



# Drumbeat: April 16, 2010

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SN1614413320100416?rpc=401&feedType=RSS&feedName=rbssEnergyNews&rpc=401">US natural gas rig count up for 16th straight week

NEW YORK (Reuters) - The number of rigs drilling for natural gas in the United States climbed 14 this week to a 14-month high of 973, according to a report on Friday by oil services firm Baker Hughes in Houston.

It was the 16th straight weekly gain and puts the gas rig count at its highest level since Feb. 20, 2009, when there were 1,018 gas rigs operating.

# India's IOC buys 2.6 mln barrels of June crude-trade

NEW DELHI, April 16 (Reuters) - State-owned Indian Oil Corp. (IOC) has bought 2.6 million barrels of Malaysian and West African crude in a tender, a trade source said on Friday.

The company bought 600,000 barrels of Malaysian Kikeh at a price heard to be around

dated Brent plus \$2.50 a barrel, the source said. The seller of the cargo could not immediately be confirmed.

Constellation Energy buys two plants for \$365 mln

The acquisition is in line with the company's strategy of deploying up to \$1 billion over the next 12 to 24 months to acquire assets in regions where load obligations exceed generation capacity, Constellation said.

China mineral dominance concerns U.S.

Washington (CNN) -- China's dominant position in the production of rare earth minerals has long-reaching implications for the U.S. Department of Defense, according to a recent government report.

The report from the Government Accountability Office was commissioned by Congress amid growing concerns that China's potential reduction on the supply of much-needed rare earth minerals could impact critical military uses.

#### Obama to take a grass-roots approach to conservation

WASHINGTON — President Obama plans to direct the federal government to foster community-based efforts to save the nation's rivers, coastlines, farms, forests and other outdoor spaces as part of a new approach to conservation.

Instead of just designating vast tracts of land to be protected from development, pollution and overpopulation, Obama wants the government to embrace a grass-roots approach to conservation that has quietly taken hold in recent years in U.S. cities and towns and across international borders.

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# When Oil Peaked

said.

Deffeyes, Kenneth S. When Oil Peaked. Hill & Wang. Oct. 2010. 176p. ISBN 978-0-8090-9471-4. \$24.

Maybe some people don't want to hear it, but as Deffeyes argued in *Hubbert's Peak* (2001) and *Beyond Oil* (2005), the evidence suggests (and continues to suggest) that world oil production will a bell-shaped curve—and this decade is the peak. What next? From a former Shell researcher and emeritus professor of geology at Princeton whose books sell surprisingly well.

It's available for pre-order at <u>Amazon</u>.

Part 2: First Change--The Long Emergency

In Part 2 of James Howard Kunstler's "The Long Emergency", we examine America's prospects for survival in the 21st century. He addresses nature's ability to "bite back" while humans overrun their carrying capacity and disrupt the planet's ability to maintain stable environs for all living creatures.

Because President-elect Obama cried change, will he address real transformation toward a sustainable society or continue 'fatuous change' as he continues 'consensus trance'? If he maintains his support of unlimited population growth within the United States, Obama cannot help but accelerate and magnify our growing environmental and societal dilemmas.

# 'Soul Of A Citizen' EXCERPT: 'From Drunken Party Girl To Climate Change Activist'

When we try to engage people politically we never know who will respond, or when someone will shift from reveling in their apathy to taking powerful public stands. With Earth Day coming up, here's a striking example of one such transformation.

# Mexico's Pemex bullish after deepwater natgas find

MEXICO CITY (Reuters) - Mexico's state oil monopoly Pemex has made a significant deep-water natural gas discovery, a company executive said on Thursday.

The Oil Drum | Drumbeat: April 16, 2010

Antonio Escalera, a senior Pemex exploration manager, told reporters the Labay well showed that an area of the deep waters of the Gulf of Mexico near the existing Lakach discovery had big potential to be a major gas source.

# Pemex Vows to Stick with Chicontepec Project

The head of exploration and production at Mexican state oil monopoly Petroleos Mexicanos, or Pemex, said Thursday that the company's goal is to keep crude oil production between 2.4 million and 3 million barrels a day in the 2010 to 2024 period.

Carlos Morales said at an event that the state company still expects to produce at least 2.5 million barrels a day of crude oil on average this year.

He said that at some point, output could go as low as 2.4 million barrels a day, although Pemex's aim is for production to keep rising.

"That is the floor," Morales said.

# Azerbaijan threatens to "reconsider" U.S. relations

BAKU (Reuters) - Oil-producing Azerbaijan accused the United States on Friday of siding with enemy Armenia in the conflict over Nagorno-Karabakh and threatened to "reconsider" its relationship with Washington.

The comments by a senior aide to President Ilham Aliyev underscored the strength of anger in Azerbaijan, a supplier of oil and gas to the West, over a Western-backed bid to reconcile Christian Armenia and Azerbaijan's close Muslim ally Turkey.

#### About 2 pc GDP is lost due to power crisis: Speakers tell concluding session of ICC convention

"The Bangladesh economy has been growing at about six percent annually over the last few years. Overcoming all hurdles, the growth of the manufacturing sector even reached the double digit. The country is now poised for a take-off stage, with manufacturing leading the way. An unexpected hurdle has now appeared on the scene - that of shortage of energy" speakers opined at the concluding session of the ICC Conference on Energy recently held at a city hotel.

They said that ,future investment in manufacturing will be discouraged, while existing industries may face difficulty in smooth operation, unless energy is available. The energy crunch is hitting us at a particularly critical period of our development. Currently around 1-2 percent of our GDP is lost due to power crisis.

<code>ISLAMABAD</code> - Due to the energy shortage in the country more than 0.4 million industrial workers have lost their jobs while the industries are facing an annual monetary loss of over Rs 240 billion.</code>

Industrialists, businessmen march against power cuts, gas shortage

LAHORE: Hundreds of industrialists, entrepreneurs, traders and shopkeepers on Thursday staged a protest against the prolonged and frequent electricity cuts and the natural gas supply shortage.

Around thousand workers also joined hands with their employers in the protest against what they called "government's incompetence" in controlling the country's energy crisis.

Venezuela May Build Power Plant at El Palito Refinery

(Bloomberg) -- Venezuela may build a 745-megawatt power plant for its El Palito oil refinery as a national energy crisis causes rolling blackouts, Electricity Minister Ali Rodriguez said.

#### Fire trucks running out of fuel

The response mechanism of the Jamaica Fire Brigade could grind to a halt Thursday in the wake of reports that the Department's trucks are close to running out of fuel due to the non-payment of the gas bill.

#### Late shipment leaves Haitians scrambling for gas

PORT-AU-PRINCE, Haiti — Haitians scuffled at gas pumps and waited for hours at filling stations Thursday as the quake-ravaged country struggled with fuel shortages caused by a delayed shipment from Venezuela.

Drivers chased rumors of available gasoline across the hills of the rubble-filled capital. Some abandoned their cars to carry empty milk jugs, soda bottles and buckets on foot to collect as much fuel as rationing station owners would allow them to buy.

Hillary Clinton: 'We Have a Lot to Learn' About Energy Policy From Other Nations

(CNSNews.com) – Secretary of State Hillary Clinton told officials from more than 32 Western Hemisphere nations on Thursday that the United States is looking to those

# nations to develop better energy policies and practices.

#### US to help region end foreign oil dependency: Clinton

WASHINGTON — Secretary of State Hillary Clinton on Thursday pledged US aid to end Caribbean and Central American dependency on foreign oil, as she slammed "powerful political interests" against such measures.

She also said it was "shameful" that the region had some of the highest electricity rates on the planet, despite nearby countries like Canada, Venezuela, Mexico and the United States having vast crude oil reserves.

#### Energy and Climate Partnership of the Americas (ECPA) Ministerial

We can open doors to those who live in remote regions off the grid or in cities growing too quickly for power companies to meet rising demand. And we have too many people in our hemisphere who spend too many hours in time-consuming tasks because they lack the technologies, including the most basic, namely electricity. We can create jobs for a growing population of young people throughout our hemisphere determined to seize their chance to make a better life. And by decreasing our reliance on fossil fuels, governments, particularly in the Caribbean, that now depend on imported oil can spend that money on social and economic development while decreasing their carbon emissions and protecting the natural environment that is one of the real treasures of our hemisphere.

#### Israel's Green Efforts Featured By CNBC

Israel perhaps has more to gain than anyone else from going clean. Right now Israel is almost fully dependent on fossil fuels that pollute the country. Israel still gets it's oil from secondary sources because Arab nations won't sell to Israel directly. It's expensive and Israel is helping fuel its enemies.

#### Russia faces huge tests to grain export ambitions

Russia's spell of rapid growth in grain exports will come to an end unless it solves its logistical difficulties and finds a way of cutting the cost of growing crops, US officials have said.

The Black Sea state has, over the last decade, raised its wheat exports by nearly nine times, accounting for 70% of the world growth in wheat trading.

Its share of the world grain exports has soared from 2% to 9%.

However, plans to raise that share further, to 15% in eight years time, mean overcoming

huge logistical and agricultural problems, a report from the US Department of Agriculture's Moscow bureau said.

#### Egypt: Carnivores in trouble

Many theories have been put forward to explain the shortage of local meat. An increase in the price of animal fodder is one main reason why the crisis has escalated, according to the owner of the Gezaret Al-Amana butcher's shop at Souq Al-Attaba in Cairo.

At the Attaba market there is a huge area selling meat, and the butchers there have their own version of the crisis. The owner of the Gezaret Al-Amana shop, who is both a retail and wholesale butcher, said that he had stopped dealing in veal over the past three weeks because of its price.

Fodder prices had increased dramatically a year and a half ago, he said, causing farmers to slaughter more calves and cows to circumvent the high prices of feeding their cattle. "As livestock numbers decreased, the farmers increased their prices, a situation that has affected the local meat supply," he said.

It is true that prices of fodder did increase a year and a half ago, due to the global financial crisis and the increasing amounts of land being used for crops to produce ethanol for fuel.

# Urban farms herald green city 'revolution'

London, England (CNN) -- As the world's urban population continues to grow at a rapid rate, communities around the world are increasingly turning to "city agriculture" to produce cheap, locally grown fruit and vegetables.

Among skyscrapers and housing estates, previously vacant lots are being used to produce millions of tons of organically grown food that experts say are "greener" and cheaper than commercially grown produce.

#### Smoke And Mirrors From The U.S. Chamber Of Commerce

Harbert wants to wave this 8-year renewable energy tax credit extension flag, complete with a phase out plan over four years. Well where the hell is the phase out for oil, coal, and natural gas?

When the Chamber decides to support phasing out *all* subsidies for fossil fuels over a four-year period, you let me know.

From chip oil to sunshine, we recall the green engines that never quite ignited

Remember when vegetable-oil cars were mooted to save the world? Diesel engines converted to run on used cooking oil from restaurants were lauded as the answer to the energy crisis.

Alas, not even the Yanks ate enough chips to make the motors meaningful. And the cost of conversion and mess of straining the oil also put people off.

# Rare Earth Materials in the Defense Supply Chain [PDF]

While rare earth ore deposits are geographically diverse, current capabilities to process rare earth metals into finished materials are limited mostly to Chinese sources.

The United States previously performed all stages of the rare earth material supply chain, but now most rare earth material processing (97%) is performed in China, giving it a dominant position that could affect worldwide supply and prices.

Based on industry estimates, rebuilding a U.S. rare earth supply chain may take up to 15 years and is dependent on several factors, including securing capital investments in processing infrastructure, developing new technologies, and acquiring patents, which are currently held by international companies.

# Australian LNG Exports May Increase Fivefold to A\$50 Billion

(Bloomberg) -- Australian liquefied natural gas exports may increase fivefold to A\$50 billion (\$47 billion) by 2016 from 2009 levels as countries seek cleaner-burning fuels, the nation's energy minister said.

The value of shipments of LNG may jump to the estimated figure should projects operated by Royal Dutch Shell Plc, Woodside Petroleum Ltd., Inpex Corp, Chevron Corp. and Santos Ltd. proceed by the middle of the decade, Martin Ferguson said in Sydney today.

# Gazprom Says 'Abnormal' Price Gap Threatens Spending

(Bloomberg) -- OAO Gazprom, the world's biggest natural-gas producer, said an "abnormal" gap between spot fuel prices and long-term contracts is threatening investments in new fields and pipelines.

Spot gas prices slumped last year as the recession slowed consumption, while U.S. success extracting the fuel from shale rock added to supply. The output increase in the U.S. diverted some liquefied natural gas cargoes to Europe and led Gazprom's traditional customers to demand contract prices be cut.

"The gap between gas prices is a destabilizing factor that puts long-term investments at risk," Gazprom Deputy Chief Executive Officer Alexander Medvedev said in an interview near Vyborg, Russia. "It's an abnormal situation."

# Shmatko Says Gas Exporters 'Concerned' About Europe Spot Market

(Bloomberg) -- Russian Energy Minister Sergei Shmatko said gas exporting nations are "very concerned" about the European spot market and will discuss the issue at a forum in Algeria next week.

#### Gazprom cuts imports of Turkmen gas for 2010

ASTANA (Reuters) - Russian energy giant Gazprom looks to import only 10.5 billion cubic metres (bcm) of Turkmen gas this year -- a third of the agreed maximum volumes -- as poor demand and other fuels' usage eat into consumption.

Russia agrees gas deal on Ukraine's terms - agencies

MOSCOW (Reuters) - Moscow and Kiev have agreed a new deal on Russian gas supplies to Ukraine based on proposals made by Ukrainian President Viktor Yanukovich, Russian news agencies reported on Friday.

#### Schlumberger Starts Hiring Labor for Iraq Oil Services, WSJ Says

(Bloomberg) -- Schlumberger Ltd., the world's largest oil industry services provider, is hiring labor for its Iraqi business, betting that the security situation will improve to allow them to provide support for oil companies, the Wall Street Journal reported, citing an interview with Chief Executive Officer Andrew Gould.

# Nigeria Will Discuss Oil Law Concerns With Majors

(Bloomberg) -- Nigeria will hold talks with international energy companies to address their concerns over a proposed oil law, said Shehu Ladan, head of state-owned National Petroleum Corp.

"The door is not yet closed," Ladan told reporters today in Lagos. "In the next couple of days we'll be able to sit down with all major oil companies and iron out finally those aspects of the bill that they have problems with."

A committee of the board of directors of Mexico's state oil company Pemex has refused to approve a draft business plan for the company, saying it was not sufficiently detailed, a board member said today.

...A new government regulator created under the 2008 reforms sharply criticised Pemex's flagship Chicontepec oil project last week, warning poor planning and execution meant the venture was running the risk of not being profitable.

Pemex has poured more than \$4.5 billion into Chicontepec in an effort to ramp up production from the area to replace dwindling output at other fields, but efforts have so far shown little promise.

# Qatari Diar Acquires 5% Stake in Veolia, Gets Seat on Board

(Bloomberg) -- Qatari Diar, a unit of the country's sovereign wealth fund, acquired a 5 percent stake in Veolia Environnement SA to work on joint projects.

The purchase "reflects the two groups' mutual ambition to work together on infrastructure and utilities projects in the Middle East and North Africa," Veolia, the world's biggest water company, said in an e-mailed statement today.

# The Best Peak Oil Investments, Part VII: Peak Substitutes?

Increasing demand and constrained supply of oil is fueling the search for oil substitutes to use in its place. Unfortunately, almost all of these potential substitutes also have limited supply. This article looks at the factors that limit the supply of (or demand for) potential substitutes.

#### Letter threatens new pipeline bombings

After months of silence, another threatening letter linked to a series of six bomb attacks on sour-gas wells and pipelines in northeastern British Columbia has been delivered to a local newspaper.

#### In Vermont, nuke power faces a test

VERNON, Vt. — The pro-nuclear governor here has gotten a cream pie in the face. Compost has been thrown on a nuclear power plant manager. Protesters, including several grandmothers, have been arrested for trespassing at the plant gate.

This was not what President Obama, who hopes to spark a renaissance in nuclear

power, had in mind this year when he urged an end to "the same old stale debates between the left and the right, between environmentalists and entrepreneurs." In Vermont, the same old debate rages on. As an embattled nuclear plant seeks to extend its operating life — and become a symbol of the conflict over whether to expand nuclear power — it's "no nukes" vs. "pro nukes," and not much in between.

# BP pledges not to use open-pit mining at Canadian oil sands sites

Tony Hayward, BP's chief executive, has attempted to dampen growing investor anger over its oil sands activities by publicly pledging for the first time not to use mining techniques that devastate the landscape.

But the pledge was not enough to head off a significant rebellion from a growing group of increasingly environmentally aware investors at its annual general meeting today.

# California Climate Fight May Break Campaign Spending Record

(Bloomberg) -- A dispute between environmental groups and refiners Tesoro Corp. and Valero Energy Corp. over global warming laws in California may flare into a political campaign with a price tag exceeding \$150 million.

The Texas-based companies want California voters to decide in November whether the state's program for cutting greenhouse gases should be delayed until the economy dramatically improves. Environmental groups say the pollution controls will create jobs and should start in 2012 as planned.

# Solar Growth Slows, With Homes a Glaring Exception

A new report from a solar industry group found that the pace of solar installations slowed last year amid the economic downturn.

Total capacity installed for all types of solar energy grew by 5.2 percent in 2009, compared with 9.6 percent the previous year. But Rhone Resch, the chief executive of the Solar Energy Industries Association, which released the report Thursday, said that the overall number hid tremendous variation within the industry.

# Transition Town: Launch date is in sight...

NEXT month, the Hebden Bridge Transition Town group is staging the grand launch of its ideas to coincide with the Big Green Weekend.

This will be the moment when we formally set off on our course towards making Hebden Bridge a low carbon community.

#### GAO Report: OIL AND GAS MANAGEMENT [PDF]

Interior's measurement regulations and policies do not provide reasonable assurance that oil and gas are accurately measured. Interior's varied approaches for developing and revising its measurement regulations are both ineffective and inefficient—Interior's onshore measurement regulations have not been updated in 20 years and do not address current measurement technologies.

Additionally, Interior's decentralized process for granting waivers from current regulations and approval of alternative measurement technologies allows officials to make key decisions affecting measurement with little oversight, increasing the risk of approvals of inaccurate measurement technologies. Further, Interior has failed to determine the extent of its jurisdictional authority over key elements of oil and gas infrastructure, including gas plants and pipelines, limiting its ability to inspect these elements to assess the accuracy of their measurement.

Report highlights [PDF]

# Oil Falls Below \$85 on Slow U.S. Recovery; Dollar Damps Demand

(Bloomberg) -- Oil declined for a second day on speculation that economic recovery may be stalling in the U.S., the world's largest energy consumer.

Oil slipped below \$85 a barrel in New York as the U.S. currency strengthened against the euro amid speculation Greece will struggle to curb its budget deficit. U.S. weekly jobless claims unexpectedly climbed to a two-month high and industrial output in March rose 0.1 percent, less than analysts forecast.

#### Oil May Rise as U.S. Supplies Drop, Equities Gain, Survey Shows

(Bloomberg) -- Crude oil may rise next week reflecting a decline in U.S. inventories and predictions U.S. equities will advance, a Bloomberg News survey showed.

Sixteen of 36 analysts, or 44 percent, forecast oil will climb through April 23. Fifteen respondents, or 42 percent, predicted that futures will decrease and five said the contract will be little changed. Last week, 50 percent of analysts said there would be a decrease in prices.

Jeff Rubin in his recent book Why Your World Is About to Get a Lot Smaller and in his many public appearances has made a very passionate and compelling case for the concept of "peak oil."

The thesis he and others expound is quite straightforward and is based on the simple laws of supply and demand. In short, the rising demand for oil from the many emerging economies cannot be met from the existing known reserves nor is there any likelihood of major new discoveries to meet the shortfall.

# Oil crunch by 2012, say military experts

RISING oil prices pose a grave threat to global economic recovery, according to some economists.

Thus it was sobering this week to read that the US military has warned the world faces a "severe energy crunch" and looming oil shortages.

According to a Joint Operating Environment report from the US Joint Forces Command, "a severe energy crunch is inevitable without a massive expansion of production and refining capacity".

#### Alex Jones reacts to news of potential oil shortages

"We see hype coming out of government in the west claiming that we have peak oil and there isn't enough oil in the ground, but I live in Texas; you can find oil just about anywhere. The world is awash in petroleum, but there is a shortage in refining capacity, especially in the west," said radio host Alex Jones. "This is really just propaganda and just an excuse to invade more countries."

"This is a larger geopolitical battle taking place here," said Jones. "Really, it's like deBeers and the diamond monopoly. We're not running out of oil, but we haven't built a new refinery in more than 25 years. They have created an artificial scarcity and just basically rob people."

# Statoil resumes helicopter filghts in Norwegian Sea

OSLO (Reuters) - Statoil said it has resumed some helicopter flights to offshore platforms in the Norwegian Sea on Friday, a day after choppers were grounded due to volcanic ash spewed from Iceland.

# Palin Urges Canada to Boost Oil Production at Ontario Speech

(Bloomberg) -- Canada should boost oil production from the tar sands in Alberta to create more jobs and greater energy independence for North America, former Alaska Governor Sarah Palin said.

"Ramp up development," she told an audience in Hamilton, Ontario. "There's an inherent link between energy and security."

# Ivory Coast Strike Enters Fifth Day, Affects Cocoa

(Bloomberg) -- A strike by Ivory Coast transport workers that has slowed cocoa deliveries to ports entered its fifth day after talks with the government failed to resolve a dispute over gasoline prices.

# Repsol to Start Idled Crude Unit at Bilbao Refinery

(Bloomberg) -- Repsol YPF SA plans to start a crude unit at its largest refinery in Spain, after it shut seven months ago because of declining demand for fuels such as gasoline and diesel.

#### Exxon's Oozing Texas Oil Pits Haunt Residents as XTO Deal Nears

Exxon, the biggest U.S. oil producer, has neglected this stretch of Texas since its oil fields began drying up in the 1970s, said Jerry Patterson, the state's General Land Office Commissioner. Now Patterson and other state officials are urging Texas lawmakers to follow the examples of California and Pennsylvania in cracking down on oilfield practices that have left leaking pipelines, wells and storage tanks.

Oozing chemical pits and Vavrusa's scarred skin are emblematic of a legacy Exxon has sought to keep buried in court, even as it gears up for a return to active exploration within miles of the ranch through its pending \$29.3 billion acquisition of Fort Worth, Texas-based XTO Energy Inc.

#### A 2nd garbage patch: Plastic soup seen in Atlantic

(AP) -- Researchers are warning of a new blight at sea: a swirl of confetti-like plastic debris stretching over a remote expanse of the Atlantic Ocean.

The floating garbage - hard to spot from the surface and spun together by a vortex of currents - was documented by two groups of scientists who trawled the sea between scenic Bermuda and Portugal's mid-Atlantic Azores islands.

# Peak P? Phosphorus, food supply spurs Southwest initiative

The mineral phosphorus (P) is critical to the creation of bones, teeth and DNA. "P" is also a key component of the fertilizers used to produce our food, as critical to agriculture as water. But is P, like oil, peaking? Natural and social scientists in Europe, Australia, the United States and elsewhere see growing evidence that the answer is yes. But when? That is the question.

Predictions of P scarcity run the gamut, starting as early as 2034 to as late as 2070 or beyond. According to ecologist James Elser of Arizona State University (ASU), most people don't realize that phosphorus is mined and that these mines are a limiting resource.

"Our current use of phosphorus is not sustainable," Elser asserts.

# Ruling stalls Amazon dam, but construction likely

SAO PAULO – As environmentalists cheer a judge's roadblock to a huge Amazon dam, its supporters, including Brazil's president, insist the hydroelectric project is needed and will be built.

#### Tax Cuts, Renewable Energy Grants Attract Unlikely Allies

They might seem like strange traveling companions, but solar power companies and chemical manufacturers are riding the same bandwagon to urge Congress and the Obama administration to expand tax cuts and grants for clean energy.

#### Using Tax Incentives to Drive the Green Job Economy

Our overreliance on fossil fuels, which harm human health, our billion-dollars-a-day addiction to imported oil, the economic threat posed by peak oil, our declining international competitiveness in energy technologies we invented, and the threat of human-caused climate change present a grave danger to our economy, our national security, and our children's health and well-being. They are caused in large part by our out-of-date, uncoordinated, and counterproductive energy tax policy framework.

#### Governor urges climate consensus

At a Eugene lecture on climate change on Wednesday, Gov. Ted Kulongoski sought to sidestep skeptics by framing the discussion around energy independence and social equity.

If there's consensus on anything, the governor said, it's that ending the country's reliance on foreign sources of fossil fuels is good for the economy and the environment.

#### Senate climate bill to be unveiled April 26

WASHINGTON (Reuters) – A long-awaited compromise bill to reduce U.S. emissions of carbon dioxide and other gases blamed for global warming will be unveiled by a group of senators on April 26, sources said on Thursday.

The legislative language to be sketched out in 11 days, according to government and environmental sources, is being drafted by Democratic Senator John Kerry, Republican Senator Lindsey Graham and independent Senator Joseph Lieberman.

# China to Fight 'World War' Scale Climate Destruction

(Bloomberg) -- China, the biggest producer of greenhouse gases, vowed to "vigorously" develop a cleaner economy by using energy more efficiently and investing in research and development projects to cut carbon emissions.

Climate change represents a threat to Chinese economic development, and laws should be strengthened to meet climate targets, the Chinese president's special envoy Xie Zhenhua wrote in the China Economic Herald.

"The scale of economic destruction would be equivalent to that of the two world wars and the Great Depression combined" if global temperatures rise by 3 degrees (5.4 Fahrenheit) to 4 degrees Celsius, Xie said. "Human beings and the Earth cannot afford such disasters."

#### And the heat goes on: warmest March on record

(AP) -- And the heat goes on. Last month was the warmest March on record worldwide, based on records back to 1880, scientists reported Thursday.

#### The Difficulty of Balancing Earth's 'Energy Budget'

Greenhouse gases emitted by human activities help trap more heat in the Earth's atmosphere, warming the planet. But a new analysis warns that scientists don't fully understand where all that heat is going.

They can't explain where about half the heat that has built up on Earth in recent years has gone, warn Kevin Trenberth and John Fasullo, researchers at the National Center for Atmospheric Research.

That inability to balance the Earth's "energy budget" will make it harder to weigh the merits of policies to fight climate change and determine which natural events are driven by warming, the pair say in a "Perspectives" essay published in the latest issue of the journal *Science*.

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