



Drumbeat: March 5, 2010

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Topic: [Miscellaneous](#)

[Embargo Our Way To Freedom?](#)

A quartet of Yale-affiliated economic types have published a modest proposal for U.S. energy policy that would eliminate the specter of oil shortages in 10 short years. Just phase in an embargo of foreign oil imports, a little each year, until by 2020 the dastardly crude peddlers in Venezuela, Saudi Arabia and Angola are on their own. The cost of doing nothing, they say, is the strong possibility of a disruption in supply that drives world oil prices to \$400 a barrel and bleeds \$100 billion or more from the U.S. economy.

rs. He found that what the healthiest societies have in common is not that they have more—more income, more education, or more wealth—but that what they have is more equitably shared.

[What Every Environmentalist Needs to Know About Capitalism](#)

For those concerned with the fate of the earth, the time has come to face facts: not simply the dire reality of climate change but also the pressing need for social-system change. The failure to arrive at a world climate agreement in Copenhagen in December 2009 was not simply an abdication of world leadership, as is often suggested, but had deeper roots in the inability of the capitalist system to address the accelerating threat to life on the planet. Knowledge of the nature and limits of capitalism, and the means of transcending it, has therefore become a matter of survival. In the words of Fidel Castro in December 2009: “Until very recently, the discussion [on the future of world society] revolved around the kind of society we would have. Today, the discussion centers on whether human society will survive.”

[Author to address ‘hidden scandal’ of U.S. hunger](#)

Shopping on a severely reduced budget, he found he could afford mainly processed and salty foods — items such as generic cereal, frozen pizza and “the nastiest, cheapest chicken noodle soup in the store.”

The results of his experiment are one part of “Breadline USA: The Hidden Scandal of American Hunger and How to Fix It.” Abramsky weaves his own narrative in between chapters about high gas prices, rising health care costs, urban development and low-wage employment.

[Oil Surges, Gasoline Rises to 17-Month High, on U.S. Job Report](#)

(Bloomberg) -- Crude oil surged and gasoline rose to a 17-month high after U.S. employment declined less than forecast in February, bolstering optimism that fuel demand will climb in the world's biggest energy-consuming country.

"The employment numbers were quite good relative to expectations, so I'm surprised the market isn't responding more," said Michael Fitzpatrick, vice president of energy at MF Global in New York.

[Baker Hughes: US Rig Count Up 83 to 1,350 for February](#)

Baker Hughes reported that the international rig count for February 2010 was 1,068, up 21 from the 1,047 counted in January 2010, and up 48 from the 1,020 counted in February 2009. The international offshore rig count for February 2010 was 301, up 13 from the 288 counted in January 2010 and up 15 from the 286 counted in February 2009.

[Rising oil sands costs 'a worry'](#)

As energy giants rush back into the oil sands, surging demand for labour and equipment threatens to drive construction costs skyward once again.

"It's a worry," said Steve Laut, president of Canadian Natural Resources Ltd., one of Canada's biggest energy companies. Mr. Laut in the past had called on the industry to carefully schedule its projects in a bid to avoid overlapping construction timelines, which ratchet up the demand pressure on labour and equipment.

But several major oil sands announcements this year from Husky Energy Inc., BP PLC, ConocoPhillips and Total have made it clear that the race to develop the oil sands is putting pressure on the industry's cost burden.

[PIW: Mexico puts finishing touches on new oil contract rules](#)

Mexico is about to inch back its 1938 oil industry nationalisation that started the ball of nationalisations rolling across the oil-rich world. The finishing touches are being put on new contract rules for the junior partners of Pemex, the country's national oil company, writes Petroleum Intelligence Weekly, the industry newsletter, in its current edition.

[Mexican reforms could cause crude oil price rise in 2011](#)

The Mexican government has signed an agreement with Petroleos Mexicanos to revise rules that allow the state-run firm to award cash-based incentive contracts with private oil companies. This comes as the Partido Revolucionario Institucional (PRI) threatens energy sector reforms made in 2008. These reforms gave Pemex greater financial autonomy. PRI argues that the reforms give private companies too much control allowing funds to flow directly into their hands. The move may slow oil increases.

[FACTBOX - Key political risks to watch in Mexico](#)

Mexico's oil production, a boon for the country in the 1980s and 90s, has slid drastically in the last few years, with output down nearly a quarter from 2004 peaks, due mainly to a lack of new projects to replace the flagging Cantarell field.

Last year was the fifth year in a row that output fell.

The government says it has stabilized production and will pump an average 2.5 million barrels per day in 2010, but some analysts fear another decline if output at state oil monopoly Pemex's flagship Chicantepec project remains sluggish.

[Japan Opens Wallet for Mexico Oil, Gas Project](#)

The Japan Bank for International Cooperation will lend \$600 million to help Mexico's state-owned Petroleos Mexicanos (Pemex) develop oil and gas fields in the Chicantepec Basin, northeast of Mexico City, the Nikkei reported in its Friday evening edition.

Mexico is a major producer of crude oil, but its output is expected to soon plunge if development efforts flag.

[Analysts: Power generation goal hard to achieve in 2010](#)

Energy experts are concerned about the fact that, despite the present energy crisis, the Venezuelan electric system is still "exploiting to the limit" its thermal and hydroelectric sources.

Concomitantly, the measures implemented to reduce electricity demand and increase power generation have failed to bear fruits so far.

[Balochistan govt allocates land for oil city](#)

ISLAMABAD (APP): Balochistan Chief Minister Nawab Muhammad Aslam Raisani Friday said the government had allocated hundreds of acres of land at Pasni in District Gwadar for setting up an 'Oil City' where refineries, petroleum products units and other

allied installations would be established. The Chief Minister said this while talking to Lutfur Rehman, Chairman/Chief Executive of a Canadian based Pakistani company, who called on him, said a press release issued here.

[Pakistan: Harnessing Sun, Water And Fossil Fuel](#)

Nadeem Babar is addressing Pakistan's severe power shortage right where it's needed the most: in the wheat and cotton fields and the textile factories spread across the vital Punjab province. Under Babar's tutelage the Punjab government is installing several small hydro and solar power plants. The former will generate electricity from the runoff of the 25,000 miles of irrigation canals mostly set up by the British in this agriculture belt. The latter will utilize the sun that shines here for most of the year.

[Craig Venter's Hangout](#)

J. Craig Venter, the entrepreneur whose company recently signed a \$300 million deal with Exxon Mobil to develop renewable energy sources, uses solar energy to warm the water of his new home and heat his pool. He's installed energy-efficient custom LED lights and drives a solar-powered Tesla.

He also owns a gas-guzzling Range Rover and an Aston Martin. "I try to drive the two motorcycles and the Tesla more often to balance out the others," Dr. Venter said with a twinge of guilt, surveying the cars, motorcycles, surfboards, kayaks and other items parked in what he called his "toys and joys room."

[Wind farm faces Oregon fight: Union joins the resistance to turbines](#)

Union, a town of about 1,900 at the south end of the Grande Ronde Valley, is fighting plans to install wind turbines on snow-capped Craig Mountain just outside town. The project, by developer Horizon Wind Energy of Houston, would also install turbines on Clark Mountain southeast of town. Quaint little Union, spitting distance from northeast Oregon's spectacular Eagle Cap Wilderness, hasn't changed much since horseback desperadoes tried to rob the town bank in 1900.

[Hawaiian Utility Fights Solar Industry Over Private Installations](#)

If Hawaii's largest utility gets its way, the islands' abundant sunshine may be wasted.

In February, the Hawaiian Electric Company (HECO) proposed a ban on a booming industry of rooftop solar installations, claiming that too much distributed power generation could destabilize the islands' isolated power grids. It was forced to back off by the public backlash, but environmental groups and the solar industry say the utility is trying other tactics that will stifle the growth of renewable energy in the state.

[Environmentalists see oilsands in Avatar](#)

Environmental and aboriginal groups have launched a new ad that compares their fight against Canada's oilsands to the intergalactic good-versus-evil battle portrayed in the blockbuster movie Avatar.

The special Oscar edition of the Hollywood trade publication Variety hit newsstands Thursday containing a full-page ad lobbying for Avatar to take home the best-picture award because of what environmentalists say are its links to Alberta's oilsands.

['Jordan does not owe Israel a drop of water'](#)

AMMAN - Jordan receives its allocated water shares in full under the Jordan-Israel Peace Treaty's second annex and does not owe Israel a drop of water, Minister of Water and Irrigation Mohammad Najjar said on Thursday.

The minister described as false recent reports in the local media claiming that Jordan is not receiving its fair share of water as guaranteed under the treaty or that the Kingdom has a water debt to Israel.

[Recalcitrant Carbon](#)

KMO welcomes Albert K. Bates back to the program to talk about the themes of his forthcoming book, The Biochar Solution. Could a form of homebrewed carbon sequestration provide a stopgap measure that could buy us time to implement effective atmospheric remediation?

[Embargo Our Way To Freedom?](#)

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[Hurdles for Saudi power plans](#)

Fuel shortages and other hurdles will put new electricity generation targets in Saudi Arabia out of reach, analysts say, as the kingdom prepares to use more of its valuable

crude oil to keep domestic lights on and air conditioners running.

[Saudi Arabia struggling with gas needs](#)

Although it has large natural gas reserves - the world's fourth-largest proven natural gas reserves, according to Oil & Gas Journal (cited by the EIA) but much of this is alongside oil reserves. But low prices for natural gas until recent years, and deliberately low production of oil to meet Opec quotas have both contributed to the relatively low natural gas production levels.

[11-year-old spends \\$44 million on Dubai homes](#)

Officials in Baku, the capital of Azerbaijan, declined to comment on how the president's son -- or at least an Azerbaijani schoolboy with the same birth date and the same name as the son's -- came to own mansions on Palm Jumeirah, a luxury real estate development popular with multimillionaire British soccer stars and others with cash to burn. Ilham Aliyev's annual salary as president is the equivalent of \$228,000, far short of what is needed to buy even the smallest Palm property.

Azer Gasimov, the president's spokesman, declined to discuss the Dubai real estate purchases. "I have no comment on anything. I am stopping this talk. Goodbye," he said when contacted by telephone and told about the names on the property records. Gasimov did not respond to requests for further comment sent by fax, e-mail and cellphone text message.

Azerbaijan, a former Soviet republic blessed with plentiful oil and gas reserves yet blighted by widespread poverty outside its glitzy capital, has long had a reputation for corruption. But the Dubai purchases, which have not been reported before, could provide a rare concrete example of just how much money the country's governing elite has amassed and of the ways in which at least part of this wealth has been stashed overseas.

[Galileo's Legacy Conference: Students Learn How to Go Green and Sustain Energy](#)

The second conference focused on the diminishing amount of oil on the planet, and how our reliance on gasoline will play a huge part in our downfall. Presented by Kenneth Deffeyes, Professor Emeritus of Geology at Princeton University, the conference was titled "Beyond Oil: Sustainable Energy". He spoke of how rising gas prices, the lowering amounts of oil and rampant oil drilling are negatively affecting the planet, leading to a dark outlook of the future.

"Someday, Kansas will look like Iran, with dry holes," Deffeyes said. "Someday the whole world will look like that. This is how you get there."

[Online gathering spreads worthy ideas and ideals](#)

"You listen to TEDTalks?" asked a handyman who glanced over at my computer screensaver on his way through the house with his toolbox. "I love those talks--they're better than TV!"

TEDTalks? Although it might sound like a cable show hosted by a guy in camouflage pants, it actually stands for Technology, Entertainment and Design. The online series is the spawn of an annual, multidisciplinary gathering of the world's greatest creative thinkers, who pitch their insights before an invite-only crowd. But it's hardly a Davos-style congress of privacy-mad movers and shakers. TED was launched in the mid-'80s in southern California, and was a low-key affair until its current "curator," new media entrepreneur Chris Anderson, put all the material online in 2005, turning the website's "riveting talks by remarkable people, free to the world" into a global phenomenon.

[Coastal Erosion Threatens Evolutionary Hotspots In Gulf Region](#)

The loss of coastal barrier lands to erosion and the dredging of deep channels far inland allows salt water to infiltrate any fresh ground water and aquifers contiguous to these. This is exacerbated by over-pumping these sources for potable water and agricultural as is happening in Israel and the Palestinian territories.

Salt water is also effecting agricultural lands in the critical Nile River delta. This is due to both the loss of fresh, unpolluted water and its rapid erosion. This erosion is due in part to the loss of sediment now trapped behind the Aswan Dam. Channel dredging and sea level rise accelerate this loss.

[We're dealing to coal addicts: Hansen](#)

A leading climate scientist has likened Australia's continued export of coal in the face of global warming to that of a "drug dealer" feeding the world's fossil fuel addiction.

James Hansen, the so-called grandfather of climate change and head of NASA's Goddard Institute of Space Studies, has become famous for his research on the Earth's climate and his dogged attempt to bring the science of global warming to the world.

His solution is clear: "We have to phase out coal."

[Oil-rich countries demand a bigger cut of profits](#)

NEW YORK (CNNMoney.com) -- Two of the world's oil-rich countries may make it harder for oil companies to do business with them.

Both Brazil and Nigeria currently offer fairly good contract terms to international oil giants like Exxon Mobil and Royal Dutch Shell that operate within their borders. But now they're hoping to collect a much bigger chunk of the profits from the oil produced in their countries.

"Host governments are trying to find ways to increase their share," said Joseph Stanislaw, an independent energy adviser at Deloitte & Touche. "The terms are going to get more difficult over time."

[Analysts Split on Direction of Crude Oil Price, Survey Shows](#)

(Bloomberg) -- Analysts surveyed by Bloomberg News were split over whether crude oil prices will rise or fall next week amid mixed economic reports and ample stockpiles, a Bloomberg News survey showed.

Fifteen of 40 analysts, or 38 percent, said oil will increase through March 12. Fifteen more respondents predicted that futures will decline. Ten said there will be little change in prices. Last week 58 percent of those surveyed forecast that the market would fall.

[How Long Until Peak Natural Gas?](#)

The natural gas paradox is this: In the past decade a technology called horizontal drilling was perfected and now shale rock, which was never before seen as a reservoir of natural gas or oil, is being exploited all across the country. This revolution is going full swing in the United States with areas like the vast Marcellus shale in the Northeast and the Haynesville shale in Louisiana, proving to hold trillions of cubic feet of natural gas. Even the die hard prophets of peak oil doom are finally waking up to the fact that we have many more years worth of this resource left.

We suddenly have over a one hundred year supply of natural gas at current consumption rates and that number has been growing by about one decade more each year since 2005. New discoveries such as the Eagle Ford shale in south Texas are adding trillions more cubic feet to the natural gas inventory. So, peak oil, yes. Peak natural gas, no way.

[Shell CEO says \(costly\) oil here to stay](#)

SANTA BARBARA (MarketWatch) -- Royal Dutch Shell's chief executive sought to manage expectations for new, alternative energy sources on Thursday, predicting that oil will remain the dominant energy source for decades -- not to mention one that will become more difficult to obtain, and hence more expensive.

[China to link natural gas price with oil](#)

Zhang Guobao, CPPCC member and head of the National Energy Administration (NEA), made it clear March 4 that China's natural gas price will be linked to the oil price. In regards to the current oil price trend, Zhang said that it is involved with too many financial factors and the price does not fully reveal the relationship between supply and demand.

[Hayward Gets 41% Pay Raise as BP Beats Exxon in Oil, Gas Output](#)

(Bloomberg) -- BP Plc's Chief Executive Officer Tony Hayward received a 41 percent pay increase last year, after the company produced more oil and gas than Exxon Mobil Corp. for the first time.

[Norway oil wealth fund has best year ever in 2009](#)

OSLO—Norway's vast fund for oil wealth posted a 25.6 percent return on investment for 2009 -- its best ever -- as international markets recovered from the global financial crunch, the central bank said Friday.

[Yukos takes Russia to court in \\$109b suit](#)

MOSCOW: The European Court of Human Rights in Strasbourg is hearing the biggest case in its history, with managers from the defunct oil company Yukos claiming \$US98 billion (\$109 billion) in compensation from the Russian government.

[Glencore to Sell \\$1 Billion of Assets to Fund Prodeco](#)

(Bloomberg) -- Glencore International AG, the world's largest commodity trader, is seeking to sell at least \$1 billion of assets in three to six months to help fund its repurchase of the Prodeco coal unit from Xstrata Plc.

[Russia's Shmatko says Ukraine gas price not discussed](#)

MOSCOW (Reuters) - Russian Energy Minister Sergei Shmatko said Russian President Dmitry Medvedev and his Ukrainian counterpart, Viktor Yanukovich, did not discuss lowering the price Ukraine pays for Russian gas when they met on Friday.

[Sinopec, Kuwait Refinery Still in Prelim Work, Official Says](#)

(Bloomberg) -- China Petroleum & Chemical Corp. and Kuwait Petroleum Corp.'s

proposed refinery in the city of Zhanjiang in southern China's Guangdong province is still undergoing preliminary work, Zhanjiang Mayor Chen Yaoguang said today after a meeting of the National People's Congress.

[Lobster prices too low for harvesters' taste](#)

"They are certainly in a financial squeeze right now," he said. "When they fish harder, they use more bait and more fuel, and those are huge costs for them."

Lapointe said fuel cost is consuming as much as 40% of a lobsterman's take, up from 10% to 15% in recent years.

[\\$100 Million in Stimulus Funds for Green Tech](#)

The Department of Energy announced this week that \$100 million in stimulus funds would be distributed to help accelerate innovation in green technology.

"The idea is to get a whole ecosystem of innovative technologies," said Arun Majumdar, director of the Advanced Research Projects Agency – Energy, which is managing the program.

[Russia Will Own Majority of Turkish Nuclear Plant, Zaman Says](#)

(Bloomberg) -- Russia is likely to own at least 51 percent of the shares in the company building Turkey's first nuclear power plant, Zaman newspaper reported, without saying how it got the information.

[Town Finds Good Neighbor in Nuclear Plant](#)

VERNON, Vt. — A storm knocked out Kathleen Halvey's power for eight hours last Wednesday, an event she found both disruptive and prescient.

"I said to my husband, 'This is what it will be like without Vermont Yankee,' " Ms. Halvey, 65, a retired nurse, recalled saying on the day the State Senate voted to close the plant here by withholding its operating certificate.

[The Newest Hybrid Model](#)

Across 500 acres north of West Palm Beach, the FPL Group utility is assembling a life-size Erector Set of 190,000 shimmering mirrors and thousands of steel pylons that

stretch as far as the eye can see. When it is completed by the end of the year, this vast project will be the world's second-largest solar plant.

But that is not its real novelty. The solar array is being grafted onto the back of the nation's largest fossil-fuel power plant, fired by natural gas. It is an experiment in whether conventional power generation can be married with renewable power in a way that lowers costs and spares the environment.

[Not "The Great Transit Oriented Development Swindle?"](#)

Under a cursory examination of the concrete realities on the ground, in San Francisco, Transit Oriented Development is a Green bait and switch designed to promote developer profits while exacerbating the very conditions which lead to increased emissions, climate change, congestion and slower, less reliable surface transit. Simply because desirable aspects of a policy appear to work on paper does not mean that they work that way in reality, or that other aspects of the policy don't actually work against preferred aspects. Compact urban development can lead to denser more walkable communities, but only with sufficient investment in regional infrastructure to discourage auto ownership by making transit more attractive. In the absence of that level of investment, the economic characteristics of this type of development in San Francisco will most likely diminish transit reliability by increasing auto trips—the precise opposite of TOD's stated goals.

[Prophet of Doom Finds Joy as Film Stirs Efforts to Survive Oil Crisis](#)

Think of humanity as a herd of caribou living on an arctic island with no predators and abundant sustenance. We reproduce wildly until inevitably the sustenance, the energy source, is overtaxed and collapses.

Then we begin to die. In the case of humanity, billions of us.

The analogy and the dark prophecy are Mike Ruppert's. And he argues it already has begun, this great dying, and there is nothing we can do to stop it.

[China May Start Its First City-Wide Carbon Market](#)

(Bloomberg) -- China may start its first city-wide carbon cap-and-trade system by June as the world's biggest polluter seeks to rein in emissions, a project adviser said.

The northeast port city of Tianjin plans to impose a mandatory limit on energy used to heat buildings in the first half of this year, John Shi, chief executive officer of the carbon credit trader Arreon Carbon U.K. Ltd., said in an interview. Property managers able to reduce energy use to below the limit will earn credits they can then sell, he said.

[Humans must be to blame for climate change, say scientists](#)

Climate scientists have delivered a powerful riposte to their sceptical critics with a study that strengthens the case for saying global warming is largely the result of man-made emissions of greenhouse gases.

The researchers found that no other possible natural phenomenon, such as volcanic eruptions or variations in the activity of the Sun, could explain the significant warming of the planet over the past half century as recorded on every continent including Antarctica.



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