

# Drumbeat: January 13, 2010

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Topic: Miscellaneous

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d factor was the creation of a financial system that enabled us to "bank" future personal resource exploitation in the form of money. Online retirement calculators tell us how much money we need to retire but that money is clearly a proxy for the world's resources. It would be impractical for the calculator to advise us to stockpile "2000 board-feet of wood for a new house, 20 lb of uranium for electricity and 400 gallons of jet fuel for foreign vacations." Instead, it tells us to store money that we will in the future convert to resources. Once we have a nice stockpile of dollars or euros, the idea is to draw it down by converting it to foreign vacations (which are energy hogs, using in one or two weeks the amount of energy used by someone traveling by car for an entire year — simply because the destinations are often thousands of miles away), nice dinners (which bring an astonishing array of foods from around the world to an area no bigger than a dinner plate) and the occasional financial bailout of one's children when they run out of money on a round-the-world trip.

Both of these factors are in the process of disappearing. We are not experiencing the popping of a short-term economic bubble like the tech boom or the tulip mania of several centuries ago. After this popping, there will be no significant recovery.

#### A Q4 refining headache for the oil majors

Seemingly the chasm between reality and investor fantasy is unlikely to abate any time soon. Olivier Jakob of Petromatrix noted on Tuesday that funds had now accumulated record length in exchange traded oil futures.

More disconcertingly still, large speculators had also piled into gasoline and heating oil futures in record proportions too.

#### Russia comes to the rescue as Norwegian gas supplies to Britain falter

Russia rescued British energy consumers by ensuring a steady flow of gas into the power network as supplies from Norway faltered during the cold weather, industry customers users said today.

As the National Grid warned of a "high" possibility of shortages in the north-east and south-west owing to another cold snap, the Major Energy Users' Council said Britain had been lucky to survive without shortages. Eddie Proffitt, chairman of the council's gas group, said: "The [British] gas industry has coped very well but we have been lucky. It would have been desperate if we had seen the kind of disputes between Russia and Ukraine that have reduced gas flows on the continent in the past two or three Januaries."

#### UK's energy regulator foresees threat to gas supplies

UK's energy regulator Ofgem foresees a looming threat to the country's gas supplies. It has warned that Britain's gas market faces a "cliff edge" in 2015-16, which could lead to short supply in the second half of the decade

# Nigerian Anger at the U.S. Grows

ABUJA, Nigeria -- The alleged attempt by a Nigerian man to detonate a bomb on a U.S.-bound flight has frayed Nigeria's diplomatic ties with its No. 1 buyer of oil: the U.S.

Nigerian Foreign Minister Ojo Maduekwe said the country doesn't want to alienate its "traditional partners," but when the U.S. Transportation Security Administration recently included Nigeria among 14 countries of interest -- an effective security watch list -- officials and politicians in the West African nation were incensed.

#### Apache Fire at East Cameron 2 Platform, 1 Person Dead

(Bloomberg) -- Apache Corp. reported a fire aboard its East Cameron 2 processing platform in Louisiana state waters of the Gulf of Mexico about two miles off the coast of Cameron Parish.

#### East Timor 'Required' to Develop Sunrise LNG Project

(Bloomberg) -- Woodside Petroleum Ltd. said Australia, East Timor and partners of the Sunrise liquefied natural gas project are "required to develop the reservoir" as part of an agreement.

"Under the International Unitisation Agreement, the governments of Australia and Timor Leste and the Sunrise joint venture participants are required to develop the reservoir to the best commercial advantage," Woodside's spokeswoman Yvonne Ball said in an e-mail today.

# Producing 'Green' Natural Gas in Canada?

In recent months, American legislators and energy experts have lavished attention on a carbon capture and storage project in Weyburn, Saskatchewan, where millions of tons of carbon dioxide from a North Dakota coal gasification plant are pumped into a large oil field to recover hard-to-reach pockets of fuel.

But in Fort Nelson in northern British Columbia, the natural gas giant Spectra Energy has been quietly investigating an alternative approach to carbon-capture, one that can produce clean electricity and won't involve pumping more fossil fuel to the surface.

"The idea is to produce green natural gas," says Gary Weilinger, vice-president of strategic development and external affairs for Spectra's transmission unit in Calgary.

#### Green energy agency set to gain members

ABU DHABI (Reuters) - The International Renewable Energy Agency (IRENA) expects new members to join at its next meeting while China and world top oil exporter Saudi Arabia are to attend as observers, its head said on Wednesday.

IRENA was established last year to promote the development of the renewable energy industry worldwide. To date, 139 nations have joined the global organization which is headquartered in Abu Dhabi, capital of the United Arab Emirates.

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## A Picture of Our Post Peak Oil Food Supply

We have commented on several books in recent months that highlight how a world with limited oil resources will be forced to change. The idea that people will no longer be able to live in the suburbs and forced to move into metropolitan areas because of the lack of gasoline and high fuel prices seems extreme to us. The authors of these books believe that much about how Americans live must change as a result of Peak Oil. One change they often point to is that our diets will be different as the cost to deliver certain foods will become prohibitively expensive. Often cited are certain fish and seafood that come from foreign locations. These authors also believe Americans will be reassessing how food supplies are grown -- suggesting local gardens and farms will become our primary source of supply.

# Nine meals from anarchy

A cold snap shows how fragile our supply of food and fuel is. We need a more sustainable system.

Protect Yourself from Food Supply Shortage with Survival Seed Kit Packed with Heirloom and Open Pollinated Seeds from Survival Seed Bank

The harvest that once produced food has now been designated for alternative uses and this move has seriously impacted what makes it to the food market. As more and more of this food fails to reach the consumer the greater the risk we are to face if we encounter a catastrophe. If anything were to slow the already inadequate food production we could face devastating shortages and incredible price hikes.

Recognizing the impact of such an event has led Survival Seed Bank to offer a "survival seed kit" which is packed with heirloom seeds, non-hybrid seeds and open-pollinated seeds that not only produce healthy fruits and vegetables but the seeds from those plants will continue to produce future crops, enabling you to grow a self-sustaining survival garden without fear of food shortages.

# Iran suggests national currencies in joint energy projects: report

MOSCOW (Xinhua) -- An Iranian official suggested here on Wednesday that national currencies should be used in Tehran's joint projects on oil and gas with Russia.

"We want our national currencies to be used in our projects," said Iranian Deputy Petroleum Minister Hossein Noghrehkar Shirazi, as cited by the RIA Novosti news agency.

#### Venezuela's Devaluation a Boon for PDVSA in Short Term

Venezuela's currency devaluation should give state oil company PdVSA an immediate and much-needed boost to its budget. But President Hugo Chavez is likely to procure a large part of that windfall for social spending ahead of this year's congressional elections.

#### Oil in Mexico & United States Energy Security: A Tale of Symbiosis

On the outskirts of Houston, along the industrial ship canal, is a refinery known as Deer Park. It is the sixth largest refinery in the United States Its 340,000 barrel per day capacity makes it a critical refinery for the greater Houston fuels market. But what really sets the facility apart is that it is partially owned by Mexico's national oil company, Petróleos Mexicanos, (Pemex).

The Deer Park refinery dates back to 1929, but in 1993 Pemex acquired a 50% stake from Shell and the two firms have run it as a joint venture since. The facility -- which receives roughly 240,000 barrels per day from Pemex oil fields in Mexico -- has continuously served the United States market for many years This has greatly contributed to US energy security of supply. While a significant amount of the refinery's product is for US consumption, a portion of the output returns to Mexico.

Deer Park is a remarkable two-way street of oil connections between the United States and Mexico - and a microcosm of a larger symbiotic relationship. The refinery offers superb insight into a key international piece of the broader energy security discussion in the United States.

# Industry warns of looming gas crisis as big freeze sends demand soaring

Warnings of serious and frequent disruptions to gas supplies have been issued by industry leaders.

Emergency gas rationing has been necessary in the past two weeks to divert supplies away from manufacturers to homes, hospitals and schools.

Approaching 100 companies have had their gas taps turned off as demand from ordinary families has soared to keep out the worst of the big freeze.

Now industry leaders fear this pattern of disruption could intensify in future years against a background of serious mismanagement of Britain's gas supply system.

At the same time, regulators believe Britain is at risk of shortages over the long term because it will become increasingly reliant on supplies from volatile regions such as Russia.

# Kuwait: oil price fantastic, no need for OPEC supply change

(MENAFN - Arab Times) Kuwait's Oil Minister Sheikh Ahmad Abdullah al-Sabah said

on Tuesday that the price of crude oil was "fantastic," as it stayed above \$82 a barrel spurred by freezing temperatures.

Oil prices are "fantastic ... because of what is happening with the weather in Europe and as demand is picking up," the minister told reporters outside parliament.

#### Natural Gas Find May Spur Interest in Shallow Gulf Waters

Mostly left for dead years ago by Big Oil and scoured by smaller firms since, the shallow waters of the Gulf of Mexico are likely to get a second look by companies of all sizes after word Monday of what may be one of the largest discoveries in the area in decades.

#### Qatar sees bright prospects for GTL

Qatar, which is fast emerging as the 'GTL capital of the world', will see its GTL production rise to more than 174,000 barrels per day within two year.

#### BP to invest \$10 billion in Egypt in next few years

CAIRO (Reuters) - BP Plc will spend \$10 billion in Egypt on gas and oil exploration activities over the coming years, its chief executive officer was quoted on Wednesday as saying.

Egyptian state news agency MENA said Tony Hayward made the announcement after meeting the country's prime minister, Ahmed Nazif, and Oil Minister Sameh Fahmy.

# ExxonMobil to Tap Millions from Mature Field in Texas

ExxonMobil Production Company announced a project at the Hawkins Field in northeast Texas to recover the equivalent of an additional 40 million barrels of oil, an amount equal to the annual energy needs of over one million Texas households.

"These advanced technologies breathe life into mature fields, thereby producing more resources for energy consumers."

#### Design work on Saudi's biggest gas plant done by 2011

Preliminary engineering and design work for Saudi Arabia's biggest gas plant should be completed by the first quarter of next year, an Aramco executive said.

State giant Aramco has switched focus to meeting domestic gas demand after

completing last year a massive crude expansion project to boost output capacity to 12.5 million barrels per day.

# Saudi Aramco: Gas plant at Khursaniyah is ready

(MENAFN) Saudi Aramco announced that the first unit of its gas processing plant at Khursaniyah oilfield is ready to start operations, Reuters reported.

The second unit is scheduled to start production in two to three months, said the company's Vice President for Project Management, Majid Al-Mugla.

#### Reports: Chinese power plants running out of coal

BEIJING - Dozens of Chinese power plants are running out of coal and might be forced to shut down this week as bitter winter cold boosts demand and snow hampers delivery of new supplies, state media said Tuesday.

#### China Puts Transport Of Coal On Priority To Ease Shortage

BEIJING (Bernama)-- China's Ministry of Railway has put coal transport their priority in the coming weeks to ease shortage of the fuel in Hunan, Jiangxi, Hubei and Henan provinces.

Many provinces and municipalities in central and eastern China are currently facing an energy crisis, where stockpile of coal had fallen to critical level as a result of increasing energy demand.

The transportation of coal has been also delayed by the acute cold weather.

# Swallow bitter pill now - Eskom

It was better for the country to swallow the "bitter pill" of an electricity tariff hike now, Eskom's acting chief executive told hearings on the utility's price hikes yesterday.

"Let's absorb the shock of the increase now. We know this is a bitter pill we are asking the nation to swallow, but we will all ultimately benefit," Mpho Makwana told the hearing in Polokwane, Limpopo, organised by the National Energy Regulator of South Africa (Nersa).

## Police raid hideout for suspected stolen fuel

THE Police in Kampala yesterday raided a den where stolen fuel, some of it from the Force, was hidden before sale on the black market.

Detectives and officers from the Rapid Response Unit stormed the hideout on Ggaba Road in an afternoon operation that spanned over two hours.

A total of 60 jerrycans and six drums, several containing diesel, were recovered from the grave-like structures. They were covered mattresses.

#### Russian, Polish gas firms continue talks

WARSAW (Xinhua) -- The Polish oil and gas corporation PGNiG will continue ongoing gas supply talks with Russia's gas operator Gazprom Export, the company said here Wednesday.

PGNiG and Gazprom sat down in Moscow on Tuesday to a further round of gas talks launched several months ago. Poland wants to negotiate extra gas supplies from Russia after last year's stoppage of a 2.3 billion cubic meter contingent from the Russian-Ukrainian corporation RosUkr Energo.

#### Thailand: Power-bill cap prolonged

Electricity prices could be frozen until the end of the year as the government is considering capping the fuel tariff (Ft) adjustment beyond the end of August, according to the Energy Regulatory Commission (ERC).

#### The Green Con Job

The U.S. economy is sensitive to high energy prices. An aggressive push toward green power would result in the net loss of millions of jobs. There is a better way forward.

# California Assembly Committee Approves Oil Tax Bill

Let the war over tax hikes begin.

And score the first battle Democrats yes, Republicans no -- just like last year.

Legislation to impose a new severance tax on oil and natural gas extraction to help bolster higher education funding passed the Assembly's Revenue and Taxation Committee by a party-line vote Monday.

#### KBR wins \$350 mln in arbitration of Pemex dispute

SAN FRANCISCO (Reuters) - U.S. engineering and construction company KBR Inc has won a \$350 million award that resolves a 1997 dispute over payments from Pemex for platforms off the coast of Mexico.

It is the third recent arbitration award against Pemex Exploration and Production (PEP) for KBR's Mexican subsidiaries, all related to work done in the Bay of Campeche, Houston-based KBR said in a statement on Tuesday.

#### Judge Rules Against Alaska on Exxon Lease Rights

An Alaska Superior Court judge has ruled that the state improperly canceled Exxon Mobil Corp.'s lease rights to develop Point Thomson gas fields on the North Slope.

Judge Sharon Gleason said the Department of Natural Resources commissioner did not follow proper procedures in hearings on the ExxonMobil case, resulting in a "denial of due process" to the company, according to court documents. The decision was released Monday.

#### Thomas L. Friedman: Is China the Next Enron?

I am reluctant to sell China short, not because I think it has no problems or corruption or bubbles, but because I think it has all those problems in spades — and some will blow up along the way (the most dangerous being pollution). But it also has a political class focused on addressing its real problems, as well as a mountain of savings with which to do so (unlike us).

And here is the other thing to keep in mind. Think about all the hype, all the words, that have been written about China's economic development since 1979. It's a lot, right? What if I told you this: "It may be that we haven't seen anything yet."

# You Say Offset, I Say Tax? Study Suggests Labels and Political Affiliation May Influence Preferences

Would you pay more for certain products to save the planet? That's the question behind the burgeoning carbon-offset industry — proponents pay more money for carbon-producing activities (such as flying), with the idea that the carbon emissions will be balanced out by funding for alternative energy sources. At the same time, economists and climate scientists agree that a carbon tax would be the most effective means through which the U.S. could lower carbon emissions and pay for alternative energy production. However, politicians are reluctant to propose a carbon tax because taxes

tend to be unpopular with constituents, especially with Republican voters. But does word choice, such as offset versus tax, really make a difference? And in addition, does our political affiliation influence how we respond to certain labels?

#### What I Learned By Not Getting into a Car for a Year

Adam Greenfield, a 29-year-old filmmaker born in England and now residing in San Francisco, decided that for an entire year, he would not get into any sort of automobile. No SUVs, taxis, or motorcycles. Not even a ride in a hybrid or electric car. His bicycle took him nearly everywhere he needed to go.

What was the point? For one thing, to prove that he could do it—and that others might be able to follow his lead, in ways big and small.

#### Portland ratchets up volunteer-led 'tool libraries' that lend tools for free

The city's first nonprofit tool library, founded in 2004 in North Portland, is up to 2,300 members. Its second, in Northeast, has already drawn 800 members in 16 months and just expanded to a far bigger space. A third, in southeast Portland, is scheduled to open this spring, which would make Portland the only U.S. city with a trio.

The volunteer-run tool libraries offer low-cost home and garden lessons as well as tools. They help people save money and connect to their community.

And they promote recycling and reuse.

# City wants new urbanism, but developer says it won't sell

Alex Weis of Livesey told the commission his firm would love to pursue a cutting-edge project with housing over the top of quaint two-story shops, favoring mass transit and all the rest. But he says that's simply not feasible. "You can't rent office above retail; you can't rent apartments above retail," says Weis. "You just can't do it."

#### Joe Penhall: Humanity after apocalypse

Cormac McCarthy doesn't tell us the cause of the apocalypse. What did you imagine it might be?

McCarthy told me it was some kind of environmental meltdown. He has an office at the Santa Fe Institute in New Mexico, he loves hanging out there and a lot of his friends are environmental scientists, molecular biologists and physicists, so he's coming at it from a very scientific point of view. It's about what would happen if environmental meltdown continued to its logical conclusion: crops and animals would die, the weather would go

out of control, there would be spontaneous wildfires and blizzards, you wouldn't be able to grow anything and the only thing left to eat would be tinned food and each other. But I was anxious not to quiz him too much about what happened because we wanted to preserve the mystique of it.

#### Brazil cuts ethanol blend to 20% as stocks hit lows

he world's largest sugar-cane ethanol producer and consumer has lowered its mandated ethanol-gasoline blend as stocks of the biofuel hit lows and prices rise.

# 1,000m underground central heating system planned

(PhysOrg.com) -- A pioneering scheme to build a giant central heating system that will harness heat from deep underground is being developed by university scientists.

For the first time in the UK, a team of scientists and engineers, led by Newcastle University, plan to complete a twin borehole system that will allow warm groundwater to be continually cycled through rocks as deep as 1,000m.

#### World's communications network due an energy diet

The internet and other communications networks could use one-ten-thousandth of the energy that they do today if smarter data-coding techniques were used to move information around. That's the conclusion of Bell Labs, the research centre in Murray Hill, New Jersey, where both the laser and transistor were invented.

#### EGG-energy brings power to Africa with battery subscription service

(PhysOrg.com) -- By applying the NetFlix model of movie swapping to batteries, a team of researchers and students from MIT and Harvard is hoping to provide electricity to thousands of homes in Tanzania. Their start-up company, called EGG-energy, offers a battery subscription service where individuals can return a used battery and pick up a fully charged one when needed, about every three days. The strategy not only provides a safe, clean source of energy for basic needs such as lighting, radios, and cell phone charging, but it should also save customers up to 30% on annual energy costs.

## Saudi Aramco Joins MIT Energy Initiative

The FINANCIAL -- Saudi Aramco recently joined the Massachusetts Institute of Technology Energy Initiative (MITEI) as a sustaining member.

According to Saudi Aramco, the five-year alliance will support MITEI's research and development of new energy technologies and improve processing techniques for cleaner fuels.

# Australian city's hottest night in 108 years

The Australian city of Melbourne has sweltered through its hottest night since 1902, with temperatures topping 34 degrees Celsius (93 degrees Fahrenheit), meteorologists said Tuesday.

Millions tossed and turned in the overnight heat in Australia's second city, with power cuts exacerbating the problem in some areas and some people even resorted to nocturnal trips to the beach to cool off.

# Northern forests do not benefit from lengthening growing season

Forests in northern areas are stunted, verging on the edge of survival. It has been anticipated that climate change improves their growth conditions. A study published last week in *Forest Ecology and Management* journal shows that due to their genetic characteristics trees are unable to properly benefit from the lengthening growing season. Furthermore, the researchers were surprised to find that the mortality of established trees considerably promotes the adaptation of forests to the changing environment.

#### California Ties Cash to Energy

California might start paying people to cut their energy use.

On Monday, a state panel proposed that the lion's share of new fees California plans to impose on greenhouse-gas emissions should be returned to consumers in the form of tax cuts or annual dividend checks that eventually could exceed \$1,000 for a family of four.

The proposal is part of an effort to find the best uses for proceeds from a carbon allowance auction. The panel argues that higher prices will drive consumers to use less of the fossil fuels that produce greenhouse gases.

At the same time, state officials hope to compensate for the pain inflicted on households by higher energy prices. They are considering using most of the money collected from the new fees to reduce taxes or pay annual dividends to consumers -- regardless of their energy spending. Consumers would benefit the most financially if they dramatically reduced their fuel bills.

As North American taxpayers take a look at the gleaming new models on display at Detroit's auto show this week, they might well ask themselves just why they poured billions of dollars into saving GM and Chrysler when no one else would.

Politicians, local car dealers, parts suppliers and the auto workers' unions told them it was to protect strategically vital jobs in their economies. But far from being essential to our economic future, those jobs are rapidly becoming obsolete—at least in this part of the world, where they are being funded by taxpayers' money.

#### Asian automakers face battle to keep US dominance

DETROIT (AP) — Asian automakers grabbed their biggest chunk ever of the U.S. car and truck market in 2009, but they'll struggle to build on that momentum this year as rivals in Detroit offer a fleet of efficient, small cars.

## Today's inscrutable car buyer

"..plants building the Chevrolet Equinox, GMC Terrain and Cadillac SRX crossover vehicles and the Buick LaCrosse sedan are at capacity and can't satisfy demand."

Those three "crossovers" (small SUVs) are actually the exact same vehicle. The frame, chassis and most of the technical parts are identical. The bodies are a little different, a curve here, an indentation there. The interiors also vary a little.

All four vehicles do, however, share one characteristic: 1990s fuel economy.

#### GM: We'll sell more in China than the U.S. soon

DETROIT (CNNMoney.com) -- Chinese consumers bought more automobiles last year than Americans did for the first time. A top executive at General Motors thinks that it won't be long before it too will sell more cars in China than in its home market.

#### Peak oil is a chimera

So the pessimists are wrong — very wrong. Hopes for all the other alternative energy sources — solar, wind and wave — will only start to become realised when the oil price is consistently over about 150/barrel — and that day is presently far off.

#### Kunstler: Six Months to Live

The price of oil starts this week over \$83 a barrel. That puts it about \$1.50 from the price "danger zone" where it begins to kill economic activity in the USA. Things and procedures just start to cost too much. Gasoline. Deisel fuel (and, by the way, that means another problem for food production going into the 2010 planting season). One especially eerie situation the past few weeks has been the de-coupling of moves upward in oil from moves in the value of the dollar. Lately, oil has been going up whether or not the dollar has gone up or down. Two weeks ago the dollar went below 1.42 against the Euro and today it's above 1.45, and oil has been rising steadily from the mid \$70 range all the while. 2010 may be the year that we conclusively realize that world oil demand exceeds world oil supply — and that global oil production cannot hold above 85 million barrels-a-day no matter what we do.

#### Oil falls below \$80 as US inventories jump

Oil prices slid below \$80 a barrel Wednesday after China moved to curb bank lending and a report showed an unexpected jump in U.S. inventories of distillates and gasoline.

#### Oil May Rebound From \$78, End Losing Streak: Technical Analysis

(Bloomberg) -- Crude oil may rebound from its current three-day losing streak, possibly reaching as high as \$87.20 a barrel, as long as prices don't fall below \$78, according to Societe Generale SA.

Oil is pulling back because its relative strength index shows prices have advanced too rapidly, said Stephanie Aymes, a commodity technical analyst at France's second-largest bank by market value. Futures ended a 10-day climb on Jan. 7, the longest rally since February 1996.

# Venezuelans Brace for Rolling Blackouts as Power Output Falters

(Bloomberg) -- Venezuelans will face rolling blackouts for the next five months starting today as the worst drought in 50 years threatens to shut the nation's biggest hydroelectric plant and collapse the power grid.

The government will cut electricity for four hours every other day across the country after previous measures failed to slow the drop in water levels behind the Guri hydroelectric plant, which supplies 73 percent of Venezuela's power, Electricity Minister Angel Rodriguez said yesterday on state television.

# Ecuador minister resigns over Amazon oil project

QUITO, Ecuador (AP) -- Ecuador's foreign minister resigned Tuesday after President Rafael Correa criticized his handling of negotiations to prevent oil drilling in a pristine

Amazon reserve.

Fander Falconi was the third government official to resign over a plan to seek international donations of \$3 billion over the next 10 years to keep an estimated 850 million barrels of heavy crude oil under the ground in the remote Yasuni National Park.

# Texas town welcomed drilling, now fears pollution

DISH, Texas – Like thousands of other Texans living atop one of the country's most productive natural gas fields, folks in this tiny town were giddy when drillers started offering up the fat checks.

The mayor likened it to the Gold Rush, and many of the 200 residents of a town that once sold its name to a satellite television company were hoping to be next in a long line of landowners to strike it rich by drilling into the Texas earth.

Many in the town on the rural plains of Fort Worth didn't even bother to ask whether the drilling might sour the air above the gas-rich rock formation called the Barnett Shale. "Nobody even thought about that kind of stuff," Mayor Calvin Tillman said.

#### Gas driller accused of zoning violation

GREENFIELD TWP. - The host municipality of the first and only Marcellus Shale natural gas well drilled in Lackawanna County has told the gas exploration company that it violated the township's zoning ordinance and must stop all drilling operations on the site.

## BP, ConocoPhillips Pipeline to Invite Bids to Ship Alaskan Gas

(Bloomberg) -- The pipeline venture of BP Plc and ConocoPhillips will in April invite bids from companies interested in shipping Alaskan natural gas to Canada and the rest of the U.S. to gauge demand for the \$30 billion project.

The "open season" will last until at least October, Denali -- The Alaska Gas Pipeline LLC said in a statement. It will allow the project to understand potential needs and to "consider our next steps," Bud Fackrell, Denali's president, said in the statement on the project Web site yesterday.

# Bomb blast cuts gas supplies to 214,000 in Russia

The bomb went off at 08:09 pm Moscow time (1709 GMT) at the 496th km of the Mozdok-Kazimagomed pipeline in Dagestan's Derbent area. A fire and gas supply

suspension ensued, a spokesman for the regional emergencies ministry said.

Around 214,000 people living in five rural districts of Dagestan and the city of Derbent have been left without gas supplies. Local temperatures stood around 10 degrees Celsius.

# Total Says Refinery Strike Has No Significant Impact

(Bloomberg) -- Total SA, Europe's biggest oil refiner, said a strike by workers in France hasn't had a "significant" impact on operations.

"There is no significant impact on activities at the sites concerned," Michael Crochet-Vourey, a Total spokesman, said in a telephone interview from Paris, where the company is based.

#### Russian gas flows in question

Russian oil flows to one of two Belarussian refineries could be suspended within 24 hours because oil companies are unwilling to confirm volumes due to an ongoing pricing dispute, Russia's pipeline monopoly said today.

#### Dubai Sees First Private Power Plant Contract in 2011

(Bloomberg) -- Dubai aims to sign its first contract with private investors to generate power by the end of the first half next year as it seeks infrastructure investment, an official with the emirate's government-owned utility said.

The utility plans to issue a tender for a 1,500-megawatt power and desalination plant in the second half this year and to award a contract in 15 to 18 months, Waleed Ali Ahmed Salman, vice president of business development at Dubai Electricity & Water Authority, said by telephone today.

#### Gas Natural Raises 2.2 Billion Euros as Debt Costs Fall

(Bloomberg) -- Gas Natural SDG SA, Spain's largest gas company, raised 2.2 billion euros (\$3.2 billion) of bonds in the company's first sale in almost three months as the cost of borrowing for investment-grade companies tumbled.

# US nonprofits sue over patent to feed hungry

CHAMPAIGN, Ill. – A pair of American nonprofits want to ramp up production in the next year of a high-protein peanut butter-like paste that could feed some of the more than 1 billion people around the world who don't have enough to eat.

But Breedlove Foods Inc. and the Mama Cares Foundation believe one thing stands in their way: U.S. patent No. 6,346,284, held by a French company and a French government research institute that are pioneers in so-called ready-to-use foods — food intended for the severely malnourished. The American nonprofits filed a lawsuit in federal court in Washington, D.C., last month challenging the patent.

#### Green films strive to raise awareness

The festival began with "Mama Earth," a short, often humorous look at what humans have done to the planet with a dressing down from Mother Earth herself.

According to the film, the earth's resources have been valued at \$33 trillion. The prices charged for consumer goods are not on par with the full cost of resource destruction. The solution: Think before spending money.

## Cocagne joins international network of green communities

Spokesman Mathieu D'astous said the group's first event highlights the importance of supporting a local food supply and reducing the community's dependence on a globalized supply chain.

"Feeding ourselves in the future is a major issue," said D'astous, noting that peak oil will make the shipping of food more difficult and expensive.

"It's something we want to do, which is to push the local food agenda and see how we can learn to support our family farms."

# Moving the metropolis

As suburbia eats up proximate farming land, a climate responsive urban growth pattern is put further out of reach for Australian cities.

With this in mind, recognizing the rural context when considering the issues of urban development is particularly important.

Under the current economic model, food production, packaging and distribution contribute to more than 20 per cent of our energy use. Most of this is consumed by packaging and distribution, so localizing and intensifying food production could easily alleviate rising food prices. This is the Transition Town notion of decoupling food from oil.

#### Pioneering Towns Are Rushing to Kick the Carbon Addiction -- Has Yours?

This is a cultural shift involving people at all levels of the community, from tiny rural towns in red states to major metropolitan areas.

## For-profit Education

The other thing a global economy had to have if it was going to work was a plentiful and cheap supply of oil. If the world is not now on the downside of the Peak Oil curve, its close enough for government work in the US, China, India, Russia, the EU. Rulers in these developed and developing countries have begun to act along those lines. For instance, the US won't be getting out of the Middle East anytime soon for the oil supply it offers. US military presence there has nothing to do with silly bleatings over "underwear bombers" or terrorist threats. And for another instance, economic nationalism, in the form of US tariffs on Chinese steel to give one example, is the wave of the future. Globalization cannot withstand the end of free trade or oil driven trade but it faces both.

#### Oil sands victimized over climate

OTTAWA - Alberta's oil sands should not be singled out as the villain responsible for Canada's poor record on climate change, says a new study released yesterday by an independent research group.

The report, by the Conference Board of Canada, said that governments must focus on a balanced approach that targets both consumers and producers to adequately address rising greenhouse gas emissions.

#### **Engineering a Better Climate**

Aerosol particles, seawater mist, and transparent screens in space—can these seemingly madcap geo-engineering ideas be the answer to global warming?

#### Gore Urges Senate to Defend EPA's Power to Limit Greenhouse Gas

(Bloomberg) -- Former Vice President Al Gore joined a dozen Senate Democrats in opposing a Republican effort to block the Environmental Protection Agency from placing limits on greenhouse-gas emissions.

The Republicans may soon try to "strip" the EPA of "its ability to regulate most carbon pollution, letting the worst polluters off the hook," Gore, who won an Oscar and a Nobel

Peace Prize for his efforts to publicize global warming, said yesterday in an e-mail to supporters.

#### Carbon tax wrong way to tackle climate: EU trade chief-to-be

BRUSSELS — Incoming European Union trade chief Karel De Gucht on Tuesday ruled out pursuing French-led calls to impose a carbon tax at the EU's borders, warning that such ideas risk triggering trade wars.

"In terms of border adjustments, I'm against it," De Gucht told lawmakers in response to a question during a European parliamentary confirmation hearing in Brussels.

"I don't see that as the right approach -- it's one that will lead to lots of practical problems."

#### James Hansen rails against cap-and-trade plan in open letter

"You are choosing the path focused on corporate greed," climate scientist James Hansen has told carbon traders in a open letter which he and climate activists attempted to deliver to a carbon trading conference in New York today.

## Insurance Group Says Stolen E-Mails Show Risk in Accepting Climate Science

A major trade group for the insurance industry is warning that it is "exceedingly risky" for companies to blindly accept scientific conclusions around climate change, given the "serious questions" around the extent to which humans cause atmospheric warming.

## Latin America's water needs could foster collaboration to curb global warming

Ask the mayor of a city in the Andes mountains about the outcome of December's climate negotiations in Copenhagen, and you will probably receive a perfunctory reply. Ask about the plummeting levels of local freshwater reservoirs, and you will get an earful.

The reason goes to the heart of the disagreements that split the industrialized and developing countries and prevented a long-term, binding agreement to curb global warming. But it also offers a path toward a more productive approach to north-south collaboration on climate change.

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