



Drumbeat: January 19, 2010

Posted by [Leanan](#) on January 19, 2010 - 9:14am

Topic: [Miscellaneous](#)

[CNPC Says Global Rivalry to Affect China Oil Imports](#)

(Bloomberg) -- Rising global competition and volatile energy prices will affect Chinese oil imports, making it more difficult to guarantee domestic fuel supplies, China National Petroleum Corp. said.

Chinese companies should avoid competing with their domestic peers in the international market and instead form an alliance against foreign producers, the parent of PetroChina Co., the country's largest oil and gas company, said in a commentary in its online newsletter today.

doubts about how Total, and other oil giants, will survive the coming decades. As oil becomes increasingly difficult to find and extract, and as governments embrace cleaner sources of energy, won't those most invested in finite resources become irrelevant?

[Oil Prices May Stabilize in 2010, but Motorists Won't Get a Break](#)

There are signs of price stabilization in the oil market. And, as is often the case with crude, if price stability occurs in the year ahead, it will be due to a confluence of factors including the fact there are fewer Americans getting into cars as a result of the recession.

[Conoco, Total to expand oil sands project](#)

ConocoPhillips COP-N and Total TOT-N have announced plans to expand the Surmont oil sands development southeast of Fort McMurray, Alta.

Phase II of the project will quadruple Surmont's capacity, to 110,000 barrels of bitumen per day from 27,000 barrels per day.

[Chevron will restructure refining, cut jobs](#)

Chevron Corp. plans to restructure its global refining business under a sweeping plan that will result in an unspecified number of job losses and that could see the U.S. oil giant exit some markets around the world.

The San Ramon, Calif.-based company is reviewing its entire downstream portfolio, including its five U.S. refineries, with a goal of making the unit less complex and more profitable, company spokesman Lloyd Avram said.

[Oil and gas exploration falls to lowest level in five years](#)

North Sea oil and gas exploration dropped by 35 per cent last year, taking it back to levels last seen five years ago, according to figures published by Deloitte yesterday.

Only 78 new wells were drilled in 2009, compared with 121 in 2008. Exploration activity was down by almost half, appraisals by a quarter. Meanwhile, new drilling in the Norwegian North Sea shot up by 18 per cent last year thanks to a more generous tax regime.

[Kazakhstan Is a 'China Play,' Stocks Are Cheap, Troika Says](#)

(Bloomberg) -- Kazakhstan is becoming a "pure China play," supporting the country's economic growth and bolstering the equity market as links increase with the world's fastest growing major economy, according to Troika Dialog.

"Kazakhstan is building major new oil, gas, rail and road links to China, and has a pipeline in place that will be capable of sending a quarter of its oil exports to China," Troika's Chief Strategist Kingsmill Bond wrote in a report to investors today. Closer ties will lead to more Chinese investment in Kazakh companies and listings in Hong Kong as early as this year, encouraging higher valuations for the central Asian nation's equity market.

[Yemen's Oil-Deadly Decline Rate](#)

The failed Christmas plane bomber's links to Yemen brought that country back under the geopolitical microscope. But a dark headline about Yemen the day before Christmas went virtually unnoticed. The below-the-radar message: "Yemen Reports Disastrous Drop in Oil Revenues." Yemen's oil production, and the national budget it has recently propped up, is cratering. And the plane bomber's training on Yemeni soil will likely add a risk premium to the very investments needed to help slow down Yemen's oil slide.

[House Panel to Hold Exxon-XTO Merger Hearing Wed](#)

A U.S. House panel will hold a hearing on Wednesday on Exxon Mobil Corp.'s planned purchase of natural-gas producer XTO Energy Inc., an event that could put a spotlight a controversial drilling technique that is allowing access to vast new domestic supplies.

[Saudi ditches private sector for Jizan oil refinery](#)

RIYADH (Reuters) - Saudi Arabia said on Tuesday state-owned Aramco would build an oil refinery in an underdeveloped province bordering troubled Yemen, rather than private firms that had bid for the delayed project.

The Jizan refinery is far from Saudi Arabia's producing fields and is part of a wider development plan for the impoverished southern region. The kingdom had hoped the refinery would be built and owned entirely by the private sector, a first in the world's top exporter.

But the plan failed to generate interest from foreign investors, who were concerned the cost of supplying crude to the plant could make it unprofitable in the future.

[Nigeria: We won't resume fuel importation, say marketers](#)

INDEPENDENT marketers said yesterday that they would not import fuel unless all the outstanding debts owed them are settled.

This is coming, even as queues at filling stations in Lagos and its environs lengthened yesterday, signaling that the situation had worsened.

[Pilipinas Shell Warns Refinery May Shutdown Over Tax Dispute](#)

MANILA -(Dow Jones)- Pilipinas Shell Petroleum Corp. warned Tuesday that its oil refinery may shutdown if the Philippines' Bureau of Customs is allowed to seize its imported raw materials as payment for an alleged tax deficiency.

The Court of Tax Appeals stopped the customs bureau in December from seizing Pilipinas Shell's imported catalytic cracked gasoline, or CGC, and light CGC for a 60-day period. The customs bureau wants to confiscate the CGC to cover PHP7.3 billion (\$159 million) in unpaid excise taxes for imports between 2004 and 2009.

[Britain restates support for Nigeria's energy security](#)

THE United Kingdom (UK) has restated its commitment to Nigeria's drive to attain energy security.

Acting British High Commissioner to Nigeria, Mr. Peter West, yesterday disclosed the position of his country during a workshop aimed at improving operations of the oil and gas sector of the economy.

[Oil and renewables will have to work together](#)

Abu Dhabi: "Renewable energy is not an alternative to fossil fuels. There is not a stark choice between the one and the other," Abdullah Al Attiyah, Qatar's Deputy Prime Minister and Minister of Energy, said yesterday as he appealed for more cooperation and less "them-and-us" dialogue.

He caught the mood of the room at the plenary session of the first day of the World Future Energy Summit, WFES, in Abu Dhabi. All delegates spoke of the urgency in increasing the use of renewable fuels and reducing the dependence on hydrocarbons, even if they differed on how to deal with the problem.

[Kinder Morgan buys ethanol terminals](#)

Kinder Morgan Energy Partners LP has acquired three ethanol terminals around the country from U.S. Development Group.

The \$195 million deal is the latest move by the Houston-based pipeline company (NYSE: KMP) to bolster its network of ethanol handling facilities.

[Centre tries to boost ethanol price, violates contracts with OMCs](#)

NEW DELHI: Is the Central government willfully paving the way for high alcohol prices across the board in a crucial year when sugar output is at an acute low of only 16 m tonnes against an annual consumption of 23 m tonnes? The move could boost prices for your evening tippie and all other sectors using alcohol as an input/raw material.

[Energy co-op offers green option](#)

The Energy Cooperative offers a program called EcoChoice100, through which members can purchase electricity through renewable sources. Grunwald describes the Energy Cooperative as acting like a broker between consumers and companies and individuals producing wind, solar and low-impact hydro power. This is exciting, though she stresses that EcoChoice100 represents only a small portion of her organization's business, and that they are not primarily a green energy company.

Grunwald is a committee member of her neighborhood's food co-op and sees a strong connection between the renewable energy and food justice movements, particularly

when it comes to valuing local sources. “I believe that sustainability has much to do with proximity. No matter what source power comes from, it's got to come from within the community,” she says.

[Therapists Report Increase in Green Disputes](#)

Gordon Fleming is, by his own account, an environmentally sensitive guy.

He bikes 12 1/2 miles to and from his job at a software company outside Santa Barbara, Calif. He recycles as much as possible and takes reusable bags to the grocery store.

Still, his girlfriend, Shelly Cobb, feels he has not gone far enough.

Ms. Cobb chides him for running the water too long while he shaves or showers. And she finds it “depressing,” she tells him, that he continues to buy a steady stream of items online when her aim is for them to lead a less materialistic life.

[America's 75 Worst Commutes](#)

Congestion consumes billions of gallons of fuel, wastes hundreds of billion of dollars in productivity and causes billions of stress headaches. Yet over 100 million automobile commuters each day feel like they have little option. “We put so much of our national wealth and our identity into the whole motoring thing,” said James Howard Kunstler, author of *Geography of Nowhere*, “that we can’t imagine doing something different.”

[The Pollyanna Handshake](#)

The evolution of widespread trade and business led to a third partner being added to the arrangement. Now, powerbrokers, (governments), are allowed to continue in office for as long as they can deliver, among other things, a protective environment for business to operate. For its part, business provides jobs, spending power and goods for the rest of us to buy, buy, buy. In the western world, this state of affairs has developed over the last 500 years, intensifying over the last 200 years with the discovery of vast amounts of easily recoverable cheap energy in the form of fossil fuels. Over the last 50 years with the widespread use of oil, gas and advanced internal combustion engines, the pace has become positively frenetic. An unspoken ‘handshake’ between the three groups has become so much part of the way we live; we hardly acknowledge its existence. More and more, governments now have to be elected, businesses have become global and ‘workers’ have been transformed into ‘consumers’.

[Why Alaska Isn't Free of Exxon Valdez Crude](#)

A study in 2004 estimated that perhaps 25,000 gallons of oil remained along the

sound's gravel beaches and was degrading very slowly. So that raised a question for researchers: Why, despite one of the largest environmental cleanups in history, has some oil persisted?

[La. workers: Exxon hid radiation risk of cleaning job](#)

Exxon Mobil Corp., the largest U.S. energy company, hid the risk of radiation from cleaning used oil-drilling pipe, 19 workers claim in a trial.

The trial began today in a case of 19 workers in state court in Gretna, Louisiana, near New Orleans. The workers say Exxon knew as early as 1981 that pipes might contain excessive amounts of radiation-tainted residue and warned no one for years.

[If it suddenly ended tomorrow, could you somehow adjust to the fall?](#)

We've all played the "what if" game, and specifically the one with a timeline. What if I had six months to live? Would I live differently? Would I see somebody, or some place? How would I "make my peace" with the world and those I love?

Let's kick it up a notch. It's not one of us with six months to live, it's the industrial economy. Now whatcha gonna do?

[Emissions from UK food industry far higher than believed](#)

The food we eat accounts for 30% of the UK's carbon footprint, according to a new report published today by WWF-UK and the Food Climate Research Network. Previous estimates put the figure closer to 20%, but this study is the first to incorporate land use change overseas, increasing the estimate of emissions attributed to food consumption in this country from 152MtCO₂ to 253MtCO₂.

Land use change, mainly deforestation, is a major source of climate changing emissions. Each year world-wide, an area of forest equivalent to half of England is lost. The expansion of the food system is the biggest driver behind this as land is cleared to grow crops and rear animals.

[Copenhagen & Economic Growth - You Can't Have Both](#)

Economic growth requires energy, and most of our energy comes from hydrocarbons - coal, oil, and natural gas. Burning those fuel sources releases carbon. Therefore, increasing economic activity will release more carbon. It is a very simple concept.

Nobody has yet articulated how it is that we will reconcile both economic growth *and*

reduced use of hydrocarbon energy. And so the proposed actions coming out of Copenhagen are not grounded in reality, and they are set dead against trillions of dollars of spending.

[Climate Terror: Global Warming, Failed States, and the Rise of Terrorism](#)

It's hard for even the most optimistic to be hopeful. Copenhagen, understood by many as the world's last chance to stop global warming was, in the words of Sweden's Environment Minister Andreas Carlgren, a "great failure." What the world needed was a legally binding commitment to bring the level of carbon dioxide down to 350 parts per million - a number NASA climatologist James Hansen determined to be the minimum to support human civilization. What the world got was a toothless, non-binding agreement which recognizes the seriousness of climate change, but does nothing to address it.

This means that, barring some international diplomatic miracle, every apocalyptic prediction of the International Panel on Climate Change (IPCC) will come true. More simply: it's coming. The biblical floods. The crippling famines. The mad chaos. But that's not all.

[Dmitry Orlov: Real Communities are Self-organizing](#)

John Michael Greer, Sharon Astyk and Rob Hopkins have made some interesting points on the topic of community, and I wish to join the fray. In all of my experience, communities — of people and animals — form instantaneously and rather effortlessly, based on a commonality of interests and needs. What takes a lot of work is not organizing communities, but preventing them from organizing — through the use of truncheons and tear gas, or evictions and mass imprisonment, or, more recently, more subtle and ultimately more successful techniques of the consumerist political economy.

[CNPC Says Global Rivalry to Affect China Oil Imports](#)

(Bloomberg) -- Rising global competition and volatile energy prices will affect Chinese oil imports, making it more difficult to guarantee domestic fuel supplies, China National Petroleum Corp. said.

Chinese companies should avoid competing with their domestic peers in the international market and instead form an alliance against foreign producers, the parent of PetroChina Co., the country's largest oil and gas company, said in a commentary in its online newsletter today.

[China in the new decade](#)

Though the argument that peak oil — the time when new oil discoveries can no longer keep up with oil demand — is fast approaching is still controversial, the argument that we are entering a time of greater resource shortages is not. As long as the basic formula of growing demand and shrinking resources remains true, commodity prices have an impetus pushing them forward.

As one of the world's major consumers of resources — particularly in construction inputs — what happens in the commodity markets in a large part happens to China. Over the past year high coal, iron ore and gas prices have grabbed headlines across China, and led to prolonged and intense negotiations with the largest providers of those resources. As late as last November the Chinese media was reporting that electricity producers had decided to forgo group negotiation of coal prices in exchange for one-on-one contracts — in other words the problem is as of yet unresolved.

[Crude Oil Trades Near Lowest This Year on Global Stockpiles](#)

(Bloomberg) -- Crude oil was little changed near its lowest this year in New York after declining on speculation global stockpiles remain more than adequate.

The Organization of Petroleum Exporting Countries won't need to raise oil production this year as its output of natural gas liquids increases, the International Energy Agency's deputy executive director said yesterday. Oil also slipped as Japan Airlines Corp., Asia's largest carrier, filed for bankruptcy, raising concern its fuel hedges may be liquidated.

[Goldman Calling for US\\$100 Oil by 2011](#)

When Goldman Sachs makes a prediction about the price of an asset, you can never be sure if it's a self-fulfilling prophecy or a psychological investment operation exercised by an elite trading team. Is Goldman calling for US\$100 oil by 2011 because it's already long oil? Or is it just early on the trade in predicting that oil demand will recover faster than oil supply will grow and that the result will be higher prices this year and next?

Hmmn.

[OPEC holds 2010 oil demand steady](#)

CAIRO (AP) -- OPEC on Tuesday held its world oil demand growth forecast steady for 2010, noting indications of improvements in the global economy but voicing concerns that oil's price rally remains on shaky ground.

The Organization of the Petroleum Exporting Countries, supplier of about 35 percent of the world's crude, said the world economy was projected to grow by 3.1 percent, up from the bloc's forecast of 2.9 percent the previous month. China and India remain the "bright spots for the year's economic recovery," it said.

[OPEC: Cold Weather May Trim Middle Distillate Glut](#)

LONDON -(Dow Jones)- Refiners may get some relief from cold winter weather, which will trim help to trim an oversupply of middle distillate oil products, the Organization of Petroleum Exporting Countries said Tuesday.

"A cold snap along with increasing seasonal demand and stock draws have underpinned product market sentiment and lifted the crack spread and refining margins, especially in the U.S. and Europe," OPEC said in its monthly oil market report.

[ANALYSIS - A China that says 'no' casts economic shadows](#)

BEIJING (Reuters) - A deepening chill in the Chinese political atmosphere is as deadening as the harsh winter weather that has been gripping the capital. For global economic policy-making, that could magnify friction on everything from trade to exchange rates and global warming.

[Ottawa considers more aid for Yemen](#)

OTTAWA -Canada will consider increasing development funding to Yemen as a means of helping it counter a threat from the al-Qaeda terror network, Foreign Affairs Minister Lawrence Cannon, pictured, said yesterday. Mr. Cannon met with his Yemeni counterpart, Abubakar Alqirbi , who made a pitch for increased foreign spending, saying that it is key to preventing impoverished citizens from being lured into "radicalization and terrorism."

[Yemen ups security at oil and gas facilities](#)

SANAA (Reuters) – Yemen has boosted security at energy installations to guard against militant attacks, a government official said on Sunday, as Sanaa escalated its war against al Qaeda.

Yemen, a small oil producer with output of around 300,000 barrels per day, has come under pressure to act against al Qaeda since attacks on its two main allies, Saudi Arabia and the United States, by militants coming from Yemeni soil. "The security measures have been strengthened for some time. But we took additional measures around oil institutions and the gas project in Shabwa," the official told Reuters, adding the measures were put in place "in case of any terrorist attacks."

[Security at oil facilities in Bihar tightened](#)

PATNA (Reuters) – India has deployed additional forces to guard energy facilities including an oil refinery in Bihar after police found maps of such units with a suspected militant from Bangladesh.

"We are investigating how he managed to get maps of key oil installations," Nayyar Hasnain Khan, a senior police officer, said on Friday.

[Russia sees Austria joining South Stream project](#)

MOSCOW—Russian gas monopoly Gazprom said Tuesday it expects Austria to sign up to the South Stream pipeline, a project the Kremlin hopes will strengthen its grip on European energy markets.

[Gazprom finds buyers for half of Nord Stream pipeline gas - official](#)

BERLIN (Itar-Tass) - Russia's natural gas concern Gazprom has already found buyers for half of the volumes of gas that will be supplied to Europe through the North European pipeline Nord Stream, Managing Director of the consortium of companies for the pipeline construction Matthias Warnig told the German economic magazine Euro in an interview.

According to him, contracts on the supply of over 21 billion cubic metres of gas a year have been concluded with consumers in Germany, Denmark, France and Great Britain. Among the major gas consumers in Germany are the energy concern E.ON Ruhrgas and a daughter company of Gazprom and Germany's concern Wintershall – Wingas. Warnig noted that these enterprises plan during the next 25 years to get, in addition to the currently supplies gas volumes, 9 billion cubic metres of natural gas annually.

[Cleanup ends at damaged BP-operated pipeline: officials](#)

ANCHORAGE, Alaska (Reuters) -- After weeks of work, crews have finished cleaning up the oil and oil-laced produced water that leaked out of a ruptured pipeline in November at the BP Plc-operated Lisburne field, company and state officials said Thursday.

[Shell Investors Seek Review of Oil-Sands Operations](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's second-largest oil company, faces shareholder scrutiny of the investment risks at its Canadian oil-sands projects as environmental groups object to development plans.

A coalition of 142 shareholders have requested a review of the risks, in a resolution to be addressed at Shell's annual meeting in May, according to FairPensions, which is

coordinating the investor campaign. A statement from FairPensions cited a likely increase in carbon costs and potential damage to Shell's reputation from environmental degradation as some of the risks.

[Toronto Hydro admits it has little control over stray voltage, tells parents to watch children](#)

"What we are trying to tell customers is ... step around any electrical equipment. If you have children, make sure they know not to touch or play around electrical equipment," said Toronto Hydro spokeswoman Tanya Bruckmueller.

"If you can, walk your dog before the streetlights come on. Because then there is no electricity," said Ms. Bruckmueller, adding that dogs who contact hot spots should not be touched without proper equipment.

[Japan Airlines Files for Bankruptcy](#)

Months of speculation came to an end on Tuesday afternoon as Japan Airlines (JAL), the country's 59-year-old flagship carrier that once symbolized the strength of Japan Inc., filed for bankruptcy with two of its subsidiaries. Weighted by debts estimated at \$25.6 billion (2.3 trillion yen), Japan Airlines Corp., Japan Airlines International and JAL Capital made history today as what is perhaps Japan's largest nonfinancial corporate failure. With a long record of unprofitable earnings, the airline has taken a hit from weak travel demand after SARS and H1N1, fuel surcharges and the global recession.

[12 greenest cars of 2010](#)

From a Honda Civic to a Smart For Two, the American Council for Energy Efficient Economy ranks these vehicles as best for the environment.

[Unlocking finance for clean energy](#)

As negotiators and policy makers look beyond the high-level politics of a global climate change deal, attention will focus on implementation, according to a paper from Chatham House published on 7 December 2009.

The paper looks at what policy needs to deliver in order to provide the conditions for scaled-up investment in renewable energy, drawing on work with leading mainstream financiers. 'Investment grade' energy policy is a critical factor for unlocking significantly scaled-up capital flows into renewable energy and energy efficiency.

[New Fusion Center capitalizes on free office space and common goals](#)

You've heard of incubators, which provide space for numerous young companies under one roof, with shared copiers and communal coffee. But what about a "syncubator"?

That's the term coined by the founders of the new Clean Energy Fusion Center in Waltham: an incubator where synergies develop, since all the start-ups housed there are pursuing opportunities in related sectors, such as wind power, solar panels, or smart grid software. The center is managed by a group of executives who participated in last year's Clean Energy Fellowship Program with the New England Clean Energy Council, including Lorraine Wheeler, Mike O'Neill, and Doug Levin. (The fellowship program aims to give executives from other industries an immersion course in the science and business of energy.) They set up shop last August, and are holding their official opening party later this month.

[Sen. Lamar Alexander's vision for new nuclear plants faces obstacles](#)

WASHINGTON — Since Sen. Lamar Alexander first began pushing the idea last spring of building 100 nuclear plants over the next 20 years, the proposal has increasingly become part of the national debate about the best way to generate electricity while lowering emissions that contribute to climate change.

But Alexander's push also has prompted a pushback from environmental groups and others who say that its apparent simplicity belies a host of obstacles ranging from financing to what to do with the waste leftover from nuclear power generation.

Here are some of the obstacles to Alexander's proposal and his response.

[The organic base](#)

In the same way that 'peak oil' tells us that we have been too reliant on an unsustainable supply of oil, 'peak phosphorus' tells us that we have relied for too long on industrial chemical farming.

[Masdar CO2 plant lined up for 2012](#)

Abu Dhabi state-owned Masdar said today its first carbon capture and storage (CCS) project would be cutting greenhouse gas emissions in the United Arab Emirates by the end of 2012.

[Carbon Falls as Climate Failure Is Oil Polluter Boon](#)

(Bloomberg) -- The inability of government leaders to agree on stricter pollution controls at meetings in Copenhagen last month is showing up in commodity markets,

where it's getting cheaper to emit greenhouse gasses.

The price of permits to emit a ton of carbon dioxide sank 10 percent in London, while oil gained 6 percent in New York since Dec. 7, when 8,000 delegates attended a summit in the Danish capital to prepare for a successor to the Kyoto Protocol, the climate treaty that expires in 2012. Not only did the summit fail to increase regulation on polluters, it also reduced incentives to invest in clean energy.

[Silicon Valley Rocks Climate World With New Breed of Software](#)

Only a few years ago, businesses wanting to track their greenhouse gas emissions had few choices. Their main option was a simple spreadsheet with pages and pages of numbers.

Now, companies and governments can turn to software that allows them to input emissions data, analyze it in fancy charts and receive recommendations on how to cut heat-trapping gases from operations large and small.

[World leaders make new call for clean energy commitments](#)

ABU DHABI (AFP) – World leaders raised a fresh alarm on global warming Monday, urging international action to increase use of clean energy at a four-day forum that opened in the oil-rich emirate of Abu Dhabi.

"If we don't act now, our coral reefs and rainforests will die, desert countries will become unbearably hot and low lying countries like the Maldives, will slip beneath the rising seas," said the president of the Maldives, Mohammed Nasheed.

[Indian minister slams UN body on glacier research](#)

NEW DELHI (AFP) – India's environment minister slammed the UN's top climate body in comments published Tuesday, claiming its doomsday warning about Himalayan glaciers was not based on "scientific evidence."

[Australia: Tony Abbott sinks forests on farms](#)

TONY Abbott will rule out the use of prime agricultural land for carbon sinks when he announces a new policy on climate change in a move aimed at avoiding a damaging split with the Nationals.

[Populate and pollute](#)

AUSTRALIA would find it much easier to meet its climate change targets if it slashed the migrant intake, a Monash University report says.

The study said the Federal Government was in a difficult policy situation because record immigration was undermining its efforts to cut greenhouse gas levels.

Net immigration rose to 285,000 last year, almost triple the number five years ago.

[Radical sea defence rethink urged](#)

Rising sea levels and more storms could mean that parts of at-risk cities will need to be surrendered to protect homes and businesses, a report warns.

The authors say that "radical thinking" is needed to develop sea defences that can cope with the future threats.



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