



Drumbeat: April 9, 2010

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

Topic: [Miscellaneous](#)

[UK: Record gas prices may be election issue](#)

"With the election campaign now in full swing, Britain's hard-pressed motorists will be keen to hear what the political parties have to say about the escalating petrol prices," Adrian Tink, motoring strategist for driver-support service RAC told the Press Association.

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attempt to establish a foothold--whether in Somalia or Yemen or elsewhere--they must be confronted by growing pressure and strong partnerships."

Clearly, this is a long-term strategy with far-reaching implications. Even if Obama brings some forces back from Afghanistan in the summer of 2011, as he has pledged, US troops are likely to be engaged there (some perhaps in a covert mode) and in a number of other hot spots--"two, three, many Afghanistans," to put Che's dictum into contemporary parlance.

[Richard Heinberg: How Much Oil Is Left?](#)

Mr. Heinberg, your most successful book-title to this date is "The Party's Over." For those of our readers who have never heard of you and that book: What kind of party is it that you were writing about and why do you assume that this festivity and its special features are about to come to an end?

The "party" was humanity's one-time-only opportunity to fuel economic growth and technological innovation with a bounty of cheap, abundant energy from fossil fuels. The harvesting of oil, coal, and natural gas has inevitably proceeded on a best-first or low-hanging fruit basis. While the Earth still possesses a wealth of unexploited energy resources, the cheapest and easiest-accessed of those resources have by now already been used. All of these fuels are in the process of becoming more expensive, and the various energy alternatives are limited in one way or another in their ability to replace hydrocarbons. That means we are currently seeing the end of economic growth as we have known it. The impacts for transportation, globalization, and world food supplies will be serious indeed.

[Saudi Arabia makes strategic shift to increase search for gas and oil](#)

In the face of summer electricity shortages, Riyadh has fast-tracked energy development but is turning to oil instead of gas to fuel new power plants due to insufficient domestic gas supplies. The OPEC cuts have hurt Saudi gas production, which mostly comes from the kingdom's oilfields, while aggravating the power shortage.

That has led to a Saudi drive to find and develop new gas reserves that are not associated with its oil deposits.

[Watch out for a double dip as prices at the pumps soar](#)

Are we heading for another oil price shock? I ask the question because the price of a litre of unleaded petrol at the UK pumps has today reached a new all time high, marginally surpassing the previous record set in July 2008.

[Will oil be the kiss of death for recovery?](#)

The price of oil has suddenly broken higher - to the point where triple-digit crude is once again in the offing.

This week oil climbed to \$87 a barrel, its highest level since October 2008. This was after a period of eight months when oil traded between \$70 and \$80, a narrow band that pleased oil producers without hurting consumers too much.

[If Oil Goes To \\$100...](#)

A rapid rise of prices to levels above \$100 would help oil companies, but would it hurt the economy much? Perhaps not.

Oil consumption is rising rapidly in the developing world, particularly in China which needs crude to fuel its huge transportation infrastructure system and energy needs of its factories. The People's Republic may not be able to pass these costs along to consumers outside China, particularly if the global economic recovery is slow. Margins on Chinese goods may be pressured, but the nation's exporters cannot sell what the global consumer cannot buy. And, the prices that the customer can pay, whether it is an enterprise or an individual, are already strained due to the recession.

[British factory gate prices rise sharply](#)

British factory gate inflation rose in March at its fastest pace in 16 months, driven by a surge in the cost of oil and imported goods, official data showed today.

[Southern Sudan: oil boom to bust-up?](#)

(Reuters) - With southern Sudan stumbling toward independence next year, the Chinese oil workers in Africa's biggest country are bracing for trouble. For southern villagers like Maria Jande, trouble is already here.

[A tale of two Arabian cities](#)

It's March 2010 and the clang of metal rings out down a dusty street in Sana'a, the capital of Yemen. Soldiers in blue camouflage hold oiled assault rifles, standing among a gathering crowd. One of the city's dispensaries for cooking gas has just received a shipment. There's a shortage of fuel all around the city, which is groaning under the twin strains of governmental dysfunction and an influx of refugees from the north. A jet streaks high above us, presumably en route to the border with Saudi Arabia, where the Yemeni military is targeting anti-government Houthi rebels and alleged cells of al Qaeda in the Arabian Peninsula (AQAP). Some in the West have begun to call Yemen a failed state, but at least they're calling it something.

[Costlier power, longer outages](#)

CUSTOMERS of Manila Electric Co. (Meralco) were greeted yesterday with even longer three-hour brownouts and the announcement of a nearly one peso per kilowatt-hour (kWh) increase in power rates.

[Venezuela extends electricity rationing](#)

Venezuelan President Hugo Chavez on Thursday extended electricity rationing until June in hopes that seasonal rains will help refill a key hydroelectric dam that has been drained to critical lows by drought.

Chavez said the government will extend its declaration of an emergency in the electrical sector for 60 days. The rationing measures have included rolling blackouts in parts of Venezuela and fines for major users that don't meet government goals for reduced usage.

[Rwanda: Gov't Concerned By Increase in Oil Prices](#)

Kigali — As the rest of the region grapples over a continuous increase in fuel crisis, Rwanda remains calm but government acknowledges the looming threat, and according

to officials, discussions are going on to mitigate it.

Reports indicate that motorists in Uganda and Kenya, for example, are braving fuel shortage largely attributed to the rising world crude oil prices.

[Kyrgyzstan Air Base Is Back to Normal Operations, U.S. Says](#)

(Bloomberg) -- The U.S. air base in Kyrgyzstan has resumed regular operations after unrest in the former Soviet republic limited flights temporarily, according to a U.S. military spokesman.

“The base has returned to normal flying ops today,” Major John Redfield, a spokesman for the U.S. Central Command, said in an e-mail.

[Iran: Obama Pours Fuel on the Fire](#)

Containment and deterrence are both easier said than done. To treat containment or deterrence simply as a rhetorical alternative to military action without making the preparations to conduct military strikes is not only irresponsible, but can also encourage Iranian aggression.

[British oil worker shot dead in Ethiopia](#)

A British scientist has been shot dead in Ethiopia's conflict-ridden southeastern Ogaden region.

[Gunmen kidnap 4 foreign workers in Nigerian oil hub](#)

PORT HARCOURT, Nigeria (Reuters) - Nigerian gunmen Friday kidnapped three Syrian expatriates and one Lebanese worker near the oil hub Port Harcourt, a police spokeswoman said.

The four expatriates are employed by an engineering company in Port Harcourt, the main oil city of Africa's biggest energy producer.

[Reliance Purchases Marcellus Stake From Atlas](#)

(Bloomberg) -- Reliance Industries Ltd., India's biggest company by market value, agreed to buy a stake in U.S. Marcellus Shale natural-gas properties from Atlas Energy Inc. for \$1.7 billion.

[Gazprom says it has contracts covering all Nord Stream pipeline gas deliveries](#)

PORTOVAYA BAY, Russia (AP) — Russian and German leaders marked the start of construction on a new pipeline from Russia to Europe under the Baltic Sea, with the deputy CEO of gas company Gazprom saying it had already signed up customers for the entire supply.

"All the gas volumes have either been contracted, or have been formalized in binding obligations," Alexander Medvedev told reporters.

[Brazil-West African Connection Sparks Subsalt Oil Search](#)

Chevron is just one of several companies and African governments taking a fresh look at West African prospects as they seek to replicate the huge discoveries made in a Brazilian region with a similar geology.

[French Power Legislation Cleared by Conseil d'Etat, Borloo Says](#)

(Bloomberg) -- French legislation that would force Electricite de France SA to sell output to rivals cleared the country's highest administrative court, Environment and Energy Minister Jean-Louis Borloo said.

[PG&E must stop threats to public power agencies](#)

California energy regulators delivered a rare rebuke to Pacific Gas and Electric Co. on Thursday, banning some of the hardball tactics the utility has used in its efforts to derail Marin County's new public power agency.

[Gore: Climate change a 'moral issue'](#)

Gore—who won the Nobel Peace Prize in 2007 for his environmental activism and penned the bestselling book “An Inconvenient Truth”—said the tools needed to deal with global warming are already available. He noted that technological advancements in solar, wind and geothermal energy provide alternatives to a fossil fuel-based economy.

But ultimately, what is needed to correct climate change is the political will to make harmful environmental practices—like carbon-dioxide emissions—economically unattractive in the marketplace, Gore said. He emphasized that reversing the effects of climate change is a moral imperative and that ignoring the problem will only imperil future generations.

“Make no mistake, this is not just a political issue, not just a market issue, not just a

national security issue, not just a jobs issue," Gore said. "It is a moral issue."

[Royal Mail's decision to park its bikes defies logic](#)

Bicycles are zero-carbon, cheap, reliable and congestion-cutting - so why is the Royal Mail planning to phase out deliveries by posties on two wheels?

[The Coolest Storage Technologies You've Never Heard Of](#)

On the first day of this year, I wrote: "The intermittency problem of wind and solar will be largely solved this decade, as new storage solutions come to market."

Yet the pace of progress in storage during just the first quarter has surprised even me.

Readers of this space are well familiar with storage technologies like pumped water, vehicle-to-grid, concentrating solar thermal, supercapacitors, hydrogen fuel cells, and flywheels.

This week, I'll take a look at a few unusual, utility-scale applications.

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[Oil up above \\$86 on signs of stronger US economy](#)

Oil prices rose above \$86 a barrel Friday on a weaker dollar and after robust U.S. retail sales in March pointed to growing consumer demand in the world's biggest energy market.

[Oil's moves leave traders scratching their heads](#)

TOKYO (MarketWatch) -- The price of crude-oil futures has jumped more than 70% in the past year and that's left quite a few traders scratching their heads.

After all, at more than 356 million barrels, U.S. commercial crude-oil inventories are "above the upper limit of the average range for this time of year," according to a report from the Energy Department.

[EIA Reports Bearish Inventory Data](#)

The bigger-than-forecast increase in crude reserves, which are now at their highest level since mid-June 2009, again indicates that energy consumption in the world's biggest economy remains slack. Further, the large build in crude stockpiles came even as refineries boosted operating rates to 84.5% of capacity, the highest since the week ended Oct. 2, 2009. We take this as a sign that there is no problem with the commodity supply.

The only saving grace came in the form of a larger-than-expected drawdown in gasoline supplies. But then again we note that the drop was concentrated on blending components, not the finished product. All these factors make the latest EIA report a fundamentally bearish one.

[Russian gas pipeline plans make progress](#)

EUOBSERVER / BRUSSELS - Russian and EU officials will on Friday (9 April) mark the start of construction of the Nord Stream gas pipeline, as Russia strengthens its grip on EU gas supply despite concerns about its reliability.

[Nord Stream unmoved by shale gas as building starts](#)

MOSCOW (Reuters) - Work will begin on Friday on Nord Stream, Russia's biggest post-Soviet gas pipeline, and its builder said on Thursday alternative fuels, such as shale or liquefied gas, cannot undermine Russia's leading role in Europe.

"Shale deposits are a very big topic in the U.S. gas market. However the EU has a different geology," said Paul Corcoran, chief financial officer at Nord Stream, which will ship gas from Russia under the Baltic Sea to Germany and onward to Europe.

[Should Gazprom fear shale gas revolution?](#)

European countries heavily dependent on Russian gas supplies are cheered by signs of a balance shift in the continent's energy market.

Dozens of companies, including world majors, have begun exploring or even drilling in search of shale gas, amid talk of huge reserves in the US, Poland and many other countries.

Russian gas giant Gazprom's deputy chief executive Alexander Medvedev has reacted by branding shale gas projects as "dangerous", provoking suspicions that Russia could be unnerved by the latest developments in the world gas market.

[BP to cut Thunder Horse output by half - source](#)

LONDON (Reuters) - Oil major BP Plc will cut production at its 250,000 barrels of oil per day Thunder Horse platform in the Gulf of Mexico by half to facilitate planned maintenance, a source familiar with the matter said on Friday.

The shutdown, which is likely to last weeks, will cut BP's total annual production by about 10,000 barrels of oil and gas equivalent per day in 2010, the source said.

One analyst said this made it more likely BP's output would fall this year.

[Petrobras Will Start Cachalote Output This Quarter, SBM Says](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-run oil producer, will start output at the Cachalote offshore field in Brazil this quarter with a 100,000-barrel-a-day vessel upgraded by SBM Offshore NV.

[Oil and gas leases put on hold in Mont., Dakotas](#)

BILLINGS, Mont. — Federal land managers are suspending an April 13 sale of 91,000 acres of oil and gas leases in Montana and the Dakotas until they can study how oil field activities contribute to climate change.

Thursday's suspension comes three weeks after the Bureau of Land Management agreed to suspend another 38,000 acres of leases. That agreement was part of a settlement between the agency and environmentalists who sued over a 2008 lease sale in U.S. District Court.

[Reliance Said to Find Gas in India's Biggest Field](#)

(Bloomberg) -- Reliance Industries Ltd., India's biggest company by market value, discovered natural gas in four additional areas at its largest field, two people familiar with the matter said.

[Chavez Says Offshore Natural Gas Field May Be 'Largest in World'](#)

(Bloomberg) -- Venezuelan President Hugo Chavez said that an offshore gas field in the South American country, which Petroleos de Venezuela SA is developing along with Repsol YPF and Eni SpA, may be the "largest in the world."

[Report: Tanker owner in talks with Somali pirates](#)

SEOUL, South Korea — Reports say negotiations for the release of a South Korean supertanker hijacked by Somali pirates have begun.

Authorities say Somali pirates hijacked the 300,000-ton Samho Dream in the Indian Ocean on Sunday. The ship was transporting crude oil worth about \$160 million from Iraq to the U.S. with a crew of 24 South Koreans and Filipinos.

[World Bank Lends Eskom \\$3.75 Billion for Power Plant](#)

(Bloomberg) -- Eskom Holdings Ltd., the state-owned power utility that supplies 95 percent of South Africa's electricity, was granted a \$3.75 billion World Bank loan to help fund expansion aimed at preventing a repeat of 2008 blackouts.

The deal, to fund the construction of one of the world's largest coal-fired plants, is the Washington-based institution's first major loan to South Africa since apartheid ended in 1994, the bank said in an e-mailed statement yesterday.

[Xstrata Approaches Macarthur Holder as Rivals Bid](#)

Xstrata may join Peabody, New Hope and Hong Kong-based Noble Group Ltd. in a fight to control Macarthur, the world's biggest exporter of pulverized coal used by steelmakers, after coal prices doubled and China's imports tripled last year. Macarthur already rejected bids from Peabody and New Hope.

[Rescuers Still Unable to Return to Mine Because of Toxic Gases](#)

(Bloomberg) -- Rescue teams were unable to resume their efforts to find four missing workers at a Massey Energy Co. mine in West Virginia because conditions in the mine were still potentially explosive, West Virginia Governor Joe Manchin said at the news conference tonight.

[Chinese Coal Carrier Stranded on Reef Was Off Course](#)

(Bloomberg) -- Shenzhen Energy Transport Co., owner of the Chinese coal carrier that ran aground on Australia's Great Barrier Reef, said the vessel failed to stick to its

planned route.

The Shen Neng 1 became stranded April 3 after it “did not alter course to the east to go through the passage as planned,” Shenzhen Energy Transport said in an e-mailed statement, without explaining why the vessel failed to follow its course. The ship slammed into the Douglas Shoals at 5:05 p.m. local time and authorities were notified at 5:10 p.m., it said.

[Amtrak expects record 2010 ridership](#)

Amtrak, which is asking Congress for additional funding to modernize its fleet and meet growing ridership demands, said it expects record ridership in fiscal 2010.

Through the first two quarters of Amtrak’s fiscal year, total rail ridership was 13.6 million, up 4.3 percent from the same period a year ago. With its busiest travel months ahead, Amtrak expects to beat its previous annual record of 28.7 million passengers.

[Peak Oil - What's The Big Deal?](#)

For the life of me, I don’t understand all the attention the world pays to the concept of Peak Oil. Is our path of extracting, refining, and burning crude oil sustainable? Of course not. But could someone please explain the significance of the date – even to the decade - - where we truly started – or will start – to decline in terms of oil production?

[Adding a Price to Blunt Energy Waste](#)

So I would submit that while we need lots of government research, we need a great sucking sound of people – families, builders, industries – investing in saving fuel and reducing their CO2 emissions drastically. As one of my students said, these vehicles are 20, 30, or 40 percent reductions in CO2 when 80 percent is closer to what is called for. We also have to change the way we move about.

But as long as both political parties promise cheap energy and tax breaks, we will just pile up idea after idea on the academic shelf but see little real change in the marketplace.

[Connecticut Mulls Rollback on Clean Energy](#)

Connecticut could become the first state to roll back its renewable portfolio standard, which is the amount of electricity that, by state mandate, must come from renewable sources.

Legislation that has passed through committee in the current legislative session, which

ends May 5, would cut by nearly half the state's relatively ambitious goal of obtaining 20 percent of its electricity from renewable sources by 2020.

[Of Smart Meters and Smart Consumers](#)

Mounting evidence of widespread consumer dissatisfaction with smart meters is linked to a lack of understanding about how businesses and homeowners can boost energy efficiency, says Gary Fromer, the chief executive of CPower Inc., an energy management company based in New York.

“Educating users on how to manage their electricity use is under-emphasized, especially with smart grid grants,” Mr. Fromer said, adding that smart meters alone are “insufficient” to change behavior.

[Enel, Endesa, Renault Sign Electric Car Accord, Set Pilot Plan](#)

Bloomberg) -- Enel SpA said in a statement today that it and Endesa SA signed an agreement with Renault SA for the electric-car sector.

[Suzlon Gains on Report Repower Order Book Full, Aims 20% Growth](#)

(Bloomberg) -- Suzlon Energy Ltd. rose as much as 1.1 percent in Mumbai trading after Sueddeutsche Zeitung reported that Repower Systems AG, a unit of India's biggest maker of wind-turbine generators, has a largely full order book and will expand 20 percent annually.

[Solar Power Plant at Kennedy Supplying Electricity to Floridians](#)

CAPE CANAVERAL, Fla. - A newly constructed solar power facility at NASA's Kennedy Space Center, Fla., officially is providing electricity to Florida homes. NASA, Florida Power & Light, or FPL, and political leaders commissioned FPL's Space Coast Next Generation Solar Energy Center on Thursday.

[IPOs May Cut 'Eye-Popping' Debt at T-Solar, Renovalia](#)

(Bloomberg) -- Grupo T-Solar Global SA and Renovalia Energy SA may pay down debt through initial stock sales, reducing credit risk accumulated in becoming the world's largest and third-largest power producers from solar panels.

[A Novel Way to Thin-Film Solar Cells?](#)

A Silicon Valley company said on Wednesday that it had raised \$10 million to bring to market a novel way of making thin-film solar cells.

[Cutting the cost of solar by watching every nut and bolt](#)

Solar power involves wondrous quantum physics and materials science, but its fate may hinge on whether contractors can learn to bolt on the panels without losing too many screws. The panels themselves account for only about half the cost of a solar array; the rest is the installation and back-end equipment. As panel makers slash their prices, the nuts and bolts loom ever larger. Fortunately, a quiet revolution is now underway in installation. Brendan Neagle, the chief operations officer of Borrego Solar, a major U.S. installer, says they've sped up installation by 40 percent over the past two years. Zep Solar has invented a new roof mounting system, already supported by the module maker Canadian Solar, that speeds things up by another factor of two. And Nat Kreamer, president of Acro Energy, another large installer, says they've streamlined the preparation work and can get a system up on your roof within 30 days of your first phone call -- quite an improvement on the eight or so months it took me.

[Growth Rate Slows for U.S. Wind Manufacturing](#)

Established industry leaders maintain their top positions and manufacturing continues to grow - albeit at a slower rate than in 2008 - according to the annual wind industry market report released today by the American Wind Energy Association (AWEA).

[US adds record amount of wind power in 2009 - AWEA](#)

NEW YORK (Reuters) - Installations of wind turbine power hit a record in the United States last year despite the financial crisis that choked off funding for half the year, wind power advocates said on Thursday.

More than 10,000 megawatts of wind power capacity, or 5,700 turbines, were installed in 2009, the American Wind Energy Association said in its annual report, bringing the total capacity in the United States to 35,000 MW.

That kept the United States in the top spot globally for wind power, ahead of China and Germany, which each had about 25.8 MW of capacity. One megawatt is enough power for about 800 U.S. households.

[GE Heads U.S. Wind Turbine Field, Faces Test in Asia, WSJ Says](#)

(Bloomberg) -- General Electric Co. was responsible for installing 40 percent of wind turbine capacity in the U.S. last year, although it is facing stiff competition from rivals in

Asia and Europe, the Wall Street Journal reported, citing a report by the American Wind Energy Association.

[Canadian Cement Plant Becomes First to Capture CO2 in Algae](#)

A Canadian company called Pond Biofuels is capturing CO2 emissions from a cement plant in algae — algae the company ultimately plans on using to make biofuel.

[Indian Scientists Probe Mild Radiation Exposure in West Delhi](#)

(Bloomberg) -- Indian scientists have sealed off part of an industrial area in the west of the capital, New Delhi, after radioactive material injured five people.

“An expert team has already identified the radiation source and removed it,” said Sharad Agarwal, deputy commissioner of Delhi police. “They are in the process of scanning the whole area and hopefully in the next few hours the area will be cleared.”

[Global warming: Divorcing wealth from energy](#)

Tobis may have been sleeping for most of the past 50 years, so let's try and assuage his fears. America has turned into an economy driven by services which consume far less resources than previous editions of our economy. It hasn't turned into an Ethernet economy--we still grow more food and manufacture more goods than a century ago, but most of the growth has occurred in the service sector.

We can be confident that the American economy will grow because our population will continue to grow for most of this century, and because we have a good university system and because we are leading lights in the scientific areas that will drive growth in this century--nanotechnology, genetics, biotechnology and robotics.

[UN seeks way forward on climate at Bonn meeting](#)

PARIS (AFP) – Countries gather this week in the hope of erasing bitter memories of the Copenhagen summit and restoring faith in the battered UN process for combatting climate change.

Negotiators meet in Bonn from Friday to Sunday for the first official talks under the UN Framework Convention on Climate Change (UNFCCC) since the strife-torn confab.

[ASEAN seek binding global climate change pact](#)

HANOI (AFP) – Southeast Asian leaders called Friday for a legally binding global pact on climate change and urged richer nations to provide them with "scaled-up" financial help to combat its effects.

In a joint summit statement, leaders of the Association of Southeast Asian Nations (ASEAN) meeting in Vietnam said a new deal should go further than the non-binding 11th-hour pact reached in Copenhagen in December.

[Endangered vacations](#)

You've heard of a "life list" -- the vacation spots you want to see before you die. This is a little different. These are top U.S. destinations you might want to see before *they* die. "They" being the destinations themselves. Each of these vacation ideas is located in a landscape that is threatened in some way by an environmental hazard.

[On Plains, concern about another Dust Bowl](#)

Seventy-five years have passed since the worst of the Dust Bowl, a relentless series of dust storms that ravaged farms and livelihoods in the southern Great Plains that carried a layer of silt as far east as New York City. Today, the lessons learned during that era are more relevant than ever as impending water shortages and more severe droughts threaten broad swaths of the nation.

The storms, made worse by insufficient crop rotation and other farming practices that eroded the soil, unleashed one of the biggest migrations in American history, as thousands fled from Texas and Oklahoma to places such as California. Interior Secretary Ken Salazar, whose department oversees America's land and other natural resources, says another period of mass "relocation" is possible in the 21st century — especially if rain patterns and temperatures change as some expect.



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