



Drumbeat: February 16, 2010

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Topic: [Miscellaneous](#)

[EU biofuels significantly harming food production in developing countries](#)

EU companies have taken millions of acres of land out of food production in Africa, central America and Asia to grow biofuels for transport, according to development campaigners. The consequences of European biofuel targets, said the report by ActionAid, could be up to 100 million more hungry people, increased food prices and landlessness.

ldings. The president has also called for a "cash for caulkers" rebate for Americans who weatherize their homes.

But Boulder has found that financial incentives and an intense publicity campaign aren't enough to spur most homeowners to action, even in a city so environmentally conscious that the college football stadium won't sell potato chips because the packaging isn't recyclable.

[Peak Oil: Who Wins, Who Loses?](#)

Last month, I explained in an article how and why the world is approaching a worldwide peak in oil production sometime in the next decade. Although there are large implications throughout the economy, I want to say upfront that I do not think this will bring on Armageddon. Oil prices that are significantly higher than earlier in our lifetimes will bring about great change, yet I firmly believe that our economy has the ability to successfully adapt. Despite the strong headwind oil scarcity will create, I am still an optimist.

[Iran increases drive to enrich uranium](#)

TEHRAN, Iran - Iran's president says his country is installing more advanced centrifuges at its main uranium enrichment facility, a step certain to add to international concern over Tehran's accelerating nuclear program.

Iran announced a week ago that it was enriching uranium to a higher level for use in fueling a reactor that produces medical isotopes.

[Road to Recovery: Local foods spice up economic picture](#)

Leaders talk about food security in the event of a prolonged energy emergency. They aim to build stronger rural economies to help contain suburban sprawl. There's also the idea of just plain making more money for all.

"If we better connect local food consumption with local food production, there's more value to squeeze out of this economy," says Mike McKeever, executive director of the Sacramento Area Council of Governments, the regional planning agency. McKeever, hailing the capital's enviable blend of fertile farmland and Mediterranean climate, says, "We're one of the few places in the world to have this unique resource. It's our oil."

[EU biofuels significantly harming food production in developing countries](#)

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[America's Food-To-Fuel Problem](#)

Government enthusiasm for "green" initiatives has given us a series of allegedly well-intentioned programs that have been both environmental and economic disasters. Consider American ethanol. The two-headed beast that is good intentions and unintended consequences rears its ugly head in the form of environmental degradation and higher food prices--a source of inconvenience in rich countries but a matter of life and death in very poor ones.

[GM frustrated by lack of E85 pumps, dealers find poor financial model](#)

Tom Stephens, General Motors's Vice Chairman for global development, will issue a call for a five-fold increase in the number of E85 pumps when he speaks to the Renewable Fuels Association's National Ethanol Conference in Orlando today. The frustration felt by GM is due largely to fuel dealers finding the financial model for adding pumps unattractive.

[China's lead on alternatives is not as significant as it looks](#)

Daniel Yergin, chairman of IHS CERA, the consultancy, is bringing some perspective to the outcry over China's rapid move to capitalize on the clean-energy economy. The argument is that China, as the world's biggest solar panel and wind turbine manufacturer, is moving to capitalize on the rush into alternative energy, while the US is

falling behind. Certainly, the US is behind.

[Wind-solar generators fuel life of herdsman](#)

HOHHOT: On the steppes of north China's Inner Mongolia Autonomous Region, herdsman Cao Zhenglong sits and enjoys the Spring Festival TV gala on a LCD screen. He doesn't worry about the electricity he is using, assured in the knowledge his electricity generator can turn both wind and solar energy into electricity.

"With the new wind-solar generator installed last year, we expect to buy more home appliances and live a more modern life," Cao's wife Yue Cuiyun said.

[Chilean Mining Firms in North Fund Renewable Energy Study](#)

Some of Chile's biggest mining firms are combining to fund renewable energy research projects in the hope of establishing eco-friendly energy resources for the future, local press reported this week.

In 2008, mining giants including Codelco and BHP Billiton commissioned the Chilean government's development agency, Corfo, and Santiago's Universidad de Chile to study the feasibility of various renewable energy projects. The study will recommend sources that will best supply energy to mining operations in Chile's north.

[Chile: Public Not Yet Won Over By High Nuclear Energy Potential](#)

An analysis made by IAEA confirms that Chile is a good candidate for nuclear energy. Especially for a country facing a possible energy shortage crisis, Chile has a well developed energy grid. This is ideal for implementing nuclear energy stations, said Sokolov.

However, to adopt nuclear energy, as a cleaner alternative to fossil fuels, Chile has a long way to go, Sokolov said. "A lot of work remains," he said, to win the popular support of Chileans. And Chile's government must pass laws to allow for nuclear energy growth as an industry and to regulate it.

[ExxonMobil's Reserves Additions 'Highest in Decade'](#)

Additions to ExxonMobil's proved reserves in 2009 totaled 2 billion oil-equivalent barrels, replacing 133 percent of production. Excluding the impact of asset sales, reserves additions replaced 134 percent of production. These additions are based on the corporation's definition of proved reserves, which utilizes the long-term pricing basis that the corporation uses to make its investment decisions. This is a different price basis

than the SEC basis, which uses 12-month average prices for the 2009 year-end reserves calculation.

"ExxonMobil is an industry leader in reserves replacement," said Rex W. Tillerson, chairman and chief executive officer. "We have replaced more than 100 percent of production for 16 consecutive years, reflecting our strategic focus on resource capture, a disciplined approach to investment and excellence in project execution. Adding new reserves ensures that ExxonMobil will continue to develop new supplies of energy to meet future demand and support economic growth and improved standards of living."

[Bulgaria ups Russian transit fee](#)

Bulgaria today asked Russia's Gazprom to pay it higher fees for transferring natural gas to neighbouring Turkey, Greece and Macedonia, Bulgarian Economy & Energy Minister Traicho Traikov said.

[Oil groups mount legal challenge to Schwarzenegger's tar sands ban](#)

A lobby group that includes BP and Shell in its membership has launched a legal challenge against low-carbon legislation in California that in effect rules out the use of oil from Canadian tar sands. The action by the National Petrochemical & Refiners Association (NPRA) comes amid growing political, investor and consumer pressure on US oil companies not to participate in the carbon-intensive tar sands of Alberta.

A NPRA statement said the legislation was unlawful for a number of reasons, including the imposition of "undue and unconstitutional burdens on interstate commerce".

[Exploiting the natural resources, solution to current energy crisis](#)

LAHORE: Tauqeer Sadiq Chairman Oil and Gas Regulatory Authority (OGRA) during the meeting with industrialists at Regional Office of FPCCI stated "Untapping the country's natural resources, reservoirs can overcome the existing energy crisis and it would be helpful to fulfill the present requirement of consumption countrywide. OGRA establishment always take decisions in the vested interest of Pakistan so the misconceptions relating OGRA operations must be removed from the minds"

He said in winters the demand of gas is increased and this compels the authorities to do load shedding. Now the present period of load shedding will be ended up in next ten days completely. And the issues of Iranian pipelines and new exploration can bring the gas in abundance in the system. About the petroleum levies he said, the price of crude oil was at its peak, which caused the hike in the prices of petroleum products. Now the rates of crude oil at international has been decreased and stabled which brings the prices of petroleum products from 4 to 6 percent below predictably.

[Venezuela says no to energy offer](#)

CARACAS - President Hugo Chavez's Government said yesterday it isn't interested in buying electricity from neighbouring Colombia despite Venezuela's struggles with severe energy shortages.

Colombian Energy Minister Hernan Martinez said his country was producing more electricity than it used and could supply Venezuela with power.

But Venezuelan Vice-President Elias Jaua spurned the offer, saying his country "is going to power up its own electricity system".

[Bangladesh: Farmers in north worried as fuel supply hampered](#)

Supply of fuel specially diesel is being hampered, as fuel carrying barges cannot reach Baghabari depots in time due to drastic fall in water level of Jamuna River.

With serious diesel crisis looming large, the farmers of northern region are now worried about irrigating their fields with diesel-run pumps in the peak boro season.

[After doomsday, what? - Forecasters of woe never mention what comes next](#)

Even in the worst of times, however, economic calamity doesn't mark the end of economic life. Austria, Germany and the U.S. South did not disappear as a result of their currencies' ruin. Although many people suffered, most people found a way to survive, life went on, and economic activity eventually resumed after the adoption of a "reformed" or foreign medium of exchange. Most people survived even the recent hyperinflation in Zimbabwe, notwithstanding the Mugabe government's best efforts to starve them.

One aspect that virtually all tales of impending mega-woe have in common is that they end with the catastrophe itself: The day of reckoning finally arrives, the dreaded event occurs, and the story ends.

[Not expanding drilling may cost U.S. \\$2.4 trillion](#)

WASHINGTON (Reuters) - The U.S. economy will lose \$2.4 trillion over the next two decades if the federal government does not allow oil and natural gas drilling in restricted onshore lands and in offshore areas previously closed to energy companies, according to a new study released on Monday.

The report, prepared for the National Association of Regulatory Utility Commissioners, also said U.S. imports of crude oil, petroleum products and natural gas would increase by

\$1.6 trillion over the period without access to the energy resources.

In particular, the United States is expected to pay the Organization of the Petroleum Exporting Countries (OPEC) \$607 billion for an extra 4.1 billion barrels of crude, the report said.

[U.K. Should Expand Tax Incentives in North Sea, Shell Says](#)

(Bloomberg) -- The U.K. should expand tax incentives to producing oil and natural-gas fields in the North Sea to increase output, said James Smith, chairman of Royal Dutch Shell Plc's U.K. office.

The U.K. plans to make more deposits eligible for tax incentives, Chancellor of the Exchequer Alistair Darling said Dec. 9. The changes could support an additional 300 million barrels oil equivalent of crude and gas production.

"It's a good start, but I don't think it will be enough," Smith said yesterday in an interview. "Using the same tool more extensively is going to be very important for getting an extra amount from the North Sea, particularly from brownfield areas."

[Greece to raise Russian pipeline supply issue](#)

MOSCOW (Reuters) - Greece will ask Russia if it still has enough oil to fill a long-delayed pipeline to the port of Alexandroupolis, a senior Greek energy official told Reuters before talks in Moscow.

"The key question is whether there is oil," Greek Deputy Energy Minister Yannis Maniatis told Reuters in an interview late on Monday.

[Showa Shell to Scrap Japan Plant, Shut 23% Refining Capacity](#)

(Bloomberg) -- Showa Shell Sekiyu K.K., a Japanese refiner, will cut capacity by 23 percent on weak demand for oil products. Domestic fuel producers rose in Tokyo trading on speculation the move would ease overcapacity and boost profits.

The refiner will mothball the 120,000 barrel-a-day Ogimachi plant at the Keihin refinery complex in Kawasaki in the summer of 2011, it said in a statement to the stock exchange today.

[A foreshadowing ignored](#)

As portrayed by its most ardent promoters, the increasingly popular peak-oil

hypothesis suggests that the sky is falling and that we need to be worrying about this a great deal. The earth's crust has a fixed supply of oil, and we can estimate just how much based on our past experiences in finding and exploiting it. Indeed, since we know the amount of oil we have already extracted and the rate at which we currently exploit it, we can draw a line into the future and predict the date when our production of oil will peak. This simple calculation allows experts and non-experts alike to announce with confidence the time when we will start to run out of oil. Some pundits seem to enjoy providing the date with almost biblical precision, pinpointing that rapturous day when automobiles are abandoned by the roadside and suburbs deserted overnight. A scan of any popular bookstore confirms that there is a vibrant market for the peak-oil hypothesis and for depictions of the dramatic events that it will presumably trigger.

But is there any truth in it? Will the depletion of a nonrenewable and essential resource like oil cause a cataclysmic shock to our economic system? Will the demise of oil happen rapidly? Will its depletion render obsolete, within a very short time, much of the road infrastructure, the suburban housing, the dispersed shopping malls, the stocks of trucks and cars, as well as all the industries that are dependent upon the long-distance shipment of goods?

[Saudi Arabia preparing for oil demand to peak](#)

JEDDAH, Saudi Arabia — A top Saudi energy official expressed serious concern Monday that world oil demand could peak in the next decade and said his country was preparing for that eventuality by diversifying its economic base.

[BP economist: OPEC will to abide by quotas should weaken](#)

The Organization of Petroleum Exporting Countries' ability to maintain cuts in oil output will probably weaken further as crude prices recover, BP Plc Chief Economist Christof Ruehl said.

“When we have high prices, and when you have that price with spare capacity, it increases the incentives to sell oil through the back door,” Ruehl said in an interview in London. “Historically this is always what has happened. I expect to see that again at some point, but nobody knows when.”

[Shell freezes pay of top executives after shareholder revolt](#)

Royal Dutch Shell has today bowed to pressure from major investors by announcing a major overhaul of its executive pay that will see the salaries of top directors frozen and new limits set on bonuses.

The oil giant has been holding talks with major shareholders since an embarrassing revolt at its annual general meeting last year that saw 60% vote against approving a remuneration report that sanctioned bonuses for top directors despite their missing

targets.

[Falkland Battle Lines Form Over Jurassic Oil Search](#)

(Bloomberg) -- Argentina is driving up exploration costs for U.K. oil companies seeking to drill near the disputed Falkland Islands, escalating tensions over the remote South Atlantic archipelago that led the two countries to war in 1982.

Argentina is forbidding vessels that stop at the Falklands to load cargoes at its ports for the 8,000-mile return journey to Europe. That's likely to increase costs, Mark Jenkins, a director at shipbroker Simpson Spence & Young Ltd. said in an interview. Voyages "will be more expensive," he said.

[Saudi FM al-Faisal doubts Iran sanctions plans](#)

Imposing more sanctions on Iran over its nuclear programme would not be a quick enough solution, Saudi Arabia's foreign minister has said.

Prince Saud al-Faisal said the threat posed by Iran demanded a "more immediate solution" than sanctions.

He spoke in Riyadh alongside US Secretary of State Hillary Clinton, who earlier said Iran was "becoming a military dictatorship".

[Canada looks to China to exploit oil sands rejected by US](#)

Canada, faced with growing political pressure over the extraction of oil from its highly polluting tar sands, has begun courting China and other Asian countries to exploit the resource.

The move comes as American firms are turning away from tar sands because of its heavy carbon footprint and damage to the landscape.

[Total Dunkirk Refinery Offices Occupied by Workers](#)

(Bloomberg) -- Workers at Total SA occupied the administrative offices of an idled refinery near Dunkirk, France, in a strike that may spread to all the company's plants tomorrow to protest potential job cuts.

The employees "took possession of the refinery," Philippe Saunier, a CGT labor union representative, said by telephone today, describing it as a "symbolic move." Unions are calling for a two-day strike at all six of Total's refineries starting tomorrow, he said.

[Tehran tots up Pars flows](#)

Gas output at the first 10 phases of Iran's South Pars development hit 52.8 billion cubic metres in the Iranian year to March 2009, the country's Oil Ministry said.

[Mongolian Harvard Elites Aim for Wealth Without 'Dutch Disease'](#)

(Bloomberg) -- Mongolia's billions of dollars worth of copper, gold, uranium and coal reserves promise the greatest influx of wealth for the country since Genghis Khan conquered much of the known world in the 13th century.

They also may spawn a crisis. Sudden prosperity can overwhelm an economy, exposing it to commodity-price swings. Mongolia's leaders, some educated at Harvard and Cambridge, say they are determined to avoid this syndrome, known as "Dutch Disease" -- a sudden surge in wealth that ultimately hampers expansion.

[Beyond "Green Capitalism"](#)

A disdain for the natural environment has characterized capitalism from the beginning. As Marx noted, capital abuses the soil as much as it exploits the worker. The makings of ecological breakdown are thus inherent in capitalism. No serious observer now denies the severity of the environmental crisis, but it is still not widely recognized as a *capitalist* crisis, that is, as a crisis arising from and perpetuated by the rule of capital, and hence incapable of resolution within the capitalist framework.

[Free trade, loss of support systems crippling food production in Africa](#)

Despite good intentions, the push to privatize government functions and insistence upon "free trade" that is too often unfair has caused declining food production, increased poverty and a hunger crisis for millions of people in many African nations, researchers conclude in a new study.

Market reforms that began in the mid-1980s and were supposed to aid economic growth have actually backfired in some of the poorest nations in the world, and just in recent years led to multiple food riots, scientists report today in *Proceedings of the National Academy of Sciences*, a professional journal.

[Western cities fare best in well-being index](#)

"Most of our highest-scoring cities are found out West and most of our lowest-scoring cities are in the South," says research director Dan Witters. Wealthier communities typically score higher.

Residents of large cities — those with a population of 1 million or more — generally report higher levels of well-being and more optimism about the future than those in small or medium-sized cities. In small cities, at 250,000 or less, people are more likely to feel safe walking alone at night and have enough money for housing.

[Obama to announce financing for two nuclear reactor](#)

WASHINGTON — President Barack Obama will announce on Tuesday plans for the government to help finance the construction of two nuclear reactors -- the first in nearly 30 years, a top US official said.

[TerraPower: How The Traveling Wave Nuclear Reactor Works](#)

When Microsoft Chairman and billionaire philanthropist Bill Gates mentioned TerraPower in his speech at the exclusive tech conference TED last week, it was the first time that many had heard of the nuclear project. I was monitoring Twitter during Gates' talk and many audience members at TED tweeted wondering why "TerraPower" was getting special attention in a speech from one of the most famous computer technologists of all time.

Well, first off TerraPower is a nuclear spinoff project from incubator Intellectual Ventures. Former Microsoft chief technology officer Nathan Myhrvold founded Intellectual Ventures, and Bill Gates is a principal owner of TerraPower. TerraPower uses a "traveling wave reactor design," which is technology that has been researched since the 1990's, but according to MIT Tech Review TerraPower is the first company to "develop a practical design," for travelling wave nuclear reactors.

[Energy-Efficient Lighting Made Without Mercury](#)

ScienceDaily — RTI International has developed a revolutionary lighting technology that is more energy efficient than the common incandescent light bulb and does not contain mercury, making it environmentally safer than the compact fluorescent light (CFL) bulb.

[IEA Says Emissions Plans Fall Short](#)

The pledges that countries have made to reduce their CO2 emissions "fall short" of what is needed to reach a key target set at the Copenhagen climate summit last year, according to a study by the International Energy Agency.

The so-called Copenhagen Accord hashed out at last December's United Nations summit said the increase in global temperature "should be below two degrees Celsius," and many climate scientists say that failing to meet that target would have dire consequences for the environment. But the IEA says in the study that the commitments made so far won't be enough to keep the temperature rise to two degrees.

[Poland May Seek 5.5% Increase in Its EU Carbon Quota](#)

(Bloomberg) -- Poland may seek a 5.5 percent increase its carbon-dioxide emission quota under the European Union's cap-and-trade system after an EU court overturned limits imposed by the bloc's regulator.

[Hampton Roads in 'dire straits' because of global warming predictions, says expert](#)

HAMPTON — Sobering evidence of how storms will have an increasingly devastating effect on the Peninsula as the century progresses is outlined in a new model by the Virginia Institute of Marine Science.

"This is an important issue for us to get moving on," Eric Walberg, physical and environmental planning administrator with the Hampton Roads Planning District Commission, told the Hampton City Council last week.

[Series of missteps by climate scientists threatens climate-change agenda](#)

With its 2007 report declaring that the "warming of the climate system is unequivocal," the U.N. Intergovernmental Panel on Climate Change won a Nobel Prize -- and a new degree of public trust in the controversial science of global warming.

But recent revelations about flaws in that seminal report, ranging from typos in key dates to sloppy sourcing, are undermining confidence not only in the panel's work but also in projections about climate change. Scientists who have pointed out problems in the report say the panel's methods and mistakes -- including admitting Saturday that it had overstated how much of the Netherlands was below sea level -- give doubters an opening.



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