North Sea oil and gas fields more than 40 years ago.

### [Energy bills will rise to fund £75bn 'dash for wind power' as Britain tries to hit climate targets](#)

Energy bills will rise to pay for a £75billion plan to build 6,400 giant wind turbines around the coast.

The scheme would see the equivalent of two windmills - each one rising 500ft above the sea - going up every day between now and 2020, making it one of the biggest engineering projects in recent history.

The 'dash for wind' is being fuelled by climate change targets set by Europe. By 2020, Britain must generate 15 per cent of all energy used on fuel, transport and electricity from 'renewable' sources.

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### [Call to extract the UK's remaining gas supplies](#)

The offshore energy industry has warned that pressure on gas supplies has shown that more should be done to extract the UK's remaining supplies.

Oil and Gas UK, the trade body, said that improved storage facilities should be a priority.

They also warned against downplaying the remaining potential of gas supplies in British waters.

### [Crude edges higher as thousands of jobs vanish](#)

NEW YORK – Crude prices edged higher to end the week, despite huge supplies and tens of thousands of lost jobs in the U.S. last month.

Energy prices have rallied for weeks on some signs that manufacturing activity had picked in the U.S. and China, but again it was the falling dollar that inflated the price of crude Friday.

### [Gasoline Reaches 15-Month High on Refinery Fire, Unit Shutdown](#)

(Bloomberg) -- Gasoline jumped to a 15-month high on speculation that inventories in the New York Harbor market may tighten after units were shut at refineries in Newfoundland and New Jersey.

### [Border oil dispute worsens fears about Iran's influence over Iraqi government](#)

BAGHDAD -- A dispute between Iraq and Iran over an inactive oil well has become a rallying cry for Iraqi nationalists and exacerbated fears of excessive Iranian influence in Baghdad.

The fight for Fakka oil well No. 4 began late last month when a contingent of 11 Iranian troops occupied the relatively insignificant well in Iraq's Maysan province near the shared border. Forces from both sides are now dug in a few hundred yards apart, the oil well between them, about 250 miles east of Baghdad.

The incident has inflamed passions in Iraq over two deeply sensitive subjects: sovereignty and oil.

### [Venezuela's Chavez devalues currency](#)

CARACAS (Reuters) - President Hugo Chavez devalued Venezuela's bolivar currency on Friday, attempting to resuscitate local production but running the risk of worsening inflation in the South American oil-exporter's flagging economy.

Facing a recession and galloping prices in the 11th year of his presidency, Chavez had long been pressured by business for an adjustment of the over-valued exchange rate, but was not expected to make the move so close to an election.

### [EnCana's ticking timebomb](#)

British Columbia's own version of King Solomon's mines lies in a bed of deep, gas-



bearing shale in the northeastern quadrant of the province. Locked up, molecule by molecule, within the stratified rock, is a vast reservoir of natural gas—fuel so cheap, efficient and clean-burning that most Canadian cities have been using it for residential heating since the 1960s. Six or seven years ago, new technologies and royalty incentives made it feasible to extract the gas from the shale. But buried treasures always seem to come with a curse, and, if you study a lump of the heavy shale with a magnifying glass, you can see the tiny pores where the bad news resides.

Most of Western Canada's gas deposits, including the Montney play, near Dawson Creek, B.C., contain hydrogen sulphide—one good breath of it can kill you.

### [Chevron oil pipeline attacked in Nigeria - sources](#)

ABUJA (Reuters) - A Nigerian crude oil pipeline, operated by U.S. oil major Chevron (CVX.N), was attacked by unknown gunmen in the Niger Delta early Friday, security sources said.

"The Chevron Makaraba crude pipeline located in Delta state was attacked early today by some unknown persons," one security source said.

### [Coal-rich province rations electricity](#)

BEIJING: China's coal-abundant Shanxi rationed electricity as the province reported the most severe power shortage in three years as the current coal output fell short of demand drove up by the prolonged icy weather.

Two major thermal power plants in the capital city of Taiyuan, namely the branch factories of the China Guodian Corporation and the China Datang Corporation, saw power coal reserves enough for less than the warning level of seven days of use.

### [U.S. Girds for Icy Weekend as Europe Braces for Snow](#)

(Bloomberg) -- Electricity use in Texas hit a winter high and orange-juice futures rose by an exchange limit today as the U.S. Northeast and South girded for a frigid weekend. Europe braced for more snow.

The forecasts come after a week of storms and cold that have hampered coal and grain shipments, shut down trains and livestock markets and sent energy demand soaring across the Northern Hemisphere.

### [Pipeline bomber faces new charges](#)

Only last fall, investigators had sought Ludwig's help in the case, after saying they had dismissed him as a suspect. Ludwig even wrote an open letter to "the Person(s) responsible for the bombings," urging a halt to the explosions.

Eco-terrorism expert Paul Joose, who teaches at the University of Alberta, says the charge of extortion makes clear there is a bigger mystery behind the investigation and Ludwig's role.

### [Gazprom granted more time to complete exploration work](#)

NEW DELHI: The government on Saturday allowed Russia's Gazprom to carry out exploration work over 18 months to make up for delays in work already allotted.

Gazprom was an operator under the NELP-1 round of auction of oil and gas blocks in the north east coast, but its work had run into delays.

### [The Future of the Southwest: Localization and Carrying Capacity](#)

For the holidays this year, I stuck with my vow to never fly again at Christmas and opted to drive the roughly 1,600 mile round trip instead.

...On the way, I had ample time to muse about the future and take in the on-the-ground reality of the Southwest. Foremost in my mind was the question: How will these communities fare in the transition to a localized, renewably-powered future?

As I explained in my final columns of last year, I am pretty much done with talking about the problems of peak oil (really, "peak everything") and climate change. That message is tired, and the tipping points have arrived. The time for ringing the alarm bell and counting on federal or state solutions has passed. From now on, we all need to be eyes-front, focused on what we can do locally.

### [What Happens When the Wells Run Dry?](#)

One nagging question that the industrial world has been asking itself since the discovery of the first oil well is what happens when the wells begin to run dry. The answer is relatively simple to imagine. We had a dry run, so to speak, when Dubai's economy tanked a few years ago. And although the causes of Dubai's ills and ails were financial and not oil related, the drama which unfolded gave us a watered-down version of what might transpire if and when the oil wells stop producing.

But before we run the Armageddon tape that the world will stop functioning because of lack of oil, let's all take a deep breath and think again. The oil companies, the people who manufacture cars and airplanes and legions of scientists and inventors have all been planning for that day. And as far-fetched as it might seem to some of us, that day will



undoubtedly come, very probably within our lifetime.

### [Markham plan could contain sprawl](#)

A groundbreaking plan to freeze Markham's expansion onto prime farmland could voluntarily take the fast-growing suburban powerhouse where no GTA municipality has dared go: upward but not outward.

Several councillors are pushing for a permanent "food belt" within the town's borders that would be preserved for agriculture until at least 2031. This is land politicians and developers have typically considered ripe for development.

### [Bicycling safely into the future](#)

It is obvious to anyone who is currently informed about the converging trends of peak oil, declining material living standards in America and much of the rest of the Western world, and global environmental stresses, that one of the major outcomes will be a radical restructuring and down-sizing of our current energy-wasteful systems for transportation.

As predicted by James Howard Kunstler in his visionary book, "The Long Emergency," everyday life in the future for most people will become intensely localized. Future generations will, of necessity, have to produce and consume essential products on a local basis, economies of scale will greatly diminish, and personal travel will be greatly circumscribed by the rising costs of both petroleum fuels and the vehicles that run on these fuels.

### [China to Increase Energy Supplied by Fossil Fuel Alternatives](#)

(Bloomberg) -- China, the world's second-biggest oil consumer, may source as much as 13 percent of its energy supply from alternatives to fossil fuels by 2015, Han Wenke, head of energy research at the National Development and Reform Commission, said at a conference in Beijing today.

The country will boost development of hydro, wind and solar energy, and may also increase nuclear power capacity to as much as 40 gigawatts before 2015 and to 76 gigawatts by 2020, he added.

### [New smog rule could surprise some counties](#)

LOS ANGELES - Parts of the country that haven't worried about air pollution may soon

be in the fight California has faced for decades: cleaning up smog.

Stricter rules proposed Thursday by the Obama administration could more than double the number of counties across the country that are in violation of clean air standards. That would likely have a big impact on other parts of the nation since California already sets stringent standards for cars, ships and trucks.

### [Pine beetles transform B.C. forests into greenhouse enemy](#)

In a single season, an army of pine beetles has transformed our allies in the battle against climate change into the enemy.

Now the province is in a race against nature, as one billion beetle-killed trees across the province slowly seep the greenhouse gases they had so generously stored up in their decades of growth.

### [China would never accept checks at Copenhagen: official](#)

China was never going to accept outside reviews in Copenhagen of its efforts to slow greenhouse gas emissions, a top official said on Saturday, after critics accused Beijing of blocking the talks.

Xie Zhenhua, deputy head of the powerful National Development and Reform Commission, told a forum that Beijing achieved its goal at the climate talks by ensuring aid for developing nations was not linked to external checks.

### [Beleaguered U.S. climate bill seeks Obama lift](#)

WASHINGTON (Reuters) – President Barack Obama's State of the Union speech to Congress could indicate how badly he wants a global warming bill, which opponents say will cost U.S. jobs and raise prices -- a scary prospect for politicians trying to ride out a horrible economy in an election year.

Obama, who played a dramatic role in negotiating a nonbinding international climate change accord last month in Copenhagen, now faces a tough economic and environmental balancing act to win the climate change legislation in 2010.

### [A Rebuttal to a Cool Climate Paper](#)

Richard Lindzen, the meteorology professor at the Massachusetts Institute of Technology best known for his longstanding rejection of research pointing to dangerous

climate disruption from human-generated greenhouse gases, has been bluntly challenged over a popular paper in *Geophysical Research Letters* last year that he co-wrote with post-doctoral researcher Yong-Sang Choi. The paper, assessing tropical sea surface temperatures in relation to flows of energy into and out of the atmosphere, asserted that the climate system was far less sensitive to human actions than the predominant view had it.

In a followup paper accepted for publication in the same journal that examines the same question using the same sea-temperature data sets, four scientists say the Lindzen-Choi conclusions are “seriously in error.” When one flaw is fixed, they say, the analysis produces a much warmer estimate of future climate. But the result gets hotter still, they add, if an objective method is used to select the sea data in place of the choices made by the M.I.T. team.

### [Why Antarctica isn't melting much – yet](#)

Antarctica is warming, but not melting anything like as much as expected. In fact, during the continent's summer this time last year, there was less melting than at any time in the 30 years that we have had reliable satellite measurements of the region.

The apparent contradiction is explained by the seasonal pattern of warming, say two glaciologists writing in *Eos*, the weekly newspaper of the American Geophysical Union. The continent's winters and springs have warmed most, but it is still too cold in these seasons for anything to melt. Melting in Antarctica happens almost entirely in the summers, which have warmed very little, say Andrew Monaghan of the National Center for Atmospheric Research in Boulder, Colorado, and Marco Tedesco of the City College of New York.

### [Coral can recover from climate change damage](#)

Scientists and environmentalists have warned that coral reefs may not be able to recover from the damage caused by climate change and that these unique environments could soon be lost forever. Now, this research adds weight to the argument that reducing levels of fishing is a viable way of protecting the world's most delicate aquatic ecosystems.



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