Drumbeat: January 27, 2010

Posted by Leanan on January 27, 2010 - 9:10am

Topic: Miscellaneous

Energy Guru Brings Good News to Davos

All the world loves a bringer of good news, so energy guru Daniel Yergin should by all rights be guaranteed a warm welcome at Davos this week.

Governments may be buckling under debt loads, paper currencies hurtling toward their traditional terminal value of zero, but at least the world is not running out of energy supplies. The awful day of "peak oil," when the world will have depleted its finite hydrocarbon resources to the point where it can never again increase production, is still a long way off, he reckons. "The big determinants (to global energy supply) are the above-ground risks — politics, the quality of decision-making, and costs and so on," says the genial author of "The Prize," the hugely acclaimed history of the oil industry and founder of Cambridge Energy Research Associates.

imulus.

Past Peak Oil Travelling towards Transition

From pre Hubbert's Peak Oil chart towards Transport and travel in a world where transition has taken place. A positive animation look at the future of traveling without oil fuel, in this climate changing world to where we will again be able to hear the sound of birds.

God, Keynes, and Clean Energy

"Peak Oil," Fulton said, the idea that extraction of oil has peaked, "appears to be borne out by the market. When oil prices were high (\$140 per barrel) OPEC wasn't producing more oil - they couldn't."

But in my opinion, this isn't a bad thing. As oil and other fossil fuels get more expensive we will shift to other, sustainable technologies. I've been thinking about the science. We're 25 to 30 years away from Fusion.

MOSCOW--Russia has resolved an oil-supply dispute with neighboring Belarus, a government spokesman said Wednesday, easing concerns about midwinter disruptions of supplies to Europe.

"A deal has been reached, but we can't disclose any details yet," said Dmitry Peskov, spokesman for Russian Prime Minister Vladimir Putin.

Qatar does not expect OPEC output change

DOHA: OPEC is unlikely to adjust output quotas at its next meeting in March if oil prices remain at current levels, Qatar's oil minister said yesterday. "If it stayed in the levels of the \$70s I don't think so," Abdullah Al-Attiyah, told reporters on the sidelines of a MEED conference. US crude fell \$1 to \$74.26 a barrel yesterday, just marginally off the \$75 to \$80 a barrel range that top oil exporter Saudi Arabia and other OPEC members have said was fair for both consumers and producers.

Shell forced into oil sands U-turn

Royal Dutch Shell chief executive Peter Voser cannily chose the safe ground of an exclusive interview with the Financial Times to finally admit the all-too-obvious - the Canadian oil sands development Shell has touted as a major growth driver is instead a costly distraction, on which time is now being called. Mr Voser said the massive expansion the company had previously planned for its Athabasca Oil Sands Project (AOSP) - envisioning growth from the current 155,000 barrels per day (bpd) capacity to an eventual 770,000bpd - was now "clearly scaled down" and would be "very much slower".

FACTBOX - Money flows again in Canada's oil sands industry

(Reuters) - Numerous energy companies have moved forward with Canadian oil sands plans in the past week, but there is little fear so far of the return to runaway inflation that marked the industry until 2008.

Yemen Qaeda hub risks belt of instability

Al-Qaeda militants could strengthen their foothold in Yemen and form part of a belt of Islamist instability linking Asia to Africa if the government in Sanaa fails to crack down decisively against them, analysts say. An impoverished country that is strategically located on one of the world's busiest shipping lanes, Yemen has declared war on Al-Qaeda under pressure from Washington and Saudi Arabia, its oil-producing neighbour.

As he prepares for elections in September, Venezuela's President Hugo Chavez faces the biggest threat to his popularity in years, hit by a weak economy, electricity blackouts and revelations of government graft. The Marxist former soldier has had a troubled start to his 12th year in office, forced to devalue the currency he had dubbed the "strong" bolivar and order sweeping power cuts to save energy across South America's top oil exporter.

Chevron Charges Ahead with \$5.2B Papa Terra Project

Chevron will proceed with the development of the Papa Terra project as the company's second deepwater development offshore Brazil.

"This decision confirms our commitment to developing new opportunities in an important basin and adds to our strong queue of major capital projects," said George Kirkland, Chevron's vice chairman.

Anadarko announces 'major' oil find in Gulf of Mexico

Anadarko Petroleum says it has confirmed a "major discovery" of oil in the deepwater Gulf of Mexico about 160 miles southeast of Galveston.

Peabody Beats Analyst Estimates as China Demand Soars

(Bloomberg) -- Peabody Energy Corp., the largest U.S. coal producer, said fourthquarter profit beat analysts' estimates because of growing demand from China.

Must-read report: The decline of Central Appalachian coal

Given the numerous challenges working against any substantial recovery of the region's coal industry, and that production is projected to decline significantly in the coming decades, diversification of Central Appalachian economies is now more critical than ever. State and local leaders should support new economic development across the region, especially in the rural areas set to be the most impacted by a sharp decline in the region's coal economy.

Dubai looks to Qatar for natural gas

Dubai may start importing up to 37 billion cubic feet per year of natural gas from Qatar as early as September.

Qatargas 4, a liquefied natural gas (LNG) joint venture between Qatar Petroleum and Royal Dutch Shell, has decided to ship half the plant's planned output to China and Dubai instead of North America, Gerrit-Jan Smitskamp, Shell's regional vice president for finance, said yesterday in Doha.

Tapping Methane at Lake Kivu in Africa

Beneath the surface of Africa's 1,500-foot deep Lake Kivu, which borders Rwanda and the Democratic Republic of Congo, large deposits of methane and carbon dioxide have long intrigued researchers — and energy developers.

Recently, a team American scientists attended a workshop with the Rwandan Ministry of Education, where they assessed the potential of commercially viable methane extraction from the lake.

"In the main lake basin, concentrations of carbon dioxide and methane are very high," said Cindy Ebinger, a professor of regional tectonics and applied geophysics at the University of Rochester.

Those concentrations, Ms. Ebinger said, could translate into vast energy reserves.

Gas shortage turns into crisis

An additional phenomenon has accompanied this crisis, which has raised concern in certain sectors. Individuals have been arriving early in the mornings, filling multiple tanks, leaving a shortage of fuel later in the day. "We get up early in the morning around 5 am in order to reserve a place and be the first to fill up my gas cylinder," said a client.

"They used to give us 200 gas cylinders per day in the past. We do not sell gas cylinders to cart owners, especially in such times as these, because of the large demand," said Hani Zuhra, a local gas merchant. "There are many people who come from other areas to buy from this location. We allow clients, when the tanks are empty, to ensure for themselves that they are completely empty. The shortages are increasing though; the Gas Company did not provide us with gas cylinders last Thursday. The underlying reason behind this crisis stem from rumors that the line has been severed," he added.

GM to make electric motors in U.S.

NEW YORK (CNNMoney.com) -- General Motors announced Tuesday that it intends to become the first major automaker to design and manufacture electric motors for cars in the United States.

Sites to Refuel Electric Cars Gain a Big Dose of Funds

Better Place, the closely watched start-up that hopes to create vast networks of charge spots to power electric cars, is set to receive a vote of confidence on Monday, in the form of \$350 million in new venture capital.

Although Better Place will most likely require billions more in financing, this investment is an important step for the company and its chief, Shai Agassi, an Israeli-American software executive who founded the company in 2007.

Nuclear power study to be ready in time

The feasibility study on potential sites for Thailand's first 2,000-megawatt nuclear power plant is expected to be forwarded to the government in March next year, while the Energy Ministry admitted it has to educate people more about nuclear power.

Storing Energy as Ice?

The Southern California Public Power Authority — a coalition of several public power agencies — and a seven-year-old Colorado company called Ice Energy have signed a contract to deploy rooftop units that use electricity at night, when demand is low, to make ice.

The ice is then used to cool buildings during the day.

A short history of peak oil preparation

Frankly, when I first learned about peak oil, I was a bit freaked out. But after time, a little too much wine, a lot of research, and some productive action, I recovered, and went on to slowly change my attitude, expectations, and lifestyle to accommodate a radically different reality from the one I previously knew.

Here's a year-by-year summary of the last five years of my efforts at peak oil preparation in three key areas: Short term (Emergency planning), Medium term (Economic / Financial crash), and Long term (Sustainable Future). Keep in mind, this does not cover the first, and perhaps most important area of preparation: psychological adjustment.

Uncovering secrets to a longer life

The secret to solving much of America's health care crisis and battle with chronic diseases lies in emulating the environment in Blue Zones. Is it possible?

Last year, my partners and I made Blue Zones-inspired changes to the environment of an entire American town -- Albert Lea, Minnesota, (see AARP Magazine article). We made the town more walkable and bikeable, dug public gardens, made it easier for kids to walk to school and people to expand their face-to-face social networks to include more people motivated to change their health habits. The results were astounding.

If the trends continue, life expectancy for the average participant would rise about three years and health care costs for city workers would decrease by 48 percent.

Growing Good People Through Work, Study, and Community

Just outside Asheville, North Carolina, bordered by the Craggy Mountains and located in the Swannanoa Valley on the banks of the Swannanoa River, Warren Wilson College students are busy moving the cows to their next pasture and cutting locally harvested lumber at the on-campus sawmill. A writing class meets beside beds of greens raised for campus salads, tended by the student garden crew. And just a few steps from my office, the greening crew prepares the campus quarterly energy usage report to evoke our conservation consciousness.

Don't be fooled by the idyllic sound of all of this. You would be mistaken to assume we are less of a college and more of an extended commune from the 1960s. You may be enchanted by the young woman on the farm crew who drives past in a tractor on her way out to the field—it's such a romantic sight. But there is so much more behind this seemingly eco-nirvana.

Advocates of Climate Bill Scale Down Their Goals

WASHINGTON — As they watch President Obama's ambitious health care plan crumble, the advocates of a comprehensive bill to combat global warming are turning their sights to a more modest package of climate and energy measures that they believe has a better chance of clearing Congress this year.

From Inside and Out, Climate Panel Is Pushed to Change

There is growing pressure on the Intergovernmental Panel on Climate Change, from within and without, to change some practices to ensure the credibility of its future reports.

Energy Guru Brings Good News to Davos

All the world loves a bringer of good news, so energy guru Daniel Yergin should by all rights be guaranteed a warm welcome at Davos this week.

Governments may be buckling under debt loads, paper currencies hurtling toward their traditional terminal value of zero, but at least the world is not running out of energy supplies. The awful day of "peak oil," when the world will have depleted its finite hydrocarbon resources to the point where it can never again increase production, is still a long way off, he reckons. "The big determinants (to global energy supply) are the above-ground risks — politics, the quality of decision-making, and costs and so on," says the genial author of "The Prize," the hugely acclaimed history of the oil industry and founder of Cambridge Energy Research Associates.

What are your top green books?

Cambridge academics have compiled a list of their top 50 books on sustainability. Which books would make your own list?

Earth Matters: Bill McKibben shares his advice on living local

"There a set of statistics that indicates the percentage of Americans who were happy with their lives peaked in 1956, and we've gone downhill since then," he said. "Our fossil fuel lifestyle that's causing us to burn huge amounts of energy is also causing us from seeing each other. We stay in our houses and our cars. We don't eat dinners together anymore."

FACTBOX - PetroChina's global trading portfolio

(Reuters) - PetroChina's expanding international trading network will soon include the Middle East as it sets up a crude oil trading desk in Dubai and seeks to acquire or build an oil storage terminal there, industry sources told Reuters.

The firm, Asia's largest oil and gas producer, is flexing its muscle across the world, making sure it is strategically placed to exploit new commercial business that leverages on its global upstream asssets and new refining capacity.

Texas spill unlikely to cause emergency oil draw

HOUSTON (Reuters) - An oil spill that shut a key industrial waterway in Port Arthur, Texas, has not prompted refiners in the area to seek loans from the emergency U.S. oil stockpile, the U.S. Department of Energy said on Tuesday.

Conoco, Valero results top Street, refining hurts

HOUSTON (Reuters) - ConocoPhillips and Valero Energy on Wednesday reported

quarterly results that topped Wall Street expectations, but a sluggish economy continued to depress demand for fuel and hurt refiners.

Crude oil prices climbed nearly 30 percent from a year ago in the fourth quarter. While those higher prices help boost profits at companies with exploration arms like Conoco, they hurt refiners that use the crude as input to make fuel.

"While 2009 may have been the bottom for refining profitability, there's too much inventory and spare refining capacity in the industry right now for margins to rebound quickly," Bill Klesse, Valero's chief executive, said in a statement.

Haiti Earthquake May Have Exposed Gas, Aiding Economy

(Bloomberg) -- The earthquake that killed more than 150,000 people in Haiti this month may have left clues to petroleum reservoirs that could aid economic recovery in the Western Hemisphere's poorest nation, a geologist said.

The Jan. 12 earthquake was on a fault line that passes near potential gas reserves, said Stephen Pierce, a geologist who worked in the region for 30 years for companies including the former Mobil Corp. The quake may have cracked rock formations along the fault, allowing gas or oil to temporarily seep toward the surface, he said yesterday in a telephone interview.

Arab-American Group Says Pickens Uses 'Racist Tactics' in TV Ad

(Bloomberg) -- A new T. Boone Pickens television commercial promoting U.S. energy independence uses "racist tactics" offensive to people of Arab descent and should be pulled, an Arab-American civil rights group said today.

The advertisement begins with Pickens reading two sentences which flash across the screen in Arabic, then in English: "Go back to sleep America. The oil crisis is over." Men with guns stand in front of burning oil fields as "ominous" music plays, according to a statement by the American-Arab Anti- Discrimination Committee in Washington.

Asia Fuel Oil-India BPCL sells 40,000T for Feb

The East Asian fuel oil market has been strengthening since the start of the year, lifted by tighter supplies from the Middle East and the West in January and February.

Western arbitrage flows for February are at a six-month low volumes of around 2.9 million tonnes for a second consecutive month, down from the above 3.5 million tonnes for September to December.

Saudi Arabia To Use Solar Energy for Desalination Plants

Saudi Arabia's national science agency announced a new initiative to build solar-powered desalination plants to reduce water and energy costs by 40 percent, Arab News reports.

"Desalination is our strategic choice to supply an adequate amount of drinking water to people across the Kingdom," said Finance Minister Ibrahim Al-Assaf at the launch ceremony. Different sources estimate that between 50 to 70 percent of the country's drinking water is desalinated, a process that requires a lot of energy.

IEA to Meet CFTC, OPEC, Banks on Curbing Speculation

(Bloomberg) -- The International Energy Agency will meet OPEC, banks and U.S. and U.K. regulators in Tokyo next month to discuss limiting energy-price speculation.

IEA Executive Director Nobuo Tanaka said today he has asked U.S. Commodity Futures Trading Commission Chairman Gary Gensler, officials of the U.K. Financial Services Authority, and bank executives including Lawrence Eagles, head of commodities research at JPMorgan Chase & Co., to take part. The two-day meeting will start Feb. 25.

The CFTC has proposed curtailing investments by large banks and swaps dealers in oil, natural gas, heating oil and gasoline amid concern speculators drove crude prices to a record \$147.27 a barrel in 2008. Speculative net-long positions in oil futures, or bets prices will rise, were the highest in at least 27 years in the week ended Jan. 12.

"OPEC and regulators must have come to the conclusion that a flow of big money from bloated global banks into the commodities market is responsible for big swings in prices for oil and metals," said Tetsu Emori, a chief fund manager at Astmax Co. Ltd. in Tokyo. "Like President Barack Obama, regulators may have to take decisive measures to limit investment by banks."

Oil Little Changed Around \$75 Before Report on U.S. Inventories

(Bloomberg) -- Crude oil was little changed around \$75 a barrel before a report forecast to show crude inventories increased in the U.S., the world's largest energy user.

Oil has dropped 11 percent from a 15-month high on Jan. 11 amid concern that the U.S. government may limit trading by banks and that China will take further steps to cool its economy. The Energy Department will likely say crude stockpiles climbed 1.5 million barrels last week as refinery throughput dropped, according to a Bloomberg survey before the report today.

(Reuters) - Valero Energy Corp, the top independent U.S. refiner, is working to sell its remaining plants on the U.S. East Coast and in the Caribbean, the Wall Street Journal said.

Exxon sees peak Cepu oil output delayed to end-2013

JAKARTA (Reuters) - The Indonesian unit of U.S. oil major Exxon Mobil (XOM.N) expects peak crude oil production of 165,000 barrels per day (bpd) from its Cepu block to be delayed until the end of 2013, a company official said on Wednesday.

An Exxon Mobil Indonesia official had previously said the company hoped for peak production at Cepu in 2012.

Chevron Halts Units at Pembroke Oil Refinery in Wales

(Bloomberg) -- Chevron Corp. halted units for scheduled maintenance at its Pembroke oil refinery in Wales, the second plant shutdown in the U.K. this month.

Work is being carried out on a crude unit, a vacuum plant and a visbreaker, two people familiar with the situation said. The work started last week and is expected to last about a month, the people said, declining to be identified because they're not authorized to speak publicly.

Reconfiguring Nabucco

MONTREAL - With the entry of Iraq into the mix of potential suppliers of natural gas for the Nabucco pipeline to Europe and the proliferation of alternative supply lines beyond the Russian-sponsored rival South Stream pipeline, the "classical" variant of the Nabucco pipeline is undergoing significant modification, just as it moves closer to final realization.

China eyes gas deal with Israel consortium-report

JERUSALEM (Reuters) - China has shown interest in purchasing natural gas from a consortium drilling in the Tamar area off Israel's northern shore, the Maariv newspaper reported on Wednesday.

Aramco Opens India Office for Contractors, Suppliers

(Bloomberg) -- Saudi Arabian Oil Co., the world's top crude supplier that's building refineries and exploring for gas, opened an office in India to attract and screen companies to supply equipment and contract work.

Aramco Overseas Co. opened the office in the Gurgaon industrial district near the state of Delhi on Jan. 19, the producer, also known as Saudi Aramco, said in a statement today.

Saudi Arabia says clashes with Yemen rebels stopped

KHOBA, Saudi Arabia (Reuters) - Saudi Arabia is no longer exchanging fire with Yemeni Shi'ite rebels following a rebel truce offer to the world's biggest oil exporter, and no rebels remained on Saudi land, a senior military commander said.

Iranian troops withdraw from disputed oil well area

Iranian troops withdrew from the disputed oil well area on the border between Iraq and Iran, Iraqi official television reported Wednesday.

"The Iranian troops have withdrew from the al-Fakkah-4 oil well to its original positions before their first border cross," the state-run channel of Iraqia quoted the government spokesman Ali al- Dabbagh as saying.

Woodside Considers Legal Action as Gas Worker Strike Continues

(Bloomberg) -- Woodside Petroleum Ltd. and its contractors at the Pluto project in Western Australia will consider bringing lawsuits against construction workers to recover losses caused by a strike that's been declared illegal.

Most of the 3,000 workers at the A\$13 billion (\$11.7 billion) liquefied natural gas venture remain on strike, defying a Jan. 23 order to end the action from Fair Work Australia, the workplace relations tribunal, Woodside said. The dispute may jeopardize investment in the oil and gas industry and hurt ties with overseas customers, the Perthbased company said in e- mailed comments today.

ND research money to explore waste gas for power

(AP:BISMARCK, N.D.) Money from a North Dakota research fund will be used to explore whether wasted natural gas may be used to provide electricity for oil producers and rural electric cooperatives.

Rapid expansion of North Dakota's oil production has also boosted the state's output of

natural gas, which is a byproduct of oil production.

Ecuador: Petroecuador, Ancap To Exchange Crude For Oil Products

QUITO -(Dow Jones)- State-run company Petroleos del Ecuador on Tuesday signed a two-year contract with Uruguay's state-owned oil company Ancap to exchange crude oil for oil products, Petroecuador said.

The Arab Time Capsule: Once You Were the Leaders of Islamic Civilization

The Western strategists created an innovative time capsule to entrap the oil producing Arab leaders into the fantasy of a honeymoon bubble manufacturing an illusion of oil-linked economic prosperity. Its cultural impacts both short and long terms are shockingly unknown to the Arab captives replacing Islamic thinking, education, Arabic language and molding the Arab body and soul into a show piece of modern Arabs devoid of Islamic character and wisdom. But essentially imposing the non-Islamic thinking and values on the Arabian culture. The fantasy bubble is coming to an end with the peak oil forecasts as a visual reality. Power, prosperity and poverty are all trials in human affairs and transitory phenomenon. Was the discovery of oil a conspiracy ("fitna") for the Arabs to change the originality of thinking, beliefs, values and passion for Islam as successful system of human life?

US Must Transition to Clean Power by 2012 or Miss the Chance

Even before the Supreme Court ruling this week, we already allowed fossil interests to dictate our energy policy by allowing the purchase of both policy makers and the formerly public airwaves to impede smart energy policy. In no other democracy is such corruption allowed.

The result is that we will be out of the ability to protect ourselves from peak oil from 2012 to at least 2020 (the earliest that new rare earth mines outside China might begin to come online). If we don't pass effective climate legislation this year, we will miss that crucial transition window.

Jeff Rubin - The electric car: Turn out the lights

Sure, the cost of operating one of these cars will be cheaper than running the gaspowered one you're replacing, but will the lithium-ion battery stand up to years of driving?

The one in my laptop couldn't even handle my daily email before frying my hard drive.

Wind Power Grows 39% for the Year

Despite a crippling recession and tight credit markets, the American wind power industry grew at a blistering pace in 2009, adding 39 percent more capacity. The country is close to the point where 2 percent of its electricity will come from wind turbines.

'Thrill killing' poachers pose threat to wildlife

Poachers run down deer with cars or snowmobiles, and chase raccoons, then beat them to death with clubs. They also shoot deer, elk and antelope, sometimes removing valuable antlers but often leaving the carcass to rot on the ground, Talbott and other wildlife officials said.

"It's thrill killing — people just going out and killing stuff," Talbott said. "We have seen a significant increase of that in Wyoming. It's disturbing."

Iceland Leads Environmental Index as U.S. Falls

A new ranking of the world's nations by environmental performance puts some of the globe's largest economies far down the list, with the United States sinking to 61st and China to 121st.

In the previous version of the Environmental Performance Index, compiled every two years by Yale and Columbia University researchers, the United States ranked 39th, and China 105th.

The top performer this year is Iceland, which gets virtually all of its power from renewable sources — hydropower and geothermal energy. It was joined in the top tier by a cluster of European countries known for their green efforts, including Switzerland, Sweden, Norway and Finland.

Climate, Energy Programs Could See Boosts Despite Budget Freeze

Climate change and clean energy programs, which the Obama administration has championed, are expected to remain priorities at U.S. EPA and the Energy Department in the president's fiscal 2011 budget request despite a request to freeze non-military discretionary spending for the next three years.

Minimal climate goal set

AUSTRALIA has declared it will not go beyond a 5 per cent cut in greenhouse gas

| Drum | Drumbeat: January 27, 2010 http://www.theoildrum.com/remissions by 2020 without guaranteed action by major emitters including the US, China and India.

China's odd climate-change remark

NEW DELHI, Jan. 26 (UPI) -- China's top climate-change negotiator said he was keeping an open mind on whether global warming was man-made or the result of natural cycles.

Speaking in New Delhi following the conclusion Sunday of a two-day meeting of ministers from the BASIC group of the most powerful emerging economies -- China, India, Brazil and South Africa -- Xie Zhenhua said climate change was a "solid fact." But, he said, more and better scientific research was needed to determine the causes.

Indian glaciologist fires back at skeptics

BANGALORE - "It is a fact that global warming is happening. If the Arctic Sea ice is melting, how can the Himalayan glaciers not be melting?" glaciologist Syed Iqbal Hasnain asked indignantly.

Amid the brouhaha over last week's retraction by a United Nations body of its 2007 report that the Himalayan glaciers would disappear by 2035, global warming skeptics quickly seized on the error, noting the rash of media reports on the issue, which they believe bolstered their position.

But Hasnain, who found himself at the center of the Himalayan meltdown controversy, said it is "ridiculous" to assume that the glaciers are not melting.

Got Ideas About a Climate Bill? Kerry, Graham and Lieberman Want to Hear From You

Key Senate climate bill advocates are searching for something -- anything, really -- that can serve as a legislative compromise for capping U.S. greenhouse gas emissions.

SEC Weighs Climate-Change Disclosure Standards for Companies

(Bloomberg) -- Companies may get guidance from the U.S. Securities and Exchange Commission as soon as today on whether and how they should disclose the risks that climate change poses to their businesses.

Such guidelines may help investors make better decisions, said Abby Joseph Cohen, senior investment strategist at Goldman Sachs Group Inc. in New York. While more companies are reporting climate-change data in public filings, the information isn't in a standard form and is difficult to analyze, she said.

This work is licensed under a <u>Creative Commons Attribution-Share Alike</u>
3.0 United States License.