



## Drumbeat: March 15, 2010

Posted by [Leanan](#) on March 15, 2010 - 9:27am

Topic: [Miscellaneous](#)

### [Oil Production Gets Tougher](#)

Abu Dhabi, the emirate that holds almost all of the United Arab Emirates' oil reserves, has ambitious plans to boost oil-production capacity to 3.5 million barrels a day by 2017 from about 2.8 million barrels now. But meeting and maintaining the output target won't be an easy task.

The crude reservoirs that are easiest to access have already dwindled. Extracting the remaining reserves is becoming more complicated and expensive.

members excluding Iraq pumped 26.8 million barrels a day last month, 1.9 million more than targeted, data compiled by Bloomberg show. Shipments will rise again this month, according to tanker-tracker Oil Movements.

While oil prices recovered from a four-year low at the end of 2008 as OPEC announced a record supply cut, excess production means the doubling in oil prices since then may have run its course, according to the Centre for Global Energy Studies and Commerzbank AG. The premium charged for crude deliveries in 2015 has plunged 43 percent in three months, indicating investors are less concerned of future shortages.

### [OPEC to urge compliance, keep output target steady](#)

VIENNA (Reuters) - OPEC ministers due to arrive here for their meeting on March 17 say there is no need to change output targets with oil prices above their preferred range, but soft demand is prompting calls to curb overproduction.

"In my opinion, I don't think we are going to see any change, even though inventories are high," Qatar's Oil Minister Abdullah al-Attiyah told Reuters by telephone on Monday.

### [Global LNG Shipments to Accelerate This Year, JPMorgan Says](#)

(Bloomberg) -- Liquefied natural gas shipments may grow at a faster pace this year because of the global economic recovery and plants increase output, JPMorgan Chase &

Co. said.

“The last two months of 2009 global LNG exports were the highest on record,” Joseph Allman and Xin Liu, analysts for the U.S. bank, said in a report to clients on March 12. “Large new LNG liquefaction plants are ramping-up and several more are scheduled to start up through 2010 and into 2011.”

### [Power lines take shape in Iraq](#)

DAMASCUS - It is now certain that the final results from Iraq's March 7 parliamentary elections will not be out before the end of March. What we do know for sure is that voter turnout was impressively high, at 62%, and that the State of Law Coalition, headed by Prime Minister Nuri al-Maliki, has the lead across southern Iraq, within the capital Baghdad and in the oil-rich province of Basra, effectively winning seven provinces out of a total of 18.

Ex-prime minister Iyad Allawi, a secular Shi'ite and former Ba'athist, is also winning the vote in the predominately Sunni al-Anbar province and the controversial city of Kirkuk, which is inhabited by Arabs and Kurds. Both leaders are bracing themselves for the premiership - Maliki for a continuation, Allawi for a thundering comeback.

### [Chile May Face More Blackouts After 80% Lose Power](#)

(Bloomberg) -- Chileans braced for more blackouts after an outage yesterday left 80 percent of the population in part of the country without electricity, the result of grid damage from last month's earthquake.

### [Explosions hit Nigeria oil amnesty talks](#)

Two suspected car bombs have been set off in the Nigerian oil city of Warri, where officials were in talks over an amnesty for militants in the area.

Witnesses said the explosions shattered windows at the state governor's office and sent officials fleeing for cover.

The militant group Movement for the Emancipation of the Niger Delta (Mend) had issued a bomb threat earlier.

### [Russia Rejects Eni Call to Merge Europe Gas Pipelines](#)

(Bloomberg) -- Russia isn't considering merging its South Stream gas pipeline to Europe with the rival European Union-backed Nabucco link, Energy Minister Sergei Shmatko

said.

South Stream is “more competitive” than Nabucco, Shmatko told reporters in Moscow today. Paolo Scaroni, chief executive officer of Italy’s Eni SpA, Gazprom’s partner in South Stream, last week said combining the two pipeline projects would save time and money.

### [Shell Said to Plan Oil Output Growth Out to 2020](#)

(Bloomberg) -- Royal Dutch Shell Plc, vying with BP Plc to be Europe’s largest oil and gas company, will outline a plan tomorrow to increase output every year until 2020, a person familiar with the company’s strategy said.

Chief Executive Officer Peter Voser, due to brief investors at an annual strategy update in London, will say Shell has a pipeline of more than 20 projects with the potential to sustain low single-digit average annual production growth in the second half of the decade, the person said, asking not to be identified because the presentation hasn’t yet been made.

### [Arrow May Reject A\\$3.3 Billion Shell Bid, Review Says](#)

(Bloomberg) -- Arrow Energy Ltd. may reject a A\$3.3 billion (\$3.03 billion) takeover offer from Royal Dutch Shell Plc and PetroChina Co., the Australian Financial Review reported, without saying where it got the information.

### [Energy Secretary: renewables key to future energy needs](#)

The U.S. Secretary of Energy wasted no time outlining his arguments for climate change legislation at a Houston energy conference, even as the governor of the state in which he was speaking is pushing back against the Environmental Protection Agency’s recent moves to regulate greenhouse gas emissions.

The Nobel Prize-winning physicist, Steven Chu, stressed that U.S. residents will live in a carbon-constrained environment in the near future, and while other countries, such as India and China, recognize this fact and are investing hundreds of millions in renewable energy resources, the U.S. has been slow to act.

### [Eugene gets EPA funds for transport program](#)

The Environmental Protection Agency last week awarded the City of Eugene \$104,126 to fund SmartTrips, a greenhouse gas reduction program. Next year, the money will help encourage walking and biking to reduce instances of individuals driving alone.

The money is a small portion of a nationwide grant worth \$7.8 million and offered by Climate Showcase Communities Grants, an EPA division, to environmentally aware communities nationwide. Eugene was one of 20 cities and counties that received a grant.

### [Nuclear Bill Stalls in India, Delaying GE-Hitachi Venture Entry](#)

(Bloomberg) -- India's government failed to introduce a bill intended to shield U.S. nuclear equipment suppliers from liability, delaying the entry of companies including General Electric Co.'s atomic venture.

### [Hall then and now: Former nuclear critic still an activist in changing times](#)

Rep. John Hall, D-Dover Plains, a pioneer of the 1970s anti-nuclear movement as a rock star, and harsh critic of the Indian Point nuclear power plant as congressman, has voted for legislation that includes \$7.5 billion for clean energy — including nuclear power.

Hall was, long before he got elected in 2006 to represent New York state's 19th Congressional District, a rock 'n' roll singer, songwriter and guitarist with the hugely successful Woodstock-based band Orleans. In 1979, Hall, along with fellow rockers Jackson Browne, Graham Nash and Bonnie Raitt, founded the organization MUSE — Musicians United for Safe Energy. The group staged the famous No Nukes concerts, five nights of music at Madison Square Garden in September 1979. The concert raised more than \$1 million.

### [Vestas Sells Bonds for First Time as Growth Slows](#)

(Bloomberg) -- Vestas Wind Systems A/S, the biggest maker of wind turbines, is selling bonds for the first time to diversify funding as growth in the market slows.

### [Kunstler: Where Have We Been; Where Are We Going?](#)

Being an actualist, I'm in favor of getting real about things, and the reality we've entered is one of comprehensive contraction, especially for our cities. One of the reasons places like Cleveland (and Detroit, and Milwaukee, and St Louis, and Kansas City....) continue to fail in their redevelopment efforts is because they are already too big. They became overgrown organisms a while ago, unsuited to the realities of the future -- especially the energy resource realities of the future -- and they have tried everything except consciously contracting into smaller, finer, denser, differently-scaled organisms. In fact, the trend up until the so-called housing bubble of recent years was to just keep on expanding ever outward beyond the suburban frontier, which left our cities in a condition like imploded death-stars -- cold and inert at the center, with debris speeding uselessly outward to an unreachable infinity.

This future we're entering, which I call the long emergency, compels us to imagine our society differently. Our cities and towns exist where they do because they occupy important sites. Cleveland is where a significant river empties into the world's greatest inland sea (which has the additional amazing benefit of being fresh water). Some human settlement will continue to be there, very probably a place of consequence, but it will not be run under the same circumstances that produced, for instance, the civic center of Daniel Burnham with its giant Beaux Arts courthouses, banks, and municipal towers.

### [EU's Arctic Policy skating on thin ice](#)

STRASBOURG – As global warming will open up new sea routes and make it possible to exploit oil and gas resources in the North Pole, MEPs discussed developing the EU's Arctic strategy at the Strasbourg's plenary session last week. EU High Representative for Foreign Affairs and Security Policy Catherine Ashton continued what was started by the Commission and followed up by the European Council last autumn, launching a debate on EU's Arctic strategy.

### [Bjorn Lomborg: 'Carbon cuts have got us nowhere in tackling global warming'](#)

Sceptic or realist? Bjorn Lomborg speaks to Tom Levitt about why his ideas on tackling climate change will actually help to solve the crisis.

### [If You Care About The Climate Do Not Read This Article](#)

Dear Pablo: What is the contribution to climate change by TreeHugger.com for each page view?

If the reverse-psychology of this article's title got you please keep reading, you will find it interesting. Past articles have explored the environmental impact of the internet and the environmental benefits of shopping online but this time I am taking our favorite sustainability media outlet under the microscope. Let's see what we can find!

### [Oil Production Gets Tougher](#)

Abu Dhabi, the emirate that holds almost all of the United Arab Emirates' oil reserves, has ambitious plans to boost oil-production capacity to 3.5 million barrels a day by 2017 from about 2.8 million barrels now. But meeting and maintaining the output target won't be an easy task.

The crude reservoirs that are easiest to access have already dwindled. Extracting the remaining reserves is becoming more complicated and expensive.

## [Joining the Nuclear Club](#)

It may seem odd for a country sitting on one of the world's largest oil and gas reserves, but the United Arab Emirates has an energy problem—one that it hopes to solve by building nuclear power plants.

Most of the power stations in the U.A.E. run on natural gas at present. But the country is running short of this commodity. Much of the gas that the country produces has already been sold through long-term export contracts or is being used to help extract oil or produce petrochemicals. The U.A.E. is already importing gas from neighboring Qatar, the only country in the region that doesn't face a gas shortage.

On top of this, every barrel of oil or cubic meter of natural gas that the country burns to meet its own energy needs is a barrel or cubic meter that it can't sell. With oil prices hovering around \$70 to \$80 a barrel, that adds up to quite an opportunity cost. Far better to export the country's hydrocarbon wealth and use some of the proceeds to invest in new energy sources to meet growing domestic demand.

## [Oil Refinery Slumps Together With Worldwide Oil Demand](#)

"Global financial and economic crisis are eroding oil and gas demand. The financial crisis in the U.S. has had a domino effect worldwide which in turn may stem the flow of capital expenditure by exploration and production (E&P) companies," adds Collier.

## [Oil trading price predictions for 2010 to 2012](#)

Oil prices are back on their way up and currently, oil trading prices on global markets have hit highs last week for 2010 for both NYMEX Light crude oil and ICE Brent crude oil futures. So, the golden question is, what's in store for the rest of the year and what's the price oil going to be in the future years, 2011 and 2012?

Of course that question is impossible to answer with any accuracy because of poor oil reserve data, the obscure intentions of oil producers and elasticity effects that lead to oil demand destruction or substitution. However, it is possible to do simple minded extrapolations of recent price behaviour to see what might happen if various trends continue.

## [OPEC has little wiggle room at upcoming meeting](#)

VIENNA — With U.S. demand for oil lackluster, even traditional OPEC price hawks like Iran and Venezuela are happy with present prices near \$80 a barrel as they head into Tuesday's meeting of the 12-nation organization.



These two countries traditionally are the greatest advocates of tight OPEC supply. But ahead of their meeting there is informal unanimity among OPEC oil ministers that - with the world's economic recovery feeble at best and crude prices at preferred levels - it's best not to rock the boat.

### [Cnooc Turns to Ventures in Global Oil Push After Unocal Defeat](#)

(Bloomberg) -- Cnooc Ltd.'s failure to buy Unocal Corp. for \$18.5 billion in 2005 taught Chairman Fu Chengyu a lesson: use overseas ventures rather than takeovers to gain the global oil resources China needs.

### [The natural gas story](#)

If there's a headline from the recent CERAWEEK conference here that deserves to be flashed in neon to President Barack Obama and the rest of the nation, it is this one: "Domestic natural gas is clean, cheap and plentiful — look here for answers, Mr. President, as you seek energy security."

Indeed. Natural gas appears to be all those things — and maybe much more. A report by IHS Cambridge Energy Research Associates, released here last week, confirms that North American gas potential has tripled in just the past three years.

### [Technology and abundant gas extending the fossil fuel era](#)

It was a star studded attraction, with the movers and shakers of the energy world almost on their annual pilgrimage - the CERAWEEK - at the Hilton Americas-Houston downtown. And with Houston the "ecosystem for the world's energy," there could be no better place for the august gathering.

With roughly 2,200 in attendance, the IHS Cambridge Energy Research Associate's annual energy forum, held under the title, "Energy: Building a New Future," reflected the renewed optimism in the global scenario. Yet it also suggested the uncertainty that exists. While the worst of the recession may be over, and this indeed is open to debate, yet one certainty exists - what's ahead for the industry is unlikely to look anything like the past.

### [Natural gas exceeds 24% of world total energy mix and going higher](#)

Big oil appears to be making natural gas the core of its business. The abundance of it combined with low extraction cost seems bound to change the energy landscape forever. ExxonMobil, Royal Dutch Shell and ConocoPhillips are making the transition from crude oil to natural gas. Currently in focus is the shale gas business which is profitable if run on

an assembly line basis. U.S independent energy companies were the first to exploit the shale gas potential. Now the majors are coming fast.

### [As Its Arms Makers Falter, Russia Buys Abroad](#)

Russian-made cars may be rickety, and its passenger airplanes such fuel-guzzlers that even the country's flag carrier, Aeroflot, has switched to a mostly Western fleet. But Russians could always point with pride to the fearsome reputation of their weapons — the Kalashnikov and the MIG and Sukhoi fighter jets.

Indeed, until recently, Russia's military exports were second in volume only to the United States.

But in today's Russia, the \$40 billion military equipment industry is withering alongside civilian manufacturing.

### [Spate of Myanmar privatisations raises questions](#)

BANGKOK — Myanmar's junta has embarked on a flurry of privatisations of state firms, raising questions about whether it is reforming the economy or trying to take profits before 2010 elections.

The military government, which faces strict Western sanctions because of its human rights record, is trying to sell off petrol stations, ports and state-owned buildings including cinemas and warehouses.

### [Saving U.S. Water and Sewer Systems Would Be Costly](#)

As city employees searched for underground valves, a growing crowd started asking angry questions. Pipes were breaking across town, and fire hydrants weren't working, they complained. Why couldn't the city deliver water, one man yelled at Mr. Hawkins.

Such questions are becoming common across the nation as water and sewer systems break down. Today, a significant water line bursts on average every two minutes somewhere in the country, according to a New York Times analysis of Environmental Protection Agency data.

### [Conn. would waive student loans in 'green' jobs](#)

HARTFORD, Conn. — Paul Goulet hopes Connecticut will help him get from under nearly \$8,000 he's borrowed for college after losing his job in a paper manufacturing plant.



Goulet, 55, is a student in environmental studies at Goodwin College in East Hartford, aiming to find work in wastewater treatment. State legislation that would waive thousands of dollars in loans would benefit him and other students who earn degrees or certificates in green technology and other jobs.

### [Bees in the City? New York May Let the Hives Come Out of Hiding](#)

New York City is among the few jurisdictions in the country that deem beekeeping illegal, lumping the honeybee together with hyenas, tarantulas, cobras, dingoes and other animals considered too dangerous or venomous for city life. But the honeybee's bad rap — and the days of urban beekeepers being outlaws — may soon be over.

On Tuesday, the Department of Health and Mental Hygiene's board will take up the issue of amending the health code to allow residents to keep hives of *Apis mellifera*, the common, nonaggressive honeybee. Health department officials said the change was being considered after research showed that the reports of bee stings in the city were minimal and that honeybees did not pose a public health threat.

The officials were also prodded by beekeepers who, in a petition and at a public hearing last month, argued that their hives promoted sustainable agriculture in the city.

### [Leaders answer our readers' questions](#)

Q: Given that the effects of peak oil are most likely to begin being felt during this term of Parliament, how will you lead the response to the challenge in Tasmania?

### [Cuba's green revolution — achieving sustainability](#)

Applying the yardsticks of conventional economics to assess Cuban society (for example focusing on disposable income, gross domestic product or levels of consumption) commentators often conclude that the revolution has failed to pull the Cuban people out of poverty.

But such criticism omits the facts that: the Cuban state guarantees every citizen a basic food supply; most incomes are not taxed; most people own their own homes or pay very little rent; utility bills, transport and medicine costs are symbolic; and the opera, cinema and ballet are cheap for all.

### [MENA Has The Potential To Become One Of The World's Largest Producers Of Renewable Energy](#)

The Middle East and North Africa (MENA) region has the potential to become one of the

world's largest producers of renewable energy. Renewable energy industry developments combined with the region's potential in wind and solar power could create significant advantage for countries that move to capitalize on them, according to a new study by Booz & Company.

### [Charging Ahead: Electric Vehicle Rollout On Track In NW](#)

The West Coast is about to take part in the biggest rollout of electric cars and charging stations in the world.

The first mass-market electric cars go on sale in greater Seattle and Oregon's Willamette Valley at the end of this year. Pollsters are finding high interest in the Northwest in electric cars.

If you're one of those curious drivers, now is your time. Tom Banse has the latest on what prospective plug in car buyers need to know.

### [Firefly Energy gives up battery business](#)

PEORIA — Firefly Energy Inc. filed for Chapter 7 bankruptcy Friday, and both the city of Peoria and Peoria County will likely pursue legal action to regain the \$6 million the governments loaned the start-up in 2007.

...The high-tech start-up company was founded in 2003 by Williams and Mil Ovan, who was senior vice president. The company developed and manufactured a lighter, powerful lead-acid battery, replacing lead plates with graphite foam.

### [Kurt Cobb: Ocean acidification: Why the climate change deniers don't want to talk about it](#)

Most people know that the release of carbon dioxide into the air from human sources has contributed to rising global temperatures and massive increases in the rate of melting of the ice at the poles and on Greenland. One of the major consequences they may not know about is the acidification of the oceans.

### [Mexico, The Caribbean, and Central America - The Impact of Climate Change to 2030: Geopolitical Implications \[PDF\]](#)

The panelists concluded that through 2030 climatic changes in the region may aggravate civil unrest and internal conflicts leading to increased migration, and that strong, centralized states, and states with robust civil societies, will likely fare better than others.

Although the region does not contribute to significant global greenhouse gases, it is

highly vulnerable to the effects generated by increasing climate variability. Rising temperatures, rising sea levels, increased rainfall in some places, drought in others, and a greater frequency of extreme weather events such as hurricanes, floods, and heat waves are expected from climate change.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/us/).