



## Drumbeat: March 29, 2010

Posted by [Leanan](#) on March 29, 2010 - 9:27am

Topic: [Miscellaneous](#)

### [Natural gas: Fuel of the future](#)

NEW YORK (CNNMoney.com) -- The world seems awash in natural gas.

...Forecasting agencies, long known to play it safe before touting new trends, are only predicting a modest increase in gas' share of the world's overall energy mix by 2030.

But some analysts are saying it could be much higher, with big implications for the electricity markets - and coal-fired power plants in particular.

ution our strategy has been the opposite. Fortunately, as economist Nicholas Georgescu-Roegen noted, we have not yet learned how to mine the sun and use up tomorrow's solar energy for today's growth. But we can mine the earth and use up tomorrow's fossil fuels, minerals, and waste absorption capacities today. We have eagerly done this to grow the economy, but have neglected the fact that the costs of doing so have surpassed the benefits – that is to say, growth has actually become uneconomic.

In spite of the fact that green plants have no brains, they have managed to avoid the error of becoming dependent on the less abundant source of available energy. A green economy must do likewise – seek to maximize use of the abundant flow of solar low entropy and economize on the scarce stock of terrestrial low entropy. Specifically, a green economy would invest scarce terrestrial minerals in things like windmills, photovoltaic cells, and plows (or seed drills) – not squander them on armaments, Cadillacs, and manned space stunts. A green economy can be sufficient, sustainable, and even wealthy, but it cannot be a growth-based economy. A green economy must seek to develop qualitatively without growing quantitatively – to get better without getting bigger.

### [Arctic States Meet to Discuss Fossil Fuel Exploration](#)

Five Arctic states meet Monday in the Canadian city of Chelsea to bolster regional cooperation amid concerns of a military build-up and opposition to the tapping of its rich resources.

Representatives from Canada, Denmark, Norway, Russia and the U.S. will participate in the Quebec talks.

## [How the majors see 'business as usual' on oil and climate](#)

The global push for action on climate change has put the long-term predictions of major energy companies in an oddly contingent light. Investors want to know about their long-term assumptions, but it is difficult for anyone to forecast how the wrangling over international climate policy will pan out; not to mention complex debates over peak oil, future price levels, and their interaction with the wider economy.

Not everyone is happy with how the oil majors are making their forecasts. FairPensions, a UK campaign currently using investors in BP and Shell to force the companies to pull out of oil sands, argues that the companies are not adequately considering the effects of environmental policies, high oil prices, and changes in demand, as their briefing for investors shows. The economic argument has focused on the assumptions that the companies use for their long-term outlook on oil prices, demand, and the likely effect of climate legislation.

A look at a few of the oil majors' recent remarks does suggest they very much favour a business-as-usual scenario in their own long-term outlooks, rather than one that foresees either a sharp change in oil pricing or strong action on climate change.

## [Oil 'will get more expensive' over the next five years](#)

Stock market trading for oil could be impacted upon by peaks and troughs of price volatility for the next five years, it has been suggested.

Oil prices will fluctuate as supplies fall short of demand for the commodity, said John Miles, group board director of Arup, part of the Task-force on Peak Oil and Energy Security, of which he is a spokesman.

He asserted there will be "a structural shift" in the pricing of oil - which could impact upon stocks and shares - and the commodity will simply get more expensive.

## [The collapse of journalism / The journalism of collapse](#)

There is considerable attention paid in the United States to the collapse of journalism -- both in terms of the demise of the business model for corporate commercial news media, and the evermore superficial, shallow, and senseless content that is inadequate for citizens concerned with self-governance. This collapse is part of larger crises in the political and economic spheres, crises rooted in the incompatibility of democracy and capitalism. New journalistic vehicles for storytelling are desperately needed.

There has been far less discussion of the need for a journalism of collapse -- the challenge to tell the story of a world facing multiple crises in the realms of social justice and sustainability. This collapse of the basic political and economic systems of the modern world, with dramatic consequences on the human and ecological fronts,

demands not only new storytelling vehicles but a new story.

### [Kunstler: Our Turn?](#)

Am I the only one who senses it might be America's turn to go nuts? I don't mean a family squabble, like the Boomer-Hippie-Vietnam uproar that was essentially an adolescent rebellion against bad parenting in the national household. I mean a genuine descent into madness, with the very high probability of persecution, violence, murder, and mayhem -- all more or less sponsored by various authorities and institutions.

...In the background, of course, is an economy just barely holding together with political baling wire and duct tape. It has very poor prospects for continuing in the way it was designed to run, on cheap oil and revolving debt. The upshot is an economy now destined for permanent contraction, and nobody has a plan for managing that contraction -- which will include awful failures in food production, in disintegrating water systems, electric grids, roadway systems, schools... really anything that requires ongoing public investment. It includes a financial system that cannot come up with capital deployable for productive purpose, or currencies that can be relied on to hold value, or markets that function without interference.

### [The Sacred Demise of Industrial Civilization](#)

As a historian, Carolyn Baker has a keen eye for current events that are indicators of the collapse we're seeing all around us. But she's also a psychologist concerned about how we personally navigate the turbulence and find meaning within it. The author of *Sacred Demise: Walking the Spiritual Path of Industrial Civilization's Collapse*, she describes the old story that isn't working anymore (humans are separate from nature), and the new story we must live by for real sustainability.

### [Stewart and Lee Udall: "A Nighttime Letter to the Grandchildren"](#)

When Stewart Lee Udall died on March 20th at age 90, we lost a giant of a gentleman and a passionate former public servant. The Arizona native was perhaps the most influential U.S. Secretary of the Interior ever. He served in the Kennedy and Johnson administrations from 1961 to 1969, and played a major role in some of the nation's landmark environmental laws, including the Clean Air Act, the Wilderness Act and the Land and Water Conservation Fund Act. Said former Montana Congressman Pat Williams, "his passion and informed leadership persuaded both Presidents and the Congress to designate four new national parks: Canyon Lands in Utah, North Cascades in Washington State, Redwoods in California, and Guadalupe in Texas. He prompted the nation's first National Seashores, eight of them. He asked for and received the designation of six National Monuments and fifty Wildlife Refuges." And Stewart knew energy. During the late 1960s and early 1970s, he lunched numerous times with geophysicist M. King Hubbert. Shortly after the turn of the century, Stewart and his

wife Lee penned this letter to their grandchildren...and yours.]

### [The Tree that Changed the World](#)

The author of *A Forest Journey: The Role of Wood in the Development of Civilization*, begins a series of articles on the world's first energy crisis: peak wood.

### [Loans develop for Jubail oil refinery](#)

AL KHOBAR, Saudi Arabia (UPI) -- State oil company Saudi Aramco was awarded a loan from the Islamic Development Bank to join Total in the construction of an oil refinery in Jubail.

The Islamic Development Bank in Saudi Arabia granted Saudi Aramco a \$120 million loan to build a refinery with French supermajor Total in Jubail on the Saudi coast of the Persian Gulf.

### [India and Saudi Arabia Deepen Ties](#)

Visits by Indian heads of government to Saudi Arabia are rare. In fact, when Prime Minister Manmohan Singh arrived in Riyadh on Feb. 27 for a three-day visit, it was the first time an Indian premier had been to the kingdom in 28 years. However, this is one bilateral relationship where substance has clearly preceded style. Not only has Saudi Arabia emerged as India's largest supplier of crude oil, the desert kingdom is also looking to increase its commercial ties with a rising India as a way to diversify its economy.

### [S.Korean firms submit keen bids for Yanbu refinery](#)

KHOBAR, Saudi Arabia (Reuters) - South Korean companies have submitted the most competitive bids for the construction of three big units for the Yanbu refinery state oil giant Saudi Aramco is building with U.S. ConocoPhillips (COP.N). industry sources said on Monday.

### [Saudi Arabia to spend \\$170bn on energy projects](#)

Saudi Arabia plans to spend \$170bn over the next five years on energy and oil refining projects, \$90bn of which is to come directly from Saudi Aramco, while current and future capital investment will add the remaining \$80bn of joint refining and marketing projects to the total. These investments are in line with the Kingdom's plans to increase production capacity as well as refining and marketing, in addition to directing an increased proportion of these investments to gas projects.

### [Pemex Performance Contracts May Fail to Attract](#)

(Bloomberg) -- Petroleos Mexicanos, Latin America's largest oil producer, may fail to attract companies to participate in new performance-based contracts that aim to stem a five-year slide in output and improve drilling results.

### [Rail woes cap Russia's northern oil product exports](#)

ST PETERSBURG, Russia (Reuters) - Refined oil product export ports in northwest Russia are unable to use a third of their capacity due to rail bottlenecks and bureaucracy, forcing shippers to channel rising output via the Baltic states.

### [It's time the UK had some atomic ambition](#)

The biggest opportunity being missed is nuclear energy. In the West, with the exception of France, the nuclear industry has been stagnating since the 1970s. In India, Russia and especially China, nuclear energy is now undergoing rapid growth. But there is more to this than simply catching up with the East. The basic design of nuclear reactors has not changed much since they were first developed during and after the Second World War. There are many new possibilities waiting to be explored. For example, the 'travelling wave reactor', backed by Bill Gates, could turn what is now nuclear waste into fuel. The 'pebble bed reactor' is a modular design making deployment flexible and easy to expand. Other new designs could produce hydrogen as feedstock for the chemical industry to produce fertilisers, plastics and transport fuels for cars and aeroplanes. Investment can and must go hand-in-hand with innovation.

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### [Halliburton Hunts New Bacteria Killer to Protect Shale-Gas Boom](#)

(Bloomberg) -- Halliburton Co. and Schlumberger Ltd., trying to forestall a regulatory crackdown that would cut natural-gas drilling, are developing ways to eliminate the need for chemicals that may taint water supplies near wells.

At risk is hydraulic fracturing, or fracking, a process that unlocked gas deposits in shale formations and drove gains in U.S. production of the fuel. Proposed regulations might slow drilling and add \$3 billion a year in costs, a government study found. As one solution, energy companies are researching ways to kill bacteria in fracturing fluids without using harmful chemicals called biocides.

### [Natural Gas Gaining 50% for Goldman as Exxon Bets \\$28.5 Billion](#)

(Bloomberg) -- Exxon Mobil Corp. is making a \$28.5 billion bet on natural gas, this year's worst-performing energy commodity, just as hedge funds amass their biggest wager on prices falling.

### [Seismic shock as demand shifts east](#)

As the decision-makers in the world's energy sector meet at the International Energy Forum in Cancún, Mexico, this week, they represent an industry facing great change.

How it reacts to this change is likely to define the landscape of the world's energy demand and supply for many years to come. With that change may come geopolitical shifts.

First, some consumers in the west – and the politicians that represent them – are starting to view “green” sources of energy in a more favourable light than the fossil fuels that have hitherto largely powered the industrialised world.

Second, and perhaps more importantly, the oil industry – and specifically Opec, the producers' cartel, is facing a significant shift in demand from west to east.

### [Oil wealth strains Brazil politics in poll year](#)

A volatile mix of vast new oil wealth and election-year politics is straining relations between Brazil's states and complicating President Luiz Inacio Lula da Silva's efforts to pass a landmark oil reform before the October polls. An amendment passed by Congress' lower house this month that would take special income from Brazil's handful of oil-producing states and distribute it among all 26 states has sparked protests and outrage in the losing regions.

### [Oil's 'Dual Personality' Prompts OPEC, IEF to Target Volatility](#)

(Bloomberg) -- Oil producers and consumers, trying to avoid a repeat of the \$115-a-barrel price swing in 2008, will seek a “broad agreement” on improving market transparency and curbing volatility, according to the International Energy Forum.

Excessive volatility “is not good for producers, it is not good for consumers, and it’s killing for investments,” Noe van Hulst, secretary general of the Riyadh-based IEF, said yesterday in an interview in Cancun, Mexico. Producers, consumers and regulators must consider oil’s “dual personality” as both a physical commodity and a financial asset in weighing strategies to help prevent extreme fluctuations in prices, he said.

### [Oil above \\$80 as traders look to US jobs data](#)

Oil prices rose above \$80 a barrel Monday as the dollar weakened and investors waited for a key U.S. jobs report later this week for clues about the outlook for consumer spending.

### [Desire Slumps After Falklands Oil Well Finds ‘Poor’ Reservoir](#)

(Bloomberg) -- Desire Petroleum Plc slumped in London after reporting disappointing drilling results from a well near the Falkland Islands, where exploration has provoked a diplomatic row between the U.K. and Argentina.

### [Company seeks first U.S. oil sands project, in Utah](#)

Salt Lake City - An energy company with government approvals to launch the first significant U.S. oil sands project is trying to raise money to build a plant in eastern Utah that would turn out 2,000 barrels of oil a day.

Earth Energy Resources Inc. has a state lease to work a 62-acre pit in Uintah County, where it has demonstrated technology that can extract oil out of sands using a proprietary solvent it calls environmentally friendly.

But first, the Calgary, Alberta-based company says it needs to raise \$35 million, and it acknowledged that could be tough because private equity groups turned skittish after the 2008 economic meltdown.

### [Shell to boost Iraq Majnoon oil output](#)

YAS ISLAND, Abu Dhabi (Reuters) - Iraq's Majnoon oilfield is targeting production of 175,000 barrels of oil equivalent per day in 2012, a senior Royal Dutch Shell (RDSa.L) executive said on Monday.

Iraq's largest field is currently pumping at 45,000 boe/d, Shell's Mounir Bouaziz, Vice-President New Business LNG for the Middle East and North Africa, told an industry event.

### [Sinopec Buys Angola Stake; Expects Oil Refining 'Challenges'](#)

(Bloomberg) -- China Petroleum & Chemical Corp., Asia's biggest refiner, announced its first acquisition of a foreign oil field stake and said it faced "challenges" in the oil-processing business as competitors expand capacity.

Sinopec, as the Beijing-based company is known, said yesterday it will pay \$2.5 billion to buy a stake in an Angolan field from its parent to boost crude oil production. "Refining capacity is being added both inside and outside China," Sinopec said in a statement as it reported profit more than doubled to 61.8 billion yuan (\$9.1 billion) last year.

### [PetroChina Plans \\$60 Billion of Overseas Expansion](#)

(Bloomberg) -- PetroChina Co. plans to spend at least \$60 billion in the next decade on overseas acquisitions, challenging Exxon Mobil Corp. and BP Plc in the race to control oil and gas fields.

"Ten years ago, PetroChina was a state-owned oil company, but now we have a goal of becoming an international, integrated energy company," Jiang Jiemin, chairman of the world's largest company by market value, said in a March 25 interview, where he announced the investment plan.

### [Gazprom ramps up Asia energy trade presence](#)

SINGAPORE (Reuters) - Russia's Gazprom is ramping up its presence in Asia to trade liquefied natural gas, oil and source carbon offsets, as one of the world's biggest energy players seeks to tap the fastest-growing region.

### [Shell Holds Talks on Iraq Plan to Capture, Sell Gas](#)

(Bloomberg) -- Royal Dutch Shell Plc, which won contracts last year to develop two Iraqi oilfields, is still in talks on a plan to capture and sell natural gas there, the company's Middle East vice president for new business said.

"We are still in discussions and waiting for a new government to be in place," Mounir Bouaziz said in an interview in Abu Dhabi. Shell could start exporting liquid petroleum gas two years after signing a final agreement, he said today.

### [Books about oil: Black gold is a rare inspiration](#)

The oil business is full of great stories. From Upton Sinclair's novel *Oil!*, which inspired



the film *There Will be Blood*, to Daniel Yergin's magisterial, sweeping history *The Prize*, the colour and drama of the search for oil have inspired some outstanding writing.

As proof that "black gold" is just as potent an inspiration as it has always been, a crop of books in the past few months has given an equally vivid picture of today's industry, and a sense of how it might finally come to an end.

The most powerful is Peter Maass' *Crude World: The Violent Twilight of Oil* (Allen Lane 2009), a scorching vision of the damage done by oil production. Mr Maass, a writer for the New York Times Magazine, visits the majority of the countries most affected by oil – including Iraq, Saudi Arabia, Nigeria, Russia and Venezuela – and exposes the way it has polluted and corrupted their landscapes, economies and politics.

### [China's Drought Raises Coal Prices, Lowers Hydropower](#)

(Bloomberg) -- Benchmark coal prices at Qinhuangdao, China's largest port handling the fuel, rose for the first time in 10 weeks after a drought in the south cut hydropower generation and raised demand from coal-fired plants.

### [Colo. gas-coal fight could preview national battle](#)

DENVER - A plan to clean up Colorado's air is pitting two powerful industries — natural gas and coal — against each other in what could be a warm-up for a national fight over how to confront climate change.

### [Peak Oil and a 'Peaked' City](#)

For years now, Tom Whipple, husband of our State Senator Mary Margaret Whipple, has written a weekly column in the *News-Press* on "Peak Oil," the thesis being: "Wake up — the world's running out of oil!"

Week after week, year after year, Mr. Whipple reminds us of this inconvenient fact, apparently oblivious that we would prefer not to hear it anymore. We would prefer not to believe it.

### [We can't afford to fail Bristol as the oil runs out](#)

A week ago at the Oil, Carbon and Opportunity event held in Bristol, a presentation was given which underlined the challenges that a low-carbon, post-Peak Oil Bristol must face. Challenges that have to be tackled now in order that the city will prove itself resilient in a new era without cheap energy.

What was surprising was that despite there being many people at the conference of

considerable prestige and experience within the sustainability arena, including Ian Hutchcroft of the Energy Saving Trust, Tony Norton from Regen South West, Joshua Thumim from the Centre for Sustainable Energy and Alastair Sawday from the Bristol Green Capital Momentum Group, it was none of the above that gave the presentation referred to.

Instead it was David Bishop, Director of City Development at Bristol City Council.

### [Robots, space technology run Australia's mining miracle](#)

Automation has long been a part of the mining industry, but advances in satellite, motion-sensor technology and robotics have made the stuff of science fiction a fact of everyday life.

Machines which scoop the ore, dump it on a conveyor belt and hose it down are now controlled from the air-conditioned comfort of Rio Tinto's Perth operations centre, 1,500 kilometres (930 miles) away from the arid mine pit.

### [Russia, UN nuclear agency sign fuel bank deal](#)

VIENNA (AP) -- Russia and the International Atomic Energy Agency have set up the world's first nuclear fuel bank.

It will help countries bridge shortages caused by snags in deliveries of low enriched uranium for reactors.

It is meant to encourage countries looking to develop peaceful nuclear programs to depend on outside sources instead of developing uranium enrichment programs.

### [Siemens Plans U.K. Wind Turbine Factory After Brown Port Pledge](#)

(Bloomberg) -- Siemens AG will spend 80 million pounds (\$120 million) to build an offshore wind-turbine factory in the U.K. after Prime Minister Gordon Brown pledged to upgrade the country's ports.

The company is considering sites along the east coast and in the north east of England for the plant that will create around 700 jobs, Siemens said in a statement.

### [China became top wind power mkt in 2009 - consultant](#)

COPENHAGEN (Reuters) - China became the No. 1 wind turbine market in 2009, installing a record 13.75 gigawatts (GW) of new capacity, and three Chinese suppliers

ranked among the Top-10 turbine manufacturers, Danish consultants BTM said.

"The most significant trend in the market was the booming Chinese wind industry," BTM Consult said in a summary of its annual wind power market review for paying subscribers.

### [Automakers roll out all-electric vehicles](#)

It's another one of those hectic weeks, and your gas tank is empty, so you find yourself in the long line at Costco gas station -- engine idling -- waiting for your turn.

Imagine if you no longer had to sit in that line, wondering why the slowpokes in front of you take so long to fill their tanks.

Welcome to a new era of electric vehicles.

### [2,487.5 MPG Achieved at 2010 Shell Eco-Marathon Americas](#)

HOUSTON, March 28 -- Extreme mileage was the goal this weekend on the streets of downtown Houston as 42 student teams competed in the 2010 Shell Eco-marathon Americas®, a challenge for students to design, build and test fuel-efficient vehicles that travel the farthest distance using the least amount of energy. More than 400 students were on hand to stretch the boundaries of fuel efficiency and participate in the first-ever street course challenge for the Americas event.

### [Indonesia's food estate project sparks environment concerns](#)

Jakarta - Indonesia's ambitious plan to turn large swathes of fertile land in the easternmost region of Papua into a food estate has sparked concerns about potential forest destruction and the marginalisation of small farmers.

### [UN 2010-2012 Emissions Spread Widens to Record After Suspension](#)

(Bloomberg) -- The spread between 2010 United Nations emission offsets and those for delivery in 2012 widened to a record on slower-than-expected issuance and after a regulatory board suspended certification companies.

### [James Lovelock: Humans are too stupid to prevent climate change](#)

Humans are too stupid to prevent climate change from radically impacting on our lives over the coming decades. This is the stark conclusion of James Lovelock, the globally

respected environmental thinker and independent scientist who developed the Gaia theory.



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